

SUMMARY BUDGET INFORMATION

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2016 AGENCY FUND TRANSFERS

**For your information, the Office of Budget has
enumerated the following fund transfers which were
made from agency treasury fund accounts but do not appear on
the Appropriation Summary as expenditures**

<u>Agency</u>	<u>Blanket Surety Bond Premiums ACA §21-2-710</u>	<u>Claims ACA §19-10-204</u>	<u>Workers' Compensation Administrative Cost Reimbursement ACA §11-9-307</u>
Administrative Office of the Courts	\$1,146	\$266	\$5
Attorney General, Office of the	\$821	\$0	\$63
Auditor of State	\$167	\$837	\$106
Blind, Arkansas School for the	\$545	\$0	\$306
Community Correction, Department of	\$6,329	\$0	\$27,978
Correction, Department of	\$22,207	\$44,024	\$245,631
County Aid	\$0	\$0	\$2,432
Court of Appeals	\$229	\$0	\$0
Deaf, Arkansas School for the	\$721	\$0	\$4,953
DOE - General Education	\$1,829	\$75	\$2,441
DOE - Public School Academic Facilities & Transportation	\$0	\$0	\$189
DOE - Public School Fund	\$0	\$0	\$10,959
Educational Television Commission, Arkansas	\$482	\$0	\$417
Election Commissioners, State Board of	\$33	\$0	\$0
Governor, Office of the	\$215	\$0	\$0
Governor's Mansion Commission	\$38	\$0	\$0
Lands, Commissioner of State	\$237	\$0	\$29
Legislative Audit	\$1,304	\$0	\$1,081
Legislative Research, Bureau of	\$559	\$305	\$81
Lieutenant Governor, Office of the	\$5	\$0	\$0
Municipal Aid	\$0	\$0	\$3,114
Prosecutor Coordinator, Office of the	\$48	\$0	\$0
Secretary of State	\$1,028	\$319	\$338
State Library, Arkansas	\$229	\$0	\$2

2016 AGENCY FUND TRANSFERS

For your information, the Office of Budget has enumerated the following fund transfers which were made from agency treasury fund accounts but do not appear on the Appropriation Summary as expenditures

<u>Agency</u>	<u>Blanket Surety Bond Premiums ACA §21-2-710</u>	<u>Claims ACA §19-10-204</u>	<u>Workers' Compensation Administrative Cost Reimbursement ACA §11-9-307</u>
Supreme Court	\$291	\$0	\$39
Treasurer of State	\$3,319	\$0	\$0

AGENCY POSITION USAGE REPORT

Agency	FY2016 - FY2017						3 YEAR AVERAGE(FY15,FY16,FY17)					
	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
		Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
Administrative Office of the Courts	388	377	6	383	5	2.84 %	295	289	-79	210	85	2.03 %
Attorney General, Office of the	174	171	3	174	0	1.72 %	174	168	4	172	2	3.45 %
Auditor of State	281	278	3	281	0	1.07 %	487	478	9	487	0	1.85 %
Blind, Arkansas School for the	106	93	14	107	-1	12.26 %	103	92	10	102	1	10.68 %
Community Correction, Department of	1,651	1,271	114	1,385	266	23.02 %	1,531	1,277	70	1,347	184	16.59 %
Correction, Department of	4,829	4,196	274	4,470	359	13.11 %	4,723	4,147	345	4,492	231	12.20 %
County Aid	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %
Court of Appeals	49	49	0	49	0	0.00 %	49	49	0	49	0	0.00 %
Deaf, Arkansas School for the	161	128	33	161	0	20.50 %	164	133	30	163	1	18.90 %
DOE - General Education	361	291	65	356	5	19.39 %	359	304	52	356	3	15.32 %
DOE - Public School Academic Facilities & Transportation	32	27	5	32	0	15.63 %	32	27	4	31	1	15.63 %
DOE - Public School Fund	56	38	18	56	0	32.14 %	55	41	13	54	1	25.45 %
Educational Television Commission, Arkansas	109	96	13	109	0	11.93 %	109	97	11	108	1	11.01 %
Election Commissioners, State Board of	7	6	1	7	0	14.29 %	7	6	0	6	1	14.29 %
Governor, Office of the	60	53	7	60	0	11.67 %	60	52	7	59	1	13.33 %
Governor's Mansion Commission	10	9	1	10	0	10.00 %	10	9	1	10	0	10.00 %
Lands, Commissioner of State	45	0	45	45	0	100.00 %	45	15	30	45	0	66.67 %
Legislative Audit	292	281	11	292	0	3.77 %	291	280	10	290	1	3.78 %
Legislative Research, Bureau of	130	113	17	130	0	13.08 %	129	112	16	128	1	13.18 %
Legislative Research - Disbursing Officer	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %
Lieutenant Governor, Office of the	3	0	3	3	0	100.00 %	3	1	2	3	0	66.67 %
Municipal Aid	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %
Prosecutor Coordinator, Office of the	12	12	0	12	0	0.00 %	12	11	0	11	1	8.33 %
Secretary of State	161	0	161	161	0	100.00 %	161	46	115	161	0	71.43 %
State Library, Arkansas	56	43	13	56	0	23.21 %	56	44	11	55	1	21.43 %
Supreme Court	67	47	1	48	19	29.85 %	67	46	1	47	20	31.34 %
Treasurer of State	33	33	0	33	0	0.00 %	33	33	0	33	0	0.00 %

AGENCY POSITION USAGE REPORT

Agency	FY2016 - FY2017						3 YEAR AVERAGE(FY15,FY16,FY17)					
	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
		Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
Board of Finance	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

School for the Blind (0510) - Positions exceed the authorized amounts due to transfers from the Agency Growth Pool during the 2015-2017 Biennium.

School for the Deaf (0513) - Budgeted Number of Positions exceeds the Authorized Number in FY15 due to a transfer of positions from the Arkansas School for the Blind to the shared paying account between the School for the Blind and the School for the Deaf.

ADMINISTRATIVE OFFICE OF THE COURTS

Enabling Laws

Act 239 of 2016

Act 80 of 2016

Act 87 of 2016

A.C.A. §16-10-101 et seq.

A.C.A. §16-10-102 et seq.

History and Organization

The Administrative Office of the Courts (AOC, formerly known as the Arkansas Judicial Department) was created by the Arkansas General Assembly, by Act 496 of 1965, and the agency came into existence on July 1, 1965. Act 760 of 1989 provided substantial modification to the organization and structure of the agency, and these two acts are now codified in A.C.A. §16-10-101 and A.C.A. §16-10-102.

The Arkansas Supreme Court has general superintending control over the administration of justice in all courts of the state, and the Chief Justice is directly responsible for the efficient operation of the judicial branch and its constituent courts and for the expeditious dispatch of litigation therein and the proper conduct of the business of the courts. The Administrative Office of the Courts was created as the agency responsible for the administration of the non-judicial business of the judicial branch. The Director of the AOC is nominated by the Chief Justice, subject to the approval of the Supreme Court and the Arkansas Judicial Council. The Director of the AOC, subject to the direction of the Supreme Court, is responsible for performing the following functions:

- Examine the administrative methods of the courts and make recommendations to the Supreme Court for their improvement;
- Examine the state of the dockets of the courts, secure information as to their needs for assistance, if any, prepare statistical data and reports of the business of the courts, and advise the Supreme Court to the end, that proper action may be taken;
- Examine the estimates of the courts for the State for appropriations and present to the Supreme Court recommendations concerning them;
- Examine the statistical systems of the courts and make recommendations to the Supreme Court for a uniform system of judicial statistics;
- Collect, analyze, and report to the Supreme Court statistical and other data concerning the business of the courts;

- With the approval of the Supreme Court and at the request of the Judicial Council, the Director shall act as Secretary of the Judicial Council;
- Examine the data processing needs of the courts and make recommendations to the Supreme Court as to the purchase and use of hardware and software for computer systems, telecommunication systems, and microfilming systems, and provide education to the courts on the use of such systems so as to improve the quality and efficiency of justice in the state;
- Assist the Supreme Court in the operation of the Supreme Court Library;
- Attend to the other non-judicial business of the judicial branch under such rules and regulations as the Supreme Court may by order adopt.

One of the main functions of the Agency is the maintenance of the statewide judicial information system. The agency monitors the uniformity of judicial statistics of the courts, and collects and compiles data and management oriented statistical reports regarding the Supreme Court, the Court of Appeals, circuit, and district courts. The department also assists courts at all levels in the evaluation and implementation of computer systems, and the development of software programs to assist in record keeping and management systems.

In 1981 the Agency was given the responsibility of providing translating/interpreting services to the State Courts. Act 237 of 2013 provides that the agency prescribe the qualifications and certifications of persons who may serve as qualified translators/interpreters in all courts of the state in bilingual proceedings and proceedings involving the hearing impaired. As a part of this program, the agency has on its staff qualified and certified interpreters, who furnish interpreting services for all levels of the courts.

Act 897 of 1995 provides that the agency shall provide and pay the cost of reasonable accommodations for hearing and visually impaired persons so they can serve as venire persons or jurors.

Act 334 of 1985 provides that "the State's responsibility for training and providing additional judicial education to circuit and chancery judges, municipal judges, city judges, circuit and chancery clerks, municipal clerks, case coordinators, court reporters, and all other personnel directly associated with the state courts, shall be administered by the Administrative Office of the Courts."

Act 1355 of 1997 created a Division of Dependency/Neglect Representation within the agency staffed by a Court Appointed Special Advocate (CASA) coordinator and an attorney coordinator. The agency is authorized to provide funding for representation of children and/or parents in dependency/neglect proceedings.

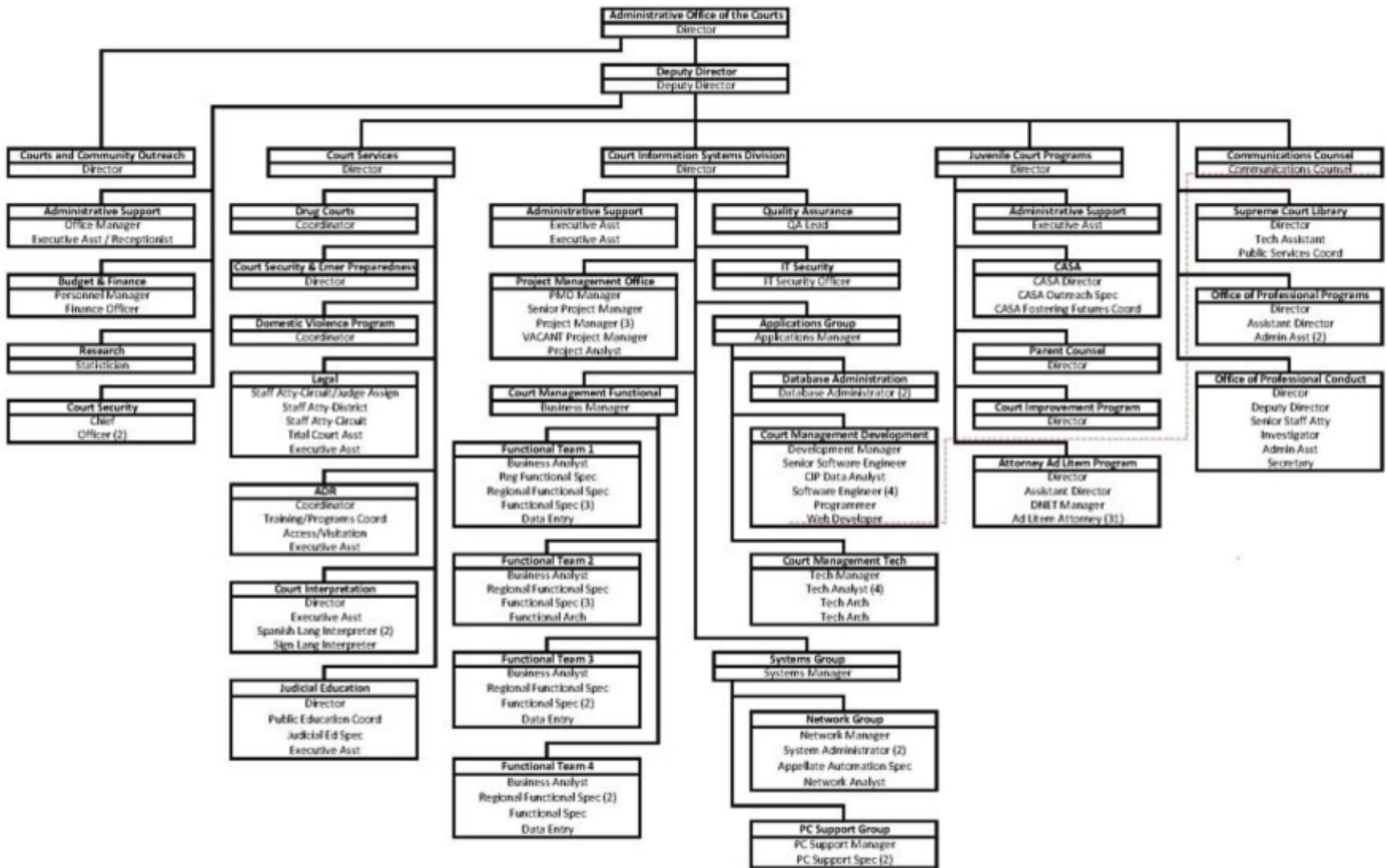
Act 674 of 1995 provides that the AOC will house and staff the Arkansas Alternative Dispute Resolution Commission (ADR). The Commission is responsible for the implementation of ADR programs, education, and the certification of ADR professionals.

Act 1438 of 1999 established field attorney positions within the Division of Dependency Neglect Representation for the AOC. The Division is responsible for the representation of children in dependency-neglect, custody, and guardianship cases.

Act 576 of 2007 created the Office of the Court Security and Emergency Preparedness within the agency and included the responsibility to provide regulation and support of security and emergency planning for all courts in the state.

Act 1033 of 2007 provided that the agency is responsible for the reimbursement to counties for the payment of jurors and the creation of jury lists to be used by court clerks.

Agency: Act 599 of 1971; Act 237 of 1973; Act 82 of 1979; Act 817 of 1979; Act 1 of 1980; Act 489 of 1981; Act 294 of 1989; Act 4 of 1989; Act 855 of 1995; Act 1262 of 1995; Act 1072 of 1997; Act 1171 of 1997; act 1532 of 20001; Act 1507 of 2001, Act 1590 of 2001 and Act 1643 of 2001.



Agency Commentary

Continuing Education District Court Judges (Fund Center 158)

Operating (5020002): We are requesting a transfer of \$5,000 from professional services to cover the increased operating costs in the program.

District Judges and Clerks Education Fund (Fund Center 1EF)

No increase is being requested above past Authorized levels.

Access and Visitation - Federal (Fund Center 1JS)

No increase is being requested above past Authorized levels.

Division of Dependency-Neglect Representation (Fund Center 330)

Grants and Aid (5100004): We are requesting an additional \$250,000 for local CASA program grants for a total of \$1,750,000 for twenty-three (23) programs. Additional funding is needed to support local CASA programs and to increase the ability to advocate for additional children in courts due to increased caseloads.

Refunds and Reimbursements (5110014): We are requesting that this program move to it's own Fund. See **Parent Counsel Program** below.

Attorney Ad Litem Fees/Reim (5900040): We are requesting \$7,000 based on expenditures in FY2016 to reimburse attorneys who represent children in contested domestic relations cases.

Parent Counsel Program (Fund Center V32):

During the last several months the Joint Judiciary Committee, the Joint Performance Review Committee and the Supreme Court Commission on Children have considered issues related to the funding of attorneys for indigent parents involved in dependency-neglect cases. We anticipate that, during the 2017 session, substantive legislation will be presented which will impact both the structure and amount of funding for these services. These proposals, if approved, will require additional review and consideration by the Joint Budget Committee during the 2017 session.

Professional Services (5060010): We are requesting \$2,500,231 to be transferred to this fund from Fund Center 330.

Admin Office of the Courts (AOC) - Operations (Fund Center 343)

Regular Salaries (5010000): We are requesting the transfer of four (4) technology-related positions from the Supreme Court. The funding for these positions will be transferred from the Supreme Court along with them, so there is no other request for additional funding.

Personal Services Matching (5010003): Funding for the new positions matching will transfer from the Supreme Court's budget.

Operating (5020002): We are asking for an increase of \$10,000 for FY19 only, due to increased costs of managing current operations. There has been no increase in this appropriation level since 2011.

Grants and aid (5100004): We are requesting a decrease of \$5,000 to be transferred to the out-of-state travel line item.

Travel (5050009): We are asking for an increase of \$5,000 to be transferred from the grants line item.

Judicial Education (Fund Center 343E)

No increase is being requested above past Authorized levels.

Foreign Language Interpreter Program (Fund Center 343F)

Operating (5020002): We are requesting an increase of \$15,000 in operating. This program ran out of operating funds in December of FY16.

Juvenile Drug Court Grant - Federal (Fund Center 33U)

No increase is being requested above past authorized levels. We are requesting that this federal grant be added to our appropriation act.

County Juror Reimbursement (Fund Center 35N)

No increase is being requested above past Authorized levels.

Court Security Grants (Fund Center 36G)

No increase is being requested above past Authorized levels.

Alternative Dispute Resolution (Fund Center 474)

No increase is being requested above past Authorized levels.

Judicial Fine Collections (Fund Center 816)

Regular Salaries (5010000): We are requesting two (2) new positions:

With the addition of IMIS and expanding services to include both Microsoft SQL Server databases in addition to the Oracle databases, and with the expansion of the system into the DR site and the prospect of adding a second remote DR site, we have grown to the point of needing an additional Database Administrator. This will be a Grade C130. We are requesting a Chief IT Security Officer due to concerns about data security and the need to retain an experienced and qualified IT security expert. This will be a Grade N904.

Personal Services Matching (5010003): We are requesting an increase in proportion to the salary changes.

Hearing and Visual Impairment (Fund Center 817)

No increase is being requested above past authorized levels.

Training and Education of Court Personnel (Fund Center 832)**NAC0000**

No increase is being requested above past authorized levels.

Court Management Program (Fund Center 85M)

Operating (5020002): We are requesting an increase of \$10,000 in operating. This is a cash fund and the inflow of cash always exceeds the appropriation.

Training and Representation - Federal (Fund Center 966)

No increase is being requested above past authorized levels.

Court Automation (Fund Center 96U)

No increase is being requested above past authorized levels.

Case Management Implementation to Increase CDL Conviction Reporting Grant (Fund Center 97D)

No increase is being requested above past authorized levels.

Benton HOPE Probation Demonstration Field Project Grant (Fund Center 97H)

This grant will end on 9/30/2016. Please delete this grant from our appropriation act.

Domestic Violence Research Grant (Fund Center 99X)

Regular Salaries (5010000): The salary approved in the grant for this position is \$60,548, but our appropriation is only \$55,707. We are requesting an increase to match the federal grant amount.

Operating (5020002): We are requesting \$12,660 in operating appropriation in order to spend the amount of federal funds available.

Travel (5050009): We are requesting \$2,500 in travel in order to spend the amount of federal funds available.

Court Interpreters (Fund Center F68)

No increase is being requested above past authorized levels.

Drug Court Capacity Building Grant (Fund Center M54)

No increase is being requested above past authorized levels.

Domestic Violence Training Grant (Fund Center M55)

No increase is being requested above past authorized levels.

Trial Court Assistants (Fund Center N38)

Operating (5020002): We are requesting that \$50,000 be transferred from the in-state travel line item to N38S (46), which is the line item used to pay substitute TCAs, based on expenditures in FY16. No increase is being requested above past authorized levels.

Court Reporters (Fund Center N39)

Regular Salaries (5010000): We are requesting an Assistant Personnel Manager at Grade C118 because of the increased workload that came about when 122 Court Reporter positions and 122 Trial Court Assistant positions were transferred to this office from the Auditor of State at the beginning of FY16.

Personal Services Matching (5010003): We are requesting an increase in proportion to the salary change.

Operating (5020002): We are requesting that \$50,000 be transferred from the in-state travel line item (N39A) to N39R, which is the line item used to pay substitute court reporters, based on expenditures in FY16.

Specialty Court Program (Fund Center N65)

No increase is being requested above past authorized levels.

Juvenile Probation Intake Officers (Fund Centers U65 & U66)

Regular Salaries (5010000): We are requesting that one of the positions in this fund be changed to the title of Juvenile Justice Coordinator and upgraded from grade C117 to C125. The Coordinator will manage the Juvenile Officers and Juvenile Drug Court Officers that were transferred to AOC by Act 87 of 2016. The Coordinator will also process reimbursement payments to counties, coordinate Juvenile Officer Certification Training, and work with stakeholders to implement the SAVRY risk and needs assessment. We also need the position to assist with federal grants for juvenile justice.

Personal Services Matching (5010003): We are requesting an increase in proportion to the salary change.

Funding is needed to implement the SAVRY Risk and Needs Assessment state-wide to be used by juvenile officers, DYS and community based providers. This validated risk and needs assessment is supported by the Supreme Court Commission on Children Youth and Families and the DYS Juvenile Justice Task Force.

Operating (5020002): We are requesting \$50,000 for the Structured Assessment of Violence Risk in Youth (SAVRY) program.

Travel (5050009): We are requesting \$2,500 for the SAVRY program.

Professional Services (5060010): We are requesting \$35,000 for the SAVRY program.

CASA - Statewide Awareness and Recruitment Campaign - Federal (Fund Center U79)

No increase is being requested above past authorized levels. We are requesting that this federal grant be added to our appropriation act.

AOC CASA Program (Fund Center V31)

These fees were created by Act 545 of 2013. We have collected about \$8,000, so we are requesting \$10,000 in appropriation in a miscellaneous commitment item for CASA Program Expenses.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ADMINISTRATIVE OFFICE OF THE COURTS
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

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

None

Employment Summary

	Male	Female	Total	%
White Employees	53	285	338	89 %
Black Employees	5	27	32	8 %
Other Racial Minorities	2	9	11	3 %
Total Minorities			43	11 %
Total Employees			381	100 %

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				
Annual Report of the Judiciary	Act 1497 of 2003	N	N	1,250	Demand for Court Statistics, Judges, clerks, legislators, Governor's Office, and Federal Agencies	0	0.00
Friends of the Court	Act 1497 of 2003	N	N	1,250	Demand for Court Statistics, Judges, clerks, legislators, Governor's Office, and Federal Agencies	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
158 District Judges Continuing Education	57,554	0	80,000	0	80,000	0	80,000	0	80,000	0	0	0	80,000	0	80,000	0	0	0
1EF Distr Crt Judges/Clerks Continuing Educ	109,223	0	120,000	0	120,000	0	120,000	0	120,000	0	0	0	120,000	0	120,000	0	0	0
1JS AOC-Access/Visitation Mediation	107,939	1	138,890	1	138,852	1	139,069	1	139,069	1	0	0	139,069	1	139,069	1	0	0
330 Dependency Neglect Representation	8,882,923	38	9,515,119	38	9,638,833	38	9,523,103	38	7,279,872	38	0	0	9,524,330	38	7,281,099	38	0	0
343 Admin Office of the Courts	4,285,176	41	4,345,043	41	4,170,921	41	4,195,451	41	4,633,716	45	0	0	4,198,026	41	4,647,027	45	0	0
35N County Juror Reimbursement	526,400	0	552,500	0	850,000	0	850,000	0	850,000	0	0	0	850,000	0	850,000	0	0	0
36G Court Security Grants	357,102	1	362,317	1	362,248	1	362,657	1	362,657	1	0	0	362,657	1	362,657	1	0	0
474 Dispute Resolution Commission	255,996	3	286,564	3	284,556	3	287,317	3	287,317	3	0	0	288,055	3	288,055	3	0	0
816 Court Automation	5,193,181	41	6,098,260	41	6,066,374	41	5,110,654	41	6,285,074	43	0	0	5,111,758	41	6,286,178	43	0	0
817 Hearing & Visual Impairments	7,187	0	10,000	0	10,000	0	10,000	0	10,000	0	0	0	10,000	0	10,000	0	0	0
832 Alternative Dispute Resolution Commission	90,086	0	275,000	0	275,000	0	275,000	0	275,000	0	0	0	275,000	0	275,000	0	0	0
85M Court Management Program	16,786	0	15,000	0	15,000	0	15,000	0	25,000	0	0	0	15,000	0	25,000	0	0	0
966 Court Improvement Program	458,884	2	1,139,853	2	1,141,003	2	990,540	2	1,140,540	2	0	0	990,540	2	1,140,540	2	0	0
96U Automation Proj-Cash	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	0	0	150,000	0	150,000	0	0	0
97D USDOT Case Mgmt	0	0	484,000	0	484,000	0	484,000	0	484,000	0	0	0	484,000	0	484,000	0	0	0
97H HOPE Grant	313,190	1	687,773	1	687,726	1	688,005	1	688,005	1	0	0	688,743	1	688,743	1	0	0
99X STOP Domestic Violence Research	77,181	1	78,999	1	73,704	1	79,338	1	94,498	1	0	0	79,338	1	94,498	1	0	0
F68 Court Interpreters	16,568	0	25,000	0	25,000	0	25,000	0	25,000	0	0	0	25,000	0	25,000	0	0	0
M54 Drug Ct Cap Bldg	384,320	0	445,068	0	445,068	0	426,444	0	426,444	0	0	0	426,444	0	426,444	0	0	0
M55 OWW Ct Trng & Impr	38,278	0	50,000	0	50,000	0	50,000	0	50,000	0	0	0	50,000	0	50,000	0	0	0
N38 AOC - Trial Court Administrators	7,334,609	122	7,659,689	122	7,787,911	122	7,696,026	122	7,696,026	122	0	0	7,707,191	122	7,707,191	122	0	0
N39 AOC - Court Reporters	9,065,339	122	9,576,927	119	9,974,929	122	9,615,935	119	9,808,530	123	0	0	9,621,458	119	9,814,053	123	0	0
N65 Specialty Court Program	30,500	0	300,000	0	300,000	0	300,000	0	300,000	0	0	0	300,000	0	300,000	0	0	0
U33 Juvenile Drug Court Data Mgmt System	7,653	0	0	0	0	0	0	0	400,000	0	0	0	0	0	400,000	0	0	0
U65 Juvenile Probation & Intake Officers	2,985,465	0	3,582,810	0	3,582,810	0	3,582,810	0	3,582,810	0	0	0	3,582,810	0	3,582,810	0	0	0
U66 Drug Crt Juvenile Probation/Intake Offcr	589,723	13	577,618	13	625,012	13	579,967	13	686,362	13	0	0	579,967	13	686,362	13	0	0
U79 State Awareness and Recruitment Campaign	0	0	0	0	0	0	0	0	75,000	1	0	0	0	0	75,000	1	0	0
V31 AOC CASA Program	0	0	0	0	0	0	0	0	10,000	0	0	0	0	0	10,000	0	0	0
V32 AOC Parent Counsel Program	0	0	0	0	0	0	0	0	2,500,231	0	0	0	0	0	2,500,231	0	0	0
NOT REQUESTED FOR THE BIENNIUM																		
M43 Youth Advocacy - State	0	0	0	0	86,364	1	0	0	0	0	0	0	0	0	0	0	0	0
M44 Foster Futures Training Grant	0	0	0	0	86,364	1	0	0	0	0	0	0	0	0	0	0	0	0
Total	41,341,263	386	46,556,430	383	47,511,675	388	45,636,316	383	48,465,151	394	0	0	45,659,386	383	48,498,957	394	0	0

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	3,332,262	7.5	3,353,597	6.9	1,847,545	3.9	1,847,545	3.8	0	0.0	1,689,789	3.6	1,546,003	3.2	0	0.0
Federal Revenue	4000020	1,387,445	3.1	3,024,583	6.2	2,857,396	6.0	3,497,556	7.1	0	0.0	2,858,134	6.1	3,498,294	7.2	0	0.0
Special Revenue	4000030	5,014,960	11.2	4,956,000	10.2	5,306,000	11.2	5,306,000	10.8	0	0.0	5,306,000	11.2	5,306,000	10.9	0	0.0
State Central Services	4000035	17,421,126	39.0	18,759,471	38.8	18,621,305	39.4	19,422,965	39.7	0	0.0	18,625,845	39.5	19,438,241	39.9	0	0.0
Cash Fund	4000045	311,233	0.7	255,000	0.5	255,000	0.5	255,000	0.5	0	0.0	255,000	0.5	255,000	0.5	0	0.0
Fees	4000245	2,038	0.0	100,000	0.2	100,000	0.2	100,000	0.2	0	0.0	100,000	0.2	100,000	0.2	0	0.0
Inter-agency Fund Transfer	4000316	30,500	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	65	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Real Estate Transfer Tax	4000403	3,460,863	7.7	4,220,956	8.7	4,260,102	9.0	4,452,697	9.1	0	0.0	4,265,625	9.0	4,458,220	9.2	0	0.0
State Administration of Justice	4000470	13,734,368	30.7	13,734,368	28.4	14,066,868	29.7	14,066,868	28.7	0	0.0	14,066,868	29.8	14,066,868	28.9	0	0.0
Total Funds		44,694,860	100.0	48,403,975	100.0	47,314,216	100.0	48,948,631	100.0	0	0.0	47,167,261	100.0	48,668,626	100.0	0	0.0
Excess Appropriation/(Funding)		(3,353,597)		(1,847,545)		(1,677,900)		(483,480)		0		(1,507,875)		(169,669)			0
Grand Total		41,341,263		46,556,430		45,636,316		48,465,151		0		45,659,386		48,498,957			0

FY17 Budget exceeds the authorized amount in AOC - Access/Visitation Mediation (FC 1J5), Admin Office of the Courts (FC 343), Court Security Grants (FC 36G), Dispute Resolution Commission (FC 474), Court Automation (FC 816), HOPE Grant (FC 97H), and STOP Domestic Violence Research (99X) due to salary and matching rate adjustments during the 2015-2017 Biennium. FY2016 Actual and FY2017 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 251 (60) of 2016.

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
124	121	1	122	2	2.42 %	375	369	-245	124	251	1.60 %	388	377	6	383	5	2.84 %

Appropriation Summary

Appropriation: 158 - District Judges Continuing Education

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	47,554	55,000	55,000	55,000	60,000	0	55,000	60,000	0
Conference & Travel Expenses	5050009	10,000	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees	5060010	0	15,000	15,000	15,000	10,000	0	15,000	10,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		57,554	80,000	80,000	80,000	80,000	0	80,000	80,000	0
Funding Sources										
State Central Services	4000035	57,554	80,000		80,000	80,000	0	80,000	80,000	0
Total Funding		57,554	80,000		80,000	80,000	0	80,000	80,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		57,554	80,000		80,000	80,000	0	80,000	80,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 158 - District Judges Continuing Education
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	80,000	0	80,000	100.0	80,000	0	80,000	100.0
C04	Reallocation	0	0	80,000	100.0	0	0	80,000	100.0

Appropriation Summary

Appropriation: 1EF - Distr Crt Judges/Clerks Continuing Educ
Funding Sources: MJC - Municipal Court Judge and Municipal Court Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	98,660	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Conference & Travel Expenses	5050009	6,412	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees	5060010	4,151	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		109,223	120,000	120,000	120,000	120,000	0	120,000	120,000	0
Funding Sources										
Fund Balance	4000005	141,335	97,177		42,177	42,177	0	22,177	22,177	0
Other	4000370	65	0		0	0	0	0	0	0
State Administration of Justice	4000470	65,000	65,000		100,000	100,000	0	100,000	100,000	0
Total Funding		206,400	162,177		142,177	142,177	0	122,177	122,177	0
Excess Appropriation/(Funding)		(97,177)	(42,177)		(22,177)	(22,177)	0	(2,177)	(2,177)	0
Grand Total		109,223	120,000		120,000	120,000	0	120,000	120,000	0

FY2016 Actual and FY2017 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 251 (60) of 2016.

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 1JS - AOC-Access/Visitation Mediation

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	32,759	31,805	31,488	31,805	31,805	0	31,805	31,805	0
#Positions		1	1	1	1	1	0	1	1	0
Personal Services Matching	5010003	12,390	12,085	12,364	12,264	12,264	0	12,264	12,264	0
Operating Expenses	5020002	5,275	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	57,515	85,000	85,000	85,000	85,000	0	85,000	85,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		107,939	138,890	138,852	139,069	139,069	0	139,069	139,069	0
Funding Sources										
Federal Revenue	4000020	107,939	138,890		139,069	139,069	0	139,069	139,069	0
Total Funding		107,939	138,890		139,069	139,069	0	139,069	139,069	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		107,939	138,890		139,069	139,069	0	139,069	139,069	0

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

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 330 - Dependency Neglect Representation

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,449,302	2,530,731	2,608,308	2,525,688	2,525,688	0	2,526,688	2,526,688	0
#Positions		38	38	38	38	38	0	38	38	0
Personal Services Matching	5010003	736,277	752,077	798,214	765,104	765,104	0	765,331	765,331	0
Operating Expenses	5020002	460,940	466,514	466,514	466,514	466,514	0	466,514	466,514	0
Conference & Travel Expenses	5050009	10,000	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees	5060010	1,102,200	1,405,816	1,405,816	1,405,816	1,405,816	0	1,405,816	1,405,816	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,500,000	1,500,000	1,500,000	1,500,000	1,750,000	0	1,500,000	1,750,000	0
Refunds/Reimbursements	5110014	2,274,454	2,500,231	2,500,231	2,500,231	0	0	2,500,231	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Attorney AD Litem Fees/Reimb	5900040	349,750	349,750	349,750	349,750	356,750	0	349,750	356,750	0
Total		8,882,923	9,515,119	9,638,833	9,523,103	7,279,872	0	9,524,330	7,281,099	0
Funding Sources										
State Central Services	4000035	8,882,923	9,515,119		9,523,103	7,279,872	0	9,524,330	7,281,099	0
Total Funding		8,882,923	9,515,119		9,523,103	7,279,872	0	9,524,330	7,281,099	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		8,882,923	9,515,119		9,523,103	7,279,872	0	9,524,330	7,281,099	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 330 - Dependency Neglect Representation
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	9,523,103	38	9,523,103	100.0	9,524,330	38	9,524,330	100.0
C01	Existing Program	257,000	0	9,780,103	102.7	257,000	0	9,781,330	102.7
C03	Discontinue Program	(2,500,231)	0	7,279,872	76.4	(2,500,231)	0	7,281,099	76.4

Appropriation Summary

Appropriation: 343 - Admin Office of the Courts

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,357,574	2,333,118	2,178,989	2,334,618	2,529,065	0	2,336,718	2,531,765	0
#Positions		41	41	41	41	45	0	41	45	0
Extra Help	5010001	0	5,000	5,000	5,000	5,000	0	5,000	5,000	0
#Extra Help		0	2	2	2	2	0	2	2	0
Personal Services Matching	5010003	729,856	723,810	703,817	737,218	801,536	0	737,693	802,147	0
Operating Expenses	5020002	344,622	334,265	334,265	334,265	334,265	0	334,265	344,265	0
Conference & Travel Expenses	5050009	37,196	30,000	30,000	30,000	35,000	0	30,000	35,000	0
Professional Fees	5060010	4,150	45,000	45,000	45,000	45,000	0	45,000	45,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	4,813	25,000	25,000	25,000	20,000	0	25,000	20,000	0
Capital Outlay	5120011	160,749	164,500	164,500	0	164,500	0	0	164,500	0
Judicial Education	5900046	259,999	260,000	260,000	260,000	260,000	0	260,000	260,000	0
Court Interpreter Fees	5900047	386,217	424,350	424,350	424,350	439,350	0	424,350	439,350	0
Total		4,285,176	4,345,043	4,170,921	4,195,451	4,633,716	0	4,198,026	4,647,027	0
Funding Sources										
State Central Services	4000035	4,285,176	4,345,043		4,195,451	4,633,716	0	4,198,026	4,647,027	0
Total Funding		4,285,176	4,345,043		4,195,451	4,633,716	0	4,198,026	4,647,027	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,285,176	4,345,043		4,195,451	4,633,716	0	4,198,026	4,647,027	0

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 343 - Admin Office of the Courts
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	4,195,451	41	4,195,451	100.0	4,198,026	41	4,198,026	100.0
C01	Existing Program	15,000	0	4,210,451	100.4	15,000	0	4,213,026	100.4
C02	New Program	0	0	4,210,451	100.4	10,000	0	4,223,026	100.6
C04	Reallocation	0	0	4,210,451	100.4	0	0	4,223,026	100.6
C05	Unfunded Appropriation	164,500	0	4,374,951	104.3	164,500	0	4,387,526	104.5
C07	Agency Transfer	258,765	4	4,633,716	110.4	259,501	4	4,647,027	110.7

Appropriation Summary

Appropriation: 35N - County Juror Reimbursement

Funding Sources: MJU - County Juror Reimbursement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	526,400	552,500	850,000	850,000	850,000	0	850,000	850,000	0
Total	526,400	552,500	850,000	850,000	850,000	0	850,000	850,000	0
Funding Sources									
Fund Balance 4000005	444,403	470,503		470,503	470,503	0	470,503	470,503	0
State Administration of Justice 4000470	552,500	552,500		850,000	850,000	0	850,000	850,000	0
Total Funding	996,903	1,023,003		1,320,503	1,320,503	0	1,320,503	1,320,503	0
Excess Appropriation/(Funding)	(470,503)	(470,503)		(470,503)	(470,503)	0	(470,503)	(470,503)	0
Grand Total	526,400	552,500		850,000	850,000	0	850,000	850,000	0

FY2016 Actual and FY2017 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 251 (60) of 2016.

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 36G - Court Security Grants

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	63,545	60,808	60,205	60,808	60,808	0	60,808	60,808	0
#Positions		1	1	1	1	1	0	1	1	0
Personal Services Matching	5010003	19,295	18,509	19,043	18,849	18,849	0	18,849	18,849	0
Operating Expenses	5020002	18,856	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Conference & Travel Expenses	5050009	406	3,000	3,000	3,000	3,000	0	3,000	3,000	0
Professional Fees	5060010	5,000	5,000	5,000	5,000	5,000	0	5,000	5,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	250,000	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		357,102	362,317	362,248	362,657	362,657	0	362,657	362,657	0
Funding Sources										
State Central Services	4000035	357,102	362,317		362,657	362,657	0	362,657	362,657	0
Total Funding		357,102	362,317		362,657	362,657	0	362,657	362,657	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		357,102	362,317		362,657	362,657	0	362,657	362,657	0

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

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 474 - Dispute Resolution Commission

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	140,035	134,528	131,687	134,528	134,528	0	135,128	135,128	0
#Positions		3	3	3	3	3	0	3	3	0
Personal Services Matching	5010003	46,531	44,918	45,751	45,671	45,671	0	45,809	45,809	0
Operating Expenses	5020002	28,266	35,514	35,514	35,514	35,514	0	35,514	35,514	0
Conference & Travel Expenses	5050009	7,666	15,000	15,000	15,000	15,000	0	15,000	15,000	0
Professional Fees	5060010	8,498	31,604	31,604	31,604	31,604	0	31,604	31,604	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	25,000	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		255,996	286,564	284,556	287,317	287,317	0	288,055	288,055	0
Funding Sources										
State Central Services	4000035	255,996	286,564		287,317	287,317	0	288,055	288,055	0
Total Funding		255,996	286,564		287,317	287,317	0	288,055	288,055	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		255,996	286,564		287,317	287,317	0	288,055	288,055	0

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

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 816 - Court Automation
Funding Sources: MJF - Judicial Fine Collection Enhancement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,327,671	2,305,870	2,255,979	2,305,446	2,439,372	0	2,306,346	2,440,272	0
#Positions		41	41	41	41	43	0	41	43	0
Personal Services Matching	5010003	733,292	717,390	735,395	730,208	770,702	0	730,412	770,906	0
Operating Expenses	5020002	1,924,638	2,000,000	2,000,000	2,000,000	2,000,000	0	2,000,000	2,000,000	0
Conference & Travel Expenses	5050009	21,852	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Professional Fees	5060010	6,113	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	179,615	1,000,000	1,000,000	0	1,000,000	0	0	1,000,000	0
Total		5,193,181	6,098,260	6,066,374	5,110,654	6,285,074	0	5,111,758	6,286,178	0
Funding Sources										
Fund Balance	4000005	1,867,982	1,682,700		234,440	234,440	0	123,786	0	0
Special Revenue	4000030	5,007,899	4,650,000		5,000,000	5,000,000	0	5,000,000	5,000,000	0
Total Funding		6,875,881	6,332,700		5,234,440	5,234,440	0	5,123,786	5,000,000	0
Excess Appropriation/(Funding)		(1,682,700)	(234,440)		(123,786)	1,050,634	0	(12,028)	1,286,178	0
Grand Total		5,193,181	6,098,260		5,110,654	6,285,074	0	5,111,758	6,286,178	0

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

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 816 - Court Automation
Funding Sources: MJF - Judicial Fine Collection Enhancement Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,110,654	41	5,110,654	100.0	5,111,758	41	5,111,758	100.0
C01	Existing Program	174,420	2	5,285,074	103.4	174,420	2	5,286,178	103.4
C05	Unfunded Appropriation	1,000,000	0	6,285,074	123.0	1,000,000	0	6,286,178	123.0

Appropriation Summary

Appropriation: 817 - Hearing & Visual Impairments

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Auxilliary Aids-Hearing & Visual 5900046	7,187	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Total	7,187	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Funding Sources									
State Central Services 4000035	7,187	10,000		10,000	10,000	0	10,000	10,000	0
Total Funding	7,187	10,000		10,000	10,000	0	10,000	10,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	7,187	10,000		10,000	10,000	0	10,000	10,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 832 - Alternative Dispute Resolution Commission

Funding Sources: NAC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	44,520	125,000	125,000	125,000	125,000	0	125,000	125,000	0
Conference & Travel Expenses	5050009	3,646	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees	5060010	41,920	120,000	120,000	120,000	120,000	0	120,000	120,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		90,086	275,000	275,000	275,000	275,000	0	275,000	275,000	0
Funding Sources										
Fund Balance	4000005	397,873	416,344		221,344	221,344	0	26,344	26,344	0
Cash Fund	4000045	108,557	80,000		80,000	80,000	0	80,000	80,000	0
Total Funding		506,430	496,344		301,344	301,344	0	106,344	106,344	0
Excess Appropriation/(Funding)		(416,344)	(221,344)		(26,344)	(26,344)	0	168,656	168,656	0
Grand Total		90,086	275,000		275,000	275,000	0	275,000	275,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 85M - Court Management Program

Funding Sources: NAC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	16,786	15,000	15,000	15,000	25,000	0	15,000	25,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		16,786	15,000	15,000	15,000	25,000	0	15,000	25,000	0
Funding Sources										
Fund Balance	4000005	27,222	34,529		31,529	31,529	0	28,529	18,529	0
Cash Fund	4000045	24,093	12,000		12,000	12,000	0	12,000	12,000	0
Total Funding		51,315	46,529		43,529	43,529	0	40,529	30,529	0
Excess Appropriation/(Funding)		(34,529)	(31,529)		(28,529)	(18,529)	0	(25,529)	(5,529)	0
Grand Total		16,786	15,000		15,000	25,000	0	15,000	25,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 85M - Court Management Program
Funding Sources: NAC - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	15,000	0	15,000	100.0	15,000	0	15,000	100.0
C01	Existing Program	10,000	0	25,000	166.7	10,000	0	25,000	166.7

Appropriation Summary

Appropriation: 966 - Court Improvement Program

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	127,506	122,614	122,442	122,614	122,614	0	122,614	122,614	0
#Positions		2	2	2	2	2	0	2	2	0
Personal Services Matching	5010003	38,684	37,239	38,561	37,926	37,926	0	37,926	37,926	0
Operating Expenses	5020002	191,110	350,000	350,000	350,000	350,000	0	350,000	350,000	0
Conference & Travel Expenses	5050009	22,259	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees	5060010	61,325	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	18,000	200,000	200,000	200,000	200,000	0	200,000	200,000	0
Capital Outlay	5120011	0	150,000	150,000	0	150,000	0	0	150,000	0
Total		458,884	1,139,853	1,141,003	990,540	1,140,540	0	990,540	1,140,540	0
Funding Sources										
Federal Revenue	4000020	458,884	1,139,853		990,540	1,140,540	0	990,540	1,140,540	0
Total Funding		458,884	1,139,853		990,540	1,140,540	0	990,540	1,140,540	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		458,884	1,139,853		990,540	1,140,540	0	990,540	1,140,540	0

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

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 966 - Court Improvement Program
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	990,540	2	990,540	100.0	990,540	2	990,540	100.0
C05	Unfunded Appropriation	150,000	0	1,140,540	115.1	150,000	0	1,140,540	115.1

Appropriation Summary

Appropriation: 96U - Automation Proj-Cash

Funding Sources: NAC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	150,000	150,000	150,000	150,000	150,000	0	150,000	150,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		150,000	150,000	150,000	150,000	150,000	0	150,000	150,000	0
Funding Sources										
Fund Balance	4000005	118	20,892		20,892	20,892	0	20,892	20,892	0
Cash Fund	4000045	170,774	150,000		150,000	150,000	0	150,000	150,000	0
Total Funding		170,892	170,892		170,892	170,892	0	170,892	170,892	0
Excess Appropriation/(Funding)		(20,892)	(20,892)		(20,892)	(20,892)	0	(20,892)	(20,892)	0
Grand Total		150,000	150,000		150,000	150,000	0	150,000	150,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 97D - USDOT Case Mgmt

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	484,000	484,000	484,000	484,000	0	484,000	484,000	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	0	484,000	484,000	484,000	484,000	0	484,000	484,000	0
Funding Sources									
Federal Revenue 4000020	0	484,000		484,000	484,000	0	484,000	484,000	0
Total Funding	0	484,000		484,000	484,000	0	484,000	484,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	484,000		484,000	484,000	0	484,000	484,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 97H - HOPE Grant

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	42,869	41,620	41,208	41,620	41,620	0	42,220	42,220	0
#Positions	1	1	1	1	1	0	1	1	0
Personal Services Matching 5010003	14,659	14,259	14,624	14,491	14,491	0	14,629	14,629	0
Operating Expenses 5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	49,420	49,420	49,420	49,420	0	49,420	49,420	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	255,662	582,474	582,474	582,474	582,474	0	582,474	582,474	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	313,190	687,773	687,726	688,005	688,005	0	688,743	688,743	0
Funding Sources									
Federal Revenue 4000020	313,190	687,773		688,005	688,005	0	688,743	688,743	0
Total Funding	313,190	687,773		688,005	688,005	0	688,743	688,743	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	313,190	687,773		688,005	688,005	0	688,743	688,743	0

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

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 99X - STOP Domestic Violence Research

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	59,042	60,548	55,707	60,548	60,548	0	60,548	60,548	0
#Positions	1	1	1	1	1	0	1	1	0
Personal Services Matching 5010003	18,139	18,451	17,997	18,790	18,790	0	18,790	18,790	0
Operating Expenses 5020002	0	0	0	0	12,660	0	0	12,660	0
Conference & Travel Expenses 5050009	0	0	0	0	2,500	0	0	2,500	0
Total	77,181	78,999	73,704	79,338	94,498	0	79,338	94,498	0
Funding Sources									
Federal Revenue 4000020	77,181	78,999		79,338	94,498	0	79,338	94,498	0
Total Funding	77,181	78,999		79,338	94,498	0	79,338	94,498	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	77,181	78,999		79,338	94,498	0	79,338	94,498	0

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 99X - STOP Domestic Violence Research
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	79,338	1	79,338	100.0	79,338	1	79,338	100.0
C01	Existing Program	15,160	0	94,498	119.1	15,160	0	94,498	119.1

Appropriation Summary

Appropriation: F68 - Court Interpreters

Funding Sources: NAC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,947	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	12,621	15,000	15,000	15,000	15,000	0	15,000	15,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		16,568	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Funding Sources										
Fund Balance	4000005	20,870	12,111		111	111	0	0	0	0
Cash Fund	4000045	7,809	13,000		13,000	13,000	0	13,000	13,000	0
Total Funding		28,679	25,111		13,111	13,111	0	13,000	13,000	0
Excess Appropriation/(Funding)		(12,111)	(111)		11,889	11,889	0	12,000	12,000	0
Grand Total		16,568	25,000		25,000	25,000	0	25,000	25,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: M54 - Drug Ct Cap Bldg

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	20,838	29,900	29,900	29,900	29,900	0	29,900	29,900	0
Conference & Travel Expenses	5050009	85,591	95,080	95,080	95,080	95,080	0	95,080	95,080	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	277,891	301,464	301,464	301,464	301,464	0	301,464	301,464	0
Capital Outlay	5120011	0	18,624	18,624	0	0	0	0	0	0
Total		384,320	445,068	445,068	426,444	426,444	0	426,444	426,444	0
Funding Sources										
Federal Revenue	4000020	384,320	445,068		426,444	426,444	0	426,444	426,444	0
Total Funding		384,320	445,068		426,444	426,444	0	426,444	426,444	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		384,320	445,068		426,444	426,444	0	426,444	426,444	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: M55 - OVW Ct Trng & Impr

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	26,028	37,750	37,750	37,750	37,750	0	37,750	37,750	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	12,250	12,250	12,250	12,250	12,250	0	12,250	12,250	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		38,278	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Funding Sources										
Federal Revenue	4000020	38,278	50,000		50,000	50,000	0	50,000	50,000	0
Total Funding		38,278	50,000		50,000	50,000	0	50,000	50,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		38,278	50,000		50,000	50,000	0	50,000	50,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: N38 - AOC - Trial Court Administrators

Funding Sources: MMD - Trial Court Administrator Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	5,413,002	5,480,809	5,535,479	5,485,409	5,485,409	0	5,494,509	5,494,509	0
#Positions		122	122	122	122	122	0	122	122	0
Personal Services Matching	5010003	1,810,496	1,828,880	1,902,432	1,860,617	1,860,617	0	1,862,682	1,862,682	0
Operating Expenses	5020002	30,798	225,000	225,000	225,000	175,000	0	225,000	175,000	0
Trial Court Administrator Substit	5900046	80,313	125,000	125,000	125,000	175,000	0	125,000	175,000	0
Total		7,334,609	7,659,689	7,787,911	7,696,026	7,696,026	0	7,707,191	7,707,191	0
Funding Sources										
Fund Balance	4000005	384,771	611,585		812,931	812,931	0	977,940	977,940	0
Fees	4000245	388	100,000		100,000	100,000	0	100,000	100,000	0
State Administration of Justice	4000470	7,561,035	7,761,035		7,761,035	7,761,035	0	7,761,035	7,761,035	0
Total Funding		7,946,194	8,472,620		8,673,966	8,673,966	0	8,838,975	8,838,975	0
Excess Appropriation/(Funding)		(611,585)	(812,931)		(977,940)	(977,940)	0	(1,131,784)	(1,131,784)	0
Grand Total		7,334,609	7,659,689		7,696,026	7,696,026	0	7,707,191	7,707,191	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: N38 - AOC - Trial Court Administrators
Funding Sources: MMD - Trial Court Administrator Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	7,696,026	122	7,696,026	100.0	7,707,191	122	7,707,191	100.0
C04	Reallocation	0	0	7,696,026	100.0	0	0	7,707,191	100.0

Appropriation Summary

Appropriation: N39 - AOC - Court Reporters

Funding Sources: MCR - Court Reporters Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,212,939	6,264,566	6,518,781	6,267,766	6,408,289	0	6,272,266	6,412,789	0
#Positions		122	119	122	119	123	0	119	123	0
Personal Services Matching	5010003	1,988,918	1,987,361	2,131,148	2,023,169	2,075,241	0	2,024,192	2,076,264	0
Expenses Allowance	5900046	201,464	400,000	400,000	400,000	350,000	0	400,000	350,000	0
Indigent Transcripts	5900047	350,370	600,000	600,000	600,000	600,000	0	600,000	600,000	0
Court Reporter Substitutes	5900048	311,648	325,000	325,000	325,000	375,000	0	325,000	375,000	0
Total		9,065,339	9,576,927	9,974,929	9,615,935	9,808,530	0	9,621,458	9,814,053	0
Funding Sources										
Fund Balance	4000005	47,131	138		0	0	0	0	0	0
Fees	4000245	1,650	0		0	0	0	0	0	0
Real Estate Transfer Tax	4000403	3,460,863	4,220,956		4,260,102	4,452,697	0	4,265,625	4,458,220	0
State Administration of Justice	4000470	5,555,833	5,355,833		5,355,833	5,355,833	0	5,355,833	5,355,833	0
Total Funding		9,065,477	9,576,927		9,615,935	9,808,530	0	9,621,458	9,814,053	0
Excess Appropriation/(Funding)		(138)	0		0	0	0	0	0	0
Grand Total		9,065,339	9,576,927		9,615,935	9,808,530	0	9,621,458	9,814,053	0

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

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: N39 - AOC - Court Reporters
Funding Sources: MCR - Court Reporters Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	9,615,935	119	9,615,935	100.0	9,621,458	119	9,621,458	100.0
C01	Existing Program	192,595	4	9,808,530	102.0	192,595	4	9,814,053	102.0
C04	Reallocation	0	0	9,808,530	102.0	0	0	9,814,053	102.0

Appropriation Summary

Appropriation: N65 - Specialty Court Program

Funding Sources: SMD - Specialty Court Program Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Specialty Court Program 5900046	30,500	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Total	30,500	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Funding Sources									
Fund Balance 4000005	0	1,225		1,225	1,225	0	1,225	1,225	0
Special Revenue 4000030	1,225	300,000		300,000	300,000	0	300,000	300,000	0
Inter-agency Fund Transfer 4000316	30,500	0		0	0	0	0	0	0
Total Funding	31,725	301,225		301,225	301,225	0	301,225	301,225	0
Excess Appropriation/(Funding)	(1,225)	(1,225)		(1,225)	(1,225)	0	(1,225)	(1,225)	0
Grand Total	30,500	300,000		300,000	300,000	0	300,000	300,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: U33 - Juvenile Drug Court Data Mgmt System

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	7,653	0	0	0	400,000	0	0	400,000	0
Total	7,653	0	0	0	400,000	0	0	400,000	0
Funding Sources									
Federal Revenue 4000020	7,653	0		0	400,000	0	0	400,000	0
Total Funding	7,653	0		0	400,000	0	0	400,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	7,653	0		0	400,000	0	0	400,000	0

FY16 Actual exceeds Authorized due to a transfer from the Miscellaneous Federal Grant Holding Account.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: U33 - Juvenile Drug Court Data Mgmt System
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C01	Existing Program	400,000	0	400,000	100.0	400,000	0	400,000	100.0

Appropriation Summary

Appropriation: U65 - Juvenile Probation & Intake Officers

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Juvenile Probation & Intake Offic 5900046	2,985,465	3,582,810	3,582,810	3,582,810	3,582,810	0	3,582,810	3,582,810	0
Total	2,985,465	3,582,810	3,582,810	3,582,810	3,582,810	0	3,582,810	3,582,810	0
Funding Sources									
State Central Services 4000035	2,985,465	3,582,810		3,582,810	3,582,810	0	3,582,810	3,582,810	0
Total Funding	2,985,465	3,582,810		3,582,810	3,582,810	0	3,582,810	3,582,810	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,985,465	3,582,810		3,582,810	3,582,810	0	3,582,810	3,582,810	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: U66 - Drug Crt Juvenile Probation/Intake Offcr

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	430,916	419,237	456,579	419,237	434,634	0	419,237	434,634	0
#Positions		13	13	13	13	13	0	13	13	0
Personal Services Matching	5010003	158,807	158,381	168,433	160,730	164,228	0	160,730	164,228	0
Operating Expenses	5020002	0	0	0	0	50,000	0	0	50,000	0
Conference & Travel Expenses	5050009	0	0	0	0	2,500	0	0	2,500	0
Professional Fees	5060010	0	0	0	0	35,000	0	0	35,000	0
Total		589,723	577,618	625,012	579,967	686,362	0	579,967	686,362	0
Funding Sources										
State Central Services	4000035	589,723	577,618		579,967	686,362	0	579,967	686,362	0
Total Funding		589,723	577,618		579,967	686,362	0	579,967	686,362	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		589,723	577,618		579,967	686,362	0	579,967	686,362	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: U66 - Drug Crt Juvenile Probation/Intake Offcr
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	579,967	13	579,967	100.0	579,967	13	579,967	100.0
C01	Existing Program	87,500	0	667,467	115.1	87,500	0	667,467	115.1
C10	Reclass	18,895	0	686,362	118.3	18,895	0	686,362	118.3

Appropriation Summary

Appropriation: U79 - State Awareness and Recruitment Campaign

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	0	0	35,554	0	0	35,554	0
#Positions	0	0	0	0	1	0	0	1	0
Personal Services Matching 5010003	0	0	0	0	8,220	0	0	8,220	0
Operating Expenses 5020002	0	0	0	0	17,722	0	0	17,722	0
Data Processing 5090012	0	0	0	0	13,504	0	0	13,504	0
Total	0	0	0	0	75,000	0	0	75,000	0
Funding Sources									
Federal Revenue 4000020	0	0		0	75,000	0	0	75,000	0
Total Funding	0	0		0	75,000	0	0	75,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	75,000	0	0	75,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: U79 - State Awareness and Recruitment Campaign
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C01	Existing Program	78,938	1	78,938	100.0	78,938	1	78,938	100.0
C03	Discontinue Program	(3,938)	0	75,000	95.0	(3,938)	0	75,000	95.0

Appropriation Summary

Appropriation: V31 - AOC CASA Program

Funding Sources: SSA - AR Court Appoint Spec Adv 19-6-820

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
CASA Program Expenses 5900046	0	0	0	0	10,000	0	0	10,000	0
Total	0	0	0	0	10,000	0	0	10,000	0
Funding Sources									
Fund Balance 4000005	557	6,393		12,393	12,393	0	18,393	8,393	0
Special Revenue 4000030	5,836	6,000		6,000	6,000	0	6,000	6,000	0
Total Funding	6,393	12,393		18,393	18,393	0	24,393	14,393	0
Excess Appropriation/(Funding)	(6,393)	(12,393)		(18,393)	(8,393)	0	(24,393)	(4,393)	0
Grand Total	0	0		0	10,000	0	0	10,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: V31 - AOC CASA Program

Funding Sources: SSA - AR Court Appoint Spec Adv 19-6-820

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C01	Existing Program	10,000	0	10,000	100.0	10,000	0	10,000	100.0

Appropriation Summary

Appropriation: V32 - AOC Parent Counsel Program

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	0	0	0	0	2,500,231	0	0	2,500,231	0
Total	0	0	0	0	2,500,231	0	0	2,500,231	0
Funding Sources									
State Central Services 4000035	0	0		0	2,500,231	0	0	2,500,231	0
Total Funding	0	0		0	2,500,231	0	0	2,500,231	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	2,500,231	0	0	2,500,231	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: V32 - AOC Parent Counsel Program
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C01	Existing Program	2,500,231	0	2,500,231	100.0	2,500,231	0	2,500,231	100.0

Appropriation Summary

Appropriation: M43 - Youth Advocacy - State

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	35,554	0	0	0	0	0	0
#Positions	0	0	1	0	0	0	0	0	0
Personal Services Matching 5010003	0	0	13,310	0	0	0	0	0	0
Operating Expenses 5020002	0	0	15,000	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	2,500	0	0	0	0	0	0
Professional Fees 5060010	0	0	20,000	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	0	0	86,364	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM

Appropriation Summary

Appropriation: M44 - Foster Futures Training Grant

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	35,554	0	0	0	0	0	0
#Positions	0	0	1	0	0	0	0	0	0
Personal Services Matching 5010003	0	0	13,310	0	0	0	0	0	0
Operating Expenses 5020002	0	0	15,000	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	2,500	0	0	0	0	0	0
Professional Fees 5060010	0	0	20,000	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	0	0	86,364	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM

ATTORNEY GENERAL

Enabling Laws

Act 156 of 2016
A.C.A. §25-16-701 et seq.
A.C.A. §04-88-101 et seq.
A.C.A. §05-55-101 et seq.
A.C.A. §16-90-706 et seq.
A.C.A. §23-04-301 et seq.
A.C.A. §04-111-101 et seq.
Constitution of Arkansas, Article 6
Constitution of Arkansas, Amendment 63

History and Organization

The Office of Attorney General in Arkansas was established by Article 6, Section 1 of the Arkansas Constitution of 1874, which section has been likely superseded by Amendment 63, Section 1. It reads, in applicable part, as follows:

“The Executive Department of this state shall consist of a(n) ... Attorney General, . . . all of whom shall keep their offices at the seat of Government and hold their offices for the term of four years and until their successors are elected and qualified.”

Article 6, Section 3 of the Constitution provides that the Attorney General is elected by the qualified electors of the state at large at the general elections. The salary for the office is established by Amendment 70, Sections 1 and 3.

The only constitutional or statutory qualification for holding the office of Attorney General is that of Article 19, Section 3 and 4, Constitution of Arkansas, which requires all state officers to possess the qualifications of electors and requires officers for the state at large to reside within the state.

The statutory subchapter setting forth the fundamental duties for the Attorney General is found at A.C.A. §25-16-702 et seq. The primary responsibilities created therein are set forth below.

A.C.A. §25-16-702 provides as follows: “The Attorney General shall be the attorney for all state officials, departments, institutions,

and agencies. Whenever any officer or department, institution, or agency of the state needs the services of an attorney, the matter shall be certified to the Attorney General for attention.”

Section 702 also provided that the Attorney General shall have the authority to initiate civil lawsuits under all environmental protection statutes.

A.C.A. §25-16-703 provides that the Attorney General shall maintain and defend the interest of the state in the federal courts and that he or she shall be the legal representative of all state parties in litigation where the interests of the state are involved.

A.C.A. §25-16-704 provides that the Attorney General will attend and defend the state before the Supreme Court.

A.C.A. §25-16-706 provides that the Attorney General will, upon request, give his opinion to the Governor and heads of executive departments on any constitutional or legal questions concerning the official actions of such officers. The Attorney General is also authorized to give his opinion on certain legal matters to prosecuting attorneys, members of the General Assembly, county commissions and all state boards and commissions.

A.C.A. §25-16-709 empowers the Attorney General to bring suit against state officials who have collected or received state monies and not accounted for them according to the law.

In addition to the fundamental duties of the Attorney General set forth at A.C.A. §25-16-701 et seq., additional statutory duties have been prescribed for the office over the years. The most significant of these are set forth below.

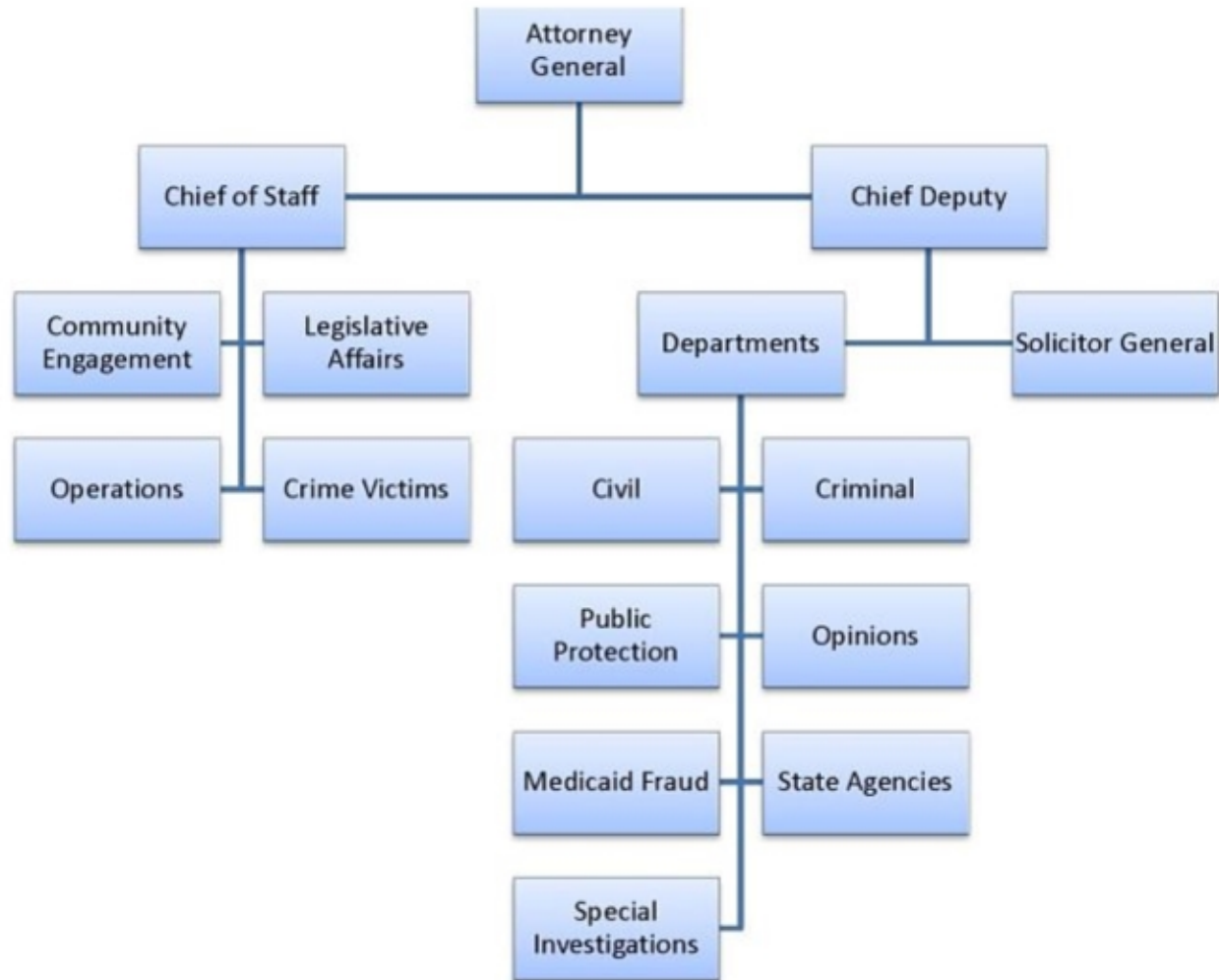
Consumer Protection. The Attorney General is charged with enforcing the “Deceptive Trade Practices Act,” A.C.A. §4-88-101 et seq. This act creates the Consumer Protection Division, and authorizes that division to conduct investigations, promote consumer education, and bring lawsuits to enforce the provisions of the law. The division is also charged with registration of charities and professional fundraisers by A.C.A. §4-28-401 et seq.

Medicaid Fraud, A.C.A. §5-55-101 et seq. provides that the Office of Attorney General will investigate and bring cases regarding abuse, exploitation or neglect of nursing home residents and fraud against the Medicaid Program. The Office is also empowered under federal and state law to conduct criminal investigations and refer cases for prosecution. The Attorney General’s staff may also be deputized by a prosecuting attorney and conduct prosecutions.

Crime Victims Reparations. The Crime Victims Reparations Board was created by A.C.A. §16-90-710 et seq. A.C.A. §16-90-706 provides that the Attorney General provide necessary office space, support staff and secretarial services to the Board for the administration of their statutory responsibilities.

Public Utilities, A.C.A. §23-4-301 et seq. creates a division within the office called the Consumer Utilities Rate Advocacy Division. This division is charged with representing the state, its subdivisions and ratepayers in state and federal proceedings related to utility matters.

An organization chart which reflects the structure of the Office of Attorney General is attached hereto.



Agency Commentary

The Office of the Attorney General is the legal counsel for the State's officials, departments, institutions, agencies, boards, and commissions. Further, the Attorney General is tasked with administering the Crime Victims Reparation Program and protecting Arkansas's natural resources and consumers. Statutory obligations are carried out through the following functions:

- | | | |
|-------------------------|----------------------|---------------------------------|
| 1) Community Engagement | 5) Civil | 9) State Agencies |
| 2) Legislative Affairs | 6) Criminal | 10) Special Investigations |
| 3) Operations | 7) Public Protection | 11) Medicaid Fraud Control Unit |
| 4) Solicitor General | 8) Opinions | |

BASE LEVEL:

In the area of Personal Services, the Office of the Attorney General's Base Level request is for funding of authorized positions at FY 2017 levels.

CHANGE LEVEL REQUESTS:

The Office of the Attorney General (Appropriation 004), funded through State Central Services Fund, is authorized to operate the numerated functions listed above excluding the Medicaid Fraud Control Unit. The Office of the Attorney General is requesting a decrease of \$424,824 in the Operating Expenses line item for FY 2018 and a decrease of \$375,123 in FY 2019. An increase in the Conference Fee & Travel line item of \$24,716 for FY 2018 and \$28,401 for FY 2019 is requested to provide training to maintain the knowledge necessary to provide legal and other professional services to the State of Arkansas.

The Office of the Attorney General requests a reduction in Professional Fees & Services line item in FY 2018 of \$15,066 and a modest increase of \$647 for FY 2019. Cash funds will be used to supplement the Appropriation for Professional Fees & Services line item as expert witness costs continue to increase.

The Office of the Attorney General is requesting to maintain appropriation for its Capital Outlay line item of \$140,000 in FY 2018 and to increase FY 2019 appropriation to \$143,500. The increase is needed to replace equipment as it becomes obsolete and for replacement of fleet vehicles.

The Medicaid Fraud Control Unit of the Office of the Attorney General receives federal funds from the United States Department of Health and Human Services. The Federal Program (Appropriation 188) pays 75% of total costs and the State Program (Appropriation 189) pays the remaining 25% of total costs as match on the Federal dollars. Decreases in the Operating Expenses line item is requested while increases in Conference Fees and Professional Fees & Service line items became necessary.

In FY 2018 the Office of the Attorney General is requesting that the Capital Outlay line item of the Medicaid Fraud Control Unit be restored to the FY 2017 level to replace equipment as it becomes obsolete and for replacement of fleet vehicles. In FY 2019, a modest increase of \$651 is requested in the Capital Outlay line item.

The Medicaid Indirect Costs (Appropriation 1PF), receives funding from the United States Department of Health and Human Services. The office is requesting to decrease appropriation for FY 2018 and FY 2019 by \$25,684 as we work to lower our budget needs.

The Crime Victims Reparation Program receives federal funds from the United States Department of Justice to carry out its mission. The Federal Program (Appropriation 1PH) funds approximately 40% of the crime victim payments. The State Program (Appropriation 1PE), funded by the State Administration of Justice Fund, is responsible for the remaining 60% of the crime victim payments. Due to the funding reductions at both the federal and state level, The Office of the Attorney General is requesting reductions in both the federal and state appropriation.

EACH REQUEST IN THIS BUDGET IS SUBMITTED IN ORDER THAT THE OFFICE OF THE ATTORNEY GENERAL MAY CONTINUE TO SAFEGUARD THE INTERESTS OF THE CITIZENS OF ARKANSAS AND TO FULFILL THE STATUTORY RESPONSIBILITIES OF THIS OFFICE BY PERFORMING THE LEGAL ACTIONS OF OUR STATE GOVERNMENT.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
OFFICE OF THE ATTORNEY GENERAL
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

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

None

Employment Summary

	Male	Female	Total	%
White Employees	58	75	133	77 %
Black Employees	4	28	32	19 %
Other Racial Minorities	1	6	7	4 %
Total Minorities			39	23 %
Total Employees			172	100 %

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				
Lemon Law Books	Act 1313 of 2001	N	N	135,000	Required by Statutes to provide booklets to automobile dealers for every vehicle sold explaining the State's Lemon Law	0	0.00
Model Rules and Regulations for State Agencies	A.C.A. §25-15-215	N	N	250	Required by Statutes to provide model rules for each state agency	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
004 Attorney General - Administration	14,522,606	143	16,852,591	142	16,602,982	142	16,894,720	142	16,619,546	142	0	0	16,897,700	142	16,695,125	142	0	0
188 Medicaid Fraud - Federal	1,538,782	18	1,857,056	17	1,849,232	17	1,849,694	17	1,828,051	17	0	0	1,850,688	17	1,835,113	17	0	0
189 Medicaid Fraud - State	549,265	5	622,444	5	618,786	5	622,626	5	615,785	5	0	0	622,626	5	617,792	5	0	0
1PE Victims Reparations Program	2,043,875	9	3,112,320	9	4,951,935	9	3,119,035	9	2,663,635	9	0	0	3,119,284	9	2,664,843	9	0	0
1PF Medicaid Fraud - Indirect Costs	256,312	0	479,538	0	479,538	0	479,538	0	453,854	0	0	0	479,538	0	453,854	0	0	0
1PH Victims Reparations - Federal	1,029,117	0	600,000	1	1,573,674	1	600,594	1	1,101,386	1	0	0	600,594	1	1,127,617	1	0	0
2YK Spyware Monitoring	537	0	65,990	0	65,990	0	65,990	0	0	0	0	0	65,990	0	0	0	0	0
38U Internet Crime Child	14,960	0	50,000	0	50,000	0	50,000	0	50,000	0	0	0	50,000	0	50,000	0	0	0
Total	19,955,454	175	23,639,939	174	26,192,137	174	23,682,197	174	23,332,257	174	0	0	23,686,420	174	23,444,344	174	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	2,312,377	10.7	1,677,905	6.9		689,324	2.9	689,324	2.9	0	0.0	0	0.0	189,662	0.8	0	0.0
Federal Revenue	4000020	2,839,171	13.1	2,986,594	12.3		2,979,826	12.7	3,433,291	14.6	0	0.0	2,980,820	13.1	3,466,584	15.0	0	0.0
Special Revenue	4000030	51,620	0.2	100,000	0.4		100,000	0.4	100,000	0.4	0	0.0	100,000	0.4	100,000	0.4	0	0.0
State Central Services	4000035	15,071,871	69.7	17,475,035	71.8		17,517,346	74.9	17,235,331	73.2	0	0.0	17,520,326	77.2	17,312,917	74.8	0	0.0
State Administration of Justice	4000470	1,358,320	6.3	2,089,729	8.6		2,089,723	8.9	2,089,723	8.9	0	0.0	2,089,729	9.2	2,089,729	9.0	0	0.0
Total Funds		21,633,359	100.0	24,329,263	100.0		23,376,219	100.0	23,547,669	100.0	0	0.0	22,690,875	100.0	23,158,892	100.0	0	0.0
Excess Appropriation/(Funding)		(1,677,905)		(689,324)			305,978		(215,412)		0		995,545		285,452		0	
Grand Total		19,955,454		23,639,939			23,682,197		23,332,257		0		23,686,420		23,444,344		0	

FY17 Budget exceeds Authorized in Attorney General - Administration (FC 004), Medicaid Fraud - Federal (FC 188) and Medicaid Fraud - State (FC 189) due to salary and matching rate adjustments during the 2015-2017 Biennium.

Variance in Fund Balance is due to unfunded appropriation in Victims Reparations Program (FC 1PE) and Spyware Monitoring (2YK).

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
174	163	6	169	5	6.32 %	174	170	4	174	0	2.30 %	174	171	3	174	0	1.72 %

Appropriation Summary

Appropriation: 004 - Attorney General - Administration

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	9,093,766	10,317,806	10,232,925	10,418,675	10,418,675	0	10,421,075	10,421,075	0
#Positions		143	142	142	142	142	0	142	142	0
Extra Help	5010001	27,945	37,224	37,224	37,224	37,224	0	37,224	37,224	0
#Extra Help		5	8	8	8	8	0	8	8	0
Personal Services Matching	5010003	2,736,415	3,162,010	2,995,482	3,241,470	3,241,470	0	3,242,050	3,242,050	0
Operating Expenses	5020002	1,919,786	2,429,316	2,431,116	2,431,116	2,006,292	0	2,431,116	2,055,993	0
Conference & Travel Expenses	5050009	113,280	122,667	122,667	122,667	147,383	0	122,667	151,068	0
Professional Fees	5060010	586,357	643,568	643,568	643,568	628,502	0	643,568	644,215	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	45,057	140,000	140,000	0	140,000	0	0	143,500	0
Total		14,522,606	16,852,591	16,602,982	16,894,720	16,619,546	0	16,897,700	16,695,125	0
Funding Sources										
State Central Services	4000035	14,522,606	16,852,591		16,894,720	16,619,546	0	16,897,700	16,695,125	0
Total Funding		14,522,606	16,852,591		16,894,720	16,619,546	0	16,897,700	16,695,125	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		14,522,606	16,852,591		16,894,720	16,619,546	0	16,897,700	16,695,125	0

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 004 - Attorney General - Administration
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	16,894,720	142	16,894,720	100.0	16,897,700	142	16,897,700	100.0
C01	Existing Program	633,710	0	17,528,430	103.8	665,046	0	17,562,746	103.9
C03	Discontinue Program	(908,884)	0	16,619,546	98.4	(867,621)	0	16,695,125	98.8

Appropriation Summary

Appropriation: 188 - Medicaid Fraud - Federal
Funding Sources: FAY - Medicaid Operations Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,083,233	1,169,820	1,173,775	1,181,101	1,181,101	0	1,181,901	1,181,901	0
#Positions	18	17	17	17	17	0	17	17	0
Extra Help 5010001	19,063	29,870	29,870	29,870	29,870	0	29,870	29,870	0
#Extra Help	2	2	2	2	2	0	2	2	0
Personal Services Matching 5010003	326,762	365,435	353,656	374,375	374,375	0	374,569	374,569	0
Operating Expenses 5020002	51,833	202,286	202,286	202,286	129,513	0	202,286	132,751	0
Conference & Travel Expenses 5050009	25,908	37,206	37,206	37,206	47,737	0	37,206	48,930	0
Professional Fees 5060010	11,558	24,856	24,856	24,856	45,955	0	24,856	47,104	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	20,425	27,583	27,583	0	19,500	0	0	19,988	0
Total	1,538,782	1,857,056	1,849,232	1,849,694	1,828,051	0	1,850,688	1,835,113	0
Funding Sources									
Federal Revenue 4000020	1,538,782	1,857,056		1,849,694	1,828,051	0	1,850,688	1,835,113	0
Total Funding	1,538,782	1,857,056		1,849,694	1,828,051	0	1,850,688	1,835,113	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,538,782	1,857,056		1,849,694	1,828,051	0	1,850,688	1,835,113	0

FY17 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 188 - Medicaid Fraud - Federal
Funding Sources: FAY - Medicaid Operations Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,849,694	17	1,849,694	100.0	1,850,688	17	1,850,688	100.0
C01	Existing Program	94,952	0	1,944,646	105.1	99,503	0	1,950,191	105.4
C03	Discontinue Program	(116,595)	0	1,828,051	98.8	(115,078)	0	1,835,113	99.2

Appropriation Summary

Appropriation: 189 - Medicaid Fraud - State

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	369,088	406,841	407,341	410,887	410,887	0	410,887	410,887	0
#Positions	5	5	5	5	5	0	5	5	0
Personal Services Matching 5010003	107,211	121,540	117,382	124,676	124,676	0	124,676	124,676	0
Operating Expenses 5020002	57,308	67,417	67,417	67,417	43,142	0	67,417	44,221	0
Conference & Travel Expenses 5050009	4,829	11,891	11,891	11,891	15,913	0	11,891	16,311	0
Professional Fees 5060010	4,021	7,755	7,755	7,755	14,667	0	7,755	15,034	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	6,808	7,000	7,000	0	6,500	0	0	6,663	0
Total	549,265	622,444	618,786	622,626	615,785	0	622,626	617,792	0
Funding Sources									
State Central Services 4000035	549,265	622,444		622,626	615,785	0	622,626	617,792	0
Total Funding	549,265	622,444		622,626	615,785	0	622,626	617,792	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	549,265	622,444		622,626	615,785	0	622,626	617,792	0

FY17 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 189 - Medicaid Fraud - State
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	622,626	5	622,626	100.0	622,626	5	622,626	100.0
C01	Existing Program	41,763	0	664,389	106.7	43,237	0	665,863	106.9
C03	Discontinue Program	(48,604)	0	615,785	98.9	(48,071)	0	617,792	99.2

Appropriation Summary

Appropriation: 1PE - Victims Reparations Program
Funding Sources: TCR - Crime Victims Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	402,566	451,100	449,217	454,578	454,578	0	454,778	454,778	0
#Positions	9	9	9	9	9	0	9	9	0
Extra Help 5010001	0	14,000	14,000	14,000	14,000	0	14,000	14,000	0
#Extra Help	0	2	2	2	2	0	2	2	0
Personal Services Matching 5010003	135,638	153,466	186,958	156,703	156,703	0	156,752	156,752	0
Operating Expenses 5020002	34,852	80,558	80,558	80,558	35,723	0	80,558	36,616	0
Conference & Travel Expenses 5050009	1,029	16,974	16,974	16,974	1,055	0	16,974	1,081	0
Professional Fees 5060010	1,538	11,246	11,246	11,246	1,576	0	11,246	1,616	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements 5110014	0	1,000,000	1,000,000	1,000,000	0	0	1,000,000	0	0
Claims 5110015	1,468,252	1,384,976	3,192,982	1,384,976	2,000,000	0	1,384,976	2,000,000	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	2,043,875	3,112,320	4,951,935	3,119,035	2,663,635	0	3,119,284	2,664,843	0
Funding Sources									
Fund Balance 4000005	2,220,100	1,586,165		663,574	663,574	0	0	189,662	0
Special Revenue 4000030	51,620	100,000		100,000	100,000	0	100,000	100,000	0
State Administration of Justice 4000470	1,358,320	2,089,729		2,089,723	2,089,723	0	2,089,729	2,089,729	0
Total Funding	3,630,040	3,775,894		2,853,297	2,853,297	0	2,189,729	2,379,391	0
Excess Appropriation/(Funding)	(1,586,165)	(663,574)		265,738	(189,662)	0	929,555	285,452	0
Grand Total	2,043,875	3,112,320		3,119,035	2,663,635	0	3,119,284	2,664,843	0

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

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 1PE - Victims Reparations Program
Funding Sources: TCR - Crime Victims Revolving Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	3,119,035	9	3,119,035	100.0	3,119,284	9	3,119,284	100.0
C01	Existing Program	625,342	0	3,744,377	120.0	625,611	0	3,744,895	120.1
C03	Discontinue Program	(1,080,742)	0	2,663,635	85.4	(1,080,052)	0	2,664,843	85.4

Appropriation Summary

Appropriation: 1PF - Medicaid Fraud - Indirect Costs

Funding Sources: FAY - Medicaid Indirect Costs Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	256,312	479,538	479,538	479,538	453,854	0	479,538	453,854	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		256,312	479,538	479,538	479,538	453,854	0	479,538	453,854	0
Funding Sources										
Federal Revenue	4000020	256,312	479,538		479,538	453,854	0	479,538	453,854	0
Total Funding		256,312	479,538		479,538	453,854	0	479,538	453,854	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		256,312	479,538		479,538	453,854	0	479,538	453,854	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 1PF - Medicaid Fraud - Indirect Costs
Funding Sources: FAY - Medicaid Indirect Costs Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	479,538	0	479,538	100.0	479,538	0	479,538	100.0
C01	Existing Program	453,854	0	933,392	194.6	453,854	0	933,392	194.6
C03	Discontinue Program	(479,538)	0	453,854	94.6	(479,538)	0	453,854	94.6

Appropriation Summary

Appropriation: 1PH - Victims Reparations - Federal

Funding Sources: FAY - Crime Victims Reparation Program Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	33,547	34,115	33,882	33,882	0	33,882	33,882	0
#Positions	0	1	1	1	1	0	1	1	0
Personal Services Matching 5010003	5,041	12,983	12,760	13,242	13,242	0	13,242	13,242	0
Operating Expenses 5020002	406	26,900	26,900	26,900	5,000	0	26,900	5,000	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Claims 5110015	1,023,670	526,570	1,499,899	526,570	1,049,262	0	526,570	1,075,493	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	1,029,117	600,000	1,573,674	600,594	1,101,386	0	600,594	1,127,617	0
Funding Sources									
Federal Revenue 4000020	1,029,117	600,000		600,594	1,101,386	0	600,594	1,127,617	0
Total Funding	1,029,117	600,000		600,594	1,101,386	0	600,594	1,127,617	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,029,117	600,000		600,594	1,101,386	0	600,594	1,127,617	0

FY17 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 1PH - Victims Reparations - Federal
Funding Sources: FAY - Crime Victims Reparation Program Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	600,594	1	600,594	100.0	600,594	1	600,594	100.0
C01	Existing Program	522,692	0	1,123,286	187.0	548,923	0	1,149,517	191.4
C03	Discontinue Program	(21,900)	0	1,101,386	183.4	(21,900)	0	1,127,617	187.8

Appropriation Summary

Appropriation: 2YK - Spyware Monitoring

Funding Sources: SSM - Spyware Monitoring Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Spyware Monitoring 5900046	537	65,990	65,990	65,990	0	0	65,990	0	0
Total	537	65,990	65,990	65,990	0	0	65,990	0	0
Funding Sources									
Fund Balance 4000005	92,277	91,740		25,750	25,750	0	0	0	0
Total Funding	92,277	91,740		25,750	25,750	0	0	0	0
Excess Appropriation/(Funding)	(91,740)	(25,750)		40,240	(25,750)	0	65,990	0	0
Grand Total	537	65,990		65,990	0	0	65,990	0	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 2YK - Spyware Monitoring
Funding Sources: SSM - Spyware Monitoring Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	65,990	0	65,990	100.0	65,990	0	65,990	100.0
C03	Discontinue Program	(65,990)	0	0	0.0	(65,990)	0	0	0.0

Appropriation Summary

Appropriation: 38U - Internet Crime Child

Funding Sources: FAY - Internet Crimes Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	12,510	45,450	45,450	45,450	45,450	0	45,450	45,450	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	2,450	4,550	4,550	4,550	4,550	0	4,550	4,550	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		14,960	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Funding Sources										
Federal Revenue	4000020	14,960	50,000		50,000	50,000	0	50,000	50,000	0
Total Funding		14,960	50,000		50,000	50,000	0	50,000	50,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		14,960	50,000		50,000	50,000	0	50,000	50,000	0

No Executive Recommendation made on this appropriation.

AUDITOR OF STATE

Enabling Laws

Act 1 of 2016
Act 84 of 2016
Act 85 of 2016
Act 212 of 2016
Act 219 of 2016
Act 237 of 2016
A.C.A. §25-16-5
A.C.A. §18-28-101 et seq.
Constitution of Arkansas, Article 6

History and Organization

Arkansas Code, Title 25, chapter 16, Subchapter 5, provides that the Auditor of State shall be the general accountant of the state and keep an account between the State and the Treasurer of the State, to audit, adjust and settle all claims against the state payable out of the State Treasury and to draw all warrants upon the State Treasury.

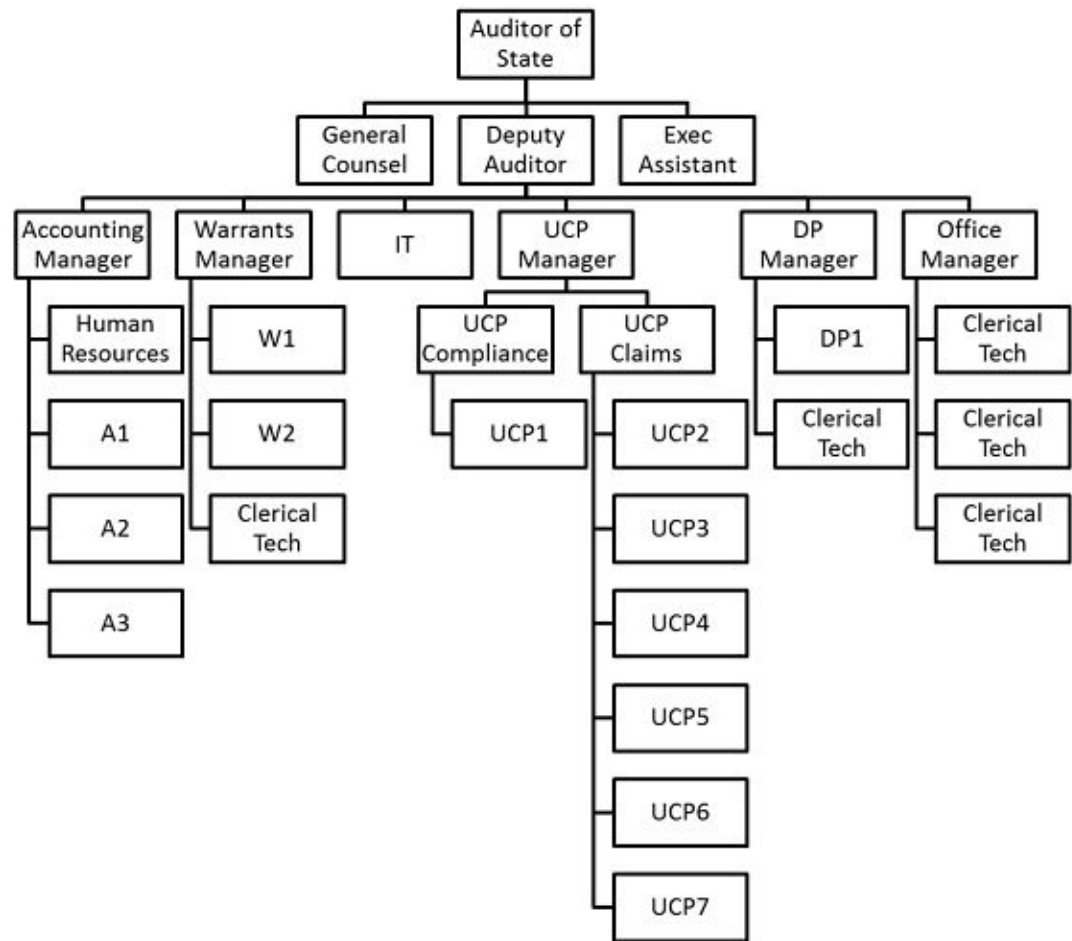
The Auditor of State maintains fund and appropriation balances for all state agencies.

The Auditor of State is the administrator of Act 850 of 1999 (A.C.A. §18-28-201 et seq. as amended) known as the Unclaimed Property Act. During fiscal year ending June 30, 2016, the Auditor of State collected approximately \$49 million from holders and returned approximately \$17.1 million to the citizens of Arkansas in payment of claims. In July 2016, the Auditor transferred \$20,593,851 to State General Revenue Fund per the requirements of A.C.A. §18-28-213(c)(2). In July 2016, the Auditor of State reimbursed the cost of administering the Unclaimed Property Act by depositing FY16 operating costs of \$1,040,166.23 into the State Central Services Fund. The Auditor of State also transferred \$189,198.28 to County turn back pursuant to A.C.A. §18-28-213. During FY16 the Auditor transferred \$7,500,000 from the Mineral Proceeds Trust Fund to the County Aid Fund for equal distribution to the counties.

In fiscal year 2016, the Auditor of State produced, audited and issued to State Agencies 2,860,657 state warrants totaling over \$20.5 billion dollars.

The Auditor of State is the disbursing officer for salaries for House of Representatives Members, Senate Members, Constitutional Officers, Supreme Court Justices, Appellate Court Justices, the salaries and expenses of Circuit Judges, the Pilot Program District Judges, Special and Recalled Judges, the salaries of Prosecuting Attorneys, Deputy Prosecuting Attorneys, and Special Deputy Prosecuting Attorneys. The Auditor of State processes and maintains all payroll accounting, and insurance and retirement matching for those eleven departments which includes over 600 individuals. In addition, the Auditor of State acts as the disbursing officer for the expenses incurred in carrying out the responsibilities for maintaining and operating the continuing education programs of the County and Circuit Clerks Continuing Education Board, the County Treasurer's Continuing Education Board, the County Collector's Continuing Education Board and the County Coroner's Continuing Education Board. The Auditor of State disburses in excess of \$100 million per year.

The Auditor of State serves as a board member of the Arkansas Public Employees Retirement System; the Arkansas Teacher Retirement System; Arkansas Emergency Telephone Services Board; and the Continuing Education Boards of the Arkansas County and Circuit Clerks, County Treasurers, and County Collectors. The Auditor of State also serves as a member of the State Board of Finance.



Agency Commentary

Listed below are the main points of our proposed budget for the biennium 2017-2019:

AUDITOR OF STATE (HSC5900 005)

1. We are requesting a decrease of \$190,290 in Base Level for Regular Salaries based on giving back 3 positions: Position 2, Deputy Auditor and two Position 12, Warrant Clerks. We would like Position 1, Chief Deputy Auditor renamed to Deputy Auditor.
2. Base Level for Personal Services Matching.
3. We are requesting that Capital Outlay be included in both years of the biennium at a reduced amount of \$20,000 per year.
4. Maintenance & Operations and Professional Fees are to remain at base level.

UNCLAIMED PROPERTY (HSC5900 122)

1. Base Level for Regular Salaries.
2. Base Level for Personal Services Matching.
3. We are requesting Capital Outlay be included in both years of the biennium at a reduced amount of \$20,000 per year.
4. Maintenance & Operations, Professional Fees and Travel are to remain at base level.

PAYMENT OF UNCLAIMED PROPERTY CLAIMS - CASH (1100100 A04)

1. Agency requests cash appropriation increase of \$2,277,750 for both years of the biennium. This cash appropriation increase request is to accommodate the increase in claims paid out due to the success of our outreach program through social media.

PAYMENT- UNCLAIMED MINERAL PROCEEDS (1100200 C50)

1. Payment Unclaimed Mineral Proceeds appropriation is to remain constant.

DEPUTY PROSECUTING ATTORNEYS (HSC5900 1UG)

1. We are requesting an increase to Base Level salaries in both years of the biennium to reflect amount appropriated in Act 212 of 2016 based on the fact that the entire appropriation is used every year.
2. Base Level Personal Services Matching
3. The expense allowance of the Special Deputy Prosecuting Attorney is to remain constant.

COUNTY AND CIRCUIT CLERK CONTINUING EDUCATION (SCC0100 1PD AND 1PDA)

1. County and Circuit Clerks Continuing Education Board appropriation is to remain constant.

COUNTY TREASURERS' CONTINUING EDUCATION (TCE0100 123)

1. County Treasurers Continuing Education Board appropriation is to remain constant.

COUNTY COLLECTORS' CONTINUING EDUCATION (TCC0100 465)

1. County Collectors Continuing Education Board appropriation is to remain constant.

COUNTY CORONERS' CONTINUING EDUCATION (SCF0000 F83)

1. County Coroners Continuing Education Board appropriation is to remain constant.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

AUDITOR OF STATE

FOR THE YEAR ENDED JUNE 30, 2014

Findings

The Auditor of State's Office incurred \$20,632 in late fees and overdraft charges during fiscal year 2014. Failure to submit federal withholdings on time resulted in an Internal Revenue Service penalty of \$20,516. Other fines included \$80 in late fees to the Department of Workforce Services and \$36 for bank overdraft charges.

The Auditor of State overpaid the Employee Benefits Division (EBD) \$256,232 for FICA savings on employee-elected payroll deductions. Inaccurate calculations, poor documentation, and a lack of review resulted in this overpayment.

A review of annual and sick leave records for 76 Court Reporters, 78 Trial Assistants, and 245 Deputy Prosecuting Attorneys (DPAs) revealed improper accrual, incorrect reporting, and lack of documentation, as described below:

Recommendations

We recommend the Agency properly review all payments to ensure they are calculated and submitted timely.

Agency Response:

The employees responsible for the late fees and overdrafts are no longer employed by this office. There are currently procedures in place to prevent late payments from happening. The Accounting manager keeps a calendar with all payment due dates to ensure payments are made timely. The Accounting manager reviews and approves all payments.

We recommend the Auditor of State request a refund from EBD, update FICA savings calculations to comply with Ark. Code Ann. § 21-5-405, and implement a review process prior to remitting payment to EBD.

Agency Response:

The employees responsible for the overpayment of FICA savings are no longer employed by this office. The new staff met with EBD to determine the correct way to calculate the payments and have requested a refund from EBD of the overpayment. The Accounting manager reviews and approves all payments.

We recommend the Agency review reports submitted by the Office of Prosecutor Coordinator and Circuit Judges to ensure adherence to Arkansas Code regarding annual and sick leave accumulation and properly report and document employees' annual and sick leave.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
AUDITOR OF STATE
FOR THE YEAR ENDED JUNE 30, 2014

Findings

According to Ark. Code Ann. §§ 21-4-204 and 21-4-207, respectively, state employees may not accumulate more than 30 days of annual leave or 120 days of sick leave at the end of each calendar year. For fiscal year 2014,

- 41 Court Reporters and 75 Trial Assistants reported annual leave in excess of the allowable amount.
- 23 Court Reporters and 8 Trial Assistants reported sick leave in excess of the allowable amount.

Prosecuting Attorneys report annual and sick leave of their DPAs to the Office of Prosecutor Coordinator, which then reports the amounts to the Auditor of State. Annual and sick leave records for 20 of the 245 DPAs for fiscal year 2014 were reviewed, and 19 were incorrectly reported and/or not always available, as described below:

- Leave records for 8 DPAs, reported by the Office of Prosecutor Coordinator at June 30, 2013, did not roll-forward correctly to reach the ending balances reported at June 30, 2014.
- Leave records for 8 DPAs did not match the amounts reported by their Prosecuting Attorney (2 DPAs) or by the Office of Prosecutor Coordinator (6 DPAs).
- Leave records for 4 DPAs appeared to be overstated due to incorrect accrual rates.
- For 1 DPA, annual leave and sick leave amounts were reversed by the Prosecuting Attorney.
- Leave records for 1 DPA were only available for part of the year.

Incorrectly or improperly accrued leave and lack of documentation could result in a misstatement of the Compensated Absences Liability reported in the State's Comprehensive Annual Financial Report (CAFR) or result in excessive leave and/or lump sum payouts at employee retirements.

