



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

D
OFFICE OF THE SECRETARY
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September 10, 2021

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

RE: FY 22 Restricted Reserve Fund Transfer Recommendations

Dear Co-Chairs:

Pursuant to Ark. Code Ann. § 19-5-1263 and Act 1058 of 2021, as Chief Fiscal Officer of the State, I am recommending the transfer of Restricted Reserve Funds from the Unallocated Reserve Majority Vote Set-Aside of the Restricted Reserve Fund for Fiscal Year 2022 to the following:

Department of Agriculture
for grants to county and district fairs for various maintenance, personal services, operating expenses, renovation, equipment, construction, improvement, upgrade and repair of real property and facilities - \$2,250,000

This transfer has been requested for grants to county and district fairs.

University of Arkansas
for construction, renovation, maintenance, equipment, personal services and operating expenses of the various institutions and entities of the University of Arkansas System - \$1,500,000

This transfer has been requested to support the purchase and implementation of an online university.

Sincerely,


Larry W. Walther
Cabinet Secretary

LWWW

Attachment(s)



Asa Hutchinson
Governor

ARKANSAS DEPARTMENT OF AGRICULTURE

1 Natural Resources Drive, Little Rock, AR 72205
agriculture.arkansas.gov
(501) 225-1598



Wes Ward
Secretary of Agriculture

September 03, 2021

Robert Brech, Administrator
Department of Finance & Administration
1509 West Seventh Street, Suite 402
Little Rock, AR 72201

BA 0400
FC AE4
Fund KCB4AE4
Cost Center 497000

Re: Arkansas Department of Agriculture Funding Request for Fair Funding Grants.

Dear Mr. Brech:

The Arkansas Department of Agriculture respectfully requests \$2,250,000 from the Restricted Reserve Fund for FY2022.

The Department will use the funds to provide grants to county and district fairs for various maintenance, personal services, operating expenses, renovation, equipment, construction, improvement, upgrade and repair of real property and facilities.

I appreciate your consideration of this request and hope you will let me know if additional information is needed.

Respectfully,

Wesley W. Ward
Secretary of Agriculture
State of Arkansas

Office of the President

September 2, 2021

Larry W. Walther, Secretary
Department of Finance