According to state travel regulations, private vehicle mileage shall be computed and reimbursed using map mileage between the travel site destination and the employee's official station or residence (if leaving directly from the residence), whichever is less.

- Ruby Watts, a Court Reporter in the First Judicial District, received \$864 in mileage overpayments due to using the incorrect location to claim mileage traveled in January 2014. Because of lack of repayment by Watts, the Auditor of State's Office deducted the unpaid balance of \$864 from reimbursements paid to Watts for travel that occurred from February 2014 to December 2014.
- Kristena Fletcher, a Court Reporter in the Sixteenth Judicial District, received mileage overpayments totaling \$3,056 for the period June 2013 to June 2015 due

Recommendations

Agency Response:

The employee that prepared the report is no longer assigned this duty. The payroll officer is now responsible for completing the Compensated Absences Liability report. As of the end of FY15, the Auditor's office no longer does payroll for Court Reporters and Trial Assistants and will not be responsible for reporting the leave for these 2 groups. New procedures have been put in place to ensure the leave is reported correctly for Deputy Prosecuting Attorneys. Each year's beginning balance will be compared to the prior year's ending balance. If there is a discrepancy, the form will be sent back to be corrected. The Accounting manager reviews the Liability report before it is reported to CAFR.

We recommend Agency management review state travel regulations and properly review all travel reimbursement forms before they are processed. We further recommend the Agency seek reimbursement of \$3,056 from Fletcher for excessive mileage reimbursements.

Agency Response:

As of the end of FY15, the Auditor's office no longer processes travel reimbursements for Court Reporters or Trial Assistants. We currently process travel reimbursements for Judges only. The Administrative Office of the Courts prepared guidelines for reimbursement, and our office follows those guidelines when paying reimbursements.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 AUDITOR OF STATE
 FOR THE YEAR ENDED JUNE 30, 2014

Findings

Recommendations

to using the incorrect location to claim mileage traveled.

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

None

Employment Summary

	Male	Female	Total	%
White Employees	9	11	20	77 %
Black Employees	1	4	5	19 %
Other Racial Minorities	1	0	1	4 %
Total Minorities			6	23 %
Total Employees			26	100 %

Cash Fund Balance Description as of June 30, 2016

Fund Account	Balance	Type	Location
1100100	\$87,760,057	Checking/Certificates of Deposit	Multiple Locations

Statutory/Other Restrictions on use:

A.C.A. 18-28-213 states all funds shall be deposited by the administrator in a special trust fund - "Unclaimed Property Proceeds Trust Fund", from which he shall make prompt payment of claims duly allowed by him. Such funds shall be deposited in accounts of one (1) or more financial institutions authorized to do business in this State.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 18-28-224 authorizes the collection of penalties and interest.

Revenue Receipts Cycle:

Upon filing the report before November 1 of each year, the holder of property presumed abandoned shall pay, deliver, or cause to be paid or delivered to the administrator the property described.

Fund Balance Utilization:

Once each fiscal year, the administrator shall transfer to general revenues all funds that have been collected and held for a full three (3) years, less the amount transferred to the State Central Services Fund.

Fund Account	Balance	Type	Location
1100200	\$7,835,811	Checking/Certificates of Deposit	Multiple Locations

Statutory/Other Restrictions on use:

A.C.A. 18-28-403 states that all funds shall be deposited by the administrator in a special trust fund - "Abandoned Mineral Proceeds Trust Fund", from which he shall make prompt payment of claims duly allowed by him. Such funds shall be deposited into accounts of one (1) or more financial institutions authorized to do business in this state.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 18-28-402 section (d) states any holder violating this section shall be guilty of a misdemeanor and shall be subject to a fine not to exceed \$1,000 each violation.

Revenue Receipts Cycle:

Upon filing of the report before November 1 of each year, the holder of property presumed abandoned shall pay, deliver, or cause to be paid or delivered to the administrator the property described.

Fund Balance Utilization:

Once each fiscal year, the administrator shall transfer to the County Aid Fund all unclaimed property funds that have been collected and held for a full three (3) years from county governments.

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

**CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 2016**

Fund Account	Balance	Type	Location
1100100	1,050,426.50	CD	1ST NATL BK LAWRENCE CO - WALNUT RIDGE
	1,118,033.21	CD	1ST NATL BK LAWRENCE CO - WALNUT RIDGE
	550,944.16	CD	1ST NATL BK LAWRENCE CO - WALNUT RIDGE
	3,027,165.74	CD	1ST NATL BK LAWRENCE CO - WALNUT RIDGE
	1,010,953.85	CD	BANK OF AUGUSTA
	2,017,742.39	CD	CENTRAL BANK - LITTLE ROCK
	1,000,000.00	CD	CENTRAL BANK - LITTLE ROCK
	2,025,222.17	CD	CITIZENS BANK - BATESVILLE
	2,013,071.06	CD	CITIZENS BANK - BATESVILLE
	2,018,825.88	CD	CITIZENS BANK - BATESVILLE
	2,020,130.33	CD	CITIZENS BANK - BATESVILLE
	2,011,219.71	CD	FIRST COMMUNITY BANK
	2,022,688.56	CD	FARMERS BANK & TRUST - MAGNOLIA
	4,045,377.12	CD	FARMERS BANK & TRUST - MAGNOLIA
	2,012,825.09	CD	FIRST BANK - HAMPTON / ROGERS
	1,030,831.62	CD	FIRST BANK - HAMPTON / ROGERS
	2,026,464.18	CD	FIRST BANK - HAMPTON / ROGERS
	2,000,000.00	CD	FIRST STATE BANK - DE QUEEN
	1,004,234.96	CD	PINNACLE BANK - ROGERS
	508,989.71	CD	PINNACLE BANK - ROGERS
	504,775.64	CD	PINNACLE BANK - ROGERS
	504,639.33	CD	TWIN LAKES COMMUNITY BANK
	500,000.00	CD	TODAY'S BANK

CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 2016

1100200	1,000,000.00	CD	FIRST STATE BANK -DE QUEEN
	1,036,883.47	CD	FIRST BANK - HAMPTON/ROGERS

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
005 Operations	2,023,889	24	2,880,272	24	2,956,690	24	2,859,287	24	2,655,036	21	0	0	2,859,287	24	2,655,036	21	0	0
009 Constitutional Officers-Auditor	473,580	0	795,000	0	795,000	0	795,000	0	795,000	0	0	0	795,000	0	795,000	0	0	0
122 Unclaimed Property	1,040,166	10	1,572,451	10	1,453,492	10	1,551,238	10	1,571,238	10	0	0	1,551,238	10	1,571,238	10	0	0
123 CountyTreasurers Continuing Education	47,367	0	75,000	0	75,000	0	75,000	0	75,000	0	0	0	75,000	0	75,000	0	0	0
1PD County & Circuit Clerks Continuing Education	97,509	0	150,000	0	150,000	0	150,000	0	150,000	0	0	0	150,000	0	150,000	0	0	0
1UG Deputy Prosecuting Attorneys	20,683,947	247	19,239,308	247	20,497,611	247	20,548,626	247	20,548,626	247	0	0	20,548,626	247	20,548,626	247	0	0
465 County Collectors Continuing Education	38,906	0	75,000	0	75,000	0	75,000	0	75,000	0	0	0	75,000	0	75,000	0	0	0
A04 Unclaimed Property-Cash	15,901,487	0	22,777,500	0	22,777,500	0	22,777,500	0	25,055,250	0	0	0	22,777,500	0	25,055,250	0	0	0
C50 Payment-Unclaimed Mineral Proceeds	1,206,256	0	2,500,500	0	2,500,500	0	2,500,500	0	2,500,500	0	0	0	2,500,500	0	2,500,500	0	0	0
F83 Cty Coroners Ed Fund	45,550	0	75,000	0	75,000	0	75,000	0	75,000	0	0	0	75,000	0	75,000	0	0	0
Total	41,558,657	281	50,140,031	281	51,355,793	281	51,407,151	281	53,500,650	278	0	0	51,407,151	281	53,500,650	278	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	85,594,818	62.3	95,913,054	65.7	95,913,054	65.1	95,913,054	65.2	0	0.0	95,913,054	65.1	93,635,304	64.6	0	0.0	0.0
Constitutional Officers Fund	4000025	473,580	0.3	795,000	0.5	795,000	0.5	795,000	0.5	0	0.0	795,000	0.5	795,000	0.5	0	0.0	0.0
State Central Services	4000035	23,748,002	17.3	23,692,031	16.2	24,959,151	16.9	24,774,900	16.8	0	0.0	24,959,151	16.9	24,774,900	17.1	0	0.0	0.0
Cash Fund	4000045	41,436,040	30.1	25,353,000	17.4	25,353,000	17.2	25,353,000	17.2	0	0.0	25,353,000	17.2	25,353,000	17.5	0	0.0	0.0
Fees	4000245	105,000	0.1	150,000	0.1	150,000	0.1	150,000	0.1	0	0.0	150,000	0.1	150,000	0.1	0	0.0	0.0
Real Estate Transfer Tax	4000403	105,069	0.1	150,000	0.1	150,000	0.1	150,000	0.1	0	0.0	150,000	0.1	150,000	0.1	0	0.0	0.0
Transfer to Treasury	4000680	(13,990,798)	(10.2)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Total Funds		137,471,711	100.0	146,053,085	100.0	147,320,205	100.0	147,135,954	100.0	0	0.0	147,320,205	100.0	144,858,204	100.0	0	0.0	0.0
Excess Appropriation/(Funding)		(95,913,054)		(95,913,054)		(95,913,054)		(93,635,304)		0		(95,913,054)		(91,357,554)		0		0
Grand Total		41,558,657		50,140,031		51,407,151		53,500,650		0		51,407,151		53,500,650		0		0

FY17 Budget exceeds the Authorized amount in Unclaimed Property (FC122) due to salary adjustments during the 2015-2017 Biennium.

No Executive Recommendation made on this appropriation.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
886	880	6	886	0	0.68 %	296	278	18	296	0	6.08 %	281	278	3	281	0	1.07 %

Appropriation Summary

Appropriation: 005 - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,221,217	1,701,571	1,699,252	1,701,569	1,505,000	0	1,701,569	1,505,000	0
#Positions		24	24	24	24	21	0	24	21	0
Extra Help	5010001	1,060	0	60,713	0	30,000	0	0	30,000	0
#Extra Help		1	0	15	0	5	0	0	5	0
Personal Services Matching	5010003	387,821	500,751	518,775	509,768	452,086	0	509,768	452,086	0
Operating Expenses	5020002	412,072	615,450	615,450	615,450	615,450	0	615,450	615,450	0
Conference & Travel Expenses	5050009	766	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees	5060010	953	2,500	2,500	2,500	2,500	0	2,500	2,500	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	30,000	30,000	0	20,000	0	0	20,000	0
Total		2,023,889	2,880,272	2,956,690	2,859,287	2,655,036	0	2,859,287	2,655,036	0
Funding Sources										
State Central Services	4000035	2,023,889	2,880,272		2,859,287	2,655,036	0	2,859,287	2,655,036	0
Total Funding		2,023,889	2,880,272		2,859,287	2,655,036	0	2,859,287	2,655,036	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,023,889	2,880,272		2,859,287	2,655,036	0	2,859,287	2,655,036	0

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

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 005 - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,859,287	24	2,859,287	100.0	2,859,287	24	2,859,287	100.0
C01	Existing Program	52,355	0	2,911,642	101.8	52,355	0	2,911,642	101.8
C03	Discontinue Program	(248,892)	(3)	2,662,750	93.1	(248,892)	(3)	2,662,750	93.1
C14	Title Change	0	0	2,662,750	93.1	0	0	2,662,750	93.1
C15	Ex Salary Increase	(7,714)	0	2,655,036	92.9	(7,714)	0	2,655,036	92.9

Appropriation Summary

Appropriation: 009 - Constitutional Officers-Auditor

Funding Sources: MCF - Constitutional Officers Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Travel Expense Reimbursement 5900046	24,004	45,000	45,000	45,000	45,000	0	45,000	45,000	0
Special/Recalled Circuit Judges 5900049	179,648	350,000	350,000	350,000	350,000	0	350,000	350,000	0
Trial Judges Expenses 5900050	269,928	400,000	400,000	400,000	400,000	0	400,000	400,000	0
Total	473,580	795,000	795,000	795,000	795,000	0	795,000	795,000	0
Funding Sources									
Constitutional Officers Fund 4000025	473,580	795,000		795,000	795,000	0	795,000	795,000	0
Total Funding	473,580	795,000		795,000	795,000	0	795,000	795,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	473,580	795,000		795,000	795,000	0	795,000	795,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 122 - Unclaimed Property

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	501,986	714,561	618,059	714,561	714,561	0	714,561	714,561	0
#Positions		10	10	10	10	10	0	10	10	0
Personal Services Matching	5010003	161,802	209,890	187,433	213,677	213,677	0	213,677	213,677	0
Operating Expenses	5020002	367,066	591,500	591,500	591,500	591,500	0	591,500	591,500	0
Conference & Travel Expenses	5050009	4,121	11,500	11,500	11,500	11,500	0	11,500	11,500	0
Professional Fees	5060010	0	20,000	20,000	20,000	20,000	0	20,000	20,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	5,191	25,000	25,000	0	20,000	0	0	20,000	0
Total		1,040,166	1,572,451	1,453,492	1,551,238	1,571,238	0	1,551,238	1,571,238	0
Funding Sources										
State Central Services	4000035	1,040,166	1,572,451		1,551,238	1,571,238	0	1,551,238	1,571,238	0
Total Funding		1,040,166	1,572,451		1,551,238	1,571,238	0	1,551,238	1,571,238	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,040,166	1,572,451		1,551,238	1,571,238	0	1,551,238	1,571,238	0

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 122 - Unclaimed Property
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,551,238	10	1,551,238	100.0	1,551,238	10	1,551,238	100.0
C01	Existing Program	37,889	0	1,589,127	102.4	37,889	0	1,589,127	102.4
C10	Reclass	3,957	0	1,593,084	102.7	3,957	0	1,593,084	102.7
C15	Ex Salary Increase	(21,846)	0	1,571,238	101.3	(21,846)	0	1,571,238	101.3

Appropriation Summary

Appropriation: 123 - County Treasurers Continuing Education
Funding Sources: TCE - County Treasurers Continuing Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	47,367	75,000	75,000	75,000	75,000	0	75,000	75,000	0
Total	47,367	75,000	75,000	75,000	75,000	0	75,000	75,000	0
Funding Sources									
Fund Balance 4000005	36,753	37,432		37,432	37,432	0	37,432	37,432	0
Fees 4000245	48,046	75,000		75,000	75,000	0	75,000	75,000	0
Total Funding	84,799	112,432		112,432	112,432	0	112,432	112,432	0
Excess Appropriation/(Funding)	(37,432)	(37,432)		(37,432)	(37,432)	0	(37,432)	(37,432)	0
Grand Total	47,367	75,000		75,000	75,000	0	75,000	75,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 1PD - County & Circuit Clerks Continuing Education

Funding Sources: SCC - County & Circuit Clerk Continuing Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Expenses for County Clerks 5900046	42,863	75,000	75,000	75,000	75,000	0	75,000	75,000	0
Expenses for Circuit Clerks 5900047	54,646	75,000	75,000	75,000	75,000	0	75,000	75,000	0
Total	97,509	150,000	150,000	150,000	150,000	0	150,000	150,000	0
Funding Sources									
Fund Balance 4000005	96,567	104,127		104,127	104,127	0	104,127	104,127	0
Real Estate Transfer Tax 4000403	105,069	150,000		150,000	150,000	0	150,000	150,000	0
Total Funding	201,636	254,127		254,127	254,127	0	254,127	254,127	0
Excess Appropriation/(Funding)	(104,127)	(104,127)		(104,127)	(104,127)	0	(104,127)	(104,127)	0
Grand Total	97,509	150,000		150,000	150,000	0	150,000	150,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 1UG - Deputy Prosecuting Attorneys

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	15,906,660	14,707,017	15,709,357	15,709,357	15,709,357	0	15,709,357	15,709,357	0
#Positions		247	247	247	247	247	0	247	247	0
Personal Services Matching	5010003	4,772,487	4,527,491	4,783,454	4,834,469	4,834,469	0	4,834,469	4,834,469	0
Special Deputy Exp Allowance	5900046	4,800	4,800	4,800	4,800	4,800	0	4,800	4,800	0
Total		20,683,947	19,239,308	20,497,611	20,548,626	20,548,626	0	20,548,626	20,548,626	0
Funding Sources										
State Central Services	4000035	20,683,947	19,239,308		20,548,626	20,548,626	0	20,548,626	20,548,626	0
Total Funding		20,683,947	19,239,308		20,548,626	20,548,626	0	20,548,626	20,548,626	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		20,683,947	19,239,308		20,548,626	20,548,626	0	20,548,626	20,548,626	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 465 - County Collectors Continuing Education

Funding Sources: TCC - County Collectors Continuing Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	38,906	75,000	75,000	75,000	75,000	0	75,000	75,000	0
Total	38,906	75,000	75,000	75,000	75,000	0	75,000	75,000	0
Funding Sources									
Fund Balance 4000005	80,383	98,431		98,431	98,431	0	98,431	98,431	0
Fees 4000245	56,954	75,000		75,000	75,000	0	75,000	75,000	0
Total Funding	137,337	173,431		173,431	173,431	0	173,431	173,431	0
Excess Appropriation/(Funding)	(98,431)	(98,431)		(98,431)	(98,431)	0	(98,431)	(98,431)	0
Grand Total	38,906	75,000		75,000	75,000	0	75,000	75,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: A04 - Unclaimed Property-Cash

Funding Sources: 110 - State Auditor Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	495	2,500	2,500	2,500	2,500	0	2,500	2,500	0
Claims	5110015	15,900,992	22,775,000	22,775,000	22,775,000	25,052,750	0	22,775,000	25,052,750	0
Total		15,901,487	22,777,500	22,777,500	22,777,500	25,055,250	0	22,777,500	25,055,250	0
Funding Sources										
Fund Balance	4000005	79,186,924	87,760,057		87,760,057	87,760,057	0	87,760,057	85,482,307	0
Cash Fund	4000045	38,465,418	22,777,500		22,777,500	22,777,500	0	22,777,500	22,777,500	0
Transfer to Treasury	4000680	(13,990,798)	0		0	0	0	0	0	0
Total Funding		103,661,544	110,537,557		110,537,557	110,537,557	0	110,537,557	108,259,807	0
Excess Appropriation/(Funding)		(87,760,057)	(87,760,057)		(87,760,057)	(85,482,307)	0	(87,760,057)	(83,204,557)	0
Grand Total		15,901,487	22,777,500		22,777,500	25,055,250	0	22,777,500	25,055,250	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: A04 - Unclaimed Property-Cash
Funding Sources: 110 - State Auditor Cash

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	22,777,500	0	22,777,500	100.0	22,777,500	0	22,777,500	100.0
C01	Existing Program	2,277,750	0	25,055,250	110.0	2,277,750	0	25,055,250	110.0

Appropriation Summary

Appropriation: C50 - Payment-Unclaimed Mineral Proceeds

Funding Sources: 110 - State Auditor Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	500	500	500	500	0	500	500	0
Claims	5110015	1,206,256	2,500,000	2,500,000	2,500,000	2,500,000	0	2,500,000	2,500,000	0
Total		1,206,256	2,500,500	2,500,500	2,500,500	2,500,500	0	2,500,500	2,500,500	0
Funding Sources										
Fund Balance	4000005	6,123,944	7,835,811		7,835,811	7,835,811	0	7,835,811	7,835,811	0
Cash Fund	4000045	2,918,123	2,500,500		2,500,500	2,500,500	0	2,500,500	2,500,500	0
Total Funding		9,042,067	10,336,311		10,336,311	10,336,311	0	10,336,311	10,336,311	0
Excess Appropriation/(Funding)		(7,835,811)	(7,835,811)		(7,835,811)	(7,835,811)	0	(7,835,811)	(7,835,811)	0
Grand Total		1,206,256	2,500,500		2,500,500	2,500,500	0	2,500,500	2,500,500	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: F83 - Cty Coroners Ed Fund
Funding Sources: SCF - County Coroners Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
County Coroners Education Expe 5900046	45,550	75,000	75,000	75,000	75,000	0	75,000	75,000	0
Total	45,550	75,000	75,000	75,000	75,000	0	75,000	75,000	0
Funding Sources									
Fund Balance 4000005	70,247	77,196		77,196	77,196	0	77,196	77,196	0
Cash Fund 4000045	52,499	75,000		75,000	75,000	0	75,000	75,000	0
Total Funding	122,746	152,196		152,196	152,196	0	152,196	152,196	0
Excess Appropriation/(Funding)	(77,196)	(77,196)		(77,196)	(77,196)	0	(77,196)	(77,196)	0
Grand Total	45,550	75,000		75,000	75,000	0	75,000	75,000	0

No Executive Recommendation made on this appropriation.

SCHOOL FOR THE BLIND

Enabling Laws

Act 245 of 2016
A.C.A. §6-43-101-117; and A.C.A. §6-43-301 - 321; and A.C.A. §6-21-105

History and Organization

The Board of Trustees, a five-member board appointed by the Governor, for the Arkansas School for the Blind and the Arkansas School for the Deaf, has oversight responsibilities for the Arkansas School for the Blind. This responsibility is set forth in A.C.A. §6-43-101 (Title 6 of the Arkansas Code of 1987). The Board has approved a mission statement for the Arkansas School for the Blind which is as follows: To provide quality education and training for all children and young people (birth to twenty-one) who are visually impaired so they possess the required skills to become personally productive and self-sufficient citizens.

In 1859 the Arkansas Institute for the Education of the Blind (ASB) was incorporated by Act 97. In 1866, Act 10 provided for the acquisition of a site and buildings to house the institution at Arkadelphia in Clark County. Act 50 of 1868 provided for the move of the Institute to Little Rock. It occupied facilities at 18th and Center Street until 1939 when it moved to its current location at 2600 West Markham Street. The present campus comprises 40.4 acres and the facilities consist of fifteen buildings. The Reorganization Act (Act 38 of 1971), placed the Arkansas School for the Blind under the umbrella of the Department of Education for budgeting purposes. A.C.A. §6-43-113 reserves all powers, duties, and functions of the Arkansas School for the Blind, together with those of the Board of Directors, to the Superintendent and the Arkansas School for the Blind Board of Education.

ASB is fully accredited by the Arkansas Department of Education. It provides a variety of educational programs within the State's prescribed continuum of services for students from birth to twenty one years old.

The regular on-campus program provides academic and vocational training, residential living and extra-curricular activities. Daily transportation is provided through the local school districts for nonresidential students. The Arkansas School for the Blind provides weekly, statewide transportation for residential students to and from home each weekend. This is another effort to make the program less restrictive to students and families.

The academic and vocational divisions give the students the necessary skills and background to continue their education at the post-secondary or college levels, or enter directly into the work world. Approximately 60% continue their education at a higher level.

Other services provided by the school are: low vision evaluation services, physical and occupational therapy, health services, psychological evaluations, orientation and mobility services, life skills training, nutritional meals, vocational work study program, braille, adaptive technology training and evaluation.

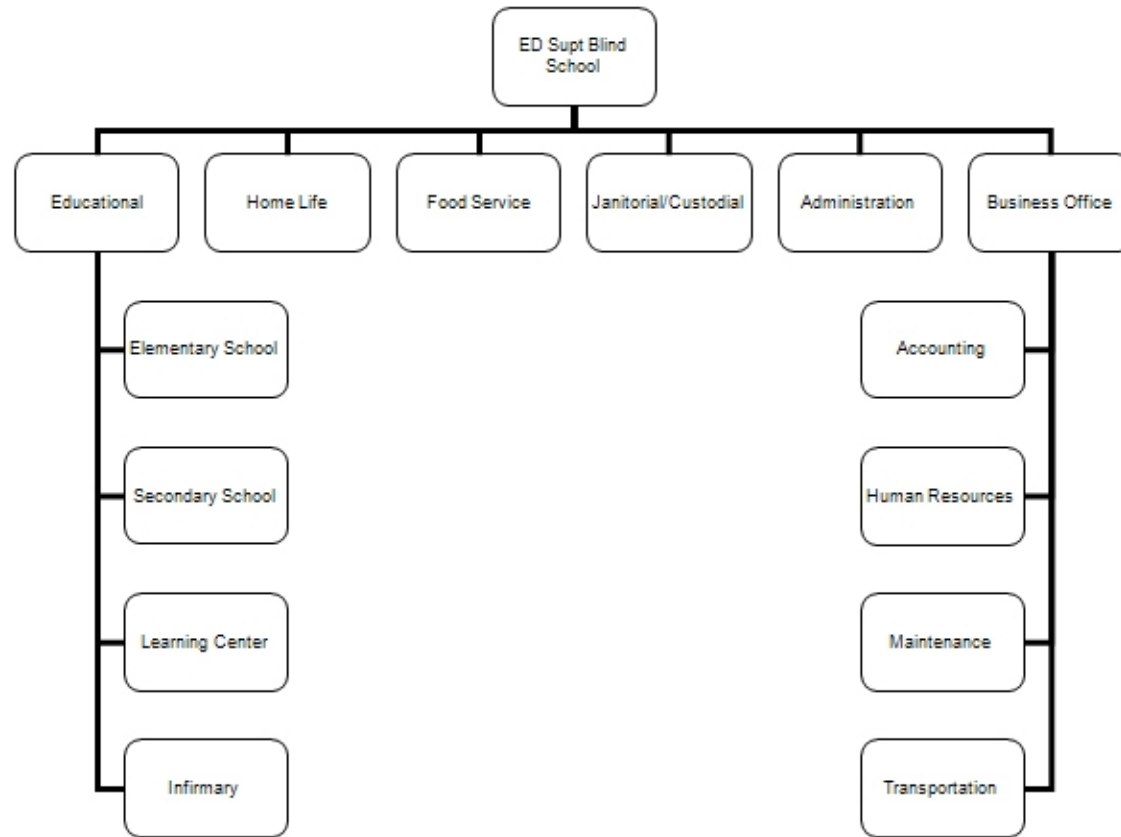
The school maintains an educational program for blind and visually impaired babies ages birth to three years old. The program provides activities designed to train babies to develop sensory skills other than sight as learning tools. The program also provides extensive training and development of parent skills designed to assist the child in enhanced use of all available sensory skills. There are currently two Vision and Early Childhood Education Certified staff members at ASB. Both individuals travel statewide in order to provide training for both the child and the parents. The school also provides a pre-school program for visually impaired children in the age range of three to 5 years old.

Every student has an individual educational plan written for them. These plans are monitored to insure that ASB's programs are designed to meet the needs of each respective student at their education level. This is in compliance with the Arkansas Department of Education rules and regulations.

The Arkansas School for the Blind coordinates a statewide program that identifies and provides services to visually impaired students in public schools. This program is operated and funded by ASB. ASB staff has provided training and in-service opportunities for Public School Administrators and Teachers. Student evaluations in adaptive tech, mobility, braille, and low vision are available to public school students free of charge.

ASB also provides all large print and braille textbooks and instructional materials for visually impaired students attending public school. This program is operated and funded by ASB. This is pursuant to A.C.A. §6-21-105.

During the summer, ASB operates a Summer Camp and Jumpstart Camp that is open to public school students with visual impairment. While attending the camps, the ASB staff works with these students and assists them with any needs. This is a collaborative effort with the Division of Services for the Blind and the University of Arkansas at Little Rock.



Agency Commentary

ARKANSAS SCHOOL FOR THE BLIND

Efficiency Review

The Arkansas School for the Blind has made significant efforts to ensure an efficient use of resources over the past year. ASB has had several successes in this area that reduced cost in several areas thus reducing the amount of additional resources needed. ASB is only requesting an additional \$216,149 in additional funding and appropriation. ASB is also requesting an additional \$501,000 plus \$842 in related matching in

appropriation only to allow for flexibility to reallocate resources as needed for any unforeseen events or emergencies.

The following are ways in which ASB has increased efficiencies over the past year:

- 1) Reduced the number of staff with agency paid cell phones and MiFi's.
- 2) Utilized the speech therapist staff position for a portion of the required therapy services for students instead of utilizing 100% contracted services. This helped to reduce the overall cost to the agency.
- 3) Utilized certified maintenance staff in the following areas: plumbing, heating and air, boilers, backflow testing. EX) Cost of chiller repairs reduced from almost \$70,000 in fiscal year 2015 to under \$30,000 in fiscal year 2016.
- 4) ASB partnered with the Arkansas School for the Blind Foundation for an asbestos removal project. The Foundation was awarded a grant for the full amount of the asbestos removal which resulted in significant savings to the agency. The total cost of the asbestos removal project was \$141,598.
- 5) Reallocated a maintenance position from day shift to night shift instead of requesting or hiring an additional position.
- 6) Joint contracts for transportation and security with the Arkansas School for the Deaf to maintain a reduced cost to both agencies.
- 7) In- house training with certified staff.
- 8) Energy efficient upgrades.
- 9) Currently working with Entergy to turn over the ownership of ASB power lines so that the agency is no longer responsible for massive costly repairs. It will result in a yearly increase of \$25,000. However, the agency will no longer be responsible for repairs on lines that are reaching the end of their useful life span, be placed on an emergency repair list, and receive a more consistent even flow of electricity.

Funding Requests

Despite efforts towards an efficient use of resources, there is still a need at the Arkansas School for the Blind for additional resources. Below is a summary of the requests in which additional funding and appropriation is being requested.

Total Funding Request: \$209,000 plus \$7,149 in personal services matching= \$216,149

Total Appropriation Only Request: \$501,000 plus \$842 in personal services matching= \$501,842

State Operations (076)

Professional Fees

Physical, Occupational and Speech Therapy

Required by Public Law 94-142. An increasing number of youth are in need of the services. Failure to provide required services could result in litigation against the school. A \$30,000 increase in funding and appropriation has been requested to meet current needs.

Operating Expense

Electric

ASB currently owns its lines and does not have the capacity or funding to do the needed repairs. In addition, if an incident occurs in which the lines are damaged, ASB is responsible for the repairs and finding a contractor willing to do emergency repairs. Entergy is willing to take over the lines but there is an added AFCRG increase per year of \$25,000. Entergy would then own the lines, be responsible for all repairs, and ASB would be placed on the emergency repair list. A \$25,000 increase in funding and appropriation has been requested to meet this need.

Food Purchases

ASB provides breakfast, lunch, and dinner to students residing on campus. Food costs have gradually increased. \$25,000 is requested in appropriation and funding to accommodate the increased cost of food.

Insurance

\$9,000 increase in appropriation and funding to pay for vehicle insurance. This was not reallocated during the split of operations between the Arkansas School for the Deaf and the Arkansas School for the Blind.

Education Supplies & Materials

\$40,000 in appropriation and funding for the purchase of textbooks, supplemental materials, lab supplies, classroom supplies, and other related materials.

Telecommunications Wired- Land Lines

The E-Rate program for public schools that reduced the cost to schools for land lines is phasing out. ASB will receive an increase in cost. ASB is requesting \$5,000 in appropriation and funding to accommodate this increase.

Travel and Conference

Staff Development

An increase of \$5,000 in appropriation and funding to meet the professional development needs of staff as required by the Arkansas Department of Education and the State of Arkansas.

Salaries and Matching (Stipends-Extra-Curricular Activities)

This program has been in operation since the 1991-1992 school year. It was intended to replicate the public school system in how it pays its teachers for performing additional duties; such as, sponsoring a club, coaching, tutoring, etc. The program has traditionally relied upon salary savings to operate; however, this has caused budget and program issues. The Arkansas School for the Blind would like to integrate the program into its budget. The program is vital since a number of youth live on campus and students should be provided the opportunity to participate in sports and clubs. An increase in funding and appropriation of \$60,000 in Salaries plus \$7,149 in Personal Services Matching is needed to stabilize the program.

Capital Outlay

Library Holdings

An increase of \$10,000 in appropriation and funding for library holdings to replace damaged inventory and to purchase new items.

Appropriation Only Requests

State Operations (076)

Special Maintenance

Appropriation only in the amount of \$200,000 to allow for any unforeseen needs or emergencies.

Overtime

Appropriation only in the amount of \$10,000 to allow for any unforeseen costs related to after hour events or emergencies. ASB is a residential campus.

Extra Help

Appropriation only in the amount of \$5,000 to meet any temporary, short term needs.

Capital Outlay

Appropriation only in the amount of \$40,000 to restore Capital Outlay to previously authorized levels.

Federal Operations (077)

Salaries and Matching

Mentoring Stipends

Appropriation only in the amount of \$10,000 and the related matching for stipends for the ADE Mentoring Program. Funding is provided by the Arkansas Department of Education.

Extra Help

Appropriation only in the amount of \$1,000 and the related matching to restore Extra Help to its previously authorized levels.

Operating

Appropriation only in the amount of \$50,000 to allow for any increase in funding.

Professional Fees

Appropriation only in the amount of \$50,000 to allow for any increase in funding.

Capital Outlay

\$85,000 in appropriation only to restore Capital Outlay to the previously authorized level.

State Operations - Braille and Large Print Textbooks (086)

Braille Textbooks

\$50,000 in appropriation only to restore Operating Expenses to the previously authorized level.

Cash Operating (A19)

Capital Outlay

Appropriation only in the amount of \$50,000 for the purchase of equipment through potential donations.

Audit Findings

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

Findings

Recommendations

According to Ark. Code Ann. § 19-4-1502, the executive head of each agency is responsible for keeping and maintaining a record of all agency property. Financial Management Guide regulation R1-19-4-1503 requires that capital assets be recorded and reported at their historical cost, which includes the vendor’s invoice, plus sales tax, and ancillary charges, such as freight and transportation charges. In addition, all assets transferred, lost, stolen, destroyed, or sold must be promptly removed from the capital assets listing in AASIS.

Prior to disposing of assets, an agency must obtain approval from the Department of Finance and Administration (DFA) - Office of State Procurement - Marketing and Redistribution Section (M&R) using the Certificate of Property Disposal (CPD) form. Subsequently, the agency must return this form to M&R and note the method of asset disposal. If assets cannot be located, an agency must submit a Credit for State Property (CSP) form to the DFA - Office of Accounting for approval before asset disposal.

Testing of the Agency’s capital assets revealed the following deficiencies:

- In fiscal year 2015, the Agency failed to include shipping charges totaling \$1,790 in

We recommend the Agency seek training related to capital asset management and establish adequate internal controls over capital assets. In addition, we again recommend the Agency complete a full inventory to determine the accuracy of the asset listing in AASIS.

Agency Response:

The Arkansas School for the Blind (ASB) acknowledges the need for a full review of how capital assets are being acquired, processed, tracked, and disposed of by the agency from the beginning of the process to the end of the process. The Arkansas School for the Blind recently ended all shared services with the Arkansas School for the Deaf which resulted in a higher level of control over this area. In addition, ASB has recently undergone numerous administrative changes and has hired a new Inventory Control Technician. The position of Inventory Control Technician now reports directly to the Business Manager effective June 30, 2016. All internal capital asset policies and procedures are currently being reviewed and revised. Training is currently being provided for all staff with responsibility in this area. ASB will be conducting a full review of all assets listed in AASIS during Fiscal Year 2017. After a full review has been conducted, it will be the responsibility of the Business Manager and/or his or her designee to conduct random sightings on assets to ensure that accurate tracking

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

Findings

the cost of two assets.

- In fiscal year 2015, the Agency submitted a CSP request to remove 751 assets totaling \$665,092 from the AASIS asset listing, which was approved on September 23, 2014. Attempts to reconcile the CSP totals to the AASIS asset retirements report revealed that 58 of these items, totaling \$44,042, had been retired from AASIS prior to the request.
- In fiscal year 2014, the Agency failed to maintain documentation of approval to dispose of four assets totaling \$3,045.
- In fiscal year 2014, the Agency failed to timely retire in AASIS 13 assets totaling \$9,527, although the disposal of five assets was approved in September 2012 and the disposal of the remaining eight was approved in November 2012 (on two CPD forms). All items were removed from the AASIS asset listing in January 2014.
- Of 60 assets selected for sighting, 5 items, totaling \$4,782, could not be located; 13 items could not be verified because they were not tagged with a property number and no additional identifying information was found in AASIS; and an additional 3 untagged items could not be verified because the serial numbers in AASIS did not match the serial numbers on the items.

The deficiencies noted above were caused by a lack of understanding of state policies regarding the recording of capital assets and inadequate internal controls over capital assets.

Recommendations

of assets is being maintained. All documentation regarding assets will now be maintained at the ASB Business office. ASB fully recognizes that this is a long standing issue with the agency and has made it a priority to ensure proper and effective corrective action.

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

None

Employment Summary

	Male	Female	Total	%
White Employees	16	47	63	64 %
Black Employees	12	22	34	35 %
Other Racial Minorities	0	1	1	1 %
Total Minorities			35	36 %
Total Employees			98	100 %

Cash Fund Balance Description as of June 30, 2016

Fund Account	Balance	Type	Location
1140100	\$1,511,867	Checking, Investments	Regions Bank- Little Rock, State Treasury

Statutory/Other Restrictions on use:

Arkansas Code 19-4-801

Statutory Provisions for Fees, Fines, Penalties:

Arkansas Code 19-4-801 Bldg. Demolition and Environmental Clean-Up

Revenue Receipts Cycle:

National School Lunch and breakfast reimbursements are collected throughout the year, as well as meal ticket sales, some royalties, interests and other donations.

Fund Balance Utilization:

Funds are collected on an irregular basis throughout the year. Since collections cannot be accurately projected, these funds are not used for on-going expenses. They are used as needed for food and other miscellaneous items.

Fund Account	Balance	Type	Location
1140200	\$200,000	Checking	Regions Bank- Little Rock

Statutory/Other Restrictions on use:

Arkansas Code 19-4-801 Bldg. Demolition and Environmental Clean-Up

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Funds received once for building demolition and environmental clean up.

Fund Balance Utilization:

Funding for maintenance and general operating expenses related to the demolition and environmental clean-up of the building located on the Blind School Grounds that was formerly occupied by Easter Seals Arkansas.

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				
NONE	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
076 School for the Blind-State Operations	7,019,775	102	6,897,598	105	7,172,138	105	6,897,043	105	7,368,192	105	6,864,106	104	6,898,750	105	7,369,899	105	6,865,813	104
077 School for the Blind-Federal Operations	151,345	1	610,372	1	569,422	1	525,257	1	722,099	1	722,099	1	525,257	1	722,099	1	722,099	1
086 Braille Textbooks	129,428	0	173,024	0	223,024	0	173,024	0	223,024	0	223,024	0	173,024	0	223,024	0	223,024	0
A19 School for the Blind-Cash Operations	43,780	0	424,508	0	424,508	0	424,508	0	474,508	0	474,508	0	424,508	0	474,508	0	474,508	0
F70 ASB-Demolition	0	0	200,000	0	450,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
Total	7,344,328	103	8,305,502	106	8,839,092	106	8,219,832	106	8,987,823	106	8,483,737	105	8,221,539	106	8,989,530	106	8,485,444	105

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	1,554,166	17.2	1,711,867	18.2	1,120,172	12.8	1,120,172	12.5	1,120,172	12.9	728,477	8.7	678,477	8.0	678,477	8.2
General Revenue	4000010	6,973,345	77.0	7,016,941	74.4	7,060,072	80.7	7,276,221	81.2	7,027,135	80.6	7,061,774	84.5	7,277,923	85.4	7,028,837	84.9
Federal Revenue	4000020	352,826	3.9	643,185	6.8	558,070	6.4	558,070	6.2	558,070	6.4	558,070	6.7	558,070	6.5	558,070	6.7
Cash Fund	4000045	0	0.0	10,000	0.1	9,995	0.1	9,995	0.1	9,995	0.1	10,000	0.1	10,000	0.1	10,000	0.1
Merit Adjustment Fund	4000055	43,683	0.5	43,681	0.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	132,175	1.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		9,056,195	100.0	9,425,674	100.0	8,748,309	100.0	8,964,458	100.0	8,715,372	100.0	8,358,321	100.0	8,524,470	100.0	8,275,384	100.0
Excess Appropriation/(Funding)		(1,711,867)		(1,120,172)		(528,477)		23,365		(231,635)		(136,782)		465,060		210,060	
Grand Total		7,344,328		8,305,502		8,219,832		8,987,823		8,483,737		8,221,539		8,989,530		8,485,444	

Variance in fund balance is due to unfunded appropriation in various Fund Centers.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
97	91	5	96	1	6.19 %	106	94	13	107	-1	11.32 %	106	93	14	107	-1	12.26 %

Positions exceed the authorized amounts due to transfers from the Agency Growth Pool during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 076 - School for the Blind-State Operations

Funding Sources: ESA - State Operations - School for the Blind

The Arkansas School for the Blind (ASB) operates from a combination of general revenue, cash, and federal funds. ASB provides service programs for the visually impaired aged 0 to 21 such as academic and vocational training, independent living training, residential living, and extracurricular activities. All costs associated with this appropriation are funded with stabilized general revenue and provides the majority of support for the school.

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

The Base Level Request is \$6,897,043 for FY18 and \$6,898,750 in FY19.

The Agency's Change Level Request is for appropriation of \$471,149 in FY18 and FY19 with new general funding of \$216,149 in FY18 and FY19, and includes the following:

- Salaries and Personal Services Matching of \$64,590 to cover the cost of stipends for staff who participate in leading extra-curricular activities.
- Extra Help and Personal Services Matching of \$7,559 in unfunded appropriation to meet any temporary, short term needs.
- Overtime of \$10,000 in unfunded appropriation to allow for any unforeseen costs related to after hour events or emergencies due to ASB being a residential campus.
- Operating Expenses of \$104,000 for the following:
 - \$25,000 for electric costs. Currently, the Arkansas School for the Blind has full responsibility of its power lines and is unable to do the needed repairs. The increase would allow ASB to sell the power lines to Entergy.
 - \$25,000 for food purchases. The increase will accommodate for the rising cost of food.
 - \$9,000 for vehicle insurance. During the ASB/ASD split in FY 2015, ASB did not receive any allocation to cover insurance costs on its vehicles.
 - \$40,000 for education supplies and materials for the purchase of textbooks, supplemental materials, and lab/classroom supplies to meet requirements by the Arkansas Department of Education.

- \$5,000 for Telecommunications Wired - Land Lines to accommodate an increase due to the E-Rate program being phased out for Arkansas public schools.
- Travel and Conference of \$5,000 to allow staff to meet their required professional development hours.
- Professional Fees of \$30,000 for physical, occupational, and speech therapy. Lack of these services could result in the Arkansas School for the Blind to be involved in litigation as these services are required by law through Public Law 94-142.
- Capital Outlay of \$40,000 unfunded appropriation for the commitment item to be restored at its previously authorized level and an additional \$10,000 for library holding to replace damaged inventory and to purchase new items.
- Special Maintenance of \$200,000 in unfunded appropriation to allow for any unforeseen needs or emergencies related to the buildings on the school campus

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation. The Executive Recommendation provides for Base Level plus a decrease of (\$32,932) in Regular Salaries and Personal Services Matching for the reduction of (1) one C110 - Public Safety Security Officer.

Appropriation Summary

Appropriation: 076 - School for the Blind-State Operations
Funding Sources: ESA - State Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,860,597	3,901,892	3,940,193	3,904,558	3,964,558	3,881,639	3,905,958	3,965,958	3,883,039
#Positions		102	105	105	105	105	104	105	105	104
Extra Help	5010001	680	5,000	8,200	5,000	10,000	5,000	5,000	10,000	5,000
#Extra Help		2	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	1,375,510	1,376,035	1,395,906	1,377,814	1,384,963	1,367,796	1,378,121	1,385,270	1,368,103
Overtime	5010006	2,048	10,000	19,220	10,000	20,000	10,000	10,000	20,000	10,000
Operating Expenses	5020002	1,213,828	1,173,656	1,217,604	1,173,656	1,277,656	1,173,656	1,173,656	1,277,656	1,173,656
Conference & Travel Expenses	5050009	19,015	17,015	17,015	17,015	22,015	17,015	17,015	22,015	17,015
Professional Fees	5060010	99,000	99,000	99,000	99,000	129,000	99,000	99,000	129,000	99,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	77,167	5,000	50,000	0	50,000	0	0	50,000	0
Special Maintenance	5120032	313,497	200,000	315,000	200,000	400,000	200,000	200,000	400,000	200,000
Vocational Workstudy	5900046	8,269	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Summer Projects	5900048	50,164	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total		7,019,775	6,897,598	7,172,138	6,897,043	7,368,192	6,864,106	6,898,750	7,369,899	6,865,813
Funding Sources										
General Revenue	4000010	6,843,917	6,843,917		6,887,048	7,103,197	6,854,111	6,888,750	7,104,899	6,855,813
Cash Fund	4000045	0	10,000		9,995	9,995	9,995	10,000	10,000	10,000
Merit Adjustment Fund	4000055	43,683	43,681		0	0	0	0	0	0
Other	4000370	132,175	0		0	0	0	0	0	0
Total Funding		7,019,775	6,897,598		6,897,043	7,113,192	6,864,106	6,898,750	7,114,899	6,865,813
Excess Appropriation/(Funding)		0	0		0	255,000	0	0	255,000	0
Grand Total		7,019,775	6,897,598		6,897,043	7,368,192	6,864,106	6,898,750	7,369,899	6,865,813

Change Level by Appropriation

Appropriation: 076 - School for the Blind-State Operations
Funding Sources: ESA - State Operations - School for the Blind

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	6,897,043	105	6,897,043	100.0	6,898,750	105	6,898,750	100.0
C01	Existing Program	216,149	0	7,113,192	103.1	216,149	0	7,114,899	103.1
C05	Unfunded Appropriation	255,000	0	7,368,192	106.8	255,000	0	7,369,899	106.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	6,897,048	105	6,897,048	100.0	6,898,750	105	6,898,750	100.0
C01	Existing Program	0	0	6,897,048	100.0	0	0	6,898,750	100.0
C03	Discontinue Program	(5)	0	6,897,043	100.0	0	0	6,898,750	100.0
C05	Unfunded Appropriation	0	0	6,897,043	100.0	0	0	6,898,750	100.0
C13	Not Recommended	(10,018)	0	6,887,025	99.9	(10,018)	0	6,888,732	99.9
C19	Executive Changes	(22,919)	(1)	6,864,106	99.5	(22,919)	(1)	6,865,813	99.5

Justification

C01	\$30,000 in appropriation and funding for both years in Professional Fees for Physical, Occupational, and Speech Therapy as required by Public Law 94-142. Failure to provide required services could result in litigation against the school. \$25,000 in appropriation and funding in the Operating commitment item for both years to accommodate an electric bill increase. The Arkansas School for the Blind (ASB) currently owns its lines and does not have the capacity or funding to do the needed repairs. If an incident occurs in which the lines are damaged, ASB is responsible for the repairs and finding a contractor willing to do emergency repairs. Entergy is willing to take over the lines but there is an added AFCRG increase per year. Entergy would own the lines, be responsible for all repairs, and ASB would be placed on the emergency repair list. \$9,000 increase in appropriation and funding for both years to pay for vehicle insurance. \$40,000 in appropriation and funding for both years for education supplies for the purchase of textbooks, supplemental materials, classrooms supplies, and other related materials to meet standards required by the ADE. \$5,000 in appropriation and funding for both years to accommodate the increased cost in land lines due to the E-Rate phase out. \$25,000 in appropriation and funding in Operating for food purchases. ASB provides breakfast, lunch, and dinner to students residing on campus. Food costs have increased from year to year. \$10,000 in appropriation and funding for Capital Outlay for both years for library holdings. This is needed to purchase new items and replace damaged inventory. An additional restoration of \$40,000 in appropriation only for both years in Capital Outlay for the purchase of equipment. \$5,000 increase in appropriation and funding in Travel and Conference for both years to accommodate the professional development needs of staff as required by the Arkansas Department of Education and the State of Arkansas. \$60,000 in Salaries plus \$7,149 in Personal Services matching in appropriation and funding for stipend payments for extracurricular activities as authorized by ASB's operating Act for both years. This program has been in operation since the 1991-1992 school year. It was intended to replicate the public school system in how it pays its teachers for performing additional duties; such as, sponsoring a club, coaching, tutoring, etc. The program has traditionally relied upon salary savings to operate; however, this has caused budget and program issues. ASB would like to integrate the program into its budget.
C05	The agency is requesting appropriation only in the amount of \$267,555 for both years of the biennium. ASB has requested \$10,000 in appropriation in Capital Outlay for library holdings to replace damaged inventory and to purchase new items. Second, the agency is requesting \$200,000 in Special Maintenance to allow for any unforeseen needs or emergencies. Third, a request of \$10,000 in Overtime allows ABS to be prepared for any unforeseen costs related to after hour events or emergencies due to ASB being a residential campus. Fourth, a request of \$7,559 in Extra Help and related Personal Services Matching to meet any temporary, short term needs. Finally, the agency looks to request \$40,000 in Capital Outlay to restore the commitment item back to its previously authorized level.
C19	Subsequent to the Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects the reduction of (1) one C110 - Public Security Safety Officer.

Analysis of Budget Request

Appropriation: 077 - School for the Blind-Federal Operations

Funding Sources: FEC - Federal Operations - School for the Blind

This appropriation represents the primary federal operations support for the Arkansas School for the Blind (ASB). The funds support for this appropriation is, among others, Chapter VI-B Pass-Through, Carl Perkins Federal Vocational Grants, Medicaid reimbursements, and an Adaptive Technology Grant received through the State Department of Education.

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

The Base Level Request is \$525,257 for both years of the biennium.

The Agency's Change Level Request is for appropriation of \$196,842 in FY18 and FY19 and includes the following:

- Salaries and Personal Services Matching of \$10,765 in FY18 and FY19 to cover the ADE Mentoring Program for both years of the biennium. Funding is provided by the Arkansas Department of Education
- Extra Help of \$1,077 along Personal Services Matching to restore Extra Help back to its original authorized amount for both years of the biennium.
- Operating Expenses of \$50,000 to allow for any increase in federal funding.
- Professional Fees of \$50,000 to allow for any increase in federal funding.
- Capital Outlay restoration of \$85,000 for the purchase of adaptive technology for both years of the biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 077 - School for the Blind-Federal Operations
Funding Sources: FEC - Federal Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	37,173	36,324	53,949	36,192	46,192	46,192	36,192	46,192	46,192
#Positions		1	1	1	1	1	1	1	1	1
Extra Help	5010001	0	14,000	15,000	14,000	15,000	15,000	14,000	15,000	15,000
#Extra Help		0	12	12	12	12	12	12	12	12
Personal Services Matching	5010003	7,999	15,679	23,157	15,696	16,538	16,538	15,696	16,538	16,538
Operating Expenses	5020002	48,689	227,712	227,712	227,712	277,712	277,712	227,712	277,712	277,712
Conference & Travel Expenses	5050009	6,316	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382
Professional Fees	5060010	44,868	170,275	103,222	170,275	220,275	220,275	170,275	220,275	220,275
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	6,300	85,000	85,000	0	85,000	85,000	0	85,000	85,000
Total		151,345	610,372	569,422	525,257	722,099	722,099	525,257	722,099	722,099
Funding Sources										
Federal Revenue	4000020	151,345	610,372		525,257	525,257	525,257	525,257	525,257	525,257
Total Funding		151,345	610,372		525,257	525,257	525,257	525,257	525,257	525,257
Excess Appropriation/(Funding)		0	0		0	196,842	196,842	0	196,842	196,842
Grand Total		151,345	610,372		525,257	722,099	722,099	525,257	722,099	722,099

Budget exceeds Authorized Appropriation in Professional Fees due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

Appropriation: 077 - School for the Blind-Federal Operations
Funding Sources: FEC - Federal Operations - School for the Blind

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	525,257	1	525,257	100.0	525,257	1	525,257	100.0
C05	Unfunded Appropriation	196,842	0	722,099	137.5	196,842	0	722,099	137.5

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	525,257	1	525,257	100.0	525,257	1	525,257	100.0
C05	Unfunded Appropriation	196,842	0	722,099	137.5	196,842	0	722,099	137.5

Justification

C05	\$50,000 in appropriation only for both years in Operating to allow for any anticipated increases in funding. \$50,000 in appropriation only for both years in Professional Fees for therapy costs. \$85,000 in appropriation only for both years to restore Capital Outlay to its previously authorized level for the purchase of library holdings and equipment. \$10,765 in appropriation only and the related matching for both years in Salaries and Matching for stipends for the ADE Mentoring Program . Funding is provided by the Arkansas Department of Education as a passthrough from the Adaptive Technology Grant, a federally ran program. \$1,077 restoration of Extra Help and its related Personal Services Matching to bring appropriation levels to the original amount.								
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Analysis of Budget Request

Appropriation: 086 - Braille Textbooks

Funding Sources: ESA - State Operations - School for the Blind

The School for the Blind (ASB) utilizes this appropriation to purchase and distribute Braille and Large Print textbooks for visually impaired students attending public schools. ASB serves as a clearinghouse to public schools, purchasing and distributing new books on an as-needed basis as they are adopted by the school districts, and redistributing used texts when applicable. In addition to purchases, this appropriation is used to pay for copying, postage and freight costs associated with shipping the materials to various public schools. This appropriation is funded from general revenue.

Base Level for the appropriation is \$173,024 for both years of the biennium.

The Agency's Change Level Request is for appropriation of \$50,000 in FY18 and FY19 with no new general revenue funding and includes the following:

- Operating Expenses of \$50,000 in FY18 and FY19 to restore appropriation back to its previously authorized level.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 086 - Braille Textbooks

Funding Sources: ESA - State Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Braille Textbooks	5900046	129,428	173,024	223,024	173,024	223,024	223,024	173,024	223,024	223,024
Total		129,428	173,024	223,024	173,024	223,024	223,024	173,024	223,024	223,024
Funding Sources										
General Revenue	4000010	129,428	173,024		173,024	173,024	173,024	173,024	173,024	173,024
Total Funding		129,428	173,024		173,024	173,024	173,024	173,024	173,024	173,024
Excess Appropriation/(Funding)		0	0		0	50,000	50,000	0	50,000	50,000
Grand Total		129,428	173,024		173,024	223,024	223,024	173,024	223,024	223,024

Change Level by Appropriation

Appropriation: 086 - Braille Textbooks

Funding Sources: ESA - State Operations - School for the Blind

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	173,024	0	173,024	100.0	173,024	0	173,024	100.0
C05	Unfunded Appropriation	50,000	0	223,024	128.9	50,000	0	223,024	128.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	173,024	0	173,024	100.0	173,024	0	173,024	100.0
C05	Unfunded Appropriation	50,000	0	223,024	128.9	50,000	0	223,024	128.9

Justification

C05	\$50,000 in appropriation only to restore Operating Expenses back to its previously authorized amount to purchase textbooks for students at the Arkansas School for the Blind.								
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Analysis of Budget Request

Appropriation: A19 - School for the Blind-Cash Operations

Funding Sources: 114 - Cash Operations - School for the Blind

The Arkansas School for the Blind (ASB) uses their cash appropriation to supplement general revenues as needed for provision of required services for the blind and visually impaired student population. Cash funds are primarily received from USDA Reimbursements, interest on cash investments, and legacy donations.

The Base Level Request is \$424,508 for each year of the 2017-2019 Biennium.

The Agency's Change Level Request is for appropriation of \$50,000 in FY18 and FY19, and includes the following:

- Capital Outlay of \$50,000 in FY18 and FY19 for the purchase of equipment.

The Executive Recommendation provides for Agency Request. Expenditures are contingent upon available funding.

Appropriation Summary

Appropriation: A19 - School for the Blind-Cash Operations

Funding Sources: 114 - Cash Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	41,859	186,508	186,508	186,508	186,508	186,508	186,508	186,508	186,508
Conference & Travel Expenses	5050009	1,921	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	50,000	50,000	0	50,000	50,000
Special Maintenance	5120032	0	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Total		43,780	424,508	424,508	424,508	474,508	474,508	424,508	474,508	474,508
Funding Sources										
Fund Balance	4000005	1,354,166	1,511,867		1,120,172	1,120,172	1,120,172	728,477	678,477	678,477
Federal Revenue	4000020	201,481	32,813		32,813	32,813	32,813	32,813	32,813	32,813
Total Funding		1,555,647	1,544,680		1,152,985	1,152,985	1,152,985	761,290	711,290	711,290
Excess Appropriation/(Funding)		(1,511,867)	(1,120,172)		(728,477)	(678,477)	(678,477)	(336,782)	(236,782)	(236,782)
Grand Total		43,780	424,508		424,508	474,508	474,508	424,508	474,508	474,508

Change Level by Appropriation

Appropriation: A19 - School for the Blind-Cash Operations
Funding Sources: 114 - Cash Operations - School for the Blind

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	424,508	0	424,508	100.0	424,508	0	424,508	100.0
C05	Unfunded Appropriation	50,000	0	474,508	111.8	50,000	0	474,508	111.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	424,508	0	424,508	100.0	424,508	0	424,508	100.0
C05	Unfunded Appropriation	50,000	0	474,508	111.8	50,000	0	474,508	111.8

Justification

C05	\$50,000 in appropriation only for both years in Capital Outlay to allow for the purchase of library holdings and equipment with any potential donations received.								
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Analysis of Budget Request

Appropriation: F70 - ASB-Demolition

Funding Sources: 114 - ASB Demolition- Cash Fund

The ASB Demolition appropriation provides for the demolition of an Arkansas School for the Blind owned building located off campus. The building must first undergo Asbestos removal before demolition can begin. Funding received thus far was from the Office of the Attorney General Consumer Education Enforcement Account.

The Agency is requesting Base Level of \$200,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for Agency Request. Expenditures are contingent on available funding.

Appropriation Summary

Appropriation: F70 - ASB-Demolition

Funding Sources: 114 - ASB Demolition- Cash Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Maintenance and General Operal 5900046	0	200,000	450,000	200,000	200,000	200,000	200,000	200,000	200,000
Total	0	200,000	450,000	200,000	200,000	200,000	200,000	200,000	200,000
Funding Sources									
Fund Balance 4000005	200,000	200,000		0	0	0	0	0	0
Total Funding	200,000	200,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	(200,000)	0		200,000	200,000	200,000	200,000	200,000	200,000
Grand Total	0	200,000		200,000	200,000	200,000	200,000	200,000	200,000

DEPARTMENT OF COMMUNITY CORRECTION

Enabling Laws

Act 263 of 2016
Act 531 and 548 of 1993
A.C.A. §12-27-124 and A.C.A. §12-27-125

History and Organization

The state agency now known as the Department of Community Correction (DCC) was established as the Department of Community Punishment by Act 549 of the 1993 General Assembly. Acts 531 and 548 of 1993 promoted alternatives to traditional prisons by requiring a well-rounded approach to community corrections through the use of supervision, facilities and programs for offenders. The Act also combined the Board of Correction and the Adult Probation Commission to form the Board of Correction and Community Punishment to oversee DCC, the Arkansas Department of Correction, and their facilities and programs. Since then, the board's name has changed to the Board of Corrections.

The board has seven voting members, which include the chairman of the Parole Board, one criminal justice faculty member of a four-year Arkansas university and five citizen members. The members are appointed by the governor to seven-year, staggered terms. The board has both constitutional and statutory authority and control over the DCC.

The DCC Director reports directly to the Board of Corrections as the agency's chief executive, administrative and fiscal officer. The director is responsible for the agency's operations, mission, and philosophy. The agency's attorney, grievance coordinator, and Internal Affairs and Special Response Team Administrator report to the Director.

In addition, DCC has a Chief Deputy Director whose oversight includes research and planning, grants, accreditation, information technology, volunteer services and reentry services.

The agency has four Deputy Directors that supervise four divisions.

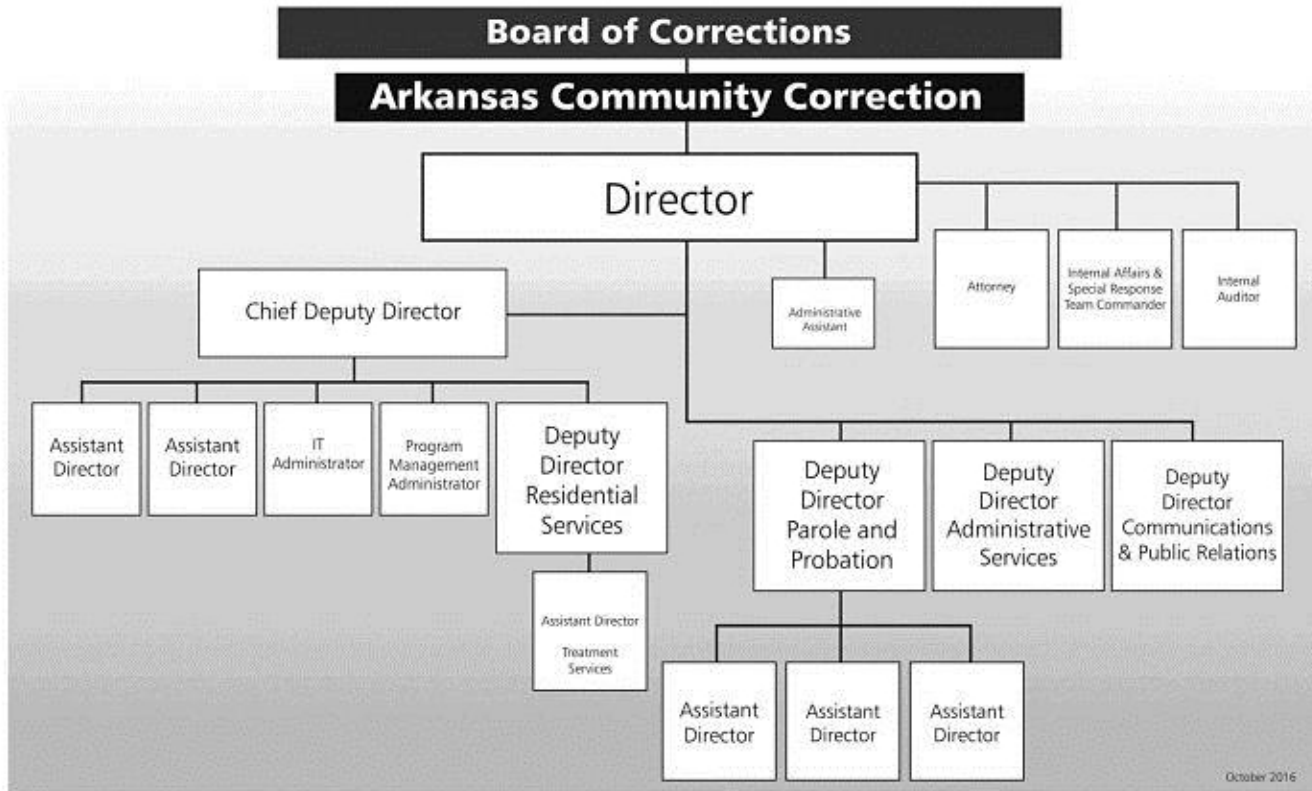
Administrative Services is responsible for human resources, agency training, accounting, budget, inventory, procurement, fee collection and banking. The division must ensure the agency remains in full compliance with state and federal laws and procedures for all financial matters.

Communications and Public Affairs oversees agency policy, publications, media relations, Freedom of Information Act requests and legislative affairs.

Parole/Probation Services supervises the agency's 13 Area Parole and Probation Offices, institutional parole services, offender work programs, day reporting centers, GPS monitoring, the Sex Offender Aftercare Program, treatment services and all specialty courts, which include Drug Courts, Veterans Courts, SWIFT Courts, Mental Health Courts, HOPE Courts, and Pre-Adjudication Courts.

Residential Services is responsible for five community-based centers that house lower security offenders and one medium security facility for male technical parole violators that includes a community work program. The division also coordinates the substance abuse and other treatment programs for all the facilities.

Through adult probation, adult parole and six community correction centers, DCC supervises approximately 55,000 offenders, which is the largest population of felony offenders in the state.



Agency Commentary

The Arkansas Department of Community Correction (ACC) is responsible for the administration of all community correction residential treatment facilities, reentry services and community supervision of adult probation and parole. ACC's mission is to enhance public safety by enforcing state laws and court mandates through community partnerships and evidence-based programs that hold offenders accountable while engaging them in opportunities to become law-abiding, productive citizens.

ACC focuses efforts and resources on reducing recidivism, which is a major performance objective of the department's Strategic Plan. The Strategic Plan is the agency's guide for its operations, efforts, decisions, and budget requests. All Biennial Budget Requests submitted conform to ACC's Agency Goals, which are:

- Goal 1:** Use appropriate and effective supervision of adult offenders and evidence-based sanctions and incentives which promote public safety and reduce recidivism.
- Goal 2:** A continuum of community-based sanctions and services which holds offenders accountable, reduces barriers to success, improves offenders' ability to become productive and lawful members of the community, reduces recidivism, and enhances public safety.
- Goal 3:** Agency oversight is facilitated through project management and quality assurance that promote accountability and effective decision making.
- Goal 4:** Provide alternatives to traditional prison through residential programs and community-based sanctions.
- Goal 5:** Provide cost-effective programs and services.
- Goal 6:** Attract and retain quality staff.

Community Supervision:

At the close of FY2016, ACC was responsible for supervision of approximately 54,000 adult felony offenders living in Arkansas. These offenders are either probationers who were placed on community supervision by the courts or parolees who were granted early release from state prison by the Parole Board. The agency's approach to supervision emphasizes assessment, intervention, and accountability. Offenders are classified according to a risk assessment as requiring maximum, medium, or minimum supervision and referred to treatment and programming according to identified needs. For as long as they remain under supervision, the offenders must abide by certain conditions of release or probation. An offender's failure to do so can result in progressive sanctions, which are outlined in the ACC's Offender Violation Guide and include incarceration. Parole/Probation Officers are certified law enforcement officers who provide supervision, case management, guidance, offender intake, assessments and evaluations, drug testing, and additional support services.

Specialty Courts: ACC provides support services and staffing for specialty courts located throughout the state. Specialty courts currently operating include mental health, veterans, Smarter Sentencing, SWIFT/HOPE courts and drug courts, which are the most prevalent specialty courts. ACC currently staffs sixty-six (66) specialty courts that have a combined average monthly case load of 3,000 adult offenders.

Sex Offender Supervision: ACC is responsible for the supervision of nearly 2,800 sex offenders currently on probation or parole in Arkansas. Because supervision of sex offenders must be more intense, it is managed by an ACC team of professionals who devote 100% of their efforts to managing the state's sex offender population. The goal is to maximize community safety through focused supervision, comprehensive treatment, and behavioral monitoring. The team includes forty-two (42) supervision officers, six (6) aftercare coordinators,

six (6) polygraph examiners or voice stress analysts, an Assistant Area Manager, and an Area Manager.

Special Response Team (SRT): The Special Response Team was formed in FY2013 to concentrate efforts on locating offenders who have absconded community supervision. SRT is comprised of specially-trained, certified law enforcement officers from each Area Parole/Probation Office. The team works under the direction of the ACC Internal Affairs Administrator.

Community Service: ACC's community service programs help restore communities, prevent crime, and hold offenders accountable for the crimes committed in their communities. With the implementation of community service activities, offenders are given opportunities to fulfill court-ordered community service obligations in a way that benefit Arkansas communities. The ACC collaborates with a host of partners, including state, city, and local governments and non-profit organizations for reentry purposes and to provide community programs that beautify and improve.

Reentry Services: ACC Reentry Services coordinates opportunities for offenders to prepare for successful reentry into society through community engagement and stakeholder partnerships aimed at increasing public safety and reducing recidivism while slowing prison growth. Reentry Centers serve as a transitional period for an inmate between prison and release to the community. A designated reentry team oversees Reentry Centers and development of reentry resources and educational and employment opportunities throughout the state.

Institutional Release Services (IRS): IRS is responsible for identifying when an inmate is eligible for parole consideration, scheduling the inmate for a parole hearing when eligible, and assisting in releasing those inmates approved by the Arkansas Parole Board. IRS staff is primarily housed in ACC residential facilities and ADC institutions.

Interstate Compact: Through the Interstate Compact Agreement, the ACC is able to participate in the transfer of supervision of eligible parolees and probationers between participating states. Responsibilities include community supervision, processing investigation requests, providing progress reports, issuing warrants, and facilitating the re-taking process. In most years, the state has a nearly even division of Arkansas offenders supervised out-of-state and out-of-state offenders being supervised in Arkansas.

ACC Parole/Probation Office Locations include:

Area 1 - Washington, Benton & Madison Counties

Area 2 - Carroll, Boone, Marion, Baxter, Fulton, IZard, Searcy, Stone & Van Buren Counties

Area 3 - Independence, Randolph, Lawrence, Sharp, Jackson, Cleburne, White & Prairie Counties

Area 4 - Craighead, Clay, Greene, Poinsett & Mississippi Counties

Area 5 - Sebastian, Scott, Polk, Montgomery, Logan, Franklin, Crawford & Johnson Counties

Area 6 - Faulkner, Pope, Yell, Conway & Perry Counties

Area 7 - Pulaski County Probation and Saline County Probation/Parole

Area 8 - Pulaski County Parole & Lonoke County Parole and Probation

Area 9 - Phillips, Woodruff, Cross, Crittenden, St. Francis, Lee & Monroe Counties

Area 10 - Garland, Hot Spring, Grant & Clark Counties

Area 11 - Jefferson, Arkansas, Lincoln, Desha, Drew, Bradley, Ashley, Chicot & Cleveland Counties

Area 12 - Miller, Little River, Sevier, Howard, Pike, Hempstead, Lafayette & Nevada

Area 13 - Union, Columbia, Calhoun, Ouachita & Dallas Counties

ACC Residential Treatment Centers

The agency uses a modified therapeutic community approach in all its residential centers. Treatment is a group-based, intensive method of treating substance abuse and criminal behavior. The concept, which promotes pro-social values, attitudes, and behaviors through the use of a positive peer culture, has been tailored to the offender population. To re-socialize offenders, the program uses behavior modification, cognitive restructuring, staff role modeling, and education. The offenders are trained to handle specific functions, including food service, maintenance, laundry, and gardening at each facility. Offenders who have been dually diagnosed as having a history of substance abuse coupled with a mental health and/or medical issue are assigned to an appropriate Special Needs Unit and receive specialized individual and group therapy. The Centers include:

- **Central Arkansas Community Correction Center (Little Rock)** - Capacity of 150 males including 50 drug court treatment beds.
- **Northeast Arkansas Community Correction Center (Osceola)** - Capacity of 240 males.
- **Northwest Arkansas Community Correction Center (Fayetteville)** - Capacity of 100 females.
- **East Central Arkansas Community Correction Center (West Memphis)** - Capacity of 350 females including 35 drug court treatment beds, 100 Special Needs Unit beds, and 50 Technical Violator Program beds.
- **Southwest Arkansas Community Correction Center (Texarkana)** - Capacity of 475 males including 60 Special Needs Unit beds.

Technical Parole Violator Program (TVP): ACC operates a 288 bed Technical Violator Program for male offenders at the Omega Technical Violator Center in Malvern and a 50 bed program for females at the East Central Arkansas Community Correction Center in West Memphis. As a sanction, parolees who violate the conditions of their release may be sent to the program by a Parole Board Hearing Judge as an intervention. Offenders are sent for either a 90 or 120 day stay, depending on whether it is their first or second sanction to the program. The TVP includes work assignments, treatment, and education.

Reentry Centers: Created during FY16, Reentry Centers provide a smoother transition for state inmates returning to the community on parole. Prior to their release from prison, inmates are transferred to the centers where programming focuses on employment skills, substance abuse, and life skills. Offenders stay at the center for at least six months and are expected to have a job in the community within 45 days. The average cost of housing a resident at a reentry facility is less than half the amount it costs per day to house an inmate in state prison; the beds will turn over three times per year; and offenders can be sent to reentry up to 18 months prior to their parole eligibility date. ACC's goal is to have 500 reentry beds throughout the state.

Criminal Justice Oversight Task Force

Created by the Criminal Justice Reform Act of 2015, the Criminal Justice Task Force is responsible for studying the performance and outcome measures related to the act. As part of its work, the Council of State Governments (CSG) was engaged to evaluate Arkansas' criminal justice system and prepare recommendations for appropriate investment of resources in criminal justice in Arkansas. CSG's Justice Reinvestment Initiative relies on a data-driven approach to reduce overall corrections spending and reinvest savings in strategies that can decrease recidivism and increase public safety. Most recently, CSG presented an evaluation of community correction operations to the Criminal Justice Task Force. CSG suggested the Task Force adopt 3 recommendations:

- Task Force supports funding ACC caseworker (officer/treatment) staffing levels based on case load standards relating to the different risk levels of the probation and parole population to ensure appropriate supervision focus is provided to individuals based on their risk of recidivism.
- Task Force requests specific recommendations on policies, investments, and practices aimed at optimizing Arkansas' programming, treatment, and sanctioning resources for the supervision of individuals on probation or parole, with the specific objective of reducing recidivism in the most cost-effective manner.
- Task Force supports funding and policy enhancements designed to improve ACC's incorporation of and adherence to evidence-based practices, including programming and treatment resources, training for staff, and regular measurement of key indicators of success.

ACC's Biennial Budget request is in compliance with CSG recommendations in that the top priority is for sufficient officer/treatment staffing, which has never been funded to the level suggested by national best practices. The request also includes expansion of ACC residential beds,

including technical violator beds that while the cost per day is relatively similar to that of ADC, the treatment programs have a lower recidivism rate compared to prison and shorter lengths of stay.

Agency Base Level Funding Justification

ACC has taken steps over the recent fiscal years to use current base-level funding as efficient as possible. We are constantly looking for ways to reduce spending in order to compensate for the approximately \$2 million shortage in our operating budget. Some examples of how we are accomplishing this are as follows:

- Arkansas Works Program

ACC makes the effort to enroll all qualified offenders in the Arkansas Works Insurance Program which has been beneficial in expanding the opportunity to refer offenders to substance abuse and mental health treatment programs. Providing treatment in lieu of incarceration will save the state thousands of dollars.

- Transitional Reentry Beds

This program was approved during the last biennium and continued in the recent special session. Having placed just over 300 (68 have graduated) residents to date and have commitments for operation of 200 beds with a goal of 500 by the end of the fiscal year. The average cost of housing a resident at a reentry facility is less than half the amount it costs per day to house an inmate in a state prison, the beds will turn over three times per year, and offenders can be sent to reentry up to 18 months prior to their parole eligibility date. The 68 graduates saved the state \$1.8 million in prison housing costs.

- Operationalizing the Good Grid

Good Grid is a comprehensive web-based reentry portal for offenders in need of various services. It includes a statewide directory of employers, volunteers and service providers who will assist in the successful reentry of offenders. It also includes a resume builder and job listings from businesses willing to hire offenders. The donation of programming/development services has been valued as a benefit to the state of more than \$20 million. An educational program component is in the development process as well as an offender employment service - also at no cost to the state.

- Telecommunications

ACC has eliminated the majority of land line phones statewide in lieu of cell phones where employees had both. This has produced

approximately \$440,000 annually.

- Training

The Agency has enforced using GoTo meetings for online training, saving costs associated with traveling to central training. We have also implemented regional training with staff taking training opportunities to the Field rather than requiring all staff to come to central office reducing travel expenses. We also continue to develop web-based training that employees can access via an internal website.

- Centralized Banking

Automated offender banking and implemented online deposits to address a Legislative Audit Finding, but will also save staff time in entering money orders and preparing monthly reconciliations.

- eOMIS Enhancements

ACC has collaborated in the automation of Arkansas Parole Board's processes and an automated commissioner voting system. This allows commissioners to have the most recent data available when making parole release decisions. This eliminated ACC Release Officers having to print "boxes" of information weekly, resulting in savings of staff time and paper, copier and transportation expenses. We have also been working on ways to automate additional processes as time/money allows to save officers time on administrative tasks to allow more time for better supervision of offenders. For example, we have automated the referral process for offenders for assessments for counseling, drug treatment and developed one screen for officers to make all entries where they previously had to switch to at least 13 screens.

- Equipment

We have acquired and distributed signature pads to our field offices to capture staff and/or offender signatures on various documents eliminating printing costs and staff time to "scan" printed documents back into the system. In addition, we have phased out personal printers and fax machines in lieu of a multi-print station and high reliance on scanning to email rather than hard copies.

- Purchasing

In FY16, we revamped purchasing procedures to better manage spending statewide. By centralizing all AASIS entries and approvals, the Administrative Services Division has been able to better manage and oversee the procurement operations of this Agency

ACC requests the continuation of current base-level funding for the upcoming biennium. We are utilizing our current base level funds by:

- a. Supporting our budgeted positions including salaries and personal services matching, vehicle maintenance and insurance, fuel, bullet-proof vests, office supplies, ammunition, training, certification and re-certification for treatment staff
- b. Funding agency parole and probation offices around the state including utilities, copier leases, IT equipment needs, some building and grounds maintenance, lease expenses for central office
- c. Providing center operational needs including building and grounds maintenance, food, equipment maintenance, resident clothing, kitchen and janitorial supplies, office supplies, fuel, and utilities
- d. Funding medical insurance for center residents

ACC requests the continuation of current base-level funding based on the justification included for the 2017-2019 Biennium including continuation of the one-time general improvement funds given to the agency in the Governor's Discretionary Release in FY2016. We will continue to be persistent in using these general revenues to the best interest of the state.

Change Level priorities for the 2017-2019 Biennium

- Continuation of the Public Safety Plan Programs - We are requesting the continuation of funding for the additional positions and transitional Reentry Centers funded by General Improvement funds for FY2016 and 2017. The funding for this continuation has been included in our base.
- Medical contract inflationary increases for existing facilities totaling \$172,162 in FY2018 and \$335,091 in FY2019. These incremental increases are based on the FY2018 contractual monthly rate of \$352.45 (2.61% increase) and FY2019 of \$360.92 (2.40% increase). The annual inflationary increases were pre-determined as a result of the RFP process.
- Field Services Staffing - First and foremost, ACC is requesting an increase in the number of supervision officers and treatment staff to reduce the excessively high case load averages to a more manageable level. Currently, Arkansas Parole/Probation officers each supervise an average of 129 offenders. There simply is no way an officer can handle the overall workload that comes with supervising such a high number of offenders, which forces them to prioritize what can physically be done in a 40-hour work week. In addition to supervising offenders, conducting office, home and employment visits, and drug testing offenders, officers also have required administrative tasks that include conducting intakes, risk and needs assessments, developing supervision plans, writing reports, arresting and transporting offenders in and out-of-state, appearing in court and at parole revocation hearings, monitoring offenders on electronic GPS, investigating violations, and attending mandatory annual trainings. Offenders have varying levels of criminogenic needs, which at medium and maximum levels require closer supervision, treatment, and enforcement of conditions that evidence shows can lead to changes in behavior. Implementation of critical Reentry Services to lower recidivism will also place a greater burden on officers to make referrals to agencies and to document compliance and progress. Based on the national average of officer-to-offender case load ratios, along with

- CSG's recommendation, ACC is requesting additional positions in accordance with nationally suggested case load levels. Based on this justification, we are requesting \$7,928,872 in FY2018 and \$5,989,597 in FY2019.
- Transportation Teams - ACC is requesting \$584,228 in FY2018 and \$504,231 in FY2019 for new positions and operational support to allow for agency transportation teams. This would be most helpful in certain areas that border the state (i.e. Fayetteville, Texarkana, and West Memphis). We currently outsource the majority of our extradition expenditures.
- Ozark Drug Court - ACC is requesting \$182,586 in FY2018 and \$145,621 in FY2019 for a proposed Drug Court in Franklin County. This would allow for the personal services and operating needs for a PPO, Advisor, and Administrative Assistant to staff the new Drug Court should it be approved by the Arkansas Supreme Court.
- Continuation of the Osceola Drug and Benton HOPE Courts - Currently, the Osceola Drug and Benton HOPE Courts are funded by a Department of Justice grant, but both will expire September 30, 2016. In order to continue the two courts, we are requesting \$260,042 in both years of the biennium to support the personal services and operating expenses of them.
- Operating Expense Increases - Over time, ACC's staff has grown and the operating expense funding needed to support those positions has not. The agency depends on its yearly salary savings to cover the shortage in maintenance and operations. This includes critical maintenance and repairs of the residential centers, uniforms for our staff, rising food costs for our residents, rotating replacement of bulletproof vests, IT updates and equipment needs, etc. This request totals \$2,000,000 in each year of the biennium.
- Vehicle Fleet Replacements - The agency is requesting \$2,484,724 to replace high mileage or unusable vehicles that are costing the agency more money to insure and maintain than they are worth. In addition to administrative and operational needs, access to vehicles by our field Parole/Probation Officers is essential to providing appropriate supervision of offenders through approving home plans for inmates released from prison, regular and routine home visits of offenders to ensure they are in compliance with release conditions, and transportation of offenders to jail. Center vehicles are necessary to transport offenders to medical appointments and for non-emergency hospital runs, to an ADC facility should the need arise, and for routine administrative and operational needs of the institutions.
- General Agency Operations - Increases in staff and Information Technology expenditures are needed to accommodate the anticipated increases in staff and to enhance operations in parole and probation offices and the treatment facilities. We are requesting \$1,641,658 in FY2018 and \$1,528,258 in FY2019 to provide for positions and support of training, IT, and our Research/Planning Section. This includes three Training Instructors, five Network Support Specialists and two Information System Coordination Specialists.
- Community Correction Center Operations/Expansion - Currently, ACC has six (6) residential centers located throughout Arkansas. To provide an appropriate standard of living for our offender population, meet the accreditation standards of the American Correctional Association, and maintain its treatment facility licensure many functions within our Centers are in constant need of maintenance or replacement. In the last few years, it has seemed that our centers are struggling to keep up with these constant needs. Examples of

appliances. The amount of use each individual piece of equipment requires in turn causes the need for consistent maintenance and eventual replacement. The request for existing center operations totals \$2,041,793 in FY2018 and 1,225,000 in FY2019. In addition, ACC is requesting 24 additional positions in FY2019 for a proposed 200-bed expansion at the Omega Technical Violator Center. A request for construction of the 200 beds is included in the ACC General Improvement Projects request for the next biennium. We also are proposing cost effective expansions to our Northwest, East Central, and Southwest treatment facilities. The total operational costs for the expansions total \$743,228 in FY2018 and \$5,755,774 in FY2019.

- Overtime Appropriation - This request is for the agency to have the ability to pay overtime in order to comply with possible changes to the federal overtime regulations. ACC is very likely to pay out a large amount of overtime over the next biennium unless we are able to reclassify certain positions and get them to a higher salary in order to avoid that possibility. This request totals \$308,500 in appropriation only in each year of the biennium.
- Special Revenue Appropriation - ACC is requesting an increase of \$1,000,000 in appropriation only to provide for any needs that may arise for our supervision staff and area field offices. Some of these needs include, but are not limited to vehicles, uniforms, information technology needs, training, bullet proof vests and eOMIS enhancements. We are currently at our fleet vehicle cap of 422 vehicles, and after researching the current state of our fleet, we are in need of implementing a strategy to start replacing this deteriorating fleet. We also utilize this fund to make upgrades to our electronic offender management system (eOMIS). This is a constant expense and a priority for the agency. Over the last fiscal year, ACC has seen an increase in offender fee collections. It's a goal of the agency to retain this fund because it is critical to our operation in that it allows us to cover shortfalls that cannot be absorbed through our general revenue fund.
- Residential Services Appropriation - The Agency is requesting \$500,000 in appropriation to allow for capital appropriation to address any equipment needs our centers could face over the next biennium. This request will allow ACC to better utilize its resources and provide better overall services to its offender population.
- Pay for Success - ACC is requesting \$20 million in appropriation to provide for the services and programs associated with Pay for Success. The funding for this would be provided through contract agreements with one (1) or more private entities. Examples of these programs are:
 - Supportive Transitional Housing
 - Mentoring
 - Addiction Treatment for Juvenile and Young Adults
 - Oxford House

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS COMMUNITY CORRECTION
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Arkansas Community Correction (ACC) failed to segregate duties relating to initiating, disbursing, and recording transactions among appropriate employees, increasing the risk of fraud. During fiscal years 2002 through 2006, employee DaWanna Walls diverted \$164,402 from the Agency to her personal bank account. Walls devised a scheme where she submitted invoices for a fictitious vendor and flagged those warrants for pick up from the Auditor of State's Office. The fictitious company was in the name of Walls' spouse, allowing for deposit of the warrants into Walls' bank account.

Further review revealed that Walls, who was first employed with the State on April 7, 1997, perpetrated a similar scheme at another state agency where she was previously employed. Between fiscal years 2009 and 2014, Walls misappropriated \$67,893 at the Arkansas Department of Higher Education. The total misappropriated by Walls from the two agencies, during fiscal years 2002 through 2014, was \$232,295.

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

Our review of general computer controls for Sage and Electronic Offender Management Information System (EOMIS) financial applications revealed the following deficiencies:

- Backups were not stored at a suitable off-site facility. Failing to maintain backups at a secure, off-site facility could result in loss of data and the inability to continue operations in the event of a disaster. [Sage]
- Documented application recovery plans were not tested to verify their effectiveness. A plan that is not periodically tested and updated with current conditions could prove unreliable in a disaster situation. [Sage, EOMIS]

Financial Management Guide regulation R4-19-4-501 requires an agency to establish strict controls over cash receipts to ensure they are accounted for properly. Deposit activity was not accurately recorded in EOMIS and in AASIS:

- Transaction information received from the Information Network of Arkansas (INA) for deposits was inaccurate and did not agree to amounts posted to offender accounts

Recommendations

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

Agency Response:

The fraud **was** committed during the earlier days of AASIS, prior to inclusion of system segregation of duties controls. ACC agrees with the need for segregation of duties related to recording of financial transactions and utilizes the system accordingly.

We recommend storing the backup media at a secure, off-site location that is geographically apart from the primary facility and not a personal residence. In addition, we recommend the Agency conduct formal testing of the disaster recovery plan on a regular basis.

Agency Response:

In October 2015, ACC staff conducted eOMIS disaster recovery testing with the Department of Information Systems at Data Center West. During the test, all eOMIS functionality remained operable and passed testing requirements. The need for Sage software will soon be eliminated upon conversion of the financial section of eOMIS.

We recommend the Agency develop procedures to ensure all deposit activity is properly recorded in EOMIS and AASIS.

Agency Response:

ACC is in the process of updating the financial section of eOMIS. The changes required expensive programming changes to eOMIS to include a bank reconciliation module, which will ensure funds received and receipted are properly posted to offenders' accounts and

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS COMMUNITY CORRECTION
 FOR THE YEAR ENDED JUNE 30, 2015

Findings

in EOMIS. Errors in the deposit amounts resulted in revenues being recorded to the wrong Treasury funds in AASIS.

- Deposits totaling \$5,375 received from July 2002 to June 2015 were not posted to offender accounts.

Recommendations

reconciled with the bank and AASIS.

Employment Summary

	Male	Female	Total	%
White Employees	335	410	745	59 %
Black Employees	147	345	492	39 %
Other Racial Minorities	4	14	18	2 %
Total Minorities			510	41 %
Total Employees			1,255	100 %

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				
Administrative Regulations	ACA §25-15-204	N	Y	178	To comply with the Administrative Procedures Act; Provide guidance to staff and offenders under Agency jurisdiction; and to accommodate any public request.	0	0.00
DCC Annual Report	ACA §12-27-125 ACA § 12-27-126 ACA §13-2-212	N	N	178	To provide report of progress toward the agency mission; also to comply with statute governing State & Local Government Publications Clearinghouse to the State Library.	0	0.00

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2016
Required by A.C.A. 25-36-104

AGENCY: 0485 DEPARTMENT OF COMMUNITY CORRECTION

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Better Community Developers (Drug Court)	\$400,000	X					
Better Community Developers (Parole/Probation)	\$50,000	X					
Gyst House	\$69,000	X					
Sober Living	\$102,000	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED 4

TOTAL EXPENDITURES FOR CONTRACTS AWARDED \$10,342,608

% OF MINORITY CONTRACTS AWARDED 0.61 %

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1BA Community Correction - Federal	418,229	6	399,409	6	438,493	7	400,352	6	1,900,352	6	1,900,352	6	400,352	6	1,900,352	6	1,900,352	6
1BR Residents Cash Treasury	1,942,828	0	2,659,646	0	2,722,516	0	2,659,646	0	3,159,646	0	3,159,646	0	2,659,646	0	3,159,646	0	3,159,646	0
2GH Community Correction-Special	5,334,524	49	8,812,885	65	8,740,233	65	8,832,760	65	9,832,760	65	8,832,760	65	8,836,215	65	9,836,215	65	8,836,215	65
2GK County Jail Reimbursement	1,306,828	0	3,000,000	0	3,109,636	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
510 Community Correction - State	82,099,304	1,391	88,426,204	1,382	98,787,483	1,452	88,518,793	1,382	106,866,586	1,541	88,690,955	1,382	88,566,909	1,382	106,619,023	1,599	88,902,000	1,382
86Y Best Practices	3,449,267	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
N57 Court Accountability Grants	1,100,681	0	1,699,319	0	2,800,000	0	1,699,319	0	0	0	1,400,000	0	1,699,319	0	0	0	1,400,000	0
N58 Pay for Success Program	100,000	0	0	0	3,000,000	0	0	0	20,000,000	0	3,000,000	0	0	0	20,000,000	0	3,000,000	0
Total	95,751,661	1,446	108,997,463	1,453	123,598,361	1,524	109,110,870	1,453	148,759,344	1,612	113,983,713	1,453	109,162,441	1,453	148,515,236	1,670	114,198,213	1,453

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	7,588,883	6.9	14,729,942	12.9			5,261,587	4.8	5,261,587	4.1	5,261,587	4.8	3,811,444	3.5	2,811,444	2.2	3,811,444	3.5
General Revenue	4000010	79,917,457	72.3	81,610,629	71.4			91,468,793	83.1	109,508,086	85.5	91,640,955	83.2	91,516,909	84.2	109,260,523	87.1	91,852,000	84.3
Federal Revenue	4000020	446,417	0.4	399,409	0.3			400,352	0.4	400,352	0.3	400,352	0.4	400,352	0.4	400,352	0.3	400,352	0.4
Special Revenue	4000030	10,565,567	9.6	9,900,000	8.7			11,400,000	10.4	11,400,000	8.9	11,400,000	10.3	11,400,000	10.5	11,400,000	9.1	11,400,000	10.5
Cash Fund	4000045	1,735,629	1.6	1,503,877	1.3			1,503,877	1.4	1,503,877	1.2	1,503,877	1.4	1,503,877	1.4	1,503,877	1.2	1,503,877	1.4
Merit Adjustment Fund	4000055	0	0.0	131,789	0.1			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
DFA Motor Vehicle Acquisition	4000184	408,465	0.4	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
General Improvement Fund	4000265	9,816,596	8.9	5,983,404	5.2			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Intra-agency Fund Transfer	4000317	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	2,589	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		110,481,603	100.0	114,259,050	100.0			110,034,609	100.0	128,073,902	100.0	110,206,771	100.0	108,632,582	100.0	125,376,196	100.0	108,967,673	100.0
Excess Appropriation/(Funding)		(14,729,942)		(5,261,587)				(923,739)		20,685,442		3,776,942		529,859		23,139,040		5,230,540	
Grand Total		95,751,661		108,997,463				109,110,870		148,759,344		113,983,713		109,162,441		148,515,236		114,198,213	

Budget exceeds Authorized Appropriation in FY17 (2GH) due to salary and matching rate adjustments during the 2015-2017 Biennium.
 Variance in fund balance due to unfunded appropriations in (N57) Court Accountability Grants and (N58) Pay for Success Program

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
1,450	1265	49	1314	136	12.76 %	1,494	1297	47	1344	150	13.19 %	1,651	1271	114	1385	266	23.02 %

Analysis of Budget Request

Appropriation: 1BA - Community Correction - Federal

Funding Sources: FPF - Federal Fund

This appropriation is funded by federal funds and provides support for several federal grant programs. The programs are for offender substance abuse rehabilitation treatment, drug court, serious and violent offenders, transitional housing and preparation for release from incarceration with follow up. The Agency anticipates the grants to continue during the next biennium.

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

The Agency's Base Level appropriation totals \$400,352 in each year of the biennium.

The Agency's Change Level request provides for Operating Expenses increase of \$1,200,000 and an increase in Professional Fees of \$300,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1BA - Community Correction - Federal

Funding Sources: PPF - Federal Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	206,783	211,140	253,518	211,028	211,028	211,028	211,028	211,028	211,028
#Positions		6	6	7	6	6	6	6	6	6
Personal Services Matching	5010003	81,653	80,271	76,977	81,326	81,326	81,326	81,326	81,326	81,326
Operating Expenses	5020002	129,268	70,246	70,246	70,246	1,270,246	1,270,246	70,246	1,270,246	1,270,246
Conference & Travel Expenses	5050009	0	28,313	28,313	28,313	28,313	28,313	28,313	28,313	28,313
Professional Fees	5060010	525	9,439	9,439	9,439	309,439	309,439	9,439	309,439	309,439
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		418,229	399,409	438,493	400,352	1,900,352	1,900,352	400,352	1,900,352	1,900,352
Funding Sources										
Federal Revenue	4000020	418,229	399,409		400,352	400,352	400,352	400,352	400,352	400,352
Total Funding		418,229	399,409		400,352	400,352	400,352	400,352	400,352	400,352
Excess Appropriation/(Funding)		0	0		0	1,500,000	1,500,000	0	1,500,000	1,500,000
Grand Total		418,229	399,409		400,352	1,900,352	1,900,352	400,352	1,900,352	1,900,352

FY17 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 1BA - Community Correction - Federal
Funding Sources: FPF - Federal Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	400,352	6	400,352	100.0	400,352	6	400,352	100.0
C05	Unfunded Appropriation	1,500,000	0	1,900,352	474.7	1,500,000	0	1,900,352	474.7

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	400,352	6	400,352	100.0	400,352	6	400,352	100.0
C05	Unfunded Appropriation	1,500,000	0	1,900,352	474.7	1,500,000	0	1,900,352	474.7

Justification

C05	The Agency is requesting \$1,500,000 in appropriation in anticipation of future grant awards.
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Analysis of Budget Request

Appropriation: 1BR - Residents Cash Treasury

Funding Sources: NCC - Cash in Treasury

The Residential Services appropriation provides for the operation of the Community Correction Facilities commissary. These are self-supporting operations in which residents can purchase various commissary supplies, primarily snack foods, in the Department's various centers. This appropriation also utilizes the proceeds from the coin-less telephone program in which the Agency receives partial reimbursement from the telephone company for phone calls made by the residents. The proceeds are used to purchase items of mutual benefit to all residents. The appropriation is also used for inmate assistance projects, security equipment and general operations.

The Agency's Base Level appropriation totals \$2,659,646 in each year of the biennium.

The Agency's Change Level Request is for appropriation of \$500,000 for Capital Outlay in each year of the biennium for equipment purchases that may be necessary for residential centers.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1BR - Residents Cash Treasury

Funding Sources: NCC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,844,467	2,557,846	2,557,846	2,557,846	2,557,846	2,557,846	2,557,846	2,557,846	2,557,846
Conference & Travel Expenses	5050009	0	0	62,870	0	0	0	0	0	0
Professional Fees	5060010	98,361	101,800	101,800	101,800	101,800	101,800	101,800	101,800	101,800
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	500,000	500,000	0	500,000	500,000
Total		1,942,828	2,659,646	2,722,516	2,659,646	3,159,646	3,159,646	2,659,646	3,159,646	3,159,646
Funding Sources										
Fund Balance	4000005	1,550,223	1,223,152		17,383	17,383	17,383	0	0	0
Cash Fund	4000045	1,615,757	1,453,877		1,453,877	1,453,877	1,453,877	1,453,877	1,453,877	1,453,877
Total Funding		3,165,980	2,677,029		1,471,260	1,471,260	1,471,260	1,453,877	1,453,877	1,453,877
Excess Appropriation/(Funding)		(1,223,152)	(17,383)		1,188,386	1,688,386	1,688,386	1,205,769	1,705,769	1,705,769
Grand Total		1,942,828	2,659,646		2,659,646	3,159,646	3,159,646	2,659,646	3,159,646	3,159,646

Change Level by Appropriation

Appropriation: 1BR - Residents Cash Treasury
Funding Sources: NCC - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,659,646	0	2,659,646	100.0	2,659,646	0	2,659,646	100.0
C01	Existing Program	500,000	0	3,159,646	118.8	500,000	0	3,159,646	118.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,659,646	0	2,659,646	100.0	2,659,646	0	2,659,646	100.0
C01	Existing Program	500,000	0	3,159,646	118.8	500,000	0	3,159,646	118.8

Justification

C01	The Agency is requesting \$500,000 in capital outlay appropriation to allow for equipment purchases that may be necessary for our residential centers.
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Analysis of Budget Request

Appropriation: 2GH - Community Correction-Special

Funding Sources: SPF - Community Correction Revolving Fund

The Department of Community Correction is responsible for adult probation and parole services. This appropriation is utilized to support these services as well as special programs primarily for alcohol and drug and mental health treatment. The special revenue supporting this appropriation includes fees and sanctions levied by the courts or authorized by the Board of Corrections and paid by offenders. The probation/parole fee is \$25 each month and provide for safety equipment, vehicles, and drug testing supplies.

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

The Agency's Base Level appropriation totals \$8,832,760 for FY18 and \$8,836,215 for FY19 with sixty five (65) budgeted positions.

The Agency's Change Level Request totals \$1,000,000 of appropriation in each year to support needs such as new vehicles and other support that may be needed for supervision staff and area offices.

The Executive Recommendation provides for Base Level appropriation.

Appropriation Summary

Appropriation: 2GH - Community Correction-Special
Funding Sources: SPF - Community Correction Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,883,769	2,495,289	2,435,183	2,501,289	2,501,289	2,501,289	2,504,089	2,504,089	2,504,089
#Positions	49	65	65	65	65	65	65	65	65
Personal Services Matching 5010003	754,983	899,020	886,474	912,895	912,895	912,895	913,550	913,550	913,550
Operating Expenses 5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
WMSC Parking Srvs from Fees 5900046	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Community Correction Programs 5900047	2,685,772	5,408,576	5,408,576	5,408,576	6,408,576	5,408,576	5,408,576	6,408,576	5,408,576
Total	5,334,524	8,812,885	8,740,233	8,832,760	9,832,760	8,832,760	8,836,215	9,836,215	8,836,215

Funding Sources											
Fund Balance 4000005	2,527,550	5,470,958		3,958,073	3,958,073	3,958,073	2,525,313	1,525,313	2,525,313		
Federal Revenue 4000020	28,188	0		0	0	0	0	0	0		
Special Revenue 4000030	7,841,279	7,300,000		7,400,000	7,400,000	7,400,000	7,400,000	7,400,000	7,400,000		
DFA Motor Vehicle Acquisition 4000184	408,465	0		0	0	0	0	0	0		
Total Funding	10,805,482	12,770,958		11,358,073	11,358,073	11,358,073	9,925,313	8,925,313	9,925,313		
Excess Appropriation/(Funding)	(5,470,958)	(3,958,073)		(2,525,313)	(1,525,313)	(2,525,313)	(1,089,098)	910,902	(1,089,098)		
Grand Total	5,334,524	8,812,885		8,832,760	9,832,760	8,832,760	8,836,215	9,836,215	8,836,215		

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 2GH - Community Correction-Special
Funding Sources: SPF - Community Correction Revolving Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	8,832,760	65	8,832,760	100.0	8,836,215	65	8,836,215	100.0
C01	Existing Program	1,000,000	0	9,832,760	111.3	1,000,000	0	9,836,215	111.3

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	8,832,760	65	8,832,760	100.0	8,836,215	65	8,836,215	100.0
C01	Existing Program	0	0	8,832,760	100.0	0	0	8,836,215	100.0

Justification

C01	The Agency is requesting \$1,000,000 in special revenue appropriation to support any needs that may arise including new vehicles and any other support that may be needed for our supervision staff and area offices.
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Analysis of Budget Request

Appropriation: 2GK - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Arkansas Code §19-5-1045 provides Jail Reimbursement to Counties by the Department of Community Correction. Prior to this legislation, only Department of Correction could provide Jail Reimbursements to the Counties. In the event that the Department of Correction or Department of Community Correction could not accept inmates from county jails due to insufficient bed space, each agency would have to reimburse the counties for housing the inmates. Funding for this appropriation comes from general revenue.

The Agency's Request is for Base Level of \$3,000,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2GK - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	1,306,828	3,000,000	3,109,636	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total	1,306,828	3,000,000	3,109,636	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Funding Sources									
General Revenue 4000010	1,306,828	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total Funding	1,306,828	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,306,828	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Analysis of Budget Request

Appropriation: 510 - Community Correction - State

Funding Sources: HCP - Department of Community Correction Fund

The Department of Community Correction uses this appropriation for daily operations. Funding for this appropriation comes from general revenue and cash funds received from the rental of buildings at the Texarkana unit to other state agencies.

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

Base Level appropriation totals \$88,518,793 in FY18 and \$88,566,909 for FY19 with one thousand three hundred eighty-two (1,382) budgeted positions.

The Agency's Change Level Request is for \$18,347,793 for FY18 and \$18,052,114 in FY19 with new general revenue funding of \$18,039,293 in FY18 and \$17,743,614 in FY19 and unfunded appropriation of \$308,500 in each year of the biennium, and includes the following:

- Regular Salaries and Personal Services Matching of \$7,170,221 for FY18 and \$9,520,104 in FY19 to include one hundred fifty-nine (159) new positions in FY18 and two hundred seventeen (217) new positions in FY19.
- Overtime and Personal Services Matching unfunded appropriation of \$308,500 in each year of the biennium.
- Operating Expenses of \$4,982,602 in FY18 and \$5,827,002 in FY19 for new position operating expenses, maintenance and repairs of the residential centers, cost effective expansions to existing facilities, and training of new staff.
- Professional Fees of \$269,438 in FY18 and \$2,093,493 in FY19 for increased medical contract expenses.
- Capital Outlay of \$5,617,032 for FY18 and \$303,015 in FY19 for information technology (IT) equipment and vehicle purchases. This request is in compliance with the Agency's IT plan.

The Executive Recommendation provides for Base Level in addition to Professional Fees increase of \$172,162 for FY18 and \$335,091 for FY19 in appropriation and general revenue funding.

Appropriation Summary

Appropriation: 510 - Community Correction - State
Funding Sources: HCP - Department of Community Correction Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	45,487,084	48,278,396	49,413,778	48,322,586	53,483,737	48,322,586	48,361,586	55,190,130	48,361,586
#Positions		1,391	1,382	1,452	1,382	1,541	1,382	1,382	1,599	1,382
Extra Help	5010001	7,782	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
#Extra Help		2	10	10	10	10	10	10	10	10
Personal Services Matching	5010003	17,234,720	18,030,064	18,531,095	18,281,863	20,349,433	18,281,863	18,290,979	21,041,039	18,290,979
Overtime	5010006	16,930	10,000	10,000	10,000	260,000	10,000	10,000	260,000	10,000
Operating Expenses	5020002	12,604,889	15,752,479	22,170,874	15,752,479	20,735,081	15,752,479	15,752,479	21,579,481	15,752,479
Conference & Travel Expenses	5050009	2,330	2,000	47,109	2,000	2,000	2,000	2,000	2,000	2,000
Professional Fees	5060010	6,077,267	6,049,865	7,543,170	6,049,865	6,319,303	6,222,027	6,049,865	8,143,358	6,384,956
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	668,302	203,400	971,457	0	5,617,032	0	0	303,015	0
Total		82,099,304	88,426,204	98,787,483	88,518,793	106,866,586	88,690,955	88,566,909	106,619,023	88,902,000

Funding Sources										
Fund Balance	4000005	0	5,349,701		0	0	0	0	0	0
General Revenue	4000010	78,610,629	78,610,629		88,468,793	106,508,086	88,640,955	88,516,909	106,260,523	88,852,000
Cash Fund	4000045	119,872	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Merit Adjustment Fund	4000055	0	131,789		0	0	0	0	0	0
General Improvement Fund	4000265	8,715,915	4,284,085		0	0	0	0	0	0
M & R Sales	4000340	2,589	0		0	0	0	0	0	0
Total Funding		87,449,005	88,426,204		88,518,793	106,558,086	88,690,955	88,566,909	106,310,523	88,902,000
Excess Appropriation/(Funding)		(5,349,701)	0		0	308,500	0	0	308,500	0
Grand Total		82,099,304	88,426,204		88,518,793	106,866,586	88,690,955	88,566,909	106,619,023	88,902,000

Change Level by Appropriation

Appropriation: 510 - Community Correction - State
Funding Sources: HCP - Department of Community Correction Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	88,518,793	1,382	88,518,793	100.0	88,566,909	1,382	88,566,909	100.0
C01	Existing Program	16,301,879	144	104,820,672	118.4	16,206,562	202	104,773,471	118.3
C02	New Program	766,814	15	105,587,486	119.3	649,852	15	105,423,323	119.0
C05	Unfunded Appropriation	308,500	0	105,895,986	119.6	308,500	0	105,731,823	119.4
C08	Technology	970,600	0	106,866,586	120.7	887,200	0	106,619,023	120.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	88,518,793	1,382	88,518,793	100.0	88,566,909	1,382	88,566,909	100.0
C01	Existing Program	172,162	0	88,690,955	100.2	335,091	0	88,902,000	100.4
C02	New Program	0	0	88,690,955	100.2	0	0	88,902,000	100.4
C05	Unfunded Appropriation	0	0	88,690,955	100.2	0	0	88,902,000	100.4
C08	Technology	0	0	88,690,955	100.2	0	0	88,902,000	100.4
C12	Not Requested	0	0	88,690,955	100.2	0	0	88,902,000	100.4

Justification

C01	The Agency is requesting \$16,301,879 in FY2018 and \$16,206,562 in FY2019 in additional general revenue funding and appropriation. This request includes salary, personal services matching and operating funds to support 119 field supervision and treatment positions in FY2018 and 131 in FY2019. The request for Field Supervision and Treatment totals \$8,458,872 in FY2018 and \$6,519,597 in FY2019. The Agency is also requesting \$2,484,724 in FY18 to replace its aging vehicle fleet. The cost of maintaining the fleet is high and expected, but there are many vehicles that need to be replaced due to high mileage or due to the cost of repairs that outweigh the overall value of the vehicle. A portion of this request also provides for the continuation of two specialty courts, the Benton HOPE Court and the Osceola Drug Court. This includes the salary, personal services matching and the operational support needed for each court to continue and totals \$260,042 in each year of the biennium. The Agency is requesting \$3,041,793 in FY2018 and \$2,225,000 in FY2019 for center building and grounds maintenance, food increases and center equipment. There is also a request for incremental medical costs increases totaling \$172,162 in FY2018 and \$335,091 in FY2019. DCC center expansion request totaling \$743,228 in FY2018 and \$5,755,774 in FY2019 to expand the centers in Northwest Arkansas (46 beds), East Central Arkansas (100 beds), Southwest Arkansas (60 beds) and Omega Technical Violator Center (200 beds). The total request for expansions includes the positions needed to add the additional beds to the centers and the operational expenses needed. The request for expanding the physical expansion will be included in the Agency's capital project request. Lastly, the Agency has general agency needs that total \$1,141,058 in FY2018 and \$1,111,058 in FY2019. This request focuses primarily on the Agency's need for Information Technology staff for the IT and Research sections and includes five Network Support Specialists and two Information System Coordination Specialists.
C02	The Agency is requesting twelve (12) positions in each year of the biennium to provide for transportation teams around the state. This would be most beneficial in the areas that border the state including Fayetteville, Texarkana and West Memphis. This request includes salaries and personal services matching for the positions including the operational funds to support them and one transportation van and totals \$584,228 in FY2018 and \$504,231 in FY2019. A portion of this request also provides for a new drug court in Franklin County and totals \$182,586 in FY2018 and \$145,621 in FY2019. This includes three (3) positions, a Parole/Probation Officer, an Advisor and an Administrative Assistant and the operational support needed for the court.
C05	The Agency is requesting \$308,500 in appropriation only to address any overtime payments that may be needed throughout each year of the biennium. The Agency will rely on salary savings to provide funding for the overtime payouts.
C08	The Agency is requesting appropriation and funding to address information technology needs including increased bandwidth, additional servers, IT equipment, networking switches, printer updates and software licenses. This request is addressed in detail in the Agency's IT Plan and totals \$970,600 in FY2018 and \$887,200 in FY2019.

Analysis of Budget Request

Appropriation: 86Y - Best Practices

Funding Sources: TBP - Best Practices Trust

This appropriation was established by the Public Safety Improvement Act of 2011 also known as Act 570. The special revenue supporting this appropriation includes fees and sanctions levied by the courts or authorized by the Board of Corrections and paid by offenders. The probation/parole fee is \$10 each month. These fees go to support programs and services that implement practices that are proven to reduce the risk of having repeat offenders or recidivism, including programs that address treatment needs of offenders.

The Agency is requesting Base Level of \$4,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 86Y - Best Practices

Funding Sources: TBP - Best Practices Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Community Correction Prgm 5900046	3,449,267	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total	3,449,267	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Funding Sources									
Fund Balance 4000005	3,511,110	2,686,131		1,286,131	1,286,131	1,286,131	1,286,131	1,286,131	1,286,131
Special Revenue 4000030	2,724,288	2,600,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Intra-agency Fund Transfer 4000317	(100,000)	0		0	0	0	0	0	0
Total Funding	6,135,398	5,286,131		5,286,131	5,286,131	5,286,131	5,286,131	5,286,131	5,286,131
Excess Appropriation/(Funding)	(2,686,131)	(1,286,131)		(1,286,131)	(1,286,131)	(1,286,131)	(1,286,131)	(1,286,131)	(1,286,131)
Grand Total	3,449,267	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

Analysis of Budget Request

Appropriation: N57 - Court Accountability Grants

Funding Sources: TAC - Accountability Court Fund

The Court Accountability Grants appropriation provides for the distribution of grant funds to adult and juvenile specialty court programs as defined under Arkansas Code § 16-10-139. This appropriation is payable from the Accountability Court Fund established by Act 895 of 2015 Section 43. Funding for this appropriation comes from grants funds and any other funds authorized or provided by law.

Base Level appropriation totals \$1,699,319 for both years of the biennium.

The Agency Request that appropriation not be continued for the 2017-2019 Biennium.

The Executive Recommendation provides for \$1,400,000 in appropriation.

Appropriation Summary

Appropriation: N57 - Court Accountability Grants

Funding Sources: TAC - Accountability Court Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	1,100,681	1,699,319	2,800,000	1,699,319	0	1,400,000	1,699,319	0	1,400,000
Total	1,100,681	1,699,319	2,800,000	1,699,319	0	1,400,000	1,699,319	0	1,400,000
Funding Sources									
General Improvement Fund 4000265	1,100,681	1,699,319		0	0	0	0	0	0
Total Funding	1,100,681	1,699,319		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		1,699,319	0	1,400,000	1,699,319	0	1,400,000
Grand Total	1,100,681	1,699,319		1,699,319	0	1,400,000	1,699,319	0	1,400,000

Change Level by Appropriation

Appropriation: N57 - Court Accountability Grants
Funding Sources: TAC - Accountability Court Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,699,319	0	1,699,319	100.0	1,699,319	0	1,699,319	100.0
C03	Discontinue Program	(1,699,319)	0	0	0.0	(1,699,319)	0	0	0.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,699,319	0	1,699,319	100.0	1,699,319	0	1,699,319	100.0
C03	Discontinue Program	(299,319)	0	1,400,000	82.4	(299,319)	0	1,400,000	82.4

Justification

C03	The agency is not requesting appropriation for biennium.
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Analysis of Budget Request

Appropriation: N58 - Pay for Success Program

Funding Sources: TBQ - Social Innovation Fund

The Pay-for-Success Program appropriation provides for the Department of Community Correction to enter into agreements with entities such as community-based behavioral health providers or public universities to create a pay-for-success program for incarcerated or supervised individuals. The Pay-For-Success Program is payable from the Social Innovation Fund established by Act 895 of 2015 section 42. Funding for this appropriation includes grant funds, loans, investments and any other funds authorized by law.

Agency is requesting \$20,000,000 in unfunded appropriation to provide for services and programs associated with Pay for Success. Expenditure of appropriation is contingent upon available funding.

The Executive Recommendation provides for \$3,000,000 in unfunded appropriation.

Appropriation Summary

Appropriation: N58 - Pay for Success Program

Funding Sources: TBQ - Social Innovation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Pay for Success 5900046	100,000	0	3,000,000	0	20,000,000	3,000,000	0	20,000,000	3,000,000
Total	100,000	0	3,000,000	0	20,000,000	3,000,000	0	20,000,000	3,000,000
Funding Sources									
Intra-agency Fund Transfer 4000317	100,000	0		0	0	0	0	0	0
Total Funding	100,000	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	20,000,000	3,000,000	0	20,000,000	3,000,000
Grand Total	100,000	0		0	20,000,000	3,000,000	0	20,000,000	3,000,000

Change Level by Appropriation

Appropriation: N58 - Pay for Success Program
Funding Sources: TBQ - Social Innovation Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	20,000,000	0	20,000,000	100.0	20,000,000	0	20,000,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	3,000,000	0	3,000,000	100.0	3,000,000	0	3,000,000	100.0

Justification

C05	The Agency is requesting \$20 million in appropriation to provide for services and programs associated with Pay for Success. The funding would be provided through contract agreements with one or more private entities. Pay for Success is an innovative contracting model that drives government resources toward high-performing social programs. PFS contracts track the effectiveness of programs over time to ensure that funding is directed toward programs that succeed in measurably improving the lives of people most in need.
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DEPARTMENT OF CORRECTION

Enabling Laws

Act 266 of 2016
A.C.A. §12-27-101 et seq.

History and Organization

In 1838, Governor James S. Conway signed legislation establishing the State Penitentiary. Today, the Department of Correction's Mission statement is to:

- ♦ Provide public safety by carrying out the mandates of the courts;
- ♦ Provide a safe, humane environment for staff and inmates;
- ♦ Provide programs to strengthen the work ethic; and
- ♦ Provide opportunities for spiritual, mental, and physical growth.

The Board of Corrections has constitutional and supervisory power and control over the Arkansas Department of Correction. The Board has seven voting members including the Parole Board Chair, five citizen members and one criminal justice faculty member employed at a four-year Arkansas university. Each member is appointed by the Governor and serves a seven-year term.

The Department's Director reports directly to the Board as the agency's chief executive, administrative and fiscal officer. The Director is responsible for the agency's philosophy, mission and operations. The Department has six Deputy or Assistant Directors that oversee various areas:

- ***Institutions (Correctional Facilities)*** are divided between the Chief Deputy Director who is responsible for Varner/Supermax, Cummins, East Arkansas Regional Unit, the Wrightsville Complex, the Pine Bluff Complex, and the Tucker Unit along with the ADC Farm Program, Emergency Preparedness and the K-9 Units; and the Deputy Director for Institutions who is responsible for the Ouachita River Unit, the Newport Complex (Grimes and McPherson), the North Central Unit, the Delta Unit, and the four work release units: Benton, North West (Springdale), Mississippi County, and Texarkana. The Deputy Director is also responsible for Security Threat and Terrorism Groups Investigations.

- **Health and Correctional Program** Deputy Director is responsible for Medical and Mental Health Services, Religious Services, Substance Abuse Treatment Programs (SATP and TC), sex offender treatment programs (RSVP for males; SOFT for females), Volunteer Services, Reentry Programs, and the Sex Offender Assessment program which evaluates all sex offenders in Arkansas to establish a community notification level (SOCNA) under guidelines established by the Sex Offender Assessment Committee whose members are appointed by the Governor and prescribed by law, Act 309 Program (inmates assigned to work programs in County or City Jails), American Correctional Association Accreditation, PAWS in Prison Program (trains rescue dogs to be adopted), and the Central Transportation Division.
- **Administrative Services** Assistant Director supervises Procurement, Accounting, Human Resources, Budget, Finance, Information Technology, Library Services (unit libraries), Training Academy (Basic Correctional Officer Training as well as training for Non-Security and supervisory staff), and Central Warehouse (services all units), and ensures agency compliance with state and federal accounting, budgetary and personnel procedures;
- **Construction and Maintenance** Assistant Director is responsible for ongoing and preventative maintenance programs at the various units, and design and construction projects for the department, Energy Efficiency Projects, and Arkansas Correctional Industries. (Construction of facilities or expansions is often completed with inmate labor which costs substantially less than free-world labor.)
- **Legal Services** Assistant Director is responsible for all legal division services including coordinating with the Arkansas Attorney General, cases before the Arkansas Claims Commission, garnishments, Prison Rape Elimination Act (PREA) Coordinator, Classification, Records, Interstate Compact programs, Drug Testing, Internal Audit, Inmate Grievances, and the EEOC Grievance Office.

ADC Correction Facilities include:

Benton Unit - Capacity of 325 - Special Operations include Work Release, Education and Regional Maintenance.

Cummins Unit - Capacity of 1,850 (also operating 26 temporary beds) - Special Operations include the execution chamber, Education, Vocational Education, Mental Health Groups, Re-Entry program, Canine Unit and Horse Operation. Farm and Agriculture Programs include Livestock, Field and Edible Crops, Feed Mill, Slaughterhouse, Poultry Operations/Egg Production and Milk Processing. Industry Programs include Vinyl Products/Silk Screening, Engraving, Garment Factory and Furniture Refinishing.

Delta Regional Unit - Capacity of 472 (also operating 138 temporary beds and 4 jail beds) - Special Operations include Regional Maintenance, Education, Re-Entry Program, Mental Health Groups, Protective Custody Unit, and Jail Operations. Self-Improvement classes include Anger Management, AA/NA, Thinking Errors, Domestic Violence and Substance Abuse Education. Also includes Janitorial Products Industry Program.

East Arkansas Regional Unit - Capacity of 1,432 (also operating 192 temporary beds and 35 jail beds) - Special Operations include Regional Maintenance, Education, Mental Health Groups, Re-Entry Program, Pilot Project with Tablets for Re-Entry and a Step-Down from Segregation Program, Vocational Education, Maximum Security Unit, Jail Operation, Canine Unit, ICC Garage, PALS, Farm Operations - (Row Crops, Garden and Hay) and Industry Programs (Welding and Upholstery).

Ester Unit - Capacity 380 with an additional 200 beds to come online around April 2017 - Special Operations include Construction, Education, Mental Health Groups, Vocational Education, and Re-Entry Center for male inmates leaving the Department.

Grimes Unit - Capacity of 1,012 - Special Operations include SATP, Life Skills, Education, Regional Maintenance, PALS, Anger Management, Thinking Errors, Parenting, Story Book Projects, Inmate Council, Re-Entry Program, Horse and Garden Operations, Canine Unit, ICC Garage and College Courses.

Randall L. Williams Correctional Facility - Capacity of 518 (also operating 44 temporary beds) - Special Operations include Regional Maintenance, Fast Track Substance Abuse Treatment Program, Mental Health Groups, Education, Vo-Tech - Landscape Design Vocational Education, Re-Entry Program, Parenting Classes, Anger Management, Mental Health Counseling, Paws in Prison and PALS.

Maximum Security Unit - Capacity of 532 - Special Operations include Education, G.E.D. Program, PALS, Paws in Prison and U.N.I.T.Y. Program.

Additonal Beds assigned to Maximum Security Unit:

- Boot Camp Program (Capacity 124) allows non-violent offenders sentenced to 15 years or less to complete a rigorous 120 day boot camp prior to release. This program houses 100 males and 24 females separately in a facility adjacent to the Maximum Security Unit.

McPherson Unit - Capacity of 924 (female inmates) (also operating 40 Mental Health Residential Program Unit beds) - Special Operations include Female Inmate Intake, Substance Abuse Treatment Programs (SATP and TC), Education, Vo-Tech, Parenting, Even Start, College Courses, PALS, Re-Entry Program, AA/NA programs, Anger Management, Domestic Violence, Inmate Council, Mi Watch, Story Book Project, Relaxation Circle, Locks of Love, Gardening Program, SOFT (Female Sex Offender Treatment) and Industry Program.

Mississippi County Work Release Center - Capacity of 133 - Special Operations include Work Release, Regional Maintenance, Re-Entry Program, and AA/NA.

North Central Unit - Capacity of 700 (also operating 100 temporary beds) - Special operations include Education, Regional Maintenance,

Mental Health Groups, Re-Entry Program, Substance Abuse Education, Principals and Application for Life, Construction, Edible Crop Production, Horse Training and Rehabilitation, Paws in Prison, Tracking Dogs and the Story Book Project.

Northwest Arkansas Work Release Center - Capacity of 100. Special Operations include Work Release, John Brown University Life Skills Program, and AA/NA.

Ouachita River Correctional Facility - Capacity of 1,734 (also operating 48 temporary beds). Special Operations include Central Intake for Males, Regional Maintenance, Construction, Educational Programs, Vocational Programs, Reduction of Sexual Victimization Program (RSVP male sex offender treatment program), Habilitation, Mental Health Groups, PALS, CABBI College Program, Re-Entry Program, NA/AA, Livestock and Hay Operations, Garden Operations, Paws in Prison and Dog Kennel Operations. The ORCU Special Needs Unit provides additional beds for special programs that include Hospital Services, Sheltered Living, Mental Health Residential Program Unit and Male and Female Day Clinic Services for the Arkansas Department of Correction.

Pine Bluff Unit - Capacity of 430 - Special Operations include Work Release, Mental Health Groups, Re-Entry Program, Education, Gardening, Livestock, Grounds Maintenance, Warehouse and Construction.

Additional beds assigned to the Pine Bluff Unit include:

- 54 beds for the Pine Bluff Female Work Release Program operate in an adjacent facility.

Texarkana Regional Correctional Center - Capacity of 128 - Special Operations include Regional Maintenance, Work Release, Re-Entry Program, and Education.

Tucker Unit - Capacity of 910 (also operating 92 temporary beds) - Special Operations include Substance Abuse Treatment Programs (SATP and TC), Education, Vocational Education, Mental Health Groups, PALS, College Bible Classes, Canine Unit, and Re-Entry Program. Farm and Agriculture program includes Field and Edible Crops. Industry Programs include Mattress Manufacturing, Bus and Fire Truck Refurbishing, School Desk and Chair Repair and Athletic Equipment.

Varner Unit - Capacity of 1,598 (also operating 116 temporary beds) - Special Operations include a 486-bed Super Max Unit that includes Death Row, Regional Maintenance, Mental Health Groups, Substance Abuse Treatment Program, PALS, Re-Entry Program, Education, Vocational Education and PASS Program (Prisoners of Arkansas Striving for Success). Agricultural Programs include a Vegetable Processing Plant and Field and Edible Crops. The Super Max addition was specially designed for enhanced security by restricting movement of the most violently classified inmates.

Wrightsville Unit - Capacity of 850 - Special Operations include Regional Maintenance, Substance Abuse Programs (SATP and TC),

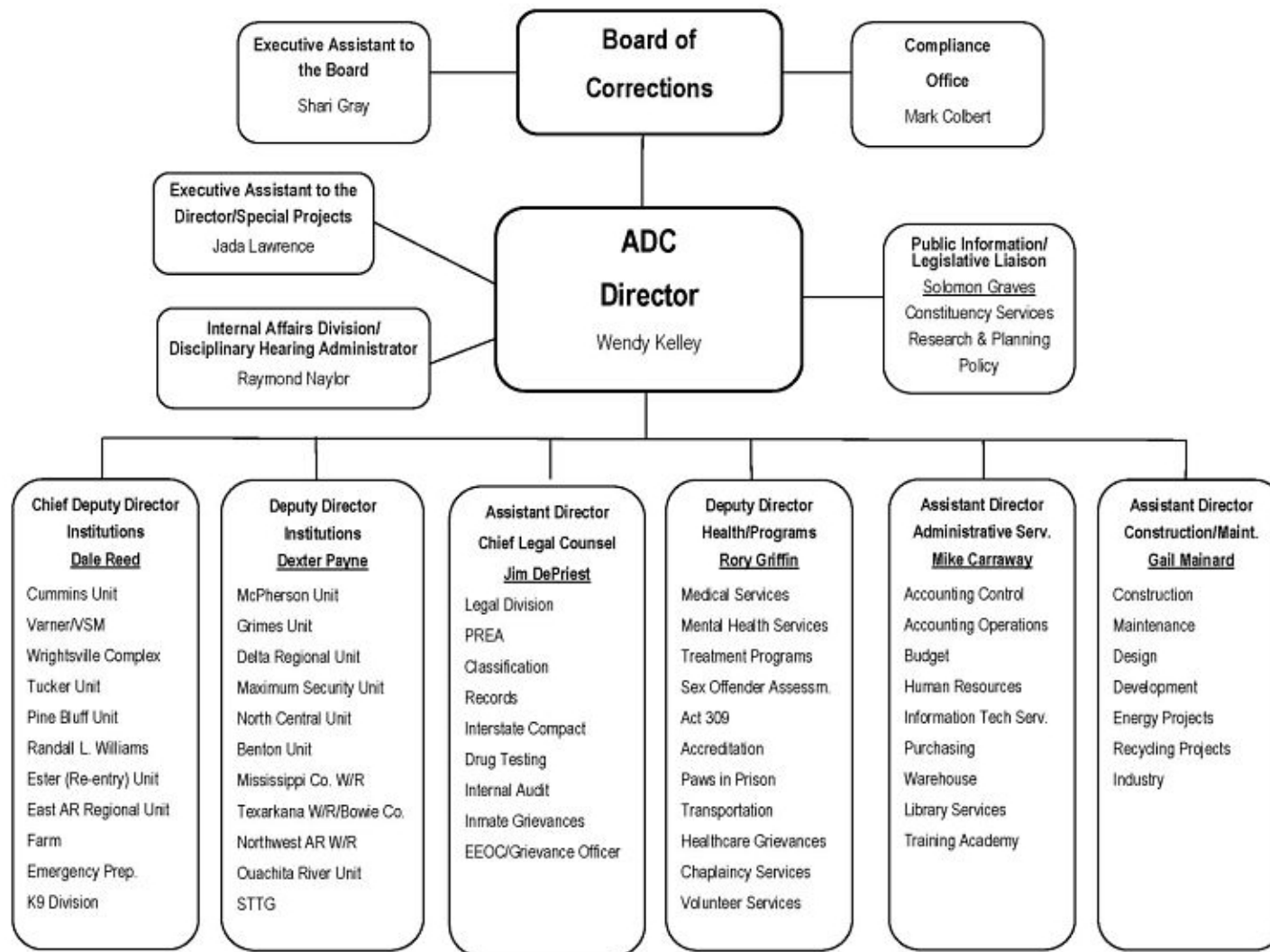
Education, PALS, Re-Entry Program, Braille Program and Mental Health Groups. Also includes Beef Production Agricultural Program and Industry Programs: Graphic Arts, Data Imaging and Furniture Manufacturing.

Additional beds located at Wrightsville:

- J. Aaron Hawkins Center for Men/Pathway to Freedom - Capacity of 200 - InnerChange Freedom Initiative.
- J. Aaron Hawkins Sr. Center for Women - Capacity of 200 (also operating 56 temporary beds) - Special Operations include Re-Entry Program, Paws in Prison, Education, Substance Abuse Treatment Program, Even Start Family Literacy Program, Advanced Principle Application Life Skills (APALS), Work Release and Parenting Classes.
- Roosevelt Road Barracks - Capacity of 62 - Special Operations include housing for inmates assigned to daily supervision by the Arkansas State Police with work assignments in the Little Rock area.
- Wrightsville Satellite Unit (Leased from the Pulaski County Detention Center) - Capacity of 175 - Special Operations are for housing of Parole Violators and inmates within 6 months of release date. This facility includes the Re-Entry program, WAGE, and "Thinking for a Change".

The Department is also housing 336 inmates in a facility located in Bowie County, Texas. This is a temporary arrangement to aid in the relief to counties for inmates backed up in county jails awaiting bed space. Special Operations include a Hobby Craft Program.

The Arkansas Department of Correction is part of the criminal justice system in this state. All department-owned facilities are accredited and meet the standards of the American Correctional Association.



Agency Commentary

Like many other successful organizations, the Arkansas Department of Correction (ADC) Strategic Plan provides us with an operational framework and a systematic approach to addressing existing problems, making objective decisions about what is needed and implementing strategies needed to accomplish Goals and Objectives. All Biennial Budget Requests submitted conform to our Agency Goals, which are:

- Goal 1:** *To maintain cost efficient care and custody of all inmates.*
- Goal 2:** *To provide appropriate facilities for inmates sentenced by the courts.*
- Goal 3:** *To provide constructive correctional opportunities that will help inmates successfully return to their communities.*
- Goal 4:** *To optimize inmate assignments in work programs.*
- Goal 5:** *To attract and retain quality staff.*
- Goal 6:** *Transparency*

JFA Associates the firm that does population projections for the Sentencing Commission, ADC and ACC projects the prison population to continue to grow through the next Ten Years. During FY16 the growth has stabilized and remained flat although in FY14 and FY15 the growth erased any declines in population that occurred during FY13 from ACT 570. (The current 2.4 percent growth was offset by the release of the parolees revoked following the Darrell Dennis murder of a young man in May 2013; in other words, the current jurisdictional population is not reflecting the actual growth of the last two years.) JFA Associates projects a 2.4 percent increase each year for the next ten years with a projected population in 2026 of 22,781 from the current population of 17,684.

**ARKANSAS DEPARTMENT OF CORRECTION
HISTORICAL AND PROJECTED INMATE POPULATION 2005-2026**

Year	Historical	Base
2005	13,338	
2006	13,698	
2007	14,285	
2008	14,686	
2009	15,171	

2010	16,176	
2011	15,035	
2012	14,627	
2013	17,211	
2014	17,850	
2015	17,684	17,684
2016		18,038
2017		18,539
2018		19,061
2019		19,576
2020		20,062
2021		20,577
2022		21,022
2023		21,503
2024		21,964
2025		22,389
2026		22,781
Numeric Diff. 2005-2015	4,346	
% Diff. 2005-2015	32.6%	
Average% Diff 2005-2015	3.0%	
Numeric Diff 2016-2026		4,743
% Diff 2016-2026		26.3%
Average% Diff 2016-2026		2.4%

Source: JFA Simulation Model

Operating appropriations provide for administrative and executive staff, security staffing for all correctional facilities, mental health, chaplaincy and re-entry programs, comprehensive health care and correctional programs, general and preventative maintenance on over \$1 billion of buildings, grounds, equipment, farming, industry, work release programs and ancillary activities such as operation of inmate commissaries.

Change Level Requests for each Program Area of the Department are summarized as follows:

COUNTY JAIL REIMBURSEMENT

In the event the Department of Correction cannot accept inmates from the state county jails due to the lack of bed space, the Agency

reimburses the counties from the County Jail Reimbursement Fund. Projections of county jail backup populations for fiscal years 18 and 19 show that the current base level of funding is sufficient to cover the cost of housing state inmates in county jails. Legislative changes that were implemented in FY16 to increase the daily rate to \$30 per day, as well as, pay counties for backup each month for all the days inmates were housed are in place and counties are paid up to date at this time. The current base level funding amount is \$13,453,607 and the agency request this amount be continued without an increase.

WORK RELEASE - CASH

Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 542 inmates in work release programs located in Luxora, Springdale, Benton, Texarkana and Pine Bluff. Fees received from work release participants reduce the operational costs of the program. FY16 rents from the Work Release program totaled \$3.5 million.

In addition to Base Level the Agency is requesting the following:

The Agency Request for Work Release Operations includes additional operating costs increases for utilities; flex operational appropriation for unforeseen needs, additional flex appropriation for professional fees and equipment for all units totaling \$2,350,242 in FY18 and \$2,329,940 in FY19.

SSC0480 Sex Offender Assessments

This appropriation request is for UAMS Juvenile Sex Offender Assessments. Funds for the appropriation are derived from collection by the Arkansas Crime Information Center (ACIC) of a \$250.00 fee from each individual who is required by law to register as a Level III Sex Offender as required by provisions of ACA § 12-12-910 and 12-12-911 et seq. The fees are split between ACIC and the Department of Correction.

This request is for continuation of Base Level of \$25,000 each year of the biennium.

Fire Station Treasury Cash

This appropriation provides for the support of the Fire Station at the Cummins Unit. Cash Funds are collected through the Fire Protection Revolving Fund as authorized by Act 833 of 1991. These funds will be utilized to provide equipment for the operation of the Cummins Fire Department.

The Agency Request is for continuation of the Base Level of \$25,000 each year of the biennium.

INMATE CARE AND CUSTODY - GENERAL REVENUE

General revenue appropriation requested totals \$9,766,200 for FY18 and \$12,006,446 for FY19 with funding requested totaling \$6,603,058 in FY18 and \$8,670,350 requested in FY19. These requests are summarized in priority order as follows:

Incremental Medical Contract Increases:

This request projects an average increase of 3% each fiscal year above the current rate of \$343.50 per month per inmate housed in an ADC facility and \$78.51 per month per inmate assigned to a county jail under Act 309 of 1991. That makes the ADC/DCC rate for FY18 \$352.45 and \$360.92 for FY19. For Act 309 contract inmates, the per diem is \$80.58 for FY18 and \$82.53 for FY19. The medical contract request totals \$2,627,122 in FY18 and an additional \$4,274,575 in FY19. The agency is also requesting \$1,000,000 increase in appropriation only for each year of the biennium to insure adequate appropriation for the medical contract needs.

General Operating Needs:

While the agency has many inflationary and documented needs, a barebones request includes inflationary increases and critical operating costs as follows:

- **Unit Operational Cost** - This request would cover increases in utility, gasoline and diesel, clothing, and general operational cost that have risen from price increases and an increase in inmate population. As fuel prices/labor cost have increased it causes an across the board increase in all consumable items. The agency request is for \$1,111,400 in FY18 and \$1,667,100 in FY19.
- **New Bed Openings** - Five (5) Correctional Corporals - ADC recently moved Centralized Records from a building inside the Pine Bluff Unit Complex to the Administration Building in Pine Bluff. The former building at the Unit is now being renovated to house an additional 65 inmates and will require one post for the Control Center for this building. One post consists of 5 Correctional Officers. This will allow one Officer to cover the Control Center per shift and one for relief to assure coverage at all times in this stand-alone building within the perimeter fence. The agency request is for \$189,878 each year of the biennium for salaries and matching for the five positions.
- **Unit Maintenance Budgets** - Maintaining the operational integrity of ADC facilities rests upon each unit maintenance division. A major part of the maintenance budget is used to insure the safety and security of the units by maintaining locks, gates, lighting, plumbing, HVAC, electrical and capital equipment. The maintenance budgets have not had an increase since prior to FY01. The cost of materials has risen each year and as new beds are added at existing units more demands for expanded services are required for the upkeep of the facilities. This request for \$478,684 in FY18 and \$668,684 in FY19 will allow ADC to maintain existing facilities and equipment to prolong the life and efficiency of each facility.

Other Position Requests:

The request is for forty-four (44) flex positions for the FY18-19 Biennium to enable ADC to respond to unforeseen situations and to correct inequities within the system as may be required. We need the flexibility to quickly take care of security issues and other mandates that may occur. In the past, we have utilized flex pool positions to meet federally imposed mandates. We also have a significant number of staff on military and family medical leave and utilize flex positions to keep staffing at necessary levels. Flex positions also assist us in keeping more of our budgeted positions filled as they can be advertised prior to an employee departure. The request for the flex positions is appropriation only of \$1,661,730 each year with no additional funding.

We are also requesting Fourteen (14) new positions in FY18 and Eighteen (18) positions in FY19 for the biennium. The new positions are as follows:

- One (1) Lieutenant - **(Appropriation Only)** - Tucker Unit - This is requested to provide a relief position for the 24 hour post in order to reduce/prevent over time and to provide relief while one of the four shift officers are out for vacation, illnesses, etc. This position will allow the unit to provide coverage at all times and will help in maintaining adequate security.
- One (1) Administrative Specialist I - Delta Unit Maintenance - This position is requested for the maintenance/construction area to perform clerical duties that are being performed by the Director of Maintenance and the Maintenance Technician. This will allow the Director of Maintenance and the Maintenance Technician to focus on the maintenance of the unit. This will also allow the unit to remove inmates from any paperwork activities in the maintenance department.
- One (1) Administrative Specialist II - North Central Unit Records Department - The North Central Unit currently has two positions assigned to Records and this unit has expanded the inmate population from 550 beds to 850 beds without additional clerical records staff. The unit is now a parent unit which means the unit receives inmates directly from the intake unit at Ouachita River and transfers inmates to fill beds at the non-parent units. This requires the records staff to handle many more inmate file jackets on incoming and outgoing inmates. Under new laws passed in the Regular Session of 2015 ADC records staff are now required to work with inmates in completing the process of getting drivers licenses or state identification Cards for inmates prior to release as well as obtaining Social Security Cards and Birth Certificates to facilitate these tasks. These changes along with normal records duties of clearing inmates prior to release, etc. have place a huge burden on the existing staff.
- Seven (7) Licensed Certified Social Workers - Since 2010, the inmate population in ADC has risen by almost 16%. During this same period, the number of inmates being followed in psychiatric clinics has increased from 5.9% (814 inmates) in 2010 to 13.7% (2,224

inmates) as of March 2016. This increase in caseload as well as the increased task that must be completed by licensed mental health staff rather than bachelor-level advisors has placed a heavy burden on Mental Health Staff to adequately treat inmates and provide services. These services are important in meeting constitutional requirements, helping inmates to live a productive and successful life in prison without being in lock-down barracks, and to reduce the number of inmates with Mental Health problems from returning to prison.

- Four (4) (Each Year) Substance Abuse Program Leaders - **(Appropriation Only)** - ADC currently utilizes inmate Peer Counselors to work in the drug and alcohol treatment programs due to licensing requirements and existing staffing. This creates management issues in the treatment programs and the pool of appropriate inmate available to serve as peer counselors continues to decrease. The additional substance abuse treatment positions will allow the agency to operate current treatment beds while phasing out the use of inmate peer counselors over the next four years.

System Wide New/Replacement Equipment:

The Agency request combines both new and replacement institutional furnishings and equipment, medical equipment, and construction and maintenance equipment needs for the entire system. Aging buildings and equipment demand that we routinely replace essential equipment in operations such as kitchens, laundry, heating and ventilation systems, sewer plants, ground maintenance equipment, etc.

This request totals \$1,759,347 in FY18 and \$1,433,486 in FY19.

INDUSTRY PROGRAM

Correctional Industries exists as a self-supporting operation within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations. The primary goal of the Industries program is to administer and operate the various industry programs in an efficient and cost-effective manner that provides inmates with productive and significant training opportunities as well as focusing on re-entry skills. More than 500 inmates participate in the various industry work programs. Principal operations include printing and graphic arts, digital imaging, engraving, janitorial product manufacturing, school bus/fire truck refurbishing, furniture manufacturing, refurbishing and upholstery, vinyl products and athletic equipment. A Prison Industry Enhancement (PIE) Program at the McPherson Unit is a partnership with a private sector companies operating within the prison fence and employing inmates at prevailing wages. FY16 Industry sales totaled approximately \$8.2 million. Revenues from Industry program operations will fund the biennial request for increases in operation expenditures.

In addition to Base Level the Agency is requesting the following:

The agency request includes Capital Outlay authorization for acquisition of new and existing equipment. The Industry Division request totals \$126,895 in FY18 and \$123,903 in FY19.

FARM PROGRAM - SPECIAL REVENUE

The agricultural operation of the ADC is a self-supported division of the Department. The Agricultural Division is involved in almost every area of farming. It provides fresh and frozen vegetables, meat, milk and eggs which are consumed by the inmate population and generates revenue by selling products such as eggs, milk, soybeans, rice, cotton and wheat. The primary goal of the Farm Program is to provide useful and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock. A Vegetable Processing facility is located at the Varner Unit and provides approximately 2.4 million pounds of vegetables for inmate consumption. A Cold Storage facility located at the Cummins Unit provides beef and pork products to all units for consumption. A Creamery operation is also located at the Cummins Unit and provides milk and juice products. New chicken houses provide three eggs a day for each inmate which covers the entire needs of the agency and the surplus of eggs are sold. The revenues cover repayment of the loan for the egg production facility. Not only are eggs be produced, but two houses will be used to grow pullets for sale to commercial chicken processors. Altogether, inmate consumption totals approximately \$8 million annually. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY16 cash crop sales totaled approximately \$9.7 million. The Farm Program provides jobs for approximately 400 inmates. The Livestock Division consists of 1,919 beef cows, a 450-cow dairy, swine production facilities, and egg layer operation as well as responsibility for all the horses being used in the cattle operation and at various units around the state for security and regional maintenance. Revenues from Farm operations will fund the biennial request.

In addition to Base Level the Agency is requesting the following:

The agency request includes Capital Outlay in the amount of \$610,000 in FY18 and \$525,000 in FY19 for equipment.

INMATE WELFARE FUND

Self-supported Pen Store (Commissary) operations within institutions provide the opportunity for inmates to purchase various supplies such as MP4 players and download songs, hygiene items, paper, and stamps as well as various snack foods. A centralized banking system manages inmate funds, and the profits from the stores are used to purchase items that benefit inmates such as tables and chairs for visitation, televisions, and recreational equipment for inmate use. The Biennial Request for this cash fund operation includes inflationary operating cost increases and anticipated needs for unit expansions.

In addition to Base Level the Agency is requesting the following:

The agency is requesting increases in operating cost and capital outlay totaling \$1,500,000 in FY18 and \$1,750,000 in FY19.

NON-REVENUE RECEIPTS

Funds for this appropriation are derived from operation of an inmate collect calling system that began in the 1995-97 Biennium. The system allows inmates the opportunity to call family or friends and provides revenues that are used to fund inmate assistance, security equipment, long-term needs that enhance quality of life in the institutions, and general operations such as roof repairs and maintenance of roads and parking lots. The agency is awaiting a ruling from a Federal judge on the recent FCC ruling. If the FCC ruling is upheld by the federal court, the agency will lose approximately \$3 million a year from the phone system. The agency requests continuation of the current level appropriation.

PAWS IN PRISON

This program allows inmates to work with dogs teaching the dog's basic obedience and social skills which help transition the dogs into adoptive homes. This also provides an opportunity for inmates to gain internal satisfaction of helping a shelter dog become a loving pet. It is funded by Marketing and Redistribution funds and outside donations. Paws in Prison have been a huge success providing adoptable pets for homes and assisting in inmate rehabilitation. The agency request is for continuing level appropriation.

Audit Findings

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

Findings

In accordance with Ark. Code Ann. § 25-1-124, the Agency reported a loss of public funds to Arkansas Legislative Audit. The Agency confiscated \$500 from the Maximum Security Unit and placed it in a safe at that location until such time as it could be deposited. At a later date, the funds could not be located. The last employee responsible for the funds, based

Recommendations

We recommend Agency management strengthen internal controls over the receipt of funds and their timely deposit.

Agency Response:

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

Findings

on the chain of custody form, made restitution to the State.

As part of the annual close-out, the Agency records a journal entry for an estimated amount of crops that have not been harvested as of year-end. Agency management did not review and approve the estimation of crops in progress (CIP), and as a result, CIP were overstated by \$706,317. Effective internal controls over journal entries rely on proper segregation of duties between preparation and approval of amounts to be recorded. This lack of controls over the CIP calculation and entry in the State's accounting system limits the Agency's ability to provide assurance that the estimation of CIP was accurate.

The Agency's internal controls over travel reimbursements and other payments from fiduciary funds were poorly designed or not operating effectively. As a result, reimbursements and other disbursements were made without proper approval, with poor documentation, and in non-compliance with the State Financial Management Guide. A total of 28 travel reimbursements and 40 other disbursements from the fiduciary funds were tested. The following exceptions were noted for travel reimbursements:

- Seven reimbursement requests were paid based on memos, internal purchase requisitions, or other documents, rather than a Travel Reimbursement Form (TR-1).
- Six reimbursements were made payable to the employee's personal credit card company, not the employee.
- Four reimbursements were made to volunteers of the State without a letter from the Executive Director authorizing such travel.
- Two reimbursements were made based on claims by an employee for travel

Recommendations

The unit found and confiscated \$500 from the sewage treatment facility. These funds were placed in the safe to be deposited and the chain of custody form was completed. At a later date, upon transfer of the employee who was the last person in contact with the funds, it was discovered the funds had never been deposited. The employee made restitution to the agency for the missing funds. Unit has been instructed to make deposits of any confiscated funds on the next business day in compliance with agency procedures on deposit of cash funds. Internal Audit will audit unit once a year to ensure compliance with agency procedures.

We recommend Agency management implement internal controls that incorporate proper segregation of duties between the calculation and approval of estimations and the related journal entries.

Agency Response:

This issue has been addressed with accounting staff at Arkansas Department of Correction (ADC). ADC Accounting procedure requires this process to occur. The Assistant Chief Financial Officer is to review the calculations once completed for accuracy prior to the journal entry. Any future failure will result in disciplinary action for failure to follow procedures.

We recommend Agency management review the State's Financial Management Guide and strengthen internal controls over fiduciary fund disbursements.

Agency Response:

Procedures were developed in 2014 after the FY13 audit was adopted. The date the changes actually were implemented was around the end of 2014 and would have been in the middle of the 2015 fiscal year. The procedures were only in place for a portion of FY 2015, but are now in place and the corrective action taken. The items included in the finding occurred between the time of the release of the audit findings and the approval by Management Team of the changes in the chaplaincy procedures for the fiduciary funds.

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

Findings

Recommendations

expenses of another Agency employee or volunteer.

- One reimbursement was made without proper approval.

The exceptions noted for travel reimbursements are repeat issues from the FY2013 audit.

For the other disbursements tested, ALA noted two exceptions:

- The items listed on the invoice did not agree to the approved purchase requisition. Since the checks are generated prior to the Agency receiving an invoice, the vendor was overpaid.
- One disbursement was made without proper documentation. According to the support on file with the Agency, the payment was made for a price increase from a previous invoice, but the original invoice contained no indication of any price increases.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF CORRECTION – AGRICULTURE DIVISION – REVIEW OF FARM OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2015

Findings

According to ADC, 350 inmates are allowed to work daily to support Division operations. Although the number of inmates and the number of hours worked by inmates are reported to the Board of Corrections, ALA staff were unable to verify this information since the Division does not have a consistent reporting mechanism in place among the various Units.

As part of the annual close-out, the ADC records a journal entry for an estimated amount of crops that have not been harvested as of year-end. ADC management did not review and approve the estimation of crops in progress (CIP), and as a result, CIP was overstated by \$706,317. The amount of inventory recorded for CIP was decreased and expenses were increased by \$706,317 to reflect the misstatement. This lack of internal controls over the CIP calculation and entry in AASIS limits ADC's ability to provide assurance that the estimation of CIP was accurate.

ADC Administrative Directive 12-28 requires field and horticultural crops to be offered to as large a number of potential buyers from both the statewide and regional area as is practical to generate the best price possible for ADC commodities. All sales or bids should be awarded on the basis of the most cash generated for ADC and in a manner consistent with Arkansas procurement laws. Although ALA staff requested documentation of the bids submitted by the non-winning buyers on all crop sales in fiscal year 2015, ADC could not provide this information. Without maintaining complete documentation of sales transaction, ADC limits its ability to support its decisions to management, the Board of Corrections, and others.

The consignment sheets that ADC used to document and/or summarize the movement of all farm products were not pre-numbered but were generated as needed from a Microsoft Excel template. Pre-numbering or electronically generating unique numbers that cannot be manipulated by management allows for the determination of a complete population for any given time period.

Recommendations

ALA staff recommend ADC management establish procedures to ensure that information reported to the Board of Corrections or outside entities is fully documented and supported by source data.

Agency Response:

Agency will require each farm to report all inmate hours worked to the Administrative Assistant to the Farm Administrator on a monthly basis. A new standardized report (Attachment 1) will be completed by each farm. The submitted reports will be kept on file in the Farm Administrator's office and will be submitted monthly to the Chief Deputy Director and quarterly to the Public Information Officer for inclusion in the Quarterly Board reports.

ALA staff recommend ADC management implement internal controls that incorporate proper segregation of duties between the calculation and approval of estimations and the related journal entries.

Agency Response:

This issue has been addressed with accounting staff at ADC. ADC Accounting procedure requires this process. The Assistant Chief Financial Officer is to review the calculations once completed for accuracy prior to the Journal entry. Any future failure will result in disciplinary action for failure to follow procedures.

ALA staff recommend ADC management follow procedures for maintaining documentation of all bids submitted for farm commodity sales.

Agency Response:

ADC recently approved AD 16-07 which superseded AD 15-22 and AD 12-28. The agency is in the process of revising AD 16-07 to include a section on maintaining files with all bid sheets at the Farm Administrator's Office; these files will be maintained until Arkansas Legislative Audit approves their destruction in accordance with record retention policies. (Attachment 2). The entire bid packet including bid sheets will be scanned electronically and emailed to the Director and Chief Deputy Director for final approval of all sales.

ALA staff recommend ADC management develop consignment sheets that include pre-numbering to provide assurance that all forms have been accounted for within a fiscal year or other time period.

Agency Response:

ADC Farm program will be ordering pre-numbered consignment sheets with a designation

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF CORRECTION – AGRICULTURE DIVISION – REVIEW OF FARM OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2015

Findings

ADC was overcompensated \$20,779 for soybeans and corn and failed to report the error. Procedures had been implemented to detect these discrepancies by matching ADC weight tickets to the buyer weight tickets and other documentation provided with the payment; however, ADC personnel performing the controls did not report these errors.

ADC could not provide documentation that procedures were followed regarding the sale of beef cattle. Internal controls implemented by management, as documented by ADC's Administrative Directive 12-28, require the Division's Deputy Director, or his or her designee, to determine the need to sell produced livestock, with final approval provided by the ADC Director. ALA staff examination of all beef cattle sales in fiscal year 2015 revealed that no documentation was maintained to support any decisions made by the Division's Deputy Director, nor was there any documentation of approval by the ADC Director. Based on the information provided, all decisions to sell animals were made by the Farm Administrator. By not following the directives and procedures implemented, upper management had limited ability to monitor the Division's beef cattle operations. These procedures were modified March 30, 2016, with the issuance of Administrative Directive 16-07. This new directive allows the Division's Deputy Director or the Farm Administrator, if designated by the Deputy Director, to make the decisions to sell produced livestock. Notification of sales are provided to the ADC Director and the Board of Corrections' liaison.

Internal control procedures implemented by ADC require that two employees not affiliated with the beef herd monitor and count the animals as they are loaded for transport and then sign off on the consignment sheet to document that the procedure has been completed. These procedures were not followed for two of the six sales in fiscal year 2015. In one instance, there was only one signature, and in the other instance, the two employees who signed off on the consignment sheet were both employed in the beef herd section.

Recommendations

coinciding with scale tickets, CS-VP (cold storage vegetable processing), LV (livestock), and Row Crop. These consignment sheets will be kept in a secured area by office personnel and issue as needed. A log will be kept with the date, ticket numbers and who the sheet was issued to and who issued it. Any voided tickets will be recovered, logged and kept on file.

ALA staff recommend ADC management ensure that controls are understood and followed in order to provide assurance that all revenue is recorded accurately and in the correct period.

Agency Response:

ADC will ensure all staff are properly trained and all procedures are followed. Agency procedures did detect the overpayment which was deducted from the next payment from the buyer; however, following cash deposit procedures, the check was deposited and the overpayment had not been adequately documented.

ALA staff recommend ADC management follow its administrative directives and maintain all documentation that supports procedures performed and decisions made, including the determination of designees.

Agency Response:

Notification of all proposed sales and final sales are being made to the Director, Chief Deputy Director, and the Board of Corrections' liaison. All approvals (typically documented in emails), bids, bid confirmations, and returned bids will be kept in the farm administrator's office. These files will be maintained until approval from Arkansas Legislative Audit for destruction of documents.

ALA staff recommend ADC management design and implement internal controls that cannot be circumvented by employees.

Agency Response:

ADC revised beef herd standard operating procedures are attached. All loading tickets will require the signature of two non-beef herd employees and once the cattle reach destination another count will be done by the buyers' group and both tickets will be compared.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS DEPARTMENT OF CORRECTION – AGRICULTURE DIVISION – REVIEW OF FARM OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2015

Findings

In fiscal year 2015, the Division sold beef cattle at auction houses in both Arkansas and Oklahoma. Documentation was provided to support the decisions to sell cattle in Oklahoma to maximize revenue; however, documentation could not be provided to support the decisions to sell within the State. Division management stated to ALA staff that the cattle sold in Arkansas were cull cattle that did not sell well in Oklahoma; however, without documenting any evaluations made, ADC limits its ability to support its decisions to ADC management, the Board of Corrections, and others.

Recommendations

(Attachment 3)

ALA staff recommend ADC management establish procedures to document any evaluations made regarding the most profitable methods for selling livestock.

Agency Response:

ADC cull cattle are marketed through sale barns that provide the best economic return for ADC and all decisions will be documented based on the auction market reports sent out by the USDA and approved by management prior to sale. At times of low beef prices, cull cattle will be processed in the ADC slaughter facility.

Employment Summary

	Male	Female	Total	%
White Employees	1400	615	2015	49 %
Black Employees	865	1170	2035	50 %
Other Racial Minorities	22	11	33	1 %
Total Minorities			2,068	51 %
Total Employees			4,083	100 %

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				
Annual Report	ACA §12-27-107	N	Y	500	Required by Statute	0	0.00
Inmate Handbook	ACA §12-27-106	N	Y	5,000	Required by Statute	0	0.00

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES
 Fiscal Year 2016
 Required by A.C.A. 25-36-104

AGENCY: 0480 DEPARTMENT OF CORRECTION

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Diet of a Lifetime	\$74,880	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED 1

TOTAL EXPENDITURES FOR CONTRACTS AWARDED \$64,928,976

% OF MINORITY CONTRACTS AWARDED 0.11 %

ARKANSAS DEPARTMENT OF CORRECTION
 EMPLOYEE COMPENSATION REPORT
 As Required by Section 19 of Act 1071 of 2015

	<u>HOLIDAY</u>	<u>STRAIGHT TIME</u>	<u>OVERTIME</u>	<u>HAZARDOUS DUTY</u>
CURRENT LIABILITY AS OF JUNE 30, 2016	<u>\$584,683.62</u>	<u>\$220,877.54</u>	<u>\$168,762.01</u>	<u>\$0.00</u>
PROJECTED LIABILITY FOR FISCAL YEAR 2017	<u>4,650,000.00</u>	<u>3,350,000.00</u>	<u>650,000.00</u>	<u>7,100,000.00</u>
LESS ESTIMATED SALARY SAVINGS	<u>5,234,683.62</u>	<u>0.00</u>	<u>818,762.01</u>	<u>7,100,000.00</u>
TOTAL ESTIMATED BANKED LIABILITY AS OF JUNE 30, 2017	<u>\$0.00</u>	<u>\$3,570,877.54</u>	<u>\$0.00</u>	<u>\$0.00</u>

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1MJ County Jail Reimbursement	26,069,399	0	13,753,607	0	19,661,227	0	13,453,607	0	13,453,607	0	13,453,607	0	13,453,607	0	13,453,607	0	13,453,607	0
2ZV Work Release Cash	2,973,474	0	6,195,920	0	7,238,920	0	5,695,920	0	8,046,162	0	8,046,162	0	5,695,920	0	8,025,860	0	8,025,860	0
33K ADC Sex Offender Assessment	0	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
4HS Fire Station Treasury Cash	50,883	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
509 Inmate Care & Custody	340,419,754	4,448	350,681,274	4,556	369,072,651	4,602	351,615,496	4,556	361,381,696	4,619	359,681,795	4,579	351,761,574	4,556	363,768,020	4,623	361,895,414	4,579
511 Prison Industry	8,187,429	50	9,860,999	58	11,571,873	58	9,871,645	58	9,998,540	58	9,998,540	58	9,875,617	58	9,999,520	58	9,999,520	58
512 Farm Operations	15,090,507	65	19,110,438	65	20,239,195	65	18,937,594	65	19,547,594	65	19,483,310	63	18,940,323	65	19,465,323	65	19,401,039	63
859 Inmate Welfare Treasury Cash	11,921,250	0	12,976,628	29	13,411,332	29	12,930,805	29	14,430,805	29	14,430,805	29	12,931,800	29	14,681,800	29	14,681,800	29
865 Non-Tax Revenue Receipts	1,931,973	0	2,501,200	0	3,972,500	0	2,501,200	0	2,501,200	0	2,501,200	0	2,501,200	0	2,501,200	0	2,501,200	0
F95 Paws in Prison	63,877	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0
Total	406,708,546	4,562	415,280,066	4,708	445,367,698	4,754	415,206,267	4,708	429,559,604	4,771	427,795,419	4,729	415,360,041	4,708	432,095,330	4,775	430,158,440	4,729

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	14,813,226	3.5	17,143,285	4.0	10,433,100	2.5	10,433,100	2.4	10,433,100	2.5	6,739,726	1.6	3,089,127	0.7	3,089,127	0.7	
General Revenue	4000010	363,195,082	85.7	354,177,392	83.2	362,219,103	85.8	368,822,161	86.1	364,846,225	85.9	362,365,181	86.5	371,035,531	87.5	366,639,756	87.4	
Federal Revenue	4000020	382,489	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Special Revenue	4000030	16,997,001	4.0	20,785,000	4.9	21,896,645	5.2	21,896,645	5.1	21,896,645	5.2	21,900,617	5.2	21,900,617	5.2	21,900,617	5.2	
Cash Fund	4000045	20,191,055	4.8	19,521,660	4.6	20,697,145	4.9	20,697,145	4.8	20,697,145	4.9	21,324,445	5.1	21,324,445	5.0	21,324,445	5.1	
Merit Adjustment Fund	4000055	406,324	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Budget Stabilization Trust	4000130	5,600,000	1.3	5,600,000	1.3	5,600,000	1.3	5,600,000	1.3	5,600,000	1.3	5,600,000	1.3	5,600,000	1.3	5,600,000	1.3	
DFA Motor Vehicle Acquisition	4000184	177,210	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
General Improvement Fund	4000265	1,978,960	0.5	7,385,829	1.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Intra-agency Fund Transfer	4000317	0	0.0	1,000,000	0.2	1,000,000	0.2	1,000,000	0.2	1,000,000	0.2	1,000,000	0.2	1,000,000	0.2	1,000,000	0.2	
M & R Sales	4000340	78,431	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Other	4000370	32,053	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	
Total Funds		423,851,831	100.0	425,713,166	100.0	421,945,993	100.0	428,549,051	100.0	424,573,115	100.0	419,029,969	100.0	424,049,720	100.0	419,653,945	100.0	
Excess Appropriation/(Funding)		(17,143,285)		(10,433,100)		(6,739,726)		1,010,553		3,222,304		(3,669,928)		8,045,610		10,504,495		
Grand Total		406,708,546		415,280,066		415,206,267		429,559,604		427,795,419		415,360,041		432,095,330		430,158,440		

Variance in fund balance due to unfunded appropriation in appropriations (2ZV) Work Release Cash, (509) Inmate Care & Custody, (511) Prison Industry, (512) Farm Operations, and (859) Inmate Welfare Treasury Cash,

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
4,546	4108	321	4429	117	9.63 %	4,794	4138	442	4580	214	13.68 %	4,829	4196	274	4470	359	13.11 %

Analysis of Budget Request

Appropriation: 1MJ - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

In the event the Arkansas Department of Correction cannot accept inmates from county jails due to insufficient bed space, the Agency reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and the Department of Correction and upon approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in A.C.A. §12-27-114. ADC serves as disbursing officer for this separate Revenue Stabilization Fund and currently pays county jails \$30 per day for housing inmates sentenced to ADC.

The Agency Request Base Level appropriation totals \$13,453,607 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1MJ - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	26,069,399	13,753,607	19,661,227	13,453,607	13,453,607	13,453,607	13,453,607	13,453,607	13,453,607
Total		26,069,399	13,753,607	19,661,227	13,453,607	13,453,607	13,453,607	13,453,607	13,453,607	13,453,607
Funding Sources										
Fund Balance	4000005	11,702	474,130		174,130	174,130	174,130	174,130	174,130	174,130
General Revenue	4000010	26,531,827	13,453,607		13,453,607	13,453,607	13,453,607	13,453,607	13,453,607	13,453,607
Total Funding		26,543,529	13,927,737		13,627,737	13,627,737	13,627,737	13,627,737	13,627,737	13,627,737
Excess Appropriation/(Funding)		(474,130)	(174,130)		(174,130)	(174,130)	(174,130)	(174,130)	(174,130)	(174,130)
Grand Total		26,069,399	13,753,607		13,453,607	13,453,607	13,453,607	13,453,607	13,453,607	13,453,607

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2016 TO FISCAL YEAR 2017**

Agency: Correction Department

Program: County Jail Reimbursement

Act #: 1071 Section(s) #: 9 & 23

Estimated Carry Forward Amount \$ 300,000.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0480 Funds Center: 1MJ Fund: MCJ Functional Area: SFTY

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:

Carry Forward Balance of the County Jail Reimbursements.

Actual Funding Carry Forward Amount \$ 474,130.00

Current status of carry forward funding:

Funds will be used for County Jail Reimbursements.

Wendy Kelley
Director

08-10-2016
Date

Analysis of Budget Request

Appropriation: 2ZV - Work Release Cash

Funding Sources: NDC - Cash in Treasury

The Work Release Program allows inmates to hold paid jobs in the community while being housed at a correctional facility. Work Release participants reimburse the Department of Correction \$17 per day to offset the cost for maintenance and operation of the centers. There are currently six Work Release Centers located at Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. This is a cash funded appropriation that is supported by each inmate who participates in the Work Release Program.

The Agency's Base Level appropriation totals \$5,695,920 each year of the biennium.

The Agency's Change Level Request totals \$2,350,242 in FY18 and \$2,329,940 in FY19 and consists of the following:

- Operating Expenses of \$219,900 in FY18 and \$302,350 in FY19 including utilities, fuel purchases, mileage, food purchases, firearms, and building maintenance.
- Professional Fees of \$500,000 each year for increases in professional, administrative and legal fees for the work release units.
- Capital Outlay of \$1,630,342 in FY18 and \$1,527,590 in FY19 for the purchase of new equipment for two of the work release units.

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

Appropriation Summary

Appropriation: 2ZV - Work Release Cash

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,863,034	5,091,770	5,091,770	5,091,770	5,311,670	5,311,670	5,091,770	5,394,120	5,394,120
Conference & Travel Expenses	5050009	3,669	104,150	104,150	104,150	104,150	104,150	104,150	104,150	104,150
Professional Fees	5060010	135	500,000	500,000	500,000	1,000,000	1,000,000	500,000	1,000,000	1,000,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,106,636	500,000	1,543,000	0	1,630,342	1,630,342	0	1,527,590	1,527,590
Debt Service	5120019	0	0	0	0	0	0	0	0	0
Total		2,973,474	6,195,920	7,238,920	5,695,920	8,046,162	8,046,162	5,695,920	8,025,860	8,025,860
Funding Sources										
Fund Balance	4000005	6,123,199	6,800,492		4,004,572	4,004,572	4,004,572	1,708,652	0	0
Cash Fund	4000045	3,579,767	3,400,000		3,400,000	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000
M & R Sales	4000340	71,000	0		0	0	0	0	0	0
Total Funding		9,773,966	10,200,492		7,404,572	7,404,572	7,404,572	5,108,652	3,400,000	3,400,000
Excess Appropriation/(Funding)		(6,800,492)	(4,004,572)		(1,708,652)	641,590	641,590	587,268	4,625,860	4,625,860
Grand Total		2,973,474	6,195,920		5,695,920	8,046,162	8,046,162	5,695,920	8,025,860	8,025,860

Change Level by Appropriation

Appropriation: 2ZV - Work Release Cash
Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,695,920	0	5,695,920	100.0	5,695,920	0	5,695,920	100.0
C01	Existing Program	2,350,242	0	8,046,162	141.3	2,329,940	0	8,025,860	140.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,695,920	0	5,695,920	100.0	5,695,920	0	5,695,920	100.0
C01	Existing Program	2,350,242	0	8,046,162	141.3	2,329,940	0	8,025,860	140.9

Justification

C01	The agency request appropriation of \$2,350,242 in FY18 and \$2,329,940 in FY19. The request includes additional operating cost for utilities, fuel and food purchases due to increases in cost and population, additional appropriation for professional fees for emergencies that could arise on medical cost and equipment needs for all work release units.
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Analysis of Budget Request

Appropriation: 33K - ADC Sex Offender Assessment

Funding Sources: SSC - ADC Sex Offender Assessment Fund

This appropriation request is for UAMS Juvenile Assessment. Funds for this appropriation are derived from collections by the Arkansas Crime Information Center (ACIC) of a \$250.00 fee from each individual who is required by law to register as a Level III or Level IV Sex Offender as required by provisions of ACA §12-12-910 and 12-12-911 et seq. The fees are split between ACIC and the Department of Correction.

The Agency Request is for Base Level of \$25,000 each year of the biennium.

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

Appropriation Summary

Appropriation: 33K - ADC Sex Offender Assessment
Funding Sources: SSC - ADC Sex Offender Assessment Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Funding Sources										
Fund Balance	4000005	82,496	111,857		111,857	111,857	111,857	111,857	111,857	111,857
Special Revenue	4000030	29,361	25,000		25,000	25,000	25,000	25,000	25,000	25,000
Total Funding		111,857	136,857		136,857	136,857	136,857	136,857	136,857	136,857
Excess Appropriation/(Funding)		(111,857)	(111,857)		(111,857)	(111,857)	(111,857)	(111,857)	(111,857)	(111,857)
Grand Total		0	25,000		25,000	25,000	25,000	25,000	25,000	25,000

Analysis of Budget Request

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

This appropriation provides for the support of the Fire Station recently constructed at the Cummins Unit. Cash funds are collected through the Fire Protection Revolving Fund as authorized by Act 833 of 1991. The construction of the new Fire Station was completed by Department of Correction's in-house construction division utilizing inmate labor to lower the cost.

The Agency Request is for Base Level of \$25,000 each year of the biennium.

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

Appropriation Summary

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	5,890	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	44,993	0	0	0	0	0	0	0	0
Total		50,883	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Funding Sources										
Fund Balance	4000005	51,091	16,695		11,695	11,695	11,695	11,695	11,695	11,695
Cash Fund	4000045	16,487	20,000		25,000	25,000	25,000	25,000	25,000	25,000
Total Funding		67,578	36,695		36,695	36,695	36,695	36,695	36,695	36,695
Excess Appropriation/(Funding)		(16,695)	(11,695)		(11,695)	(11,695)	(11,695)	(11,695)	(11,695)	(11,695)
Grand Total		50,883	25,000		25,000	25,000	25,000	25,000	25,000	25,000

Expenditure of appropriation is contingent upon available funding

Analysis of Budget Request

Appropriation: 509 - Inmate Care & Custody

Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

The Arkansas Department of Correction (ADC) is responsible for administration of an efficient and humane system of correction for individuals committed to the Department by the courts. In addition to providing for basic physiological and psychological needs of inmates, the Agency operates extensive farming, industry, work release programs, inmate welfare activities, pen stores, and maintenance and construction activities. Cash and special revenues produced by these and other auxiliary activities allow the Department wide discretion in planning and operating new and expanded inmate care and custody programs as well as construction projects.

The Board of Corrections is comprised of seven voting members: five citizen members, the chairperson of the Post Prison Transfer Board and one member of a criminal justice faculty. Each member is appointed by the Governor and serves a seven-year term.

The Agency has five divisions. The divisions and responsibilities are:

Administrative Services provides support to all operational units of the ADC while ensuring Agency compliance with state and federal accounting, budgetary and personnel procedures;

Institutional Services oversees the various Institutions, Work Release Programs, Regional Jails, Transportation Services, Accreditation, Classification and Emergency Preparedness;

Operations directs the Agriculture and Industry Programs, the 309 County Jail Contracts Program (A.C.A. §12-30-401) and also coordinates inmate grievances;

Health and Correctional Programs is responsible for Medical and Mental Health Services, Religious Services, Substance Abuse Treatment Program (SATP) and Reduction of Sexual Victimization Program (RSVP). The Health and Correctional Programs Division also coordinates educational programs provided through the Department of Correction School District, which is accredited and supervised by the Arkansas Department of Education. During the 1999 Legislative Session, responsibility for assessment of sex offenders in prison and living in communities in Arkansas was assigned to ADC. A unit supervised by the Deputy Director of Health and Correctional Programs conducts the assessments as prescribed by the Sex Offender Assessment Committee whose members are appointed by the Governor and prescribed by law;

Construction and Maintenance is responsible for ongoing and preventive maintenance programs at the various units and design and construction projects for the department. Construction of facilities is often completed with inmate labor, which costs substantially less than free-world labor.

Funding for Inmate Care and Custody (ICC) is primarily from general revenue. The opening of the Jefferson and Delta Regional Jail Units in FY92 provided a new fund source for the Department. Legislation specifies that fees collected from contracting with counties for an agreed upon number of beds is to be deposited in the "Regional Facilities Operation Account" and used for payment of debt service on, or operation of, regional facilities. The operation of these facilities is funded within Inmate Care and Custody appropriation with a portion of the cost defrayed by a transfer of the cash funds to the Inmate Care and Custody Fund. The use of cash and special revenue income for Inmate Care & Custody Fund Operations allows the Agency to prepare fiscal year budgets to help meet the contingencies of population growth.

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

The Agency's Base Level appropriation totals \$351,615,496 in FY18 and \$351,761,574 in FY19 with general revenue funding of \$348,765,496 in FY18 and \$348,911,574 in FY19; and includes four thousand five hundred fifty-three (4,556) positions.

The Agency's Change Level Request totals \$9,766,200 in FY18 and \$12,006,446 in FY19 with new general revenue funding of \$6,603,058 in FY18 and \$8,670,350 in FY19, and includes the following:

Medical Contract Incremental Increases

The agency request an increase in Professional Fees of \$2,627,122 in FY18 and \$4,274,575 in FY19. The agency is also requesting \$1,000,000 increase in appropriation only in each year of the biennium.

Agency General Operations

In order to provide the administration of the system as a whole, the Agency request the following:

- Unit Operational Cost - \$1,590,084 in FY18 and \$2,335,784 in FY19 to cover utility, gasoline and diesel, clothing, and general operational cost due to an increase in inmate population.
- Regular Salaries and Personal Services Matching of \$2,789,647 in FY18 and \$2,962,601 FY19 with \$626,505 of additional general revenue funding each year which includes the following:
 1. Restoration of forty four (44) Flex positions (Appropriation Only)
 2. One (1) Lieutenant - (Appropriation Only) - Tucker Unit
 3. One (1) Administrative Specialist I - Delta Unit Maintenance
 4. One (1) Administrative Specialist II - North Central Unit Records Department
 5. Seven (7) Licensed Certified Social Workers
 6. Four (4) Substance Abuse Programs Leaders (Appropriation Only) in FY18 and Eight (8) in FY19.
 7. Five (5) Correctional Corporals - Pine Bluff Unit Complex
- Capital Outlay of \$1,759,347 in FY18 and \$1,433,486 in FY19

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs.

The Executive Recommendation provides for the Agency Request in appropriation with the exception of the following:

1. One (1) Administrative Specialist I - Delta Unit Maintenance
2. One (1) Administrative Specialist II - North Central Unit Records Department
3. Seven (7) Licensed Certified Social Workers
4. Five (5) Correctional Corporals - Pine Bluff Unit Complex
5. Eighteen (18) Flex positions

The Executive Recommendation also reflects a reduction of eight (8) Base Level positions based on the personnel evaluation.

The Executive Recommendation provides for additional general revenue funding of \$2,627,122 in FY18 and \$4,274,575 in FY19.

Appropriation Summary

Appropriation: 509 - Inmate Care & Custody
Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	160,277,704	160,582,860	171,217,279	160,682,168	162,673,091	161,466,435	160,799,468	162,913,443	161,583,935
	#Positions	4,448	4,556	4,602	4,556	4,619	4,579	4,556	4,623	4,579
Extra Help	5010001	82,133	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
	#Extra Help	17	168	168	168	168	168	168	168	168
Personal Services Matching	5010003	59,776,049	61,346,169	65,773,449	62,181,083	62,979,807	62,486,562	62,209,861	63,058,487	62,515,389
Overtime	5010006	646,066	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Operating Expenses	5020002	54,007,300	55,585,458	56,980,708	55,585,458	57,175,542	57,175,542	55,585,458	57,921,242	57,921,242
Conference & Travel Expenses	5050009	118,551	155,398	155,398	155,398	155,398	155,398	155,398	155,398	155,398
Professional Fees	5060010	61,624,493	65,401,253	65,401,253	65,401,253	69,028,375	69,028,375	65,401,253	70,675,828	70,675,828
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	680,105	0	1,934,428	0	1,759,347	1,759,347	0	1,433,486	1,433,486
JAIL CONTRACTS	5900047	1,228,393	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000
OUT-OF-STATE BEDS	5900048	1,978,960	4,427,136	4,427,136	4,427,136	4,427,136	4,427,136	4,427,136	4,427,136	4,427,136
Total		340,419,754	350,681,274	369,072,651	351,615,496	361,381,696	359,681,795	351,761,574	363,768,020	361,895,414

Funding Sources										
General Revenue	4000010	336,663,255	340,723,785		348,765,496	355,368,554	351,392,618	348,911,574	357,581,924	353,186,149
Federal Revenue	4000020	382,489	0		0	0	0	0	0	0
Cash Fund	4000045	858,351	2,571,660		2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000
Merit Adjustment Fund	4000055	406,324	0		0	0	0	0	0	0
DFA Motor Vehicle Acquisition	4000184	127,442	0		0	0	0	0	0	0
General Improvement Fund	4000265	1,978,960	7,385,829		0	0	0	0	0	0
M & R Sales	4000340	2,933	0		0	0	0	0	0	0
Total Funding		340,419,754	350,681,274		351,615,496	358,218,554	354,242,618	351,761,574	360,431,924	356,036,149
Excess Appropriation/(Funding)		0	0		0	3,163,142	5,439,177	0	3,336,096	5,859,265
Grand Total		340,419,754	350,681,274		351,615,496	361,381,696	359,681,795	351,761,574	363,768,020	361,895,414

Change Level by Appropriation

Appropriation: 509 - Inmate Care & Custody
Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	351,615,496	4,556	351,615,496	100.0	351,761,574	4,556	351,761,574	100.0
C01	Existing Program	6,603,058	14	358,218,554	101.9	8,670,350	14	360,431,924	102.5
C05	Unfunded Appropriation	3,163,142	49	361,381,696	102.8	3,336,096	53	363,768,020	103.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	351,615,496	4,556	351,615,496	100.0	351,761,574	4,556	351,761,574	100.0
C01	Existing Program	6,155,328	0	357,770,824	101.8	8,222,620	0	359,984,194	102.3
C05	Unfunded Appropriation	2,644,248	31	360,415,072	102.5	2,694,350	31	362,678,544	103.1
C13	Not Recommended	(493,245)	0	359,921,827	102.4	(543,098)	0	362,135,446	102.9
C19	Executive Changes	(240,032)	(8)	359,681,795	102.3	(240,032)	(8)	361,895,414	102.9

Justification

C01	Agency request appropriation in the amount of \$6,603,058 in FY18 and \$8,670,350 in FY19. Incremental Medical Contract increases of \$2,627,122 in FY18 and \$4,274,575 in FY19, increases in the amount of \$1,590,084 in FY18 and \$2,335,784 in FY19 for all units for maintenance and operations cost increases in utilities, food cost and fuel, these budgets have not had an increase since FY01 and have seen additions to many facilities due to the inmate population growth, fourteen (14) new positions which includes five (5) new Correctional Officers to staff the new control center in the expansion at the Pine Bluff Unit of 65 additional inmate beds from the renovation of the building that previously housed Centralized Records, one (1) Administrative Specialist I positions for Delta Unit Maintenance, one (1) Administrative Specialist II for the Records Department at North Central and seven (7) new Licensed Certified Social Workers for Mental Health programs the salaries and match for all the positions listed totals \$626,505 for each year of the biennium and lastly the agency request Capital Outlay of \$1,759,347 in FY18 and \$1,433,486 in FY19 for the purchase of new and replacement of outdated equipment.
C05	Agency request unfunded appropriation in the amount of \$3,163,142 in FY18 and \$3,336,096 in FY19. This includes appropriations of \$1,945,616 Salary and Match for forty-four (44) flex positions for each year in the biennium, \$45,029 for one (1) position a Lieutenant at Tucker for each year of the biennium, four (4) Substance Abuse Program Leaders in FY18 and an additional four (4) (a total of 8) in FY19 with corresponding appropriation of \$172,497 in FY18 and \$345,451 in FY19 for salary and match and \$1,000,000 in appropriation each year of the biennium in professional fees for medical contract increases due to inmate population growth.
C19	Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation.

Analysis of Budget Request

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

Correctional Industries exists as a self-supporting operation within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations. The primary goal of the Industries program is to administer and operate the various industry programs in an efficient and cost-effective manner that provides inmates with productive and significant training opportunities. More than 500 inmates participate in the various work programs. Principal operations include printing and graphic arts, digital imaging, engraving, janitorial product manufacturing, school bus/fire truck repair, furniture manufacturing, refinishing and upholstery, vinyl products and athletic equipment. Prison Industry Enhancement (PIE) Programs at the McPherson and Pine Bluff Units are a partnership with private sector companies operating within prison fences and employing inmates at prevailing wages.

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

The Agency's Base Level appropriation totals \$9,871,645 in FY18 and \$9,875,617 in FY19 and includes fifty eight (58) positions.

The Agency's Change Level Request totals \$126,895 in FY18 and \$123,903 for FY19 in Capital Outlay for acquisition of new and existing equipment.

The Executive Recommendation provides for the Agency Request

Appropriation Summary

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,723,772	2,022,619	2,151,641	2,023,019	2,023,019	2,023,019	2,026,219	2,026,219	2,026,219
#Positions		50	58	58	58	58	58	58	58	58
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	712,818	773,887	835,739	784,133	784,133	784,133	784,905	784,905	784,905
Overtime	5010006	104	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Operating Expenses	5020002	5,699,833	7,005,213	8,220,213	7,005,213	7,005,213	7,005,213	7,005,213	7,005,213	7,005,213
Conference & Travel Expenses	5050009	8,447	41,280	41,280	41,280	41,280	41,280	41,280	41,280	41,280
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	42,455	0	305,000	0	126,895	126,895	0	123,903	123,903
Total		8,187,429	9,860,999	11,571,873	9,871,645	9,998,540	9,998,540	9,875,617	9,999,520	9,999,520

Funding Sources										
Fund Balance	4000005	1,971,956	2,091,060		990,061	990,061	990,061	990,061	863,166	863,166
Special Revenue	4000030	8,281,873	8,760,000		9,871,645	9,871,645	9,871,645	9,875,617	9,875,617	9,875,617
DFA Motor Vehicle Acquisition	4000184	23,091	0		0	0	0	0	0	0
M & R Sales	4000340	1,569	0		0	0	0	0	0	0
Total Funding		10,278,489	10,851,060		10,861,706	10,861,706	10,861,706	10,865,678	10,738,783	10,738,783
Excess Appropriation/(Funding)		(2,091,060)	(990,061)		(990,061)	(863,166)	(863,166)	(990,061)	(739,263)	(739,263)
Grand Total		8,187,429	9,860,999		9,871,645	9,998,540	9,998,540	9,875,617	9,999,520	9,999,520

Change Level by Appropriation

Appropriation: 511 - Prison Industry
Funding Sources: SDD - Department of Correction Prison Industry Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	9,871,645	58	9,871,645	100.0	9,875,617	58	9,875,617	100.0
C01	Existing Program	126,895	0	9,998,540	101.3	123,903	0	9,999,520	101.3

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	9,871,645	58	9,871,645	100.0	9,875,617	58	9,875,617	100.0
C01	Existing Program	126,895	0	9,998,540	101.3	123,903	0	9,999,520	101.3

Justification

C01	The agency is request appropriation of \$126,895 in FY18 and \$123,903 in FY19. This includes Capital Outlay only and will allow the Industry program to make purchases of new and replacement equipment.
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Analysis of Budget Request

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

The agricultural operation of the ADC is a self-supported division. The Agricultural Division is involved in almost every area of farming providing fresh and frozen vegetables, meat, milk and eggs which are consumed by the inmate population and generates revenue by selling products such as soybeans, rice, cotton and wheat. The primary goal of the Farm Program is to provide useful and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock. A Vegetable Processing facility is located at the Varner Unit and annually provides approximately 2.4 million pounds of vegetables for inmate consumption. A Cold Storage facility located at the Cummins Unit provides beef and pork products to all units for consumption. A state of the art Creamery operation is also located at the Cummins Unit and provides milk and juice products. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY14 cash crop sales totaled \$7.5 million. The Farm Program provides jobs for approximately 400 inmates. The Livestock Division consists of 2,300 beef cows, a 319-cow dairy, swine production facilities, and egg layer operation as well as responsibility for all the horses being used in the cattle operation and at various units around the state for security and regional maintenance.

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

The Agency's Base Level appropriation totals \$18,937,594 in FY18 and \$18,940,323 in FY19 and includes sixty five (65) positions.

The Agency's Change Level Request totals \$610,000 in FY18 and \$525,000 in FY19 for Capital Outlay to purchase new and replacement equipment.

The Executive Recommendation provides for Agency Request in appropriation. Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects two (2) position reductions based on the personnel evaluation.

Appropriation Summary

Appropriation: 512 - Farm Operations
Funding Sources: SDC - Department of Correction Farm Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,543,623	2,633,861	2,597,733	2,635,461	2,635,461	2,591,807	2,637,661	2,637,661	2,594,007
#Positions		65	65	65	65	65	63	65	65	63
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	942,238	951,956	963,889	965,512	965,512	944,882	966,041	966,041	945,411
Operating Expenses	5020002	10,895,430	14,495,257	14,500,209	14,495,257	14,495,257	14,495,257	14,495,257	14,495,257	14,495,257
Conference & Travel Expenses	5050009	4,263	53,010	53,010	53,010	53,010	53,010	53,010	53,010	53,010
Professional Fees	5060010	124,327	128,354	128,354	128,354	128,354	128,354	128,354	128,354	128,354
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	229,256	188,000	1,336,000	0	610,000	610,000	0	525,000	525,000
Purchase Cattle/Meat	5900047	351,370	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Total		15,090,507	19,110,438	20,239,195	18,937,594	19,547,594	19,483,310	18,940,323	19,465,323	19,401,039

Funding Sources										
Fund Balance	4000005	1,939,760	1,163,084		652,646	652,646	652,646	315,052	0	0
Special Revenue	4000030	8,685,767	12,000,000		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Budget Stabilization Trust	4000130	5,600,000	5,600,000		5,600,000	5,600,000	5,600,000	5,600,000	5,600,000	5,600,000
DFA Motor Vehicle Acquisition	4000184	26,677	0		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	0	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
M & R Sales	4000340	1,387	0		0	0	0	0	0	0
Total Funding		16,253,591	19,763,084		19,252,646	19,252,646	19,252,646	18,915,052	18,600,000	18,600,000
Excess Appropriation/(Funding)		(1,163,084)	(652,646)		(315,052)	294,948	230,664	25,271	865,323	801,039
Grand Total		15,090,507	19,110,438		18,937,594	19,547,594	19,483,310	18,940,323	19,465,323	19,401,039

Change Level by Appropriation

Appropriation: 512 - Farm Operations
Funding Sources: SDC - Department of Correction Farm Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	18,937,594	65	18,937,594	100.0	18,940,323	65	18,940,323	100.0
C01	Existing Program	610,000	0	19,547,594	103.2	525,000	0	19,465,323	102.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	18,937,594	65	18,937,594	100.0	18,940,323	65	18,940,323	100.0
C01	Existing Program	610,000	0	19,547,594	103.2	525,000	0	19,465,323	102.8
C13	Not Recommended	(20,630)	0	19,526,964	103.1	(20,630)	0	19,444,693	102.7
C19	Executive Changes	(43,654)	(2)	19,483,310	102.9	(43,654)	(2)	19,401,039	102.4

Justification

C01	The agency request appropriation of \$610,000 in FY18 and \$525,000 in FY19. This request is for capital outlay for the Farm program to purchase new and replacement equipment.
C19	Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation.

Analysis of Budget Request

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

Self-supported Pen Store operations within institutions provide the opportunity for inmates to purchase various commissary supplies such as hygiene items, paper and stamps as well as various snack foods. A centralized banking system manages inmate funds, and the profits from the stores are used to purchase items that benefit inmates such as tables and chairs for visitation, televisions and recreational equipment for inmate use.

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

The Agency's Base Level appropriation totals \$12,930,805 in FY18 and \$12,931,800 in FY19 and includes twenty nine (29) positions.

The Agency's Change Level Request appropriation of \$1,500,000 in FY18 and \$1,750,000 in FY19 which includes the following:

- Operating Expenses of \$1,000,000 in FY18 and \$1,250,000 in FY19 for inflationary operating cost increases.
- Capital Outlay of \$500,000 in each year of the biennium for anticipated needs for unit expansions.

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

Appropriation Summary

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	809,827	795,228	809,927	809,927	809,927	810,727	810,727	810,727
#Positions		0	29	29	29	29	29	29	29	29
Personal Services Matching	5010003	0	337,841	337,144	341,918	341,918	341,918	342,113	342,113	342,113
Operating Expenses	5020002	11,921,250	11,778,960	11,778,960	11,778,960	12,778,960	12,778,960	11,778,960	13,028,960	13,028,960
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	50,000	500,000	0	500,000	500,000	0	500,000	500,000
Total		11,921,250	12,976,628	13,411,332	12,930,805	14,430,805	14,430,805	12,931,800	14,681,800	14,681,800
Funding Sources										
Fund Balance	4000005	3,705,740	4,933,957		4,157,329	4,157,329	4,157,329	3,426,524	1,926,524	1,926,524
Cash Fund	4000045	13,149,467	12,200,000		12,200,000	12,200,000	12,200,000	12,500,000	12,500,000	12,500,000
Total Funding		16,855,207	17,133,957		16,357,329	16,357,329	16,357,329	15,926,524	14,426,524	14,426,524
Excess Appropriation/(Funding)		(4,933,957)	(4,157,329)		(3,426,524)	(1,926,524)	(1,926,524)	(2,994,724)	255,276	255,276
Grand Total		11,921,250	12,976,628		12,930,805	14,430,805	14,430,805	12,931,800	14,681,800	14,681,800

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 859 - Inmate Welfare Treasury Cash
Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	12,930,805	29	12,930,805	100.0	12,931,800	29	12,931,800	100.0
C01	Existing Program	1,500,000	0	14,430,805	111.6	1,750,000	0	14,681,800	113.5

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	12,930,805	29	12,930,805	100.0	12,931,800	29	12,931,800	100.0
C01	Existing Program	1,500,000	0	14,430,805	111.6	1,750,000	0	14,681,800	113.5

Justification

C01	The agency request appropriation of \$1,500,000 in FY18 and \$1,750,000 in FY19. This includes increases for Operation Expenses and Capital Outlay due to inflationary operating cost increases, population growth and unit expansions.
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Analysis of Budget Request

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

This cash appropriation is funded by proceeds derived from contractual agreement with a telephone service provider for the operation of a coin-less telephone system that was implemented in the 1995-97 Biennium. The program allows inmates to call family or friends collect with a portion of the receipts from such calls paid to the Department of Correction by the telephone company. The appropriation is used for inmate assistance projects, security equipment, long term needs and general operations as annually approved by the Arkansas Board of Corrections.

The Agency Request Base Level appropriation of \$2,501,200 in each year of the biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,069,542	601,000	1,480,500	601,000	601,000	601,000	601,000	601,000	601,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	48,112	30,000	200,000	30,000	30,000	30,000	30,000	30,000	30,000
Construction	5090005	727,156	1,870,200	1,992,000	1,870,200	1,870,200	1,870,200	1,870,200	1,870,200	1,870,200
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	87,163	0	300,000	0	0	0	0	0	0
Total		1,931,973	2,501,200	3,972,500	2,501,200	2,501,200	2,501,200	2,501,200	2,501,200	2,501,200
Funding Sources										
Fund Balance	4000005	854,783	1,510,255		309,055	309,055	309,055	0	0	0
Cash Fund	4000045	2,585,903	1,300,000		2,192,145	2,192,145	2,192,145	2,501,200	2,501,200	2,501,200
M & R Sales	4000340	1,542	0		0	0	0	0	0	0
Total Funding		3,442,228	2,810,255		2,501,200	2,501,200	2,501,200	2,501,200	2,501,200	2,501,200
Excess Appropriation/(Funding)		(1,510,255)	(309,055)		0	0	0	0	0	0
Grand Total		1,931,973	2,501,200		2,501,200	2,501,200	2,501,200	2,501,200	2,501,200	2,501,200

Analysis of Budget Request

Appropriation: F95 - Paws in Prison

Funding Sources: NDC - Cash in Treasury

This cash appropriation is funded by marketing and distribution proceeds and cash donations. This non-profit program supports the training of rescue dogs by inmates and allows for the dogs to eventually be adopted as pets.

The Agency Request Base Level appropriation of \$150,000 in each year of the biennium.

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

Appropriation Summary

Appropriation: F95 - Paws in Prison
Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Miscellaneous CI 46 5900046	63,877	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Total	63,877	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Funding Sources									
Fund Balance 4000005	72,499	41,755		21,755	21,755	21,755	1,755	1,755	1,755
Cash Fund 4000045	1,080	30,000		30,000	30,000	30,000	48,245	48,245	48,245
Other 4000370	32,053	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding	105,632	171,755		151,755	151,755	151,755	150,000	150,000	150,000
Excess Appropriation/(Funding)	(41,755)	(21,755)		(1,755)	(1,755)	(1,755)	0	0	0
Grand Total	63,877	150,000		150,000	150,000	150,000	150,000	150,000	150,000

COUNTY AID

Enabling Laws

Act 166 of 2016
A.C.A. §19-5-602

History and Organization

Established by A.C.A. §19-5-602, the County Aid Fund consists of:

- General revenues provided under the Revenue Stabilization Law;
- Special revenues including:
 - Arkansas Highway Revenue Distribution Law - A.C.A. §27-70-201 et seq.
 - Special revenues specified in A.C.A. §19-6-301 subdivisions (74) and (117)
 - 34% of those special revenues as specified in subdivision (20) of A.C.A. §19-6-301
 - 25% of all severance taxes other than those imposed upon saw timber and timber products as set out in subdivision (18) of A.C.A. §19-6-301 of the Revenue Classification Law

All distributions of general and special revenues are to be made within ten (10) days after the close of each calendar month to the respective counties.

General revenue is distributed with seventy-five percent (75%) divided equally among the seventy-five (75) counties of the state and twenty-five percent (25%) distributed on the basis of population according to the most recent federal decennial or special census, with each county to receive the proportion that its population bears to the total population of the state. The funds are received by the County Treasurer and are to be credited to the County General Fund to be used for general county purposes, unless otherwise appropriated by the Quorum Court.

The biennial budget request for the County Aid Fund is prepared and submitted by the Director of the Arkansas Association of Counties.

Agency Commentary

In order to assist counties with the ever-increasing costs of providing state services administered at the county level, the General Assembly

created and funded a County Aid Fund beginning with the 1953/54 biennium. Since that time turnback dollars have increased very gradually. But, the percentage of state general revenue the counties receive has declined sharply - while at the same time the costs of delivering state mandated services have risen dramatically.

Unlike highway revenue turnback, which has a built-in mechanism for revenue growth - general revenue aid to counties is an arbitrary appropriation. That appropriation, for all practical purposes, was flat for a quarter of a century - from 1981 through 2006. For example: If county government had received a simple 3% annual adjustment in their county aid appropriation since 1981 the appropriation for 2016 would have been \$51,687,141 instead of the current \$23,428,616 (\$21,428,616 from the state's General Revenue Fund and \$2,000,000 from the surplus of the Property Tax Relief Fund).

Another point of concern is the amount of per capita funding that county government receives. This can best be illustrated below:

County General Revenue Aid

• Annual Gross General Revenue Funding	\$21,428,616.00
• Annual Additional Funding / Property Tax Relief Fund	\$ 2,000,000.00
• Less Property Reappraisal Deduction	\$ 2,280,000.00
• Less Deputy Prosecutor Salary Deduction	<u>\$ 5,459,621.28</u>
• Net Available for Use by Counties	\$ 15,688,994.72

- Per Capita Funding (Net Available Divided by County Population = $\$15,688,994.72 / 2,915,918 = \5.38 per capita)
\$5.38

This per capita number has dropped following the 2010 census, with many more citizens accessing services from county government which are often largely state functions but administered at a local level. The Association of Arkansas Counties respectfully ask that the State of Arkansas provide adequate state funding to county government for these mandates that we work under, and we specifically ask for a restoration of the 1% cut to county turnback administered in the 2015-2016 biennium which would take gross general revenue funding from \$21,428,616.00 back to \$21,645,067.

A partial list of the mandates on county government for which the State of Arkansas should bear responsibility include: (1) the administration of justice through the court system; (2) court records management; (3) responsibility for a portion of Deputy Prosecutor salaries (which are a

deduction from the General County Aid); (4) funding of office operations for Deputy Prosecutors and to some degree Prosecutors; (5) funding of office operations for Public Defenders; (6) law enforcement as it relates to the court system; and (7) the cost of the General Election.

The Association of Arkansas Counties is therefore respectfully requesting that county aid be funded for the 2017/2018 biennium at present levels plus the restoration of a 1% cut in the 2015/2016 biennium with an additional request as follows: Act 1044 of 1999 began a shift of deputy prosecutor salaries from county government to the state. However, at present the county general turnback is reduced by \$5,459,621.28 per year, reducing the net turnback received by our counties by over 25%. Within Act 1044 it is stated that "it is the intent of the General Assembly, in the transition to a state-funded deputy prosecuting attorney system, to provide an appropriate and adequate level of legal representation through deputy prosecuting attorneys in all areas of the state". We therefore would respectfully request that the state continue the transition to a state-funded deputy prosecuting attorney system through state funding, in full, of the deputy prosecutor salaries.

Also, we request that the state continue to monitor the progress of the Property Tax Relief Fund. If and when this fund is solvent enough to restore the \$4,000,000 per year that originally flowed to counties that this restoration occur. The 2015/2016 biennium budget cut this number in half (\$2,000,000 to each entity) in order to eliminate decreases in the fund balance.

Therefore, we respectfully submit our budget request of the following amounts - this includes the restoration of 1% to general turnback and \$2,000,000 per year from the Property Tax Relief Fund:

FY 2018	\$23,645,067
FY 2019	\$23,645,067

Finally, the county road turnback (special revenue) appropriation is funded by receiving a 15% allocation of revenues through the highway distribution law. We request that this base level budget of \$200,000,000 remain the same for both years unless an increase based on collections is warranted.

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

None

Publications

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

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
N/A	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
073 General Revenue to Counties	21,347,496	0	21,428,616	0	21,645,067	0	21,428,616	0	21,645,067	0	21,428,616	0	21,428,616	0	21,645,067	0	21,428,616	0
074 Special Revenue to Counties	136,753,394	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0
190 Mineral Lease	7,110,200	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0
738 Real Property Tax Reduction-Counties	243,948,710	0	250,000,000	0	252,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0
738A Property Tax Relief - Counties	2,000,000	0	2,000,000	0	0	0	2,000,000	0	4,000,000	0	4,000,000	0	2,000,000	0	4,000,000	0	4,000,000	0
Total	411,159,800	0	493,428,616	0	493,645,067	0	493,428,616	0	495,645,067	0	495,428,616	0	493,428,616	0	495,645,067	0	495,428,616	0

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	21,347,496	5.2	21,428,616	4.3	21,428,616	4.3	21,645,067	4.4	21,428,616	4.3	21,428,616	4.3	21,645,067	4.4	21,428,616	4.3	
Federal Revenue	4000020	7,110,200	1.7	20,000,000	4.1	20,000,000	4.1	20,000,000	4.0	20,000,000	4.1	20,000,000	4.1	20,000,000	4.0	20,000,000	4.1	
Special Revenue	4000030	136,753,394	33.3	200,000,000	40.5	200,000,000	40.5	200,000,000	40.4	200,000,000	40.5	200,000,000	40.5	200,000,000	40.4	200,000,000	40.5	
Trust Fund	4000050	245,948,710	59.8	252,000,000	51.1	252,000,000	51.1	254,000,000	51.2	252,000,000	51.1	252,000,000	51.1	254,000,000	51.2	252,000,000	51.1	
Total Funds		411,159,800	100.0	493,428,616	100.0	493,428,616	100.0	495,645,067	100.0	493,428,616	100.0	493,428,616	100.0	495,645,067	100.0	493,428,616	100.0	
Excess Appropriation/(Funding)		0		0		0		2,000,000		2,000,000		0		0		2,000,000		
Grand Total		411,159,800		493,428,616		493,428,616		495,645,067		495,428,616		493,428,616		495,645,067		495,428,616		

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Analysis of Budget Request

Appropriation: 073 - General Revenue to Counties

Funding Sources: MLC - County Aid Fund

This appropriation provides spending authority for the Treasurer's Office to distribute general revenues designated for the counties.

The Base Level for General Revenue to Counties is \$21,428,616 for each year of the biennium.

The Association of Arkansas Counties requests the restoration of appropriation and general revenue funding from the 1% reduction in FY2015 of \$216,451.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 073 - General Revenue to Counties

Funding Sources: MLC - County Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	21,347,496	21,428,616	21,645,067	21,428,616	21,645,067	21,428,616	21,428,616	21,645,067	21,428,616
Total		21,347,496	21,428,616	21,645,067	21,428,616	21,645,067	21,428,616	21,428,616	21,645,067	21,428,616
Funding Sources										
General Revenue	4000010	21,347,496	21,428,616		21,428,616	21,645,067	21,428,616	21,428,616	21,645,067	21,428,616
Total Funding		21,347,496	21,428,616		21,428,616	21,645,067	21,428,616	21,428,616	21,645,067	21,428,616
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		21,347,496	21,428,616		21,428,616	21,645,067	21,428,616	21,428,616	21,645,067	21,428,616

Change Level by Appropriation

Appropriation: 073 - General Revenue to Counties
Funding Sources: MLC - County Aid Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	21,428,616	0	21,428,616	100.0	21,428,616	0	21,428,616	100.0
C01	Existing Program	216,451	0	21,645,067	101.0	216,451	0	21,645,067	101.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	21,428,616	0	21,428,616	100.0	21,428,616	0	21,428,616	100.0
C01	Existing Program	0	0	21,428,616	100.0	0	0	21,428,616	100.0

Justification

C01	The Association of Arkansas Counties requests the restoration of appropriation and general revenue funding from the 1% reduction in FY2015 of \$216,451.								
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2016 TO FISCAL YEAR 2017**

Agency: County Aid, Treasurer of State

Program: General Revenue to Counties

Act #: 527 Section(s) #: 3 & 12

Estimated Carry Forward Amount \$ 0.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0074 Funds Center: 073 Fund: MLC Functional Area: CNST

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:

No carry forward expected.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

All funds were distributed in FY16.

Chris Villines

Director

08-10-2016

Date

Analysis of Budget Request

Appropriation: 074 - Special Revenue to Counties

Funding Sources: MLC - County Aid Fund

This appropriation provides spending authority for the Treasurer's Office to distribute special revenues designated for the counties.

The Association of Arkansas Counties requests Base Level for Special Revenue to Counties of \$200,000,000 each year of the biennium.

The Executive Recommendation provides for the Association's request.

Appropriation Summary

Appropriation: 074 - Special Revenue to Counties

Funding Sources: MLC - County Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	136,753,394	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Total		136,753,394	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Funding Sources										
Special Revenue	4000030	136,753,394	200,000,000		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Total Funding		136,753,394	200,000,000		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		136,753,394	200,000,000		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000

Analysis of Budget Request

Appropriation: 190 - Mineral Lease

Funding Sources: MLC - County Aid Fund

This appropriation provides spending authority for the Treasurer's Office to distribute monies received from the federal government to those counties to which such monies are allocated by law.

The Association of Arkansas Counties requests Base Level of \$20,000,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Association's request.

Appropriation Summary

Appropriation: 190 - Mineral Lease
Funding Sources: MLC - County Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	7,110,200	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total	7,110,200	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Funding Sources									
Federal Revenue 4000020	7,110,200	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total Funding	7,110,200	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	7,110,200	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000

Analysis of Budget Request

Appropriation: 738 - Real Property Tax Reduction-Counties

Funding Sources: TPR - Property Tax Relief Trust

Amendment 79 to the Arkansas Constitution proposed limiting the increase in the assessed value of a taxpayer's real property after a countywide reappraisal and a required property tax credit of at least three hundred dollars (\$300) on homestead property. This amendment was adopted at the November 2000 general election and became effective January 1, 2001.

This appropriation provides spending authority for the Treasurer's Office to distribute special revenue to counties based upon a property tax reduction.

The Association of Arkansas Counties requests Base Level of \$250,000,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Association's request.

Appropriation Summary

Appropriation: 738 - Real Property Tax Reduction-Counties

Funding Sources: TPR - Property Tax Relief Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	243,948,710	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Total		243,948,710	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000

Funding Sources										
Trust Fund	4000050	243,948,710	250,000,000		250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Total Funding		243,948,710	250,000,000		250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		243,948,710	250,000,000		250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000

Analysis of Budget Request

Appropriation: 738A - Property Tax Relief - Counties

Funding Sources: TPR - Property Tax Relief Trust Fund

Amendment 79 to the Arkansas Constitution proposed limiting the increase in the assessed value of a taxpayer's real property after a countywide reappraisal and a required property tax credit of at least three hundred dollars (\$300) on homestead property. This amendment was adopted at the November 2000 general election and became effective January 1, 2001.

This appropriation provides spending authority for the Treasurer's Office to distribute special revenue to counties based upon a property tax reduction.

Base Level for this appropriation is \$2,000,000 for each year of the biennium.

The Association of Arkansas Counties requests an increase of \$2,000,000 in appropriation and funding for each year of the 2017-2019 Biennium to restore to the original \$4,000,000 allocated to counties.

The Executive Recommendation provides for the Association's request in appropriation only.

Appropriation Summary

Appropriation: 738A - Property Tax Relief - Counties

Funding Sources: TPR - Property Tax Relief Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	2,000,000	2,000,000	2,000,000	2,000,000	4,000,000	4,000,000	2,000,000	4,000,000	4,000,000
Total	2,000,000	2,000,000	2,000,000	2,000,000	4,000,000	4,000,000	2,000,000	4,000,000	4,000,000
Funding Sources									
Trust Fund 4000050	2,000,000	2,000,000		2,000,000	4,000,000	2,000,000	2,000,000	4,000,000	2,000,000
Total Funding	2,000,000	2,000,000		2,000,000	4,000,000	2,000,000	2,000,000	4,000,000	2,000,000
Excess Appropriation/(Funding)	0	0		0	0	2,000,000	0	0	2,000,000
Grand Total	2,000,000	2,000,000		2,000,000	4,000,000	4,000,000	2,000,000	4,000,000	4,000,000

Change Level by Appropriation

Appropriation: 738A - Property Tax Relief - Counties
Funding Sources: TPR - Property Tax Relief Trust Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,000,000	0	2,000,000	100.0	2,000,000	0	2,000,000	100.0
C01	Existing Program	2,000,000	0	4,000,000	200.0	2,000,000	0	4,000,000	200.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,000,000	0	2,000,000	100.0	2,000,000	0	2,000,000	100.0
C01	Existing Program	2,000,000	0	4,000,000	200.0	2,000,000	0	4,000,000	200.0

ARKANSAS COURT OF APPEALS

Enabling Laws

Act 257 of 2016
A.C.A. §16-21-101 et seq.
Constitution of Arkansas, Amendment 58 and 80

History and Organization

The Arkansas Court of Appeals is a court of appellate jurisdiction that was established pursuant to the provisions of Amendment 58 to the Arkansas Constitution to help alleviate the tremendous caseload of the Arkansas Supreme Court.

Act 208 of 1979 (A.C.A. §16-12-101 et seq.) created the Court of Appeals pursuant to the provisions of Amendment 58 of the Arkansas Constitution. Act 1085 of 1993 provided for the increase of the number of sitting judges on the Court of Appeals from six to twelve; Act 11 of the First Extraordinary Session of 1995 repealed certain sections of Act 1085 and allowed for the appointment of the six additional judges. Act 889 of 1999 provided for the election of an additional judge from each of the existing Court of Appeal districts to replace the six judges appointed pursuant to Act 1085. Act 1812 of 2003 reapportioned the Court of Appeals into seven new electoral districts in recognition of population shifts that had occurred since 1979. Act 257 of 2016 established the Court of Appeals appropriation for the biennial year of 2016-17.

With certain exceptions, all cases previously appealable to the Supreme Court are now appealed to the Court of Appeals. Jurisdiction of the Court of Appeals is established by the Supreme Court pursuant to its rule-making authority and is embodied in its per curiam In re Supreme Court Rule 1-2, 329 AR Appx. 657 (June 30, 1997), which requires that appeals be filed in the Court of Appeals except for specific exceptions. Such exceptions include, but are not necessarily limited to, cases involving interpretation or construction of the Constitution of the State of Arkansas; criminal cases where the death penalty or life imprisonment has been imposed; petitions for quo warranto, prohibition, injunction, or mandamus; election cases; cases involving discipline of attorneys; appeals involving the discipline and disability of judges; and subsequent appeals of a case that was decided by the Supreme Court. All other cases are appealed to the Court of Appeals for resolution; however, any case is subject to reassignment to the Supreme Court. No appeal as a right lies from the Court of Appeals to the Supreme Court, although the Supreme Court may exercise its discretion to review an appeal decided by the Court of Appeals in limited situations.

At its inception the Court of Appeals was made up of six sitting judges but through the above-referenced legislation the size of the court was increased to twelve sitting judges elected to eight year terms from seven districts. The Chief Justice of the Arkansas Supreme Court designates one of the twelve judges to serve as Chief Judge of the Court of Appeals. The Court of Appeals FY17 appropriation authorized 49

Agency Commentary

Regular Salaries (Commitment Item 5010000): The Court requests no additional positions or any changes in grade or title. The Court requests that if a salary increase is awarded to the Arkansas Supreme Court employees during the next biennium, the Court of Appeals employees receive the same increase.

Extra Help (Commitment Item 5010001): The Court is asking for no increase in the current authorized appropriation of \$25,000 for each year of the biennium. These funds are used to allow the Court to hire temporary personnel if necessary because of employee illness or injury.

Personal Services Matching (Commitment Item 5020003): The Court is requesting an amount in proportion to the salary appropriation request. This amount includes the monthly contribution for state employee's health insurance and retirement contributions.

Operating Expenses (Commitment Item 5020002): The Court requests that its FY17 authorized appropriation level of \$251,129 be restored for each year of the biennium.

Conference and Travel Expenses (Commitment Item 5050009): The Court requests that its FY17 authorized appropriation of \$68,900 be restored for each year of the biennium.

Capital Outlay (Commitment Item 5120011): The Court requests that its FY17 authorized appropriation of \$15,000 be restored for each year of the biennium.

Legal Counsel (Commitment Item 5900040): The Court requests that its FY17 authorized appropriation of \$260,000 be restored for each year of the biennium. This appropriation is used to pay the fees of attorneys appointed to represent indigent appellants in criminal appeals.

Special Judges (Commitment Item 5900046): The Courts requests that its FY17 authorized appropriation of \$17,044 be restored for each year of the biennium. Because the Court sits in four 3-judge panels, these funds are necessary to pay a special judge to fill in for a judge that is absent because of illness, injury, or other emergency.

Mileage Reimbursement (Commitment Item 5900047): The Court requests its FY17 appropriation of \$60,000 be restored for each year of the biennium. This allowance is used to reimburse judges, whose official residences are outside of Pulaski County, for their travel expense from their official residence to the Justice Building.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS COURT OF APPEALS
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

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

None

Employment Summary

	Male	Female	Total	%
White Employees	5	41	46	94 %
Black Employees	0	3	3	6 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			3	6 %
Total Employees			49	100 %

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				
Arkansas Reports	ACA 16-11-201; AR Supreme Court Rule 5-2	N	N	0	Publication of the Court of Appeals opinions ceased with volume 375 Ark/104 Ark. App. These opinions are now published online. IN RE: Arkansas Supreme Court and Court of Appeals Rule 5-2 (May 28, 2009)	0	0.00

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
49	49	0	49	0	0.00 %	49	49	0	49	0	0.00 %	49	49	0	49	0	0.00 %

Appropriation Summary

Appropriation: 111 - Court of Appeals

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,747,516	2,708,547	2,684,243	2,700,414	2,700,414	0	2,701,914	2,701,914	0
#Positions		49	49	49	49	49	0	49	49	0
Extra Help	5010001	6,284	25,000	25,000	25,000	25,000	0	25,000	25,000	0
#Extra Help		2	2	2	2	2	0	2	2	0
Personal Services Matching	5010003	874,077	852,037	852,037	862,152	862,152	0	862,492	862,492	0
Operating Expenses	5020002	187,302	251,129	251,129	251,129	251,129	0	251,129	251,129	0
Conference & Travel Expenses	5050009	35,061	68,900	68,900	68,900	68,900	0	68,900	68,900	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	15,000	15,000	0	15,000	0	0	15,000	0
Legal Counsel	5900040	232,056	260,000	260,000	260,000	260,000	0	260,000	260,000	0
Special Judges	5900046	0	17,044	17,044	17,044	17,044	0	17,044	17,044	0
Mileage Reimbursement	5900047	50,717	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Total		4,133,013	4,257,657	4,233,353	4,244,639	4,259,639	0	4,246,479	4,261,479	0
Funding Sources										
State Central Services	4000035	4,133,013	4,257,657		4,244,639	4,259,639	0	4,246,479	4,261,479	0
Total Funding		4,133,013	4,257,657		4,244,639	4,259,639	0	4,246,479	4,261,479	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,133,013	4,257,657		4,244,639	4,259,639	0	4,246,479	4,261,479	0

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

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 111 - Court of Appeals
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	4,244,639	49	4,244,639	100.0	4,246,479	49	4,246,479	100.0
C01	Existing Program	82,690	0	4,327,329	101.9	82,690	0	4,329,169	101.9
C03	Discontinue Program	(67,690)	0	4,259,639	100.4	(67,690)	0	4,261,479	100.4

SCHOOL FOR THE DEAF

Enabling Laws

Act 113 of 2016
A.C.A. §6-43-101-117; and A.C.A. §6-43-301 - 321

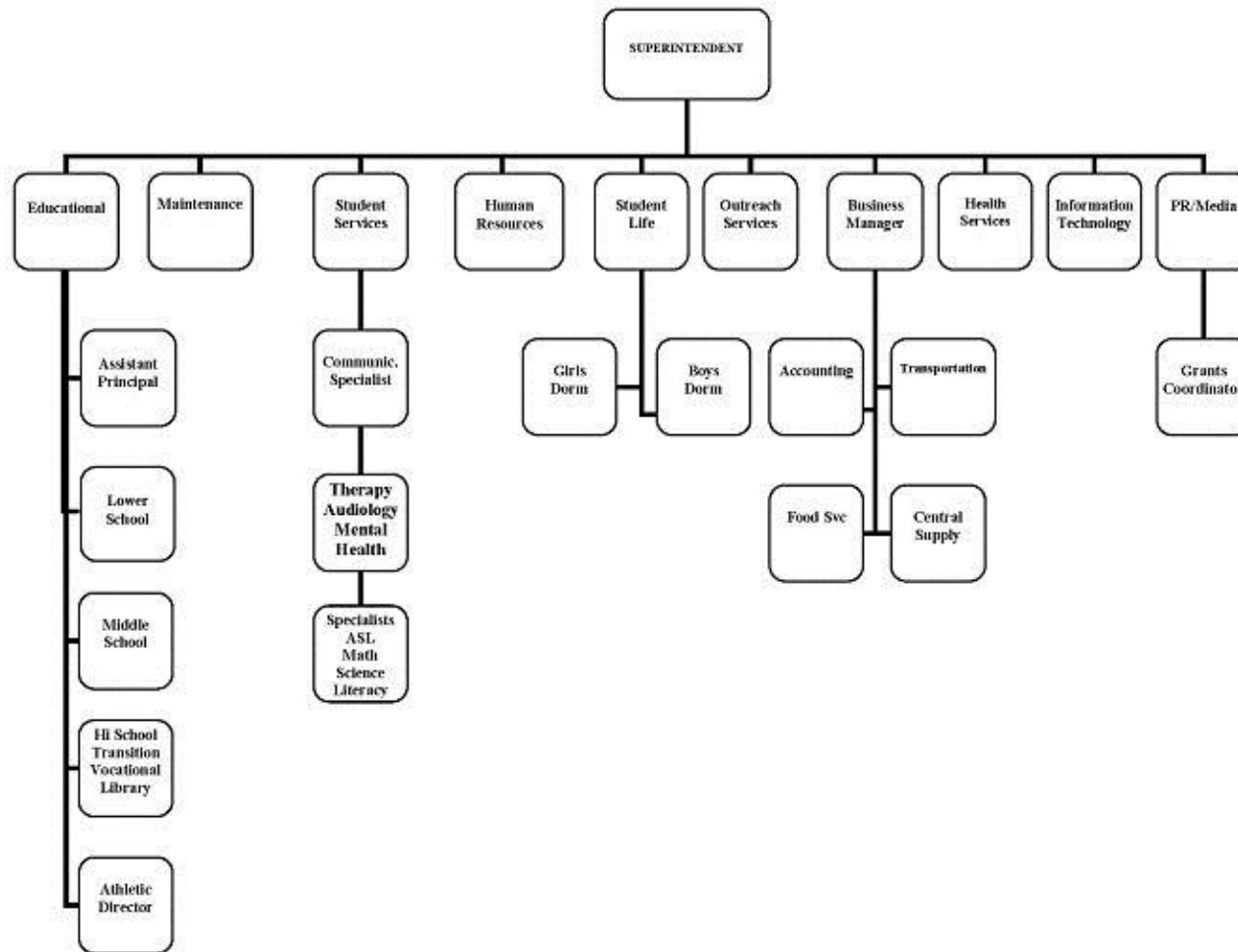
History and Organization

The Board of Trustees, a five-member board appointed by the Governor, for the Arkansas School for the Blind and the Arkansas School for the Deaf has oversight responsibilities for the Arkansas School for the Deaf. This responsibility is set forth in A.C.A. §6-43-101 and §6-43-102 (Title 6 of the Arkansas Code of 1987). The Board has approved the following mission statement for the Arkansas School for the Deaf (ASD): "Working Together to Create Learning Opportunities for Academic Excellence and Personal Independence." Approximately 500 individuals receive education, services and training through the various programs offered by ASD.

In 1850, the first class for deaf students was offered in the City of Clarksville. In 1868, Governor Powell Clayton recommended in his message to the General Assembly that a School for the Deaf, supported inadequately at the time by private subscriptions and funds given by the City of Little Rock, be taken over as a State Institution. Two tracts of land were donated to the Institute. One tract is now part of the site of the present location of the State Capitol. The other tract, which is the Capitol grounds owned by the School for the Deaf, was sold in 1871 to raise funds for the construction of a building for girls. The General Assembly approved Act 36 on July 17, 1868 giving the school the title of "The Arkansas Deaf Mute Institution". Act 462 of 1923 changed the name of the Institution to the "Arkansas School for the Deaf".

The Arkansas Department of Education, Advanced Ed, the parent organization of the North Central Association, and the Conference of Educational Administrators Serving the Deaf accredit the Arkansas School for the Deaf (ASD). The Arkansas School for the Deaf (ASD) operates under the direction and rules and regulations of the Department of Education as a day school with residential facilities and provides educational services and opportunities for students birth through the age of 21. Programming includes services in the following areas: academic, vocational, social-emotional, transition, residential, extra-curricular, and family training. Other services provided by the school are: audiological services, physical therapy, occupational therapy, tutoring, speech-language therapy, psychological services, health services, nutritional meals, and special training for children with additional disabilities. Daily transportation is provided by local school districts for non-residential students. By law, ASD provides weekly statewide transportation for residential students of both the ASD and the Arkansas School for the Blind (ASB) to and from home each weekend.

ASD functions as the Statewide Resource Center on Deafness, coordinating programs that identify and provide services to students who are deaf and hard of hearing throughout the State through partnerships with agencies such as Department of Career Education, Department of Education, Arkansas Rehabilitation Services, University of Arkansas at Little Rock, and the Little Rock Adult Education Center. The Arkansas School for the Deaf coordinates a statewide program which provides early intervention services to families and consultation services for students in early intervention programs. Research has shown that early intervention potentially holds the key to success for children/students who are deaf/hard of hearing and that the development of communication, language, social/emotional, and cognitive skills at the earliest possible age is fundamental to subsequent educational growth for children birth to five who are deaf/hard of hearing. The ASD early intervention program provides training to the families of these children through on-campus services and home visits by parent advisors throughout the State. ASD is committed to providing these services which are free and available to all families in Arkansas.



Agency Commentary

The Arkansas School for the Deaf (ASD) operates under the direction of the Department of Education as a day school with residential facilities and provides educational services and opportunities for students from birth through the age of 21. Programming includes services in the following areas: academic, vocational, social-emotional, transition, residential, extra-curricular, and family training. ASD functions as the Resource Center on Deafness, coordinating programs that identify and provide services to students that are deaf and hard of hearing throughout the State through partnerships with agencies such as Department of Career Education, Department of Education, Arkansas Rehabilitation Services, University of Arkansas at Little Rock, Arkansas Children's Hospital, Centers for Youth and Family Services, and the Little Rock Adult Education Center. Daily transportation is provided by local school districts for non-residential students. By law, ASD provides weekly statewide transportation for residential students to and from home each weekend. ASD and Arkansas School for the Blind share the costs of transportation and security services for the two schools.

Arkansas School for the Deaf (ASD) base level funding will allow the school to continue essential programs for deaf and hard of hearing children. These programs are critical to the outcomes of deaf and hard of hearing children, and every effort must be made to preserve them. We strongly request that the State continue to provide funding for the continuation and strengthening of these programs. ASD is not just an educational option, but it is often the most beneficial placement for many deaf children. Many of the students have struggled in mainstream classrooms, and ASD is their only and last option.

Arkansas School for the Deaf provides a solid language base for children to develop their cognitive and academic education to grow into contributing, successful adults. No other educational setting can offer the spontaneity and freedom of communication found in schools for the deaf. ASD's educational program provides students with a high quality learning environment with high expectations, highly qualified teachers, and a rigorous general education curriculum. The value of teachers communicating directly with their students cannot be emphasized enough; educating children indirectly through interpreters or technologies is not effective or efficient especially with respect to the initial steps of language acquisition.

The residential program allows students from across the state to access an education that meets their needs, as well as provide the opportunity to engage in extracurricular activities, leadership opportunities, special interest clubs, life skills training and contact with positive deaf role models. The residential program staff has received training concerning efficiencies in the program and the protection of the students.

Arkansas School for the Deaf also serves as a statewide resource center. Every day, ASD receives calls from parents and school districts from around the state asking for support and guidance on serving deaf students. The ASD's Outreach program has received limited funding in the past; the school has used its resources to send a teacher around the state working with deaf babies. ASD is trying to expand the Outreach program so that all deaf and hard of hearing babies can be served.

Arkansas School for the Deaf - State Operations:

Arkansas School for the Deaf is requesting an increase in appropriation and funding of \$3,264,649 in FY18 and \$2,823,649 in FY19. The change level requests are composed of the following items:

- Regular Salaries and Personal Service Matching for 34 new positions. These positions will be used to reduce the student to residential staff ratio, expand the outreach program, support transportation needs, and provide job training for the students.
- Operating Expenses increases are needed to accommodate for the growth in number of students, expansion of the outreach program, and the continue maintenance/repairs to the buildings.
- Conference & Travel Expenses increases are needed for continue education that will be required for the new staff for the expansion of the outreach program.
- Professional Fees increase is needed for engineer and architecture fees associated with major building repairs.
- Capital Outlay increase will allow for replacement of handicap vans, buses, kitchen equipment, basketball bleachers, and lawn equipment.
- Special Maintenance increases are needed to address preventive maintenance and repairs on 20 buildings. Roofs, boiler maintenance, and water infiltration are some of the issues.
- SCPI/ASL increases are needed due to all employees becoming required to be fluent in American Sign Language. All employees and students will be able to communicate when employees become fluent in ASL. When employees pass the proficiency test for SCPI/ASL they are given an increase in their pay up to 10%.
- Miscellaneous Activities increase is needed for more students attending summer school and the expansion of the outreach program.

Arkansas School for the Deaf - Federal Operations:

Arkansas School for the Deaf is requesting Base Level for Federal Operations' appropriation.

Arkansas School for the Deaf - Cash Operations:

Arkansas School for the Deaf is requesting Base Level for Cash Operations' appropriation.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION – ARKANSAS SCHOOL FOR THE DEAF
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Review of the Agency's fixed assets revealed the following:

- A diesel farm tractor that could not be located during the fiscal year 2012 assessment was not removed from the Agency's asset listing.
- 34 items totaling \$15,077 that were sent to Marketing & Redistribution (M&R) or were authorized by M&R for destruction were not removed from the Agency's asset listing.
- A truck lift valued at \$2,745 was not added to the Agency's low value assets.
- Two Kubota tractors were added for the wrong amount. These items should have been capitalized to include the price of attachments, accessories, and freight, in accordance with Financial Management Guide: P1-19-4-1503 Capital Asset Guidelines, for an additional \$3,258.
- In three instances, multiple assets were added as one asset shell number rather than as separate assets.

Recommendations

Provide training to employees on capital asset policies and procedures.

Agency Response:

The Arkansas School for the Deaf acknowledges the fixed asset findings and recommendations contained in our Internal Control and Compliance Assessment Report for the period ended June 30, 2013. The following information is submitted to show our plan to correct these deficiencies:

- Findings one and two were corrected immediately upon receipt of the findings. All 35 items identified have been properly removed from the Agency's asset listing.
- For findings three and four, the Fiscal Department has reviewed all of the items indicated. Adjustments have been made to the accounting records to record these items at their correct amounts.
- For finding five, the Fiscal Department will take action on these three instances identified to separate the items acquired into individual asset shells so that each item is properly recorded at its correct amount.
- The School is in the process of obtaining suitable AASIS navigation training and materials management training for employees who are involved in the recording of fixed assets. In addition, we will provide additional instructions and training to staff on their responsibilities in this process.

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

None

Employment Summary

	Male	Female	Total	%
White Employees	21	65	86	63 %
Black Employees	17	31	48	35 %
Other Racial Minorities	0	2	2	2 %
Total Minorities			50	37 %
Total Employees			136	100 %

Cash Fund Balance Description as of June 30, 2016

Fund Account	Balance	Type	Location
1370000	\$298,414	Checking, Investments	Centennial Bank, Little Rock, AR, State Treasury

Statutory/Other Restrictions on use:

Arkansas Code 19-4-801 establishes that the agency can use these funds for operating expenses

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

National School Lunch and breakfast reimbursements are collected throughout the year as well as meals ticket sales, some royalties, interests, rental income, and donations

Fund Balance Utilization:

Funds are collected on an irregular basis throughout the year. Since collections cannot be accurately projected, these funds are not used for on-going expenses. They are used as needed for food and other miscellaneous items.

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				
NONE	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
056 School for the Deaf-State Operations	10,145,216	148	10,231,686	159	10,887,230	159	10,239,226	159	13,503,875	193	10,239,226	159	10,245,523	159	13,069,172	193	10,245,523	159
058 School for the Deaf-Federal Operations	211,427	2	660,000	2	730,091	2	660,018	2	660,018	2	660,018	2	660,018	2	660,018	2	660,018	2
A10 School for the Deaf-Cash Operations	110,857	0	390,000	0	442,136	0	390,000	0	390,000	0	390,000	0	390,000	0	390,000	0	390,000	0
Total	10,467,500	150	11,281,686	161	12,059,457	161	11,289,244	161	14,553,893	195	11,289,244	161	11,295,541	161	14,119,190	195	11,295,541	161

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	271,659	2.5	298,414	2.6			53,414	0.5	53,414	0.4	53,414	0.5	0	0.0	0	0.0	0	0.0
General Revenue	4000010	10,142,113	94.2	10,142,113	89.5			10,210,226	91.6	13,474,875	93.5	10,210,226	91.6	10,216,523	92.0	13,040,172	93.7	10,216,523	92.0
Federal Revenue	4000020	322,284	3.0	780,000	6.9			780,018	7.0	780,018	5.4	780,018	7.0	780,018	7.0	780,018	5.6	780,018	7.0
Cash Fund	4000045	26,755	0.2	25,000	0.2			75,000	0.7	75,000	0.5	75,000	0.7	75,000	0.7	75,000	0.5	75,000	0.7
Merit Adjustment Fund	4000055	0	0.0	60,573	0.5			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	3,103	0.0	29,000	0.3			29,000	0.3	29,000	0.2	29,000	0.3	29,000	0.3	29,000	0.2	29,000	0.3
Total Funds		10,765,914	100.0	11,335,100	100.0			11,147,658	100.0	14,412,307	100.0	11,147,658	100.0	11,100,541	100.0	13,924,190	100.0	11,100,541	100.0
Excess Appropriation/(Funding)		(298,414)		(53,414)				141,586		141,586		141,586		195,000		195,000		195,000	
Grand Total		10,467,500		11,281,686				11,289,244		14,553,893		11,289,244		11,295,541		14,119,190		11,295,541	

Variance in fund balance is due to unfunded appropriation.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
170	143	28	171	-1	15.88 %	161	130	31	161	0	19.25 %	161	128	33	161	0	20.50 %

Budgeted Number of Positions exceeds the Authorized Number in FY15 due to a transfer of positions from the Arkansas School for the Blind to the shared paying account between the School for the Blind and the School for the Deaf.

Analysis of Budget Request

Appropriation: 056 - School for the Deaf-State Operations

Funding Sources: EVA - State Operations - School for the Deaf

The Arkansas School for the Deaf (ASD) provides a variety of educational programs for the deaf and hard of hearing students through the age of 21 years. The State Operations appropriation is used to provide for all security, transportation, and administrative needs of both the Schools for the Deaf and Blind. The security needs of both schools include patrolling a campus of 92 acres and 35 buildings. Maintenance work is necessary for these buildings. Daily transportation is provided through local school districts for non-residential students. Transportation involves bussing all residential students home each weekend and returning them to school on Sunday afternoon. Joint services for such administrative functions as business, accounting, personnel, etc. are provided to both schools through the use of a Board approved paying account permitting the pooling of funds from each agency based on student ratio population at each school. Legislation approved by the General Assembly provides for the use of the shared services arrangement. The primary source of funding for this appropriation is general revenue.

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

Base Level funding for the agency is \$10,239,226 for FY18 and \$10,245,523 for FY19.

Arkansas School for the Deaf is requesting an increase in appropriation and funding of \$3,264,649 in FY18 and \$2,823,649 in FY19. The change level requests are composed of the following items:

- \$1,452,649 in Regular Salaries and related Personal Service Matching for both years of the biennium. The agency has requested 34 new positions that will be used to reduce the student to residential staff ratio, expand the outreach program, support transportation needs, and provide job training for the students. Twenty-Seven of the requested positions are for the expansion of ASD's outreach program.
- \$718,000 for FY18 and \$467,000 for FY19 in Operating Expenses that will accommodate for the growth in number of students, expansion of the outreach program, and the continue maintenance/repairs to the buildings.
- \$6,000 in Conference & Travel Expenses both years of the biennium for continuing education that will be required for the new staff for the expansion of the outreach program.
- \$30,000 in Professional Fees both years of the biennium for engineer and architecture fees associated with major building repairs.

- \$500,000 in Capital Outlay both years of the biennium to allow for replacement of handicap vans, buses, kitchen equipment, basketball bleachers, and lawn equipment.
- \$475,000 for FY18 and \$275,000 for FY19 in Special Maintenance to address preventive maintenance and repairs on 20 buildings. Roofs, boiler maintenance, and water infiltration are some of the issues.
- \$23,000 for FY18 and \$33,000 for FY19 in SCPI/ASL increases are needed due to ASD requesting all employees become fluent in American Sign Language. When employees pass the proficiency test for SCPI/ASL they are given an increase in their pay up to 10%.
- \$60,000 increase in Miscellaneous Activities for both years of the Biennium due to an increase of students attending summer school and the requested expansion of ASD's outreach program.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 056 - School for the Deaf-State Operations

Funding Sources: EVA - State Operations - School for the Deaf

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	5,150,147	5,739,545	5,947,684	5,744,226	6,781,790	5,744,226	5,749,326	6,786,890	5,749,326
#Positions		148	159	159	159	193	159	159	193	159
Extra Help	5010001	106,224	99,325	99,325	99,325	99,325	99,325	99,325	99,325	99,325
#Extra Help		16	52	52	52	52	52	52	52	52
Personal Services Matching	5010003	1,977,733	2,162,554	2,169,938	2,165,413	2,580,498	2,165,413	2,166,610	2,581,695	2,166,610
Overtime	5010006	21,071	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Operating Expenses	5020002	1,864,467	1,431,262	1,666,283	1,431,262	2,149,262	1,431,262	1,431,262	1,898,262	1,431,262
Conference & Travel Expenses	5050009	21,500	21,500	21,500	21,500	27,500	21,500	21,500	27,500	21,500
Professional Fees	5060010	64,944	50,000	80,000	50,000	80,000	50,000	50,000	80,000	50,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	74,717	0	75,000	0	500,000	0	0	500,000	0
Special Maintenance	5120032	522,649	340,000	385,000	340,000	815,000	340,000	340,000	615,000	340,000
Vocational Workstudy	5900046	3,013	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
SCPI/ASL	5900047	253,257	285,000	285,000	285,000	308,000	285,000	285,000	318,000	285,000
Miscellaneous Activities	5900048	85,494	70,000	125,000	70,000	130,000	70,000	70,000	130,000	70,000
Total		10,145,216	10,231,686	10,887,230	10,239,226	13,503,875	10,239,226	10,245,523	13,069,172	10,245,523
Funding Sources										
General Revenue	4000010	10,142,113	10,142,113		10,210,226	13,474,875	10,210,226	10,216,523	13,040,172	10,216,523
Merit Adjustment Fund	4000055	0	60,573		0	0	0	0	0	0
Other	4000370	3,103	29,000		29,000	29,000	29,000	29,000	29,000	29,000
Total Funding		10,145,216	10,231,686		10,239,226	13,503,875	10,239,226	10,245,523	13,069,172	10,245,523
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		10,145,216	10,231,686		10,239,226	13,503,875	10,239,226	10,245,523	13,069,172	10,245,523

FY16 Budget amount in Operating Expenses exceeds the FY17 authorized amount due to Supplemental Appropriation received during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 056 - School for the Deaf-State Operations
Funding Sources: EVA - State Operations - School for the Deaf

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	10,239,226	159	10,239,226	100.0	10,245,523	159	10,245,523	100.0
C01	Existing Program	3,264,649	34	13,503,875	131.9	2,823,649	34	13,069,172	127.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	10,239,226	159	10,239,226	100.0	10,245,523	159	10,245,523	100.0
C01	Existing Program	415,085	0	10,654,311	104.1	415,085	0	10,660,608	104.1
C13	Not Recommended	(415,085)	0	10,239,226	100.0	(415,085)	0	10,245,523	100.0

Justification

C01	The School for the Deaf is expanding its outreach program to reach more deaf children and deaf adults. With the expansion of the outreach programs comes additional cost for staff, educational materials, equipment, supplies, mileage, and rent of satellite office space. Additional Special Maintenance and building and grounds maintenance is needed for preventive maintenance and facility's needs on 20 buildings.
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Analysis of Budget Request

Appropriation: 058 - School for the Deaf-Federal Operations

Funding Sources: FEB - Federal Operations - School for the Deaf

This appropriation represents the primary federal operations support for the Arkansas School for the Deaf (ASD). Essential funding for this appropriation is received from the State Department of Education Area Services, a Carl Perkins Vocational Grant from the Department of Workforce Education, and Chapter VI-B Pass-Through. Medicaid reimbursements are also received and are used to assist in providing for the administrative needs of the Agency.

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

The Agency is requesting a Base Level of \$660,018 both years of the biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 058 - School for the Deaf-Federal Operations
Funding Sources: FEB - Federal Operations - School for the Deaf

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	51,528	48,853	89,505	48,853	48,853	48,853	48,853	48,853	48,853
#Positions		2	2	2	2	2	2	2	2	2
Extra Help	5010001	7,358	9,000	14,500	9,000	9,000	9,000	9,000	9,000	9,000
#Extra Help		3	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	22,787	22,392	36,866	22,410	22,410	22,410	22,410	22,410	22,410
Operating Expenses	5020002	58,746	231,444	240,909	231,444	231,444	231,444	231,444	231,444	231,444
Conference & Travel Expenses	5050009	28,908	62,111	62,111	62,111	62,111	62,111	62,111	62,111	62,111
Professional Fees	5060010	42,100	286,200	286,200	286,200	286,200	286,200	286,200	286,200	286,200
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		211,427	660,000	730,091	660,018	660,018	660,018	660,018	660,018	660,018
Funding Sources										
Federal Revenue	4000020	211,427	660,000		660,018	660,018	660,018	660,018	660,018	660,018
Total Funding		211,427	660,000		660,018	660,018	660,018	660,018	660,018	660,018
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		211,427	660,000		660,018	660,018	660,018	660,018	660,018	660,018

Analysis of Budget Request

Appropriation: A10 - School for the Deaf-Cash Operations

Funding Sources: 137 - Cash Operations - School for the Deaf

The Arkansas School for the Deaf (ASD) uses their cash appropriation to meet needs associated with the cafeteria as well as any other institutional services deemed necessary for the students. Cash funds are primarily received from USDA Breakfast and School Lunch reimbursements, interest on cash investments, and legacy donations.

The Base Level Request is \$390,000 both years of the Biennium.

The Executive Recommendation provides for Agency Request. Expenditures are contingent on available funding.

Appropriation Summary

Appropriation: A10 - School for the Deaf-Cash Operations

Funding Sources: 137 - Cash Operations - School for the Deaf

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	99,557	147,136	147,136	147,136	147,136	147,136	147,136	147,136	147,136
Conference & Travel Expenses	5050009	11,300	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	0	28,000	50,000	28,000	28,000	28,000	28,000	28,000	28,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Special Maintenance	5120032	0	189,864	220,000	189,864	189,864	189,864	189,864	189,864	189,864
Total		110,857	390,000	442,136	390,000	390,000	390,000	390,000	390,000	390,000
Funding Sources										
Fund Balance	4000005	271,659	298,414		53,414	53,414	53,414	0	0	0
Federal Revenue	4000020	110,857	120,000		120,000	120,000	120,000	120,000	120,000	120,000
Cash Fund	4000045	26,755	25,000		75,000	75,000	75,000	75,000	75,000	75,000
Total Funding		409,271	443,414		248,414	248,414	248,414	195,000	195,000	195,000
Excess Appropriation/(Funding)		(298,414)	(53,414)		141,586	141,586	141,586	195,000	195,000	195,000
Grand Total		110,857	390,000		390,000	390,000	390,000	390,000	390,000	390,000

DOE - General Education

Enabling Laws

Act 230 of 2016
Act 42 of 2016
Act 229 of 2016 (PSF)
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

HISTORY OF PUBLIC EDUCATION IN ARKANSAS

Provisions were made within the framework of the Constitution of the State of Arkansas for free public education; directing the legislature to pass needed laws related to education; creating funding for public schools; providing local taxing units for school purposes; designing a method of levying a tax for maintenance and operation of local school districts; and providing authority for local school board members to carry out programs of the State's public education department.

The Arkansas Territorial Legislature in 1829 passed the first law for public education by requiring county judges to appoint a trustee for the sixteenth section of land in each township granted to education. The territory was organized in 1819. In 1853, the office of the County School Commissioner was created by the legislature. With various title changes and added responsibilities, this particular individual is now called the County School Supervisor.

In 1931, the Arkansas General Assembly established a reorganization law whereby consolidation of districts occurred only by the majority of the electors of those districts. In 1948, the Arkansas voters created the District Reorganization Bill that reduced the number of school districts from 1,500 to 424.

From 1875 to 1931, the office of the State's Superintendent of Public Instruction was reestablished. In 1931, the elected office of State Superintendent was abolished, and the State Board of Education was given the power to select a Commissioner of Education.

In 1965, the improvement of elementary and secondary schools was emphasized during a Presidential message on education. Within months after the message, Congress passed the Elementary and Secondary Education Act, which was to strengthen and improve the quality of education and increased educational opportunities in the public schools. The educational opportunities provided for in this federal act are currently being paid from federal funds.

Act 38 of 1971 changed the title of the Commissioner of Education to the Director of Education but kept the duties and powers of the office the same. The Director of Education was to be confirmed by the Governor and served at the pleasure of the Governor.

Act 64 of 1981 divided the Department of Education into two major divisions, the General Education Division and the Vocational and Technical Education Division with each Division having a separate director.

Act 445 of 1983, known as "The Quality Education Act of 1983," provided for the establishment of minimum standards for accrediting public elementary and secondary schools in the State. As a result, the **Standards for Accreditation of Arkansas Public Schools** were developed and adopted by the State Board of Education on February 22, 1984. School districts had until June 1, 1987, to meet the Standards or risk consolidation or annexation. In 1984, there were 367 school districts in the State. As of June 30, 2000, there were 310 school districts in the State. These Standards have been revised once since they were put into place. The revision occurred in 1993.

Act 34 of 1983, First Extraordinary Session, created a new funding formula for local school districts known as "The School Finance Act of 1984." This particular formula provided funding to school districts known as Minimum Foundation Program Aid. The main focus of the 1983 First Extraordinary Session was education. The Arkansas General Assembly passed a one-cent sales tax which helped to increase the revenue available to school districts and to fund many new programs for education.

The legislation passed in the 1983 Regular Session and the 1983 First Extraordinary Session was considered to be the "first wave" of educational reform for Arkansas public schools. Examples of reforms include: required elementary school counselors; established smaller class sizes; created curriculum content guides which listed requirements for courses to be taught; increased advanced course offerings; required yearly testing of students in grades 3, 6, and 8 in the basic skills, Minimum Performance Test (MPT); required all public school districts to develop and file a six-year plan for improving its educational programs; established an Advisory Council for the Education of Gifted and Talented Children; implemented Act 76 of 1983, First Extraordinary Session, requiring teachers, administrators, and other certified personnel to undergo testing in regard to functional academic skills and knowledge of subject areas; implemented an effective schools project as a model of excellence for Arkansas public schools; and provided for the implementation of computer-based educational projects in the public schools, later known as the Instructional Microcomputer Project for Arkansas Classrooms (IMPAC).

In 1985-86, the Arkansas General Assembly adopted an array of additional legislation such as the establishment of a statewide system of Education Service Cooperatives; the authorization of parents to provide home schooling for their children; the amendment to the Arkansas Teacher Retirement System laws to establish an optional noncontributory plan for its members; the authorization of the Department of Education, General Division, to develop and implement a program of health services; the creation of a commission to study the disparity in teacher salaries; and the requirement for school districts to establish a drug abuse prevention program.

In 1987-88, the Arkansas General Assembly provided the state education system with acts such as establishing residency requirements for persons attending public schools; providing waivers from the teacher salary requirement due to a one time increase in new current revenue; establishing guidelines for reporting data on students leaving high school prior to graduation; establishing the Commission on Teaching Excellence; and changing the date of the annual school election to the third Tuesday in September.

In 1989-90, the Arkansas General Assembly set up the Office of Accountability to assess the performance of schools and to publish a School Report Card by December 1 of each year, the School Choice program enabling students to attend a public school in a district other than the one in which the student resides but subject to certain restrictions and conditions, the Arkansas Early Childhood Commission, the suspension of a student's learner's permit or driver's license if no longer attending school if under 17, and a mandatory kindergarten law.

In 1991-92, the Arkansas General Assembly created an Educational Excellence Trust Fund to target to all of education the funds from a 1/2 cent sales tax increase; established a statewide computer network for education, later known as the Arkansas Public School Computer Network (APSCN), which is a computer link up with all schools in the State to facilitate data collection and reduce paperwork; established the Arkansas School for Mathematics and Sciences; established the Academy for Leadership Training and School-based Management; and passed a major restructuring act, Act 236 of 1991, which called for the reorganization of the Department of Education, General Division, to provide more support and less regulation to school districts as well as defining what Arkansas public schools must do in preparing students to be internationally competitive. The Department established the Comprehensive Outcomes Evaluation Program as a method for evaluation of the public schools every five years as mandated by the Standards for Accreditation. School vehicle insurance was added to the insurance program as a self-insurance program for schools.

In 1993-94, the legislature combined the appropriations for the Department of Education to a few appropriations for greater flexibility in reaching the goals of Act 236 of 1991. Grant programs were set up for Writing Assessments to assist in the development and piloting of writing portfolios and Curriculum Frameworks for school districts to develop exemplary local curricula to serve as statewide models. An appropriation was also set up for Workers Compensation to help school districts with worker compensation payments on school personnel. In addition, the K-3 Initiative was started with the passage of Act 1139 of 1993 which provided free summer school and summer school transportation to K-3 students who did not perform at grade level during the regular school year. In order for these students to be eligible for promotion to the next grade, they had to attend this specially designed summer school program.

In 1995-96, the Arkansas General Assembly enacted a new funding formula for the public schools that provided more equity in school

funding. Minimum Foundation Program Aid was replaced by Equalization Funding. The legislature also funded At-risk Programs, Growth Facilities Funding, Additional Base Funding, and Debt Service Funding Supplements to assist districts with the cost of facilities. Technology centers were appropriated for the Education Service Cooperative to assist local school districts. Fiscal Crisis Relief Funding also provided assistance to districts adversely affected by the implementation of the new funding formula. Other legislation passed in 1995 included: an act to require criminal background checks for all teachers and administrators seeking an Arkansas teaching license for the first time; an act to ensure that a fiscal or academic crisis will not interrupt educational services provided to students (Academic and Fiscal Distress); an act known as the School Bus Safety Act of 1995; an act to establish the Arkansas Advanced Placement Incentive Program; an act to expand the K-3 Initiative of 1993 to include grades K-5; and an act to increase the number of State Board of Education members from nine (9) to twelve (12).

In 1997-98, the Arkansas General Assembly passed legislation which provided for one core curriculum for all students in Arkansas public schools; required the Director to develop a plan to allow all school districts to utilize distance learning through a distance learning network; amended the laws concerning home-schooled students; provided a clearinghouse for information on nonsectarian practices in character and citizenship education; amended the laws relative to Arkansas education goals and performance accountability; required criminal background checks as a condition for employment in a public school district for all non-certified staff positions; expanded the requirement for background checks on teachers and administrators; allowed Teacher Retirement System members to retire with 28 years of service rather than 30; and Act 803 of 1997 abolished the Vocational and Technical Division of the Department of Education and created the Department of Workforce Education as a separate state agency with its own State Board of Workforce Education and Career Opportunities. The State Board of Education and the Department of Education continued for the general supervision of the public K-12 schools in the State.

In 1999-2000, the Arkansas General Assembly passed legislation which provided for teacher incentives to seek the National Board for Professional Teaching Standards (NBPTS) Certification to pay full tuition cost and bonuses; annual individual school performance reports and for the distribution of these reports to all parents or guardians of children enrolled in Arkansas public schools; the reduction in the number of State Board of Education members from twelve (12) to nine (9) over a three-year period; a new Charter School Law which allows for open-enrollment and school district conversion forms of charter schools with the new law completely replacing the 1995 law; the establishment for an accountability program for schools across the State referred to as the Arkansas Comprehensive Testing Assessment and Accountability Program (ACTAAP); and the elimination of the antiquated county boards of education in all 75 counties of the State over time.

In 2001-2002, the Arkansas General Assembly created the Arkansas Blue Ribbon Commission on Public Education to define an equitable and adequate system of free public education in the State as mandated under the "general, suitable and efficient" components of the Arkansas Constitution; directed the State Board of Education to conduct a study of public education, its structure, financial needs, and funds needed for improvement; adopted ethical guidelines to prohibit self-dealing in transactions between public educational entities and board members, administrators, or employees; passed the Educator Compensation Act to supplement traditional pay increases for the State's teachers; authorized the Department of Education to conduct a study of grade inflation within the State's high schools and to notify schools of such finding; established procedures for identifying critical teacher shortage areas and granting retired teachers a waiver of earnings limitations to return to active employment to help meet the needs of these areas; and clarified the State's ethics law to allow teachers and other school

employees to receive gifts or compensation which recognize the employee's contribution to education.

In 2003-2004, the General Assembly addressed four major areas in the public education system of Arkansas: structure of the K-12 system, public school funding, public school facilities, and the structure of the Arkansas Department of Education. During the Regular Session, the legislature enacted the Omnibus Quality Education Act, requiring all school districts to meet the Standards for Accreditation with sanctions for non-compliance; established requirements for school districts to create plans for more parental involvement in public schools; and created the Joint Committee on Educational Facilities to assess all of the State's K-12 facilities and equipment. During the 2nd Extraordinary Session, the General Assembly required administrative consolidation of public school districts serving less than 350 students into districts that would have in excess of 350 students; adopted the Arkansas Student Assessment and Educational Accountability Act of 2004; created the Public School Funding Act, which designated a base of \$5,400 per student as the amount necessary for students to receive an adequate education; enacted a variety of revenue measures to raise the necessary funds to implement the new Public School Funding Act. The legislature also provided for the division of the Arkansas Department of Education into three divisions: General Education, Accountability and Educational Facilities with each division having its own director who answers independently to the State Board of Education. Other significant actions taken by the 84th General Assembly included the creation of a Teacher Housing Program; master's program for school principals; mandatory professional development for teachers and administrators and an appropriation to increase the number of early childhood programs offered in the State.

In 2005-06, the Arkansas General Assembly focused primarily on education reform as a result of directives and requirements of the Arkansas Supreme Court in *Lake View School District No. 25, et al. v. Mike Huckabee, et al.* The Court outlined the State's responsibility to identify and fund an adequate education for all students in Arkansas. Accordingly, legislation that provided additional funding in the amount of \$436.6 million over the biennium was implemented. The Legislature also funded and commissioned an Adequacy Study to determine future educational needs. Legislation established the Division of Public School Facilities and Transportation that will identify, assess and fund the State's facilities needs. In the area of teacher recruitment and retention, the General Assembly increased teacher salaries, took steps to strengthen the teacher health insurance program and provided for programs to enhance teaching and learning. The General Assembly also complied with the Court's mandate to track expenditures by expanding current coding methods, providing for in-service training for fiscal staff, strengthening financial accountability, and outlining penalties for non-compliance. The General Assembly continued to enhance and enrich curriculum standards and upgraded the capacity of the State's technology network. Legislation was enacted to change the structure of the Arkansas Department of Education (ADE). The ADE was also given more flexibility in personnel policies. The General Assembly again increased funding for early childhood programs to serve additional children. The Governor called the First Extraordinary Session of the 85th General Assembly to implicitly deal with the Court's mandates, providing an additional \$132.5 million for education funding.

In 2007-2008, the work conducted by the 86th General Assembly successfully freed the state from litigation in the Lake View case. On May 31, 2007, the Arkansas Supreme Court ruled that "...our system of public-school financing is now in constitutional compliance..." It further stated in the conclusion of the opinion:

"What is especially meaningful to this court is the Maters' finding that the General Assembly has expressly shown that constitutional

compliance in the field of education is an ongoing task requiring constant study, review, and adjustment. In this court's view, Act 57 of the Second Extraordinary Session of 2003 requiring annual adequacy review by legislative committees, and Act 108 of the Second Extraordinary Session of 2003, establishing education as the State's first funding priority, are the cornerstones for assuring future compliance."

The legislature expanded upon Act 57 requirements, passing Act 1204 of 2007. Act 1204 set forth an outline of the work to be performed in preparation for the 2009 legislative session. Among other things it required the review of fiscal, academic, and facilities distress programs; a comparison of Arkansas teacher salaries with surrounding states and Southern Regional Education Board member states; review of expenditures from isolated schools; national school lunch student funding; declining enrollment funding; student growth funding; special education funding. Act 1204 also required an expenditure analysis and resource allocation review each biennium. The Department of Education budget total was \$760.3 million in FY08 and \$764.7 million in FY09.

At the beginning of the 2009 legislative session, Governor Mike Beebe challenged the Arkansas General Assembly to rise above the current economic circumstances and find ways to continue Arkansas's educational progress. The General Assembly responded to this challenge, and through careful budgeting and responsible legislation, found a way to continue to fully fund public education in Arkansas. Act 1474 of 2009 established the state per-pupil foundation funding amount at \$5,905 for the 2009-2010 school year and \$6,023 for the 2010-2011 school year.

The 2009 General Assembly enhanced educational standards by passing laws that created high-stakes end-of-course assessments, changed the requirements and age for kindergarten enrollment, and allowed increased parental access to public school data. Other measures passed by the General Assembly included the Arkansas Smart Core Funding Incentive Program and grants for after-school programs. The General Assembly also implemented early interventions for school districts in danger of entering fiscal or facilities distress.

In 2010, the Arkansas General Assembly convened its first fiscal session. During this historic session, the General Assembly continued its steadfast support for education in Arkansas by allocating \$1,849,659,072 to the Department of Education Public School Fund. Through its actions, the Arkansas General Assembly maintained its commitment to fund education first.

Governor Beebe and the Arkansas Legislature passed a large number of education bill during the 88th General Assembly that support the Governor's goal to improve education in the state of Arkansas. These include improvements to teacher testing and licensure, improving college and career readiness, removing caps on Charter schools, and providing more safety protections for the children of Arkansas. Laws regarding school books were reformed to reflect the increased use of virtual education. Safety of children was improved with bullying legislation and school guidance counselors being required to report abuse of children. Parents were offered assistance with school expenses via the "tax-free holiday" and flexibility in school start dates. The legislature also approved a nearly \$4.6 billion general fund budget for 2011-2012. Funding for K-12 education rose 2.9 percent to more than \$2 billion and included \$1.9 billion in formula funding for schools.

Act 1209 addressed the evaluation of Arkansas public school teachers, established the Teacher Excellence and Support System and sought to increase public awareness of effective teachers.

Act 1178 amended Arkansas teacher licensure and reciprocity.

Act 743 established the Arkansas College and Career Readiness Standard, and called for development of criteria to evaluate, support, promote and fund Arkansas Career and Technical Education.

Act 288 amended school textbook requirements to include digital resources.

Act 987 removed the limitation on the number of open-enrollment charter schools in the state.

Act 993 amended provisions of Arkansas's law to require charter schools to submit periodic reports, amended various provisions and sought to protect charter schools from certain liabilities.

Act 784 requires child abuse hotlines to accept reports of intellectual, emotional or psychological injury to a child from a guidance counselor licensed as a teacher.

Act 907 clarifies Arkansas's antibullying laws for public school students and states requirements for actions on the part of a school principal.

Act 65 allows school districts flexibility in the school start dates while limiting the start dates to no earlier than August 14 and no later than August 26. The board of directors of the school district will determine the beginning of the school year.

Act 757 sought to reduce school expenses for parents by creating a "sales tax holiday" during which back-to-school related purchases are exempted from the sales tax.

In 2012, the Arkansas General Assembly began its second fiscal session primarily on state budget issues. The General Assembly considered Governor Beebe's call for \$114 million in new allocations for the state's Human Services Department to pay for growth in Medicaid. Governor Beebe also requested \$56 million in additional funding for Arkansas's public schools for the coming year very similar to the Joint Budget Committee's proposal. The General Assembly approved and the Governor signed the \$4.7 billion budget (an increase of 3.6 percent) from the general revenue fund for fiscal year 2012-2013. Elementary and secondary education will operate with 2.8 percent increase in state funds, to \$2.1 billion. Of that, \$2 billion was allocated to fund the public school formula. This reflects a 3 percent increase.

In 2013, the Arkansas legislature convened its 89th General Assembly. One hundred twenty-one acts concerning K-12 Education were

safety, Act 484 calls for an annual requirement for training of school staff and students and school safety assessments. Act 1227 amended the public school choice act to require every district to participate in the state choice program and school districts are required to inform parents about choice opportunities. Districts would not be required to participate in school choice if it conflicts with a desegregation order or plan. Act 1280 will require public schools to offer, and each high school student to take, at least one digital course for graduation beginning with the entering ninth grade class of 2014-2015 school year. Relative to licensure, the general assembly passed a act to allow for temporary licensure certification for spouses of active duty service members. Act 413 amended the non-traditional teacher licensure law to require a passing score on a basic skills assessment. Regarding accountability, low-performing schools and innovation, the general assembly enacted Act 696 to set out in detail the grading system ("A" through "F") for school improvement and performance. Act 601 created the new district of innovation program the permits a school council including educators, other school employees, parents, community members and at least two students, to develop a plan to improve academic performance and learning for all students. As a focus on students graduating from high school, college and career ready. Act 585 created the Council on Postsecondary Education and Career Readiness to facilitate a unified strategy to reduce remediation rates and improve postsecondary graduation rates.

In 2014, the Arkansas General Assembly met in its third fiscal session and approved a \$5 billion state-funded budget (an increase of 2.1 percent) for fiscal year 2014-15. Act 297 provided \$5 million for the Open Enrollment Public Charter School Facilities Loan Fund in 2013-14.

During the regular session of the 90th Arkansas General Assembly (2015), the legislature allocated over \$2.8 billion to the Public School Fund, a 1.9 percent increase over the previous 2013-2014 budget.

In April 2016, the Arkansas General Assembly adjourned its fourth fiscal session, approving Public School Fund programs at an increase of 2.7 percent to over \$2.9 billion. They reconvened in late May for a special legislative session.

Act 187 allocated \$5 million in general funds for the Computer Science and Technology in Public School state initiative requiring each public high school and public charter high school in the state to offer a computer science course and created the Task Force to recommend strategies to meet workforce needs in the state.

ACT 372 modified the requirements for the creation of a school district by detaching territory from an existing school district by lowering the minimum student attendance for the creation of a new school district from 4,000 to 2,500 students in average daily membership and deleting the provision allowing for the creation of a new school district by detaching from an existing one.

ACT 377 provided a waiver for a school district from an administrative consolidation or reorganization under certain conditions by allowing the Arkansas Department of Education to grant waivers to school districts that fall below the current 350-student minimum as long as they are not in academic, fiscal, or facilities distress.

ACT 739 created an Open Enrollment Public Charter School Funding Aid Program to allow some open enrollment public charter schools to qualify

for state funding for school facilities.

ACT 993 provided additional compensation to a teacher in grades seven through twelve (7-12) who elects to teach more than the maximum number of students permitted.

ACT 994 allowed school districts to use certain categorical funds for partnerships with state-supported institutions of higher education to offer concurrent courses or other technical education options for students in grades 8-12.

ACT 1074 prohibited the state Board of Education from renewing its participation in the Partnership for Assessment of Readiness for College and Careers consortium or from entering a state testing contract of more than one year in length after 2015-16. The board must also consider any recommendations made by the Governor's Council on Common Core Review before entering into a contract for the 2016-17 school year. In addition, the legislation prohibits either the board or the state Department of Education from providing a student's individually identifiable data to the federal Department of Education or any of its partners without express written consent from the student's parent or guardian.

Act 1248 amended state foundation funding aid, alternative learning environment funding, English-language learner funding, national school lunch funding, and professional development funding to match the recommendations of the Adequacy Subcommittee and to match ADE's budget request for those line items.

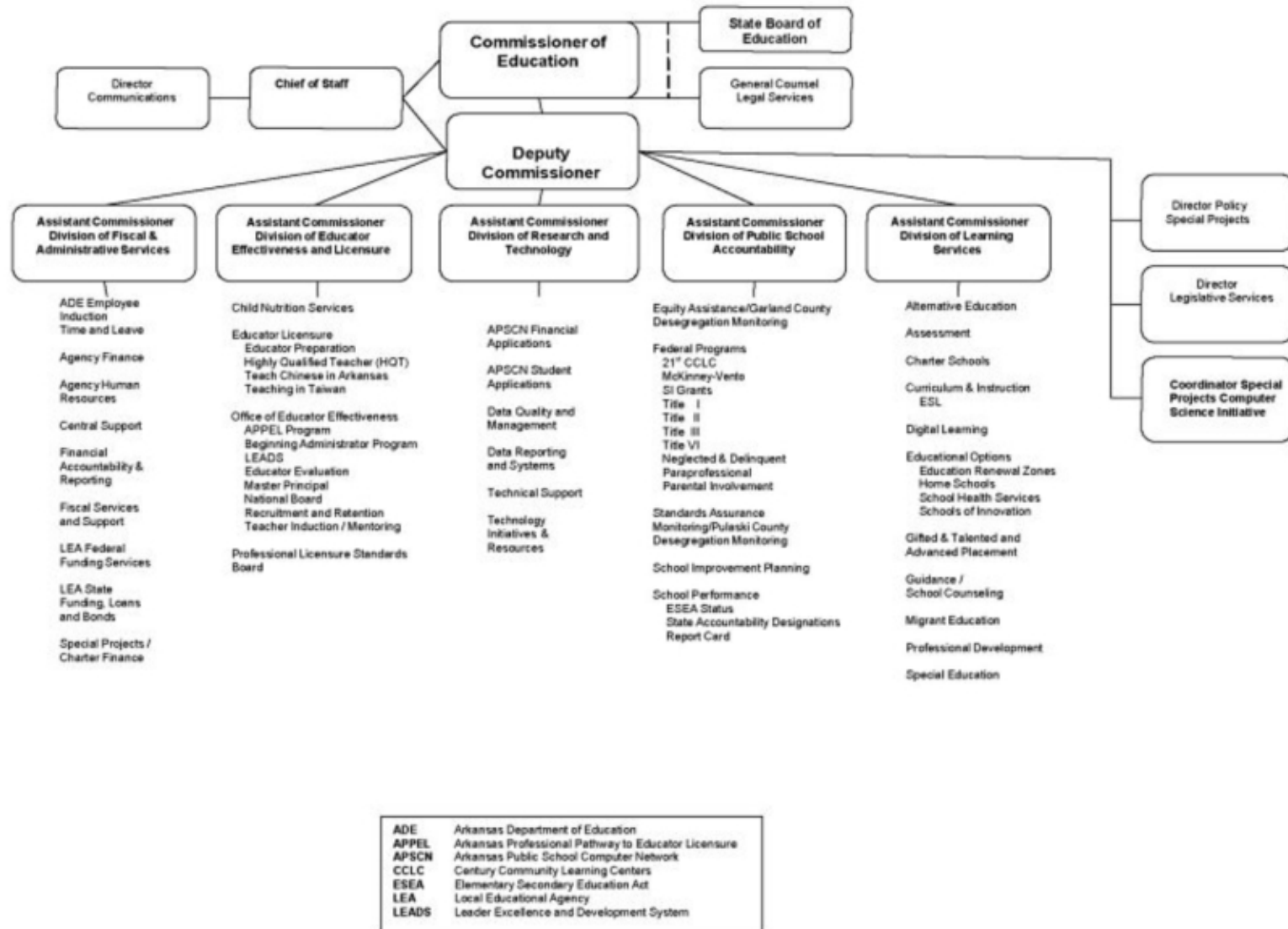
STATE BOARD OF EDUCATION - OVERSIGHT AND AUTHORITY

Statutory authority for the Arkansas State Board of Education is found in Ark. Code Ann. §6-11-101 (1999 Repl.). As set forth in various subsections of this code cite, the State Board of Education reduced the number of its members from twelve (12) to nine (9) members over a three-year period ending with the nine-member board as of July 1, 2001, two from each Congressional district of the State and the remainder to be appointed at large from within the State. The term of office is set at six (6) years with the terms of outgoing member(s) expiring on June 30 of each year. The Governor, subject to the confirmation of the Senate, appoints the members of the State Board of Education. The members take the oath of office prescribed by the Constitution of the State of Arkansas for officers.

The State Board of Education's powers and duties are outlined in Ark. Code Ann. §6-11-105 (1999 Repl.). These powers and duties include such things as general supervision of the public schools of the State, recommending courses of study for the public schools, issuing licenses to qualified persons to teach in the public schools, and performing "all other functions which may now or hereafter be delegated to the State Board of Education by law."

In addition, "the State Board of Education may organize and, from time to time, change and alter the Department of Education into such branches or sections as may be found necessary and desirable by the Director of the Department of Education . . ." These changes are to be

brought forward in order for the Department of Education “. . . to perform all proper functions and to render maximum service relating to the operation and improvement of general education programs of the State.”



Agency Commentary

State Operations (620)

The state operations appropriation provides the state-funded support for 261 positions and associated operating expenses of the various units of the Arkansas Department of Education (ADE). The major units supported by this appropriation are: Central Administration, Division of Fiscal and Administrative Services, Division of Educator Effectiveness/Licensure, Division of Learning Services, Division of Academic Accountability, and the Division of Research and Technology. Operational activities include legal services, information technology, public relations and fiscal management. Assistance to school districts includes the "School Report Card," fiscal and administrative support, curriculum and instruction, and special education assistance and compliance monitoring. Base Level Regular Salaries and Personal Services Matching include the continuation of 261 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. Several operating line items were not initially fully budgeted in FY17 but will be budgeted after July 1 when fund balance is certified. These line items include extra help, operating expenses, conference fees and travel, professional fees, and capital outlay. Additionally, there are three grant programs funded from this appropriation that are not budgeted in base level but will be restored after July 1 once fund balance is certified:

Advanced Placement Training Initiative (\$450,000)

The Advanced Placement Training and Initiative program, also referred to as the National Math and Science Initiative program, provides funding to Arkansas AIMS for operations, teacher professional development, incentives for teachers and students, student study sessions, school equipment, and teacher stipends. The ADE operations budget funds this program at \$450,000 annually.

Arkansas Leadership Academy (\$900,000)

The Arkansas Leadership Academy was formed in 1991 to provide leadership for education reform in Arkansas. The Academy brings together partners from business, higher education, professional associations, educational cooperatives, and governmental agencies. It provided a variety of leadership development programs for principals, teachers, partners, and other leaders, including year-long residential programs. The ADE operations budget funds this program at \$900,000 annually.

Reading Recovery/Early Literacy (\$100,000)

Reading Recovery, a research-based approach to reading intervention, has been implemented in elementary schools across the State, in connection with the University of Arkansas at Little Rock (UALR). The Department of Education (ADE) provided schools the opportunity to train Reading Recovery teachers and/or a school-based employee to become a Reading Recovery Teacher Leader. Through the training center at UALR, ADE funded training expenses and support materials of \$100,000 for the 2014-2015 school year.

The change levels requested in this appropriation are for restoring appropriation that was budgeted subsequent to the FY17 annual operations plan.

Alternative Certification Program (899)

Non-traditional licensure teachers were assigned to one of the seven sites across Arkansas to complete instructional requirements for the Arkansas Professional Pathway to Educator Licensure (APPEL), formerly known as the Non-Traditional Licensure Program. Grants from the registration fees remitted by the teachers seeking licensure were provided to the non-traditional licensure sites to conduct training.

Arkansas Medicaid Administrative Claiming (4HF)

The Arkansas Department of Education (ADE) Special Education Unit, along with the Department of Human Services (DHS) - Division of Medical Services, received federal approval from the Centers for Medicare and Medicaid Services to coordinate and manage a statewide Medicaid administrative claiming program referred to as Arkansas Medicaid Administrative Claiming (ARMAC). ARMAC allows school districts and public charter schools to receive reimbursement for costs associated with certain administrative activities that directly support the Arkansas Medicaid program. Funding flows from DHS through ADE to the school districts. The Arkansas Department of Education (ADE) is requesting additional Grants & Aid appropriation for the 2017-19 biennium to accommodate increasing reimbursements to school districts for the ARMAC program. The services provided include occupational/physical/speech therapy, personal care, private duty nursing, school-based mental health, targeted case management, and vision/hearing screens. School districts and charter schools are serving increasing numbers of Medicaid-eligible students, requiring additional appropriation to process reimbursements.

Building Maintenance (630)

The Building Maintenance program provides financing for building and grounds maintenance, equipment maintenance contracts, insurance and janitorial services for the various buildings in the Education complex. This appropriation is funded from rent charged to the various nonfederal units at the Department.

Child Nutrition (637)

The Child Nutrition Program of the Department of Education provides administrative services and reimbursement to the local school districts that participate in the school lunch, school breakfast or special milk programs. This program also promotes nutrition education by conducting courses in methods and materials for teaching nutrition education. The Child Nutrition Program is funded with federal funds from the United States Department of Agriculture. This program also provides equipment grants for certain equipment purchases at eligible school food authorities. The Fresh Fruit and Vegetable program is provided within this appropriation as well. The purpose of the Fresh Fruit and Vegetable Program is three-fold: (1) to provide access to fresh fruits and vegetables for students in low income public schools at times other than regular meal periods, (2) to assist local farmers by expanding local markets for locally grown fresh fruits and vegetables, and (3) to create local partnerships between schools and the state agriculture industry. Base Level Regular Salaries and Personal Services Matching include the continuation of 22 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. The change level request of \$70M (federally-funded) is for additional grants appropriation to accommodate increased federal reimbursements to school districts due to an increase in meals served. The community eligibility program and alternative breakfast have greatly increased the number of meals served and reimbursed with

federal funds. An additional change level request of \$50,000 (federally-funded) per year of the biennium is to restore capital outlay appropriation.

Conference - Treasury (2DD)

This appropriation is used to pay expenses of conferences sponsored by the Department. Funding is provided from registration fees charged to participants.

Federal Elementary and Secondary Education (650)

The Federal Elementary and Secondary Education appropriation for the Department of Education contains the majority of the federal entitlement programs for elementary and secondary education. These programs include Title 1 education services for the educationally disadvantaged, Special Education programs, Early Childhood programs, AIDS Education, Migrant Education, after-school programs, Title IIA professional development, English Language Learners support, start-up funding for charter schools, and services for homeless students. Base Level Regular Salaries and Personal Services Matching include the continuation of 52 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. The change level request of \$200,000 (federally-funded) is to restore capital outlay appropriation. Position 2212-9080 is being requested to transfer out of the Education Renewal Zones program in the Public School Fund to the agency's General Division, for a change level of \$95,635. The position is needed to provide administrative and oversight duties for federal programs.

Federal Grants Administration (Federal Indirect Cost - 435)

This appropriation provides administration, accounting, purchasing and record keeping services for federal programs. It is funded by indirect cost charges levied against the federal programs operated by the Department. Base Level Regular Salaries and Personal Services Matching include the continuation of 7 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases.

Medicaid Reimbursement (893)

The Department of Education collects from the various school districts their match as Medicaid providers and then transmits this quarterly to the State Medicaid Office. Reimbursements are for targeted case management and psychological services in addition to the reimbursement for speech-language pathology, physical therapy and occupational therapy. Change level request is to accommodate increasing Medicaid matching funds received from school districts that ADE must remit to the State Medicaid Office.

Multiple Grant Award Program (885)

The Department of Education receives grants and awards from private foundations or individuals for program, such as Teacher of the Year, Milken Educator Awards and Play it Again Arkansas. The Department currently administers approximately 16-20 such privately-funded grants each year. The change level request of \$100,000 (cash-funded) is to restore capital outlay appropriation.

Open-Enrollment Charter School Closure (85J)

This appropriation was established to allow the Department of Education to pay outstanding debts incurred by a closed open enrollment charter school. Anytime an open enrollment school is closed, the assets and outstanding debts of that school are transferred to the Department. The funds are collected from the school.

Professional Licensure Standards Board (56P)

The Professional Licensure Standards Board (PLSB) was created by Act 846 of 2007. Pursuant to Ark. Code Ann. § 6-17-422, the Professional Licensure Standards Board develops minimum college level preparatory and grade point average requirements for all teachers, and administers a Code of Ethics for administrators and teachers. This appropriation supports 13 positions that investigate violations of the ethics code and conduct audits of licensure programs of study in all Arkansas institutions of higher education. Grant funds from this appropriation provide for the edTPA (Education Teacher Performance Assessment) program, a performance-based assessment and support system for teachers and teacher candidates. Base Level Regular Salaries and Personal Services Matching include the continuation of 13 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. The change level request of \$275,000 (cash-funded) is to restore capital outlay appropriation.

Revolving Loan Certification (631)

The Revolving Loan Certification program within the Department of Education issues revolving loan certificates through the State Treasury in order to finance loans up to \$500,000 each to school districts for construction and the purchase of equipment or buses. Base Level Regular Salaries and Personal Services Matching include the continuation of 1 position and career service payment. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases.

Succeed Scholarship Program (U58)

Act 1178 of 2015 created the Succeed Scholarship Program. Participating students must have attended public school for at least the one full school year immediately prior to the school year for which the scholarship payments are disbursed, unless the student is a dependent of an active duty member of any branch of the United States armed forces. At the time of application, student applicants must have an individualized education program (IEP) in accordance with the federal Individuals with Disabilities Act, and they must have been accepted for admission into a private school that is eligible to participate in the program. The amount of each student scholarship is the cost of tuition and fees for the private school or the foundation funding amount for the current school year under ACA 6-20-2305, whichever is less. Funding in FY17 is anticipated to be from existing fund balances in the State Operations appropriation.

Vision Screening Program (35V)

This appropriation for the Vision Screening Program provides operating expenses for the Arkansas Commission on Eye and Vision Care of School Age Children. Act 1243 of 2007 transferred the appropriation for the Commission from the Department of Health to the Department of Education. The duties of the Commission are to study the vision needs of children, evaluate screening programs in schools, determine whether children are receiving adequate vision care, and to study the effects of inadequate vision on classroom performance. It is anticipated that remaining fund of \$5,508 will be refunded back to the Department of Health during this biennium due to the fact that the Commission has expired and no longer meets.

Audit Findings

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

Findings

Recommendations

None

None

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

None

Employment Summary

	Male	Female	Total	%
White Employees	80	178	258	72 %
Black Employees	16	74	90	25 %
Other Racial Minorities	3	6	9	3 %
Total Minorities			99	28 %
Total Employees			357	100 %

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				
Academic Support Centers - Report regarding the Establishment of Academic Support Centers and their Effectiveness	A.C.A. §6-13-1612	N	Y	75	Required by Law to the House and Senate Committees on Education	0	0.00
ADE & ADH shall jointly report progress in implementing nutrition and physical education standards	A.C.A. §20-7-135	N	N	4	Required by Law to the Chairs of the House & Senate Committees on Public Health, Welfare, and Labor and the House and Senate Committees on Education	0	0.00
ALE Status Report	A.C.A. §6-48-104(d)	N	Y	75	Required by Law to the Senate Committee on Education and the House Committee on Education	0	0.00
All State Agency Grants in excess of \$25,000.	Ark. Code Ann. § 25-1-108(b)	N	Y	50	Required by Law to the Arkansas Legislative Council	0	0.00
Annual Results of Statewide Assessment Program	A.C.A. §6-15-2101(a)(1)	N	N	100	Required by law to make hard copies available to parents upon request.	0	0.00
Annual Statistical Report	HCR 58 of 1961	Y	N	0	Required by Resolution	0	0.00
Approved digital learning providers listing	A.C.A. §6-16-1403	N	Y	240	Required by law by the House and Senate Committees on Education	240	2.16
Arkansas Advisory Council for the Education of Gifted and Talented Children	A.C.A. §6-42-104(h)(4)(A)	Y	Y	7	Required by law to the Governor, General Assembly, State Board of Education, the Commissioner and the news media	0	0.00
Arkansas Commission on Eye & Vision Care of School Age Children	A.C.A. 6-18-1803(b)	Y	Y	105	Required by Law to the Governor, Legislative Council, House and Senate Committees on Public Health, Welfare and Labor	0	0.00

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

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		Governor	General Assembly				
Arkansas Department of Education and Department of Higher Education and Career Coaches Performance Data Reports	A.C.A. § 6-1-605(a)(2)(A)	Y	Y	4	Required by Law to the Department of Career Education	0	0.00
Arkansas Title II State Report	Title II Sec 207 & 208 Higher Education Act	Y	Y	5	Federal Mandate to Publish	0	0.00
Arkansas Youth at Risk Survey	CDC, DASH	N	N	0	School districts for prevention programming and writing grants	0	0.00
Assessment of Educational Progress of Students from Districts Consolidated/ Annexed under Act 60	A.C.A. §6-13-1606(d)	Y	Y	105	Required by Law to the Governor, Chairs of the House and Senate Committees on Education and the Secretary of Legislative Council	0	0.00
Average Teacher Salary	Act 229 of 2016 §19, Special Language	N	Y	75	Required by Law to the National Education Association	0	0.00
Best Financial Management Practices Review	A.C.A. §6-15-2301(k)(2)(A)	N	Y	58	Required by Law to the Arkansas Legislative Council	0	0.00
Carryforward	Act 229 of 2016, Special Language §7 and 20	N	N	4	Required by Law to the Legislative Council of the Joint Budget Committee	0	0.00
Certify amount of funds dispersed or approved for dispersal by the ADE for desegregation expenses under any desegregation settlement agreement.	Ark. Code Ann. § 6-20-212	N	N	0	Required by Law to State Treasurer and Chief Fiscal Officer of the State.	2	0.00
Changes in the calculation of state aid to public school districts	A.C.A. §10-3-1405(d)(2)	N	N	1	Required by Law to the Office of Economic & Tax Policy	0	0.00

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

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		Governor	General Assembly				
Comprehensive study of service providers on methods for establishing and maintaining infrastructure and bandwidth to deliver quality digital learning environment in each school district/public charter	A.C.A. 6-16-1403(b)(2)	N	Y	75	Required by Law to the House and Senate Committees on Education. Required no later than June 1 of each year.	0	0.00
Each Education Service Cooperative Annual Expenditures, Reports and Audits	A.C.A. § 6-13-1020	N	N	7	Required by Law to the State Board of Education	0	0.00
Grade Inflation Report	A.C.A. §6-15-421(d)(2)(A)	N	Y	130	Required by Law to the state board and General Assembly	0	0.00
Impact of National School Lunch students categorical funding provided under A.C.A. §6-20-2305(b)(4) on closing the achievement gap	A.C.A. §6-20-2305(b)(4)(E)	N	Y	75	Required by Law to the House and Senate Committees on Education	0	0.00
Impending Layoff Report	A.C.A. §21-12-504(a)	N	N	60	Required by Law to the Arkansas Legislative Council & the Office of Personnel Management of the Division of Management Services of DFA	0	0.00
Individual Schools Annual Improvement & Performance Category Level Designations & Ratings	A.C.A. §6-15-2105(b)(1)	N	N	100	Required by Law to be published on ADE website and available in printed form upon request.	0	0.00
Justification for the Need to Allocate Titles from Growth Pool Positions	Act 230 of 2016, Special Language	N	Y	41	Required by Law to the Chief Fiscal Officer of the State and the Legislative Council	0	0.00
Lifetime Teaching License Compliance Report	A.C.A. §6-17-2606	N	Y	135	Required by Law to the General Assembly	0	0.00

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

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		Governor	General Assembly				
List of all contracts in excess of \$50,000 awarded to minority-owned businesses	A.C.A. §25-36-104(c)(1)	N	Y	58	Required by Law to the Governor and Co-Chairs of the Arkansas Legislative Council, and to the Legislative Joint Auditing Committee and the Minority Business Advisory Council.	0	0.00
List of all financial accountability reports and due dates	A.C.A. §6-20-2202(e)(1)	N	N	255	Required by Law to school districts	0	0.00
List of districts requesting assistance, the state of each request, and the dates and action taken by ADE	A.C.A. §6-15-2008(b)(1) and (2) and 2201(d)(2)(B)	N	Y	75	Required by Law by the House and Senate Committees on Education	0	0.00
List of reports of noncompliance following school district audit	A.C.A. §6-13-635	N	Y	75	Required by Law by the House and Senate Committees on Education.	0	0.00
Net maximum number of school choice transfers for the current school year	A.C.A. §6-18-1906(c)(2)	N	N	255	Required by Law to each school district.	0	0.00
Position Vacancy Report	A.C.A. §19-4-609(1)(2)	N	N	1	Required by Law to the Bureau of Legislative Research	0	0.00
Progress Report on Equal Employment Hiring	A.C.A. §21-3-101(b)(1)	N	Y	58	Required by Law to the Arkansas Legislative Council	0	0.00
Progress Report on implementation of Pulaski County School Desegregation Case Settlement Agreement	A.C.A. §10-3-1504(c)	N	Y	75	Required by Law to the House & Senate Committees on Education	0	0.00
Public School and Public School District expenditures required by law	A.C.A. §6-20-2208(d)(4)	Y	Y	105	Required by law to the Governor, the Senate Interim Committee on Education and the House Interim Committee on Education	0	0.00

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

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		Governor	General Assembly				
Public School Student Access to Postsecondary Preparatory Programs Reports	A.C.A. §6-16-601(d)(2)(C), A.C.A. §6-15-441(e)	N	Y	75	Required by law to the House Committee on Education and the Senate Committee on Education and the General Assembly	0	0.00
Pulaski County Desegregation Case Settlement Agreement and any future desegregation litigation involving the State of Arkansas	A.C.A. §10-3-1504(a)	N	Y	10	Required by Law to the Desegregation Litigation Oversight Subcommittee	0	0.00
Report on implementation and availability of Automatic External Defibrillators on each campus	A.C.A. §6-10-122(c)	N	Y	6	Required by Law to the Senate and House Committees on Public Health, Welfare and Labor	0	0.00
Results of Required Examination	A.C.A. §6-15-404(j)(1)	N	N	1,000	Required by Law	0	0.00
Results of statewide assessment program which describe student achievement in the state, each school district, each school as well as the school performance category level	A.C.A. §6-15-2101(a)(1) Act 1429 of 2013	N	N	100	Required by Law to make hard copies available to parents upon request.	0	0.00
Review of Arkansas Academic Content Standards and Curriculum Frameworks	A.C.A. §6-15-1504(a) and (c)	N	N	10	Required by Law	0	0.00
Review of each person appointed by the State board or Commissioner to operate a school district	A.C.A. §6-13-112(d)(1)	N	Y	135	Required by Law to each member of the General Assembly who represents an area in which the school district is located	0	0.00
Review of rules or other proposal that will impose new or increased cost obligation for education and file a fiscal impact statement to House and Senate Education Com.	Ark. Code Ann. § 19-1-702	N	Y	95	Reviewed by Administrative Rules and Regulations Committee of the Legislative Council, Adopted by State Board of Education, and reviewed by the House and Senate Interim Committees on Education.	0	0.00

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

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		Governor	General Assembly				
Review of school districts under state authority	A.C.A. 6-13-112	N	Y	135	Required by Law to each member of the General Assembly who represents an area in which the school district is located.	0	0.00
Revision of Arkansas History Course Guidelines	A.C.A. §6-16-124(b)(2)	N	Y	75	Required by Law to the House and Senate Committees on Education	0	0.00
Rules Regarding Physical Education or Physical Activity Standards for Grades Kindergarten through Grade 12 (K-12) developed pursuant to this section	A.C.A. §6-16-132(f)	N	Y	75	Required by Law to the House and Senate Interim Committees on Education	0	0.00
Rules regarding the implementation of the Arkansas Constitution, Amendment 74	Ark. Code Ann. § 6-20-106	N	Y	50	Reviewed by Administrative Rules and Regulations Committee of the Legislative Council, Adopted by State Board of Education, and reviewed by the Litigation Reports Oversight Committee of the Legislative Council.	0	0.00
School Choice Report	A.C.A. §6-18-227(f) Act 1138 of 2013	Y	Y	75	Required by Law to the State Board of Education, Governor and Arkansas Legislative Council	0	0.00
School Choice Transfers - Data Collection and Reporting	A.C.A. §6-18-1907(c)(2)	N	Y	75	Required by Law by the House and Senate Committees on Education	0	0.00
School Discipline Act Report to include information under subdivisions (d)(1) and (2) Of § 6-18-516	Ark. Code Ann. § 6-18-516	N	N	10	Required by Law to State Board of Education and school districts.	0	0.00
School Districts Textbook Requirements to include digital resources compliance report	A.C.A. §6-21-403(d)(2)	Y	Y	134	Required by law to the Governor, the Arkansas Legislative Council, the House and Senate	0	0.00

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

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		Governor	General Assembly				
School districts under state authority.	A.C.A. §6-13-112 (a)	N	Y	135	Required by law to the House Committee on Education and the Senate Committee on Education.	0	0.00
School Performance Reports	A.C.A. §6-15-1402	N	Y	100	Required by law to the House Committee on Education and the Senate Committee on Education. Required by law to be published on ADE website.	0	0.00
Standards of Accreditation	A.C.A. §6-15-202(d)	N	Y	75	Required by Law to the House and Senate Committees on Education	0	0.00
Status of implementation of the Arkansas Public School Academic Facilities Program	A.C.A. § 6-21-112(f)(15)(A)	Y	Y	4	Required by Law to the Governor and the House and Senate Committees on Education and the Academic Facilities oversight Committee	0	0.00
Status of Open-Enrollment Public Charter School Programs	A.C.A. §6-23-310	N	Y	135	Required by Law to the General Assembly each biennium and to the General Assembly and to the House and Senate Committees on Education during the interim	0	0.00
Status report indicating progress of school districts under state authority	A.C.A. §6-13-112(b)(1)	N	Y	135	Required by Law to each member of the General Assembly who represents an area in which the school district is located	0	0.00
Student Demographic Characteristics Report	Ark. Code Ann. § 6-18-206(i) (4)	N	Y	25	Required by Law to Joint Interim Oversight Committee on Educational Reform	0	0.00
Student Services Status Report	A.C.A. §6-18-1007(a)	Y	Y	50	Required by Law to the Governor, State Board of Education, the Senate Committee on Education and the House Committee on Education.	0	0.00

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

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		Governor	General Assembly				
Teacher Recruitment Publications	A.C.A. §6-17-310	N	N	100	Required by law	0	0.00
The state of the Division of Youth Services system of education	A.C.A. §9-28-205(f) (Act 972 of 2009)	N	Y	42	Required by Law from DHS and ADE to the House Committee on Aging, Children and Youth, Legislative and Military Affairs and the Senate Intirim Committee on Children and Youth	0	0.00
The use of NSLA state categorical funding and the status of chronically underperforming schools	A.C.A. §6-15-2701(c)(3)	N	Y	75	Required by Law to the House and Senate Committees on Education	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2DD Conference-Treasury	183,754	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0
35V Vision Screening Program	0	0	5,508	0	5,508	0	5,508	0	5,508	0	5,508	0	5,508	0	5,508	0	5,508	0
435 Federal Grants Administration	865,814	8	996,416	8	946,794	8	996,416	8	996,416	8	996,416	8	996,416	8	996,416	8	996,416	8
4HF Medicaid Adm-Cash in Treasury	13,100,394	0	18,000,000	0	15,000,000	0	15,000,000	0	18,000,000	0	18,000,000	0	15,000,000	0	18,000,000	0	18,000,000	0
56P Professional Licensure Standards Board	892,348	10	1,532,293	13	1,521,607	13	1,257,415	13	1,532,415	13	1,307,415	13	1,257,415	13	1,532,415	13	1,307,415	13
620 State Operations	21,716,786	244	20,467,060	261	24,702,199	265	20,480,426	261	24,506,698	261	23,117,768	257	20,494,463	261	24,520,735	261	23,131,805	257
630 Building Maintenance	7,006	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
631 Revolving Loan Certification	148,624	1	13,097,857	1	13,097,234	1	13,097,857	1	13,097,857	1	13,097,857	1	13,097,857	1	13,097,857	1	13,097,857	1
637 Child Nutrition	207,171,316	23	188,404,780	23	188,231,896	23	188,355,024	23	258,405,024	23	258,405,024	23	188,355,877	23	258,405,877	23	258,405,877	23
650 Fed Elem & Sec Education	330,134,322	47	523,398,397	50	524,146,582	51	523,200,713	50	523,496,348	51	523,496,348	51	523,203,151	50	523,498,786	51	523,498,786	51
85J Open Enrollment Charter School Closure	80,379	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0
885 Multiple Grant Award Program	311,366	0	2,726,375	0	2,726,375	0	2,626,375	0	2,726,375	0	2,726,375	0	2,626,375	0	2,726,375	0	2,726,375	0
893 Medicaid Reimbursement	160,912	0	5,010,500	0	5,010,500	0	5,010,500	0	7,010,500	0	7,010,500	0	5,010,500	0	7,010,500	0	7,010,500	0
899 Alternative Certification Program	153,609	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0
U58 Succeed Scholarship Program	0	0	0	0	800,000	0	0	0	800,000	0	800,000	0	0	0	800,000	0	800,000	0
NOT REQUESTED FOR THE BIENNIUM																		
1XY Fish/Wildlife Conservation	0	0	0	0	800,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	574,926,630	333	776,263,398	356	779,612,907	361	772,654,446	356	853,201,353	357	851,587,423	353	772,671,774	356	853,218,681	357	851,604,751	353

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	30,442,319	5.0	30,282,640	3.8	30,282,640	3.8	31,082,640	3.5	31,082,640	3.5	30,657,518	3.8	27,056,246	3.1	28,670,176	3.3	
General Revenue	4000010	16,162,434	2.7	16,162,434	2.0	16,175,800	2.0	16,175,800	1.8	16,175,800	1.8	16,189,837	2.0	16,189,837	1.8	16,189,837	1.8	
Federal Revenue	4000020	537,305,638	88.8	711,803,177	88.3	711,555,737	88.2	781,901,372	88.9	781,901,372	88.9	711,559,028	88.2	781,904,663	89.3	781,904,663	89.2	
Cash Fund	4000045	14,030,928	2.3	29,393,380	3.6	29,393,380	3.6	31,393,380	3.6	31,393,380	3.6	29,393,380	3.6	31,393,380	3.6	31,393,380	3.6	
Trust Fund	4000050	869,132	0.1	13,597,857	1.7	13,597,857	1.7	13,597,857	1.5	13,597,857	1.5	13,597,857	1.7	13,597,857	1.6	13,597,857	1.6	
DFA Motor Vehicle Acquisition	4000184	53,806	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Educational Adequacy Fund	4000210	6,266,222	1.0	3,266,222	0.4	3,266,222	0.4	3,266,222	0.4	3,266,222	0.4	3,266,222	0.4	3,266,222	0.4	3,266,222	0.4	
Educational Excellence Fund	4000220	989,781	0.2	1,038,404	0.1	1,038,404	0.1	1,038,404	0.1	1,038,404	0.1	1,038,404	0.1	1,038,404	0.1	1,038,404	0.1	
Federal Indirect Costs	4000240	811,044	0.1	996,416	0.1	996,416	0.1	996,416	0.1	996,416	0.1	996,416	0.1	996,416	0.1	996,416	0.1	
Interest	4000300	6,060	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Intra-agency Fund Transfer	4000317	(996,661)	(0.2)	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	10,688	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	(94,738)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	

Funding Sources		%		%		%		%		%		%		%		%	
Transfer to General Education	4000630	(647,383)	(0.1)	0	0.0												
Total Funds		605,209,270	100.0	806,540,530	100.0	806,306,456	100.0	879,452,091	100.0	879,452,091	100.0	806,698,662	100.0	875,443,025	100.0	877,056,955	100.0
Excess Appropriation/(Funding)		(30,282,640)		(30,277,132)		(33,652,010)		(26,250,738)		(27,864,668)		(34,026,888)		(22,224,344)		(25,452,204)	
Grand Total		574,926,630		776,263,398		772,654,446		853,201,353		851,587,423		772,671,774		853,218,681		851,604,751	

FY17 Budget exceeds the authorized amount in Federal Grants Administration (435), Professional Licensure Standards Board (56P), Revolving Loan Certification (631), and Child Nutrition (637) due to salary and matching rate adjustments during the 2015-2017 Biennium.

FY17 Budget exceeds the authorized amount in Medicaid Admin-Cash in Treasury (4HF) due to a transfer from the Cash Fund Holding Account.

Variance in fund balance is due to unfunded appropriation.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
356	321	35	356	0	9.83 %	361	300	56	356	5	16.90 %	361	291	65	356	5	19.39 %

Analysis of Budget Request

Appropriation: 2DD - Conference-Treasury

Funding Sources: NED-Cash in Treasury

This appropriation is used to pay expenses of conferences sponsored by the Department. Funding is provided from registration fees charged to participants.

The Agency Request is for Base Level of \$475,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2DD - Conference-Treasury

Funding Sources: NED-Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	176,141	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Conference & Travel Expenses 5050009	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees 5060010	7,613	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	183,754	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000
Funding Sources									
Cash Fund 4000045	183,754	475,000		475,000	475,000	475,000	475,000	475,000	475,000
Total Funding	183,754	475,000		475,000	475,000	475,000	475,000	475,000	475,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	183,754	475,000		475,000	475,000	475,000	475,000	475,000	475,000

Analysis of Budget Request

Appropriation: 35V - Vision Screening Program

Funding Sources: SCV - School Age Children Eye and Vision Care Fund

This appropriation for the Vision Screening Program provides operating expenses for the Arkansas Commission on Eye and Vision Care of School Age Children.

The duties of the Commission are to study the vision needs of children, evaluate screening programs in schools, determine whether children are receiving adequate vision care, and to study the effects of inadequate vision on classroom performance.

The Agency Request is for Base Level of \$5,508 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 35V - Vision Screening Program

Funding Sources: SCV - School Age Children Eye and Vision Care Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Vision Screening and Care 5900046	0	5,508	5,508	5,508	5,508	5,508	5,508	5,508	5,508
Total	0	5,508	5,508	5,508	5,508	5,508	5,508	5,508	5,508
Funding Sources									
Fund Balance 4000005	5,508	5,508		5,508	5,508	5,508	5,508	5,508	5,508
Total Funding	5,508	5,508		5,508	5,508	5,508	5,508	5,508	5,508
Excess Appropriation/(Funding)	(5,508)	0		0	0	0	0	0	0
Grand Total	0	5,508		5,508	5,508	5,508	5,508	5,508	5,508

Expenditure of appropriation is contingent upon available funding carried forward from the previous fiscal year.

Analysis of Budget Request

Appropriation: 435 - Federal Grants Administration

Funding Sources: FHA - Federal Grants Administration

This appropriation provides administration, accounting, purchasing and record keeping services for federal programs. It is funded by indirect cost charges levied against the federal programs operated by the Department.

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

The Agency Request is for Base Level of \$996,416 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 435 - Federal Grants Administration

Funding Sources: FHA - Federal Grants Administration

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	413,930	513,614	478,041	513,614	513,614	513,614	513,614	513,614	513,614
#Positions		8	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	129,002	153,160	139,111	153,160	153,160	153,160	153,160	153,160	153,160
Operating Expenses	5020002	30,698	49,970	49,970	49,970	49,970	49,970	49,970	49,970	49,970
Conference & Travel Expenses	5050009	500	19,672	19,672	19,672	19,672	19,672	19,672	19,672	19,672
Professional Fees	5060010	237,878	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	53,806	0	0	0	0	0	0	0	0
Total		865,814	996,416	946,794	996,416	996,416	996,416	996,416	996,416	996,416
Funding Sources										
DFA Motor Vehicle Acquisition	4000184	53,806	0		0	0	0	0	0	0
Federal Indirect Costs	4000240	811,044	996,416		996,416	996,416	996,416	996,416	996,416	996,416
M & R Sales	4000340	964	0		0	0	0	0	0	0
Total Funding		865,814	996,416		996,416	996,416	996,416	996,416	996,416	996,416
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		865,814	996,416		996,416	996,416	996,416	996,416	996,416	996,416

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 4HF - Medicaid Adm-Cash in Treasury

Funding Sources: NED - Cash in Treasury

The Special Education Unit with the Department of Human Services-Division of Medical Services, received approval from the Centers for Medicare and Medicaid Services to coordinate and manage a statewide Medicaid administrative claiming program referred to as Arkansas Medicaid Administrative Claiming. This program allows school districts to receive reimbursement for costs associated with certain administrative activities that directly support the Arkansas Medicaid program. The services provided include occupational/physical/speech therapy, personal care, private duty nursing, school-based mental health, targeted case management, and vision/hearing screens.

The Base Level Request is \$15,000,000 for each year.

The Agency Request is for a Change Level increase of \$3,000,000 each year as follows:

- AR Medicaid Admin Claims increase of \$3,000,000 of unfunded appropriation due to the increase in the number of Medicaid eligible students requiring additional appropriation to process reimbursements to the school districts for the program.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 4HF - Medicaid Adm-Cash in Treasury

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
AR Medicaid Admin Claims	5900046	13,100,394	18,000,000	15,000,000	15,000,000	18,000,000	18,000,000	15,000,000	18,000,000	18,000,000
Total		13,100,394	18,000,000	15,000,000	15,000,000	18,000,000	18,000,000	15,000,000	18,000,000	18,000,000
Funding Sources										
Fund Balance	4000005	1,146,697	12,846		12,846	12,846	12,846	12,846	12,846	12,846
Cash Fund	4000045	11,966,543	18,000,000		18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Total Funding		13,113,240	18,012,846		18,012,846	18,012,846	18,012,846	18,012,846	18,012,846	18,012,846
Excess Appropriation/(Funding)		(12,846)	(12,846)		(3,012,846)	(12,846)	(12,846)	(3,012,846)	(12,846)	(12,846)
Grand Total		13,100,394	18,000,000		15,000,000	18,000,000	18,000,000	15,000,000	18,000,000	18,000,000

Budget exceeds Authorized Appropriation in AR Medicaid Admin Claims due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 4HF - Medicaid Adm-Cash in Treasury
Funding Sources: NED - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	15,000,000	0	15,000,000	100.0	15,000,000	0	15,000,000	100.0
C05	Unfunded Appropriation	3,000,000	0	18,000,000	120.0	3,000,000	0	18,000,000	120.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	15,000,000	0	15,000,000	100.0	15,000,000	0	15,000,000	100.0
C05	Unfunded Appropriation	3,000,000	0	18,000,000	120.0	3,000,000	0	18,000,000	120.0

Justification

C05	The Arkansas Department of Education (ADE) Special Education Unit, along with the Department of Human Services (DHS) - Division of Medical Services, received federal approval from the Centers for Medicare and Medicaid Services to coordinate and manage a statewide Medicaid administrative claiming program referred to as Arkansas Medicaid Administrative Claiming (ARMAC). ARMAC allows school districts and public charter schools to receive reimbursement for costs associated with certain administrative activities that directly support the Arkansas Medicaid program. Funding flows from DHS through ADE to the school districts. The Arkansas Department of Education (ADE) is requesting additional Grants & Aid appropriation for the 2017-19 biennium to accommodate increasing reimbursements to school districts for the ARMAC program. The services provided include occupational/physical/speech therapy, personal care, private duty nursing, school-based mental health, targeted case management, and vision/hearing screens. School districts and charter schools are serving increasing numbers of Medicaid-eligible students, requiring additional appropriation to process reimbursements.
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Analysis of Budget Request

Appropriation: 56P - Professional Licensure Standards Board

Funding Sources: NED - Cash in Treasury

The Professional Licensure Standards Board (PLSB) was created by Act 846 of 2007. Pursuant to Ark. Code Ann. § 6-17-422, the PLSB develops minimum college level preparatory and grade point average requirements for all teachers, and administers a Code of Ethics for administrators and teachers. This appropriation supports 13 positions that investigate violations of the ethics code and conduct audits of licensure programs of study in all Arkansas institutions of higher education. Grant funds from this appropriation provide for the edTPA (Education Teacher Performance Assessment) program, a performance-based assessment and support system for teachers and teacher candidates.

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

The Base Level Request is for \$1,257,415 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level increase of \$275,000 each year as follows:

- Capital Outlay increase of \$275,000 of unfunded appropriation to restore appropriation to the FY17 authorized amount.

The Executive Recommendation provides for the Base Level Request and a Capital Outlay increase of \$50,000 of unfunded appropriation.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 56P - Professional Licensure Standards Board

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	441,210	570,585	562,977	570,685	570,685	570,685	570,685	570,685	570,685
#Positions		10	13	13	13	13	13	13	13	13
Personal Services Matching	5010003	161,369	190,878	187,800	190,900	190,900	190,900	190,900	190,900	190,900
Operating Expenses	5020002	260,174	376,325	376,325	376,325	376,325	376,325	376,325	376,325	376,325
Conference & Travel Expenses	5050009	6,452	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	5060010	0	9,505	9,505	9,505	9,505	9,505	9,505	9,505	9,505
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,319	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capital Outlay	5120011	21,824	275,000	275,000	0	275,000	50,000	0	275,000	50,000
Total		892,348	1,532,293	1,521,607	1,257,415	1,532,415	1,307,415	1,257,415	1,532,415	1,307,415
Funding Sources										
Fund Balance	4000005	1,814,524	1,801,476		1,801,476	1,801,476	1,801,476	2,076,354	1,801,354	2,026,354
Cash Fund	4000045	879,300	1,532,293		1,532,293	1,532,293	1,532,293	1,532,293	1,532,293	1,532,293
Total Funding		2,693,824	3,333,769		3,333,769	3,333,769	3,333,769	3,608,647	3,333,647	3,558,647
Excess Appropriation/(Funding)		(1,801,476)	(1,801,476)		(2,076,354)	(1,801,354)	(2,026,354)	(2,351,232)	(1,801,232)	(2,251,232)
Grand Total		892,348	1,532,293		1,257,415	1,532,415	1,307,415	1,257,415	1,532,415	1,307,415

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 56P - Professional Licensure Standards Board
Funding Sources: NED - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,257,415	13	1,257,415	100.0	1,257,415	13	1,257,415	100.0
C05	Unfunded Appropriation	275,000	0	1,532,415	121.9	275,000	0	1,532,415	121.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,257,415	13	1,257,415	100.0	1,257,415	13	1,257,415	100.0
C05	Unfunded Appropriation	50,000	0	1,307,415	104.0	50,000	0	1,307,415	104.0

Justification

C05	The Professional Licensure Standards Board (PLSB) was created by Act 846 of 2007. Pursuant to Ark. Code Ann. § 6-17-422, the Professional Licensure Standards Board develops minimum college level preparatory and grade point average requirements for all teachers, and administers a Code of Ethics for administrators and teachers. This appropriation supports 13 positions that investigate violations of the ethics code and conduct audits of licensure programs of study in all Arkansas institutions of higher education. Grant funds from this appropriation provide for the edTPA (Education Teacher Performance Assessment) program, a performance-based assessment and support system for teachers and teacher candidates. Base Level Regular Salaries and Personal Services Matching include the continuation of 13 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. The change level request of \$275,000 (cash-funded) is to restore capital outlay appropriation.
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Analysis of Budget Request

Appropriation: 620 - State Operations

Funding Sources: EGA - Department of Education Fund

This appropriation provides state funded resources for the operations of the Department of Education and assistance to Arkansas' public schools. Operational activities include legal services, information technology, public relations and fiscal management. Assistance to school districts includes the "School Report Card," fiscal and administrative support, curriculum and instruction, and special education assistance and compliance monitoring. To provide the operations of the Department and assistance to schools, the Department is separated into 6 units. These units are: Central Administration, Division of Fiscal and Administrative Services, Division of Educator Effectiveness/Licensure, Division of Learning Services, Division of Academic Accountability, and the Division of Research and Technology.

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

The Base Level Request is \$20,480,426 for FY18 and \$20,494,463 for FY19.

The Agency Request is for a Change Level increase of \$4,026,272 of unfunded appropriation to restore appropriation budgeted subsequent to the FY17 annual operations plan, for each year as follows:

- Extra Help and Personal Services Matching of \$161,288.
- Operating Expenses of \$1,823,786.
- Conference and Travel of \$188,663.
- Professional Fees of \$302,535.
- Grants and Aid of \$450,000.
- Reading Recovery of \$100,000.

- Arkansas Leadership Academy of \$500,000.

The Executive Recommendation provides for the Agency Request, with the following exceptions:

- Operating Expenses recommended increase of \$944,343,
- Conference and Travel recommended increase of \$82,133, and
- Professional Fees recommended increase of \$96,966.

Subsequent to the Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects four (4) position reductions based on the personnel evaluations.

Appropriation Summary

Appropriation: 620 - State Operations
Funding Sources: EGA - Department of Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	13,388,687	14,327,934	14,513,343	14,338,639	14,338,639	14,193,335	14,349,439	14,349,439	14,204,135
#Positions		244	261	265	261	261	257	261	261	257
Extra Help	5010001	19,130	10,618	160,000	10,618	160,000	160,000	10,618	160,000	160,000
#Extra Help		5	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	4,214,678	4,451,950	4,487,314	4,454,611	4,466,517	4,414,433	4,457,848	4,469,754	4,417,670
Operating Expenses	5020002	2,516,213	1,655,657	3,479,443	1,655,657	3,479,443	2,600,000	1,655,657	3,479,443	2,600,000
Conference & Travel Expenses	5050009	76,025	17,867	206,530	17,867	206,530	100,000	17,867	206,530	100,000
Professional Fees	5060010	36,414	3,034	305,569	3,034	305,569	100,000	3,034	305,569	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	450,000	0	450,000	0	450,000	450,000	0	450,000	450,000
Capital Outlay	5120011	15,639	0	100,000	0	100,000	100,000	0	100,000	100,000
Reading Recovery	5900046	100,000	0	100,000	0	100,000	100,000	0	100,000	100,000
AR Leadership Academy	5900049	900,000	0	900,000	0	900,000	900,000	0	900,000	900,000
Total		21,716,786	20,467,060	24,702,199	20,480,426	24,506,698	23,117,768	20,494,463	24,520,735	23,131,805

Funding Sources										
Fund Balance	4000005	9,189,496	10,267,497		10,267,497	10,267,497	10,267,497	10,267,497	6,241,225	7,630,155
General Revenue	4000010	16,162,434	16,162,434		16,175,800	16,175,800	16,175,800	16,189,837	16,189,837	16,189,837
Educational Adequacy Fund	4000210	6,266,222	3,266,222		3,266,222	3,266,222	3,266,222	3,266,222	3,266,222	3,266,222
Educational Excellence Fund	4000220	989,781	1,038,404		1,038,404	1,038,404	1,038,404	1,038,404	1,038,404	1,038,404
M & R Sales	4000340	9,724	0		0	0	0	0	0	0
Miscellaneous Adjustments	4000345	14,009	0		0	0	0	0	0	0
Transfer to General Education	4000630	(647,383)	0		0	0	0	0	0	0
Total Funding		31,984,283	30,734,557		30,747,923	30,747,923	30,747,923	30,761,960	26,735,688	28,124,618
Excess Appropriation/(Funding)		(10,267,497)	(10,267,497)		(10,267,497)	(6,241,225)	(7,630,155)	(10,267,497)	(2,214,953)	(4,992,813)
Grand Total		21,716,786	20,467,060		20,480,426	24,506,698	23,117,768	20,494,463	24,520,735	23,131,805

Change Level by Appropriation

Appropriation: 620 - State Operations
Funding Sources: EGA - Department of Education Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	20,480,426	261	20,480,426	100.0	20,494,463	261	20,494,463	100.0
C01	Existing Program	161,288	0	20,641,714	100.8	161,288	0	20,655,751	100.8
C05	Unfunded Appropriation	3,864,984	0	24,506,698	119.7	3,864,984	0	24,520,735	119.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	20,480,426	261	20,480,426	100.0	20,494,463	261	20,494,463	100.0
C01	Existing Program	161,288	0	20,641,714	100.8	161,288	0	20,655,751	100.8
C05	Unfunded Appropriation	2,673,442	0	23,315,156	113.8	2,673,442	0	23,329,193	113.8
C13	Not Recommended	(52,084)	0	23,263,072	113.6	(52,084)	0	23,277,109	113.6
C19	Executive Changes	(145,304)	(4)	23,117,768	112.9	(145,304)	(4)	23,131,805	112.9

Justification

C01	The Arkansas Department of Education requests Extra Help and Personal Services Matching increase to restore appropriation budgeted subsequent to the FY17 annual operations plan.
C05	The state operations appropriation provides the state-funded support for 261 positions and associated operating expenses of the various units of the Arkansas Department of Education (ADE). The major units supported by this appropriation are: Central Administration, Division of Fiscal and Administrative Services, Division of Educator Effectiveness/Licensure, Division of Learning Services, Division of Academic Accountability, and the Division of Research and Technology. Operational activities include legal services, information technology, public relations and fiscal management. Assistance to school districts includes the "School Report Card," fiscal and administrative support, curriculum and instruction, and special education assistance and compliance monitoring. Base Level Regular Salaries and Personal Services Matching include the continuation of 261 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. Several operating line items were not initially fully budgeted in FY17 but will be budgeted after July 1 when fund balance is certified. These line items include extra help, operating expenses, conference fees and travel, professional fees, and capital outlay. Additionally, there are three grant programs funded from this appropriation that are not budgeted in base level but will be restored after July 1 once fund balance is certified: Advanced Placement Training Initiative (\$450K), Arkansas Leadership Academy (\$900K), and Reading Recovery (\$100K). The change levels requested in this appropriation are for restoring appropriation that was budgeted subsequent to the FY17 annual operations plan.
C19	Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2016 TO FISCAL YEAR 2017**

Agency: Education Department-General Education

Program: State Operations

Act #: 970 Section(s) #: 20

Estimated Carry Forward Amount \$ 8,103,137.00 Funding Source: General Revenue, Educ. Excellence Trust Fund, Educ. Adequacy F

Accounting Information:

Business Area: 0500 Funds Center: 620 Fund: EGA 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:

These funds will be used to address any unforeseen circumstances that may arise in the State Operations of the Department of Education in the 2017 fiscal year.

Actual Funding Carry Forward Amount \$ 10,267,497.00

Current status of carry forward funding:

Carryforward fund balances will be utilized for unforeseen circumstances.

Johnny Key
Commissioner of Education

06-30-2016
Date

Analysis of Budget Request

Appropriation: 630 - Building Maintenance

Funding Sources: TEB - Educational Buildings Maintenance Fund

The Building Maintenance program provides financing for building and grounds maintenance, equipment maintenance contracts, insurance and janitorial services for the various buildings in the Education complex. This appropriation is funded from rent charged to the various non-federal units at the Department.

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 630 - Building Maintenance

Funding Sources: TEB - Educational Buildings Maintenance Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	7,006	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		7,006	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources										
Fund Balance	4000005	3,498,773	2,550,035		2,550,035	2,550,035	2,550,035	2,550,035	2,550,035	2,550,035
Trust Fund	4000050	157,616	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Interest	4000300	6,060	0		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	(996,661)	0		0	0	0	0	0	0
Miscellaneous Adjustments	4000345	(108,747)	0		0	0	0	0	0	0
Total Funding		2,557,041	3,050,035		3,050,035	3,050,035	3,050,035	3,050,035	3,050,035	3,050,035
Excess Appropriation/(Funding)		(2,550,035)	(2,550,035)		(2,550,035)	(2,550,035)	(2,550,035)	(2,550,035)	(2,550,035)	(2,550,035)
Grand Total		7,006	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 631 - Revolving Loan Certification

Funding Sources: TEM - Education Revolving Loan Certificates Fund

The Revolving Loan Certification program within the Department of Education issues revolving loan certificates through the State Treasury in order to finance loans up to \$500,000 each to school districts for construction and the purchase of equipment or buses.

The Agency Request is for Base Level of \$13,097,857 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 631 - Revolving Loan Certification
Funding Sources: TEM - Education Revolving Loan Certificates Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	43,778	43,303	42,881	43,303	43,303	43,303	43,303	43,303	43,303
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	14,551	14,554	14,353	14,554	14,554	14,554	14,554	14,554	14,554
Operating Expenses	5020002	2,335	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500
Conference & Travel Expenses	5050009	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Professional Fees	5060010	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Loans	5120029	87,960	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
Total		148,624	13,097,857	13,097,234	13,097,857	13,097,857	13,097,857	13,097,857	13,097,857	13,097,857
Funding Sources										
Fund Balance	4000005	11,403,487	11,966,379		11,966,379	11,966,379	11,966,379	11,966,379	11,966,379	11,966,379
Trust Fund	4000050	711,516	13,097,857		13,097,857	13,097,857	13,097,857	13,097,857	13,097,857	13,097,857
Total Funding		12,115,003	25,064,236		25,064,236	25,064,236	25,064,236	25,064,236	25,064,236	25,064,236
Excess Appropriation/(Funding)		(11,966,379)	(11,966,379)		(11,966,379)	(11,966,379)	(11,966,379)	(11,966,379)	(11,966,379)	(11,966,379)
Grand Total		148,624	13,097,857		13,097,857	13,097,857	13,097,857	13,097,857	13,097,857	13,097,857

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 637 - Child Nutrition

Funding Sources: FHB - DOE Food Service Federal

The Child Nutrition Program of the Department of Education provides administrative services and reimbursement to the local school districts that participate in the school lunch, school breakfast or special milk programs. This program also promotes nutrition education by conducting courses in methods and materials for teaching nutrition education. The Fresh Fruit and Vegetable program is included in the program. The Child Nutrition Program is funded with federal funds from the United States Department of Agriculture.

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

The Base Level Request is \$188,355,024 for FY18 and \$188,355,877 for FY19.

The Agency Request is for a Change Level increase of \$70,050,000 for each year as follows:

- Grants and Aid increase of \$70,000,000 to accommodate increased reimbursements to school districts due to an increase in meals served. The community eligibility program and alternative breakfast have increased the number of meals served and reimbursed.
- Capital Outlay of \$50,000 is to restore appropriation to the FY17 authorized amount.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 637 - Child Nutrition

Funding Sources: FHB - DOE Food Service Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,001,396	1,016,446	888,412	1,016,646	1,016,646	1,016,646	1,017,346	1,017,346	1,017,346
#Positions		23	23	23	23	23	23	23	23	23
Personal Services Matching	5010003	331,894	339,234	294,384	339,278	339,278	339,278	339,431	339,431	339,431
Operating Expenses	5020002	544,672	1,172,100	1,172,100	1,172,100	1,172,100	1,172,100	1,172,100	1,172,100	1,172,100
Conference & Travel Expenses	5050009	32,613	52,600	52,600	52,600	52,600	52,600	52,600	52,600	52,600
Professional Fees	5060010	82,279	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	205,167,723	185,168,000	185,168,000	185,168,000	255,168,000	255,168,000	185,168,000	255,168,000	255,168,000
Refunds/Reimbursements	5110014	10,739	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Capital Outlay	5120011	0	50,000	50,000	0	50,000	50,000	0	50,000	50,000
Total		207,171,316	188,404,780	188,231,896	188,355,024	258,405,024	258,405,024	188,355,877	258,405,877	258,405,877
Funding Sources										
Federal Revenue	4000020	207,171,316	188,404,780		188,355,024	258,405,024	258,405,024	188,355,877	258,405,877	258,405,877
Total Funding		207,171,316	188,404,780		188,355,024	258,405,024	258,405,024	188,355,877	258,405,877	258,405,877
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		207,171,316	188,404,780		188,355,024	258,405,024	258,405,024	188,355,877	258,405,877	258,405,877

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 637 - Child Nutrition
Funding Sources: FHB - DOE Food Service Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	188,355,024	23	188,355,024	100.0	188,355,877	23	188,355,877	100.0
C05	Unfunded Appropriation	70,050,000	0	258,405,024	137.2	70,050,000	0	258,405,877	137.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	188,355,024	23	188,355,024	100.0	188,355,877	23	188,355,877	100.0
C05	Unfunded Appropriation	70,050,000	0	258,405,024	137.2	70,050,000	0	258,405,877	137.2

Justification

C05	The Child Nutrition Program of the Department of Education provides administrative services and reimbursement to the local school districts that participate in the school lunch, school breakfast or special milk programs. This program also promotes nutrition education by conducting courses in methods and materials for teaching nutrition education. The Child Nutrition Program is funded with federal funds from the United States Department of Agriculture. This program also provides equipment grants for certain equipment purchases at eligible school food authorities. The Fresh Fruit and Vegetable program is provided within this appropriation as well. The purpose of the Fresh Fruit and Vegetable Program is three-fold: (1) to provide access to fresh fruits and vegetables for students in low income public schools at times other than regular meal periods, (2) to assist local farmers by expanding local markets for locally grown fresh fruits and vegetables, and (3) to create local partnerships between schools and the state agriculture industry. Base Level Regular Salaries and Personal Services Matching include the continuation of 22 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. The change level request of \$70M (federally-funded) is for additional grants appropriation to accommodate increased federal reimbursements to school districts due to an increase in meals served. The community eligibility program and alternative breakfast have greatly increased the number of meals served and reimbursed with federal funds. An additional change level request of \$50,000 (federally-funded) per year of the biennium is to restore capital outlay appropriation.
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Analysis of Budget Request

Appropriation: 650 - Fed Elem & Sec Education

Funding Sources: FEE - Dept of Education Federal

The Federal Elementary and Secondary Education appropriation for the Department of Education contains the majority of the federal entitlement programs for elementary and secondary education. These programs include Title 1 education services for the educationally disadvantaged, Special Education programs, Early Childhood programs, AIDS Education, Migrant Education, Title IIA professional development, English Language Learners support, charter schools start-up funding, and services for homeless students.

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

The Base Level Request is for \$523,200,713 for FY18 and \$523,203,151 for FY19.

The Agency Request is for a Change Level increase of \$295,635 for each year as follows:

- Regular Salaries and Personal Services Matching increase of \$95,635 to transfer the ADE OERZ Director position from Educational Renewal Zones (2HY), to provide administrative and oversight duties for federal programs.
- Capital Outlay of \$200,000 for restoration of appropriation to the FY17 authorized amount.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 650 - Fed Elem & Sec Education

Funding Sources: FEE - Dept of Education Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,457,556	2,617,633	2,895,973	2,619,533	2,693,809	2,693,809	2,621,533	2,695,809	2,695,809
#Positions		47	50	51	50	51	51	50	51	51
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help		0	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	785,753	827,891	897,736	828,307	849,666	849,666	828,745	850,104	850,104
Operating Expenses	5020002	1,631,729	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900
Conference & Travel Expenses	5050009	219,464	710,500	710,500	710,500	710,500	710,500	710,500	710,500	710,500
Professional Fees	5060010	785,229	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	324,154,578	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368
Refunds/Reimbursements	5110014	100,013	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000
Capital Outlay	5120011	0	200,000	200,000	0	200,000	200,000	0	200,000	200,000
ARRA of 2009	5900052	0	0	400,000	0	0	0	0	0	0
Total		330,134,322	523,398,397	524,146,582	523,200,713	523,496,348	523,496,348	523,203,151	523,498,786	523,498,786
Funding Sources										
Federal Revenue	4000020	330,134,322	523,398,397		523,200,713	523,496,348	523,496,348	523,203,151	523,498,786	523,498,786
Total Funding		330,134,322	523,398,397		523,200,713	523,496,348	523,496,348	523,203,151	523,498,786	523,498,786
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		330,134,322	523,398,397		523,200,713	523,496,348	523,496,348	523,203,151	523,498,786	523,498,786

Change Level by Appropriation

Appropriation: 650 - Fed Elem & Sec Education
Funding Sources: FEE - Dept of Education Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	523,200,713	50	523,200,713	100.0	523,203,151	50	523,203,151	100.0
C05	Unfunded Appropriation	200,000	0	523,400,713	100.0	200,000	0	523,403,151	100.0
C07	Agency Transfer	95,635	1	523,496,348	100.1	95,635	1	523,498,786	100.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	523,200,713	50	523,200,713	100.0	523,203,151	50	523,203,151	100.0
C05	Unfunded Appropriation	200,000	0	523,400,713	100.0	200,000	0	523,403,151	100.0
C07	Agency Transfer	95,635	1	523,496,348	100.1	95,635	1	523,498,786	100.1

Justification

C05	The Federal Elementary and Secondary Education appropriation for the Department of Education contains the majority of the federal entitlement programs for elementary and secondary education. These programs include Title 1 education services for the educationally disadvantaged, Special Education programs, Early Childhood programs, AIDS Education, Migrant Education, after-school programs, Title IIA professional development, English Language Learners support, start-up funding for charter schools, and services for homeless students. Base Level Regular Salaries and Personal Services Matching include the continuation of 52 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for state employee's health insurance. Base level salaries do not include a COLA or Merit Pay Increases. The change level request of \$200,000 (federally-funded) is to restore capital outlay appropriation.
C07	Position 2212-9080 is being requested to transfer out of the Education Renewal Zones program in the Public School Fund to the agency's General Division. The position is needed to provide administrative and oversight duties for federal programs.

Analysis of Budget Request

Appropriation: 85J - Open Enrollment Charter School Closure

Funding Sources: NED-Cash in Treasury

This appropriation was established to allow the Department of Education to pay outstanding debts incurred by a closed open enrollment charter school. Anytime an open enrollment school is closed, the assets and outstanding debts of that school are transferred to the Department. The funds are collected from the school.

The Agency Request is for Base Level of \$300,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 85J - Open Enrollment Charter School Closure

Funding Sources: NED-Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Charter School Closure	5900046	80,379	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total		80,379	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Funding Sources										
Fund Balance	4000005	150,205	71,008		71,008	71,008	71,008	71,008	71,008	71,008
Cash Fund	4000045	1,182	300,000		300,000	300,000	300,000	300,000	300,000	300,000
Total Funding		151,387	371,008		371,008	371,008	371,008	371,008	371,008	371,008
Excess Appropriation/(Funding)		(71,008)	(71,008)		(71,008)	(71,008)	(71,008)	(71,008)	(71,008)	(71,008)
Grand Total		80,379	300,000		300,000	300,000	300,000	300,000	300,000	300,000

Analysis of Budget Request

Appropriation: 885 - Multiple Grant Award Program

Funding Sources: NED - Cash in Treasury

The Department of Education receives grants and awards from private foundations or individuals for program, such as, Teacher of the Year, Milken Educator Awards and Play it Again Arkansas. The Department currently administers approximately 16-20 such grants each year.

The Base Level Request is for \$2,626,375 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level increase of \$100,000 for each year as follows:

- Capital Outlay increase of \$100,000 of unfunded appropriation to restore appropriation to the FY17 authorized amount.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 885 - Multiple Grant Award Program

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	29,625	122,000	122,000	122,000	122,000	122,000	122,000	122,000	122,000
Conference & Travel Expenses	5050009	2,263	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500
Professional Fees	5060010	478	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	279,000	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875
Capital Outlay	5120011	0	100,000	100,000	0	100,000	100,000	0	100,000	100,000
Total		311,366	2,726,375	2,726,375	2,626,375	2,726,375	2,726,375	2,626,375	2,726,375	2,726,375
Funding Sources										
Fund Balance	4000005	2,986,833	3,056,229		3,056,229	3,056,229	3,056,229	3,156,229	3,056,229	3,056,229
Cash Fund	4000045	380,762	2,726,375		2,726,375	2,726,375	2,726,375	2,726,375	2,726,375	2,726,375
Total Funding		3,367,595	5,782,604		5,782,604	5,782,604	5,782,604	5,882,604	5,782,604	5,782,604
Excess Appropriation/(Funding)		(3,056,229)	(3,056,229)		(3,156,229)	(3,056,229)	(3,056,229)	(3,256,229)	(3,056,229)	(3,056,229)
Grand Total		311,366	2,726,375		2,626,375	2,726,375	2,726,375	2,626,375	2,726,375	2,726,375

Change Level by Appropriation

Appropriation: 885 - Multiple Grant Award Program
Funding Sources: NED - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,626,375	0	2,626,375	100.0	2,626,375	0	2,626,375	100.0
C05	Unfunded Appropriation	100,000	0	2,726,375	103.8	100,000	0	2,726,375	103.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,626,375	0	2,626,375	100.0	2,626,375	0	2,626,375	100.0
C05	Unfunded Appropriation	100,000	0	2,726,375	103.8	100,000	0	2,726,375	103.8

Justification

C05	The Department of Education receives grants and awards from private foundations or individuals for program, such as Teacher of the Year, Milken Educator Awards and Play it Again Arkansas. The Department currently administers approximately 16-20 such privately-funded grants each year. The change level request of \$100,000 per year of the biennium is to restore capital outlay appropriation.
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Analysis of Budget Request

Appropriation: 893 - Medicaid Reimbursement

Funding Sources: NED - Cash in Treasury

The Department of Education collects from the various school districts their match as Medicaid providers and then transmits this quarterly to the State Medicaid Office. Reimbursements are for targeted case management and psychological services in addition to the reimbursement for speech-language pathology, physical therapy and occupational therapy.

The Base Level Request is \$5,010,500 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level increase of \$2,000,000 each year as follows:

- Refunds/Reimbursements increase of \$2,000,000 each year due to increasing Medicaid matching funds from school districts for reimbursements for speech-language pathology, physical and occupational therapy, and targeted case management.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 893 - Medicaid Reimbursement

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	160,912	5,000,000	5,000,000	5,000,000	7,000,000	7,000,000	5,000,000	7,000,000	7,000,000
Medicaid Admin	5900046	0	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Total		160,912	5,010,500	5,010,500	5,010,500	7,010,500	7,010,500	5,010,500	7,010,500	7,010,500
Funding Sources										
Fund Balance	4000005	9,766	57,165		57,165	57,165	57,165	57,165	57,165	57,165
Cash Fund	4000045	208,311	5,010,500		5,010,500	7,010,500	7,010,500	5,010,500	7,010,500	7,010,500
Total Funding		218,077	5,067,665		5,067,665	7,067,665	7,067,665	5,067,665	7,067,665	7,067,665
Excess Appropriation/(Funding)		(57,165)	(57,165)		(57,165)	(57,165)	(57,165)	(57,165)	(57,165)	(57,165)
Grand Total		160,912	5,010,500		5,010,500	7,010,500	7,010,500	5,010,500	7,010,500	7,010,500

Change Level by Appropriation

Appropriation: 893 - Medicaid Reimbursement
Funding Sources: NED - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,010,500	0	5,010,500	100.0	5,010,500	0	5,010,500	100.0
C01	Existing Program	2,000,000	0	7,010,500	139.9	2,000,000	0	7,010,500	139.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,010,500	0	5,010,500	100.0	5,010,500	0	5,010,500	100.0
C01	Existing Program	2,000,000	0	7,010,500	139.9	2,000,000	0	7,010,500	139.9

Justification

C01	The Department of Education collects from the various school districts their match as Medicaid providers and then transmits this quarterly to the State Medicaid Office. Reimbursements are for targeted case management and psychological services in addition to the reimbursement for speech-language pathology, physical therapy and occupational therapy. Change level request of \$2,000,000 per year of the biennium is to accommodate increasing Medicaid matching funds received from school districts that ADE must remit to the State Medicaid Office.
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Analysis of Budget Request

Appropriation: 899 - Alternative Certification Program

Funding Sources: NED - Cash in Treasury

The Department of Education has developed alternative methods for certifying individuals within the State who have expertise and knowledge in particular subject areas but do not have the standard teaching certificate. The prospective teachers are charged a fee for training workshops with the funds used to pay workshop expenses.

The Agency Request is for Base Level of \$1,349,212 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available appropriation.

Appropriation Summary

Appropriation: 899 - Alternative Certification Program

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	69,668	515,292	515,292	515,292	515,292	515,292	515,292	515,292	515,292
Conference & Travel Expenses	5050009	1,775	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Professional Fees	5060010	20,925	125,420	125,420	125,420	125,420	125,420	125,420	125,420	125,420
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	61,241	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		153,609	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212
Funding Sources										
Fund Balance	4000005	237,030	494,497		494,497	494,497	494,497	494,497	494,497	494,497
Cash Fund	4000045	411,076	1,349,212		1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212
Total Funding		648,106	1,843,709		1,843,709	1,843,709	1,843,709	1,843,709	1,843,709	1,843,709
Excess Appropriation/(Funding)		(494,497)	(494,497)		(494,497)	(494,497)	(494,497)	(494,497)	(494,497)	(494,497)
Grand Total		153,609	1,349,212		1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212

Analysis of Budget Request

Appropriation: U58 - Succeed Scholarship Program

Funding Sources: NED-Cash in Treasury

Act 1178 of 2015 created the Succeed Scholarship Program. Participating students must have attended public school for at least the one full school year immediately prior to the school year for which the scholarship payments are disbursed, unless the student is a dependent of an active duty member of any branch of the United States armed forces. At the time of application, student applicants must have an individualized education program (IEP) in accordance with the federal Individuals with Disabilities Act, and they must have been accepted for admission into a private school that is eligible to participate in the program. The amount of each student scholarship is the cost of tuition and fees for the private school or the foundation funding amount for the current school year under ACA 6-20-2305, whichever is less. Funding in FY17 is anticipated to be from existing fund balances in the State Operations appropriation.

The Agency Request is for a Change Level increase of \$800,000 for each year as follows:

- Succeed Scholarship Program increase of \$800,000 to restore appropriation that was budgeted subsequent to the FY17 annual operations plan.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: U58 - Succeed Scholarship Program

Funding Sources: NED-Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Succeed Scholarship Program 5900046	0	0	800,000	0	800,000	800,000	0	800,000	800,000
Total	0	0	800,000	0	800,000	800,000	0	800,000	800,000
Funding Sources									
Fund Balance 4000005	0	0		0	800,000	800,000	0	800,000	800,000
Total Funding	0	0		0	800,000	800,000	0	800,000	800,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	800,000	800,000	0	800,000	800,000

Change Level by Appropriation

Appropriation: U58 - Succeed Scholarship Program
Funding Sources: NED-Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	800,000	0	800,000	100.0	800,000	0	800,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	800,000	0	800,000	100.0	800,000	0	800,000	100.0

Justification

C05	Act 1178 of 2015 created the Succeed Scholarship Program. Participating students must have attended public school for at least the one full school year immediately prior to the school year for which the scholarship payments are disbursed, unless the student is a dependent of an active duty member of any branch of the United States armed forces. At the time of application, student applicants must have an individualized education program (IEP) in accordance with the federal Individuals with Disabilities Act, and they must have been accepted for admission into a private school that is eligible to participate in the program. The amount of each student scholarship is the cost of tuition and fees for the private school or the foundation funding amount for the current school year under ACA 6-20-2305, whichever is less. Funding in FY17 is anticipated to be from existing fund balances in the State Operations appropriation. The change level request of \$800,000 per year of the biennium is to restore appropriation that was budgeted subsequent to the FY17 annual operations plan.
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Appropriation Summary

Appropriation: 1XY - Fish/Wildlife Conservation

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	0	800,000	0	0	0	0	0	0
Total	0	0	800,000	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM

DOE - Public School Academic Facilities & Transportation

Enabling Laws

Act 292 of 2014
A.C.A. § 10-3-2201
A.C.A. § 6-19-101 et seq.
A.C.A. § 6-20-2501 et seq.
A.C.A. § 6-20-2601 et seq.
A.C.A. § 6-21-112 et seq.

History and Organization

STATUTORY AUTHORITY:

The Division of Public School Academic Facilities and Transportation (Division) was enabled under Act 90 of 2003 which constituted the Division of Public School Academic Facilities and Transportation under the Arkansas Department of Education (ADE). The Division was realigned under Act 1327 of 2005 which realigned the Division during the forming of the Commission for Public School Academic Facilities and Transportation (Commission). The responsibilities of the Division were further defined in Act 1426 and Act 2206, which sets out the programs for which the Division is responsible. The Division activities are detailed in Ark. Code Ann. §§ 6-20-2501 (Arkansas Public School Academic Facilities Funding Act); 6-21-112 (Division of Public School Academic Facilities and Transportation); 6-21-801 (Arkansas Public School Academic Facilities Program Act); 6-19-101 (Transportation).

MISSION STATEMENT:

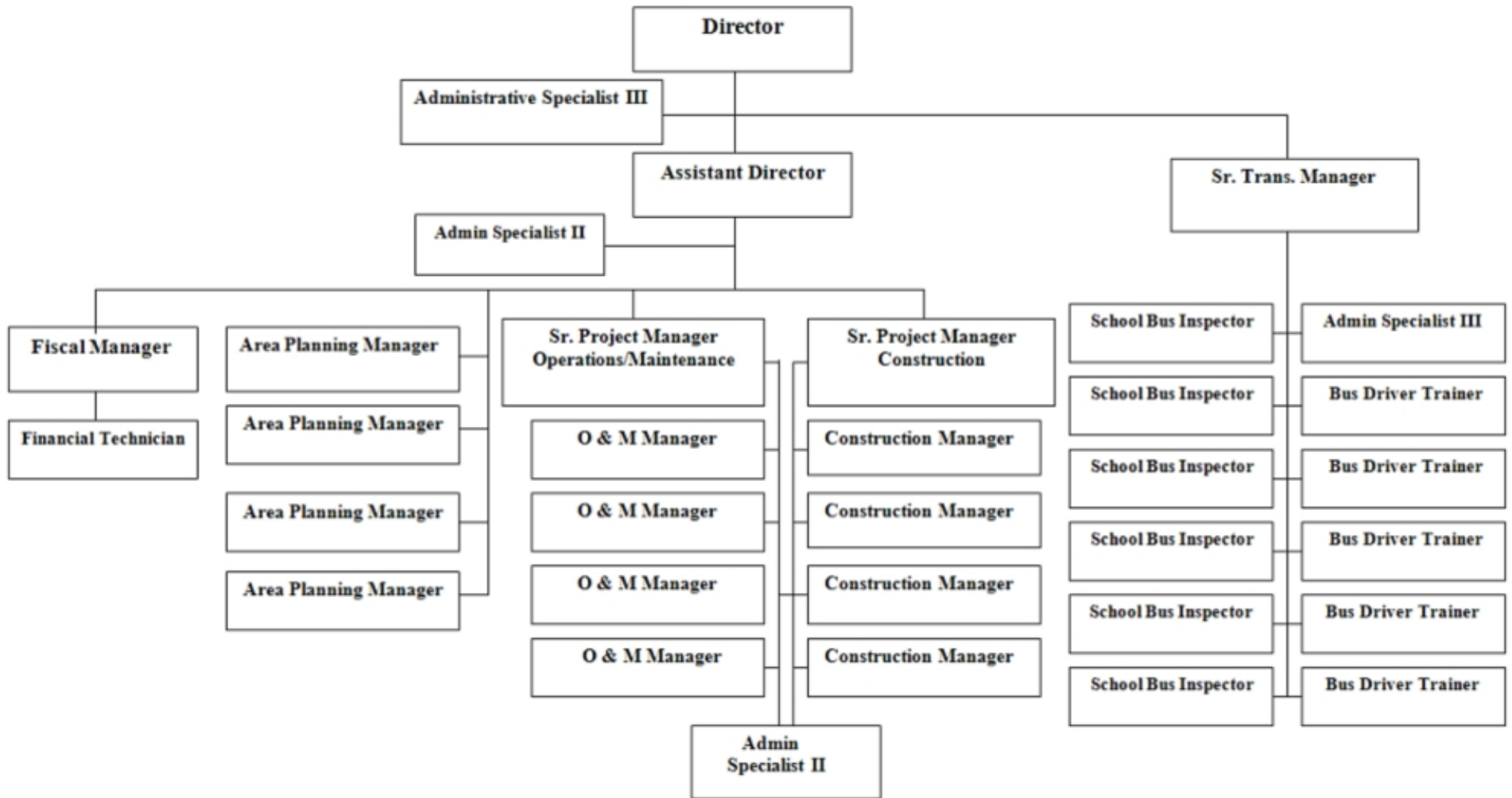
The Division's mission is to direct those activities, under the authorities given to it by law, to assist in ensuring that substantially equal access to adequate educational facilities and educational equipment is provided for all public school students in Arkansas. The Division performs the following functions:

1. Provides information/assistance to Legislative Academic Facilities Oversight Committee;
2. Establishes policies and procedures based on guidance from Academic Facilities Oversight Committee and the General Assembly;
3. Develops and implements the Arkansas Public School Academic Facilities Program Act to include, but is not limited to: development of

a statewide Master Plan and legislative reporting requirements; assist school districts in developing school district Master Plans; establish and maintain an Arkansas School Facility Manual school facility standards; establish and maintain an a Public School Facilities Custodial, Maintenance, Repair and Renovation Manual; a Public School Academic Equipment Manual; administration of the Facilities Distress Program; provide onsite inspection to ensure the adherence to Arkansas laws governing school construction and operations; administer and conduct school bus safety inspections and driver training programs;

4. Administers the programs of state financial participation in support of local academic facilities to include, but is not limited to: the bonded debt assistance program; Academic Facilities Immediate Repair Program; Academic Equipment Program; Transitional Academic Facilities Program; Academic Facilities Partnership Program; Academic Facilities Catastrophic Program; High Growth Loan Program;
5. Develops and implements an ongoing process to track the condition of all public school facilities in the state;
6. Develops a cost index methodology to compare the cost of repairing the condition of school facilities to the replacement of school facilities;
7. Conduct unannounced inspections of public school academic facilities;
8. Enforces, through planning, minimum standards for accessibility to public school academic facilities and programs for individual with disabilities;
9. Develops guidelines for competitive bidding, negotiation and other methods of procurement for public school academic facilities projects;
10. Develops incentive programs to reward school districts for innovative, effective, efficient use of local and state resources with regard to public school academic facilities;
11. Review applicable statutes, rules and regulations for conflicts with or omissions of energy related content;
12. Administers the school transportation program in the various school districts in Arkansas including without limitation, the training of school bus drivers and inspection of school buses;
13. Keeps records showing a description of each school district in the state, maps showing the school districts with current and accurate boundaries, the location of the academic facilities, and the electoral zones into which the school district has been divided;

- 14. Files reports to the Governor, Legislative committees on the state of condition of academic facilities statewide and the state academic facilities master plan;
- 15. Maintain a public access website dedicated to academic facilities;
- 16. Develop and implement a statewide needs priority list.



Agency Commentary

Public School Academic Facilities (2WB)

This appropriation provides resources for the operation of the Division of Public School Academic Facilities and Equipment. Act 1327 of 2005 revised the powers and duties of the Division of Public School Academic Facilities and Transportation to include developing and implementing the Arkansas Public School Academic Facilities Partnership Program and overseeing school transportation programs. The Commission for Public School Academic Facilities and Transportation is charged with overseeing the division during the implementation and operation of the Arkansas Public School Academic Facilities Program. Base Level Regular Salaries and Personal Services Matching include the continuation of 32 positions and career service payments for eligible employees. Personal Services Matching also includes a monthly contribution of \$420 per budgeted position for State employee's health insurance.

Educational Facilities Partnership Fund (2ZP)

This appropriation provides resources for The Arkansas Public School Academic Facilities Funding Act, which established the programs for the state financial participation in local projects relating to academic facilities and equipment and assisting school districts with transportation programs. The programs are the Academic Facilities Partnership Program, the Academic Equipment Program, and the Academic Facilities Extraordinary Circumstances Program. Additionally, the Academic Facilities High Growth line item was added during the 2009-2011 Biennium. State participation under any program within the division is based on an academic facilities wealth index. The Division of Public School Academic Facilities and Transportation establishes the formulas used for determining basic project costs on a per student basis. The funding sources for these programs comes from fund balance, general revenue and through A.C.A. § 6-20-2503, which authorizes the transfer of savings in the Public School Fund for Bonded Debt Assistance line item appropriation to the Partnership Fund.

Academic Facilities Catastrophic (4HQ)

This program provides state financial participation to a school district based on a school district's academic facilities wealth index for eligible catastrophic repair and new construction projects to supplement insurance or other public or private emergency assistance received by or payable to the school district. Catastrophic projects are repairs, renovations, or new construction projects necessary due to such great damage or destruction to an academic facility caused by an Act of God or violence.

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

None

Publications

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

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
On-Site Inspection Report	A.C.A. 6-21-813(b)	N	N	10	Required by Law to the Commission for Public School Academic Facilities and Transportation.	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2WB Public School Academic Facilities	2,183,514	30	2,509,256	32	2,535,940	32	2,511,452	32	2,511,452	32	2,511,452	32	2,512,307	32	2,512,307	32	2,512,307	32
2ZP Academic Facilities Partnership	90,671,609	0	211,828,951	0	231,500,000	0	211,828,951	0	211,828,951	0	211,828,951	0	211,828,951	0	211,828,951	0	211,828,951	0
4HQ Academic Facilities Catastrophic	0	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0
4HR Academic Facilities ECP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4KT Academic Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
54Y Academic Facilities High Growth	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NOT REQUESTED FOR THE BIENNIUM																		
F87 Charter Sch Fac Loan	0	0	0	0	5,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	92,855,123	30	217,849,745	32	242,547,478	32	217,851,941	32	217,851,941	32	217,851,941	32	217,852,796	32	217,852,796	32	217,852,796	32

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	175,130,351	64.0	180,734,951	80.3			7,223,413	14.0	7,223,413	14.0	7,223,413	14.0	0	0.0	0	0.0	0	0.0
Div of Acad Fac & Trnsp Fund	4000193	2,183,514	0.8	2,509,256	1.1			2,511,452	4.9	2,511,452	4.9	2,511,452	4.9	2,512,307	5.7	2,512,307	5.7	2,512,307	5.7
Educ Fac Partnership Fund	4000217	41,828,951	15.3	41,828,951	18.6			41,828,951	81.1	41,828,951	81.1	41,828,951	81.1	41,828,951	94.3	41,828,951	94.3	41,828,951	94.3
Trnfr frm DOE Pub School Fund	4000525	14,447,258	5.3	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from General Imprv	4000540	40,000,000	14.6	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		273,590,074	100.0	225,073,158	100.0			51,563,816	100.0	51,563,816	100.0	51,563,816	100.0	44,341,258	100.0	44,341,258	100.0	44,341,258	100.0
Excess Appropriation/(Funding)		(180,734,951)		(7,223,413)				166,288,125		166,288,125		166,288,125		173,511,538		173,511,538		173,511,538	
Grand Total		92,855,123		217,849,745				217,851,941		217,851,941		217,851,941		217,852,796		217,852,796		217,852,796	

ECP-Extraordinary Circumstances Program

Academic Facilities ECP (4HR), Academic Equipment (4KT), and Academic Facilities High Growth (54Y) are requested to continue without appropriation. The Department can request appropriation transfer through special language when needed.

Variance in fund balance is due to unfunded appropriation.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
32	30	2	32	0	6.25 %	32	26	6	32	0	18.75 %	32	27	5	32	0	15.63 %

Analysis of Budget Request

Appropriation: 2WB - Public School Academic Facilities

Funding Sources: EFT - Division of Academic Facilities and Transportation Fund

This appropriation provides resources for the operation of the Division of Public School Academic Facilities and Equipment. Act 1327 of 2005 revised the powers and duties of the Division of Public School Academic Facilities and Transportation to include developing and implementing the Arkansas Public School Academic Facilities Partnership Program and overseeing school transportation programs. The Commission for Public School Academic Facilities and Transportation is charged with overseeing the division during the implementation and operation of the Arkansas Public School Academic Facilities Program.

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

The Agency Request is for Base Level of \$2,511,452 for FY18 and \$2,512,307 for FY19.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2WB - Public School Academic Facilities

Funding Sources: EFT - Division of Academic Facilities and Transportation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,323,838	1,478,902	1,501,394	1,480,702	1,480,702	1,480,702	1,481,402	1,481,402	1,481,402
#Positions	30	32	32	32	32	32	32	32	32
Extra Help 5010001	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
#Extra Help	0	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	449,017	486,393	487,575	486,789	486,789	486,789	486,944	486,944	486,944
Operating Expenses 5020002	199,817	314,311	323,321	314,311	314,311	314,311	314,311	314,311	314,311
Conference & Travel Expenses 5050009	9,265	19,650	13,650	19,650	19,650	19,650	19,650	19,650	19,650
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Safety Training 5900046	201,577	207,500	207,500	207,500	207,500	207,500	207,500	207,500	207,500
Total	2,183,514	2,509,256	2,535,940	2,511,452	2,511,452	2,511,452	2,512,307	2,512,307	2,512,307
Funding Sources									
Div of Acad Fac & Trnsp Fund 4000193	2,183,514	2,509,256		2,511,452	2,511,452	2,511,452	2,512,307	2,512,307	2,512,307
Total Funding	2,183,514	2,509,256		2,511,452	2,511,452	2,511,452	2,512,307	2,512,307	2,512,307
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,183,514	2,509,256		2,511,452	2,511,452	2,511,452	2,512,307	2,512,307	2,512,307

Analysis of Budget Request

Appropriation: EFP - Programs of the Public School Academic Facilities & Transportation

Funding Sources: EFP - Educational Facilities Partnership Fund

This appropriation provides resources for The Arkansas Public School Academic Facilities Funding Act, which established the programs for the state financial participation in local projects relating to academic facilities and equipment and assisting school districts with transportation programs. The programs are the Academic Facilities Partnership Program, the Academic Equipment Program, Academic Facilities Catastrophic Program and the Academic Facilities Extraordinary Circumstances Program. Additionally, the Academic Facilities High Growth line item was added during the 2009-2011 Biennium.

State participation under any program will be based on an academic facilities wealth index. The Division of Public School Academic Facilities and Transportation establishes the formulas used for determining basic project costs on a per student basis.

The funding sources for these programs comes from fund balance, general revenue and through A.C.A. § 6-20-2503, which authorizes the transfer of savings in the Public School Fund for Debt Service Funding line item appropriations to the Partnership Fund. During the First Extraordinary Session of 2013, a portion was redirected to health insurance, and replaced by General Revenue under the Executive Recommendation.

The Agency Request is for Base Level of \$215,340,489 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: EFP - Programs of the Public School Academic Facilities & Transportation

Funding Sources: EFP - Educational Facilities Partnership Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Academic Facilities Partnership 5100004	90,671,609	211,828,951	231,500,000	211,828,951	211,828,951	211,828,951	211,828,951	211,828,951	211,828,951
Academic Facilities ECP 5900046	0	0	0	0	0	0	0	0	0
Academic Facilities High Growth 5900046	0	0	0	0	0	0	0	0	0
Academic Equipment 5900046	0	0	0	0	0	0	0	0	0
Academic Facilities Catastrophic 5900046	0	3,511,538	3,511,538	3,511,538	3,511,538	3,511,538	3,511,538	3,511,538	3,511,538
Total	90,671,609	215,340,489	235,011,538	215,340,489	215,340,489	215,340,489	215,340,489	215,340,489	215,340,489
Funding Sources									
Fund Balance 4000005	175,130,351	180,734,951		7,223,413	7,223,413	7,223,413	0	0	0
Educ Fac Partnership Fund 4000217	41,828,951	41,828,951		41,828,951	41,828,951	41,828,951	41,828,951	41,828,951	41,828,951
Trnfr frm DOE Pub School Fund 4000525	14,447,258	0		0	0	0	0	0	0
Transfer from General Imprv 4000540	40,000,000	0		0	0	0	0	0	0
Total Funding	271,406,560	222,563,902		49,052,364	49,052,364	49,052,364	41,828,951	41,828,951	41,828,951
Excess Appropriation/(Funding)	(180,734,951)	(7,223,413)		166,288,125	166,288,125	166,288,125	173,511,538	173,511,538	173,511,538
Grand Total	90,671,609	215,340,489		215,340,489	215,340,489	215,340,489	215,340,489	215,340,489	215,340,489

ECP-Extraordinary Circumstances Program

Academic Facilities ECP, Academic Facilities High Growth, and Academic Equipment are to continue, without appropriation.

Appropriation will be reallocated by the Department's special language transfer authority.

Appropriation Summary

Appropriation: F87 - Charter Sch Fac Loan

Funding Sources: MCS - Charter Loans

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Loans 5120029	0	0	5,000,000	0	0	0	0	0	0
Total	0	0	5,000,000	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM

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

98% URT Actual Collection Adjustment (34N) To ensure that 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 ADE 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 (or a lesser amount if after the lesser amount is distributed the school district will receive the foundation funding amount under §6-20-2305). For a school district whose net revenues are more than the sum of 98% of the URT multiplied by the property assessment of the school district, the ADE recoups from 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. Ark. Code Ann. § 6-20-2305(a)(4) enables ADE to collect excess distributions by withholding funds from disbursements to the district in the following year.

Additional Public School Employee Health Insurance (59X) This program was added to the Education Public School Fund in FY10. This appropriation allows the Department of Education to 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 Department of Education pays the Employee Benefits Division on a quarterly basis on behalf of school districts

Advanced Placement Incentive (440) This program provides support 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, now that the state is paying for all student AP exams (in the Assessment/End of Course Testing appropriation), is support for professional development for AP and Pre-AP teachers. Three different types of support are provided: A/P summer trainings for teachers (hosted by universities), \$667,000-\$687,000 per year; A/P equipment and material grants to school districts, \$98,000-\$130,000 per year; and Pre-A/P workshops for teachers (hosted by education service cooperatives), \$25,000-\$36,000 per year.

Alternative Learning (311) A.C.A. §6-48-101 et seq. 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 also requires the ADE to establish an incentive program for districts whose ALE programs meet ADE guidelines. ALEs must provide all of the educational programs available in other classrooms, and must provide additional services to meet the needs of this group of at-risk children. Additionally, A.C.A. §6-20-2305(b)(2)(A)(ii) establishes the ALE categorical funding amount shall be \$4,560 in FY17 multiplied by the number of identified ALE students enrolled during a school district's previous school year. In the base level year of FY17, the program is anticipated to serve 5,513.28 FTEs. The program will serve a projected 5,541.64 FTEs in FY18 and 5,565.81 in FY19. The increase in FTEs is based on a 3-year average annual rate of growth of .44% plus the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state aid, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding. It is anticipated that base level funding will be sufficient over the biennium to provide for the .44% annual growth in ALE student numbers.

APSCN (688) 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. Fifty-one positions support Arkansas public schools and school districts, charter schools, and education service cooperatives in processing all student and financial data.

Arkansas Easter Seals (445) This program, begun in the 1960s, partially funds 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 that local school districts have to pay for these educational services. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students.

Assessment/End of Level Testing (459) A.C.A. §6-15-404 requires standards-based testing in grades K-12. Currently, ACT Aspire (reading, writing, English, math, and science assessments) is administered at grades 3-10. The ACT Aspire is budgeted at \$8,847,512 in FY18 and \$9,064,462 in FY19. The Iowa Assessments is administered at grades 1-2 and is a norm-referenced test covering reading comprehension and

mathematics problem solving. It is budgeted at \$2 million per year. This assessment is being replaced in 2016-2017 by a program that will assess English Language Arts and mathematics at three points throughout the year. The bid is set to award at the end of FY16. The Qualls Early Learning Inventory is administered in the fall to all kindergarten students and any first grade student who did not attend kindergarten, and is budgeted at \$500,000 per year. ADE plans to procure a new kindergarten screening tool for the FY18 school year. Alternative Portfolio is provided for students with significant cognitive disabilities and is budgeted at \$1,850,639 per year. English Language Proficiency exams are required for all limited English proficient (LEP) students in grades K-12 and are budgeted at \$1,043,600 in FY17, \$1,107,600 in FY18 and \$1,171,600 in FY19. This line item also funds Advanced Placement exam costs and pays awards of up to \$50 to schools for each score of 3 or better on AP exams. \$5,755,000 is budgeted in FY17, \$6,320,000 in FY18, and \$6,885,000 in FY19 for AP testing and awards. The ADE supports school districts in providing each student in grades 9-11 with the opportunity to take the ACT exam without charge, pursuant to 6-18-1606. This activity is budgeted at \$1,611,365 in FY18 and \$1,711,365 in FY19. The Office of Innovation for Education (OIE) is funded by the Assessment appropriation at \$980,508 per year and works with the ADE and school districts in developing accountability systems that meet the changing educational needs of Arkansas. The TAC (technical advisory committee) which evaluates and advises the ADE on accountability testing is also funded through this appropriation at \$166,900 per year. Federal Title I funds in the amount of \$5,000,000 are made available annually to support student assessments. Due to savings realized in the restructuring of student assessments and the utilization of the ACT Aspire system, base level funding is sufficient to provide for the projected needs in the 2017-19 biennium despite anticipated growth in the numbers of students being assessed.

At Risk (088) The College and Career Readiness Planning Program (CCRPP) is funded from the At Risk appropriation. College and career readiness assessment tools approved by the State Board of Education are utilized to identify students for this program. The program provides summer intensive instruction for students in grades 8 and 10-12 who score below college and career readiness benchmarks in mathematics, English, or reading and who wish to enroll in postsecondary education. 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 at no cost.

Better Chance Program (652) This program funds innovative and developmentally appropriate early childhood programs for educationally deprived children. Act 1132 of 1997 transferred the Early Childhood Commission to the Department of Human Services with the Grants remaining with the Department of Education. Arkansas Better Chance Grants are administered by the Division of Child Care and Early Childhood Education of the Department of Human Services for the purpose of serving educationally deprived children ages birth through 5 years old, excluding kindergarten. Within the Arkansas Better Chance Program is the Arkansas Better Chance for School Success (ABCSS) Program, which funds innovative and developmentally appropriate early childhood programs for educationally deprived children ages 3 and 4. For the 2015-16 school year, the distribution of funds was based on \$4,860 per child for classroom-based programs and \$1,750 per child for home visit programs.

Bonded Debt Assistance (336) This aid, formerly known as Debt Service Funding Supplement, is provided to school districts to offset some of the debt burden existing as of 1/1/05 and to increase the amount of local revenue available for the maintenance and operation of schools. Bonded Debt Assistance is to be used solely for the payment of bonded debt. Pursuant to Ark. Code Ann. § 6-20-2503, bonded debt assistance is based on a school district's Principal and Interest Payment Schedule in effect and on file with the Department of Education (ADE) on January 1, 2005. Each eligible school district's annual debt service payment is reduced by 10%. If a school district demonstrated to the Commission for Arkansas Public School Academic Facilities and Transportation (the "Commission") that all or a portion of the 10% reduction in its scheduled debt payment

was attributable to the support of academic facilities, the Commission reversed all or a portion of the 10% reduction by a percentage proportionate to the amount attributable to academic facilities. The remaining 90% (or greater if a percentage was reversed) of the principal and interest payment is divided by the total assessed value of the district and multiplied by 1,000 to calculate the required debt service mills. This product is multiplied by the State Wealth Index, multiplied by the prior year three-quarter Average Daily Membership, and multiplied by a funding factor. These funds are paid on or before August 1 and February 1 of each fiscal year. If a district qualifies for Bonded Debt Assistance, the amount of aid is not changed as a result of refunding outstanding bonds in effect and on file with the ADE on January 1, 2005. As the amount of state financial assistance decreases, resulting from reductions in principal and interest payments, bond payoff, and increases in property assessments, the Commission distributes savings to the Educational Facilities Partnership Fund (EFP), in accordance with rules promulgated by the Commission.

Broadband Facilities Matching Grant Program (M74) This program funds broadband expansion in Arkansas school districts and funds are paid on a one-to-one state/local matching basis.

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 restore 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 \$6,646 = \$3,987,600; plus \$1,993,800 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. Consolidation Incentive funds were budgeted in FY17 subsequent to the biennial budget request process (\$5,868,900 each year, paid with fund balances in FY16 and FY17).

Content Standards and Curriculum Frameworks Revision (1QV) This appropriation provides funding 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.

Content Standards Revision (2JA) This appropriation is for the cost associated with the periodic review and revision of Academic Content Standards as required by A.C.A. §6-15-404(c). Academic Content Standards are a series of documents that specify what a student enrolled in an Arkansas 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. This fund supports the rental of meeting facilities in order to involve large numbers of Arkansas teachers to participate in the process as required by rules.

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 laboratories. The maximum amount of funds available to each of the State's fifteen (15) education service cooperatives and a central Arkansas district is set by the State Board of Education. For the 2015-2016 school year, the maximum amount was \$75,000. The Change Level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,200,000 each year, paid with fund balances in FY16 and FY17).

Coordinated School Health (59V) These funds are used to promote health, wellness, and academic achievement in Arkansas' public schools and are awarded to districts through a competitive grant application. Grantees establish school-based health centers (SBHCs) to provide students with basic physical, mental, dental and/or other services as needed. The program is a collaboration of the Arkansas Department of Education (ADE) Office of School Health Services (SHS), Arkansas Department of Health (ADH), Arkansas Department of Human Services (DHS) and Medicaid in the Schools (ARMITS). Grant awards vary from a maximum of \$150,000 in the first year of the grant to 50% of the first year award in the final grant year.

Court Ordered Desegregation (460) The state's obligation to the school districts was set at a total of \$65,794,267 in the desegregation settlement that was approved on January 13, 2014.

Criminal Background Checks (444) This program provides \$25,000 each year to pay the costs of both state and federal criminal background checks for the first renewal of non-expired licenses for certified personnel. The checks cost \$22 for the State Police check and \$15.75 for the FBI. The program also includes the Child Maltreatment Central Registry check at a cost of \$10.

Declining Enrollment (4HN) Beginning with Act 21 of the 1st Extraordinary Session of 2006 (A.C.A. §6-20-2305(a)(3)), this program has provided additional funding to school districts with a prior year Average Daily Membership (ADM) that was less than the ADM of the year prior to the previous year. Funding is equal to the difference between the average of the ADM for the two immediately preceding years and the ADM for the previous school year multiplied by the amount of foundation funding per student. School districts cannot receive both declining enrollment funding and student growth funding. Generally, school districts cannot receive both declining enrollment funding and special needs isolated funding under A.C.A. § 6-20-604. However, any appropriated and available funds for declining enrollment funding that remain after the initial distributions are to be prorated and distributed equally to school districts that qualify for both declining enrollment funding and special needs isolated funding. There were no declining enrollment funds remaining in 2015-2016 after the initial distributions.

Department of Correction (380) A.C.A. §12-29-301 et seq. established the Department of Correction School District and establishes 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. In FY16, the average daily attendance was 2,294 students, and 460 students completed requirements for GED certification. There are 7,137 inmates who have earned GED certificates over the past ten years. The Change Level request is to provide a 1.5% COLA to teachers in FY18, and to open two new classrooms at the Pine Bluff unit in FY19 in addition to providing a 1.5% COLA to teachers in FY19.

Distance Learning (698) The purpose of this program is to provide for the establishment, organization and administration of a distance learning program designed to improve course offerings available to students throughout the state. It helps fulfill the requirements of the Digital Learning Act of 2013 (6-16-1401 et seq.). The primary purpose of providing distance learning technologies is to assist school districts in receiving advanced high school courses, advanced placement courses, enriched course content, or other academic courses not otherwise available in the school district. The program demonstrates the efficiency of using distance learning to enhance elementary and secondary education and prepare students

for greater success in a postsecondary educational environment. In FY16, a \$500,000 grant for the STEM pathways project was made to the Arkansas School for Mathematics, Sciences, and the Arts to offer pre-AP digital learning in biology, environmental science, physics, mathematics, and computer science to all interested school districts in the state. The Arch Ford Education Service Co-op offers digital courses in core areas and is paid \$2,852,362. Dawson Education Service Co-op offers career and technical digital courses and is paid \$644,560 annually. Southeast Education Service Co-op offers concurrent digital courses and is paid \$756,988 annually. It is anticipated that base level funding will be sufficient to maintain service levels through the biennium.

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 participate in distance learning education. The primary purpose is to provide distance learning resources as mandated by A.C.A. § 6-47-404 to help alleviate the increasing shortage of available qualified teachers; to provide additional course-scheduling opportunities; to assist school districts in receiving advanced high school courses, advanced placement courses, and enriched course curriculum beyond those mandated by the Standards for Accreditation; and to develop and make available online professional development and instructional resources for all teachers and administrators. The appropriation funds \$4 million for school district internet connections, content filtering, and bandwidth (costs shared with APSCN); \$1.5 million for statewide partnership data projects; \$995,000 for Team Digital (providing digital learning training and support to schools across the state); \$34,700 to the Hanover Research Council for research, analysis effectiveness solutions; \$432,644 for Microsoft IT academies (cost share with the Arkansas Department of Career Education and Department of Workforce Services) for student licenses for industry certification for technology focused areas; and \$165,000 to the State Library for Encyclopedia Britannica subscription statewide. It is anticipated that base level funding will be sufficient to maintain service levels through the biennium.

Distressed School District Support (136) The Arkansas Academic Distress Program is to improve the capacity of local school districts whose students are not achieving at academically desired levels through targeted assistance coordinated by the Department of Education (A.C.A §6-20-1901) or who are in fiscal distress. This appropriation pays for the expenses of the Fiscal Support Services unit that are associated with assisting school districts.

Early Childhood Special Education (697) This program provides special education services through local education agencies and Education Service Cooperatives for three to five-year-old preschool children with disabilities. Funds are also provided to Education Service Cooperatives for behavioral intervention services to all 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 the funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,274,841 each year, paid with fund balances in FY16 and FY17).

Economic Education (1XE) The objective of this program is to increase the economic literacy of Pre-K through 12 students by providing economic and personal finance education and training to teachers in Arkansas. Funding is distributed to the Arkansas Council on Economic Education (now conducting business as Economics Arkansas), a private, non-profit organization providing certified professional development for K through 12 teachers. Over 1,500 educators are trained each year, which impacts over 85,000 students in Arkansas. The change level request is to

restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$50,000 each year, paid with fund balances in FY16 and FY17).

Education Renewal Zones (ERZ) (2HY) 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. Six ERZs receive annual funding of \$170,725 each, and remaining funds are used to support five ADE positions that serve the ERZ program. The program has requested a reallocation of \$306,900 from the Professional Fees line item to the Grants & Aid line item to increase the support for the ERZ program at the university level by reducing the state-level budget. This request is cost neutral to the program. The program has also requested that a position be transferred out as it is no longer needed within the ERZ program, resulting in a savings of \$95,635 each year of the biennium. Position 2212-9080 is needed in the agency's General Division.

Education Service Cooperatives (670) The 15 educational cooperatives around the State facilitate the sharing of resources and services between local school districts and provides a core support system for professional development. Each cooperative receives \$408,618 per year. ACA 6-13-1019 requires ADE to fund the cooperatives for salaries/fringe for a director, teacher center coordinator, support staff, travel, operating expenses, curriculum development activities, and \$25,000 travel expenses for cooperative staff to serve the districts in each cooperative area. Base level funding is sufficient to maintain program operations through the 2017-19 biennium.

English Language Learners (082) English Language Learners (formerly Limited English Proficiency, amended by Act 59 of the Second Extraordinary Session of 2003) is a state categorical program that serves students identified as not being proficient in the English language. This program enables school districts to provide specially-trained staff, instructional materials and training for teachers with these qualified students. The Agency also holds summer training academies for teachers desiring additional training in teaching and assisting students with primary home languages other than English. A.C.A. §6-20-2305(b)(3)(A) sets out the dollar amount to be paid each school year for student identified as English language learners. The rate per ESL student in the 2016-2017 school year is \$331. A total of 39,303 ELL students were served in FY16, and a total of 41,073 students are projected to be served in FY17, 42,923 in FY18 and 44,853 in FY19. The projected increase in ELL students is based on a 3-year average annual rate of growth in ELL students of 4.5% plus the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state aid, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding. Additionally, summer ESL academies are budgeted at \$1,200,000 per year of the biennium and serve approximately 400 teachers who serve language minority students. The change level requests are to accommodate the projected increase in ELL students for \$837,234 in FY18 and \$1,476,077 in FY19.

General Facilities Funding (326) A.C.A. §6-20-2503 (e)(1) et seq. requires the Commission of Academic Facilities and Transportation to compute the amount of general facilities funding that each school district received or would have received under the Supplemental School District Funding Act of 2003 during FY2005. Beginning in fiscal year 2005-2006, school districts have received all or a portion of the amount of General Facilities Funding that the district received or would have received under the Supplemental School District Funding Act of 2003 in fiscal year 2004-2005. After fiscal year 2005-2006, this funding began a phase out by reducing the amount received by a school district by one-tenth of the 2005-2006 amount each year over a ten-year period with the savings distributed through the Education Facilities Partnership Fund (EFP). Statute was changed so that, beginning in FY15, savings began to be distributed to the Employee Benefits Division. FY15 was the final year that any general facilities funding was disbursed to school districts. 100% of this line item is now transferred to the Employee Benefits Division for public school employee health insurance. 100% of this line item is now transferred to the Employee Benefits Division for public school employee health insurance.

Gifted and Talented (457) This program provides: (1) salary support for 15 Gifted and Talented supervisors in the cooperatives at \$28,500 per cooperative; (2) funding for the Arkansas Governor's School; (3) Outstanding Gifted Program Awards at \$3,000 per school district (3 annually); and, (4) an annual contribution of \$2,500 to the AGATE (Arkansans for Gifted and Talented Education Conference). The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$250,000 each year, paid with fund balances in FY16 and FY17) that are designated for the Arkansas Governor's School. |

Grants to School Districts (451) These payments are made for educating students in North Arkansas who can't get to 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. In FY16, Ozark Mountain School District was the only recipient of these funds.

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Human Development Center Education Aid (669)

This program provides funding for educational services to the children in Conway Human Development Center, the only center in the state that provides special education to children K-12 with severe disabilities. \$526,150 is disbursed annually to the Department of Human Services for this function. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students.

Intervention Block Grants (565)

This program provides grants to local school districts, schools and education cooperatives to provide services targeting parent involvement. The grants provide the child's first teacher, the parent, with resources that will support literacy and mathematics achievement. These grants are used to encourage parental involvement through the following student competitions: Arkansas Governor's Quiz Bowl, State History Day Competition, Creativity in Arkansas, State Science Fair and Arkansas Destination Imagination. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$75,000 each year, paid with fund balances in FY16 and FY17) to meet the requirements of Act 229 of 2016, section 29.

Isolated Funding (331) Because of location or geographic barriers, some districts are not able to share resources with other districts or may have unusual transportation needs. These districts with isolated school areas under 350 Average Daily Membership (ADM) receive additional

funding. Act 65 of the Second Extraordinary Session of 2003 (A.C.A. 6-20-601 et seq.) established 56 “isolated” school areas and set a per student dollar amount to be paid for each isolated school area. The funding is distributed based upon the prior year three-quarter ADM of the isolated school area multiplied by the Per Student Isolated Funding Amount for the isolated school area as prescribed by Ark. Code Ann. § 6-20-603.

Leadership Academy - Master Principal (2ZK) The Arkansas Leadership Academy is responsible for administering the Master School Principal Program. Created in 1991, the Arkansas Leadership Academy was formed to provide leadership for education reform in Arkansas. The Academy brings together partners from business, higher education, professional associations, educational cooperatives and governmental agencies. It provides a variety of leadership development programs for principals, teachers, partners and other leaders including residential programs.

Master Principal Bonus (2ZM) Pursuant to ACA 6-17-1604, this program provides 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. The Act also provides for \$25,000 annually while working as a full time principal in an Arkansas “low-performing” school. The program provided bonuses to 16 participants in FY16, two of whom were employed in a high-need public school. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$118,000 each year, paid with fund balances in FY16 and FY17).

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. This program encourages teachers to seek certification by the National Board for Professional Teaching Standards by competitively awarding the \$2,500 application fee and up to 3 days of substitute teacher pay. A \$5,000 initial bonus is awarded during the school year in which the individual first obtains the National Board certification, and a yearly bonus of \$5,000 is awarded to certified teachers in each of years two (2) through ten (10) of the 10-year life of the certificate. Funding is also distributed to designated candidate “support centers” at various school districts, education service cooperatives, or institutions of higher education to assist candidates with the National Board certification process. Support center location funding is based on candidate distribution throughout the state. If a teacher does not achieve certification during the required three years, they must refund all State funds expended on their behalf. A total of 33 new teachers with 2,408 renewing teachers will earn bonuses in FY17, and projections are for 550 new teachers with 2,408 renewals in FY18 (\$14,790,000 total bonus payments); and 200 new teachers with 3,000 renewals in FY19 (\$16,000,000 total bonus payments). Candidate support and support center funding is projected to be \$532,100 each year of the biennium.

National School Lunch Student Funding (2HR) This program provides state categorical funding for those students from low socio-economic backgrounds, as indicated by the prior year eligibility for free or reduced-price meals under the National School Lunch (NSL) Act, as reported on October 1 of each year and submitted to the Department of Education. NSL funding is divided into three tiers. Beginning with the 2007-2008 school year, for school districts that were to receive funding based on a higher or lower percentage tier than the preceding school year, the funding would be increased or reduced in three equal amounts over a three-year period following the year in which a school district's percentage level of NSL students increased or decreased. A school district that has experienced a significant growth, defined by rule as 1%, in enrolled students in

each of the previous three years shall receive funding for the expected increase in the number of NSL students based on the three year average growth in enrollment times the percentage of students eligible for NSL funding times the appropriate per student funding amount. The free and reduced student count is expected to grow at an annual rate of 1.2% (this projection is based on a three-year average annual growth rate). Funding projection is for 292,154 free & reduced lunch students in FY17, 295,813 in FY18 and 299,359 in FY19. These numbers include the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state aid, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding. The funding request is inclusive of projected transition and NSL growth funds.

Non-Traditional Licensure Grants (NTLP) (1PS) This program supplements the cash funded Alternative Certification program which was developed by the Department of Education for certifying individuals to teach that have expertise and knowledge in a particular subject, but do not have the standard teaching certificate. This program is a “Teaching and Learning” Teacher Licensure program for those with a college degree in areas other than education. This program was developed by the Arkansas Legislature for the purpose of meeting teacher shortages in critical parts of the state. Recognizing that professionals' experience, knowledge and previous career successes can positively impact the lives of students, NTLP allows mature career changers, with a variety of work experiences, to teach in public school classrooms. For the 2014-15 school year, 50 NTLP teachers received up to \$500 for teaching in geographic areas and/or subject areas in which there were critical teacher shortages. Also, the Northeast cooperative was funded at \$25,000 from this appropriation for the Arkansas Professional Pathway to Educator Licensure (APPEL) program.

Open-Enrollment Public Charter School Facilities Funding Aid Program (N68) This program provides funding to open enrollment charter schools for lease, purchase, renovation, repair, construction, installation, restoration, alteration, modification, and operation and maintenance of approved academic facilities. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$5,000,000 each year, paid with fund balances in FY17).

Professional Development Funding (2HS) This program provides a coordinated set of planned learning activities for teachers and administrators that are standards-based. These programs result in individual, school-wide and system-wide improvements designed to ensure that all students demonstrate proficiency in the state academic standards. The FY17 rate is \$26.05 multiplied by the school district's average daily membership (ADM) for the previous school year. Additionally, ADE pays AETN \$3.5 million each year for the Arkansas IDEAS system. It is anticipated that base level funding will be sufficient for FY18 and FY19 expenditure levels.

Public School Employee Insurance (446) This program provides supplemental funds of \$55,000,000 annually to the Employee Benefits Division on behalf of school districts for the public school employees' health insurance program. This line item also funds the monthly health insurance contribution rate of \$155.93 per employee (calendar year 2017), as established by Ark. Code Ann. § 6-17-1117, for employees of education service cooperatives, vocational centers, Easter Seals, and the school operated by the Department of Correction. As authorized by Act 229 of 2016, the Department of Education also pays EBD \$15,000,000 in additional health insurance contributions.

Residential Centers/Juvenile Detention (394) This program provides reimbursement to school districts for the educational costs associated

with school-age students without disabilities and students with disabilities ages 3-21 placed in approved residential psychiatric and drug and alcohol treatment facilities or juvenile detention centers. By state law and State Board regulation, community residential treatment facilities are reimbursed through local school districts. When the requests for reimbursement exceed the amount of funds available, the reimbursements are prorated. Detention facility reimbursement is based on a calculation of the rate of foundation aid times the number of approved program beds. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,156,833 each year, paid with fund balances in FY16 and FY17).

School Facility Joint Use Support (59W) The School Facility Joint Use Support program was created as a part of the Health Care Initiative of 2009. Funding was provided by General Revenue generated by a cigarette tax increase enacted during the Regular Session of the 87th General Assembly. The intent of the program is to encourage schools to allow their physical plants, both indoor and outdoor, to be used by the public and by community members as an accessible and safe environment for community and family activity.

School Food - Legislative Audit (454) This is a fund transfer up to \$75,000 each year to compensate Legislative Audit for auditing school food funds in the local school districts. This funding helps offset amounts due to Legislative Audit from school district food service programs.

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. This grant is paid to school districts based on the number of lunches served. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,650,000 each year, paid with fund balances in FY16 and FY17). This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels Child Nutrition programs.

School Funding Contingency (2ZH) The School Funding Contingency appropriation is an authorization of unfunded appropriation that is used to address unforeseen problems that arise during the course of a biennium. The Department of Education has special language allowing the transfer of this appropriation to address problem areas.

School Recognition Program (F81) This program provides financial awards to public schools (if funds are available) that experience high student performance, student academic growth, and, for a secondary school, a high graduation rate. In FY16, 120 public schools (including charter schools) received awards.

School Worker Defense (458) This program provides for claims and legal fees for liability suits against school personnel. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$390,000 each year, paid with fund balances in FY16 and FY17).

Serious Offender Program (566) Serious Offender Units for juveniles are operated by the Department of Human Services, Division of Youth Services (DYS), but the Department of Education pays the educational costs of students located in these units through a Memorandum of

Understanding (MOU) with DHS. The current program has been in effect since 1996 for the purpose of generating educational funds for the DYS Juvenile Treatment Centers Program (JTC). DYS is provided funds based on the average daily attendance of students in the facility. There are currently Serious Offender Programs (SOP) located in Mansfield, Harrisburg, Lewisville, Dermott, Colt, and Alexander. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$665,913 each year, paid with fund balances in FY16 and FY17).

Smart Start/Smart Step (057) The program supports a state network of literacy and mathematics specialists who assist schools with professional development to maintain a highly qualified teaching staff. In addition, the program provides professional development opportunities to all K-12 educators through statewide conferences, regional workshops and satellite-delivered meetings. K-12 schools are also provided a variety of resources including professional books and videos. Additionally, this program supports the Office of Intensive Support (\$750,000 annually) which provides assistance to school districts in academic, fiscal, or facilities distress. It also supports the Kuder career planning system in school districts (\$150,000 annually) as a cost share agreement with the Department of Career Education and the Department of Higher Education. A superintendent mentoring program is also paid from this appropriation (\$44,000 annually). Beginning in FY18, the ADE will fund the Learning Blade program from this appropriation, which is an interactive, web-based STEM curriculum focused on increasing student interest in and attitudes towards STEM careers. This will be done through an internal reallocation of resources within the programs funded by this line item.

Special Education - Catastrophic (091) Provides for state funding to school districts for local occurrences when the 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 \$15,000 for the special education child. Medicaid and other third party funding are obtained prior to requesting state catastrophic funding. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students.

Special Education Services (668) This program provides extended school year summer programs for students with disabilities ages 3-21, 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 salaries for special education supervisors. Funding provided to school districts to support the salaries of special education supervisors is based on an established per child per day rate, to the extent that funds are available. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,657,242 each year, paid with fund balances in FY16 and FY17).

Special Needs Isolated (2ZS) Act 1452 of 2005 (A.C.A. §6-20-604) created this program for certain isolated schools and certain school districts with a low student density. As stipulated in Ark. Code Ann. § 6-20-604, school districts containing isolated school areas have to meet certain eligibility requirements, including involvement in a consolidation or annexation, low student density ratios and certain average daily membership levels. Pursuant to Ark. Code Ann. § 6-20-604(h), any funds appropriated for isolated funding and/or special needs isolated funding that remain after the initial distributions, are equally divided and distributed among school districts that receive isolated special needs funding other than small school funding to be used for transportation costs of isolated school areas.

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 1309 of 2013 amended A.C.A. §6-20-2305(a) to establish the Foundation Funding amount as \$6,584 in FY16 and \$6,646 in FY17 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 (\$6,646 for FY17) 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 calculated calendar year miscellaneous funds of the school district. The funding for charter schools used the same amount of per student foundation funding but used ADM of the prior or current school year as required by law. In the 2015-2016 school year, a total of \$1,927,137,664 was distributed as state foundation funding to school districts, and \$78,423,999 in state foundation funding was distributed to open-enrollment charter schools. ADM is the total number of days of school attended plus the total number of days absent by students in grades K through 12 during the first 3 quarters of each school year divided by the number of school days actually taught in the school district during that period of time rounded up to the nearest hundredth. Change level requests are due to projected increases in statewide school district ADM and charter school ADM, based on 3-year average annual growth rates of .24% for school districts and 16.17% for charter schools, as well as a projection of 1% annual growth in property assessments.

Student Growth Funding (332) Student Growth Funding is a program that provides supplemental funding to school districts that have a growth in students over the previous school year. Pursuant to Act 272 of 2007(A.C.A. §6-20-2305(c)(2)(A)), 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. Change level is the same as in the previous biennial request and is for unfunded appropriation.

Supplemental Millage Incentive Funding (2HU) Act 2206 of 2005 repealed A.C.A. § 6-20-2406 for supplemental millage funding, however A.C.A. § 6-20-2503 (f)(2)(A) requires state financial assistance under this program to be paid out over a ten year period by reducing the amount received by a school district after Fiscal Year 2006 by one-tenth in each year of the ten year period with the savings distributed through the Education Facilities Partnership Fund (EFP). Statute was changed so that, beginning in FY15, savings began to be distributed to the Employee Benefits Division. FY15 was the final year that supplemental millage incentive funding was disbursed to school districts. 100% of this line item is now transferred to the Employee Benefits Division for public school employee health insurance.

Surplus Commodities (450) The Department of Human Services administers the Surplus Commodities Program. School districts currently receive a large share of the commodities. Under an agreement with DHS, the Department of Education provides funding to supplement transportation costs resulting from delivery of the goods to the school districts. This program combined with the School Food Services program provides the State match for the total school food program in local schools. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels Child Nutrition programs. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$345,065 each year, paid with fund balances in FY16 and FY17).

Teacher Licensure/Mentoring (699) This program covers the Arkansas Induction program for new teachers and administrators. The Induction program provides mentoring for support, retention, and professional growth of new educators. Under the system, first-year teachers and administrators are paired with trained mentors, who help them through their first one to three years, traditionally the most difficult years. Districts receive funding for each mentor who mentors a new teacher or new administrator participating in the program. Funds are also distributed to school districts, institutions of higher education and education service cooperatives to provide training to mentors. The mentoring program has been updated to align with the state's new teacher and administrator evaluation systems. Online mentoring modules have been developed by educators to support the content delivery. Funds are used to pay for the development of modules and the content delivery platform. This program funds the Teach for America program, a superintendent/principal evaluation program, grants for the Teacher Excellence and Support System (TESS), and Teacher Cadets for high school students with an interest in the teaching profession. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$57,000 each year, paid with fund balances in FY16 and FY17); and to allow for potential implementation of new federal regulations for evaluating educator preparation programs in the state (\$1 million per year, unfunded appropriation). The proposed new regulations would: build on innovative state systems and progress in the field to encourage all states to develop their own meaningful systems to identify high- and low-performing teacher preparation programs across all kinds of programs, not just those based in colleges and universities; ask states to move away from current input-focused reporting requirements, streamline the current data requirements, incorporate more meaningful outcomes measures and improve the availability of relevant information on teacher preparation; reward only those programs determined to be effective or better by states with eligibility for TEACH grants, which are available to students who are planning to become teachers in a high-need field and in a low-income school, to ensure that these limited federal dollars support high-quality teacher education and preparation; and offer transparency into the performance of teacher preparation programs, creating a feedback loop among programs and prospective teachers, employers, and the public, and empower programs with information to facilitate continuous improvement.

Teacher of the Year (4HM) Act 17 of the 1st Extraordinary Session of 2006 established a grant for the Arkansas Teacher of the Year award. The Act requires the Department of Education to develop a process for selecting the Arkansas Teacher of the Year 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. During the school year in which the school district's teacher of the year is on paid administrative leave, the Department of Education reimburses the school district for the salaries and benefits of the State Teacher of the Year, as provided in Ark. Code Ann. § 6-17-2505. During this time, the State Teacher of the Year serves in an advisory position as a non-voting member on the Arkansas State Board of Education. |

Teacher Recruitment High-Priority District (2JC) As authorized by Ark. Code Ann. § 6-17-811, these grants provide teacher bonuses as incentives for recruitment and retention in high-priority districts. A high-priority district is one having at least 80% free or reduced lunches and 1,000 or fewer students. "Teachers" are defined as those working directly with students 70% of their time in a classroom setting, including guidance counselors and librarians. For all newly signed teachers to high-priority districts, a one-time signing bonus of \$5,000 is paid at the completion of a full year of teaching and a \$4,000 retention bonus is paid at the end of each of the next two subsequent years if the teacher continued teaching in the same high-priority district. A newly signed teacher is also eligible for a \$3,000 retention bonus, which is paid at the end of the fourth and each subsequent year, if the teacher continues teaching in the same high-priority district or another high-priority district. For all teachers not newly signed to work in the district, a \$3,000 retention bonus is paid at the end of each year if the teacher continues to work in a high-priority district.

Teacher Retirement Matching (437) Per section 17 of Act 229 of 2016, this is the employer matching for employees of the Education Service Cooperatives, Vocational Centers, Arkansas Easter Seals and the school operated by the Department of Correction. The matching rate is currently 14.5% of salaries for all employees. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process plus estimated growth of 4% per year based on projections of salary increases and increased employee participation by Arkansas Teacher Retirement System.

Technology Grants (119) The Technology Grants appropriation is used to provide technology grants to school districts for such programs as the Environmental and Spatial Technology (EAST) Initiative and Explor-Net. The EAST program has received high praise from local school administrators and parents, as well as national recognition. The EAST Initiative began in the 1996-97 school year at Greenbrier High School with 20 students. Today, the program has grown to over 10,000 students. Through their schools' EAST labs, students use technology and their training and knowledge to solve real-world problems facing their communities. A National Training Center was established in Little Rock for training facilitators from other states, in addition to Arkansas teachers and students. This line item funds \$3,042,000 for the East initiative, and supports the TICAL initiative infusing technology resources for educators throughout the state in the amount of \$337,900. An allocation of \$77,740 is used to develop and test software to support the ADE's Entity Resolution Engine and related applications via University of Little Rock Graduate Students. The scope of the work includes analysis of educational record entities without using Personable Identifiable Information and devising new enhanced methods of matching.

Technology Improvements (108) These improvements are 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 the Student GPS Dashboards and ADE Data Center applications. The technology improvement grants and resources provided through this appropriation affect virtually every district in the state and support the State Technology Directors Association (SETDA).

Workers' Compensation (452) Claims are paid by a fund transfer to the Worker's Compensation Revolving Fund and are determined by the previous year's claim amounts (A.C.A 6-17-1403(C)). The administrative expenses are paid by a fund transfer to the Miscellaneous Agencies Fund Account and are based on the previous quarter expenses (A.C.A. 11-9-307(C)).

Youth Shelters (094) The Department of Human Services (DHS) maintains contracts with community providers for the 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. For the 2015-2016 school year, funds were distributed to applicable school districts with youth shelters using a calculation of the appropriated amount divided by the number of available beds in designated youth shelters. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students.

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

None

Publications

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

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
N/A	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
057 Smart Start/Smart Step	11,616,300	0	10,666,303	0	11,506,303	0	10,666,303	0	10,666,303	0	10,666,303	0	10,666,303	0	10,666,303	0	10,666,303	0
082 English Language Learners	12,849,045	0	14,570,430	0	14,570,430	0	14,570,430	0	15,407,669	0	15,715,105	0	14,570,430	0	16,046,507	0	16,353,943	0
088 At Risk	1,218,086	0	1,688,530	0	1,988,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0
091 Special Ed-Catastrophic	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	13,000,000	0	11,000,000	0	11,000,000	0	13,020,000	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	489,197	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	3,602,640	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	2,291	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
1PS Non-Traditional Licensure	10,500	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	49,477	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	400,000	0	350,000	0	400,000	0	350,000	0	400,000	0	400,000	0	350,000	0	400,000	0	400,000	0
2HP State Foundation Funding	2,003,399,330	0	2,049,244,838	0	2,053,194,376	0	2,049,244,838	0	2,053,747,008	0	2,085,908,817	0	2,049,244,838	0	2,067,721,131	0	2,133,039,396	0
2HR National School Lunch	216,004,020	0	217,821,143	0	235,503,568	0	217,821,143	0	223,783,349	0	223,783,349	0	217,821,143	0	226,465,557	0	226,465,557	0
2HS Prof Development Fund	15,822,239	0	16,293,119	0	16,293,119	0	16,293,119	0	16,293,119	0	20,617,836	0	16,293,119	0	16,293,119	0	25,143,702	0
2HU Supplemental Millage	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	10,000,000	0
2HX Distance Learning Operations	7,574,995	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0
2HY Education Renewal Zones	1,216,822	3	1,432,872	5	1,461,385	5	1,432,872	5	1,337,237	4	1,337,237	4	1,432,872	5	1,337,237	4	1,337,237	4
2JA Content Standards	152,762	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	2,099,996	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	175,000	0	90,000	0	208,000	0	90,000	0	208,000	0	208,000	0	90,000	0	208,000	0	208,000	0
2ZS Special Needs Isolated Funding	8,480,200	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	24,523,513	0	25,940,361	0	25,940,361	0	25,940,361	0	25,940,361	0	26,394,317	0	25,940,361	0	25,940,361	0	26,394,317	0
326 General Facilities Funding	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	8,100,000	0
331 Isolated Funding	2,415,798	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	23,368,013	0	28,500,000	0	37,690,144	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	14,008,126	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	19,596,517	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	6,454,524	0	5,597,675	0	6,645,135	0	5,597,675	0	6,543,752	0	6,543,752	0	5,597,675	0	6,734,451	0	6,734,451	0
394 Residential Ctrs/Juv Detention	16,345,060	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	5,840,794	0	0	0	5,868,900	0	0	0	5,981,400	0	5,981,400	0	0	0	5,981,400	0	5,981,400	0
434 Coop Education Tech Centers	1,131,211	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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
437 Teacher Retirement Matching	8,904,625	0	6,655,000	0	11,803,550	0	6,655,000	0	10,124,858	0	10,124,858	0	6,655,000	0	10,529,852	0	10,529,852	0
438 Ntl Bd Prof Teaching Standards	12,787,612	0	10,438,332	0	13,928,542	0	10,438,332	0	15,322,100	0	15,322,100	0	10,438,332	0	16,532,100	0	16,532,100	0
440 Advanced Placement Incentive	824,401	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	1,246	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	56,456,458	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	843,799	0	780,000	0	1,125,065	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	160,777	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	1,329,338	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	70,100	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	8,216,355	0	22,250,189	0	23,350,681	0	22,250,189	0	22,250,189	0	22,250,189	0	22,250,189	0	22,250,189	0	22,250,189	0
460 Court Ordered Desegregation	65,794,267	0	65,794,267	0	65,794,267	0	65,794,267	0	65,794,267	0	65,794,267	0	65,794,267	0	0	0	0	0
4HM Teacher of the Year	78,813	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	14,093,888	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	1,716,859	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	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	15,000,000	0
652 Better Chance Program	112,172,433	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	114,000,000	0	111,000,000	0	111,000,000	0	114,000,000	0
668 Special Education Services	2,797,532	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	18,893,594	46	22,791,533	51	23,170,491	51	22,793,608	51	22,793,608	51	22,793,608	51	22,793,729	51	22,793,729	51	22,793,729	51
697 Early Childhood Special Educ	16,897,920	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	4,753,910	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	4,272,349	0	5,008,758	0	5,065,758	0	5,008,758	0	6,065,758	0	6,065,758	0	5,008,758	0	6,065,758	0	6,065,758	0
F81 School Recognition	6,994,999	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
M74 Broadband Facilities Matching Grant Prog	0	0	1,018,835	0	5,000,000	0	1,018,835	0	1,018,835	0	1,018,835	0	1,018,835	0	1,018,835	0	1,018,835	0
N55 Enhanced Transportation Funding	0	0	0	0	3,000,000	0	0	0	0	0	3,000,000	0	0	0	0	0	3,000,000	0

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
N68 OE Charter Fac Funding Aid Prg	4,583,328	0	0	0	15,000,000	0	0	0	5,000,000	0	5,000,000	0	0	0	5,000,000	0	5,000,000	0
V30 Computer Science Initiative	0	0	0	0	0	0	0	0	0	0	2,500,000	0	0	0	0	0	2,500,000	0
V33 NSL Matching Grant Program	0	0	0	0	0	0	0	0	0	0	4,300,000	0	0	0	0	0	4,300,000	0
NOT REQUESTED FOR THE BIENNIUM																		
F82 Inter Baccalaureate Prgm	0	0	0	0	75,000	0	0	0	0	0	0	0	0	0	0	0	0	0
U59 Positive Youth Development	0	0	0	0	5,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
U60 AR Imagination Library	0	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	2,797,699,448	49	2,878,945,570	56	2,992,416,819	56	2,878,947,645	56	2,954,514,766	55	3,006,562,684	55	2,878,947,766	56	2,907,821,482	55	2,997,571,722	55

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	58,300,953	2.0	85,641,117	2.9	84,622,282	2.9	84,622,282	2.8	84,622,282	2.8	83,603,447	2.8	49,126,074	1.7	42,326,629	1.4		
Court Ordered Desegregation	4000180	65,794,267	2.3	65,794,267	2.2	65,794,267	2.2	65,794,267	2.2	65,794,267	2.2	65,794,267	2.2	0	0.0	0	0.0		
DOE Public School Fund	4000195	2,127,803,780	73.8	2,151,529,810	72.6	2,151,531,885	72.6	2,167,621,633	72.2	2,154,436,250	70.7	2,151,532,006	72.6	2,186,126,923	74.8	2,207,322,816	73.7		
E-Rate Credit	4000207	880,639	0.0	1,000,000	0.0	1,000,000	0.0	1,000,000	0.0	1,000,000	0.0	1,000,000	0.0	1,000,000	0.0	1,000,000	0.0		
Educational Adequacy Fund	4000210	434,031,542	15.1	450,031,542	15.2	450,031,542	15.2	450,031,542	15.0	505,965,398	16.6	450,031,542	15.2	450,031,542	15.4	505,965,398	16.9		
Educational Excellence Fund	4000220	202,031,412	7.0	211,956,116	7.2	211,956,116	7.2	211,956,116	7.1	211,956,116	7.0	211,956,116	7.2	211,956,116	7.3	211,956,116	7.1		
General Improvement Fund	4000265	0	0.0	0	0.0	0	0.0	0	0.0	2,500,000	0.1	0	0.0	0	0.0	2,500,000	0.1		
Miscellaneous Adjustments	4000345	(3,491,575)	(0.1)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
Other	4000370	0	0.0	30,000	0.0	30,000	0.0	30,000	0.0	30,000	0.0	30,000	0.0	30,000	0.0	30,000	0.0		
TANF Transfer	4000478	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.2	7,500,000	0.2	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3		
Trnfr frm DOE Pub School Fund	4000525	(10,946,899)	(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	1,436,446	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	0.8	25,000,000	0.8	0	0.0	25,000,000	0.9	25,000,000	0.8		
Total Funds		2,883,340,565	100.0	2,963,567,852	100.0			2,962,551,092	100.0	3,003,640,840	100.0	3,048,889,313	100.0	2,961,532,378	100.0	2,920,855,655	100.0	2,993,685,959	100.0
Excess Appropriation/(Funding)		(85,641,117)		(84,622,282)				(83,603,447)		(49,126,074)		(42,326,629)		(82,584,612)		(13,034,173)		3,885,763	
Grand Total		2,797,699,448		2,878,945,570				2,878,947,645		2,954,514,766		3,006,562,684		2,878,947,766		2,907,821,482		2,997,571,722	

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
53	44	9	53	0	16.98 %	56	42	14	56	0	25.00 %	56	38	18	56	0	32.14 %

Analysis of Budget Request

Appropriation: 2HY - Education Renewal Zones

Funding Sources: JAA - Department of Education Public School Fund

The Division of Education Renewal Zones (ERZ) was created by Act 106 of the Second Extraordinary Session of 2003 (A.C.A. § 6-15-2501 et seq. An education renewal zone is established by an interlocal agreement between any public school, education service cooperative, or institution of higher learning through which they collaborate to improve public school performance and academic achievement. The purpose of an education renewal zone includes but is not limited to, identifying and implementing education and management strategies designed specifically to improve public school performance and student academic achievement, particularly the State's most academically distressed public schools and; 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.

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

The Base Level Request is \$1,432,872 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level reduction of \$95,635 for each year as follows:

- Salaries and Personal Services Matching reduction of \$95,635 to transfer the ADE OERZ Director position to the General Division Fed Elementary & Secondary Education (650) to provide administrative and oversight duties for federal programs. The position is no longer needed within the ERZ program.
- Professional Fees reduction of \$306,900 through a reallocation of resources to Grants and Aid to increase the support for the ERZ program at the university level and reduce the state-level budget.
- Grants and Aid increase of \$306,900 through a reallocation of resources from Professional Fees to increase the support for the ERZ program at the university level and decrease the state-level budget.

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		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	135,593	228,353	252,247	228,353	154,077	154,077	228,353	154,077	154,077
#Positions		3	5	5	5	4	4	5	4	4
Personal Services Matching	5010003	54,655	75,369	79,988	75,369	54,010	54,010	75,369	54,010	54,010
Operating Expenses	5020002	23,306	91,800	91,800	91,800	91,800	91,800	91,800	91,800	91,800
Conference & Travel Expenses	5050009	2,718	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	16,550	306,900	306,900	306,900	0	0	306,900	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	984,000	717,450	717,450	717,450	1,024,350	1,024,350	717,450	1,024,350	1,024,350
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,216,822	1,432,872	1,461,385	1,432,872	1,337,237	1,337,237	1,432,872	1,337,237	1,337,237
Funding Sources										
DOE Public School Fund	4000195	1,216,822	1,432,872		1,432,872	1,337,237	1,337,237	1,432,872	1,337,237	1,337,237
Total Funding		1,216,822	1,432,872		1,432,872	1,337,237	1,337,237	1,432,872	1,337,237	1,337,237
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,216,822	1,432,872		1,432,872	1,337,237	1,337,237	1,432,872	1,337,237	1,337,237

Change Level by Appropriation

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

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,432,872	5	1,432,872	100.0	1,432,872	5	1,432,872	100.0
C04	Reallocation	0	0	1,432,872	100.0	0	0	1,432,872	100.0
C07	Agency Transfer	(95,635)	(1)	1,337,237	93.3	(95,635)	(1)	1,337,237	93.3

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,432,872	5	1,432,872	100.0	1,432,872	5	1,432,872	100.0
C04	Reallocation	0	0	1,432,872	100.0	0	0	1,432,872	100.0
C07	Agency Transfer	(95,635)	(1)	1,337,237	93.3	(95,635)	(1)	1,337,237	93.3

Justification

C04	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. Six ERZs receive annual funding of \$170,725 each, and remaining funds are used to support five ADE positions that serve the ERZ program. The program has requested a reallocation of \$306,900 from the Professional Fees line item to the Grants & Aid line item to increase the support for the ERZ program at the university level by reducing the state-level budget. This request is cost neutral to the program.
C07	ADE requests that a position be transferred out as it is no longer needed within the ERZ program. Position 2212-9080 is needed in the agency's General Division.

Analysis of Budget Request

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Arkansas Public School Computer Network (APSCN), began as a nonprofit agency in 1992, 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 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$22,793,608 for FY18 and \$22,793,729 for FY19.

The Executive Recommendation provides for the Agency Request.

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			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,135,950	2,444,375	2,596,187	2,446,075	2,446,075	2,446,075	2,446,175	2,446,175	2,446,175
#Positions		46	51	51	51	51	51	51	51	51
Personal Services Matching	5010003	721,076	794,069	821,215	794,444	794,444	794,444	794,465	794,465	794,465
Operating Expenses	5020002	15,932,880	19,245,839	19,245,839	19,245,839	19,245,839	19,245,839	19,245,839	19,245,839	19,245,839
Conference & Travel Expenses	5050009	6,894	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	17,271	0	200,000	0	0	0	0	0	0
Data Access Implementation	5900046	79,523	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total		18,893,594	22,791,533	23,170,491	22,793,608	22,793,608	22,793,608	22,793,729	22,793,729	22,793,729
Funding Sources										
DOE Public School Fund	4000195	18,012,955	21,761,533		21,763,608	21,763,608	21,763,608	21,763,729	21,763,729	21,763,729
E-Rate Credit	4000207	880,639	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other	4000370	0	30,000		30,000	30,000	30,000	30,000	30,000	30,000
Total Funding		18,893,594	22,791,533		22,793,608	22,793,608	22,793,608	22,793,729	22,793,729	22,793,729
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		18,893,594	22,791,533		22,793,608	22,793,608	22,793,608	22,793,729	22,793,729	22,793,729

Other revenue is derived from A.C.A. § 26-57-407(b) disposition of revenue collected under Coin-Operated Amusements § 26-57-401 et seq.

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 FY17 the major projected funding sources are: General Revenue of approximately \$2.151 billion, the Educational Excellence Trust Fund \$210.5 million and the Educational Adequacy Fund \$450 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 Request is for Base Level of \$10,666,303 for each year of the 2017-2019 Biennium.

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(b)(3)(B) states that beginning with the 2016-2017 school year English language learners funding shall be \$331 for each identified English language learner.

The Base Level Request is \$14,570,430 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level increase of \$837,239 for FY18 and \$1,476,077 for FY19 due to the projected number of students served of 42,923 in FY18 and 44,853 in FY19. The projected increase is based on a 3-year average annual growth rate of 4.5% plus the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state aid. Summer ESL academies are budgeted at \$1.2 million per year and serve ~400 teachers serving ELL students.

The Executive Recommendation provides for the Agency Request, appropriation only, and additional appropriation and funding of \$307,436 for each year of the 2017-2019 Biennium.

At Risk (088) - The College and Career Readiness Planning Program (CCRPP) is funded from the At Risk appropriation. The program

provides summer intensive instruction for students in grades 8 and 10-12 who score below college and career readiness benchmarks in mathematics, English, or reading who wish to enroll in postsecondary education. They 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 at no cost.

The Agency Request is for Base Level of \$1,688,530 for each year of the 2017-2019 Biennium.

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 Request is for Base Level of \$11,000,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request and additional appropriation and funding of \$2,000,000 in FY18 and additional appropriation and funding of \$2,020,000 in FY19.

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 Request is for Base Level of \$165,000 for each year of the 2017-2019 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 Request is for Base Level of \$500,000 for each year of the 2017-2019 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 Request is for Base Level of \$3,602,678 for each year of the 2017-2019 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 Request is for Base Level of \$50,000 for each year of the 2017-2019 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 Request is for Base Level of \$50,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Content Standards and Curriculum Frameworks Revision (1QV) - This program provides 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 Request is for Base Level of \$50,000 for each year of the 2017-2019 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. Funding is distributed to Economics Arkansas, a private, non-profit organization providing certified professional development for K-12 teachers. Over 1,500 educators are trained each year.

The Base Level Request is \$350,000 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$50,000 of unfunded appropriation to restore appropriation to the FY17 authorized amount budgeted

subsequent to the biennial budget process.

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. Act 1467 of 2013 amended A.C.A. § 6-20-2305(a) to establish the Foundation Funding amount as \$6,646 in FY17 multiplied by the school district's average daily membership (ADM) for the previous school year. ADM is the total number of days of school attended plus the total number of days absent by students K-12 during the first 3 quarters of each school year divided by the number of school days actually taught during that time period.

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. Charter schools are also funded at the same amount of per student foundation funding but use ADM of the prior or current year as required by law.

The Base Level Request is \$2,049,244,838 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level increase of \$4,502,170 for FY18 and \$18,476,293 for FY19 due to projected increases in statewide school district ADM and charter school ADM based on 3-year average annual school district growth rate of 0.24% and charter school growth rate of 16.17%, as well as a growth rate of 1% in property assessments.

The Executive Recommendation provides for the Agency Request, appropriation only, and additional appropriation of \$32,161,809 and funding of \$36,663,979 for FY18 and additional appropriation of \$65,318,265 and funding of \$83,794,558 for FY19.

National School Lunch Student Funding (2HR) - The National School Lunch program provides categorical funding for students from low socio-economic backgrounds as indicated by the prior year eligibility for free or reduced-price meals under the National School Lunch (NSL) Act. 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 \$1,576;
- For school districts in which at least 70% but less than 90% of the enrolled students are national school lunch students, funding shall be \$1,051; and
- For school districts in which less than 70% of the enrolled students are national school lunch students, funding shall be \$526.

The Base Level Request is \$217,821,143 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level increase of \$5,962,206 for FY18 and \$8,644,414 for FY19 due to the projected growth in eligible students of 295,813 for FY18 and 299,359 for FY19. This is inclusive of projected transition and growth funds.

The Executive Recommendation provides for the Agency Request, appropriation only.

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 Request is for Base Level of \$16,293,119 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request and additional appropriation and Educational Adequacy funding of \$4,324,717 for FY18 and additional appropriation of \$8,850,583 and general revenue funding of \$4,525,866 and Educational Adequacy funding of \$4,324,717 for FY19.

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 Request is for Base Level of \$10,000,000 for each year of the 2017-2019 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 Request is for Base Level of \$7,575,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Content Standards Revision (2JA) - This appropriation is for the 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 Request is for Base Level of \$161,000 for each year of the 2017-2019 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 Request is for Base Level of \$2,100,000 for each year of the 2017-2019 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 a Change Level of \$25,000,000 of unfunded appropriation for each year of the 2017-2019 Biennium.

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 Request is for Base Level of \$500,000 for each year of the 2017-2019 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 Base Level Request is \$90,000 each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$118,000 of unfunded appropriation to restore appropriation to the FY17 authorized amount budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the 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 Request is for Base Level of \$3,000,000 for each year of the 2017-2019 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)(ii) establishes the ALE funding amount for FY2017 shall be \$4,560 multiplied by the number of identified ALE students enrolled during a school district's previous school year. In FY17 the program is anticipated to serve 5,513.28 FTEs, in FY18 5,546.64 FTEs, and in FY19 5,565.81 FTEs. The FTE increase is based upon a three (3) year average annual growth rate of 0.44% plus the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for calculation of state aid in compliance with the January 2014 desegregation settlement agreement.

The Agency Request is for Base Level of \$25,940,361 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request and additional appropriation and Educational Adequacy funding \$453,956 for each year of the 2017-2019 Biennium.

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 Request is for Base Level of \$8,100,000 for each year of the 2017-2019 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 Request is for Base Level of \$7,896,000 for each year of the 2017-2019 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 Base Level Request is \$28,500,000 each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$9,10,144 of unfunded appropriation for each year based on the average number of students funded by student growth multiplied by the foundation amount.

The Executive Recommendation provides for the Agency Request.

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 Request is for Base Level of \$28,455,384 for each year of the 2017-2019 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. A school district whose net revenues are more than the sum of 98% of the URT multiplied by the property assessment, ADE recoups from the school district the difference between the net revenues of the district and the sum of 98% of the URT multiplied by the property assessment. ADE can collect excess distributions by withholding funds from disbursements to the district the following year.

The Agency Request is for Base Level of \$34,500,000 for each year of the 2017-2019 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 Base Level Request is \$5,597,675 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$946,077 of unfunded appropriation for FY18 and \$1,136,776 of unfunded appropriation for FY19 to provide a 1.5% Cost of Living Adjustment for teachers for FY18; and a 1.5% Cost of Living Adjustment for teachers for FY19 and open two (2) new classrooms at the Pine Bluff unit.

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 ages 3-21 placed in approved residential psychiatric and drug and alcohol treatment facilities or juvenile detention centers. Community residential treatment facilities are reimbursed through local school districts. When reimbursement requests exceed the available funds, the reimbursements are prorated. Reimbursement is based on the foundation aid rate multiplied by the number of approved beds. This funding contributes to the calculation of Maintenance of Effort to maintain federal funding levels for special education students.

The Base Level Request is \$15,188,254 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$1,156,833 of unfunded appropriation for each year to restore appropriation to the FY17 amount that was budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

Consolidation Incentive (421) - These additional funds are provided to schools created as a result of consolidation of existing school districts pursuant to A.C.A. § 6-11-105 and § 6-13-1401. 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. These unrestricted funds may be used at the discretion of the local school district.

The Agency requests a Change Level of \$5,981,400 of unfunded appropriation for each year to restore appropriation for two new consolidations projected for each year, plus the continuation of two consolidations from the previous year. Consolidation Incentive Funds were budgeted subsequent to biennial budget process.

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 laboratories. The maximum amount available to the State's fifteen (15) educational cooperatives is set by the State Board of Education. For the 2015-2016 school year the maximum amount was \$75,000.

The Agency requests a Change Level of \$1,200,000 of unfunded appropriation to restore appropriation based on FY17 amounts that were budgeted subsequent to the biennial budget process.

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 as required by Act 229 of 2016 Section 17. The matching rate is currently 14.5% of salaries for all employees.

The Base Level Request is \$6,655,000 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level of \$3,469,858 of unfunded appropriation for FY18 and \$3,874,852 of unfunded appropriation for FY19 to restore appropriation to the FY17 amounts that were budgeted subsequent to the biennial budget process; plus 4% estimated growth per year based on projected salary increases and increased employee participation by Arkansas Teacher Retirement System.

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 program encourages teachers to seek certification by competitively awarding the \$2,500 application fee and up to three (3) days of substitute teacher pay. An initial bonus of \$5,000 is

awarded during the school year in which the teacher first obtains certification, and a yearly bonus of \$5,000 is awarded to teachers in each of years two (2) through ten (10) of the ten year life of the certificate.

The Base Level Request is \$10,438,332 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$4,883,768 for FY18 and \$6,093,768 for FY19 for a projected 550 new teachers with 2,408 renewals in FY18 and 200 new teachers and 3,000 renewals in FY19. Candidate support and support center funding is projected to be \$532,100 for each year of the biennium.

The Executive Recommendation provides for the Agency Request for appropriation and funding of \$4,883,768 for FY18 and appropriation and funding of \$6,093,768 FY19.

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. Three types of support are provided: A/P summer training for teachers (\$667,000-\$687,000 per year); A/P equipment and material grants to school districts (\$98,000-\$130,000 per year); and Pre-A/P workshops for teachers (\$25,000-\$36,000 per year).

The Agency Request is for Base Level of \$825,000 for each year of the 2017-2019 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 \$22 for the State Police check and \$15.75 for the FBI. The program also includes the Child Maltreatment Central Registry check of \$10.

The Agency Request is for Base Level of \$25,000 for each year of the 2017-2019 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 contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students.

The Agency Request is for Base Level of \$193,113 for each year of the 2017-2019 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 Request is for Base Level of \$57,373,600 for each year of the 2017-2019 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. This funding contributes to the Maintenance of Effort calculation for federal funding levels of Child Nutrition programs.

The Agency Request is for \$1,650,000 of unfunded appropriation to restore appropriation to the FY17 amount that was budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

Surplus Commodities (450) - The Department of Human Services (DHS) administers the Surplus Commodities Program. School districts currently receive a large share of the commodities. By agreement with DHS, the Department provides funding to supplement transportation costs resulting from delivery of the goods to the school districts. This funding contributes to the Maintenance of Effort calculation for federal funding levels of Child Nutrition programs.

The Base Level Request is \$780,000 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$345,065 of unfunded appropriation for each year to restore appropriation to the FY17 amount that was budgeted subsequent to the biennial budget process.

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 Request is for Base Level of \$67,856 for each year of the 2017-2019 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 Request is for Base Level of \$450,000 for each year of the 2017-2019 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 Request is for Base Level of \$75,000 for each year of the 2017-2019 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) Outstanding Gifted Program Awards at \$3,000 per school district (3 annually); and, (4) an annual contribution to the AGATE (Arkansans for Gifted and Talented Education) Conference.

The Base Level Request is \$1,085,381 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$250,000 of unfunded appropriation for each year to restore appropriation to the FY17 amount that was budgeted subsequent to the biennial budget process.

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 a Change Level of \$390,000 of unfunded appropriation for each year to restore appropriation to the FY17 amount that was budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

Assessment/End of Level Testing (459) - A.C.A. §6-15-404 requires standards based testing for grades K-12. The ACT Aspire is administered at grades 3-10. Due to savings in the restructuring of student assessments and the utilization of the ACT Aspire system, base

level funding is sufficient to provide for the projected needs in the 2017-2019 biennium despite anticipated growth in the numbers of students being assessed. 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 Request is for Base Level of \$22,250,189 for each year of the 2017-2019 Biennium.

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 settlement agreement approved in January 2014 set the state's obligation to the school districts at \$65,794,267, for school year 2017-2018, the fourth (4th) and last year of the agreement.

The Agency Request is for Base Level of \$65,794,267 for FY18 and a Change Level decrease of \$65,794,267 for FY19 due to the ending of the settlement agreement in FY18.

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 Request is for Base Level of \$100,000 for each year of the 2017-2019 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 Request is for Base Level of \$13,963,389 for each year of the 2017-2019 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. These grants are used to encourage parental involvement through these competitions: Arkansas Governor's Quiz Bowl, State History Day Competition, Creativity in Arkansas, State Science Fair, and Arkansas Destination Imagination.

The Base Level Request is \$227,000 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$75,000 of unfunded appropriation for each year to restore appropriation to the FY17 amount that was budgeted subsequent to the biennial budget process and to meet the requirements of Act 229 of 2016 Section 29.

The Executive Recommendation provides for the Agency Request.

Serious Offender Program (566) - Serious Offender Units for juveniles are operated by the Department of Human Services, Division of Youth Services (DYS); but the Department of Education pays the educational costs of those students located in these units through a Memorandum of Understanding (MOU) with DHS. DYS is provided funds based on the average daily attendance of students in the facility. Currently there are Serious Offender Programs (SOP) located in Mansfield, Harrisburg, Lewisville, Dermott, Colt, and Alexander. This funding contributes to the Maintenance of Effort to maintain federal funding levels for special education students.

The Base Level Request is \$1,050,946 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$665,913 of unfunded appropriation for each year to restore appropriation to the FY17 amount budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

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 Request is for Base Level of \$2,000,000 for each year of the 2017-2019 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 Request is for Base Level of \$500,000 for each year of the 2017-2019 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 Request is for Base Level of \$15,000,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Better Chance Program (652) - This program funds innovative and developmentally appropriate early childhood programs for educationally deprived. These grants are administered by the Division of Child Care and Early Childhood Education of the Department of Human Services to serve educationally deprived children from birth through 5 years, excluding kindergarten. The Arkansas Better Chance for School Success (ABCSS) Program funds programs for educationally deprived children ages 3 and 4. For the 2015-2016 school year, the distribution of funds was based upon \$4,860 per child for classroom based programs and \$1,750 per child for home visit programs.

The Agency Request is for Base Level of \$111,000,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request and additional appropriation and general revenue funding of \$3,000,000 for each year of the 2017-2019 Biennium.

Special Education Services (668) - This program provides extended year summer programs for students with disabilities, provides special education services to foster children who are wards of the State placed in out-of-state residential facilities, and provides funds for the partial reimbursement of special education supervisors. Funding provided to school districts to support the salaries of special education supervisors is based on an established per child per day rate, to the extent funds are available. Funding contributes to the Maintenance of Effort to maintain federal funding levels for special education students.

The Base Level Request is \$1,145,285 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$1,657,242 of unfunded appropriation for each year to restore appropriation to the FY17 amount budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

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 Request is for Base Level of \$526,150 for each year of the 2017-2019 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 Request is for Base Level of \$6,129,270 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Early Childhood Special Education (697) - Special education services are provided through local education agencies and Education Service Cooperatives 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. This funding contributes to the Maintenance of Effort to maintain federal funding levels for special education students.

The Base Level Request is \$15,623,079 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$1,274,841 of unfunded appropriation for each year to restore appropriation to the FY17 amount budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

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 Request is for Base Level of \$4,760,000 for each year of the 2017-2019 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. Districts receive funding for each mentor who mentors a new teacher or administrator participating in the program. The program is updated to align with the state's new teacher and administrator evaluation systems. Funds are used to pay for development of modules and the content delivery platform. This program funds the Teach for America program, a superintendent/principal evaluation program, grants for the Teacher Excellence Support System (TESS), and the Teacher Cadets for high school students with an interest in the teaching profession.

The Base Level Request is \$5,008,758 for each year of the 2017-2019 Biennium.

The Agency requests a Change Level of \$1,057,000 of unfunded appropriation for each year to restore appropriation to the FY17 amount budgeted subsequent to the biennial budget process and; to allow for implementation of proposed new federal regulations for evaluation of educator preparation programs in the state, or \$1,000,000.

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 Request is for Base Level of \$7,000,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Broadband Facilities Matching Grant Program (M74)-This program provides funds for broadband expansion in Arkansas school districts on a one-to-one state/local matching basis.

The Agency Request is for Base Level of \$1,018,835 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Enhanced Transportation Funding (N55) - The Senate Committee on Education recommended the creation of a separate supplemental transportation funding program for districts with high transportation costs.

The Executive Recommendation provides for appropriation and funding of \$3,000,000 for each year of the 2017-2019 Biennium.

Open-Enrollment Public Charter School Facilities Funding Aid Program (N68)-This program provides funding to open-enrollment public charter schools for lease, purchase, renovation, repair, construction, restoration, alteration, modification, and operation and maintenance for approved academic facilities.

The Agency requests a Change Level of \$5,000,000 of unfunded appropriation for each year to restore appropriation to the FY17 amount budgeted subsequent to the biennial budget process.

The Executive Recommendation provides for the Agency Request.

Computer Science Initiative (V30) - This initiative furthers computer science education in public schools through recruitment, training, and retention of computer science teachers. It provides professional development in computer science for teachers and administrators to

build computer science programs in schools.

The Executive Recommendation provides for appropriation and funding of \$4,300,000 for each year of the 2017-2019 Biennium.

NSL Matching Grant Program (V33) - This matching grant program provides funds for school districts to provide tutoring services, pre-K programs, and before-and-after-school programs on a one-to-one state/local match.

The Executive Recommendation provides for appropriation and Educational Adequacy funding of \$4,300,000 for each year of the 2017-2019 Biennium.

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 229 of 2016, Section 22, 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 41 of 2016, 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 FY17.
- (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 FY17.

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		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Non-Traditional Licensure	5100004	10,500	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
Inter Baccalaureate Prgm	5100004	0	0	75,000	0	0	0	0	0	0
Tech Grants	5100004	3,602,640	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	6,994,999	7,000,000	10,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
OE Charter Fac Funding Aid Prg	5100004	4,583,328	0	15,000,000	0	5,000,000	5,000,000	0	5,000,000	5,000,000
Broadband Facilities Matching Gr.	5100004	0	1,018,835	5,000,000	1,018,835	1,018,835	1,018,835	1,018,835	1,018,835	1,018,835
Better Chance Program	5100004	112,172,433	111,000,000	111,000,000	111,000,000	111,000,000	114,000,000	111,000,000	111,000,000	114,000,000
Add Public School Employee Ins	5100004	15,000,000	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	400,000	350,000	400,000	350,000	400,000	400,000	350,000	400,000	400,000
Declining Enrollment	5100004	14,093,888	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 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
Residential Ctrs/Juv Detention	5900046	16,345,060	15,188,254	16,345,087	15,188,254	16,345,087	16,345,087	15,188,254	16,345,087	16,345,087
School Food-Legislative Audit	5900046	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Serious Offender	5900046	1,716,859	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	70,100	0	390,000	0	390,000	390,000	0	390,000	390,000
School Funding Contingency	5900046	0	0	25,000,000	0	25,000,000	25,000,000	0	25,000,000	25,000,000
NSL Matching Grant Program	5900046	0	0	0	0	0	4,300,000	0	0	4,300,000
National School Lunch	5900046	216,004,020	217,821,143	235,503,568	217,821,143	223,783,349	223,783,349	217,821,143	226,465,557	226,465,557
Master Principal Bonus	5900046	175,000	90,000	208,000	90,000	208,000	208,000	90,000	208,000	208,000
Ntl Bd Prof Teaching Standards	5900046	12,787,612	10,438,332	13,928,542	10,438,332	15,322,100	15,322,100	10,438,332	16,532,100	16,532,100
Public School Employee Ins	5900046	56,456,458	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	15,822,239	16,293,119	16,293,119	16,293,119	16,293,119	20,617,836	16,293,119	16,293,119	25,143,702
Positive Youth Development	5900046	0	0	5,000,000	0	0	0	0	0	0
Smart Start/Smart Step	5900046	11,616,300	10,666,303	11,506,303	10,666,303	10,666,303	10,666,303	10,666,303	10,666,303	10,666,303
Teacher Recruitment	5900046	2,099,996	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	78,813	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Teacher Licensing/Mentoring	5900046	4,272,349	5,008,758	5,065,758	5,008,758	6,065,758	6,065,758	5,008,758	6,065,758	6,065,758
Teacher Retirement Matching	5900046	8,904,625	6,655,000	11,803,550	6,655,000	10,124,858	10,124,858	6,655,000	10,529,852	10,529,852
Youth Shelters	5900046	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Workers' Compensation	5900046	160,777	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Tech Improvements	5900046	489,197	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Special Needs Isolated Funding	5900046	8,480,200	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	2,797,532	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	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	13,000,000	11,000,000	11,000,000	13,020,000
State Foundation Funding	5900046	2,003,399,330	2,049,244,838	2,053,194,376	2,049,244,838	2,053,747,008	2,085,908,817	2,049,244,838	2,067,721,131	2,133,039,396
Surplus Commodities	5900046	843,799	780,000	1,125,065	780,000	1,125,065	1,125,065	780,000	1,125,065	1,125,065
Supplemental Millage	5900046	10,000,000	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	23,368,013	28,500,000	37,690,144	28,500,000	37,690,144	37,690,144	28,500,000	37,690,144	37,690,144
Consolidation Incentive	5900046	5,840,794	0	5,868,900	0	5,981,400	5,981,400	0	5,981,400	5,981,400
Computer Science Initiative	5900046	0	0	0	0	0	2,500,000	0	0	2,500,000
Bonded Debt Assistance	5900046	14,008,126	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384
Content & Curriculum	5900046	49,477	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
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
Coop Education Tech Centers	5900046	1,131,211	0	1,200,000	0	1,200,000	1,200,000	0	1,200,000	1,200,000
Content Standards	5900046	152,762	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000
Alternative Learning	5900046	24,523,513	25,940,361	25,940,361	25,940,361	25,940,361	26,394,317	25,940,361	25,940,361	26,394,317
Advanced Placement Incentive	5900046	824,401	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000
98% URT Actual Collection Adj	5900046	19,596,517	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000
AR Easter Seals	5900046	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113
At Risk	5900046	1,218,086	1,688,530	1,988,530	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530
Assessment/End Course Testing	5900046	8,216,355	22,250,189	23,350,681	22,250,189	22,250,189	22,250,189	22,250,189	22,250,189	22,250,189
AR Imagination Library	5900046	0	0	500,000	0	0	0	0	0	0
Court Ordered Desegregation	5900046	65,794,267	65,794,267	65,794,267	65,794,267	65,794,267	65,794,267	65,794,267	0	0
General Facilities Funding	5900046	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
Enhanced Transportation Fundin	5900046	0	0	3,000,000	0	0	3,000,000	0	0	3,000,000
English Language Learners	5900046	12,849,045	14,570,430	14,570,430	14,570,430	15,407,669	15,715,105	14,570,430	16,046,507	16,353,943
Gifted & Talented	5900046	1,329,338	1,085,381	1,335,381	1,085,381	1,335,381	1,335,381	1,085,381	1,335,381	1,335,381
Leadership Acdmy-Mstr Principal	5900046	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Isolated Funding	5900046	2,415,798	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000
Human Dev Ctr Education Aid	5900046	526,150	526,150	526,150	526,150	526,150	526,150	526,150	526,150	526,150
Distance Learning	5900046	4,753,910	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000
Dept of Correction	5900046	6,454,524	5,597,675	6,645,135	5,597,675	6,543,752	6,543,752	5,597,675	6,734,451	6,734,451
Criminal Background Checks	5900046	1,246	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Distance Learning Operations	5900046	7,574,995	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
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	16,897,920	15,623,079	16,897,920	15,623,079	16,897,920	16,897,920	15,623,079	16,897,920	16,897,920
Distressed School District Suppor	5900046	2,291	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		2,777,589,032	2,854,721,165	2,967,784,943	2,854,721,165	2,930,383,921	2,982,431,839	2,854,721,165	2,883,690,516	2,973,440,756

Funding Sources										
Fund Balance	4000005	58,300,953	85,641,117		84,622,282	84,622,282	84,622,282	83,603,447	49,126,074	42,326,629
Court Ordered Desegregation	4000180	65,794,267	65,794,267		65,794,267	65,794,267	65,794,267	65,794,267	0	0
DOE Public School Fund	4000195	2,108,574,003	2,128,335,405		2,128,335,405	2,144,520,788	2,131,335,405	2,128,335,405	2,163,025,957	2,184,221,850
Educational Adequacy Fund	4000210	434,031,542	450,031,542		450,031,542	450,031,542	505,965,398	450,031,542	450,031,542	505,965,398

Funding Sources										
Educational Excellence Fund	4000220	202,031,412	211,956,116		211,956,116	211,956,116	211,956,116	211,956,116	211,956,116	211,956,116
General Improvement Fund	4000265	0	0		0	0	2,500,000	0	0	2,500,000
Miscellaneous Adjustments	4000345	(3,491,575)	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	(10,946,899)	(11,115,000)		(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)
Transit Tax	4000700	1,436,446	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		2,863,230,149	2,939,343,447		2,938,324,612	2,979,509,995	3,024,758,468	2,937,305,777	2,896,724,689	2,969,554,993
Excess Appropriation/(Funding)		(85,641,117)	(84,622,282)		(83,603,447)	(49,126,074)	(42,326,629)	(82,584,612)	(13,034,173)	3,885,763
Grand Total		2,777,589,032	2,854,721,165		2,854,721,165	2,930,383,921	2,982,431,839	2,854,721,165	2,883,690,516	2,973,440,756

Change Level by Appropriation

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

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	14,570,430	0	14,570,430	100.0	14,570,430	0	14,570,430	100.0
C01	Existing Program	837,239	0	15,407,669	105.7	1,476,077	0	16,046,507	110.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	14,570,430	0	14,570,430	100.0	14,570,430	0	14,570,430	100.0
C01	Existing Program	837,239	0	15,407,669	105.7	1,476,077	0	16,046,507	110.1
C19	Executive Changes	307,436	0	15,715,105	107.9	307,436	0	16,353,943	112.2

Justification

C01	English Language Learners (formerly Limited English Proficiency, amended by Act 59 of the Second Extraordinary Session of 2003) is a state categorical program that serves students identified as not being proficient in the English language. This program enables school districts to provide specially-trained staff, instructional materials and training for teachers with these qualified students. The Agency also holds summer training academies for teachers desiring additional training in teaching and assisting students with primary home languages other than English. A.C.A. §6-20-2305(b)(3)(A) sets out the dollar amount to be paid each school year for student identified as English language learners. The rate per ESL student in the 2016-2017 school year is \$331. A total of 39,303 ELL students were served in FY16, and a total of 41,073 students are projected to be served in FY17, 42,923 in FY18 and 44,853 in FY19. The projected increase in ELL students is based on a 3-year average annual rate of growth in ELL students of 4.5% plus the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state aid, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding. Additionally, summer ESL academies are budgeted at \$1,200,000 per year of the biennium and serve approximately 400 teachers who serve language minority students. The change level requests are to accommodate the projected increase in ELL students for \$837,234 in FY18 and \$1,476,077 in FY19.
C19	The Executive Recommendation provides for the Agency Request, appropriation only, and additional appropriation and funding of \$307,436 for each year of the 2017-2019 Biennium.

Change Level by Appropriation

Appropriation: 091 - Special Ed-Catastrophic
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	11,000,000	0	11,000,000	100.0	11,000,000	0	11,000,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	11,000,000	0	11,000,000	100.0	11,000,000	0	11,000,000	100.0
C19	Executive Changes	2,000,000	0	13,000,000	118.2	2,020,000	0	13,020,000	118.4

Justification

C19	The Executive Recommendation provides for the Agency Request and additional appropriation and funding of \$2,000,000 for FY18 and additional appropriation and funding of \$2,020,000 for FY19.
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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 objective of this program is to increase the economic literacy of Pre-K through 12 students by providing economic and personal finance education and training to teachers in Arkansas. Funding is distributed to the Arkansas Council on Economic Education (now conducting business as Economics Arkansas), a private, non-profit organization providing certified professional development for K through 12 teachers. Over 1,500 educators are trained each year, which impacts over 85,000 students in Arkansas. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$50,000 each year, paid with fund balances in FY16 and FY17).
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,049,244,838	0	2,049,244,838	100.0	2,049,244,838	0	2,049,244,838	100.0
C01	Existing Program	4,502,170	0	2,053,747,008	100.2	18,476,293	0	2,067,721,131	100.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,049,244,838	0	2,049,244,838	100.0	2,049,244,838	0	2,049,244,838	100.0
C01	Existing Program	4,502,170	0	2,053,747,008	100.2	18,476,293	0	2,067,721,131	100.9
C19	Executive Changes	32,161,809	0	2,085,908,817	101.8	65,318,265	0	2,133,039,396	104.1

Justification

C01	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 1309 of 2013 amended A.C.A. §6-20-2305(a) to establish the Foundation Funding amount as \$6,584 in FY16 and \$6,646 in FY17 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 (\$6,646 for FY17) 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 calculated calendar year miscellaneous funds of the school district. The funding for charter schools used the same amount of per student foundation funding but used ADM of the prior or current school year as required by law. In the 2015-2016 school year, a total of \$1,927,137,664 was distributed as state foundation funding to school districts, and \$78,423,999 in state foundation funding was distributed to open-enrollment charter schools. ADM is the total number of days of school attended plus the total number of days absent by students in grades K through 12 during the first 3 quarters of each school year divided by the number of school days actually taught in the school district during that period of time rounded up to the nearest hundredth. Change level requests are due to projected increases in statewide school district ADM and charter school ADM, based on 3-year average annual growth rates of .24% for school districts and 16.17% for charter schools, as well as a projection of 1% annual growth in property assessments.
C19	The Executive Recommendation provides the Agency Request, appropriation only, and additional appropriation of \$32,161,809 and funding of \$36,663,979 for FY18 and additional appropriation of \$65,318,265 and funding of \$83,794,558 for FY19.

Change Level by Appropriation

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

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	217,821,143	0	217,821,143	100.0	217,821,143	0	217,821,143	100.0
C01	Existing Program	5,962,206	0	223,783,349	102.7	8,644,414	0	226,465,557	104.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	217,821,143	0	217,821,143	100.0	217,821,143	0	217,821,143	100.0
C01	Existing Program	5,962,206	0	223,783,349	102.7	8,644,414	0	226,465,557	104.0

Justification

C01	<p>This program provides state categorical funding for those students from low socio-economic backgrounds, as indicated by the prior year eligibility for free or reduced-price meals under the National School Lunch (NSL) Act, as reported on October 1 of each year and submitted to the Department of Education. NSL funding is divided into three tiers. Beginning with the 2007-2008 school year, for school districts that were to receive funding based on a higher or lower percentage tier than the preceding school year, the funding would be increased or reduced in three equal amounts over a three-year period following the year in which a school district's percentage level of NSL students increased or decreased. A school district that has experienced a significant growth, defined by rule as 1%, in enrolled students in each of the previous three years shall receive funding for the expected increase in the number of NSL students based on the three year average growth in enrollment times the percentage of students eligible for NSL funding times the appropriate per student funding amount. The free and reduced student count is expected to grow at an annual rate of 1.2% (this projection is based on a three-year average annual growth rate). Funding projection is for 292,154 free & reduced lunch students in FY17, 295,813 in FY18 and 299,359 in FY19. These numbers include the projected phase-in of Majority to Minority (M to M) students into school district ADM counts for the calculation of state aid, in compliance with the settlement agreement approved on January 13, 2014 regarding state desegregation funding. The funding request is inclusive of projected transition and NSL growth funds.</p>
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Change Level by Appropriation

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

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	16,293,119	0	16,293,119	100.0	16,293,119	0	16,293,119	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	16,293,119	0	16,293,119	100.0	16,293,119	0	16,293,119	100.0
C19	Executive Changes	4,324,717	0	20,617,836	126.5	8,850,583	0	25,143,702	154.3

Justification

C19	The Executive Recommendation provides for the Agency Request and additional appropriation and funding of \$4,324,717 for FY18 and additional appropriation and funding of \$8,850,583 for FY19.
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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	The School Funding Contingency appropriation is an authorization of unfunded appropriation that is used to address unforeseen problems that arise during the course of a biennium. The Department of Education has special language allowing the transfer of this appropriation to address problem areas.
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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 ACA 6-17-1604, this program provides 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. The Act also provides for \$25,000 annually while working as a full time principal in an Arkansas "low-performing" school. The program provided bonuses to 16 participants in FY16, two of whom were employed in a high-need public school. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$118,000 each year, paid with fund balances in FY16 and FY17).								
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	25,940,361	0	25,940,361	100.0	25,940,361	0	25,940,361	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	25,940,361	0	25,940,361	100.0	25,940,361	0	25,940,361	100.0
C19	Executive Changes	453,956	0	26,394,317	101.7	453,956	0	26,394,317	101.7

Justification

C19	The Executive Recommendation provides for the Agency Request and additional appropriation and funding of \$453,956 for each year of the 2017-2019 Biennium.
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Change Level by Appropriation

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

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	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
C05	Unfunded Appropriation	9,190,144	0	37,690,144	132.2	9,190,144	0	37,690,144	132.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	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
C05	Unfunded Appropriation	9,190,144	0	37,690,144	132.2	9,190,144	0	37,690,144	132.2

Justification

C05	Student Growth Funding is a program that provides supplemental funding to school districts that have a growth in students over the previous school year. Pursuant to Act 272 of 2007(A.C.A. §6-20-2305(c)(2)(A)), 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. Change level is the same as in the previous biennial request and is for unfunded appropriation.
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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	946,077	0	6,543,752	116.9	1,136,776	0	6,734,451	120.3

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	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	946,077	0	6,543,752	116.9	1,136,776	0	6,734,451	120.3

Justification

C05	A.C.A. §12-29-301 et seq. established the Department of Correction School District and establishes 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. In FY16, the average daily attendance was 2,294 students, and 460 students completed requirements for GED certification. There are 7,137 inmates who have earned GED certificates over the past ten years. The Change Level request is to provide a 1.5% COLA to teachers in FY18, and to open two new classrooms at the Pine Bluff unit in FY19 in addition to providing a 1.5% COLA to teachers in FY19.
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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 the educational costs associated with school-age students without disabilities and students with disabilities ages 3-21 placed in approved residential psychiatric and drug and alcohol treatment facilities or juvenile detention centers. By state law and State Board regulation, community residential treatment facilities are reimbursed through local school districts. When the requests for reimbursement exceed the amount of funds available, the reimbursements are prorated. Detention facility reimbursement is based on a calculation of the rate of foundation aid times the number of approved program beds. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,156,833 each year, paid with fund balances in FY16 and FY17).
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	5,981,400	0	5,981,400	100.0	5,981,400	0	5,981,400	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	5,981,400	0	5,981,400	100.0	5,981,400	0	5,981,400	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 restore 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 \$6,646 = \$3,987,600; plus \$1,993,800 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. Consolidation Incentive funds were budgeted in FY17 subsequent to the biennial budget request process (paid with fund balances in FY16 and FY17).
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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	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 laboratories. The maximum amount of funds available to each of the State's fifteen (15) education service cooperatives and a central Arkansas district is set by the State Board of Education. For the 2015-2016 school year, the maximum amount was \$75,000. The Change Level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,200,000 each year, paid with fund balances in FY16 and FY17).
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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	3,469,858	0	10,124,858	152.1	3,874,852	0	10,529,852	158.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	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	3,469,858	0	10,124,858	152.1	3,874,852	0	10,529,852	158.2

Justification

C05	Per section 17 of Act 229 of 2016, this is the employer matching for employees of the Education Service Cooperatives, Vocational Centers, Arkansas Easter Seals and the school operated by the Department of Correction. The matching rate is currently 14.5% of salaries for all employees. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process plus estimated growth of 4% per year based on projections of salary increases and increased employee participation by Arkansas Teacher Retirement System.
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	10,438,332	0	10,438,332	100.0	10,438,332	0	10,438,332	100.0
C01	Existing Program	4,883,768	0	15,322,100	146.8	6,093,768	0	16,532,100	158.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	10,438,332	0	10,438,332	100.0	10,438,332	0	10,438,332	100.0
C01	Existing Program	4,883,768	0	15,322,100	146.8	6,093,768	0	16,532,100	158.4

Justification

C01	<p>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. This program encourages teachers to seek certification by the National Board for Professional Teaching Standards by competitively awarding the \$2,500 application fee and up to 3 days of substitute teacher pay. A \$5,000 initial bonus is awarded during the school year in which the individual first obtains the National Board certification, and a yearly bonus of \$5,000 is awarded to certified teachers in each of years two (2) through ten (10) of the 10-year life of the certificate. Funding is also distributed to designated candidate "support centers" at various school districts, education service cooperatives, or institutions of higher education to assist candidates with the National Board certification process. Support center location funding is based on candidate distribution throughout the state. If a teacher does not achieve certification during the required three years, they must refund all State funds expended on their behalf. A total of 33 new teachers with 2,408 renewing teachers will earn bonuses in FY17, and projections are for 550 new teachers with 2,408 renewals in FY18 (\$14,790,000 total bonus payments); and 200 new teachers with 3,000 renewals in FY19 (\$16,000,000 total bonus payments). Candidate support and support center funding is projected to be \$532,100 each year of the biennium.</p>								
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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 provides the State match for the total school food program in local schools. This grant is paid to school districts based on the number of lunches served. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,650,000 each year, paid with fund balances in FY16 and FY17). This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels Child Nutrition programs.								
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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 administers the Surplus Commodities Program. School districts currently receive a large share of the commodities. Under an agreement with DHS, the Department of Education provides funding to supplement transportation costs resulting from delivery of the goods to the school districts. This program combined with the School Food Services program provides the State match for the total school food program in local schools. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels Child Nutrition programs. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$345,065 each year, paid with fund balances in FY16 and FY17).
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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 provides: (1) salary support for 15 Gifted and Talented supervisors in the cooperatives at \$28,500 per cooperative; (2) funding for the Arkansas Governor's School; (3) Outstanding Gifted Program Awards at \$3,000 per school district (3 annually); and, (4) an annual contribution of \$2,500 to the AGATE (Arkansans for Gifted and Talented Education Conference). The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$250,000 each year, paid with fund balances in FY16 and FY17) that are designated for the Arkansas Governor's School.
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	390,000	0	390,000	100.0	390,000	0	390,000	100.0

Justification

C05	This program provides for claims and legal fees for liability suits against school personnel. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$390,000 each year, paid with fund balances in FY16 and FY17).								
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	65,794,267	0	65,794,267	100.0	65,794,267	0	65,794,267	100.0
C03	Discontinue Program	0	0	65,794,267	100.0	(65,794,267)	0	0	0.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	65,794,267	0	65,794,267	100.0	65,794,267	0	65,794,267	100.0
C03	Discontinue Program	0	0	65,794,267	100.0	(65,794,267)	0	0	0.0

Justification

C03	The Department requests a reduction of \$65,794,267 in FY19 due to the expiration of the settlement agreement approved January 13, 2014 regarding state desegregation funding at the end of FY18.
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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	This program provides grants to local school districts, schools and education cooperatives to provide services targeting parent involvement. The grants provide the child's first teacher, the parent, with resources that will support literacy and mathematics achievement. These grants are used to encourage parental involvement through the following student competitions: Arkansas Governor's Quiz Bowl, State History Day Competition, Creativity in Arkansas, State Science Fair and Arkansas Destination Imagination. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$75,000 each year, paid with fund balances in FY16 and FY17) to meet the requirements of Act 229 of 2016, section 29.
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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	<p>Serious Offender Units for juveniles are operated by the Department of Human Services, Division of Youth Services (DYS), but the Department of Education pays the educational costs of students located in these units through a Memorandum of Understanding (MOU) with DHS. The current program has been in effect since 1996 for the purpose of generating educational funds for the DYS Juvenile Treatment Centers Program (JTC). DYS is provided funds based on the average daily attendance of students in the facility. There are currently Serious Offender Programs (SOP) located in Mansfield, Harrisburg, Lewisville, Dermott, Colt, and Alexander. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$665,913 each year, paid with fund balances in FY16 and FY17).</p>
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Change Level by Appropriation

Appropriation: 652 - Better Chance Program
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	111,000,000	0	111,000,000	100.0	111,000,000	0	111,000,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	111,000,000	0	111,000,000	100.0	111,000,000	0	111,000,000	100.0
C19	Executive Changes	3,000,000	0	114,000,000	102.7	3,000,000	0	114,000,000	102.7

Justification

C19	The Executive Recommendation provides for the Agency Request and additional appropriation and general revenue funding of \$3,000,000 for each year of the 2017-2019 Biennium.								
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2016 TO FISCAL YEAR 2017**

Agency: Education Department-Public School Fund

Program: Better Chance Program

Act #: 987 Section(s) #: 20

Estimated Carry Forward Amount \$ 200,712.00 Funding Source: General Revenue

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 987 of 2015 requires the Department of Education to carry forward any unexpended balance of funds remaining on June 30, 2016 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 \$ 327,567.00

Current status of carry forward funding:

The carry forward amount has been budgeted for FY2017 to maintain the current program budget level.

Johnny Key
Commissioner of Education

06-30-2016
Date

Change Level by Appropriation

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

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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 extended school year summer programs for students with disabilities ages 3-21, 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 salaries for special education supervisors. Funding provided to school districts to support the salaries of special education supervisors is based on an established per child per day rate, to the extent that funds are available. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,657,242 each year, paid with fund balances in FY16 and FY17).
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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 provides special education services through local education agencies and Education Service Cooperatives for three to five-year-old preschool children with disabilities. Funds are also provided to Education Service Cooperatives for behavioral intervention services to all 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 the funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services. This funding contributes to the calculation of Maintenance of Effort that helps maintain federal funding levels for special education students. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$1,274,841 each year, paid with fund balances in FY16 and FY17).
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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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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	1,057,000	0	6,065,758	121.1	1,057,000	0	6,065,758	121.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	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	1,057,000	0	6,065,758	121.1	1,057,000	0	6,065,758	121.1

Justification

C05	<p>This program covers the Arkansas Induction program for new teachers and administrators. The Induction program provides mentoring for support, retention, and professional growth of new educators. Under the system, first-year teachers and administrators are paired with trained mentors, who help them through their first one to three years, traditionally the most difficult years. Districts receive funding for each mentor who mentors a new teacher or new administrator participating in the program. Funds are also distributed to school districts, institutions of higher education and education service cooperatives to provide training to mentors. The mentoring program has been updated to align with the state's new teacher and administrator evaluation systems. Online mentoring modules have been developed by educators to support the content delivery. Funds are used to pay for the development of modules and the content delivery platform. This program funds the Teach for America program, a superintendent/principal evaluation program, grants for the Teacher Excellence and Support System (TESS), and Teacher Cadets for high school students with an interest in the teaching profession. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$57,000 each year, paid with fund balances in FY16 and FY17); and to allow for potential implementation of new federal regulations for evaluating educator preparation programs in the state (\$1 million per year, unfunded appropriation). The proposed new regulations would: build on innovative state systems and progress in the field to encourage all states to develop their own meaningful systems to identify high- and low-performing teacher preparation programs across all kinds of programs, not just those based in colleges and universities; ask states to move away from current input-focused reporting requirements, streamline the current data requirements, incorporate more meaningful outcomes measures and improve the availability of relevant information on teacher preparation; reward only those programs determined to be effective or better by states with eligibility for TEACH grants, which are available to students who are planning to become teachers in a high-need field and in a low-income school, to ensure that these limited federal dollars support high-quality teacher education and preparation; and offer transparency into the performance of teacher preparation programs, creating a feedback loop among programs and prospective teachers, employers, and the public, and empower programs with information to facilitate continuous improvement.</p>
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2016 TO FISCAL YEAR 2017**

Agency: Education Department-Public School Fund

Program: Broadband Facilities Matching Grant Prog

Act #: 987 Section(s) #: 7

Estimated Carry Forward Amount \$ 1,018,835.00 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 987 of 2015 requires the Department of Education to carry forward any unexpended balance of funds remaining on June 30, 2016 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 \$ 1,018,835.00

Current status of carry forward funding:

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

Johnny Key
Commissioner of Education

06-28-2016
Date

Change Level by Appropriation

Appropriation: N55 - Enhanced Transportation Funding
Funding Sources: JAA - Department of Education Public School Fund

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C19	Executive Changes	3,000,000	0	3,000,000	100.0	3,000,000	0	3,000,000	100.0

Justification

C19	The Senate Committee on Education recommended the create of a separate supplemental transportation funding program for districts with high transportation costs. The Executive Recommendation provides for appropriation and funding of \$3,000,000 for each year of the 2017-2019 Biennium.
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Change Level by Appropriation

Appropriation: N68 - OE Charter Fac Funding Aid Prg
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	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		2017-2018	Pos	Cumulative	% of BL	2018-2019	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 program provides funding to open enrollment charter schools for lease, purchase, renovation, repair, construction, installation, restoration, alteration, modification, and operation and maintenance of approved academic facilities. The change level request is to restore appropriation (unfunded) based on FY17 amounts that were budgeted subsequent to the biennial budget request process (\$5,000,000 each year, paid with fund balances in FY17).								
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Change Level by Appropriation

Appropriation: V30 - Computer Science Initiative
Funding Sources: JAA - Department of Education Public School Fund

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C19	Executive Changes	2,500,000	0	2,500,000	100.0	2,500,000	0	2,500,000	100.0

Justification

C19	This initiative furthers computer science education in public schools through recruitment, training, and retention of computer science teachers. It provides professional development in computer science for teachers and administrators. The Executive Recommendation provides for appropriation of \$2,500,000 and general improvement funding of \$2,500,000 for each year of the 2017-2019 Biennium.
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Change Level by Appropriation

Appropriation: V33 - NSL Matching Grant Program
Funding Sources: JAA - Department of Education Public School Fund

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C19	Executive Changes	4,300,000	0	4,300,000	100.0	4,300,000	0	4,300,000	100.0

Justification

C19	This matching grant program provides funds for school districts to provide tutoring services, pre-K programs, and before-and-after-school programs on a one-to-one state/local match. The Executive Recommendation provides for appropriation and funding of \$4,300,000 for each year of the 2017-2019 Biennium.
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EDUCATIONAL TELEVISION COMMISSION

Enabling Laws

Act 139 of 2016
Act 100 of 2016
A.C.A. §6-3-101 et seq.

History and Organization

ENABLING LAWS: The Arkansas Educational Television Commission was established by Act 198 of 1961, as amended in the Arkansas Code 6-3-101 to 6-3-113. Arkansas Code 6-3-105 (a) states that AETN was organized “for the purpose of making the benefits of educational television available to and promoting its use by inhabitants of Arkansas.” AETN's Commission has eight members appointed by the governor and is charged with providing educational telecommunications services to the people of Arkansas. AETN is an affiliate of the Public Broadcasting Service (PBS) and functions statewide as a public media service with headquarters in Conway. AETN's services include distributing programs through digital technologies statewide via over-the-air broadcast, satellite and cable; compressed interactive video; web-based video streaming of local productions plus ADE approved curriculum materials for Arkansas' schools; educational workshops; and professional development training for teachers available 24/7 via the IDEAS portal in partnership with the Arkansas Department of Education. AETN’s most current operations funding is appropriated by Act 139 of 2016.

HISTORY AND ORGANIZATION: The Commission began broadcasting in December of 1966 using a studio in Conway and its first transmitter (KETS) located at Redfield and licensed to Little Rock for service to Central Arkansas. Transmitters licensed to Arkadelphia/KETG and Fayetteville/KAFT were activated in 1976. Jonesboro/KTEJ was activated in 1977. A fifth transmitter at Mountain View/KEMV began broadcasting in 1980. In June 2004 AETN added digital transmitters and microwaves at each site statewide to fulfill a mandate of the Federal Communications Commission (FCC). In May 2006 AETN finished construction on a sixth new digital transmitter at El Dorado/KETZ to serve southern Arkansas. Today AETN's infrastructure includes 6 transmitters and 13 microwave relays broadcasting statewide.

AETN is the state's only public media educational television service and the only media service in Arkansas with statewide, over-the-air broadcast capability. Through a network of 13 microwave relay stations sending signals to 6 transmitters around the state, AETN covers Arkansas and provides more than 29,000 hours of non-commercial, educational programming, communications, and training services each year, in addition to online services and hundreds of additional programs made available to Arkansas viewers. As a PBS affiliate, AETN broadcasts national programming while also producing local, award-winning programs for and about Arkansas. AETN has one of the best and most reliable distribution systems in the state for delivering training and information statewide through multi-media platforms. In addition,

AETN has the unique capability to begin to expand federal and state emergency alert networks with our six transmitter network covering the state.

AETN'S MISSION STATEMENT:

PURPOSE (Mission): The purpose of the Arkansas Educational Television Network (AETN) is to enhance and empower the lives of all Arkansans by offering lifelong learning opportunities through high-quality educational television programs and services.

PROMISE (Core statement): The Arkansas Educational Television Network (AETN) fulfills its purpose by providing: educational resources to schools and all educators; innovative and high-quality public media television programs and services that illuminate the culture and heritage of Arkansas and the world; and opportunities to engage and explore new ideas. This relevant AETN content will expand the minds of children, inform Arkansans about public affairs and current events in our state, highlight arts and culture, and invite Arkansans to explore the outdoors and the world around them.

SHARED VISION: Know more, do more, and be more with AETN

AGENCY GOALS:

- **Agency Goal #1:** AETN partners with educational entities to provide lifelong learning opportunities for all Arkansans, with special emphasis on teacher professional development and classroom resources. (Education)
- **Agency Goal #2:** AETN creates and acquires relevant programming and services designed to educate, enlighten and inspire a diverse, statewide audience. (Programs/Services)
- **Agency Goal #3:** AETN promotes its programs and services to the community of Arkansas through various activities as a recognized source of statewide educational opportunities. (Outreach)
- **Agency Goal #4:** AETN provides broad reliable distribution of programming and services to Arkansans through the innovative use of technology. (Access)
- **Agency Goal #5:** AETN uses a wide variety of resources to consistently support performance-based, fiscally-sound and mission-focused organizational decisions. (Support)

COST-EFFECTIVE SERVICE:

One of the biggest misunderstandings about AETN is that the statewide network is just a TV station. AETN's innovative, free and mission-based programming and educational services are increasingly not found on any commercial broadcast station or cable channel. The network serves Arkansans for a very modest cost, including - in partnership with the Arkansas Department of Education - one of the nation's largest professional development portals for Arkansas educators to use free.

AETN crucially receives about 40% of its current funding (\$5.33M) from state general revenue. AETN's operational budget sees revenue from various funding resources, including state and federal grants; partnerships with government, non-profits, and businesses; and individual donors who want to help provide quality, educational programs to Arkansans by donating to the affiliated, private, non-profit AETN Foundation.

The AETN Foundation exists for one primary reason - to raise funds for general audience programming. State EMA appropriation is not used to purchase programs.

PUBLIC SUPPORT:

AETN is a PBS member station. For the thirteenth consecutive year, national research confirmed that PBS is the most trusted institution in the United States and is considered an "excellent" use of tax dollars. Only military defense outranks PBS as the best value for the American tax dollar. PBS also was considered the most balanced network for news and public affairs. (The research was conducted in January 2016 by the independent, non-partisan research company SSI-CATI.) In the same poll, Americans enthusiastically endorsed public broadcasting as the best place for educational programming. PBS KIDS was named the most educational TV/media brand, the safest destination for children to watch television or visit online and the top provider of content that helps children build reading and math skills.

AETN has enjoyed enthusiastic support for AETN in Arkansas for 50 years! AETN continues to draw numerous volunteers and various partners from every corner of the state to help bring excellent, diverse programs and services to all Arkansans. AETN annually produces more than 160 hours of original, award-winning programs, featuring the people, places and issues of Arkansas.

The network also has an extensive childhood outreach service, as well as STEM and computer science outreach, through AETN's ArkansasIDEAS and numerous community/state outreach projects held throughout the state with many partners.

Even with the proposed increase, the per annum cost for Arkansas is still less than \$2.35 per person - a tremendous value for an agency continuing to fulfill a unique mission and service.

AETN requests additional general revenue operating funds for the following priorities:

1. MAINTENANCE & OPERATIONS & HOMELAND SECURITY EMERGENCY MANAGEMENT (199) (Change in Program)

FY2018 - \$800,000 FY2019 - \$800,000

2. PUBLIC MEDIA MANAGEMENT SYSTEM (JOINT MASTER CONTROL PROJECT) (199) (New Program)

FY2018 - \$230,000 FY2019 - \$190,000

3. EARLY CHILDHOOD & ADULT EDUCATION "FAST FORWARD" (199) (Change in Program)

FY2018 - \$250,000 FY2019 - \$200,000

4. VETERANS: ARKANSAS STORIES OF SERVICE & VETERANS COMING HOME INITIATIVE (2YX) (Change in Program)

FY2018 - \$115,000 FY2019 - \$115,000

5. MAINTENANCE & OPERATIONS & EMERGENCY MANAGEMENT (199) (Change in Program)

FY2018 - \$800,000 FY2019 - \$800,000

General revenue provides the support and infrastructure for all AETN operations - distribution, engineering both at AETN and through six transmitters and thirteen microwave relay sites, IT and production of Arkansas-related services., including the infrastructure necessary to support AETN's partnership with ADE for free educational professional development through ArkansasIDEAS.

In a unique partnership that is a model for the entire nation, AETN partners with the Arkansas Department of Education (ADE) to provide free professional development training for Arkansas' 53,199 licensed teachers through ArkansasIDEAS. **ArkansasIDEAS has delivered over 2,100,000 credit hours to Arkansas-licensed teachers and administrators - free for their use. ArkansasIDEAS currently has 29,000 registered users from all seventy-five counties in Arkansas as well as a large number of Arkansas-licensed users who live outside of the state.**

AETN provides four full-time digital sub-channels serving Arkansas' students, teachers, parents, citizens and the visually impaired through AETN, AETN Create, AETN Plus and the Radio Reading Service for the Visually Impaired. AETN's statewide digital infrastructure is a multi-million dollar investment for the state to use and maintain. AETN is working to develop a 24/7 Kids channel with vetted, educational (and entertaining) programming demanded by families and parents.

General revenue provides the support and infrastructure for AETN's partnerships with other state agencies, grantors, and foundations that in turn help keep operational costs lower. AETN continues to seek collaborations with state agencies and potential partners. Cash fund appropriation dollars are only expended when corresponding revenues cover the costs.

Digital equipment of the nature AETN has must be maintained and upgraded on a regular basis and we have only been able to do this on a very limited basis over the past several years. Additionally, FCC mandates like closed captioning and new technologies are adding to ongoing costs.

Our digital capabilities and statewide reach is a primary reason AETN has met with partners in our state (State Police, National Guard, ADEM, etc.) to implement an expansive statewide and nationwide public safety communications network that, unlike other potential national services, is cost-effective and can be implemented in a much, much shorter time period than the 10 years projected in some of the proposed developing programs.

Department of Homeland Security is showing interest in evaluating how datacasting - which AETN can provide - allows data delivery to first responders now. Such projects are in-place now with various public media organizations (Las Vegas, Houston, etc.). Additionally, unlike some other potential services nationally who are backedpedaling on rural coverage, AETN's state network could use our assets (six transmitters covering the state) to provide services now! Again for a cost that is several orders of magnitude less.

There is developed datacasting software and end-to-end solutions to enable a public safety entity (police, fire, DHS, FEMA, etc.) dispatcher to send encrypted, targeted audio, video and text content to multiple recipients in the field. This solution utilizes digital television (AETN's statewide coverage) as the transport layer requiring only a small portion of the unused channel capacity of AETN's network bandwidth for this application. It is important to note that this approach provides a number of benefits to the public safety community, including the ability to simultaneously send large files and video to multiple recipients (as we do with broadcast programming), but also target specific receivers. Their existing radios do not easily handle these requirements, forcing them to utilize third party solutions that public television is better positioned to provide.

Once the system is in place, AETN's primary involvement will be to be the distribution backbone. **This requires the ongoing ability to maintain the crucial transmission system - transmitters, antennas, towers, etc.**

Please note that programming from PBS is generally paid for by individual contributions to the AETN Foundation and our annual grant through the Corporation for Public Broadcasting and, while supported through the network's infrastructure and distributed statewide via AETN's transmitters, is not purchased with state funds.

2. PUBLIC MEDIA MANAGEMENT SYSTEM (JOINT MASTER CONTROL PROJECT) (199) (New Program)

FY2018 - \$230,000

FY2019 - \$190,000

AETN is requesting funding of \$230,000-FY2018 and \$190,000-FY2019 to transition to a state-of-the-art facility operated by an off-site entity (WGBH/Boston is one example for public media) to take care of content acquisition, transcoding, quality assurance, delivery of national, regional and state content and complete monitoring of the software and hardware located at AETN and the monitoring of all streams of delivery. The NOC (Network Operations Center) is staffed by expert personnel and equipped with high levels of redundancy to ensure no single point of failure.

While the technology of a national operations center is state-of-the-art and the operational benefits are extensive, the financial side is equally profound. In fact, this system boosts efficiency in three compelling ways: reducing costs, improving resource utilization and preparing AETN for the future. The system eliminates the need for master control capital refreshes at AETN, which represents at least a seven-figure capital expense. The system features an affordable monthly fee that will not escalate for the life of the contract keeping costs down while allowing AETN to plan for the long-term. The monthly fee includes service agreements for software and hardware systems, all required parts and labor, even updates and patches. With content stored in the NOC cloud, AETN's need for local storage is greatly reduced and costly fiber equipment would not be required for master control delivery.

The service streamlines the network's promotion processes, makes content from anywhere easily available, and provides a robust branding package we are limited in our ability to maximize now because of cost. The system also allows AETN to grow as a streamlined cloud-based technology and to fully integrate our multi-media, multi-platform capabilities, including a built-in media component.

Consider these advantages: central master control would use one-seventh of the physical space in AETN's technical building core currently dedicated to existing master control technology. The centralized project will use perhaps one video tape recorder (VTR) occasionally as opposed to ten plus VTRs currently dedicated full-time to master control. In addition, seven days of programming will be stored in advance on the master control server (cloud-based), allowing the luxury of efficiency and reliability regardless of outages or other technical problems at AETN.

The dramatic savings over time with master control and distribution needs for capital equipment reduced would allow the network to focus on capital needs for production operations and especially for tower, transmitter and antenna capital upgrades and needs. AETN is currently operating with towers and transmitters that are decades old and nearing the end of their optimal life. With capital needs still remaining and new technological advances and changes coming for the FCC it is prudent to find efficient and effective ways to reduce some significant costs. A monthly fee is far preferable over time than costly equipment upgrades.

AETN currently utilizes five full-time personnel in master control operations. This system would in time allow the network to - through attrition - downsize this department to two or possibly three, or to transition/re-purpose one additional employee to IT work, a fast-growing and increasingly large part of any network's operation. The system provides extensive on-boarding and training to ensure a smooth transition

and allows staff and AETN to fully maximize this exciting new solution.

Our request is for funds to transition into this new system. While we are not asking for a base increase it is fair to note that AETN will need to re-authorize this service on a regular basis.

3. EARLY CHILDHOOD & ADULT EDUCATION "FAST FORWARD" (199) (Change in Program)

FY2018 - \$250,000 FY2019 - \$200,000

AETN is requesting funding of *\$250,000-FY2018 and \$200,000 FY2019* to enhance the network's **EARLY CHILDHOOD & ADULT EDUCATION "FAST FORWARD" (Existing Projects)**. AETN is enhancing our already rich content, outreach, education through on-air, web-based & in-service professional caregiver/educator training. This priority will enable AETN to partner with child care and education entities throughout the state, providing training assistance and maximizing the use of AETN & PBS programming - such as SESAME STREET, CURIOUS GEORGE, WORDGIRL, PEG + CAT, WILD KRATTS, DANIEL TIGER'S NEIGHBORHOOD, DINOSAUR TRAIN, SUPER WHY!, THE CAT IN THE HAT KNOWS A LOT ABOUT THAT, ARTHUR, CLIFFORD THE BIG RED DOG and much more. All these programs have education at the heart of what they do and all have extensive outreach materials and opportunities. AETN's outreach and education effort will focus on **Parents/Caregivers Training Field Services, and expansion of AETN's Ready To Learn services.** This proposal will be to target high need areas to deliver additional and specialized training for early childhood development.

AETN is also enhancing our **Adult Education services with the "Fast Forward" Pilot Project.** Roughly 39,000,000 Americans - and many Arkansans - don't have enough education to go to college-or even enough to fill the jobs needed in the American workplace. They're struggling, and our communities are feeling the economic impact. The problem is too big for anyone to solve alone, but together, we can help open pathways to a brighter future. For people who didn't finish high school, educational options can be confusing and scary. The GED® test is no longer the only measure of high school equivalency. ETS has the HiSET (High School Equivalency Test) and McGraw Hill has the TASC (Test Assessing Secondary Completion).

AETN plans to pilot Fast Forward online courses for learners (with a course management system for teachers). Working with acclaimed developers from Kentucky Educational Television, the system can enable online diploma progress, enroll learners in re-usable seats, track seat time, keep up with students' progress, and generate reports. We will partner with like-minded Arkansas state agencies to maximize use of this tool.

Fast Forward courses include a Teacher Toolkit offering classroom extension activities, additional instructional video segments, and correlations to GED® Assessment Targets and more. The Fast Forward courses will help learners prepare for GED® tests, and plans call for HiSET and TASC resources to follow quickly.

4. VETERANS: ARKANSAS STORIES OF SERVICE INITIATIVE (2YX) (Change in Program)

FY2018 - \$115,000

FY2019 - \$115,000

AETN is requesting funding of \$115,000- FY2018 and \$115,000- FY2019 to continue and enrich our **VETERANS: ARKANSAS STORIES OF SERVICE INITIATIVE**. AETN has a long history of projects related to Arkansas veterans and is working to launch a new veterans' initiative that expands the network's "In Their Words" project - that resulted in 600 archived oral histories of Arkansas World War II veterans - featuring local on-air production and online web services combined with national content rolling out over several years, and statewide community engagement efforts to increase dialogue and solutions as our nation's veterans transition to civilian life, in addition to stories of their service. The initiative coincides with national, multi-platform content from PBS under the banner of **Stories of Service**, and a community engagement campaign backed by the Corporation for Public Broadcasting (CPB) called **Veterans Coming Home** that AETN plans to implement in our state.

In addition, AETN is and will be working with the Arkansas Department of Veteran Affairs and other organizations to expand our commitment to Arkansas veterans. In addition to **Arkansas Stories of Service** and other services telling compelling stories of those who have served and provide a deeper understanding of our nation's military history, AETN will spotlight resources for Arkansas veterans and their families. AETN will be sparking conversations and giving the public an opportunity to share their personal or family story of service through local events and programs and find ways to help bridge and military/civilian gaps so many of our veterans see daily.

Just two of the many activities AETN is partnering with interested groups include Wall of Faces, an effort to honor Arkansans who died in the Vietnam War and are documented by name on the Vietnam Memorial Wall but a photo is lacking to accompany the name. In Arkansas, 594 Arkansans lost their lives and the Vietnam Memorial Wall does not have photos of 246 of those who sacrificed their lives for their country. AETN has launched a program to partner with groups across the state to locate as many photos as possible - because these people deserve that honor! Twelve states have now found all the photos and we intend for Arkansas to join that honored list, while also helping to illuminate veterans at large.

AETN is also working on a special project to honor Vietnam era veterans with a *Welcome Home Ceremony*, similar to LZ Lambeau in Wisconsin (70,000 in attendance) and LZ Maryland (30,000). Our efforts will be in partnership with ADVA and other interested parties and will coincide with the premiere of Ken Burns' epic history of the Vietnam War, coming in the fall of 2017. It is our intention to use this series and other veteran-related programming to help illuminate ongoing veterans issues in our state.

Arkansans will connect to these powerful stories of courage, commitment and sacrifice and we hope to create more opportunities for understanding of the issues veterans face. Our program will help see the veterans as people who have so much to contribute as they return to civilian life. We hope to encourage efforts to respond through their local public media stations to work with local business and veterans organizations, faith based and community groups and will partner with PBS, America's public media stations, local veterans and business organizations, speaking about opportunities for our troops and their families in the Arkansas communities in which they live and continue to serve.

AETN is not and will not be the expert in these projects but, working with partner groups with specific knowledge, the statewide network has the unique ability to raise these stories and issues statewide without commercial concerns or limitations.

AETN'S CASH APPROPRIATION REQUEST (127):

FY2018 - \$617,000

FY2019 - \$617,000

AETN is requesting additional cash appropriation of \$617K for both years of the biennium to bring the budget to the same level as the FY17 annual budget of \$8.3M. This budget will provide continuing services to the state, including maintenance of **AETN's professional development services** now offered to teachers statewide through a partnership with the Arkansas Department of Education (ADE). During fiscal 2016 AETN's acclaimed professional development services featured compressed interactive training events with over a hundred hours of specialized training.

Since its inception in 2006 and as of summer 2016, ArkansasIDEAS has delivered over 2,100,000 hours of professional development to Arkansas-licensed teachers and administrators. ArkansasIDEAS currently has over 29,000 active educators from all seventy-five counties in Arkansas as well as a large number of Arkansas-licensed users who live outside of the state. ArkansasIDEAS is the most reliable source of state-mandated professional development training such as child maltreatment, parental involvement, teen suicide awareness, Arkansas history, dyslexia, student safety, and autism. AETN continues to seek similar collaborations with other state agencies and potential partners.

Appropriation is needed to meet ADE's requests to improve the functionality of the IDEAS portal. This includes equipment to film courses while teachers model the objectives being taught; equipment that allows ADE to capture and web-stream professional development being presented at one of the regional co-ops or any location equipped with broadband; course content that provides professional development needs in Special Education, English as a Second Language and Gifted Education; and software redevelopment to meet current database standards giving the portal greater ability to track professional development hours utilizing the newest production technology to offer more expansive avenues for Arkansas educators to acquire professional development. AETN now disseminates information on multiple delivery platforms such as: live Compressed Interactive Video (CIV) productions, "face-to-face" in-studio events, and live interactive online streaming (which can be viewed on all Windows, Android and iOS devices like iPhone and iPad).

While Arkansas IDEAS itself is a cash funded appropriation, general revenue supports the AETN infrastructure necessary to deliver such a service. Additionally, AETN partners with other state agencies, universities, foundations and corporations to originate programs and services for and about Arkansas.

Cash fund appropriation dollars are only expended when corresponding revenues cover the costs.

Please note that programming from PBS is paid from individual contributions to the AETN Foundation or the Community Service Grant from

*the Corporation for Public Broadcasting, **not** from state dollars.*

PERSONNEL - AETN staff pay will remain flat for Fiscal year 2017 and while we hope for increases for biennial years FY2018-2019, we are budgeting flat unless informed otherwise. AETN will request correction of misclassified status for some of our full-time employees. As of July 2016, a growing concern for AETN is the inability to receive permission to fill vacant and budgeted key personnel positions that directly relate to our ArkansasIDEAS work with and for ADE.

SPECIAL LANGUAGE - AETN will request continuation of current special language only. No new requests will be submitted.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS EDUCATIONAL TELEVISION COMMISSION
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

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

None

Employment Summary

	Male	Female	Total	%
White Employees	44	36	80	86 %
Black Employees	6	5	11	12 %
Other Racial Minorities	1	1	2	2 %
Total Minorities			13	14 %
Total Employees			93	100 %

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				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
127 AETN-Treasury Paying	6,727,399	27	8,385,943	35	8,056,419	35	7,771,165	35	8,388,540	35	8,226,773	31	7,772,868	35	8,390,243	35	8,228,476	31
199 AETN-State Operations	5,479,873	76	5,334,751	74	5,352,733	74	5,321,282	74	6,601,282	74	5,278,441	73	5,322,621	74	6,512,621	74	5,279,780	73
2YX Arkansas Veterans' Initiative	0	0	0	0	181,000	0	0	0	115,000	0	115,000	0	0	0	115,000	0	115,000	0
Total	12,207,272	103	13,720,694	109	13,590,152	109	13,092,447	109	15,104,822	109	13,620,214	104	13,095,489	109	15,017,864	109	13,623,256	104

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	2,587,097	17.8	2,323,014	14.7	2,101,174	13.8	2,101,174	12.2	2,101,174	13.3	2,101,174	13.8	2,101,174	12.3	2,262,941	14.2	
General Revenue	4000010	5,293,237	36.4	5,293,237	33.5	5,321,282	35.0	6,716,282	39.0	5,278,441	33.5	5,322,621	35.0	6,627,621	38.7	5,279,780	33.1	
Cash Fund	4000045	6,437,213	44.3	8,164,103	51.6	7,771,165	51.1	8,388,540	48.8	8,388,540	53.2	7,772,868	51.1	8,390,243	49.0	8,390,243	52.7	
Merit Adjustment Fund	4000055	179,398	1.2	41,514	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
DFA Motor Vehicle Acquisition	4000184	26,103	0.2	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	7,238	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Total Funds		14,530,286	100.0	15,821,868	100.0	15,193,621	100.0	17,205,996	100.0	15,768,155	100.0	15,196,663	100.0	17,119,038	100.0	15,932,964	100.0	
Excess Appropriation/(Funding)		(2,323,014)		(2,101,174)		(2,101,174)		(2,101,174)		(2,147,941)		(2,101,174)		(2,101,174)		(2,309,708)		
Grand Total		12,207,272		13,720,694		13,092,447		15,104,822		13,620,214		13,095,489		15,017,864		13,623,256		

FY17 Budget exceeds authorized appropriation in AETN-Treasury Paying (127) due to a transfer from the Cash Fund Holding Account. Variance in fund balance is due to unfunded appropriation.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
109	100	9	109	0	8.26 %	109	96	13	109	0	11.93 %	109	96	13	109	0	11.93 %

Analysis of Budget Request

Appropriation: 127 - AETN-Treasury Paying

Funding Sources: NET - Cash in Treasury

Arkansas Educational Television receives funding from grants from private foundations, earnings for programs produced from the Agency's studios, and partnerships with various educational entities, state agencies, and private groups.

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

Base Level Request is \$7,771,165 for FY18 and \$7,772,868 for FY19.

The Agency Request is a Change Level increase of \$617,375 for each year as follows:

- Extra Help and Personal Services Matching of \$267,375 to restore appropriation to the FY17 Budget level.
- Professional Fees decrease of \$40,000 through a reallocation of resources to Grants and Aid to meet grant requirements.
- Grants and Aid increase of \$40,000 through a reallocation of resources from Professional Fees to meet grant requirements.
- Capital Outlay of \$350,000, including \$100,000 in IT related software and portal course content licensing for the IDEAS portal and other station operations, under major applications on the IT plan; \$250,000 to maintain the current budget for the IDEAS portal, which provides free professional development training for Arkansas' licensed teachers; and for other projects and grants.

The Executive Recommendation provides for the Agency Request; and subsequent to the Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and staffing needs. The Executive Recommendation reflects four (4) position reductions based on the personnel evaluations.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 127 - AETN-Treasury Paying

Funding Sources: NET - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	954,193	1,326,779	1,273,375	1,328,079	1,328,079	1,211,731	1,329,479	1,329,479	1,213,131
#Positions	27	35	35	35	35	31	35	35	31
Extra Help 5010001	140,630	366,930	118,693	118,693	366,930	366,930	118,693	366,930	366,930
#Extra Help	10	46	46	46	46	46	46	46	46
Personal Services Matching 5010003	383,625	491,718	463,835	473,877	493,015	447,596	474,180	493,318	447,899
Operating Expenses 5020002	4,817,095	5,343,973	5,343,973	5,343,973	5,343,973	5,343,973	5,343,973	5,343,973	5,343,973
Conference & Travel Expenses 5050009	28,520	56,450	56,450	56,450	56,450	56,450	56,450	56,450	56,450
Professional Fees 5060010	113,932	390,093	390,093	390,093	350,093	350,093	390,093	350,093	350,093
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Promotional Items 5090028	12,540	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Grants and Aid 5100004	0	0	0	0	40,000	40,000	0	40,000	40,000
Capital Outlay 5120011	276,864	350,000	350,000	0	350,000	350,000	0	350,000	350,000
Total	6,727,399	8,385,943	8,056,419	7,771,165	8,388,540	8,226,773	7,772,868	8,390,243	8,228,476
Funding Sources									
Fund Balance 4000005	2,587,097	2,323,014		2,101,174	2,101,174	2,101,174	2,101,174	2,101,174	2,262,941
Cash Fund 4000045	6,437,213	8,164,103		7,771,165	8,388,540	8,388,540	7,772,868	8,390,243	8,390,243
DFA Motor Vehicle Acquisition 4000184	26,103	0		0	0	0	0	0	0
Total Funding	9,050,413	10,487,117		9,872,339	10,489,714	10,489,714	9,874,042	10,491,417	10,653,184
Excess Appropriation/(Funding)	(2,323,014)	(2,101,174)		(2,101,174)	(2,101,174)	(2,262,941)	(2,101,174)	(2,101,174)	(2,424,708)
Grand Total	6,727,399	8,385,943		7,771,165	8,388,540	8,226,773	7,772,868	8,390,243	8,228,476

Budget exceeds Authorized Appropriation in Regular Salaries, Extra Help, and Personal Services Matching due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 127 - AETN-Treasury Paying
Funding Sources: NET - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	7,771,165	35	7,771,165	100.0	7,772,868	35	7,772,868	100.0
C01	Existing Program	517,375	0	8,288,540	106.7	517,375	0	8,290,243	106.7
C04	Reallocation	0	0	8,288,540	106.7	0	0	8,290,243	106.7
C08	Technology	100,000	0	8,388,540	107.9	100,000	0	8,390,243	107.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	7,771,165	35	7,771,165	100.0	7,772,868	35	7,772,868	100.0
C01	Existing Program	517,375	0	8,288,540	106.7	517,375	0	8,290,243	106.7
C04	Reallocation	0	0	8,288,540	106.7	0	0	8,290,243	106.7
C08	Technology	100,000	0	8,388,540	107.9	100,000	0	8,390,243	107.9
C13	Not Recommended	(45,419)	0	8,343,121	107.4	(45,419)	0	8,344,824	107.4
C19	Executive Changes	(116,348)	(4)	8,226,773	105.9	(116,348)	(4)	8,228,476	105.9

Justification

C01	AETN requests appropriation to maintain the current budget of our IDEAS portal that provides free professional development to all Arkansas teachers and for all our cash funded projects and grants.
C04	AETN requests a reallocation of resources of \$400,000 from Professional Fees to Grants and Aid to accommodate several grant requirements.
C08	AETN requests appropriation to maintain current budget levels for technology purchases including software and portal course content licensing for our IDEAS portal and other station operations.
C19	Subsequent to Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation.

Analysis of Budget Request

Appropriation: 199 - AETN-State Operations

Funding Sources: EMA - ETV-State Operation

Arkansas Educational Television Network (AETN) is Arkansas' statewide television network. AETN distributes a program of educational and general audience offerings broadcast for all citizens of Arkansas. The network's broadcast is carried from the R. Lee Reaves Center for Educational Telecommunications in Conway. AETN's Second Audio Program (SAP) channel delivers the Arkansas Information Reading Service (AIRS) for the Blind as well as Descriptive Video on selected programs for those who are blind or are visually-impaired. Virtually all programs broadcast on AETN are also closed captioned for the deaf or hearing impaired. This appropriation is used for the infrastructure and operational needs of AETN. Funding is provided by state general revenue.

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

The Base Level Request is \$5,321,282 for FY18 and \$5,322,621 for FY19.

The Agency Request is for a Change Level increase of \$1,280,000 for FY18 and \$1,190,000 for FY19 as follows:

- Operating Expenses increase of \$1,230,000 for FY18 and \$1,190,000 for FY19; including maintenance of the agency's operations and distribution system of \$1,050,000 for FY18 and \$1,000,000 for FY19, focusing on an Emergency Management system and Early Childhood and Adult Education ("Fast Forward") programs and; \$230,000 for FY18 and \$190,000 for FY19 to transition to a joint master control operation service with other public media stations for long term cost savings in personnel and equipment maintenance of the agency's current master control operations.
- Capital Outlay increase of \$50,000 for FY18 for equipment maintenance and upgrades.

The Executive Recommendation provides for Base Level; and subsequent to the Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects one (1) position reduction based on the personnel evaluations.

Appropriation Summary

Appropriation: 199 - AETN-State Operations

Funding Sources: EMA - ETV-State Operation

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,753,462	3,644,617	3,646,193	3,631,752	3,631,752	3,600,693	3,632,852	3,632,852	3,601,793
#Positions		76	74	74	74	74	73	74	74	73
Extra Help	5010001	6,379	8,800	8,800	8,800	8,800	8,800	8,800	8,800	8,800
#Extra Help		1	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	1,197,994	1,162,355	1,178,761	1,161,751	1,161,751	1,149,969	1,161,990	1,161,990	1,150,208
Operating Expenses	5020002	520,247	518,979	518,979	518,979	1,748,979	518,979	518,979	1,708,979	518,979
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,791	0	0	0	50,000	0	0	0	0
Total		5,479,873	5,334,751	5,352,733	5,321,282	6,601,282	5,278,441	5,322,621	6,512,621	5,279,780

Funding Sources										
General Revenue	4000010	5,293,237	5,293,237		5,321,282	6,601,282	5,278,441	5,322,621	6,512,621	5,279,780
Merit Adjustment Fund	4000055	179,398	41,514		0	0	0	0	0	0
M & R Sales	4000340	7,238	0		0	0	0	0	0	0
Total Funding		5,479,873	5,334,751		5,321,282	6,601,282	5,278,441	5,322,621	6,512,621	5,279,780
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		5,479,873	5,334,751		5,321,282	6,601,282	5,278,441	5,322,621	6,512,621	5,279,780

FY16 Capital Outlay appropriation and expenditure authorized under ACA § 25-8-106 Marketing and Redistribution of State Personal Property.

Change Level by Appropriation

Appropriation: 199 - AETN-State Operations
Funding Sources: EMA - ETV-State Operation

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,321,282	74	5,321,282	100.0	5,322,621	74	5,322,621	100.0
C01	Existing Program	1,030,000	0	6,351,282	119.4	980,000	0	6,302,621	118.4
C02	New Program	230,000	0	6,581,282	123.7	190,000	0	6,492,621	122.0
C08	Technology	20,000	0	6,601,282	124.1	20,000	0	6,512,621	122.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,321,282	74	5,321,282	100.0	5,322,621	74	5,322,621	100.0
C01	Existing Program	0	0	5,321,282	100.0	0	0	5,322,621	100.0
C02	New Program	0	0	5,321,282	100.0	0	0	5,322,621	100.0
C08	Technology	0	0	5,321,282	100.0	0	0	5,322,621	100.0
C13	Not Recommended	(11,782)	0	5,309,500	99.8	(11,782)	0	5,310,839	99.8
C19	Executive Changes	(31,059)	(1)	5,278,441	99.2	(31,059)	(1)	5,279,780	99.2

Justification

C01	AETN requests appropriation to fund escalating costs in maintaining AETN's operations and distribution system. The request is focused on an Emergency Management system, Early Childhood and Adult Education programs and a Vietnam Veterans' initiative.
C02	AETN requests appropriation to transition to a joint master control operation service with other public media stations, saving the state the long term costs of personnel and equipment maintenance of our current master control operations.
C08	AETN requests appropriation to transition to a joint master control operation service with other public media stations, saving the state the long term costs of personnel and equipment maintenance of our current master control operations. This is located in our IT plan under connectivity.
C19	Subsequent to Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation.

Analysis of Budget Request

Appropriation: 2YX - Arkansas Veterans' Initiative

Funding Sources: EMA - ETV-State Operations

This general revenue funded appropriation is used by AETN to design documentaries honoring Arkansas' veterans. AETN is partnering with many organizations to expand their commitment to Arkansas veterans.

Special language in AETN's current appropriation act (Section 7 of Act 139 of 2016) requires the Agency to request the continuation and any increase of this appropriation as a change level request for the 2017-2019 Biennium.

The Agency Request is a Change Level increase of \$115,000 for each year as follows:

- Arkansas Veteran's Initiative increase of \$115,000 to launch a new initiative to expand on the archived oral histories of Arkansas's WWII veterans featuring local on-air production and web services combined with national content and state wide efforts to assist veterans' transition into civilian life. Additionally, AETN, in partnership with other groups, will honor Vietnam era veterans to coincide with Ken Burns' history of the Vietnam War in the fall of 2017 and; to locate as many photos as possible of the 594 Arkansans who lost their lives and are documented on the Vietnam Memorial Wall.

The Executive Recommendation provides for Agency Request, appropriation only.

Appropriation Summary

Appropriation: 2YX - Arkansas Veterans' Initiative

Funding Sources: EMA - ETV-State Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Arkansas Veterans' Initiative 5900046	0	0	181,000	0	115,000	115,000	0	115,000	115,000
Total	0	0	181,000	0	115,000	115,000	0	115,000	115,000
Funding Sources									
General Revenue 4000010	0	0		0	115,000	0	0	115,000	0
Total Funding	0	0		0	115,000	0	0	115,000	0
Excess Appropriation/(Funding)	0	0		0	0	115,000	0	0	115,000
Grand Total	0	0		0	115,000	115,000	0	115,000	115,000

Change Level by Appropriation

Appropriation: 2YX - Arkansas Veterans' Initiative
Funding Sources: EMA - ETV-State Operations

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C01	Existing Program	115,000	0	115,000	100.0	115,000	0	115,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
C01	Existing Program	115,000	0	115,000	100.0	115,000	0	115,000	100.0

Justification

C01	AETN will launch a new initiative that expands on the archived oral histories of Arkansas World War II veterans featuring local on-air production and online web services combined with national content and state wide efforts to assist veterans' transition to civilian life, in addition to their stories of service. AETN will spotlight resources for Arkansas veterans and their families along with the Arkansas Department of Veteran Affairs and other organizations. AETN is partnering with groups to honor Vietnam era veterans to coincide with the premiere of Ken Burns' history of the Vietnam War in the fall of 2017 and; to locate as many photos as possible of the 594 Arkansans who lost their lives who are documented on the Vietnam Memorial Wall.								
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STATE BOARD OF ELECTION COMMISSIONERS

Enabling Laws

Act 152 of 2016

A.C.A. §7-4-101, §7-4-103, §7-4-107, §7-4-109, §7-4-120

A.C.A. §7-5-311, §7-5-415, §7-5-503, §7-5-510, §7-5-606, §7-5-707

A.C.A. §7-7-201

A.C.A. §7-10-103

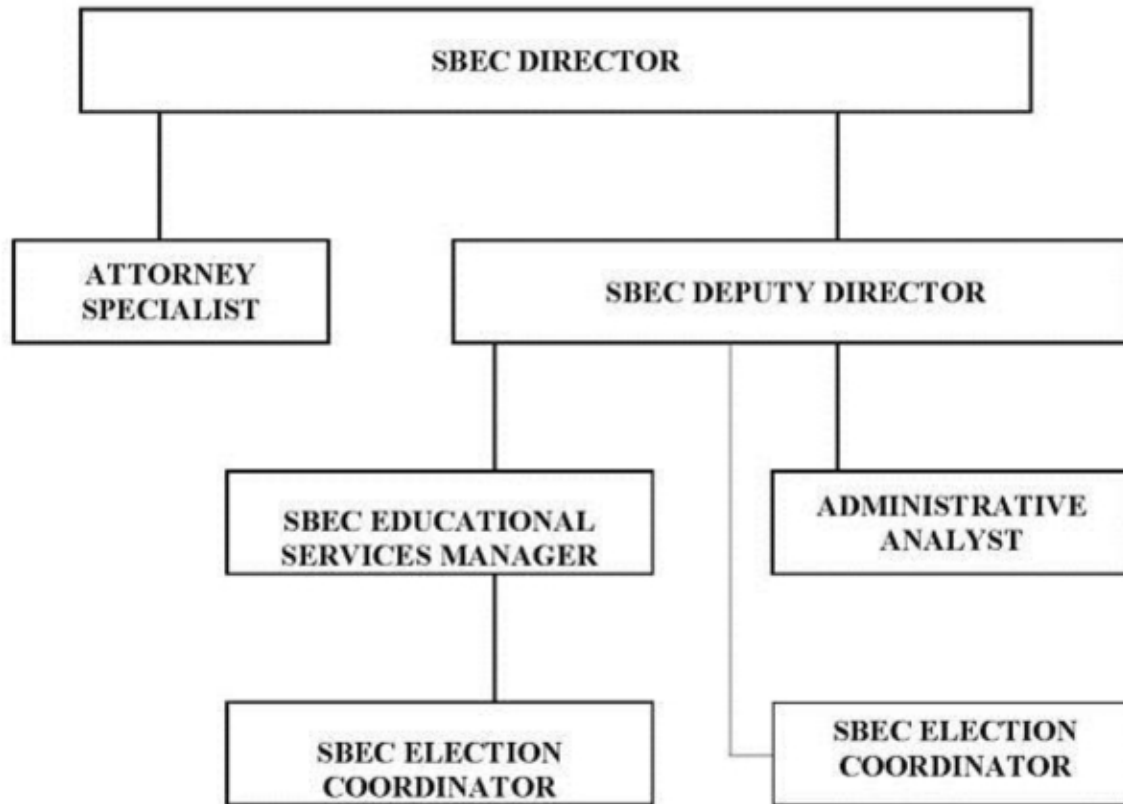
History and Organization

The State Board of Election Commissioners has existed in excess of 100 years. Legislation passed by the General Assembly during the 1995 session amended various sections of Arkansas Code Title 7 to provide for joint political party primary elections funded by the State from an appropriation made to the Board. Act 741 of 1995 amended Arkansas Code Annotated §7-4-101 to re-constitute the Board, with Act 1217 of 1995 providing funding for operations and staff to implement the Board's expanded duties and responsibilities.

The Board consists of a staff of seven serving a seven member board that is comprised of the Secretary of State as Chairperson, two members appointed by the Governor, and one member each appointed by the chair of the state Democratic party, the chair of the state Republican party, the President Pro Tempore of the Arkansas Senate, and the Speaker of the Arkansas House of Representatives.

The mission of the Board is to improve the conduct of elections in the State by promoting fair and orderly election procedures through education, assistance, and monitoring. The Board develops resources to educate and assist candidates and county election administrators, develops specialized training programs, conducts and coordinates statewide training of county election commissioners and election officials, monitors compliance by local election administrators with federal and state election laws, investigates complaints of alleged election misconduct and election law violations, and distributes funds to the counties for state-supported political party primary elections, nonpartisan judicial general elections, special primary elections, and statewide special elections.

The Board's cost effective system of reimbursement to the counties ensures statewide uniformity and consistency in distributing funds from the State to the counties for state-supported elections. The Board provides each county with comprehensive reporting forms for requesting reimbursement, distributes funds statewide following extensive auditing and reconciliation of each individual county reimbursement request, and maintains election expense databases for fiscal accountability.



Agency Commentary

HUA0900 580

Base level funding reflects the agency's efficient and conscientious approach to budgeting and spending. Since 2010, the agency has, on average, spent approximately 93% of its annual operating budget. These expenses include salary and matching for seven employees, general

office expenditures such as facility rental, leasing of office equipment and office/supply purchases, employee and board member travel, postage and freight, and funding for conference/travel and professional services. The agency's annual operations plan for FY2017 reflects a commitment to identify cost savings and a desire to manage the budget in the most prudent ways possible while maintaining the ability and flexibility to deliver the services that our constituents have come to expect.

HUA0900 581 and MFF0100

Base level funding allows the agency to continue reimbursing counties for eligible election expenses associated with state-funded elections pursuant to the agency's rules on reimbursement which ensure cost-effective and uniform and consistent reimbursement for state-funded elections. Base level funding also allows the agency to continue conducting training for county election officials as mandated by state law and agency rule.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE BOARD OF ELECTION COMMISSIONERS
FOR THE YEAR ENDED JUNE 30, 2014

Findings	Recommendations
None	None

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

None

Employment Summary

	Male	Female	Total	%
White Employees	3	3	6	86 %
Black Employees	0	1	1	14 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			1	14 %
Total Employees			7	100 %

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				
"County Board of Election Commissioners Procedures Manual"	7-4-101(f)(2); 7-4-109(e)(1)	N	N	500	Statewide training of county election commissioners to assure fair and orderly election procedures	0	0.00
"Poll Workers Training Guide and Checklist for Poll Workers"	7-4-101(f)(2); 7-4-107(b)(2); 7-4-109(e)(1)	N	N	11,500	Statewide training, testing, and Board certification of trainers to train poll workers locally - Statewide training of local poll workers to assist them in executing election day duties and responsibilities	0	0.00
"Running for Public Office: A 'Plain English' Handbook for Candidates"	7-4-101(f)(1)	N	N	5,000	Statutory Requirement - to outline in a readable and understandable format the legal obligations of candidates running for public office	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
436 Nonpartisan General Elections	0	0	1,303,401	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0
580 Election Commissioners - Operations	578,594	7	600,690	7	638,145	7	602,909	7	604,609	7	604,609	7	602,909	7	604,609	7	604,609	7
581 Election Expenses	2,215,660	0	4,088,377	0	6,340,000	0	6,340,000	0	6,340,000	0	6,340,000	0	6,340,000	0	6,340,000	0	6,340,000	0
Total	2,794,254	7	5,992,468	7	8,578,145	7	8,542,909	7	8,544,609	7	8,544,609	7	8,542,909	7	8,544,609	7	8,544,609	7

Funding Sources		%		%		%		%		%		%		%		%
Fund Balance 4000005	1,143,148	18.6	3,340,408	55.7		0	0.0		0	0.0		0	0.0		0	0.0
General Revenue 4000010	4,724,616	77.0	630,619	10.5		4,691,286	54.9		4,692,986	54.9		4,691,286	54.9		602,909	21.1
Budget Stabilization Trust 4000130	0	0.0	2,021,441	33.7		2,251,623	26.4		2,251,623	26.4		2,251,623	26.4		2,251,623	78.9
Judicial Filing Fees 4000320	266,898	4.4	0	0.0		1,600,000	18.7		1,600,000	18.7		1,600,000	18.7		0	0.0
Total Funds	6,134,662	100.0	5,992,468	100.0		8,542,909	100.0		8,544,609	100.0		8,542,909	100.0		2,854,532	100.0
Excess Appropriation/(Funding)	(3,340,408)		0			0			0			1,700			5,688,377	
Grand Total	2,794,254		5,992,468			8,542,909			8,544,609			8,544,609			8,542,909	

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
7	6	1	7	0	14.29 %	7	7	0	7	0	0.00 %	7	6	1	7	0	14.29 %

Analysis of Budget Request

Appropriation: 436 - Nonpartisan General Elections

Funding Sources: MFF - Nonpartisan Filing Fee Fund

Amendment 80, §17 and 18, to the Arkansas Constitution states that Circuit Judges, District Judges, Supreme Court Justices and Court of Appeals Judges be elected on a nonpartisan basis. This amendment went into effect July 2001. Act 1110 of 2013 made the office of the prosecuting attorney a nonpartisan office. Act 1789 of 2001 established the guidelines for the nonpartisan elections and charged the State Board of Election Commissioners with funding nonpartisan general elections and establishing reasonable filing fees for nonpartisan offices. The Board promulgates rules and regulations establishing nonpartisan office filing fees for covering the cost of election expenses paid from this appropriation.

Base Level Request includes appropriation of \$1,600,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 436 - Nonpartisan General Elections

Funding Sources: MFF - Nonpartisan Filing Fee Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	1,303,401	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Total	0	1,303,401	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Funding Sources									
Fund Balance 4000005	1,036,503	1,303,401		0	0	0	0	0	0
Judicial Filing Fees 4000320	266,898	0		1,600,000	1,600,000	1,600,000	0	0	0
Total Funding	1,303,401	1,303,401		1,600,000	1,600,000	1,600,000	0	0	0
Excess Appropriation/(Funding)	(1,303,401)	0		0	0	0	1,600,000	1,600,000	1,600,000
Grand Total	0	1,303,401		1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000

Base Level has been restored to the FY17 authorized amount.
Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 580 - Election Commissioners - Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The State Board of Election Commissioners is a general revenue funded Agency that administers state supported political party primary and special elections. The seven member Board is comprised of the Secretary of State as Chairperson, two members appointed by the Governor, and one member each appointed by the chair of the state Democratic party, the chair of the state Republican party, the President Pro Tempore of the Arkansas Senate, and the Speaker of the Arkansas House of Representatives. Legislation passed during the 1995 session redefined the duties of the Board and created for the first time a staff and an operating appropriation.

The Board develops resources to educate and assist candidates and county election administrators, develops specialized training programs, conducts and coordinates statewide training of county election commissioners and election officials, monitors compliance by local election authorities with federal and state election laws, investigates complaints of alleged election misconduct and election law violations, and distributes funds to the counties for state-supported political party primary elections, nonpartisan general elections, special primary elections, and statewide special elections.

The responsibilities of the Board have increased each session as a result of legislation passed by the Arkansas General Assembly in an attempt to ensure public confidence in the election process.

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

The Board's Base Level Request includes appropriation of \$602,909 each year of the biennium with seven (7) Regular positions.

The Change Level Request is for \$1,700 in appropriation and general revenue funding each year of the biennium and is summarized as follows:

- Operating Expenses of \$1,700 for increased rent increases.
- Reallocation of \$7,050 in appropriation within general ledger codes in Operating Expenses and Conference and Travel Expenses to more accurately reflect agency expenses.

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

Appropriation Summary

Appropriation: 580 - Election Commissioners - Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	374,521	368,209	397,259	368,309	368,309	368,309	368,309	368,309	368,309
#Positions		7	7	7	7	7	7	7	7	7
Personal Services Matching	5010003	118,167	116,421	124,826	118,490	118,490	118,490	118,490	118,490	118,490
Operating Expenses	5020002	85,746	108,060	108,060	108,110	109,810	109,810	108,110	109,810	109,810
Conference & Travel Expenses	5050009	160	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Professional Fees	5060010	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		578,594	600,690	638,145	602,909	604,609	604,609	602,909	604,609	604,609
Funding Sources										
General Revenue	4000010	578,594	600,690		602,909	604,609	602,909	602,909	604,609	602,909
Total Funding		578,594	600,690		602,909	604,609	602,909	602,909	604,609	602,909
Excess Appropriation/(Funding)		0	0		0	0	1,700	0	0	1,700
Grand Total		578,594	600,690		602,909	604,609	604,609	602,909	604,609	604,609

Change Level by Appropriation

Appropriation: 580 - Election Commissioners - Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	602,909	7	602,909	100.0	602,909	7	602,909	100.0
C01	Existing Program	8,750	0	611,659	101.5	8,750	0	611,659	101.5
C03	Discontinue Program	(7,050)	0	604,609	100.3	(7,050)	0	604,609	100.3

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	602,909	7	602,909	100.0	602,909	7	602,909	100.0
C01	Existing Program	8,750	0	611,659	101.5	8,750	0	611,659	101.5
C03	Discontinue Program	(7,050)	0	604,609	100.3	(7,050)	0	604,609	100.3

Justification

C01	Increase of \$150 for Telecommunications Wired, \$500 for Office Equipment Maintenance, \$2,060 for rent of facilities, \$50 for Building & Contents Insurance, \$200 for Association & Membership Dues, \$40 for Office Supplies, \$1,000 for Other Commodities Materials & Supplies to more accurately reflect need and expense history for each respective category. Also, requests for increase of \$400 Freigjht, \$300 for Advertising & Clipping Service, \$200 for Mileage, \$300 for Lodging, \$2,000 for Non-State Personnel All Travel, \$1,200 for Food Purchases for training attendees. Increase of \$150 for Meals, \$150 for Common Carrier, and \$50 for Ground Transportation to more accurately reflect potential travel costs.
C03	Decrease of \$1,500 for Postage, \$150 for Printing, \$500 for Board Member Expenses, \$250 for Special Purpose Supplies, \$100 for Educational Supplies & Materials, \$800 for Subscription & Publications, and \$1,000 for Data Processing Supplies. Reduction of \$2,400 for Certified Election Monitor Compensation is requested to offset the requested increase for Non-State Personnel All Travel. A reduction of \$350 for lodging is also requested to reflect travel costs..

Analysis of Budget Request

Appropriation: 581 - Election Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

This general revenue funded appropriation provides reimbursement to the counties for the expenses of state supported political party primary elections, special primary elections, and statewide special elections. This appropriation also covers expenses incurred by the Board to compensate local election administrators for mandatory statewide training attendance, to publish a handbook for candidates running for public office, and to publish educational and training materials to aid county election administrators in conducting elections in compliance with federal and state election laws, pursuant to § 7-4-101, 7-4-107, and 7-4-109.

Base Level includes appropriation of \$6,340,000 each year of the biennium with general revenue funding of \$4,088,377 in the first year only with Special Language authorizing the carry forward of remaining funds between fiscal years. Special Language also authorizes the Chief Financial Officer of the State to transfer funds from the Budget Stabilization Trust Fund to the Board's Miscellaneous Agencies Fund to provide for expenses for any statewide special election or special primary election if any Special Elections are required.

The Total Request includes the following:

	GENERAL REVENUE	BUDGET STABILIZATION TRUST FUND	TOTAL
Training Publications	75,000	0	75,000
Commissioners Training Compensation	30,000	0	30,000
Trainers' Training Compensation	35,000	0	35,000
Preferential Primary (May)	2,500,000	500,000	3,000,000
Primary Runoff (June)	1,448,377	351,623	1,800,000
Statewide Specials/Special Primaries	0	1,400,000	1,400,000
Total	4,088,377	2,251,623	6,340,000

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 581 - Election Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Election Expenses	5900046	2,215,660	4,088,377	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000
Total		2,215,660	4,088,377	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000
Funding Sources										
Fund Balance	4000005	106,645	2,037,007		0	0	0	0	0	0
General Revenue	4000010	4,146,022	29,929		4,088,377	4,088,377	4,088,377	0	0	0
Budget Stabilization Trust	4000130	0	2,021,441		2,251,623	2,251,623	2,251,623	2,251,623	2,251,623	2,251,623
Total Funding		4,252,667	4,088,377		6,340,000	6,340,000	6,340,000	2,251,623	2,251,623	2,251,623
Excess Appropriation/(Funding)		(2,037,007)	0		0	0	0	4,088,377	4,088,377	4,088,377
Grand Total		2,215,660	4,088,377		6,340,000	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000

Special Language authorizes carry forward of funding. Expenditure of appropriation is contingent upon carry forward of available funding from FY17.
Base Level appropriation has been restored to the FY17 authorized amount.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2016 TO FISCAL YEAR 2017**

Agency: Election Commissioners Board

Program: Election Expenses

Act #: 48 of 2015

Section(s) #: 3 & 5

Estimated Carry Forward Amount \$ 4,088,377.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0232

Funds Center: 581

Fund: HUA

Functional Area: PROF

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:

To cover election expenses.

Actual Funding Carry Forward Amount \$ 2,037,007.00

Current status of carry forward funding:

These funds will be used for FY17 election expenses.

Keith Rutledge

Director

08-10-2016

Date

OFFICE OF THE GOVERNOR

Enabling Laws

Act 77 of 2016

Act 76 of 2016

Constitution of Arkansas, Article 6

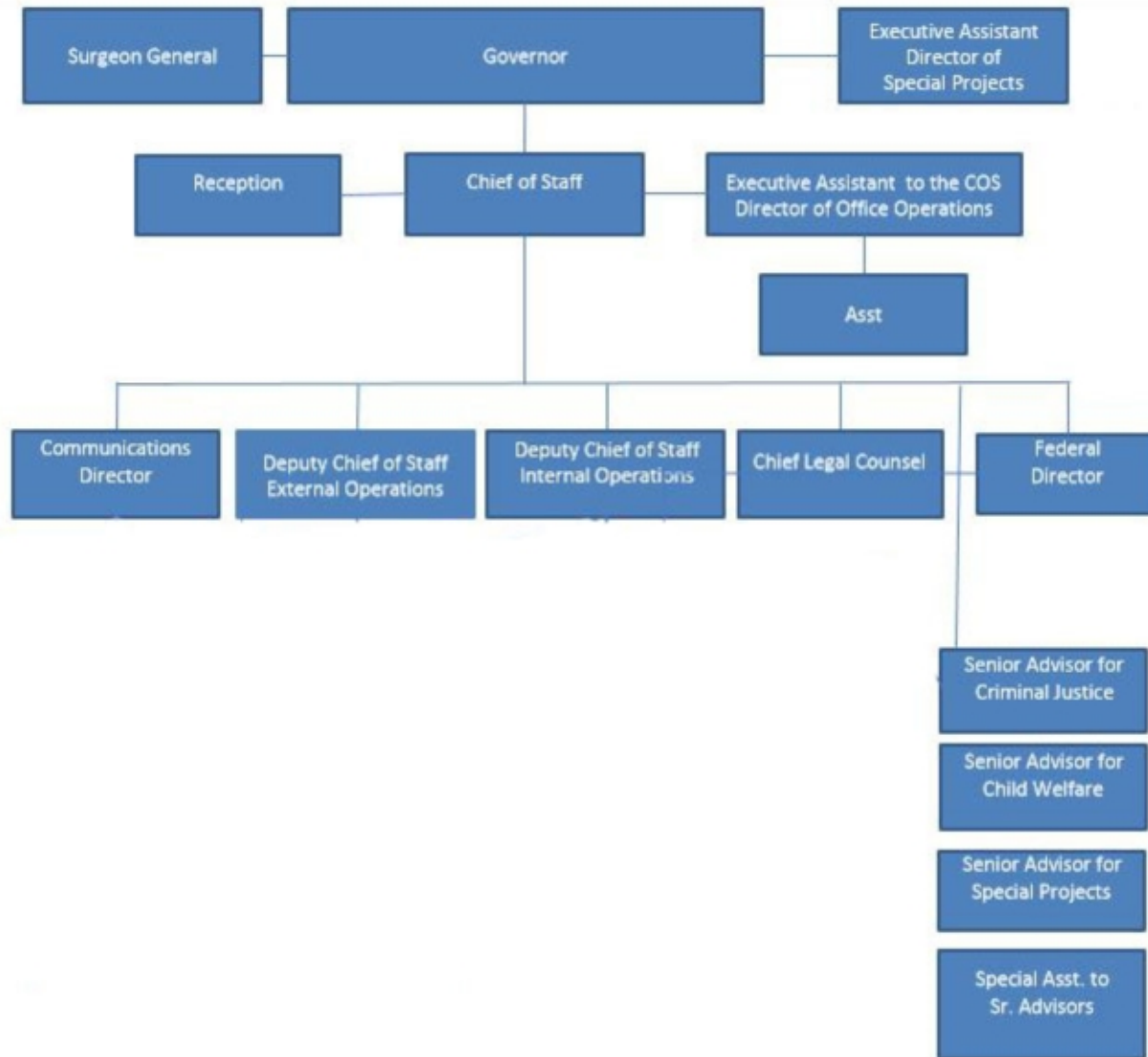
History and Organization

In accordance with Article 6 of the Arkansas Constitution, the Governor, as elected by the people shall be vested with the executive power of the State. The Governor must be a U.S. citizen, a resident of the State for seven (7) years and be thirty (30) years of age. As Chief Executive of the State, the Governor may require written reports from Executive Department Directors. The Governor shall see that Arkansas laws are faithfully executed.

From time to time, the Governor shall inform the General Assembly on the condition of state government. He shall also make recommendations for their consideration on such measures as he may deem appropriate. Every bill that has passed both houses of the General Assembly shall be presented to the Governor for his signature. The Governor has veto power of line items in appropriation bills authorizing the expenditure of state funds.

The Governor's Office provides executive leadership to the State through many daily functions:

- Executive Staff
- Boards and Commissions
- Clemency and Extradition
- Communications
- Correspondence
- Constituent Services
- Policy
- Scheduling
- State Federal Relations



Agency Commentary

The Governor's Office is currently authorized sixty (60) full time positions and seven (7) Extra Help positions.

The Office is requesting the following for the 2017 - 2019 biennium:

- Reallocate Maintenance and Operations line items to one new line item, Governor's Office Expenses. This better aligns with the business operations of the Governor's Office.
- Reduce the operations line item by \$200,000 and reallocate to the Arkansas Governor's Mansion operations appropriation - Mansion Utilities line item.
- With the transition to one Governor's Office Expense line item, delete special language that authorizes the transfer of appropriation from any authorized line item, including salaries and matching, to any line item authorized in the Act. Transfers from salary related line items will no longer be authorized.
- The Governor's Emergency Fund is requested to continue at the Base Level of \$500,000 each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
OFFICE OF THE GOVERNOR
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

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

None

Employment Summary

	Male	Female	Total	%
White Employees	17	25	42	82 %
Black Employees	4	4	8	16 %
Other Racial Minorities	0	1	1	2 %
Total Minorities			9	18 %
Total Employees			51	100 %

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	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
001 Governor's Office - Operations	4,729,240	60	6,016,329	60	6,012,019	60	6,074,308	60	5,874,308	60	0	0	6,075,045	60	5,875,045	60	0	0
181 Governor's Emergency Proclamation	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	0	0	500,000	0	500,000	0	0	0
Total	5,229,240	60	6,516,329	60	6,512,019	60	6,574,308	60	6,374,308	60	0	0	6,575,045	60	6,375,045	60	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
State Central Services 4000035	4,729,240	90.4	6,016,329	92.3			6,074,308	92.4	5,874,308	92.2	0	0.0	6,075,045	92.4	5,875,045	92.2	0	0.0
Governor's Emergency Fund 4000275	500,000	9.6	500,000	7.7			500,000	7.6	500,000	7.8	0	0.0	500,000	7.6	500,000	7.8	0	0.0
Total Funds	5,229,240	100.0	6,516,329	100.0			6,574,308	100.0	6,374,308	100.0	0	0.0	6,575,045	100.0	6,375,045	100.0	0	0.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
Grand Total	5,229,240		6,516,329				6,574,308		6,374,308		0		6,575,045		6,375,045		0	

Appropriation 001 - Budget exceeds Authorized due to matching rate adjustments during the 2015-2017 Biennium.

No Executive Recommendation made on this Agency.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
60	51	9	60	0	15.00 %	60	54	6	60	0	10.00 %	60	53	7	60	0	11.67 %

Appropriation Summary

Appropriation: 001 - Governor's Office - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,297,322	4,005,671	4,015,582	4,041,707	4,041,707	0	4,041,807	4,041,807	0
#Positions		60	60	60	60	60	0	60	60	0
Extra Help	5010001	0	8,789	8,789	8,789	8,789	0	8,789	8,789	0
#Extra Help		0	7	7	7	7	0	7	7	0
Personal Services Matching	5010003	1,030,266	1,217,963	1,203,742	1,247,906	1,247,906	0	1,248,543	1,248,543	0
Operating Expenses	5020002	351,058	746,706	746,706	746,706	0	0	746,706	0	0
Conference & Travel Expenses	5050009	594	15,200	15,200	15,200	0	0	15,200	0	0
Professional Fees	5060010	50,000	14,000	14,000	14,000	0	0	14,000	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	8,000	8,000	0	0	0	0	0	0
Governor's Office Expenses	5900046	0	0	0	0	575,906	0	0	575,906	0
Total		4,729,240	6,016,329	6,012,019	6,074,308	5,874,308	0	6,075,045	5,875,045	0
Funding Sources										
State Central Services	4000035	4,729,240	6,016,329		6,074,308	5,874,308	0	6,075,045	5,875,045	0
Total Funding		4,729,240	6,016,329		6,074,308	5,874,308	0	6,075,045	5,875,045	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,729,240	6,016,329		6,074,308	5,874,308	0	6,075,045	5,875,045	0

\$200,000 reallocation of operating expenses from the Governor's Office to the Governor's Mansion appropriation - Utilities line item.

Actual exceeds Authorized in Professional Fees due to a Budget Classification Transfer.

FY17 Budget in Personal Services Matching exceeds the Authorized due to matching rate adjustments during the 2015-2017 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 001 - Governor's Office - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	6,074,308	60	6,074,308	100.0	6,075,045	60	6,075,045	100.0
C04	Reallocation	0	0	6,074,308	100.0	0	0	6,075,045	100.0
C07	Agency Transfer	(200,000)	0	5,874,308	96.7	(200,000)	0	5,875,045	96.7

Justification

C04	Reallocate Maintenance and Operations line items to one new line item, Governor's Office Expenses. This better aligns with the business operations of the Governor's Office.
C07	Reduce the operations line item by \$200,000 and reallocate to the Arkansas Governor's Mansion operations appropriation - Mansion Utilities line item.

Appropriation Summary

Appropriation: 181 - Governor's Emergency Proclamation

Funding Sources: MTA - Miscellaneous Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	500,000	500,000	500,000	500,000	500,000	0	500,000	500,000	0
Total	500,000	500,000	500,000	500,000	500,000	0	500,000	500,000	0
Funding Sources									
Governor's Emergency Fund 4000275	500,000	500,000		500,000	500,000	0	500,000	500,000	0
Total Funding	500,000	500,000		500,000	500,000	0	500,000	500,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	500,000	500,000		500,000	500,000	0	500,000	500,000	0

Expenditures for Emergency Proclamations are reflected in the Department of Finance and Administration - Disbursing Officer appropriation (777).

No Executive Recommendation made on this appropriation.

ARKANSAS GOVERNOR'S MANSION

Enabling Laws

Act 258 of 2016
ACA §22-3-801 - 806

History and Organization

In accordance with ACA §22-3-801 - 806, the State of Arkansas furnishes its Governor a mansion to live in during the term of office. The Arkansas Governor's Mansion Commission is composed of (9) nine members; (8) eight appointed by the Governor with each congressional district represented and the Director of the Department of Arkansas Heritage serves as an ex officio voting member.

The Arkansas Governor's Mansion Commission has the following powers and duties:

To survey and investigate the condition of the Governor's Mansion, its appurtenant buildings, its grounds, and its contents, including furniture and fixtures;

To prepare and file with the Governor and the Legislative Council an annual Governor's Mansion report, to be filed on or before November 1 of each year, summarizing the results of the commission's surveys and investigations recommending any necessary repairs, improvements, replacements, or reconstruction of the Governor's Mansion, its appurtenant buildings, grounds, and contents, together with an itemized and detailed estimate of the costs thereof; and

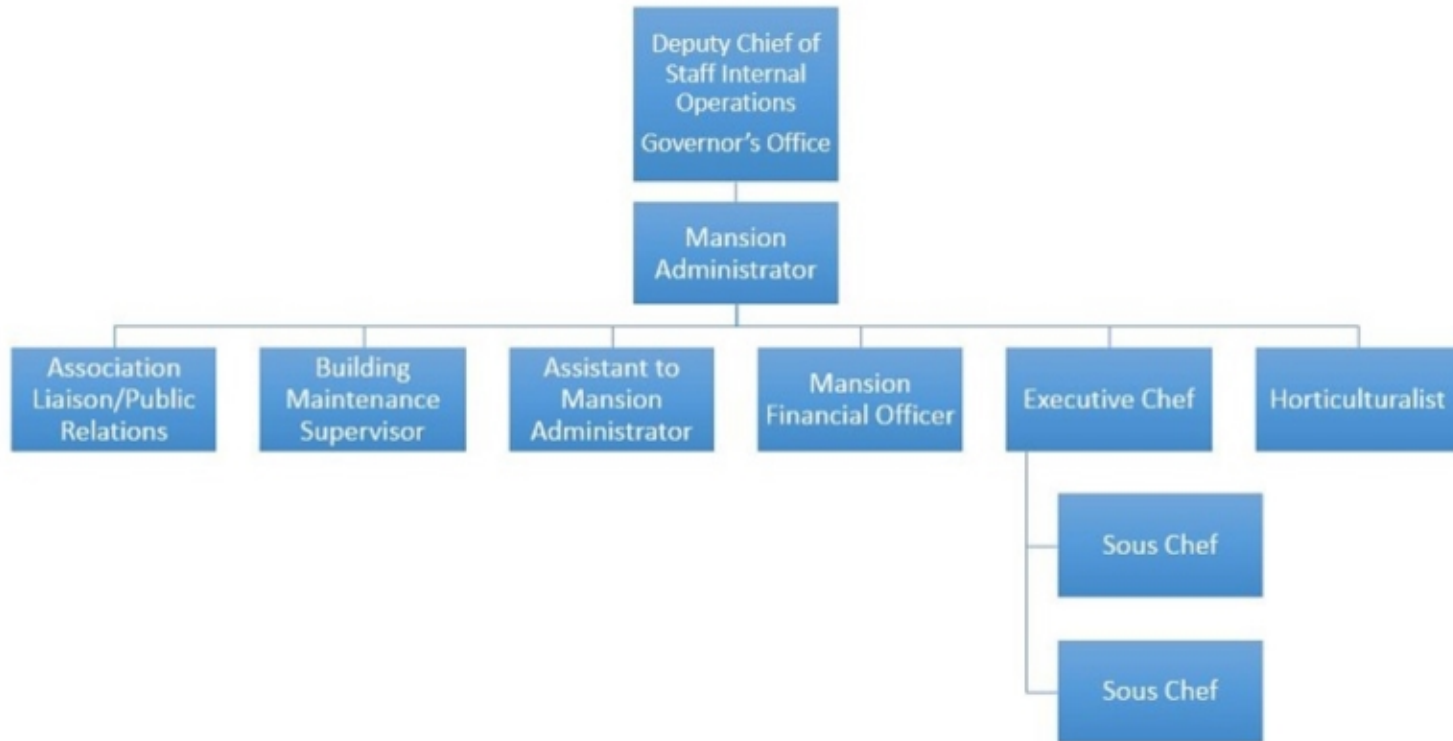
To solicit and accept gifts, grants, or donations of or for the purchase of furnishings, fixtures, works of art, trees, shrubs, landscaping, and similar contents and appurtenances.

However, no such gift, grant, or donation may be accepted without the approval of the Governor.

The Governor shall consult the commission before taking any action that would affect the historic value of the Governor's Mansion.

Any individual, corporation, or nonprofit association may solicit funds or engage in fundraising activities on behalf of the commission upon written permission by the commission and the Governor.

Mansion Advisory Council is composed of three (3) members appointed by the President Pro Tempore of the Senate, three (3) members appointed by the Speaker of the House of Representatives, and any other persons as the Arkansas Governor's Mansion Commission or the Governor may select. The council shall assist the commission in any manner requested by the commission. Members of the council shall be notified of all meetings of the commission and can take part in all meetings of the commission, and enjoy all rights and privileges of membership on the commission except the right to vote and to receive per diem payments.



Agency Commentary

The Governor's Mansion is currently authorized for ten (10) full time positions and four (4) Extra Help positions.

The 2017-2019 request reflects a \$200,000 reallocation of operating expenses from the Governor's Office to the Governor's Mansion:

- Reallocating the \$500 Uniform allowance line item no longer utilized and \$99,500 from the current Mansion Expense line item to a new Annual Maintenance line item to insure funds allocated are specifically used to maintain the Mansion. Annual maintenance allows systems to work at peak efficiency and experiences considerably fewer breakdowns.
- \$200,000 to establish a Mansion Utilities line item to allocate funds specifically for utility related items for the Mansion (examples: electricity, heating & air, gas, water, phones, connectivity & data, trash pickup, recycle, etc.) Major utilities for the state-owned property have previously been paid from cash funds generated by events held on the property. The cash flow generated from events is not a guaranteed source of income each year and the Governor is reallocating state funds from the Governor's Office budget to fund the appropriation.
- Delete special language that authorizes the transfer of appropriation from any authorized line item, including salaries and matching, to any line item authorized in the Act.
- Add Special Language that will transfer cash fund balance over \$300,000 at the end of each fiscal year to State Central Services to defray state support to the Governor's Mansion.
- Cash Operations appropriation is requested to continue at Base Level.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
GOVERNOR'S MANSION AND MANSION COMMISSION
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

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

None

Employment Summary

	Male	Female	Total	%
White Employees	4	4	8	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			8	100 %

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	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
532 Governor's Mansion - Operations	1,002,846	10	1,119,887	10	1,119,994	10	1,128,434	10	1,328,434	10	0	0	1,129,170	10	1,329,170	10	0	0
56V Grand Hall/Mansion/Grounds - Cash in Treasury	635,625	0	500,000	0	500,000	0	500,000	0	500,000	0	0	0	500,000	0	500,000	0	0	0
Total	1,638,471	10	1,619,887	10	1,619,994	10	1,628,434	10	1,828,434	10	0	0	1,629,170	10	1,829,170	10	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	176,859	10.4	66,352	4.1		0.0		0.0		0.0		0.0		0.0		0.0		0.0
State Central Services 4000035	1,002,846	58.8	1,119,887	69.1		69.3	1,328,434	72.7		0.0		69.3	1,329,170	72.7		0.0		0.0
Cash Fund 4000045	325,118	19.1	433,648	26.8		30.7	500,000	27.3		0.0		30.7	500,000	27.3		0.0		0.0
Rainy Day Fund 4000267	200,000	11.7	0	0.0		0.0	0	0.0		0.0		0.0	0	0.0		0.0		0.0
Total Funds	1,704,823	100.0	1,619,887	100.0		100.0	1,828,434	100.0		0.0		100.0	1,629,170	100.0		100.0		0.0
Excess Appropriation/(Funding)	(66,352)		0				0			0			0			0		0
Grand Total	1,638,471		1,619,887				1,628,434			0			1,629,170			1,829,170		0

No Executive Recommendation made on this appropriation.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
10	9	1	10	0	10.00 %	10	9	1	10	0	10.00 %	10	9	1	10	0	10.00 %

Appropriation Summary

Appropriation: 532 - Governor's Mansion - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	499,289	568,759	567,354	573,122	573,122	0	573,722	573,722	0
#Positions	10	10	10	10	10	0	10	10	0
Extra Help 5010001	5,185	12,000	12,000	12,000	12,000	0	12,000	12,000	0
#Extra Help	2	4	4	4	4	0	4	4	0
Personal Services Matching 5010003	162,342	177,298	178,810	181,482	181,482	0	181,618	181,618	0
Uniform Allowance 5010016	0	500	500	500	0	0	500	0	0
Gov Mansion Annual Maintenance 5120032	0	0	0	0	100,000	0	0	100,000	0
Gov Mansion Allowance 5900046	35,000	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Gov Mansion Operating Expense 5900047	301,030	301,330	301,330	301,330	201,830	0	301,330	201,830	0
Gov Mansion Utilities 5900048	0	0	0	0	200,000	0	0	200,000	0
Total	1,002,846	1,119,887	1,119,994	1,128,434	1,328,434	0	1,129,170	1,329,170	0
Funding Sources									
State Central Services 4000035	1,002,846	1,119,887		1,128,434	1,328,434	0	1,129,170	1,329,170	0
Total Funding	1,002,846	1,119,887		1,128,434	1,328,434	0	1,129,170	1,329,170	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,002,846	1,119,887		1,128,434	1,328,434	0	1,129,170	1,329,170	0

\$200,000 reallocation of operating expenses from the Governor's Office to the Governor's Mansion appropriation - Utilities line item.

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

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 532 - Governor's Mansion - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,128,434	10	1,128,434	100.0	1,129,170	10	1,129,170	100.0
C04	Reallocation	0	0	1,128,434	100.0	0	0	1,129,170	100.0
C07	Agency Transfer	200,000	0	1,328,434	117.7	200,000	0	1,329,170	117.7

Justification

C04	Reallocating the \$500 Uniform allowance line item no longer utilized and \$99,500 from the current Mansion Expense line item to a new Annual Maintenance line item to insure funds allocated are specifically used to maintain the Mansion. Annual maintenance allows systems to work at peak efficiency and experiences considerably fewer breakdowns.
C07	Establish a Mansion Utilities line item to allocate funds specifically for utility related items for the Mansion. The cash flow generated from events is not a guaranteed source of income each year and the Governor is reallocating state funds from the Governor's Office budget to fund the appropriation.

Appropriation Summary

Appropriation: 56V - Grand Hall/Mansion/Grounds - Cash in Treasury
Funding Sources: NGM - Governor's Mansion Grand Hall - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grand Hall/Mansion/Grounds Exp 5900046	635,625	500,000	500,000	500,000	500,000	0	500,000	500,000	0
Total	635,625	500,000	500,000	500,000	500,000	0	500,000	500,000	0
Funding Sources									
Fund Balance 4000005	176,859	66,352		0	0	0	0	0	0
Cash Fund 4000045	325,118	433,648		500,000	500,000	0	500,000	500,000	0
Rainy Day Fund 4000267	200,000	0		0	0	0	0	0	0
Total Funding	701,977	500,000		500,000	500,000	0	500,000	500,000	0
Excess Appropriation/(Funding)	(66,352)	0		0	0	0	0	0	0
Grand Total	635,625	500,000		500,000	500,000	0	500,000	500,000	0

Actual exceeds Authorized due to a transfer from the Rainy Day Fund,

No Executive Recommendation made on this appropriation.

COMMISSIONER OF STATE LANDS

Enabling Laws

Act 217 of 2016
Act 686 of 1983, As Amended
Act 509 of 1993, As Amended
Act 807 of 1991, As Amended
Act 147 of 1975
Act 1036 of 2007
Constitution of Arkansas, Article 6
Constitution of Arkansas, Amendment 56

History and Organization

The Commissioner of State Lands is an elected official serving a four-year term of office. Constitutional Amendment 37, approved by the voters in 1946, established the Commissioner of State Lands as one of Arkansas' seven popularly elected constitutional officers.

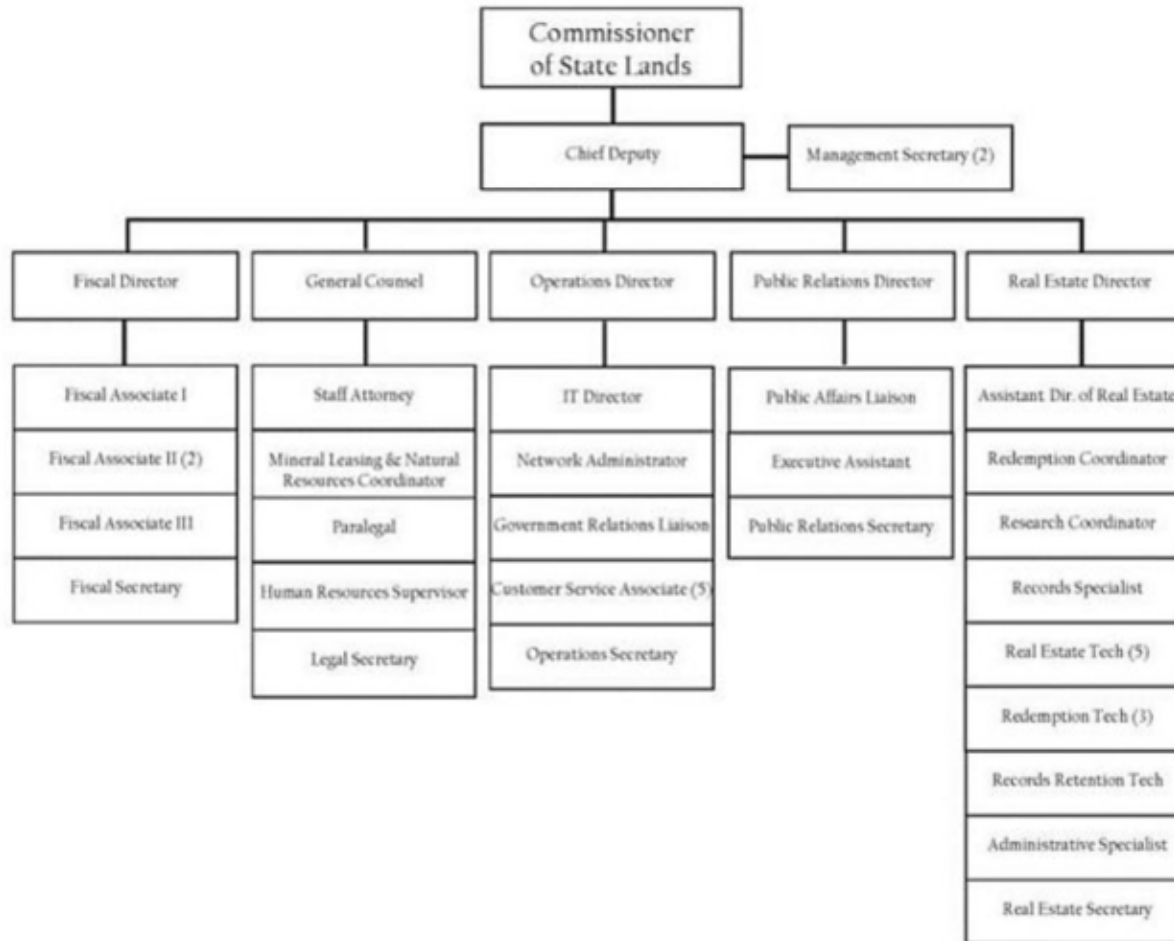
One of the major responsibilities of the Commissioner of State Lands is to return to private ownership those lands that have been certified to the state for non-payment of ad valorem real estate taxes. The procedure used is outlined in Act 626 of 1983, as amended. Essentially, this is accomplished either by the owner of record redeeming the land by paying the taxes, penalties, interest and cost or by selling the property at a public sale. Diligent efforts are made to make the owners aware that taxes are delinquent. Research of property records and public records is conducted in an effort to locate owners and interested parties. Notices are sent by regular mail, certified mail and in some case notices are posted on the property. Ultimately, property that is not redeemed is offered for sale. This process guarantees that land will continue to generate revenues required for essential public services.

Another important function of the office is the management of mineral leasing for most state owned lands, including navigable waterways. The Commissioner is chairman of the Natural Resources Committee whose job is to ensure that state owned lands are leased in a manner that best benefits the state, while protecting the environment. The office also has jurisdiction over most of the submerged lands and islands in the navigable waters of the state.

Further, the office has the authority to donate for public use tax delinquent land to state agencies, colleges and universities and local governments. Also, under the Urban Homestead Act, the Commissioner of State Lands may donate tax delinquent land to cities and nonprofit

organizations to be developed into housing for low income families to purchase.

Pursuant to statute, the Commissioner of State Lands is charged with the duty of preserving the records of the office. From a historical standpoint, records related to the Louisiana Purchase and Spanish land grants have been preserved and are available for online research. More recent documents include deeds that convey real property to state agencies, as well as documents related to tax sales, redemptions and donations.



Agency Commentary

The Commissioner of State Lands is primarily responsible for the disposition of tax delinquent real property certified to the state from the counties in compliance with the applicable statutes.

The major cost related to this task are for postage, title report fees, posting and travel expenses. By statute notice must be provided by regular mail, certified mail and in some cases by physically posting property.

Due to the efforts by this office approximately 88% of all parcels certified are redeemed prior to sale. Additionally, for the period beginning January 1, 2014 through December 30, 2015 nearly \$40,000,000 was returned to the respective counties.

There are no changes to programs requested by appropriation and funding sources in the 2017-2019 Biennial Budget Request.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE LAND DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

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

None

Employment Summary

	Male	Female	Total	%
White Employees	15	21	36	86 %
Black Employees	1	3	4	10 %
Other Racial Minorities	0	2	2	4 %
Total Minorities			6	14 %
Total Employees			42	100 %

Cash Fund Balance Description as of June 30, 2016

Fund Account	Balance	Type	Location
1170100	\$23,250,000	CDs	Various

Statutory/Other Restrictions on use:

A.C.A 26-37-205 Funds are collected through redemption and sale of tax delinquent lands. Tax amounts are returned to counties where properties are located, along with interest money collected and county costs. Penalty and costs are retained by the Commissioner of State Lands to fund on-going operations of his office.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A 21-6-203 Commissioner of State Lands deposits fees, penalties, etc. into cash funds, retained by the Commissioner of State Lands to fund on-going operations of his office.

Revenue Receipts Cycle:

N/A

Fund Balance Utilization:

Fund balances are maintained to utilize as pass-through mechanism to return taxes to counties, payment of recording fees, return excess proceeds of land sales to former owners, ongoing expenses of the office, etc.

Fund Account	Balance	Type	Location
1170100	\$13,030,294	Checking	First Security Bank

Statutory/Other Restrictions on use:

A.C.A 26-37-205 Funds are collected through redemption and sale of tax delinquent lands. Tax amounts are returned to counties where properties are located, along with interest money collected and county costs. Penalty and costs are retained by the Commissioner of State Lands to fund on-going operations of his office.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A 21-6-203 Commissioner of State Lands deposits fees, penalties, etc. into cash funds, retained by the Commissioner of State Lands to fund on-going operations of his office.

Revenue Receipts Cycle:

N/A

Fund Balance Utilization:

Fund balances are maintained to utilize as pass-through mechanism to return taxes to counties, payment of recording fees, return excess proceeds of land sales to former owners, ongoing expenses of the office, etc.

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				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
006 Operations	2,967,305	45	3,698,706	45	3,671,810	45	3,679,318	45	3,679,318	45	0	0	3,679,318	45	3,679,318	45	0	0
A14 Operating Expenses / Capital Outlay	207,167	0	267,800	0	267,800	0	267,800	0	267,800	0	0	0	267,800	0	267,800	0	0	0
B28 Delinquent Tax-Cash	27,264,486	0	36,334,056	0	36,334,056	0	36,334,056	0	36,334,056	0	0	0	36,334,056	0	36,334,056	0	0	0
C75 Islands/Submerged Lands	10,653	0	250,000	0	250,000	0	250,000	0	250,000	0	0	0	250,000	0	250,000	0	0	0
F74 Adopt a Document	0	0	250,000	0	250,000	0	250,000	0	250,000	0	0	0	250,000	0	250,000	0	0	0
Total	30,449,611	45	40,800,562	45	40,773,666	45	40,781,174	45	40,781,174	45	0	0	40,781,174	45	40,781,174	45	0	0

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	36,191,619	54.2	36,307,119	47.1			36,307,119	47.1	36,307,119	47.1	0	0.0	36,307,119	47.1	36,307,119	47.1	0	0.0
State Central Services	4000035	2,967,305	4.4	3,698,706	4.8			3,679,318	4.8	3,679,318	4.8	0	0.0	3,679,318	4.8	3,679,318	4.8	0	0.0
Cash Fund	4000045	27,597,806	41.3	37,101,856	48.1			37,101,856	48.1	37,101,856	48.1	0	0.0	37,101,856	48.1	37,101,856	48.1	0	0.0
Total Funds		66,756,730	100.0	77,107,681	100.0			77,088,293	100.0	77,088,293	100.0	0	0.0	77,088,293	100.0	77,088,293	100.0	0	0.0
Excess Appropriation/(Funding)		(36,307,119)		(36,307,119)				(36,307,119)		(36,307,119)		0		(36,307,119)		(36,307,119)		0	
Grand Total		30,449,611		40,800,562				40,781,174		40,781,174		0		40,781,174		40,781,174		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
45	45	0	45	0	0.00 %	45	0	45	45	0	100.00 %	45	0	45	45	0	100.00 %

Appropriation Summary

Appropriation: 006 - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,177,251	2,716,515	2,689,619	2,716,514	2,716,514	0	2,716,514	2,716,514	0
#Positions		45	45	45	45	45	0	45	45	0
Extra Help	5010001	4,926	40,000	40,000	40,000	40,000	0	40,000	40,000	0
#Extra Help		5	5	5	5	5	0	5	5	0
Personal Services Matching	5010003	709,730	866,191	866,191	846,804	846,804	0	846,804	846,804	0
Operating Expenses	5020002	65,981	66,000	66,000	66,000	66,000	0	66,000	66,000	0
Conference & Travel Expenses	5050009	9,417	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,967,305	3,698,706	3,671,810	3,679,318	3,679,318	0	3,679,318	3,679,318	0
Funding Sources										
State Central Services	4000035	2,967,305	3,698,706		3,679,318	3,679,318	0	3,679,318	3,679,318	0
Total Funding		2,967,305	3,698,706		3,679,318	3,679,318	0	3,679,318	3,679,318	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,967,305	3,698,706		3,679,318	3,679,318	0	3,679,318	3,679,318	0

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

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: A14 - Operating Expenses / Capital Outlay

Funding Sources: 117 - Commissioner of State Lands - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Capital Outlay/Operating Exp 5900046	207,167	267,800	267,800	267,800	267,800	0	267,800	267,800	0
Total	207,167	267,800	267,800	267,800	267,800	0	267,800	267,800	0
Funding Sources									
Fund Balance 4000005	233,992	26,825		26,825	26,825	0	26,825	26,825	0
Cash Fund 4000045	0	267,800		267,800	267,800	0	267,800	267,800	0
Total Funding	233,992	294,625		294,625	294,625	0	294,625	294,625	0
Excess Appropriation/(Funding)	(26,825)	(26,825)		(26,825)	(26,825)	0	(26,825)	(26,825)	0
Grand Total	207,167	267,800		267,800	267,800	0	267,800	267,800	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: B28 - Delinquent Tax-Cash

Funding Sources: 117 - Commissioner of State Lands - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,099,248	1,209,056	1,209,056	1,209,056	1,209,056	0	1,209,056	1,209,056	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	962,638	1,750,000	1,750,000	1,750,000	1,750,000	0	1,750,000	1,750,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	316,914	375,000	375,000	375,000	375,000	0	375,000	375,000	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Deliquent Tax Remittal/Sale Refu	5900046	24,885,686	33,000,000	33,000,000	33,000,000	33,000,000	0	33,000,000	33,000,000	0
Total		27,264,486	36,334,056	36,334,056	36,334,056	36,334,056	0	36,334,056	36,334,056	0
Funding Sources										
Fund Balance	4000005	35,957,627	36,040,947		36,040,947	36,040,947	0	36,040,947	36,040,947	0
Cash Fund	4000045	27,347,806	36,334,056		36,334,056	36,334,056	0	36,334,056	36,334,056	0
Total Funding		63,305,433	72,375,003		72,375,003	72,375,003	0	72,375,003	72,375,003	0
Excess Appropriation/(Funding)		(36,040,947)	(36,040,947)		(36,040,947)	(36,040,947)	0	(36,040,947)	(36,040,947)	0
Grand Total		27,264,486	36,334,056		36,334,056	36,334,056	0	36,334,056	36,334,056	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: C75 - Islands/Submerged Lands
Funding Sources: 117 - Commissioner of State Lands - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	10,653	0	0	0	0	0	0	0	0
Submerged Lands	5900046	0	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Total		10,653	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Funding Sources										
Fund Balance	4000005	0	239,347		239,347	239,347	0	239,347	239,347	0
Cash Fund	4000045	250,000	250,000		250,000	250,000	0	250,000	250,000	0
Total Funding		250,000	489,347		489,347	489,347	0	489,347	489,347	0
Excess Appropriation/(Funding)		(239,347)	(239,347)		(239,347)	(239,347)	0	(239,347)	(239,347)	0
Grand Total		10,653	250,000		250,000	250,000	0	250,000	250,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: F74 - Adopt a Document
Funding Sources: 117 - Commissioner of State Lands - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Adopt a Document Program Expe 5900046	0	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Total	0	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Funding Sources									
Cash Fund 4000045	0	250,000		250,000	250,000	0	250,000	250,000	0
Total Funding	0	250,000		250,000	250,000	0	250,000	250,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	250,000		250,000	250,000	0	250,000	250,000	0

No Executive Recommendation made on this appropriation.

ARKANSAS LEGISLATIVE AUDIT

Enabling Laws

Act 160 of 2016
A.C.A. §10-3-401 et seq.
A.C.A. §10-4-401 et seq.

History and Organization

The Legislative Joint Auditing Committee and the Division of Legislative Audit were created by Acts 41 and 268 of 1953. These acts were subsequently repealed, and the Committee and Division were recreated under Act 105 of 1955. Act 2201 of 2005 amended certain provisions of Ark. Code Ann. §§ 10-3-401 - 10-3-424 regarding the Legislative Joint Auditing Committee, repealed Ark. Code Ann. §§ 10-4-101 - 10-4-119, and established revised enabling legislation for the Division of Legislative Audit at Ark. Code Ann. §§ 10-4-401 - 10-4-427. Act 554 of 2015 changed the agency's name to "Arkansas Legislative Audit" and otherwise amended the 2005 enabling legislation.

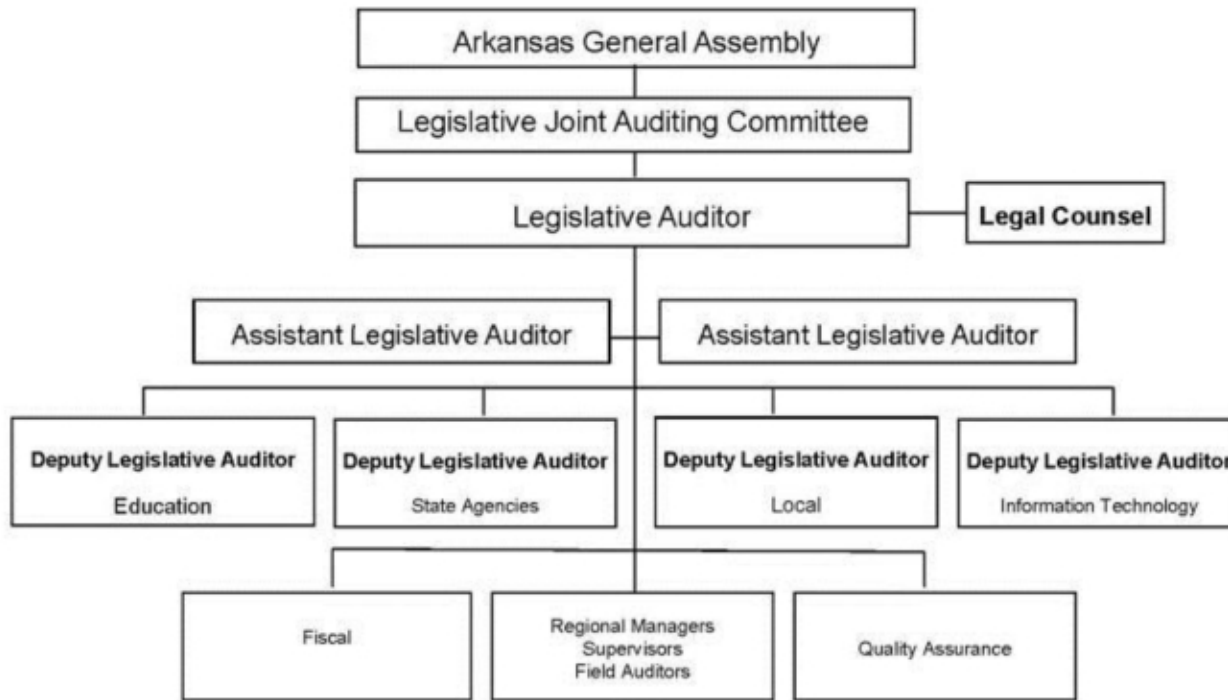
The Legislative Joint Auditing Committee consists of up to 44 voting members: 20 from the House of Representatives, 16 from the Senate, and 8 ex-officio members.

Arkansas Legislative Audit (ALA) strives to serve the citizens of Arkansas by encouraging sound management, continuous improved performance, and accountability for all governmental entities. ALA serves the General Assembly by providing impartial auditing of various entities and political subdivisions of the state, independent of the executive branch of state government. ALA provides information that improves public accountability and assists those who oversee public funds in decision-making processes. ALA's goal is to effectively and efficiently communicate audit and review results to both government officials and the citizens of Arkansas, thereby promoting accountability, fiscal integrity, and professionalism.

As prescribed by the American Institute of Certified Public Accountants, the Governmental Accounting Standards Board, the United States Government Accountability Office, and other authoritative bodies, ALA's audits provide independent, impartial, and timely reporting of Arkansas's various governmental financial activities.

Under the direction of the Legislative Joint Auditing Committee and the Legislative Auditor, ALA staff conduct all engagements in a nonpartisan, unbiased manner. ALA establishes an objective basis for its findings, conclusions, and recommendations, which are derived

solely from reliable evidence. To provide this basis, ALA staff strictly adhere to the standards of the auditing profession, striving to exhibit the highest level of ethics, integrity, independence, objectivity, and professionalism.



Agency Commentary

The Legislative Joint Auditing Committee, through Arkansas Legislative Audit (ALA), is responsible for the independent auditing of entities and political subdivisions of the State. ALA performs audits of the State's financial statements (Comprehensive Annual Financial Report) and federal programs (Statewide Single Audit), as well as audits and internal control and compliance assessments of individual state agencies. In addition, ALA audits the financial statements of counties, offices of prosecuting attorneys, municipalities, school districts, and institutions of higher education. During routine audit procedures, misappropriation of public funds is often discovered. Investigations of these instances are coordinated with the respective prosecuting attorneys and appropriate law enforcement officials, reported to the Legislative Joint Auditing Committee and the entity's governing body, and formally referred to the prosecuting attorney as required by law. Through special reports, ALA provides information of interest to the members of the General Assembly. ALA also performs audits of computer systems of applicable governmental entities in coordination with the financial audit. All work is performed in accordance with applicable professional standards.

Funding for ALA operations originates from a combination of sources, including the State Central Services Fund (HSC), ad valorem tax distribution, reimbursements from agencies for the costs of performing federal compliance audits, reimbursements from the Arkansas Scholarship Lottery for conducting its annual audit, and reimbursements for the costs of investigative reports and services. ALA is appropriated 292 positions in fiscal year 2017.

ALA's budget request does not ask for additional positions over fiscal year 2017. The budget request does include the following:

- Reclassification of five positions due to needs of the agency.
- Replacement of computers used by audit staff to ensure that dependable tools are available to perform audits.
- Replacement of broken and obsolete computer network servers and related components.

The Capital Outlay portion of the budget request \$200,000 for each fiscal year.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
LEGISLATIVE AUDIT
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

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

None

Employment Summary

	Male	Female	Total	%
White Employees	125	140	265	94 %
Black Employees	2	8	10	4 %
Other Racial Minorities	4	2	6	2 %
Total Minorities			16	6 %
Total Employees			281	100 %

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				
Audit Reports	A.C.A. §10-4-403	N	Y	1,000	All our publications are audit reports and related matters required by law. Number of copies published and distributed varies between fiscal years. Engagement reports contain multiple copies issued.	0	0.00

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
290	278	12	290	0	4.14 %	292	282	8	290	2	3.42 %	292	281	11	292	0	3.77 %

Appropriation Summary

Appropriation: 095 - Legislative Audit - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	23,665,530	27,975,459	27,975,459	28,029,380	28,109,627	0	28,036,780	28,117,027	0
#Positions		282	292	292	292	292	0	292	292	0
Personal Services Matching	5010003	6,689,974	7,736,532	7,736,532	7,813,792	7,832,220	0	7,820,791	7,839,219	0
Operating Expenses	5020002	2,014,960	3,914,400	3,914,400	3,914,400	3,914,400	0	3,914,400	3,914,400	0
Conference & Travel Expenses	5050009	108,118	343,000	343,000	343,000	343,000	0	343,000	343,000	0
Professional Fees	5060010	61,989	760,000	760,000	760,000	760,000	0	760,000	760,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	196,489	200,000	200,000	0	200,000	0	0	200,000	0
Total		32,737,060	40,929,391	40,929,391	40,860,572	41,159,247	0	40,874,971	41,173,646	0
Funding Sources										
State Central Services	4000035	12,820,348	24,644,391		24,575,572	24,874,247	0	24,589,971	24,888,646	0
Ad Valorem Tax	4000060	18,189,969	15,000,000		15,000,000	15,000,000	0	15,000,000	15,000,000	0
Federal Audit Reimbursement	4000242	1,539,880	1,000,000		1,000,000	1,000,000	0	1,000,000	1,000,000	0
Fees	4000245	165,004	285,000		285,000	285,000	0	285,000	285,000	0
M & R Sales	4000340	21,859	0		0	0	0	0	0	0
Total Funding		32,737,060	40,929,391		40,860,572	41,159,247	0	40,874,971	41,173,646	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		32,737,060	40,929,391		40,860,572	41,159,247	0	40,874,971	41,173,646	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 095 - Legislative Audit - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	40,860,572	292	40,860,572	100.0	40,874,971	292	40,874,971	100.0
C01	Existing Program	200,000	0	41,060,572	100.5	200,000	0	41,074,971	100.5
C10	Reclass	98,675	0	41,159,247	100.7	98,675	0	41,173,646	100.7

BUREAU OF LEGISLATIVE RESEARCH

Enabling Laws

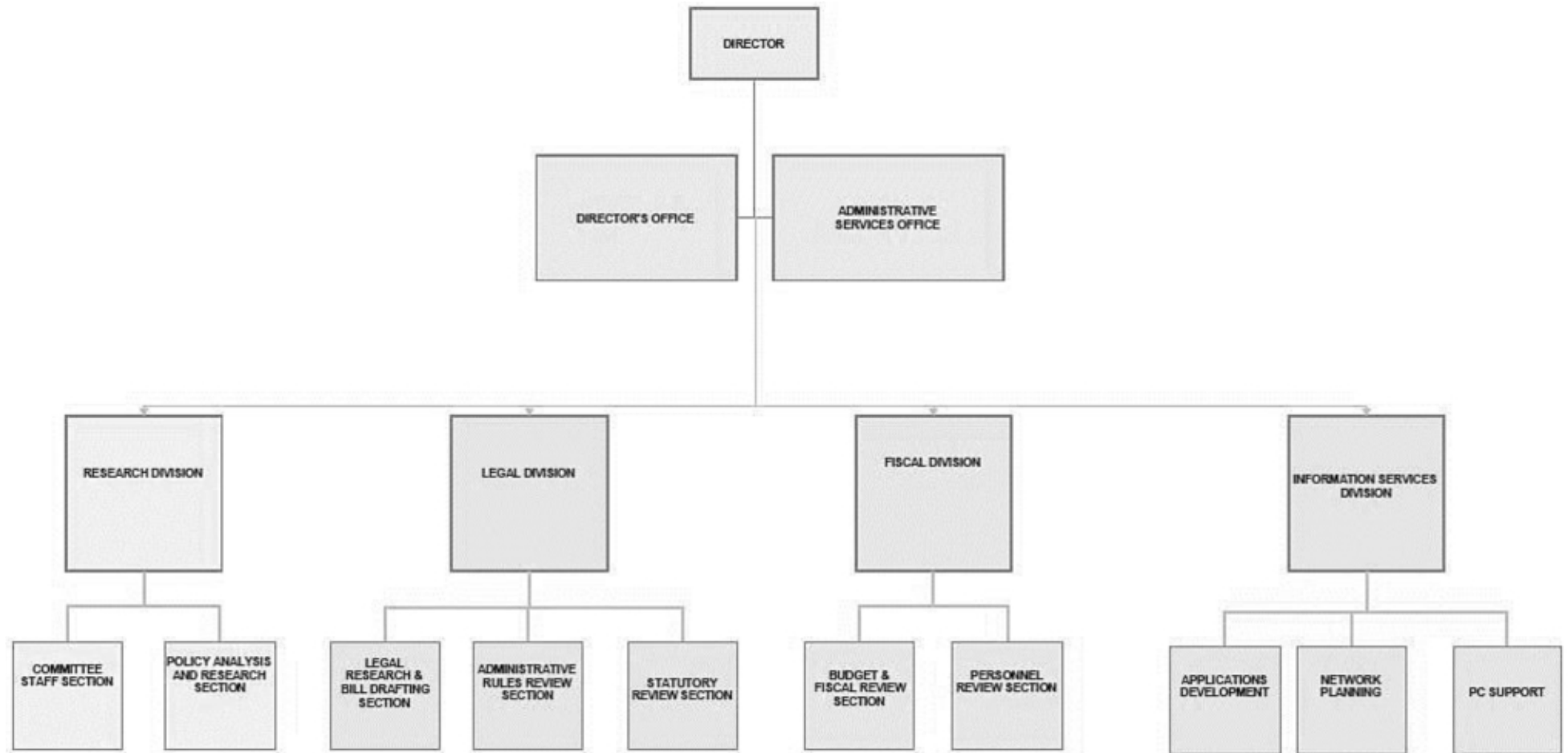
Act 79 of 2016
A.C.A. §10-3-301 et seq.

History and Organization

The Bureau of Legislative Research was first established in 1947 (Act 192 of 1947), as a service agency within the legislative department of government and its employees are employees of the Arkansas General Assembly. The Bureau of Legislative Research receives its funding from the State Central Services Fund. The Bureau of Legislative Research, under the control and direction of the Arkansas Legislative Council is charged with the following duties:

- 1) Assist all members of the General Assembly in drafting bills and resolutions, and making studies, preparing factual information, and by performing other services for members of the General Assembly as may be reasonably requested and which are in aid of the performance of the legislative duties of the members of the General Assembly;
- 2) Provide staff for legislative committees both during session and in the interim between sessions;
- 3) Maintain a limited legislative reference library, including current publications and data from other states and those publications and data from agencies in this state, exchange publications with comparable legislative agencies in other states, in order that the General Assembly might be fully advised of current developments in the legislatures of the various states and retain copies of bills introduced at the various legislative sessions which may or may not have been enacted by the General Assembly;
- 4) Prepare research reports and provide other staff services to the various legislative committees or subcommittees with respect to studies conducted at the direction of the General Assembly, or either house thereof, or upon request of any member of the General Assembly;
- 5) Assist the Legislative Council and Joint Budget Committee in the study of the budgetary and fiscal needs of the various state agencies and cooperate with the Department of Finance and Administration and other agencies of this state, upon direction of the Council and Joint Budget Committee, in the preparation of a budget manual reflecting the budgetary recommendations of the Legislative Council and the Joint Budget Committee to each session of the General Assembly;
- 6) Cooperate with comparable legislative service agencies in other states by exchanging information of legislative interest and participate in conferences or workshops on a regional or national basis organized for the purpose of exchanging information or discussing means and methods of improving services to legislatures and legislators in connection with the performance of their official duties;
- 7) Assist in the codification of general and permanent Acts of the General Assembly into the Arkansas Code of 1987 Annotated. This function is performed through the Statutory and Regulatory Review Section which was created when Act 1260 of 2005 transferred the staff

of the Arkansas Code Revision Commission to the Bureau of Legislative Research. The Statutory and Regulatory Review Section also provides proofing and editorial services to the Bureau, particularly in the Bureau's bill drafting operation; and
8) Perform any other duties and assignments as may be directed by the Legislative Council or by the General Assembly.



Agency Commentary

Bureau of Legislative Research - Operations

The Bureau of Legislative Research operations appropriation total amount requested is \$17,429,287 for Fiscal Year 2017-18 and Fiscal Year 2018-19. Capital Outlay is requested to be continued at the current fiscal year authorized and budgeted level to provide appropriation for replacement and upgrading of various equipment and software as necessary. Regular Salaries, Personal Services Matching, Conference and Travel, Professional Fees, Construction/Capital Improvements and Committee Rooms commitment items all have no change level and are requested at base level for both fiscal years.

Personnel

The Bureau of Legislative Research requests a total of 130 positions which is the current authorized level. This request includes sixteen reclassifications and two upgrades to change job titles and grades that more accurately reflect the current assigned job duties for employees in the Information Services Division as well as create a Career Ladder similar to the Career Ladder established for the Legislative Analyst and Legislative Attorney positions. This request also includes three reclassifications for the Legal Editor positions for a career ladder for employees in the Statutory Review Section, one reclassification to create a Program Development and Compliance Analyst/Specialist and one upgrade for an Administrator Position. No change level increases are requested in the total number of positions and no additional appropriation is requested for the Regular Salary or Personal Services Matching commitment items.

The reclassifications change (1) Database Manager C130, (1) Legislative Network Programmer II C129, (1) Applications Programmer C127, (1) Database Programmer C127, (1) Network / Web Programmer C127 and (1) Desktop Applications Support C120 to (6) Sr. Applications Programmer II C130; (1) Senior Legislative Analyst II C130, (2) Network Specialist C127, and (1) Desktop Applications Support C120 to (4) Senior Network Specialist C130; (2) PC Support Specialist II C122 and (2) PC Support Specialist C120 to (4) Senior PC Support Specialist II C126; (1) PC Support Manager C127 to (1) PC Support Manager N906; (1) Legislative Administrative Assistant C114 to (1) Senior Administrative Assistant to the Assistant Director C122; (2) Senior Legal Editors C128 to (2) Senior Legal Editor II C130; (1) Legal Editor Supervisor C130 to (1) Legal Editor Supervisor N906; (1) Director's Executive Assistant C122 to (1) BLR Program Development and Compliance Analyst Grade C122; and three upgrades for (1) Assets Manager C117 to a C119, (1) Digital Research Tech C112 to a C114 and (1) Legislative Admin Services Administrator from a N906 to a N908.

Legislative Council Disbursing Officer

The 2017-19 biennial request for the Interim Committee Study Expenses, Interim Committee Expenses and the Energy Council appropriations are all requested to be continued at the current Fiscal Year 2016-17 budgeted amounts with no change level requests.

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

None

Employment Summary

	Male	Female	Total	%
White Employees	31	51	82	74 %
Black Employees	0	22	22	20 %
Other Racial Minorities	1	6	7	6 %
Total Minorities			29	26 %
Total Employees			111	100 %

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				
10 Year Summary of Expenditures (A Book) (Biennially)	A.C.A. §10-3-303	Y	Y	150	Only Compilation of History of State Agency Expenditures for Research.	0	0.00
Monthly and Annual Revenue Report	A.C.A. §10-3-1403	Y	Y	150	Source of Information on a timely basis.	0	0.00
Selected Statistical Financial Data for Arkansas (B Book) (Biennially)	A.C.A. §10-3-303	Y	Y	250	State Finance Resource for Legislators, Schools, and Libraries.	0	0.00
Summary of Legislative Action (Produced after each Legislative Session)	A.C.A. §10-3-303	Y	Y	300	Compilation of Legislation Enacted by the General Assembly.	0	0.00

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

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Tax Handbook (Biennially)	A.C.A. §10-3-1403(a)(6)	Y	Y	250	Compilations of Arkansas Taxes Available to Legislators, Schools, and Libraries.	0	0.00

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
129	111	18	129	0	13.95 %	130	114	15	129	1	12.31 %	130	113	17	130	0	13.08 %

Appropriation Summary

Appropriation: 015 - Legislative Council - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	7,565,792	10,090,629	10,090,629	10,090,629	10,090,629	0	10,090,629	10,090,629	0
#Positions		127	130	130	130	130	0	130	130	0
Extra Help	5010001	0	150,000	150,000	150,000	150,000	0	150,000	150,000	0
#Extra Help		0	31	31	31	31	0	31	31	0
Personal Services Matching	5010003	2,323,097	2,860,032	2,860,032	2,860,032	2,860,032	0	2,860,032	2,860,032	0
Operating Expenses	5020002	1,800,233	2,133,686	2,133,686	2,133,686	2,133,686	0	2,133,686	2,133,686	0
Conference & Travel Expenses	5050009	147,520	218,002	218,002	218,002	218,002	0	218,002	218,002	0
Professional Fees	5060010	18,360	298,889	298,889	298,889	298,889	0	298,889	298,889	0
Construction/Capital Improvement	5090005	0	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	217,744	400,000	400,000	0	400,000	0	0	400,000	0
Contingency	5130018	0	893,480	893,480	893,480	893,480	0	893,480	893,480	0
Committee Rooms	5900046	0	205,063	205,063	205,063	205,063	0	205,063	205,063	0
Total		12,072,746	17,299,781	17,299,781	16,899,781	17,299,781	0	16,899,781	17,299,781	0
Funding Sources										
State Central Services	4000035	12,072,746	17,299,781		16,899,781	17,299,781	0	16,899,781	17,299,781	0
Total Funding		12,072,746	17,299,781		16,899,781	17,299,781	0	16,899,781	17,299,781	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		12,072,746	17,299,781		16,899,781	17,299,781	0	16,899,781	17,299,781	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 015 - Legislative Council - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	16,899,781	130	16,899,781	100.0	16,899,781	130	16,899,781	100.0
C01	Existing Program	400,000	0	17,299,781	102.4	400,000	0	17,299,781	102.4
C03	Discontinue Program	(116,425)	0	17,183,356	101.7	(116,425)	0	17,183,356	101.7
C04	Reallocation	0	0	17,183,356	101.7	0	0	17,183,356	101.7
C10	Reclass	116,425	0	17,299,781	102.4	116,425	0	17,299,781	102.4
C11	Upgrade/Downgrade	0	0	17,299,781	102.4	0	0	17,299,781	102.4

REAPPROPRIATION REQUESTS & EXECUTIVE RECOMMENDATION FOR VARIOUS CAPITAL PROJECTS

State Central Services -HSC

Agency / Project	Agency Request	Executive Recommendation	Project Status
<u>Bureau of Legislative Research</u> Operations & Construction	\$2,000,000	No Recommendation	Reappropriation for personal services and operating expenses, contingency, committee rooms, construction and capital improvements.

BUREAU OF LEGISLATIVE RESEARCH - DISBURSING OFFICER

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

None

Publications

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

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
016 Interim Committee Study Expenses	47,270	0	271,060	0	271,060	0	271,060	0	271,060	0	0	0	271,060	0	271,060	0	0	0
017 Interim Committee Expenses	758,376	0	1,696,396	0	1,696,396	0	1,696,396	0	1,696,396	0	0	0	1,696,396	0	1,696,396	0	0	0
180 Energy Council	17,534	0	65,806	0	65,806	0	65,806	0	65,806	0	0	0	65,806	0	65,806	0	0	0
Total	823,180	0	2,033,262	0	2,033,262	0	2,033,262	0	2,033,262	0	0	0	2,033,262	0	2,033,262	0	0	0

Funding Sources		%		%		%		%		%		%		%		%		
State Central Services 4000035	823,180	100.0	2,033,262	100.0			2,033,262	100.0	2,033,262	100.0	0	0.0	2,033,262	100.0	2,033,262	100.0	0	0.0
Total Funds	823,180	100.0	2,033,262	100.0			2,033,262	100.0	2,033,262	100.0	0	0.0	2,033,262	100.0	2,033,262	100.0	0	0.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
Grand Total	823,180		2,033,262				2,033,262		2,033,262		0		2,033,262		2,033,262		0	

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Appropriation Summary

Appropriation: 016 - Interim Committee Study Expenses

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Interim Committee Study Exp 5900041	47,270	271,060	271,060	271,060	271,060	0	271,060	271,060	0
Total	47,270	271,060	271,060	271,060	271,060	0	271,060	271,060	0
Funding Sources									
State Central Services 4000035	47,270	271,060		271,060	271,060	0	271,060	271,060	0
Total Funding	47,270	271,060		271,060	271,060	0	271,060	271,060	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	47,270	271,060		271,060	271,060	0	271,060	271,060	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 017 - Interim Committee Expenses

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Per Diem, Exp and Mileage 5900046	736,963	1,419,199	1,419,199	1,419,199	1,419,199	0	1,419,199	1,419,199	0
Out of State Travel 5900047	21,413	277,197	277,197	277,197	277,197	0	277,197	277,197	0
Total	758,376	1,696,396	1,696,396	1,696,396	1,696,396	0	1,696,396	1,696,396	0
Funding Sources									
State Central Services 4000035	758,376	1,696,396		1,696,396	1,696,396	0	1,696,396	1,696,396	0
Total Funding	758,376	1,696,396		1,696,396	1,696,396	0	1,696,396	1,696,396	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	758,376	1,696,396		1,696,396	1,696,396	0	1,696,396	1,696,396	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 180 - Energy Council

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
St Contrib/Member Exp 5900021	17,534	65,806	65,806	65,806	65,806	0	65,806	65,806	0
Total	17,534	65,806	65,806	65,806	65,806	0	65,806	65,806	0
Funding Sources									
State Central Services 4000035	17,534	65,806		65,806	65,806	0	65,806	65,806	0
Total Funding	17,534	65,806		65,806	65,806	0	65,806	65,806	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	17,534	65,806		65,806	65,806	0	65,806	65,806	0

No Executive Recommendation made on this appropriation.

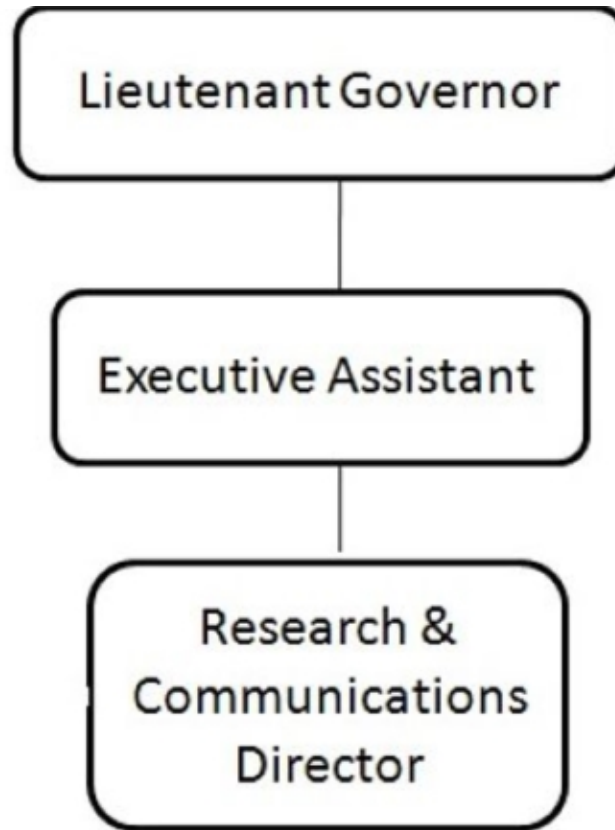
OFFICE OF THE LIEUTENANT GOVERNOR

Enabling Laws

Act 82 of 2016
Constitution of Arkansas, Article 6

History and Organization

The Office of the Lieutenant Governor fulfills the duties designated by the Arkansas Constitution, presides over the Senate when the Legislature is in session and acts as Governor when the Governor is absent from the State or incapacitated and unable to complete the duties of the Office of the Governor. In addition, by initiative of the Lieutenant Governor, the Office serves as a facilitator and spokesman for economic development for our State. The Office also serves as an ex-officio Ombudsman office assisting Arkansas citizens accessing proper authorities for possible resolutions to state agency issues.



Agency Commentary

The Office of the Lieutenant Governor is requesting Base Level for the 2017-2019 Biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
OFFICE OF THE LIEUTENANT GOVERNOR
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

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

None

Publications

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

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		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
4	4	0	4	0	0.00 %	4	0	4	4	0	100.00 %	3	0	3	3	0	100.00 %

Appropriation Summary

Appropriation: 002 - Lieutenant Governor - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	122,640	205,000	205,000	205,000	205,000	0	205,000	205,000	0
#Positions	3	3	3	3	3	0	3	3	0
Personal Services Matching 5010003	48,049	66,678	66,678	67,765	67,765	0	67,765	67,765	0
Operating Expenses 5020002	28,761	52,304	52,304	52,304	52,304	0	52,304	52,304	0
Conference & Travel Expenses 5050009	832	16,695	16,695	16,695	16,695	0	16,695	16,695	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	200,282	340,677	340,677	341,764	341,764	0	341,764	341,764	0
Funding Sources									
State Central Services 4000035	200,282	340,677		341,764	341,764	0	341,764	341,764	0
Total Funding	200,282	340,677		341,764	341,764	0	341,764	341,764	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	200,282	340,677		341,764	341,764	0	341,764	341,764	0

No Executive Recommendation made on this appropriation.

MUNICIPAL AID

Enabling Laws

Act 166 of 2016
A.C.A. §19-5-601

History and Organization

Established by A.C.A. §19-5-601, the Municipal Aid Fund consists of:

- General revenues provided under the Revenue Stabilization Law;
- Special revenues including:
 - Arkansas Highway Revenue Distribution Law - A.C.A. §27-70-201 et seq.
 - Special revenues specified in A.C.A. §19-6-301 subdivision (135)

All distributions of general and special revenues are to be made within ten (10) days after the close of each calendar month to the respective cities of the first and second class and incorporated towns on the basis of population according to the most recent federal decennial or special census. The amount to be apportioned to each city or incorporated town is to be in the proportion that each population bears to the total population of all such cities and incorporated towns.

Of the moneys received by the respective cities and incorporated towns, the general revenues shall be used for general purposes of municipal government, and the special revenues derived from highway revenues shall be used as provided by the Arkansas Highway Revenue Distribution Law, A.C.A. §27-70-201 et seq.

The biennial budget request for the Municipal Aid Fund is prepared and submitted by the Arkansas Municipal League.

Agency Commentary

Revenue to fund municipal operations comes primarily from three (3) sources: Local Sales Tax, Utility Franchise Fees and State Turnback Funds. Local sales taxes are subject to voter approval and have been used by numerous municipalities over the last thirty-five years to sustain local services particularly after the loss of Federal Revenue Sharing which occurred in the mid-80s. The legislature was very wise to provide

this authority which has enabled cities and towns to take care of many of their needs, such as economic development, infrastructure and the protection of public health and safety.

In some municipalities, the use of local sales taxes as a funding vehicle has reached the voter's saturation point, particularly with almost all counties levying sales taxes and the state sales tax at 6.5%, more than double its 3% level when the local sales tax authority was originally granted. Utility franchise fees, once a stable, reliable and growing source of municipal revenue, have significantly declined in many cases due to the volatility of energy prices and to the reduction of revenue in the telecommunications area related to increased usage of cell phones rather than land line phones. Property taxes are available, but are limited constitutionally for municipalities and are more properly and generally used as a funding vehicle for counties and schools. Based on these facts, coupled with wise and understanding legislators, the most consistent source of revenue for municipalities has been municipal aid, i.e., state turnback funds. These funds provide a minimum level of revenue for local needs of municipalities and the funds are extremely important.

After receiving \$21.35 per capita for general municipal aid in 1986, the amount declined during the following two decades and averaged \$17.07 in the calendar years 2001-2010 and now being down to an estimated \$15.60 per capita for 2016. These numbers would have been even lower but for one-time or temporary sources added by the General Assembly in the past 10 years. In the 2005-2007 biennium, a much needed one-time funding was allocated from the state surplus (\$12 million) and received in October 2007. In the 2007-2009 biennium, an annual allocation (\$4 million) from the Property Tax Relief Trust Fund (PTRF) was added and then continued through the current biennium. Also, in the 2009-2011 biennium, an allocation was made from the state surplus (\$2.5 million), with 75% received in October 2009 and the balance received in October 2010. This increased municipal aid produced a per capita amount in calendar 2009 of \$18.13 (with the surplus amount), but declined in calendar 2010 to a per capita amount of \$16.70 following revenue related adjustments made in the State budget during the 2010 fiscal year. After the impact of the 2010 census, the per capita turnback amount declined further due to population growth in the cities and towns.

We are estimating general turnback for calendar 2016 to be \$15.60, a reduction of over 25% from the per capita amount of \$21.35 in 1986. Clearly, the long term per capita trend for turnback has been downward. The Arkansas Municipal League respectfully requests that you continue funding at the current level and strongly believe this to be a very wise expenditure of state general revenues and one which will greatly assist cities and towns in providing the basic services that citizens of Arkansas utilize every day.

We respectfully submit our budget request of the following amounts which excludes any amount of funds from the PTRF:

FY 2018	\$29,372,099
FY 2019	\$29,372,099

The street turnback (special revenue) appropriation which is funded by receiving a 15% allocation of revenues through the highway distribution law should remain at \$180 million.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :
MUNICIPAL AID

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for this agency.

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

None

Publications

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

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		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	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
034 General Revenue to Cities	27,564,303	0	29,372,099	0	29,372,099	0	29,372,099	0	29,372,099	0	29,372,099	0	29,372,099	0	29,372,099	0	29,372,099	0
035 Special Revenue to Cities	124,072,742	0	180,000,000	0	180,000,000	0	180,000,000	0	180,000,000	0	180,000,000	0	180,000,000	0	180,000,000	0	180,000,000	0
35X Property Tax Relief-Cities	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
Total	153,637,045	0	211,372,099	0	211,372,099	0	211,372,099	0	211,372,099	0	211,372,099	0	211,372,099	0	211,372,099	0	211,372,099	0

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue 4000010	27,564,303	17.9	29,372,099	13.9	29,372,099	13.9	29,372,099	13.9	29,372,099	13.9	29,372,099	13.9	29,372,099	13.9	29,372,099	13.9	29,372,099	13.9
Special Revenue 4000030	124,072,742	80.8	180,000,000	85.2	180,000,000	85.2	180,000,000	85.2	180,000,000	85.2	180,000,000	85.2	180,000,000	85.2	180,000,000	85.2	180,000,000	85.2
Trust Fund 4000050	2,000,000	1.3	2,000,000	0.9	2,000,000	0.9	2,000,000	0.9	2,000,000	0.9	2,000,000	0.9	2,000,000	0.9	2,000,000	0.9	2,000,000	0.9
Total Funds	153,637,045	100.0	211,372,099	100.0	211,372,099	100.0	211,372,099	100.0	211,372,099	100.0	211,372,099	100.0	211,372,099	100.0	211,372,099	100.0	211,372,099	100.0
Excess Appropriation/(Funding)	0		0		0		0		0		0		0		0		0	
Grand Total	153,637,045		211,372,099		211,372,099		211,372,099		211,372,099		211,372,099		211,372,099		211,372,099		211,372,099	

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Analysis of Budget Request

Appropriation: 034 - General Revenue to Cities

Funding Sources: MLM - Municipal Aid Fund

This appropriation provides spending authority for the Treasurer's Office to distribute general revenues designated for the cities.

The Municipal League of Arkansas requests Base Level for General Revenue to Cities of \$29,372,099 each year of the biennium.

The Executive Recommendation provides for the Municipal League of Arkansas' request.

Appropriation Summary

Appropriation: 034 - General Revenue to Cities

Funding Sources: MLM - Municipal Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	27,564,303	29,372,099	29,372,099	29,372,099	29,372,099	29,372,099	29,372,099	29,372,099	29,372,099
Total		27,564,303	29,372,099	29,372,099	29,372,099	29,372,099	29,372,099	29,372,099	29,372,099	29,372,099
Funding Sources										
General Revenue	4000010	27,564,303	29,372,099		29,372,099	29,372,099	29,372,099	29,372,099	29,372,099	29,372,099
Total Funding		27,564,303	29,372,099		29,372,099	29,372,099	29,372,099	29,372,099	29,372,099	29,372,099
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		27,564,303	29,372,099		29,372,099	29,372,099	29,372,099	29,372,099	29,372,099	29,372,099

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2016 TO FISCAL YEAR 2017**

Agency: Municipal Aid, Treasurer of State

Program: General Revenue to Cities

Act #: 527 Section(s) #: 1 & 12

Estimated Carry Forward Amount \$ 0.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0076 Funds Center: 034 Fund: MLM Functional Area: CNST

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:

No carry forward expected.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

All funds were distributed in FY16.

Don Zimmerman

Director

08-10-2016

Date

Analysis of Budget Request

Appropriation: 035 - Special Revenue to Cities

Funding Sources: MLM - Municipal Aid Fund

This appropriation provides spending authority for the Treasurer's Office to distribute special revenues designated for the cities.

The Municipal League of Arkansas requests Base Level for Special Revenue to Cities of \$180,000,000 each year of the biennium.

The Executive Recommendation provides for the Municipal League of Arkansas' request.

Appropriation Summary

Appropriation: 035 - Special Revenue to Cities

Funding Sources: MLM - Municipal Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	124,072,742	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000
Total	124,072,742	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000
Funding Sources									
Special Revenue 4000030	124,072,742	180,000,000		180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000
Total Funding	124,072,742	180,000,000		180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	124,072,742	180,000,000		180,000,000	180,000,000	180,000,000	180,000,000	180,000,000	180,000,000

Analysis of Budget Request

Appropriation: 35X - Property Tax Relief-Cities

Funding Sources: TPR - Property Tax Relief Trust Fund

Amendment 79 to the Arkansas Constitution proposed limiting the increase in the assessed value of a taxpayer's real property after a countywide reappraisal and a required property tax credit of at least three hundred dollars (\$300) on homestead property. This amendment was adopted at the November 2000 general election and became effective January 1, 2001.

This appropriation provides spending authority for the Treasurer's Office to distribute special revenue to counties based upon a property tax reduction. Beginning with Act 265 of 2014, cities received a distribution of \$2 million each year, contingent upon available funding.

The Municipal League of Arkansas requests Base Level for Property Tax Relief - Cities of \$2,000,000 in appropriation and funding for each year of the biennium.

The Executive Recommendation provides for the Municipal League of Arkansas' request.

Appropriation Summary

Appropriation: 35X - Property Tax Relief-Cities

Funding Sources: TPR - Property Tax Relief Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	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
Total	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
Funding Sources									
Trust Fund 4000050	2,000,000	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Funding	2,000,000	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,000,000	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000

OFFICE OF THE PROSECUTOR COORDINATOR

Enabling Laws

Act 52 of 2016
A.C.A. §16-21-201

History and Organization

The Office of the Prosecutor Coordinator (PCO) was created under Act 925 of 1975. The Prosecution Coordination Commission, a seven-member board chosen by all elected prosecuting attorneys, sets the overall policy of the Coordinator's office. The mission statement for PCO is to *improve the criminal justice system by promoting professionalism in the offices of Arkansas Prosecuting Attorneys and Victim Service Providers through education, information, liaison, and advocacy*. The Office provides a broad range of technical assistance and support services for prosecuting attorneys, their deputies, and crime victim service providers. The support services include:

LEGAL RESEARCH - Upon request, the staff prepares extensive trial briefs, legal memoranda, county government opinions, sample ordinances, and basic litigation forms. Emergency assistance during a trial is a special service. The research center is especially important to deputies in rural areas who do not have ready access to a law library. In addition, PCO staff attorneys may serve as special deputy prosecuting attorneys as needed.

CONTINUING LEGAL EDUCATION - PCO sponsors continuing legal education seminars for prosecutors, deputies, victim/witness coordinators, hot check coordinators, law enforcement, and other support staff.

LENDING LIBRARY - A lending library of educational materials.

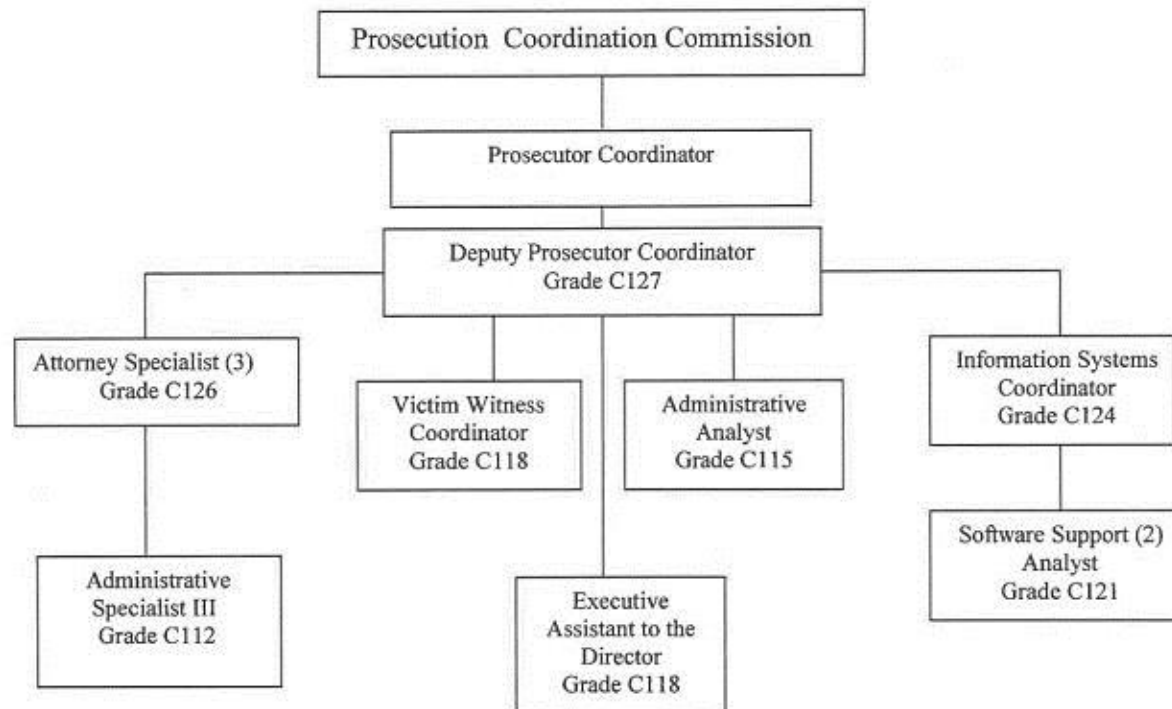
PUBLICATIONS - Newsletters capsizing the latest appellate court opinions and other information are distributed. Training manuals on a variety of subject matters have been developed and supplemented on an as needed basis.

CIVIL COMMITMENTS - Pursuant to Act 861 of 1989, Act 10 of the Third Extraordinary Session of 1989, and Act 911 of 1989, PCO is responsible for representing the state in all civil and criminal commitment hearings held on the State Hospital grounds.

VICTIM/WITNESS SUPPORT - A victim/witness coordinator position at PCO was established by Act 408 of 1985 to provide training and technical assistance to victim service providers and crime victims. There are currently victim assistance programs in all 28 judicial districts.

Some of these districts have programs in multiple counties.

COMPUTERS - The Office of the Prosecutor Coordinator has developed programs to automate functions within the Prosecuting Attorneys' Offices. The Hot Check System handles hot check offenses which have resulted in millions of dollars in collected restitution for merchants. PCO has implemented a case management system for tracking defendants, victims, witnesses and trial information to aid prosecutors, case coordinators and victim witness coordinators in handling cases.



Agency Commentary

The Office of the Prosecutor Coordinator is requesting to continue current levels of funding and appropriations for each year of the biennium.

This funding and appropriation is essential in the continuation of the support services and responsibilities delegated to this office.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
OFFICE OF PROSECUTOR COORDINATOR
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
None	None

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

None

Employment Summary

	Male	Female	Total	%
White Employees	5	7	12	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			12	100 %

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				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
065 Law Enforcement & Prosecutorial Programs	45,929	0	45,929	0	70,660	0	70,660	0	70,660	0	70,660	0	70,660	0	70,660	0	70,660	0
090 Prosecutor Coordinator Oprs	1,043,346	12	1,040,303	12	1,034,349	12	1,036,074	12	1,036,074	12	1,036,074	12	1,036,320	12	1,036,320	12	1,036,320	12
Total	1,089,275	12	1,086,232	12	1,105,009	12	1,106,734	12	1,106,734	12	1,106,734	12	1,106,980	12	1,106,980	12	1,106,980	12

Funding Sources		%		%		%		%		%		%		%		%		%
State Central Services 4000035	1,043,346	95.8	1,040,303	95.8			1,036,074	93.6	1,036,074	93.6	1,036,074	93.6	1,036,320	93.6	1,036,320	93.6	1,036,320	93.6
State Administration of Justice 4000470	45,929	4.2	45,929	4.2			70,660	6.4	70,660	6.4	70,660	6.4	70,660	6.4	70,660	6.4	70,660	6.4
Total Funds	1,089,275	100.0	1,086,232	100.0			1,106,734	100.0	1,106,734	100.0	1,106,734	100.0	1,106,980	100.0	1,106,980	100.0	1,106,980	100.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
Grand Total	1,089,275		1,086,232				1,106,734		1,106,734		1,106,734		1,106,980		1,106,980		1,106,980	

FY17 Budget amount in Prosecutor Coordinator Oprs (FC 090) exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
12	11	1	12	0	8.33 %	12	12	0	12	0	0.00 %	12	12	0	12	0	0.00 %

Analysis of Budget Request

Appropriation: 065 - Law Enforcement & Prosecutorial Programs

Funding Sources: MDT - Law Enforcement & Prosecutor Drug Enforcement Training Fund

This program is funded from a portion of those funds remitted by the cities and counties from court costs and filing fees for deposit into the State Administration of Justice Fund. A share of those funds collected is then allocated to the Office of Prosecutor Coordinator for deposit in the Law Enforcement and Prosecutor Drug Enforcement Training Fund per Arkansas Code Annotated §16-10-310. Funds are used solely for law enforcement and prosecutorial purposes.

The Agency's Base Level Request of \$70,660 for each year of the biennium provides for appropriation equal to the maximum allocation authorized by Act 251 of 2016, Section 60.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 065 - Law Enforcement & Prosecutorial Programs

Funding Sources: MDT - Law Enforcement & Prosecutor Drug Enforcement Training Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Law Enforcement/Prosecutorial 5900046	45,929	45,929	70,660	70,660	70,660	70,660	70,660	70,660	70,660
Total	45,929	45,929	70,660	70,660	70,660	70,660	70,660	70,660	70,660
Funding Sources									
State Administration of Justice 4000470	45,929	45,929		70,660	70,660	70,660	70,660	70,660	70,660
Total Funding	45,929	45,929		70,660	70,660	70,660	70,660	70,660	70,660
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	45,929	45,929		70,660	70,660	70,660	70,660	70,660	70,660

Analysis of Budget Request

Appropriation: 090 - Prosecutor Coordinator Oprs

Funding Sources: HSC - State Central Services Fund

This appropriation represents the main operating appropriation used by the Office of Prosecutor Coordinator in meeting costs associated with fulfilling the essential mission of the Agency and is funded from the State Central Services Fund.

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

The Agency is requesting Base Level of \$1,036,074 in FY18 and \$1,036,320 in FY19.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 090 - Prosecutor Coordinator Oprs

Funding Sources: HSC - State Central Services Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	692,320	683,168	677,214	683,168	683,168	683,168	683,368	683,368	683,368
#Positions		12	12	12	12	12	12	12	12	12
Personal Services Matching	5010003	213,765	219,856	219,856	215,627	215,627	215,627	215,673	215,673	215,673
Operating Expenses	5020002	132,569	132,587	132,587	132,587	132,587	132,587	132,587	132,587	132,587
Conference & Travel Expenses	5050009	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,043,346	1,040,303	1,034,349	1,036,074	1,036,074	1,036,074	1,036,320	1,036,320	1,036,320
Funding Sources										
State Central Services	4000035	1,043,346	1,040,303		1,036,074	1,036,074	1,036,074	1,036,320	1,036,320	1,036,320
Total Funding		1,043,346	1,040,303		1,036,074	1,036,074	1,036,074	1,036,320	1,036,320	1,036,320
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,043,346	1,040,303		1,036,074	1,036,074	1,036,074	1,036,320	1,036,320	1,036,320

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

SECRETARY OF STATE

Enabling Laws

Act 261 of 2016
Constitution of Arkansas, Article 6

History and Organization

The primary mission of the Office of the Secretary of State is to maintain official records of the State of Arkansas as authorized and required by State law. The Secretary of State's Office was established upon the adoption of the Constitution of the State of Arkansas on September 7, 1874. The Office is a branch of the Executive Department as set forth in Article Six of the Constitution. The duties of the Secretary of State include:

- Custody and maintenance of the State Capitol Building, the Capitol grounds, and all fixtures therein and thereon belonging to the State (Section 22-3-202 of the Arkansas Code of 1987 Annotated, Act 1179 of 2013).
- Maintaining a centralized filing system for secured transactions (Revised Article 9 of the Uniform Commercial Code). Act 138 of 2013 made the Secretary of State the sole filing office for security interests in collateral of transmitting utilities. Act 942 of 2009 centralized all filings, including agricultural liens and farm related security interests.
- Registration of trademarks in Arkansas (Act 1553 of 2001).
- Recording of various filings of candidates in connection with primary, general, and presidential elections as provided by Section 7-1-101 et seq. of the Arkansas Code of 1987 Annotated (Act 1389 of 2013, as amended); certification of candidates for presidential, state, and district positions and constitutional amendments and issues to County Boards of Elections; issuance of commissions to all elected officials.
- Distribution of individual copies of the official acts of the General Assembly (Act 835 of 1973, as amended).
- Collection of Corporate Franchise Tax, including the maintenance of the yearly tax reports (Act 94 of 2003, 2nd Extraordinary Session).
- Acceptance of annual non-profit corporation reports (Act 569 of 2007).

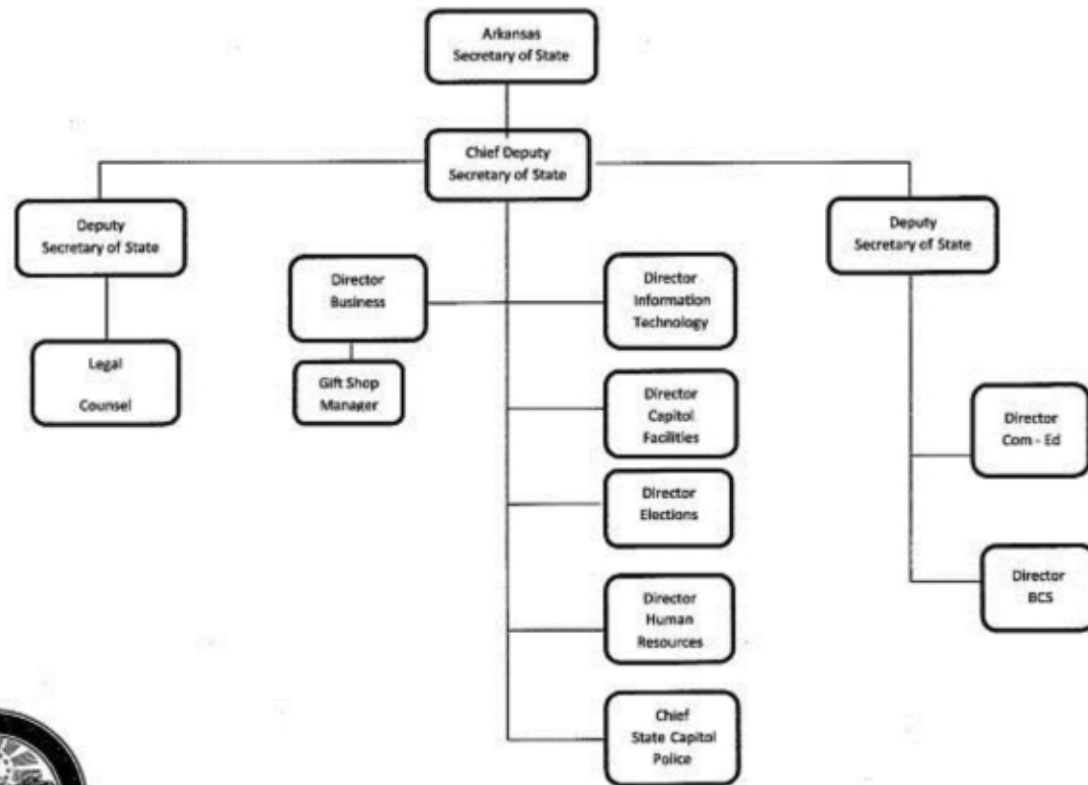
- Maintenance of the registry of International Student Exchange Visitor Placement Organizations which intend to place students in Arkansas schools (Act 966 of 2009).
- Acceptance of the filing of financial disclosure statements by committees or individuals who work to either promote or defeat any statewide initiative, referendum, or measure (Act 1114 of 1993).
- Registration of persons operating health spas (Act 264 of 1989).
- Registration of athlete agents and administration of remedies for violations committed by athlete agents (Act 1622 of 2001).
- Registration of and reporting of expenditures by lobbyists (Act 963 of 2009, as amended).
- Filing of federal tax liens and notices on corporations, trusts, and estates (Act 835 of 1989).
- Maintenance of a registry of all qualified community development corporations in the State (Act 989 of 1993).
- Establishment of a signature imaging system in the Secretary of State's Office (Act 94 of 2003, 2nd Extraordinary Session).
- Administration of the planning, development, implementation, training, and maintenance of a computerized voter registration system (Act 1480 of 2009, as amended).
- Review and issue certificates of franchise authorities associated with video service providers. (Act 276 of 2013).
- Administration of a grant program to assist counties with purchasing, programming, and maintaining voting system equipment (Act 35 of 2014).

The Secretary of State is designated the Chief Election Official of the State of Arkansas, and is responsible for the coordination of state responsibilities under the National Voter Registration Act of 1993, as required by federal law (Identical Acts 947 and 964 of 1995).

- Implement Help America Vote Act (Act 1215 of 2013).
- Commission Notaries Public Act (Act 492 of 2013).

Principal functions of the Office of the Secretary of State are to:

- Maintain records of the official acts and proclamations of the Governor.
- Affix the Official Seal and attest commissions and other official acts made by the Governor.
- Record acts of the General Assembly and certify copies thereof; serve as custodian of official records of the General Assembly, including journals, bills, resolutions and proposed Constitutional amendments.
- Maintain initial filings, amendments, dissolution documents, and annual reports of all domestic and foreign for-profit and non-profit corporations, limited liability companies, limited partnerships, and other entities.
- Accept service of process on unregistered foreign entities and non-residents.
- Issue and record commissions of state, district, and county officials, members of boards and commissions, notaries public, and justices of the peace.



ARKANSAS SECRETARY OF STATE
MANAGERIAL STRUCTURE

Agency Commentary

Appropriation 003

Maintenance & Operations (5020002)

Agency is requesting no changes in Base Level funding for each year of the biennium. This section includes expenditures for Mandatory Publications and Building Insurance, which, in the previous biennium, had their own line item.

Conference and Travel Expenses (5050009)

Agency is requesting no changes in Base Level funding for each year of the biennium.

Professional Fees (5060010)

Agency is requesting no changes in Base Level funding for the biennium.

Capitol Grounds Improvements (5090005)

Agency is requesting a decrease of \$100,000 for each year of the biennium. This reduction is offset by an increase in Elections (5900049). Capitol Grounds Improvements include maintenance of the outside of the Capitol complex, such as lawn care, sidewalk maintenance and road resurfacing.

Capital Outlay (5120011)

Agency is requesting \$210,000 for FY2018 and \$150,000 for FY2019.

For FY2018, Agency is requesting funds for Capitol Police patrol vehicles, lawn maintenance equipment, a safety alarm system for Capitol Hill Apartments, various equipment lifts, riders and attachments and computer server upgrades.

For FY2019, Agency is requesting funds for Capitol Police patrol vehicles, lawn maintenance equipment, Capitol Police pickup truck, backup generator, various equipment lifts, riders and attachments and computer server upgrades.

Special Maintenance (5120032)

Agency is requesting a decrease of \$200,000 for each year of the biennium. This reduction is offset by an increase in Elections (5900049). Ongoing costs consist of unexpected event repairs and maintenance to include plumbing repairs and maintenance, security systems, electrical repairs and maintenance, emergency utility and network infrastructure upgrades.

Elections (5900049)

Agency is requesting an additional \$300,000 for both years of the biennium. This increase is offset by a decrease in the Grounds Improvement (5090005) and Special Maintenance (5120032) areas. The purpose of this area is to meet state and county election needs. Agency continues to support various county wired connectivity, voter registration hardware/software maintenance, training and compliance. Voter Registration, Petition Verification and Publish Legal Notices expenditures were folded into this area during the last biennium. This addition will aid in funding the following.

- Continued increases in the cost of ads required to satisfy Legal Notice mandates relating to referendum and constitutional amendments.
- A steady increase in petition activity, especially during an election year.
- Voter Registration data maintenance, security and updates.

Other Appropriations

Appropriation 1NK - Help America Vote Act (HAVA) - Federal

Agency is requesting a reduction in Base Level to better reflect the level of funding for each year of the biennium. This is a continuation of HAVA Title II procurements (Act 1466 of 2003).

Appropriation 2MJ - Capitol Grounds Monument and Memorial Preservation

Agency is requesting a reduction in Base Level to the level of funding for each year of the biennium. This fund was created by Act 55 of 2003. This fund was established as a vehicle by which the office of Secretary of State can be assured of funding associated with the preservation and maintenance of memorials and monuments placed on the Capitol grounds.

Appropriation 378 - Fee and Tax Refund (Corporate Filling & Refunds)

Agency is requesting no changes in Base Level funding for each year of the biennium. The purpose of this appropriation is to provide a mechanism that allows the Agency to refund over-payments of various receipts processed by the Business/Commercial Services Division. .

Appropriation 81W - Help America Vote Act (HAVA) Matching Funds

Agency is requesting a reduction in Base Level to the level of funding for each year of the biennium. This fund reflects the balance of the matching portion of the original HAVA program established in 2003.

Appropriation 833 - Arkansas State Capitol Building & Grounds Restoration - Cash

Agency is requesting a reduction in Base Level to the level of funding for each year of the biennium. This fund aids in maintaining the structural integrity and beauty of the State Capitol buildings and grounds. Expenditure of appropriation is contingent upon available funding.

Agency B97 - Administrative and Maintenance Fund

Agency is requesting no changes in Base Level funding for each year of the biennium. Adequate cash and investment balances currently exist to fund this request.

Appropriation F02 - County Voting Systems (CVS) Grant

Agency is requesting no changes in Base Level funding for each year of the biennium. This appropriation was created by Act 211 of 2012 to assist counties with the cost of updating their voting systems and maintenance program. The county Voting System Grant Fund shall be authorized to issue refunds and reimbursement of such fees collected in association with the Grant program (MCV0000;§19-5-1247).

Appropriation F89 - Arkansas Video Service Fund (SVS)

Agency is requesting no changes in Base Level funding for each year of the biennium. This appropriation was created by Act 276 of 2013. The purpose of the appropriation is to collect special revenues to cover Agency costs for reviewing and issuing certificates of franchise authority associated with video service providers. The Arkansas Video Service Fund shall be authorized to issue refunds and reimbursements of such fees collected in association with the purpose of this fund. (SVS0000;§19-6-819).

Appropriation U67 - Online Reporting System (HSC)

Agency is requesting the current level of funding to continue for the first year of the biennium, then discontinued altogether for the second year of the biennium. This appropriation was created by Act 269 of 2016. The purpose of this appropriation, paid for from the State Central Services Fund, is for operating expenses and professional fees and services associated with computer upgrades and development of an On-Line Campaign Finance Reporting System.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
SECRETARY OF STATE
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Sound information system controls dictate that a Disaster Recovery Plan (DRP) contain sufficient information necessary for the recovery process, be periodically tested to ensure that critical business processes can be restored in the event of an interruption, and be updated with the most current information as management personnel or business processes change. Our review revealed Agency management had not established an adequate policy or procedure for testing and updating the DRP. As a result, documented application recovery plans had not been tested to verify their effectiveness. Inadequate testing and updating of the DRP increases the risk that (a) a plan will not include all vital information that is critical for the recovery process and (b) important business processes will not be successfully restored in the event of an interruption.

Recommendations

We recommend that management conduct formal testing of the DRP on a regular

Agency Response:

Management personnel responded that it concurs with the finding and is currently working with its IT service provider, Mainstream Technologies, to develop a plan and procedures for periodic testing of the DRP.

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

None

Employment Summary

	Male	Female	Total	%
White Employees	55	45	100	65 %
Black Employees	19	27	46	30 %
Other Racial Minorities	4	3	7	5 %
Total Minorities			53	35 %
Total Employees			153	100 %

Cash Fund Balance Description as of June 30, 2016

Fund Account	Balance	Type	Location
1350300	\$216,798	Investments TMMP	State Treasury

Statutory/Other Restrictions on use:

A.C.A. 22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Revenue Receipts Cycle:

Fees are collected throughout the year. Interest on the balance is earned.

Fund Balance Utilization:

Funds are used for various operating and associated expenses for parking activity and security of the premises.

Fund Account	Balance	Type	Location
1350300	\$93,011	Checking	First Security Bank

Statutory/Other Restrictions on use:

A.C.A. 22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Revenue Receipts Cycle:

Fees are collected throughout the year. Interest on the balance is earned.

Fund Balance Utilization:

Funds are used for various operating and associated expenses for parking activity and security of the premises.

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				
Acts of Arkansas	A.C.A. §25-18-206, A.C.A. §25-18-225	N	N	500	Required by law. Provides needed references for State Officials.	0	0.00
Arkansas Register	A.C.A. §25-15-205 (Act 1057 of 2013)	N	N	2,600	Required by law.	0	0.00
Election Laws of Arkansas & State Constitution	A.C.A. §25-18-225	N	N	1,400	Required by law.	0	0.00
Historical Report	ACA 25-18-223	N	Y	8,000	Required by law every 10 years	0	0.00
Lobbyist forms, financial disclosures, Leg. financial disclosures	ACA 21-8-606, et al.	N	Y	10,000	Election Process	0	0.00
Various Franchise tax forms, reports, proclamations, and receipts	ACA 26-54-105, et al.	N	N	10,000	Tax Collection Requirements	0	0.00
Voices of Arkansas	Amendment 51 Section 8	N	N	2,500	Required by law to report on the NVRA statistics.	0	0.00
Voter Reg. Publications, forms, UVOCA ballots, etc	Amendment 51, Sect. 5,6, & 8	N	N	10,000	Election Process	0	0.00
Website polling info, absentee ballots, voting machine instructions, Notice of Amendments, etc.	A.C.A 7-1-110, et al.	N	N	10,000	Election Process	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
003 Secretary of State Operations	18,579,990	161	19,162,666	161	19,334,185	161	19,164,810	161	19,374,810	161	0	0	19,164,810	161	19,314,810	161	0	0
1NK HAVA Title 2	1,021,718	0	2,500,000	0	2,500,000	0	2,500,000	0	500,000	0	0	0	2,500,000	0	500,000	0	0	0
2EK Election Assist for the Disabled	0	0	161,321	0	161,321	0	161,321	0	0	0	0	0	161,321	0	0	0	0	0
2MJ Cap Grnds Monument Perserv	0	0	104,948	0	104,948	0	104,948	0	54,948	0	0	0	104,948	0	54,948	0	0	0
378 Corporate Filing & Refund	441,142	0	550,000	0	550,000	0	550,000	0	550,000	0	0	0	550,000	0	550,000	0	0	0
81W HAVA St Match-Cash	53,775	0	515,000	0	515,000	0	515,000	0	415,000	0	0	0	515,000	0	415,000	0	0	0
833 Treasury Cash	0	0	180,000	0	180,000	0	180,000	0	50,000	0	0	0	180,000	0	50,000	0	0	0
B97 Parking/Cash	1,993	0	375,000	0	375,000	0	375,000	0	375,000	0	0	0	375,000	0	375,000	0	0	0
F02 CVS Grant	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	0	0	1,500,000	0	1,500,000	0	0	0
F89 Arkansas Video Service Act	0	0	50,000	0	50,000	0	50,000	0	50,000	0	0	0	50,000	0	50,000	0	0	0
U67 Online Reporting System	0	0	750,000	0	750,000	0	750,000	0	750,000	0	0	0	750,000	0	0	0	0	0
NOT REQUESTED FOR THE BIENNIUM																		
F39 FVAP	0	0	0	0	94,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	21,598,618	161	25,848,935	161	26,114,454	161	25,851,079	161	23,619,758	161	0	0	25,851,079	161	22,809,758	161	0	0

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	790,848	3.5	795,539	3.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Revenue	4000020	1,021,718	4.6	2,661,321	10.3	2,661,321	10.3	500,000	2.1	0	0.0	2,661,321	10.3	500,000	2.2	0	0.0	0	0.0
State Central Services	4000035	18,579,990	83.0	19,912,666	77.0	19,914,810	77.0	20,124,810	85.2	0	0.0	19,914,810	77.0	19,314,810	84.7	0	0.0	0	0.0
Non-Revenue Receipts	4000040	441,142	2.0	550,000	2.1	550,000	2.1	550,000	2.3	0	0.0	550,000	2.1	550,000	2.4	0	0.0	0	0.0
Cash Fund	4000045	56,877	0.3	289,017	1.1	1,070,000	4.1	840,000	3.6	0	0.0	1,070,000	4.1	840,000	3.7	0	0.0	0	0.0
Trust Fund	4000050	0	0.0	104,948	0.4	104,948	0.4	54,948	0.2	0	0.0	104,948	0.4	54,948	0.2	0	0.0	0	0.0
Fees	4000245	1,503,582	6.7	1,535,444	5.9	1,550,000	6.0	1,550,000	6.6	0	0.0	1,550,000	6.0	1,550,000	6.8	0	0.0	0	0.0
Total Funds		22,394,157	100.0	25,848,935	100.0	25,851,079	100.0	23,619,758	100.0	0	0.0	25,851,079	100.0	22,809,758	100.0	0	0.0	0	0.0
Excess Appropriation/(Funding)		(795,539)		0		0		0		0		0		0		0		0	
Grand Total		21,598,618		25,848,935		25,851,079		23,619,758		0		25,851,079		22,809,758		0		0	

No Executive Recommendations on these appropriations.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
162	138	24	162	0	14.81 %	161	0	161	161	0	100.00 %	161	0	161	161	0	100.00 %

Appropriation Summary

Appropriation: 003 - Secretary of State Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,761,683	7,916,424	7,916,424	7,996,331	7,996,331	0	7,996,331	7,996,331	0
#Positions		161	161	161	161	161	0	161	161	0
Extra Help	5010001	106,493	144,909	144,909	144,909	144,909	0	144,909	144,909	0
#Extra Help		9	45	45	45	45	0	45	45	0
Personal Services Matching	5010003	2,326,262	2,602,446	2,773,965	2,674,683	2,674,683	0	2,674,683	2,674,683	0
Overtime	5010006	529	33,000	33,000	33,000	33,000	0	33,000	33,000	0
Operating Expenses	5020002	3,540,577	4,504,939	4,504,939	4,504,939	4,504,939	0	4,504,939	4,504,939	0
Conference & Travel Expenses	5050009	39,766	65,651	65,651	65,651	65,651	0	65,651	65,651	0
Professional Fees	5060010	97,780	205,956	205,956	205,956	205,956	0	205,956	205,956	0
Capitol Grounds Improvements	5090005	351,022	401,264	401,264	401,264	301,264	0	401,264	301,264	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	209,809	150,000	150,000	0	210,000	0	0	150,000	0
Special Maintenance	5120032	622,544	700,048	700,048	700,048	500,048	0	700,048	500,048	0
Election Expenses	5900049	4,523,525	2,438,029	2,438,029	2,438,029	2,738,029	0	2,438,029	2,738,029	0
Total		18,579,990	19,162,666	19,334,185	19,164,810	19,374,810	0	19,164,810	19,314,810	0
Funding Sources										
State Central Services	4000035	18,579,990	19,162,666		19,164,810	19,374,810	0	19,164,810	19,314,810	0
Total Funding		18,579,990	19,162,666		19,164,810	19,374,810	0	19,164,810	19,314,810	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		18,579,990	19,162,666		19,164,810	19,374,810	0	19,164,810	19,314,810	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 003 - Secretary of State Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	19,164,810	161	19,164,810	100.0	19,164,810	161	19,164,810	100.0
C01	Existing Program	210,000	0	19,374,810	101.1	150,000	0	19,314,810	100.8
C03	Discontinue Program	(994)	0	19,373,816	101.1	(994)	0	19,313,816	100.8
C04	Reallocation	0	0	19,373,816	101.1	0	0	19,313,816	100.8
C10	Reclass	994	0	19,374,810	101.1	994	0	19,314,810	100.8
C14	Title Change	0	0	19,374,810	101.1	0	0	19,314,810	100.8

Appropriation Summary

Appropriation: 1NK - HAVA Title 2

Funding Sources: FSS - HAVA Title II - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,021,718	2,500,000	2,500,000	2,500,000	500,000	0	2,500,000	500,000	0
Total		1,021,718	2,500,000	2,500,000	2,500,000	500,000	0	2,500,000	500,000	0
Funding Sources										
Federal Revenue	4000020	1,021,718	2,500,000		2,500,000	500,000	0	2,500,000	500,000	0
Total Funding		1,021,718	2,500,000		2,500,000	500,000	0	2,500,000	500,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,021,718	2,500,000		2,500,000	500,000	0	2,500,000	500,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 1NK - HAVA Title 2
Funding Sources: FSS - HAVA Title II - Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,500,000	0	2,500,000	100.0	2,500,000	0	2,500,000	100.0
C03	Discontinue Program	(2,000,000)	0	500,000	20.0	(2,000,000)	0	500,000	20.0

Appropriation Summary

Appropriation: 2EK - Election Assist for the Disabled

Funding Sources: FSS - Election Assistance for Disabled - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	161,321	161,321	161,321	0	0	161,321	0	0
Total	0	161,321	161,321	161,321	0	0	161,321	0	0
Funding Sources									
Federal Revenue 4000020	0	161,321		161,321	0	0	161,321	0	0
Total Funding	0	161,321		161,321	0	0	161,321	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	161,321		161,321	0	0	161,321	0	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 2EK - Election Assist for the Disabled
Funding Sources: FSS - Election Assistance for Disabled - Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	161,321	0	161,321	100.0	161,321	0	161,321	100.0
C03	Discontinue Program	(161,321)	0	0	0.0	(161,321)	0	0	0.0

Appropriation Summary

Appropriation: 2MJ - Cap Grnds Monument Perserv

Funding Sources: TCG - Capitol Grounds Monument/Memorial Fund - Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Construction 5090005	0	104,948	104,948	104,948	54,948	0	104,948	54,948	0
Total	0	104,948	104,948	104,948	54,948	0	104,948	54,948	0
Funding Sources									
Trust Fund 4000050	0	104,948		104,948	54,948	0	104,948	54,948	0
Total Funding	0	104,948		104,948	54,948	0	104,948	54,948	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	104,948		104,948	54,948	0	104,948	54,948	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 2MJ - Cap Grnds Monument Perserv

Funding Sources: TCG - Capitol Grounds Monument/Memorial Fund - Trust

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	104,948	0	104,948	100.0	104,948	0	104,948	100.0
C03	Discontinue Program	(50,000)	0	54,948	52.4	(50,000)	0	54,948	52.4

Appropriation Summary

Appropriation: 378 - Corporate Filing & Refund

Funding Sources: MTA - Miscellaneous Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	441,142	550,000	550,000	550,000	550,000	0	550,000	550,000	0
Total	441,142	550,000	550,000	550,000	550,000	0	550,000	550,000	0
Funding Sources									
Non-Revenue Receipts 4000040	441,142	550,000		550,000	550,000	0	550,000	550,000	0
Total Funding	441,142	550,000		550,000	550,000	0	550,000	550,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	441,142	550,000		550,000	550,000	0	550,000	550,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 81W - HAVA St Match-Cash

Funding Sources: NSS - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
HAVA State Match	5900046	53,775	515,000	515,000	515,000	415,000	0	515,000	415,000	0
Total		53,775	515,000	515,000	515,000	415,000	0	515,000	415,000	0
Funding Sources										
Fund Balance	4000005	515,392	469,088		0	0	0	0	0	0
Cash Fund	4000045	7,471	45,912		515,000	415,000	0	515,000	415,000	0
Total Funding		522,863	515,000		515,000	415,000	0	515,000	415,000	0
Excess Appropriation/(Funding)		(469,088)	0		0	0	0	0	0	0
Grand Total		53,775	515,000		515,000	415,000	0	515,000	415,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 81W - HAVA St Match-Cash
Funding Sources: NSS - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	515,000	0	515,000	100.0	515,000	0	515,000	100.0
C03	Discontinue Program	(100,000)	0	415,000	80.6	(100,000)	0	415,000	80.6

Appropriation Summary

Appropriation: 833 - Treasury Cash

Funding Sources: NSS - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	180,000	180,000	180,000	50,000	0	180,000	50,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	180,000	180,000	180,000	50,000	0	180,000	50,000	0
Funding Sources										
Fund Balance	4000005	1,670	2,086		0	0	0	0	0	0
Cash Fund	4000045	416	177,914		180,000	50,000	0	180,000	50,000	0
Total Funding		2,086	180,000		180,000	50,000	0	180,000	50,000	0
Excess Appropriation/(Funding)		(2,086)	0		0	0	0	0	0	0
Grand Total		0	180,000		180,000	50,000	0	180,000	50,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 833 - Treasury Cash
Funding Sources: NSS - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	180,000	0	180,000	100.0	180,000	0	180,000	100.0
C03	Discontinue Program	(130,000)	0	50,000	27.8	(130,000)	0	50,000	27.8

Appropriation Summary

Appropriation: B97 - Parking/Cash

Funding Sources: 135 - Parking Lot - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Various Parking & Security Expen 5900046	1,993	375,000	375,000	375,000	375,000	0	375,000	375,000	0
Total	1,993	375,000	375,000	375,000	375,000	0	375,000	375,000	0
Funding Sources									
Fund Balance 4000005	262,812	309,809		0	0	0	0	0	0
Cash Fund 4000045	48,990	65,191		375,000	375,000	0	375,000	375,000	0
Total Funding	311,802	375,000		375,000	375,000	0	375,000	375,000	0
Excess Appropriation/(Funding)	(309,809)	0		0	0	0	0	0	0
Grand Total	1,993	375,000		375,000	375,000	0	375,000	375,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: F02 - CVS Grant

Funding Sources: MCV - County Voting System Grant Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
County Voting Systems 5900046	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	0	1,500,000	1,500,000	0
Total	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	0	1,500,000	1,500,000	0
Funding Sources									
Fees 4000245	1,500,000	1,500,000		1,500,000	1,500,000	0	1,500,000	1,500,000	0
Total Funding	1,500,000	1,500,000		1,500,000	1,500,000	0	1,500,000	1,500,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,500,000	1,500,000		1,500,000	1,500,000	0	1,500,000	1,500,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: F89 - Arkansas Video Service Act

Funding Sources: SVS - Arkansas Video Service Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Arkansas Video Service Act 5900046	0	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Total	0	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Funding Sources									
Fund Balance 4000005	10,974	14,556		0	0	0	0	0	0
Fees 4000245	3,582	35,444		50,000	50,000	0	50,000	50,000	0
Total Funding	14,556	50,000		50,000	50,000	0	50,000	50,000	0
Excess Appropriation/(Funding)	(14,556)	0		0	0	0	0	0	0
Grand Total	0	50,000		50,000	50,000	0	50,000	50,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: U67 - Online Reporting System

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Online Reporting System 5900046	0	750,000	750,000	750,000	750,000	0	750,000	0	0
Total	0	750,000	750,000	750,000	750,000	0	750,000	0	0
Funding Sources									
State Central Services 4000035	0	750,000		750,000	750,000	0	750,000	0	0
Total Funding	0	750,000		750,000	750,000	0	750,000	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	750,000		750,000	750,000	0	750,000	0	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: U67 - Online Reporting System
Funding Sources: HSC - State Central Services

Agency Request

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

Appropriation Summary

Appropriation: F39 - FVAP

Funding Sources: FSS - Voting Assistance Program - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Research & Development 5900031	0	0	94,000	0	0	0	0	0	0
Total	0	0	94,000	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM

ARKANSAS STATE LIBRARY

Enabling Laws

Act 255 of 2016
A.C.A. §13-2-203 et seq.

History and Organization

AGENCY MISSION STATEMENT

The mission of the Arkansas State Library is to serve as the information resource center for state agencies, legislators and legislative staffs; to provide guidance and support for the development of local public libraries and library services; and to provide the resources, services, and leadership necessary to meet the educational, informational, and cultural needs of the citizens of Arkansas. The agency administers state and federal funds appropriated for libraries and library development, including State Aid To Public Libraries funds and federal Library Services and Technology Act (LSTA) funds (formerly Library Services and Construction Act).

The goals of the State Library are to develop access to libraries and information resources; provide library and information resources and services to state government, as well as to other citizens statewide; promote the development, use, and support of public libraries and information resources; foster the recruitment, training, and education of library personnel; and provide effective administration and leadership needed to improve public libraries and library services.

ENABLING LAWS

A. Enabling Legislation

Act 139 of 1935 created the Arkansas Library Commission which guided public library development in Arkansas until 1979. Act 489 of 1979 abolished the former Commission and established the Arkansas State Library with expanded duties and responsibilities. Act 489 of 1979 transferred to the Arkansas State Library and the State Library Board all powers, functions, and duties of the former Arkansas Library Commission. The State Library was created as a division of the Department of Education with the status of a Type One Agency with its own board. The library is directed by a State Librarian appointed by the State Library Board.

B. Statutory Responsibility and Primary Activities

Act 489 of 1979 provides that within the limitations of funds, facilities, and resources, the Arkansas State Library shall 1) acquire books and other library materials for reference and research use; 2) establish and maintain a collection of books and library materials pertaining to Arkansas, its people, resources, and history; 3) assist communities, institutions, agencies and groups with library services as needed; 4) direct the development of public library systems, devise and implement a certification plan for public librarians, and assist in the design and building of public library facilities; 5) hold library institutes, training, etc., and encourage the recruitment and training of library personnel; 6) cooperate with the Department of Education and the Department of Higher Education in the development of school and academic libraries; 7) receive gifts of library materials, money, and property for purposes of the Act; 8) serve as the official state library agency to administer state and federal programs of aid to libraries and undertake other activities and services that will further statewide library systems to provide efficient, effective library service for all Arkansans; 9) cooperate with the officers and agencies of state government to assure maximum utilization of library services and programs; 10) operate and maintain a collection of multi-media materials to complement book collections; 11) provide specialized services to the physically handicapped, including the blind and the institutionalized; 12) act as a regional depository for federal documents and serve as the official depository and clearinghouse for state and local documents.

HISTORY AND ORGANIZATION

The STATE LIBRARY is organized with a seven-member board appointed by the Governor, an Agency Director who serves as State Librarian and Executive Secretary to the board, and three operational program areas: administration, collection management, and library services and development.

The STATE LIBRARY BOARD establishes policies which guide the State Library in fulfilling its mission and represents the State in local, state, regional, and national library issues. The Board has seven members appointed by the governor for seven-year terms, one appointed annually. The Board establishes policies to be followed by the staff of the Arkansas State Library as the Agency carries out its mission to provide, develop, and improve library services in Arkansas.

The STATE LIBRARIAN serves as the chief executive officer of the Agency and has responsibility for overall planning and development for improved statewide library services, for directing the programs of a multi-faceted "Library for Libraries," and for communicating the need for adequate support for library programs and activities to meet the reading, information, and knowledge needs of Arkansas citizens.

Grants and Special Projects oversees the daily administration of the federal Library Services and Technology Act (LSTA) program, assists with program development for the utilization of other federal grant funds, and provides the analysis and reports of data to meet federal library program administration needs.

Information Dissemination Services develops and maintains a statewide information dissemination program, including coordination of agency publications, assistance to public libraries with information dissemination activities, and the provision of graphics, photography, duplication, and word processing services for the agency.

ADMINISTRATION is responsible for in-house administrative functions of the Agency, including disbursement of the Agency's state and federal funds, the selection and purchase of equipment and supplies, personnel administration, information technology services, staff development, mail and building maintenance.

Fiscal Services provides accounting, budget monitoring, and payroll services for the Agency, including statutory and in-house reporting for these services.

Internal Services provides purchasing and personnel services, incoming and outgoing mail distribution, and custodial services for the Agency.

Information Technology Services provides network, help desk and connectivity support for the Agency.

COLLECTION MANAGEMENT is responsible for providing professional library technical assistance and services for the Arkansas State Library and other state and public libraries.

Acquisitions Services is responsible for the development and balance of the Arkansas State Library materials collections and for promotion of a statewide collection development plan.

Cataloging Services provides access to library materials through the organization, bibliographic process, and preparation of library materials according to national standards.

Digital Services administers the State Library's role as the Regional Federal Depository Library, the official State and Local Government Documents Depository, and the State and Local Government Publications Clearinghouse for the state of Arkansas. The department is responsible for the digitization and preservation functions of both digital and tangible collections within the library, and maintains the Government Documents and depository collections.

LIBRARY SERVICES AND DEVELOPMENT is responsible for the provision of library service to citizens, libraries, and state government through the resources, personnel, and services of the Arkansas State Library and through local, state, interstate, national, and international library networks; for backup reference and interlibrary loan services to support Arkansas library needs for materials and services unavailable in local communities; and for library development within the state.

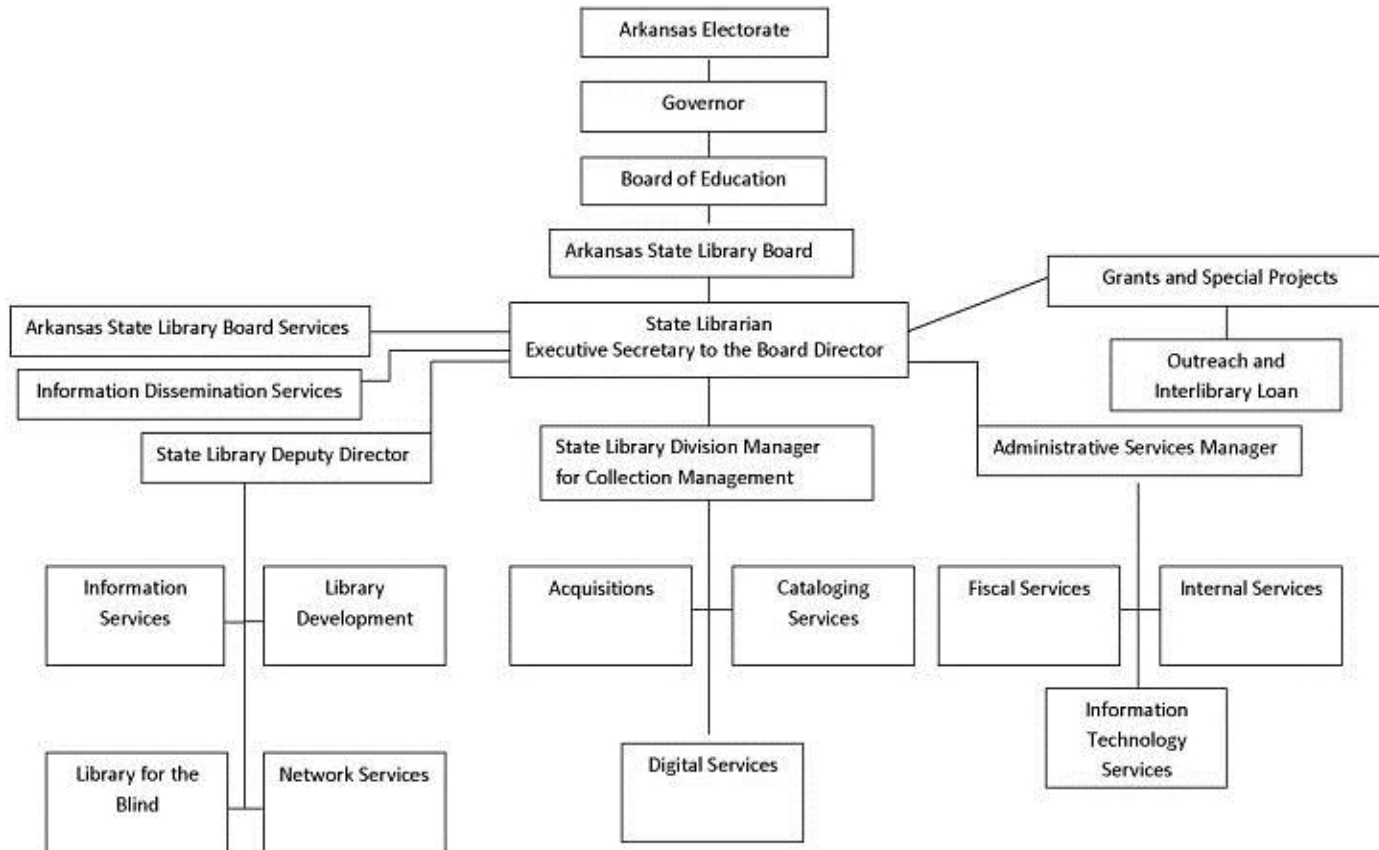
Information Services is responsible for providing library services to state government, libraries of all types and the citizens of Arkansas. The

research/reference collection is maintained to support the professional needs of state employees and government officials as well as the independent study and lifelong learning needs of the general public. Besides the print collection, reference staff utilize subscriptions to specialized online resources in researching requests. Depending upon license agreements, some online databases are available for patron use at home as well as within the State Library. Program units include reference, circulation, interlibrary loan, and the Federal Patents and Trademarks Resource Center (FPTRC). While the primary users of the FPTRC are inventors, attorneys, and researchers, the services are open to the general public.

Library Development provides leadership and direction in the development of public library services and statewide coordination of public library programs. Consultant services are provided to librarians, trustees, and other interested persons on all aspects of library development, programming and operations. Library Development provides training and continuing education opportunities to assist in increasing library staff competencies in both traditional library services and in new and emerging technologies. In addition to general areas of library service, consultants have expertise in services to children and young adults, library management and planning, public relations and marketing, outreach services, technology, literacy, e-Rate and much more.

The Library for the Blind serves as a free public library service for eligible Arkansas residents who are unable to read standard print due to a visual, physical or organic reading disability. The collection of books and magazines in audio and braille formats offers a wide range of popular fiction and nonfiction titles for adults, teens, and children. The materials and free playback equipment needed to read talking books and magazines are sent to borrowers and returned to the State Library by postage-free mail. The books and magazines are also available through the NLS Braille and Audio Reading Download (BARD) online service. The State Library is able to provide the service through a partnership with the National Library Service for the Blind and Physically Handicapped (NLS) in the Library of Congress.

Network Services provides assistance with the development and coordination of library networks in Arkansas, including the promotion of informational, research and instructional databases which provide high quality, relevant content. The Traveler database project provides access to full-text journals and newspapers, e-books, statistical databases, and other online resources which augment the collections of the State Library. These online resources also provide opportunities for continuing education for library personnel.



Agency Commentary

APPROPRIATION 054 - STATE

The mission of the Arkansas State Library is to serve as the information resource center for state agencies, legislators and legislative staffs, to provide guidance and support for the development of local public libraries and library services, and to provide the resources, services and leadership necessary to meet the educational, informational and cultural needs of the citizens of Arkansas. Current Base Level allows for salaries and rent, which amounts to approximately 85% of our total funds. These funds are used in calculating the matching requirements for our federal funds.

APPROPRIATION 055 - FEDERAL

The Arkansas State Library administers the Library Services and Technology Act (LSTA) Grants to States program in Arkansas. Purposes of LSTA, P.L. 104-208, as amended, are 1) to consolidate federal library service programs; 2) to stimulate excellence and promote access to learning and information resources in all types of libraries for individuals of all ages; 3) to promote library services that provide all users access to information through state, regional, national and international electronic networks; 4) to provide linkages among and between libraries; and 5) to promote targeted library services to people of diverse geographic, cultural and socioeconomic backgrounds, to individuals with disabilities, and to people with limited functional literacy or information skills.

In order to qualify for these federal funds, the State Library is required to submit and have approved a five-year plan for library services. In addition, the agency must meet matching and maintenance-of-effort requirements.

In addition to the federal appropriation base level, \$75,000 is requested in capital outlay. \$25,000 of this request is to purchase resources for the collection housed within the library and to address various capital needs as they arise throughout both fiscal years in the biennium. \$25,000 of this request is for replacing one of our state vehicles in each of the years. Additionally, \$25,000 per year is requested to purchase network equipment for use throughout the agency. This request is in our technology plan on page 23 under the Hardware Section.

APPROPRIATION 083 - AID TO PUBLIC LIBRARIES

Since 1937, the Arkansas Legislature has regularly appropriated funds for Aid to Public Libraries. These funds augment meager local resources of public libraries which have expenditures per capita among the lowest in the United States. The purpose of Aid to Public Libraries is to encourage local library support, promote resource sharing, and improve library resources.

Use of Arkansas's public libraries has increased throughout the recession. These local libraries are an invaluable resource for all. They provide basic services such as materials collections, licensed databases, reference services, programs along with access to essential electronic research materials to support education and economic development. The State Library requests an increase of \$38,880 in Grants & Aid to restore appropriation and funding to \$5,700,000; the base level since 2010, for both years of the biennium.

APPROPRIATION 1XV - GRANTS ADMINISTRATION

The Arkansas State Library receives grants from various sources throughout the year. This appropriation is a combination of grant programs including a grant from the Department of Education for our Traveler Database program. These databases are offered free to the academic, public, special and school libraries across the state. The Arkansas Department of Education provides additional funding each year to supplement the cost of the databases used by the schools.

The Arkansas Center for the Book program coordinator actively seeks additional funds through various grant opportunities, including the Library of Congress, to encourage the study of books and book culture by publicizing and promoting Arkansas's rich literary heritage through stimulating public interest in books, reading, libraries, and bookstores.

The library requests an unfunded cash appropriation increase of \$200,000 per year in operations and \$200,000 per year in grants and aid to maintain budget and have it available when new grant opportunities arise.

APPROPRIATION 858 - STATE LIBRARY REVOLVING FUND

The Arkansas State Library Revolving Fund is used to receive and disburse payment for lost books, interlibrary loan charges assessed by other libraries, and to deposit funds from agency coin-operated copy machines. The cash flow from these activities is usually small, but is growing. Continuation of the base level for both years of the biennium is requested.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS STATE LIBRARY
 FOR THE YEAR ENDED JUNE 30, 2014

Findings

Recommendations

None

None

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

None

Employment Summary

	Male	Female	Total	%
White Employees	10	23	33	79 %
Black Employees	2	7	9	21 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			9	21 %
Total Employees			42	100 %

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	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
054 Library-State Operations	3,561,881	37	3,608,262	41	3,635,198	41	3,618,678	41	3,618,678	41	3,514,711	38	3,619,539	41	3,619,539	41	3,515,572	38
055 Library-Federal Operations	1,528,540	10	3,184,154	15	3,282,520	15	3,087,744	15	3,162,744	15	3,133,349	14	3,087,744	15	3,162,744	15	3,133,349	14
083 Aid to Public Library	4,754,248	0	5,661,120	0	5,700,000	0	5,661,120	0	5,700,000	0	5,700,000	0	5,661,120	0	5,700,000	0	5,700,000	0
1XV Grants Administration - Cash in Treasury	179,197	0	173,000	0	614,000	0	173,000	0	573,000	0	573,000	0	173,000	0	573,000	0	573,000	0
858 State Library-Revolving	85	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0
Total	10,023,951	47	12,633,158	56	13,238,340	56	12,547,164	56	13,061,044	56	12,927,682	52	12,548,025	56	13,061,905	56	12,928,543	52

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	142,265	1.4	31,200	0.2			11,999	0.1	11,999	0.1	11,999	0.1	11,999	0.1	11,999	0.1	11,999	0.1
General Revenue	4000010	3,561,699	35.4	3,591,373	28.4			3,618,678	28.8	3,618,678	27.7	3,514,711	27.2	3,619,539	28.8	3,619,539	27.7	3,515,572	27.2
Federal Revenue	4000020	1,528,540	15.2	3,184,154	25.2			3,087,744	24.6	3,162,744	24.2	3,133,349	24.3	3,087,744	24.6	3,162,744	24.2	3,133,349	24.3
Cash Fund	4000045	15,546	0.2	179,622	1.4			179,622	1.4	579,622	4.4	579,622	4.5	179,622	1.4	579,622	4.4	579,622	4.5
Merit Adjustment Fund	4000055	0	0.0	16,889	0.1			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Rainy Day Fund	4000267	0	0.0	1,000,000	7.9			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Inter-agency Fund Transfer	4000316	165,000	1.6	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	182	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
St Library Public School Fund	4000475	4,641,919	46.2	4,641,919	36.7			5,661,120	45.1	5,700,000	43.6	5,661,120	43.9	5,661,120	45.1	5,700,000	43.6	5,661,120	43.9
Total Funds		10,055,151	100.0	12,645,157	100.0			12,559,163	100.0	13,073,043	100.0	12,900,801	100.0	12,560,024	100.0	13,073,904	100.0	12,901,662	100.0
Excess Appropriation/(Funding)		(31,200)		(11,999)				(11,999)		(11,999)		26,881		(11,999)		(11,999)		26,881	
Grand Total		10,023,951		12,633,158				12,547,164		13,061,044		12,927,682		12,548,025		13,061,905		12,928,543	

Variance in fund balace is due to unfunded appropriation.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
56	47	9	56	0	16.07 %	56	44	12	56	0	21.43 %	56	43	13	56	0	23.21 %

Analysis of Budget Request

Appropriation: 054 - Library-State Operations

Funding Sources: EPA - State Library Account

The Arkansas State Library serves as the information resource center for state agencies, legislators and legislative staff; to provide guidance and support for the development of local libraries and library services; and to provide the resources, services, and leadership necessary to meet the educational, informational, and cultural needs of Arkansas' citizens. This appropriation is funded by general revenue.

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

The Agency Request is for Base Level of \$3,618,678 for FY18 and \$3,619,539 for FY19.

The Executive Recommendation provides for the Agency Request; and subsequent to the Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects three (3) position reductions based on the personnel evaluations.

Appropriation Summary

Appropriation: 054 - Library-State Operations

Funding Sources: EPA - State Library Account

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,605,918	1,665,684	1,681,462	1,666,984	1,666,984	1,594,756	1,667,684	1,667,684	1,595,456
#Positions		37	41	41	41	41	38	41	41	38
Extra Help	5010001	3,755	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
#Extra Help		1	7	7	7	7	7	7	7	7
Personal Services Matching	5010003	577,925	581,166	574,627	590,282	590,282	558,543	590,443	590,443	558,704
Operating Expenses	5020002	1,128,591	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409
Conference & Travel Expenses	5050009	7,752	7,760	7,760	7,760	7,760	7,760	7,760	7,760	7,760
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Promotional Items	5090028	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Books and Subscriptions	5900046	237,940	220,243	237,940	220,243	220,243	220,243	220,243	220,243	220,243
Total		3,561,881	3,608,262	3,635,198	3,618,678	3,618,678	3,514,711	3,619,539	3,619,539	3,515,572
Funding Sources										
General Revenue	4000010	3,561,699	3,591,373		3,618,678	3,618,678	3,514,711	3,619,539	3,619,539	3,515,572
Merit Adjustment Fund	4000055	0	16,889		0	0	0	0	0	0
M & R Sales	4000340	182	0		0	0	0	0	0	0
Total Funding		3,561,881	3,608,262		3,618,678	3,618,678	3,514,711	3,619,539	3,619,539	3,515,572
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,561,881	3,608,262		3,618,678	3,618,678	3,514,711	3,619,539	3,619,539	3,515,572

Change Level by Appropriation

Appropriation: 054 - Library-State Operations
Funding Sources: EPA - State Library Account

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	3,618,678	41	3,618,678	100.0	3,619,539	41	3,619,539	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	3,618,678	41	3,618,678	100.0	3,619,539	41	3,619,539	100.0
C13	Not Recommended	(31,739)	0	3,586,939	99.1	(31,739)	0	3,587,800	99.1
C19	Executive Changes	(72,228)	(3)	3,514,711	97.1	(72,228)	(3)	3,515,572	97.1

Justification

C19	Subsequent to Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2016 TO FISCAL YEAR 2017**

Agency: State Library

Program: Library-State Operations

Act #: 318 Section(s) #: 9

Estimated Carry Forward Amount \$ 0.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0519 Funds Center: 054 Fund: EPA 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:

No carry forward

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

All funds were spent in Fiscal Year 2016.

Carolyn Ashcraft
State Librarian

07-11-2016
Date

Analysis of Budget Request

Appropriation: 055 - Library-Federal Operations

Funding Sources: FEL - State Library Fund-LSTA

Federal funds for the Arkansas State Library are provided by the U. S. Department of Education through the Institute of Museum and Library Services. The federal program - the Library Services and Technology Act (LSTA) - promotes access to information resources in all types of libraries, promotes access to library materials through electronic networks, and provides linkages between libraries.

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

The Base Level Request is \$3,087,744 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level increase of \$75,000 each year as follows:

- Capital Outlay increase of \$75,000 that includes \$25,000 for purchase of resources for the library collection and \$25,000 to replace one (1) state vehicle each year; and \$25,000 to purchase network equipment. This is included in the agency's IT plan under IT Support Items.

The Executive Recommendation provides for the Agency Request; and subsequent to the Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects one (1) position reduction based on the personnel evaluations.

Appropriation Summary

Appropriation: 055 - Library-Federal Operations

Funding Sources: FEL - State Library Fund-LSTA

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	253,116	397,911	470,066	399,111	399,111	379,313	399,111	399,111	379,313
#Positions		10	15	15	15	15	14	15	15	14
Extra Help	5010001	14,446	14,625	14,625	14,625	14,625	14,625	14,625	14,625	14,625
#Extra Help		2	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	126,866	166,218	192,429	168,608	168,608	159,011	168,608	168,608	159,011
Operating Expenses	5020002	1,101,215	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239
Conference & Travel Expenses	5050009	32,897	42,161	42,161	42,161	42,161	42,161	42,161	42,161	42,161
Professional Fees	5060010	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	100,000	100,000	0	75,000	75,000	0	75,000	75,000
Total		1,528,540	3,184,154	3,282,520	3,087,744	3,162,744	3,133,349	3,087,744	3,162,744	3,133,349
Funding Sources										
Federal Revenue	4000020	1,528,540	3,184,154		3,087,744	3,162,744	3,133,349	3,087,744	3,162,744	3,133,349
Total Funding		1,528,540	3,184,154		3,087,744	3,162,744	3,133,349	3,087,744	3,162,744	3,133,349
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,528,540	3,184,154		3,087,744	3,162,744	3,133,349	3,087,744	3,162,744	3,133,349

Change Level by Appropriation

Appropriation: 055 - Library-Federal Operations
Funding Sources: FEL - State Library Fund-LSTA

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	3,087,744	15	3,087,744	100.0	3,087,744	15	3,087,744	100.0
C01	Existing Program	50,000	0	3,137,744	101.6	50,000	0	3,137,744	101.6
C08	Technology	25,000	0	3,162,744	102.4	25,000	0	3,162,744	102.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	3,087,743	15	3,087,743	100.0	3,087,743	15	3,087,743	100.0
C01	Existing Program	50,000	0	3,137,743	101.6	50,000	0	3,137,743	101.6
C08	Technology	25,000	0	3,162,743	102.4	25,000	0	3,162,743	102.4
C13	Not Recommended	(9,596)	0	3,153,147	102.1	(9,596)	0	3,153,147	102.1
C19	Executive Changes	(19,798)	(1)	3,133,349	101.5	(19,798)	(1)	3,133,349	101.5

Justification

C01	\$50,000 increase in Capital Outlay to purchase resources for the collection housed within the library and to address various capital needs as they arise throughout both fiscal years in the biennium. This includes an increase of \$25,000 to replace one (1) state vehicle each year of the biennium.
C08	\$25,000 increase in Capital Outlay per year to purchase network equipment for use throughout the agency. This request has been approved in our technology plan under IT Support Items p. 23.
C19	Subsequent to Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation.

Analysis of Budget Request

Appropriation: 083 - Aid to Public Library

Funding Sources: JSL - State Library Public School Fund

Since 1937, the legislature has regularly appropriated funds for Aid to Public Libraries. These funds supplement local libraries resources. The purpose of Aid to Public Libraries is to encourage local library support, promote resource sharing, and improve local library resources. Aid to Public Libraries is funded by the State Library Public School Fund.

The Base Level Request is \$5,661,120 each year of the 2017-2019 Biennium.

The Agency Request is a Change Level increase of \$38,880 each year as follows:

- Grants and Aid increase of \$38,880 to restore appropriation to the FY17 authorized amount to continue uninterrupted support of local libraries.

The Executive Recommendation provides for the Agency Request, appropriation only, and continue general revenue funding of \$5,661,120 for each year.

Appropriation Summary

Appropriation: 083 - Aid to Public Library

Funding Sources: JSL - State Library Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	4,754,248	5,661,120	5,700,000	5,661,120	5,700,000	5,700,000	5,661,120	5,700,000	5,700,000
Total		4,754,248	5,661,120	5,700,000	5,661,120	5,700,000	5,700,000	5,661,120	5,700,000	5,700,000
Funding Sources										
Fund Balance	4000005	131,530	19,201		0	0	0	0	0	0
Rainy Day Fund	4000267	0	1,000,000		0	0	0	0	0	0
St Library Public School Fund	4000475	4,641,919	4,641,919		5,661,120	5,700,000	5,661,120	5,661,120	5,700,000	5,661,120
Total Funding		4,773,449	5,661,120		5,661,120	5,700,000	5,661,120	5,661,120	5,700,000	5,661,120
Excess Appropriation/(Funding)		(19,201)	0		0	0	38,880	0	0	38,880
Grand Total		4,754,248	5,661,120		5,661,120	5,700,000	5,700,000	5,661,120	5,700,000	5,700,000

Change Level by Appropriation

Appropriation: 083 - Aid to Public Library
Funding Sources: JSL - State Library Public School Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,661,120	0	5,661,120	100.0	5,661,120	0	5,661,120	100.0
C01	Existing Program	38,880	0	5,700,000	100.7	38,880	0	5,700,000	100.7

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,661,120	0	5,661,120	100.0	5,661,120	0	5,661,120	100.0
C01	Existing Program	38,880	0	5,700,000	100.7	38,880	0	5,700,000	100.7

Justification

C01	\$38,880 increase in Grants and Aid to restore appropriation and funding for the biennium to the FY17 authorized appropriation. This has been the authorized amount since FY2010.								
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Analysis of Budget Request

Appropriation: 1XV - Grants Administration - Cash in Treasury

Funding Sources: NSL - Cash in Treasury

The Arkansas State Library receives grants from various sources throughout the year. This appropriation is a combination of grant programs including a grant from the Department of Education for the Traveler Database program. These databases are offered free to the academic, public, special and school libraries across the state. The Arkansas Department of Education provides additional funding each year to supplement the cost of the databases used by the schools. The Arkansas Center for the Book program coordinator actively seeks additional funds through various grant opportunities, including the Library of Congress, to encourage the study of books and book culture by publicizing and promoting Arkansas's rich literary heritage through stimulating public interest in books, reading, libraries, and bookstores.

Base Level Request is \$173,000 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level increase of \$400,000 for each year as follows:

- Operating Expenses increase of \$200,000 of unfunded appropriation to maintain the current budget and have available appropriation for new grant opportunities.
- Grants and Aid increase of \$200,000 of unfunded appropriation to restore appropriation to the FY17 level and have available appropriation for new grant opportunities.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 1XV - Grants Administration - Cash in Treasury

Funding Sources: NSL - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	179,197	173,000	414,000	173,000	373,000	373,000	173,000	373,000	373,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Promotional Items	5090028	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	200,000	0	200,000	200,000	0	200,000	200,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		179,197	173,000	614,000	173,000	573,000	573,000	173,000	573,000	573,000
Funding Sources										
Fund Balance	4000005	7,728	8,921		8,921	8,921	8,921	8,921	8,921	8,921
Cash Fund	4000045	15,390	173,000		173,000	573,000	573,000	173,000	573,000	573,000
Inter-agency Fund Transfer	4000316	165,000	0		0	0	0	0	0	0
Total Funding		188,118	181,921		181,921	581,921	581,921	181,921	581,921	581,921
Excess Appropriation/(Funding)		(8,921)	(8,921)		(8,921)	(8,921)	(8,921)	(8,921)	(8,921)	(8,921)
Grand Total		179,197	173,000		173,000	573,000	573,000	173,000	573,000	573,000

Change Level by Appropriation

Appropriation: 1XV - Grants Administration - Cash in Treasury
Funding Sources: NSL - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	173,000	0	173,000	100.0	173,000	0	173,000	100.0
C05	Unfunded Appropriation	400,000	0	573,000	331.2	400,000	0	573,000	331.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	173,000	0	173,000	100.0	173,000	0	173,000	100.0
C05	Unfunded Appropriation	400,000	0	573,000	331.2	400,000	0	573,000	331.2

Justification

C05	\$400,000 of unfunded appropriation; \$200,000 for Operating Expenses and \$200,000 for Grants and Aid to maintain the FY17 authorized level and have available appropriation when new grant opportunities arise.								
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Analysis of Budget Request

Appropriation: 858 - State Library-Revolving

Funding Sources: TSL - State Library Revolving

The revolving fund receives and disburses payment of fines for lost books, interlibrary loan charges, and agency coin-operated copy machines.

The Agency Request is for Base Level of \$6,622 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 858 - State Library-Revolving

Funding Sources: TSL - State Library Revolving

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	85	6,622	6,622	6,622	6,622	6,622	6,622	6,622	6,622
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		85	6,622	6,622	6,622	6,622	6,622	6,622	6,622	6,622
Funding Sources										
Fund Balance	4000005	3,007	3,078		3,078	3,078	3,078	3,078	3,078	3,078
Cash Fund	4000045	156	6,622		6,622	6,622	6,622	6,622	6,622	6,622
Total Funding		3,163	9,700		9,700	9,700	9,700	9,700	9,700	9,700
Excess Appropriation/(Funding)		(3,078)	(3,078)		(3,078)	(3,078)	(3,078)	(3,078)	(3,078)	(3,078)
Grand Total		85	6,622		6,622	6,622	6,622	6,622	6,622	6,622

SUPREME COURT

Enabling Laws

Act 232 of 2016

Arkansas Code Annotated 16-10-101 et seq.; 16-11-101 et seq.

Constitution of Arkansas, Article 7

Constitution of Arkansas, Amendments 9, 28, 58, 66, 77 and 80

History and Organization

The first Supreme Court of the State of Arkansas was organized in November, 1836, pursuant to the Arkansas Constitution of 1836. The Constitution of 1836 granted unto the Supreme Court appellate jurisdiction over the other courts of the state and the power to issue Writs of Error and Supersedeas, Certiorari, Habeas Corpus, Mandamus, Quo Warranto, and other remedial writs. The same or similar powers were also granted to the Supreme Court by the Arkansas Constitutions of 1864 and 1868.

The most recent authority for the organization, powers and purposes of the Supreme Court is the Constitution of 1874 and its amendments, and, specifically, Sections One, Four, Five, Six, Seven, Eight, Nine and Ten of Article Seven and Amendments 9, 28, 58, 66, 77 and 80. Pursuant to the authority of Amendment 80, the Supreme Court is composed of one Chief Justice and six Associate Justices and shall have statewide appellate jurisdiction, shall have general superintending control over all courts, the power to provide rules for all courts, authority to determine the suffering of state instructive and referendum petitions and proposed constitutional amendments, the power to answer questions certified by federal courts, and the power to issue writs in aid of its jurisdiction. Amendment 28 grants unto the Supreme Court the authority to regulate the practice of law and the professional conduct of attorneys. Amendment 66 provides the authority to appoint and receive recommendations from the Judicial Discipline and Disability Commission.

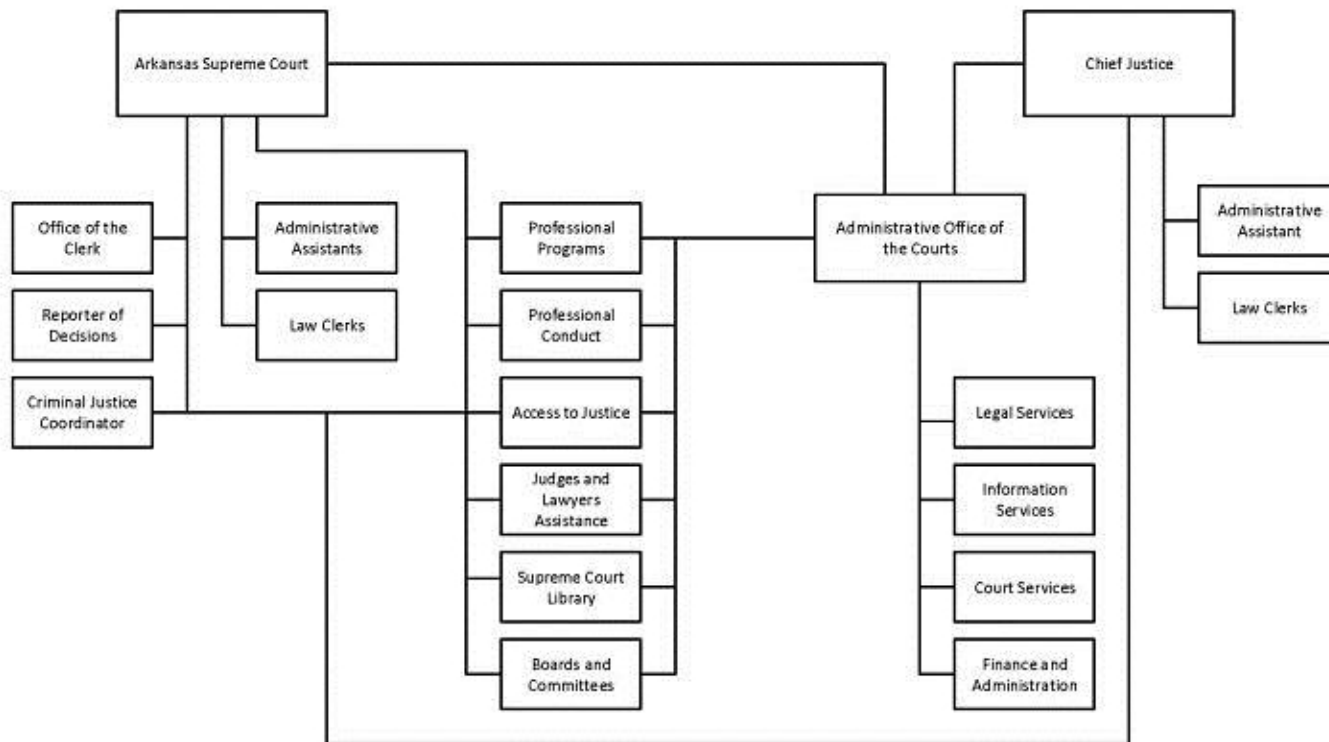
Amendment 80, Section 5, gives to the Supreme Court the power to determine the appellate jurisdiction of the Court of Appeals. The Supreme Court has, by Rule 1-2 of the Rules of the Supreme Court and Court of Appeals, provided that the Court of Appeals will have appellate jurisdiction over all cases appealed from the Circuit Courts, with the exception of the following types of cases, which are appealed to the Supreme Court:

- All cases involving the interpretation or construction of the Constitution of Arkansas;
- Criminal appeals in which the death penalty or life imprisonment has been imposed;
- Petitions for quo warranto, prohibition, injunction, or mandamus directed to the state, county, or municipal officials or to circuit courts;

- Appeals pertaining to elections and election procedures;
- Appeals involving the discipline of attorneys-at-law and or arising under the power of the Supreme Court to regulate the practice of law;
- Appeals involving the discipline and disability of judges;
- Second or subsequent appeals following an appeal which has been decided in the Supreme Court; and
- Appeals required by law to be heard by the Supreme Court.

Reassignment of cases. Any case is subject to reassignment by the Supreme Court, and in doing so; the Supreme Court will consider but not be limited to the following:

- Issues of first impression;
- Issues upon which there is a perceived inconsistency in the decisions of the Court of Appeals or Supreme Court;
- Issues involving federal constitutional interpretation;
- Issues of substantial public interest;
- Significant issues needing clarification or development of the law, or overruling of precedent; and
- Appeals involving substantial questions of law concerning the validity, construction, or interpretation of an act of the General Assembly, ordinance of a municipality or county, or a rule or regulation of any court, administrative agency, or regulatory body.



Agency Commentary

OPERATIONS

Regular Salaries (Commitment Item 5010000): The Court requests no additional positions or any changes in grade or title. The Court requests that four positions be transferred from its appropriation to that of the Administrative Office of the Courts. These employees provide technology support and currently work with and are supervised by managers within the AOC.

These positions will be eliminated for the Supreme Court budget cutting salaries by \$194,450 and increasing the Administrative Office of the Court budget by \$194,450. The positions requested to be transferred are:

- | | | |
|--------------------------------|------|-------|
| 1. Network Administrator | C124 | Q051C |
| 2. Technical On-Line Publisher | C122 | Q141C |
| 3. Data Policy Manager | C118 | Q106C |
| 4. Data Research Analyst | C115 | Q122C |

Extra Help (Commitment Item 5010001): The Court is asking for no increase in the current authorized appropriation of \$30,000 for each year of the biennium. These funds are necessary to allow the Court to hire temporary personnel if necessary because of employee illness or injury.

Personal Services Matching (Commitment Item 5010003): The Court is requesting an amount in proportion to the salary appropriation request. This amount includes the monthly contribution for state employee's health insurance and retirement contributions.

Operating Expenses (Commitment Item 5020002): The Court requests that its FY17 authorized appropriation level of \$323,089 be restored each year of the biennium plus an additional \$9,693 to accommodate software/license increases totaling \$332,782 for FY19.

Conference and Travel Expenses (Commitment Item 5050009): The Court is asking for no increase in the current authorized appropriation of \$30,000 for each year of the biennium.

Professional Fees (Commitment Item 5060010): The Court is asking for no increase in the current authorized appropriation of \$25,000 for each year of the biennium.

Capital Outlay (Commitment Item 5120011): The Court is asking for no increase in the current authorized appropriation of \$112,000 for each year of the biennium.

Arkansas Reports (Commitment Item 5900034): The Court is asking for no increase in the current authorized appropriation of \$229,477 for each year of the biennium.

Court Appointed Attorneys (Commitment Item 5900040): The Court is asking for no increase in the current authorized appropriation of \$195,000 for each year of the biennium.

Commissions and Committee (Commitment Item 5900041): The Court is asking for no increase in the current authorized appropriation of \$20,000 for each year of the biennium.

Special Justices (Commitment Item 5900046): The Court is asking for no increase in the current authorized appropriation of \$5,500 for each year of the biennium.

Judicial Education (Commitment Item 5900048): The Court is asking for no increase in the current authorized appropriation of \$100,000 for each year of the biennium.

Case Document Scanning - Special Project (Commitment Item 5060010): The Court is requesting a new appropriation of \$300,000 each year of the biennium. This special project is designed to achieve what will be in the long run a more cost-effective means of permanently storing the records of the Arkansas Supreme Court and Court of Appeals. Administrative Order Number 7 of the Arkansas Supreme Court governs the records retention of the appellate courts and mandates permanent storage of all appellate court docket books as well as all records in criminal cases where the sentence imposed is death, life without parole, or life. This special project will provide permanent storage in a digital format that is easily used by the courts and the public. Once complete, this project will eliminate the storage services and rental fees saving approximately \$50,000 annually.

APPELLATE MEDIATION - CASH

Cash Holding Account (Commitment Item 5060010): The Supreme Court Clerk's Office received a grant from the Arkansas Alternative Dispute Resolution Commission for an Appellate Mediation Pilot Program. The NSC0000 cash appropriation balance of \$9,914 should continue both years of the biennium and will be utilized for mediation purposes. Expense of appropriation is contingent upon available funding.

SC BAR OF ARKANSAS - CASH

Regular Salaries (Commitment Item 5010000): The Bar of Arkansas is requesting that its FY17 authorized appropriation of \$1,500,000 be

restored each year of the biennium. Salary requests for the Bar of Arkansas also reflect two new positions:

1. Supreme Court Staff Attorney OPC Grade C126 Q202C \$50,029

The Supreme Court Staff Attorney position will be utilized by the Office of Professional Conduct. This position is needed to address the backlog of older cases and attain a currency with new filings. The additional position will shorten the length of time to conclude discipline and disbarment cases, and allow review and update the Unauthorized Practice of Law Committee (UPL), the Client Security Fund Committee (CSF), and the Committee on Professional Conduct (CPC) rules.

2. Supreme Court Admin. Assistant JLAP Grade C115 Q230C \$29,251

The Supreme Court Admin. Assistant position will be utilized by the Judges and Lawyers Assistance Program. The JLAP, is a statewide program that assists members of the legal profession in this State suffering from the effects of alcohol, drug abuse, mental health, physical disabilities or aging concerns which may impair their ability to practice law. The program is currently operating without any administrative support. Since the program was established, it has grown substantially, adding clients every year. This administrative support position will allow the Director and Assistant Director the ability to focus more on therapy and outreach for its clients.

Extra Help (Commitment Item 5010001): The Bar of Arkansas is asking for no increase in the current authorized appropriation of \$25,000 for each year of the biennium. These funds are necessary to allow the Bar of Arkansas the ability to hire temporary personnel if necessary because of employee illness or injury.

Personal Services Matching (Commitment Item 5010003): The Bar of Arkansas is asking for no increase in the current authorized appropriation of \$500,000 for each year of the biennium. This amount includes the monthly contribution for state employee's health insurance and retirement contributions.

Operating Expenses (Commitment Item 5020002): The Bar of Arkansas is asking for no increase in the current authorized appropriation of \$1,000,000 for each year of the biennium.

Conference and Travel Expenses (Commitment Item 5050009): The Bar of Arkansas is asking for no increase in the current authorized appropriation of \$100,000 for each year of the biennium.

Professional Fees (Commitment Item 5060010): The Bar of Arkansas is asking for no increase in the current authorized appropriation of \$500,000 for each year of the biennium.

Capital Outlay (Commitment Item 5120011): The Bar of Arkansas is asking for no increase in the current authorized appropriation of \$100,000 for each year of the biennium.

Construction (Commitment Item 5090005): The Bar of Arkansas is asking for no increase in the current authorized appropriation of \$100,000 for each year of the biennium.

Refunds/Investments/Transfers (Commitment Item 5110020): The Bar of Arkansas is asking for no increase in the current authorized appropriation of \$2,250,000 for each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS SUPREME COURT
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

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

None

Employment Summary

	Male	Female	Total	%
White Employees	10	34	44	94 %
Black Employees	0	1	1	2 %
Other Racial Minorities	1	1	2	4 %
Total Minorities			3	6 %
Total Employees			47	100 %

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				
Arkansas Reports/ AR Appellate Reports	ACA 16-11-201; AR Supreme Court Rule 5-2	N	N	0	Publication of the Supreme Court opinions ceased with volume 375 Ark/104 Ark. App. These opinions are now published online. IN RE: Arkansas Supreme Court and Court of Appeals Rule 5-2 (May 28, 2009)	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
008 Supreme Court - Operations	4,299,477	47	4,613,627	48	4,613,627	48	4,485,353	48	4,638,588	44	0	0	4,487,929	48	4,650,119	44	0	0
56S Appellate Mediation - Cash	0	0	9,914	0	9,914	0	9,914	0	9,914	0	0	0	9,914	0	9,914	0	0	0
C66 SC Bar of Arkansas-Cash	0	0	0	0	6,075,000	20	0	0	6,075,000	22	0	0	0	0	6,075,000	22	0	0
Total	4,299,477	47	4,623,541	48	10,698,541	68	4,495,267	48	10,723,502	66	0	0	4,497,843	48	10,735,033	66	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	11,631	0.3	11,818	0.3			1,904	0.0	1,904	0.0	0	0.0	0	0.0	0	0.0	0	0.0
State Central Services 4000035	4,299,477	99.7	4,613,627	99.7			4,485,353	100.0	4,638,588	43.3	0	0.0	4,487,929	100.0	4,650,119	43.4	0	0.0
Cash Fund 4000045	187	0.0	0	0.0			0	0.0	6,075,000	56.7	0	0.0	0	0.0	6,075,000	56.6	0	0.0
Total Funds	4,311,295	100.0	4,625,445	100.0			4,487,257	100.0	10,715,492	100.0	0	0.0	4,487,929	100.0	10,725,119	100.0	0	0.0
Excess Appropriation/(Funding)	(11,818)		(1,904)				8,010		8,010		0		9,914		9,914		0	
Grand Total	4,299,477		4,623,541				4,495,267		10,723,502		0		4,497,843		10,735,033		0	

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Total	Total	Filled	Unfilled			Total	Total	Filled	Unfilled	
67	45	1	46	21	32.84 %	67	47	1	48	19	29.85 %	67	47	1	48	19	29.85 %

Appropriation Summary

Appropriation: 008 - Supreme Court - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,685,075	2,697,896	2,697,896	2,675,457	2,481,010	0	2,677,557	2,482,510	0
#Positions		47	48	48	48	44	0	48	44	0
Extra Help	5010001	14,582	30,000	30,000	30,000	30,000	0	30,000	30,000	0
#Extra Help		4	5	5	5	5	0	5	5	0
Personal Services Matching	5010003	834,901	845,665	845,665	851,830	787,512	0	852,306	787,850	0
Operating Expenses	5020002	306,468	323,089	323,089	323,089	323,089	0	323,089	332,782	0
Conference & Travel Expenses	5050009	29,972	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees	5060010	5,312	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	79,462	112,000	112,000	0	112,000	0	0	112,000	0
Arkansas Reports	5900034	208,616	229,477	229,477	229,477	229,477	0	229,477	229,477	0
Court Appointed Attorneys	5900040	58,912	195,000	195,000	195,000	195,000	0	195,000	195,000	0
Commissions and Committees	5900041	11,096	20,000	20,000	20,000	20,000	0	20,000	20,000	0
Special Justices	5900046	2,200	5,500	5,500	5,500	5,500	0	5,500	5,500	0
Judicial Education	5900048	62,881	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Case Document Scanning	5900049	0	0	0	0	300,000	0	0	300,000	0
Total		4,299,477	4,613,627	4,613,627	4,485,353	4,638,588	0	4,487,929	4,650,119	0
Funding Sources										
State Central Services	4000035	4,299,477	4,613,627		4,485,353	4,638,588	0	4,487,929	4,650,119	0
Total Funding		4,299,477	4,613,627		4,485,353	4,638,588	0	4,487,929	4,650,119	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,299,477	4,613,627		4,485,353	4,638,588	0	4,487,929	4,650,119	0

Change Level by Appropriation

Appropriation: 008 - Supreme Court - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	4,485,353	48	4,485,353	100.0	4,487,929	48	4,487,929	100.0
C01	Existing Program	112,000	0	4,597,353	102.5	112,000	0	4,599,929	102.5
C07	Agency Transfer	(258,765)	(4)	4,338,588	96.7	(259,503)	(4)	4,340,426	96.7
C08	Technology	300,000	0	4,638,588	103.4	309,693	0	4,650,119	103.6

Appropriation Summary

Appropriation: 56S - Appellate Mediation - Cash

Funding Sources: NCS - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	9,914	9,914	9,914	9,914	0	9,914	9,914	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	9,914	9,914	9,914	9,914	0	9,914	9,914	0
Funding Sources										
Fund Balance	4000005	11,631	11,818		1,904	1,904	0	0	0	0
Cash Fund	4000045	187	0		0	0	0	0	0	0
Total Funding		11,818	11,818		1,904	1,904	0	0	0	0
Excess Appropriation/(Funding)		(11,818)	(1,904)		8,010	8,010	0	9,914	9,914	0
Grand Total		0	9,914		9,914	9,914	0	9,914	9,914	0

Appropriation Summary

Appropriation: C66 - SC Bar of Arkansas-Cash

Funding Sources: 195 - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	1,500,000	0	1,500,000	0	0	1,500,000	0
#Positions	0	0	20	0	22	0	0	22	0
Extra Help 5010001	0	0	25,000	0	25,000	0	0	25,000	0
#Extra Help	0	5	5	0	5	0	0	5	0
Personal Services Matching 5010003	0	0	500,000	0	500,000	0	0	500,000	0
Operating Expenses 5020002	0	0	1,000,000	0	1,000,000	0	0	1,000,000	0
Conference & Travel Expenses 5050009	0	0	100,000	0	100,000	0	0	100,000	0
Professional Fees 5060010	0	0	500,000	0	500,000	0	0	500,000	0
Construction 5090005	0	0	100,000	0	100,000	0	0	100,000	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Refunds/Investments/Transfers 5110020	0	0	2,250,000	0	2,250,000	0	0	2,250,000	0
Capital Outlay 5120011	0	0	100,000	0	100,000	0	0	100,000	0
Total	0	0	6,075,000	0	6,075,000	0	0	6,075,000	0
Funding Sources									
Cash Fund 4000045	0	0		0	6,075,000	0	0	6,075,000	0
Total Funding	0	0		0	6,075,000	0	0	6,075,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	6,075,000	0	0	6,075,000	0

Change Level by Appropriation

Appropriation: C66 - SC Bar of Arkansas-Cash
Funding Sources: 195 - Cash in Bank

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	4,688,127	2	4,688,127	100.0	4,688,127	2	4,688,127	100.0
C06	Restore Position/Approp	1,386,873	20	6,075,000	129.6	1,386,873	20	6,075,000	129.6

TREASURER OF STATE

Enabling Laws

Act 161 of 2016
Act 162 of 2016
Act 163 of 2016
Act 164 of 2016
Act 165 of 2016
Act 170 of 2016
Act 262 of 2016
Constitution of the State of Arkansas, Article 6
A.C.A. §25-16-601 *et. seq.*
A.C.A. §19-3-501 *et. seq.*

History and Organization

History and Organization

The Constitution of the State of Arkansas, Article 6, provides for the Office to the Treasurer of State, who is elected by the qualified electors of the State. Amendment 63 extended the Treasurer's term to four years.

The Treasury functions as a bank for State Government. The Treasurer's Office is divided into the following sections: cash administration, collateral, college savings, human resources, investments, local government services, office personnel relations, receiving and warrants.

State Treasury Duties

Arkansas Code Annotated §§25-16-601 *et. seq.* specifies the duties of the Treasurer of State. Those duties include: (1) the receipt of state moneys not expressly required by law to be kept elsewhere; (2) the disbursement of public moneys upon warrants drawn upon the State Treasury according to law; (3) maintaining a just, true, and comprehensive account of all moneys received and disbursed; (4) maintaining a just and true account of each head of appropriation made by law and the disbursements under them; (5) rendering accounts to the Auditor of State for settlement quarterly; (6) reporting to the Governor a statement of the condition of the State Treasury and its operations for the preceding year; and. (7) to perform all other duties which may be required of him or her by law. Ark. Code Ann. §25-16-604.

Virtually every section of the Arkansas Code Annotated pertaining to appropriations, funds receipts and disbursements, and fiscal transactions impacts the State Treasurer's Office. It is not practical to list each and every code citing that is relevant to the operations of the Office. The Treasurer's Office maintains a current listing and copy of these codes. In reference to the statutory responsibility of the Treasurer, the following citing of Arkansas Code Annotated covers the primary activities of the Office.

➤ State Treasury Management

State Treasury Management, as prescribed by Arkansas Code Annotated §19-3-501 *et seq.* provides for general provisions of State Treasury Management, account composition, investment of Treasury funds, and temporary loans to local government. The State Treasury Management Act was expanded in 2013 to "regulate state treasury management practices and procedures; to provide for the prudent investment and management of state treasury funds; and for other purposes." At that time, the records-keeping requirements in subsection 5 were expanded. Additionally, subsection 7 expanded the State Board of Finance's oversight of Treasury investments.

➤ General and Special Revenues

Arkansas Code Annotated §19-5-202 *et seq.* authorizes the Treasurer to distribute on a monthly basis general and special revenues respectively.

➤ Municipal and County Aid

The responsibility for the disbursement of Municipal and County Aid is established by Arkansas Code Annotated §19-5-601 *et seq.*

➤ State Board of Finance

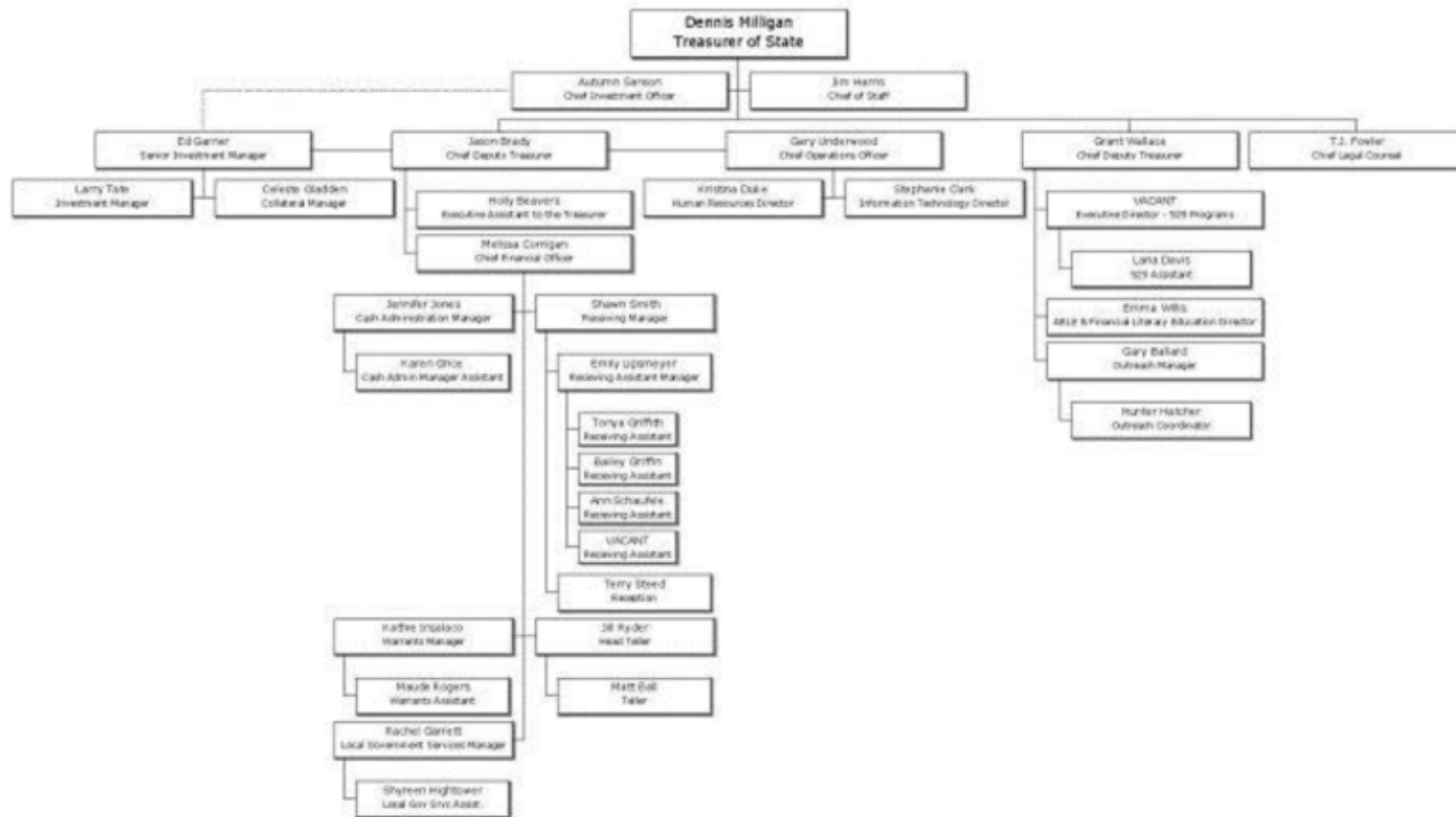
The State Treasurer serves as Secretary, Executive Officer and Disbursing Officer for the State Board of Finance as designated by Arkansas Code Annotated §19-3-701.

➤ Local Sales and Use Tax

The State Treasurer is responsible for the disbursement of County and Municipal Sales and Use Taxes as prescribed by Arkansas Code Annotated §26-74-214 *et seq.*

The Treasurer of State belongs to the following boards and commissions:

1. State Board of Finance - member and secretary;
2. Board of Trustees of the Arkansas Public Employees Retirement System - ex officio member;
3. Board of Trustees of the Arkansas Teacher Retirement System - ex officio member;
4. Board of Trustees of the Arkansas State Highway Employees Retirement System - member; and,
5. Arkansas Development Finance Authority - ex officio member.



Agency Commentary

TREASURER'S OFFICE OPERATIONS (007)

The Office of the Treasurer of State requests Base Level each year of the biennium, with a request to restore previously authorized appropriation for Capital Outlay of \$25,000 each year.

CITY-COUNTY TOURIST MEETING AND ENTERTAINMENT FACILITIES BONDS (043)

The Treasurer's Office is responsible for distributing quarterly payments credited to eligible facilities from the City-County Tourist Aid Fund. The requested appropriation of \$887,908 in FY18 and \$0.00 in FY19 will meet the outstanding obligations of the current Facilities Agreement between the State Board of Finance and the participating cities. These funds cannot be expended without the approval of the State Board of Finance.

STATE WATER, WASTE DISPOSAL AND POLLUTION ABATEMENT BONDS (1TP)

The Treasurer's Office is responsible for debt service on these bonds. The principal and interest requested is for debt service on outstanding bonds and any new issues during the 2018-2019 Biennium. A continuation of Base Level is requested in the amount of \$68,000,000 each year of the biennium.

LOCAL SALES AND USE TAX - CITY SHARE (2MQ)

This appropriation for distribution of the local sales tax is due to the continuing increase as well as the projected increase in the number of cities collecting a local sales tax. The distribution is limited to the amount collected in accordance with state law. A continuation of Base Level is requested in the amount of \$700,000,000 each year of the biennium.

SALES AND USE TAX - COUNTY SHARE (2ME)

This appropriation for distribution of the local sales tax is due to the continuing increase as well as the projected increase in the number of counties collecting a local sales tax. The distribution is limited to the amount collected in accordance with state law. A continuation of Base Level is requested in the amount of \$700,000,000 each year of the biennium.

COUNTY'S SHARE OF AMENDMENT 74 (2MR) - Uniform Rate of Tax

This appropriation is used for the distribution of the uniform rate of tax to Arkansas school districts. The distribution is limited to the amount collected in accordance with state law. A continuation of Base Level is requested in the amount of \$1,350,000,000 each year of the biennium.

EMERGENCY MEDICAL (2ZC)

A.C.A. § 19-6-495 created the Arkansas Citizens First Responder Safety Enhancement Fund and established a fine for failure to present proof of insurance at the time of a traffic stop. A.C.A. § 27-22-104(c)(1)(B) provides that 80% of those fines collected be paid to the Treasurer of State to the benefit of the fund and that 50% of the fund shall be used for emergency medical services. The Treasurer's Office is requesting continuation of Base Level of \$300,000 each year to cover anticipated funding for 2018-2019.

LOCAL LAW ENFORCEMENT (2ZD)

A.C.A. § 19-6-495 created the Arkansas Citizens First Responder Safety Enhancement Fund and established a fine for failure to present proof of insurance at the time of a traffic stop. A.C.A. § 27-22-104(c)(1)(B) provides that 80% of those fines collected be paid to the Treasurer of State to the benefit of the fund and that 50% of the fund shall be used for local law enforcement. The Treasurer's Office is requesting continuation of Base Level of \$300,000

each year to cover anticipated funding for 2018-2019.

ANIMAL RESCUE SHELTERS - CITY (58Q)

A.C.A. § 19-5-1136 established the Animal Rescue Shelter Trust Fund for revenues from a special issue license plate. 35% of these revenues are distributed to each municipality that has at least one (1) registered governmentally owned animal rescue shelter which shall receive a proportional distribution based on the municipality's population as determined by the most recent federal decennial census The Treasurer's Office is requesting Base Level of \$50,000 each year to cover anticipated funding for 2018-2019.

ANIMAL RESCUE SHELTERS - COUNTY (58R)

A.C.A. § 19-5-1136 established the Animal Rescue Shelter Trust Fund for revenues from a special issue license plate. 35% of these revenues are distributed to each county that has at least one (1) registered governmentally owned animal rescue shelter which shall receive a proportional distribution based on the county's population as determined by the most recent federal decennial census The Treasurer's Office is requesting Base Level of \$50,000 each year to cover anticipated funding for 2018-2019.

COLLEGE SAVINGS GENERAL OBLIGATION BONDS (990)

The Treasurer's Office is responsible for debt service on these bonds. The principal and interest requested is for debt service on outstanding bonds and any new issues during the 2018-2019 Biennium. A continuation of Base Level is requested in the amount of \$52,000,000 each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS TREASURER OF STATE
FOR THE YEAR ENDED JUNE 30, 2015

Findings

The Treasurer entered into a four-year contract on August 7, 2015, with a vendor to provide a digital course on understanding money for students in grades 4 through 6 attending public, private, and parochial schools in the State. Of the \$450,000 total contract amount, \$75,000 was paid in fiscal year 2016.

Although the Treasurer sought advice from the Attorney General before entering into the contract, we do not know whether the Treasurer received advice concerning his authority to enter into this contract. We subsequently requested an Attorney General's opinion on the legal authority of the Treasurer to enter into the contract. The Attorney General, in Op. Att'y

Recommendations

We recommend the Treasurer obtain legislative authorization for this activity and any related expenditures.

Agency Response:

We appreciate the work and duty of Legislative Audit to ensure the proper and responsible use of state funds in the administration of an agency. However, we do respectfully disagree with their finding on the matter of expenditure on the EverFi financial literacy program.

In an abundance of caution, we have taken the following measures. First, we have

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS TREASURER OF STATE
 FOR THE YEAR ENDED JUNE 30, 2015

Findings

Gen. no. 2016-016, did not definitively answer this question, but did note the Legislative Auditor's authority under Ark. Code Ann. § 10-4-407(3) to "[c]all attention to any funds which, in his or her opinion, have not been expended in accordance with the law, appropriation, ordinance, regulation, or other legal requirement...."

It appears the purpose of the contract was not within the scope of the Treasurer's duties, based on Ark. Const. art. 6, § 22, and a review of applicable law. It also appears that the payment of \$75,000 from the Act 743 of 2015 appropriation line item for "Data Processing Syst/Services" was not within the purpose of the appropriation.

Recommendations

budgetary staff with additional training on the subjects of Funds Management and CAFR Training. Additionally, we will be seeking legislative clarity and advice in the upcoming Legislative Regular Session on the subject matter and any other potential areas of concern.

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

None

Employment Summary

	Male	Female	Total	%
White Employees	12	17	29	88 %
Black Employees	0	3	3	9 %
Other Racial Minorities	0	1	1	3 %
Total Minorities			4	12 %
Total Employees			33	100 %

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				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
007 State Treasurer-Operations	4,642,000	33	5,378,104	33	5,370,504	33	5,545,829	33	5,570,829	33	0	0	5,547,803	33	5,572,803	33	0	0
043 City-Co Tourist Facilities Assist	1,047,181	0	887,908	0	887,908	0	887,908	0	887,908	0	0	0	887,908	0	0	0	0	0
1TP Water, Waste Disposal & Pollution Abatement	33,486,336	0	68,000,000	0	68,000,000	0	68,000,000	0	68,000,000	0	0	0	68,000,000	0	68,000,000	0	0	0
2ME Local Sales & Use Tax-City	610,643,268	0	700,000,000	0	700,000,000	0	700,000,000	0	700,000,000	0	0	0	700,000,000	0	700,000,000	0	0	0
2MQ Local Sales & Use Tax-County	553,128,173	0	700,000,000	0	700,000,000	0	700,000,000	0	700,000,000	0	0	0	700,000,000	0	700,000,000	0	0	0
2MR Uniform Tax Rate-Amendment 74	1,101,773,003	0	1,350,000,000	0	1,350,000,000	0	1,350,000,000	0	1,350,000,000	0	0	0	1,350,000,000	0	1,350,000,000	0	0	0
22C Emergency Medical	178,871	0	300,000	0	300,000	0	300,000	0	300,000	0	0	0	300,000	0	300,000	0	0	0
22D Local Law Enforcement	178,871	0	300,000	0	300,000	0	300,000	0	300,000	0	0	0	300,000	0	300,000	0	0	0
58Q Rescue Shelters-City	1,525	0	50,000	0	50,000	0	50,000	0	50,000	0	0	0	50,000	0	50,000	0	0	0
58R Rescue Shelters-Cnty	1,525	0	50,000	0	50,000	0	50,000	0	50,000	0	0	0	50,000	0	50,000	0	0	0
990 College/Higher Education Savings Bonds	23,206,890	0	52,000,000	0	52,000,000	0	52,000,000	0	52,000,000	0	0	0	52,000,000	0	52,000,000	0	0	0
Total	2,328,287,643	33	2,876,966,012	33	2,876,958,412	33	2,877,133,737	33	2,877,158,737	33	0	0	2,877,135,711	33	2,876,272,803	33	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Special Revenue 4000030	357,742	0.0	600,000	0.0	600,000	0.0	600,000	0.0	0	0.0	600,000	0.0	600,000	0.0	0	0.0	0	0.0
State Central Services 4000035	4,614,111	0.2	5,378,104	0.2	5,545,829	0.2	5,570,829	0.2	0	0.0	5,547,803	0.2	5,572,803	0.2	0	0.0	0	0.0
Trust Fund 4000050	1,158,469,279	49.8	1,470,100,000	51.1	1,470,100,000	51.1	1,470,100,000	51.1	0	0.0	1,470,100,000	51.1	1,470,100,000	51.1	0	0.0	0	0.0
Local Sales and Use Tax 4000335	1,163,771,441	50.0	1,400,000,000	48.7	1,400,000,000	48.7	1,400,000,000	48.7	0	0.0	1,400,000,000	48.7	1,400,000,000	48.7	0	0.0	0	0.0
M & R Sales 4000340	27,889	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
Sales and Income Tax 4000445	1,047,181	0.0	887,908	0.0	887,908	0.0	887,908	0.0	0	0.0	887,908	0.0	0	0.0	0	0.0	0	0.0
Total Funds	2,328,287,643	100.0	2,876,966,012	100.0	2,877,133,737	100.0	2,877,158,737	100.0	0	0.0	2,877,135,711	100.0	2,876,272,803	100.0	0	0.0	0	0.0
Excess Appropriation/(Funding)	0		0		0		0		0		0		0		0		0	
Grand Total	2,328,287,643		2,876,966,012		2,877,133,737		2,877,158,737		0		2,877,135,711		2,876,272,803		0		0	

FY17 Budget exceeds authorized in State Treasurer-Operations (FC 007) due to salary adjustments during the FY2015-2017 Biennium.

No Executive Recommendation on these appropriations.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
33	33	0	33	0	0.00 %	33	33	0	33	0	0.00 %	33	33	0	33	0	0.00 %

Appropriation Summary

Appropriation: 007 - State Treasurer-Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,102,340	2,247,062	2,239,462	2,401,416	2,401,416	0	2,403,016	2,403,016	0
#Positions		33	33	33	33	33	0	33	33	0
Extra Help	5010001	29,211	35,000	35,000	35,000	35,000	0	35,000	35,000	0
#Extra Help		3	5	5	5	5	0	5	5	0
Personal Services Matching	5010003	637,399	689,407	689,407	727,778	727,778	0	728,152	728,152	0
Operating Expenses	5020002	1,000,221	1,000,000	1,000,000	1,000,000	1,180,000	0	1,000,000	1,180,000	0
Conference & Travel Expenses	5050009	30,797	37,260	37,260	37,260	37,260	0	37,260	37,260	0
Professional Fees	5060010	81,554	94,375	94,375	94,375	194,375	0	94,375	194,375	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	44,389	25,000	25,000	0	25,000	0	0	25,000	0
Data Processing Syst/Services	5900044	716,089	1,250,000	1,250,000	1,250,000	970,000	0	1,250,000	970,000	0
Total		4,642,000	5,378,104	5,370,504	5,545,829	5,570,829	0	5,547,803	5,572,803	0

Funding Sources										
State Central Services	4000035	4,614,111	5,378,104		5,545,829	5,570,829	0	5,547,803	5,572,803	0
M & R Sales	4000340	27,889	0		0	0	0	0	0	0
Total Funding		4,642,000	5,378,104		5,545,829	5,570,829	0	5,547,803	5,572,803	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,642,000	5,378,104		5,545,829	5,570,829	0	5,547,803	5,572,803	0

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the FY2015-2017 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 007 - State Treasurer-Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,545,829	33	5,545,829	100.0	5,547,803	33	5,547,803	100.0
C01	Existing Program	25,000	0	5,570,829	100.5	25,000	0	5,572,803	100.5
C04	Reallocation	0	0	5,570,829	100.5	0	0	5,572,803	100.5

Appropriation Summary

Appropriation: 043 - City-Co Tourist Facilities Assist

Funding Sources: MLA - City-County Tourist Facilities

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service/Operating Exp 5900046	1,047,181	887,908	887,908	887,908	887,908	0	887,908	0	0
Total	1,047,181	887,908	887,908	887,908	887,908	0	887,908	0	0
Funding Sources									
Sales and Income Tax 4000445	1,047,181	887,908		887,908	887,908	0	887,908	0	0
Total Funding	1,047,181	887,908		887,908	887,908	0	887,908	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,047,181	887,908		887,908	887,908	0	887,908	0	0

Final payments to cities made in FY18. No payments authorized for FY19.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 043 - City-Co Tourist Facilities Assist
Funding Sources: MLA - City-County Tourist Facilities

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	887,908	0	887,908	100.0	887,908	0	887,908	100.0
C03	Discontinue Program	0	0	887,908	100.0	(887,908)	0	0	0.0

Appropriation Summary

Appropriation: 1TP - Water, Waste Disposal & Pollution Abatement

Funding Sources: TPX - Water, Waste Disposal & Pollution Abatement Facilities Bond Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	0	40,000,000	40,000,000	40,000,000	40,000,000	0	40,000,000	40,000,000	0
Debt Service 5120019	33,486,336	28,000,000	28,000,000	28,000,000	28,000,000	0	28,000,000	28,000,000	0
Total	33,486,336	68,000,000	68,000,000	68,000,000	68,000,000	0	68,000,000	68,000,000	0
Funding Sources									
Trust Fund 4000050	33,486,336	68,000,000		68,000,000	68,000,000	0	68,000,000	68,000,000	0
Total Funding	33,486,336	68,000,000		68,000,000	68,000,000	0	68,000,000	68,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	33,486,336	68,000,000		68,000,000	68,000,000	0	68,000,000	68,000,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2ME - Local Sales & Use Tax-City

Funding Sources: TSU - Local Sales/Use Tax Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	610,643,268	700,000,000	700,000,000	700,000,000	700,000,000	0	700,000,000	700,000,000	0
Total	610,643,268	700,000,000	700,000,000	700,000,000	700,000,000	0	700,000,000	700,000,000	0
Funding Sources									
Local Sales and Use Tax 4000335	610,643,268	700,000,000		700,000,000	700,000,000	0	700,000,000	700,000,000	0
Total Funding	610,643,268	700,000,000		700,000,000	700,000,000	0	700,000,000	700,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	610,643,268	700,000,000		700,000,000	700,000,000	0	700,000,000	700,000,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2MQ - Local Sales & Use Tax-County

Funding Sources: TSU - Local Sales/Use Tax Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	553,128,173	700,000,000	700,000,000	700,000,000	700,000,000	0	700,000,000	700,000,000	0
Total	553,128,173	700,000,000	700,000,000	700,000,000	700,000,000	0	700,000,000	700,000,000	0
Funding Sources									
Local Sales and Use Tax 4000335	553,128,173	700,000,000		700,000,000	700,000,000	0	700,000,000	700,000,000	0
Total Funding	553,128,173	700,000,000		700,000,000	700,000,000	0	700,000,000	700,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	553,128,173	700,000,000		700,000,000	700,000,000	0	700,000,000	700,000,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2MR - Uniform Tax Rate-Amendment 74

Funding Sources: TTR - Uniform Tax Rate Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	1,101,773,003	1,350,000,000	1,350,000,000	1,350,000,000	1,350,000,000	0	1,350,000,000	1,350,000,000	0
Total	1,101,773,003	1,350,000,000	1,350,000,000	1,350,000,000	1,350,000,000	0	1,350,000,000	1,350,000,000	0
Funding Sources									
Trust Fund 4000050	1,101,773,003	1,350,000,000		1,350,000,000	1,350,000,000	0	1,350,000,000	1,350,000,000	0
Total Funding	1,101,773,003	1,350,000,000		1,350,000,000	1,350,000,000	0	1,350,000,000	1,350,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,101,773,003	1,350,000,000		1,350,000,000	1,350,000,000	0	1,350,000,000	1,350,000,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2ZC - Emergency Medical

Funding Sources: SSE - Arkansas Citizens First Responder Safety Enhancement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Emergency Medical Expenses 5900046	178,871	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Total	178,871	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Funding Sources									
Special Revenue 4000030	178,871	300,000		300,000	300,000	0	300,000	300,000	0
Total Funding	178,871	300,000		300,000	300,000	0	300,000	300,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	178,871	300,000		300,000	300,000	0	300,000	300,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2ZD - Local Law Enforcement

Funding Sources: SSE - Arkansas Citizens First Responder Safety Enhancement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Local Law Enforcement Exp 5900046	178,871	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Total	178,871	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Funding Sources									
Special Revenue 4000030	178,871	300,000		300,000	300,000	0	300,000	300,000	0
Total Funding	178,871	300,000		300,000	300,000	0	300,000	300,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	178,871	300,000		300,000	300,000	0	300,000	300,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 58Q - Rescue Shelters-City

Funding Sources: TRS - City/County Rescue Shelters - Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	1,525	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Total	1,525	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Funding Sources									
Trust Fund 4000050	1,525	50,000		50,000	50,000	0	50,000	50,000	0
Total Funding	1,525	50,000		50,000	50,000	0	50,000	50,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,525	50,000		50,000	50,000	0	50,000	50,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 58R - Rescue Shelters-Cnty

Funding Sources: TRS - City/County Rescue Shelters - Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,525	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Total		1,525	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Funding Sources										
Trust Fund	4000050	1,525	50,000		50,000	50,000	0	50,000	50,000	0
Total Funding		1,525	50,000		50,000	50,000	0	50,000	50,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,525	50,000		50,000	50,000	0	50,000	50,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 990 - College/Higher Education Savings Bonds

Funding Sources: TBJ - College Savings Bond Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	10,700	20,000,000	20,000,000	20,000,000	20,000,000	0	20,000,000	20,000,000	0
Debt Service 5120019	23,196,190	32,000,000	32,000,000	32,000,000	32,000,000	0	32,000,000	32,000,000	0
Total	23,206,890	52,000,000	52,000,000	52,000,000	52,000,000	0	52,000,000	52,000,000	0
Funding Sources									
Trust Fund 4000050	23,206,890	52,000,000		52,000,000	52,000,000	0	52,000,000	52,000,000	0
Total Funding	23,206,890	52,000,000		52,000,000	52,000,000	0	52,000,000	52,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	23,206,890	52,000,000		52,000,000	52,000,000	0	52,000,000	52,000,000	0

No Executive Recommendation made on this appropriation.

BOARD OF FINANCE

Enabling Laws

Act 157 of 2016
A.C.A. §19-3-701

History and Organization

Members of the State Board of Finance consist of the Governor, Treasurer of State, Auditor of State, Bank Commissioner, Director of the Department of Finance and Administration, Securities Commissioner, one person with knowledge and experience in commercial banking, one person who holds or has held a Series 7 licensure as a general securities representative and has at least five (5) years of experience as a general securities representative, one certified public accountant who is licensed in Arkansas and has at least five (5) years of experience as a certified public accountant and one member of the general public. The Governor acts as the Board Chair with the Treasurer acting as the secretary, executive officer and disbursing agent for the Board. Meetings of the Board shall be held at least quarterly upon the call of the Governor or by any three (3) members.

Agency Commentary

The Treasurer of State has submitted Base Level budget requests for the following appropriations on behalf of the Board:

	<u>FY2017-2018</u>	<u>FY2018-2019</u>
Investments-Purchase of Securities (1CV)	\$ 600,000,000	\$ 600,000,000
Investment-Premiums/Discounts (2BM)	\$ 600,000	\$ 600,000
Investments-Principal/Int/Agent Fee (2BN)	\$ 3,000,000	\$ 3,000,000

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

None

Publications

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

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
N/A	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1CV Investments-Purchase of Securities	0	0	600,000,000	0	600,000,000	0	600,000,000	0	600,000,000	0	0	0	600,000,000	0	600,000,000	0	0	0
2BM Investments-Premiums/Discounts	0	0	600,000	0	600,000	0	600,000	0	600,000	0	0	0	600,000	0	600,000	0	0	0
2BN Investments-Principal/Interest/Service Charges	0	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	0	0	3,000,000	0	3,000,000	0	0	0
Total	0	0	603,600,000	0	603,600,000	0	603,600,000	0	603,600,000	0	0	0	603,600,000	0	603,600,000	0	0	0

Funding Sources		%		%		%		%		%		%		%		%
Trust Fund 4000050	0	0.0	600,000,000	99.4	600,000,000	99.4	600,000,000	99.4	0	0.0	600,000,000	99.4	600,000,000	99.4	0	0.0
Investments 4000315	0	0.0	3,600,000	0.6	3,600,000	0.6	3,600,000	0.6	0	0.0	3,600,000	0.6	3,600,000	0.6	0	0.0
Total Funds	0	0.0	603,600,000	100.0	603,600,000	100.0	603,600,000	100.0	0	0.0	603,600,000	100.0	603,600,000	100.0	0	0.0
Excess Appropriation/(Funding)	0		0		0		0		0		0		0		0	
Grand Total	0		603,600,000		603,600,000		603,600,000		0		603,600,000		603,600,000		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Appropriation Summary

Appropriation: 1CV - Investments-Purchase of Securities

Funding Sources: XXX - Investments

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Purchase of Securities 5900046	0	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total	0	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
Funding Sources									
Trust Fund 4000050	0	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total Funding	0	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2BM - Investments-Premiums/Discounts

Funding Sources: TAS - Securities Reserve

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Premium & Discounts 5900046	0	600,000	600,000	600,000	600,000	0	600,000	600,000	0
Total	0	600,000	600,000	600,000	600,000	0	600,000	600,000	0
Funding Sources									
Investments 4000315	0	600,000		600,000	600,000	0	600,000	600,000	0
Total Funding	0	600,000		600,000	600,000	0	600,000	600,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	600,000		600,000	600,000	0	600,000	600,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2BN - Investments-Principal/Interest/Service Charges

Funding Sources: TAS - Securities Reserve

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Principal/Interest/Service Chgs 5900046	0	3,000,000	3,000,000	3,000,000	3,000,000	0	3,000,000	3,000,000	0
Total	0	3,000,000	3,000,000	3,000,000	3,000,000	0	3,000,000	3,000,000	0
Funding Sources									
Investments 4000315	0	3,000,000		3,000,000	3,000,000	0	3,000,000	3,000,000	0
Total Funding	0	3,000,000		3,000,000	3,000,000	0	3,000,000	3,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	3,000,000		3,000,000	3,000,000	0	3,000,000	3,000,000	0

No Executive Recommendation made on this appropriation.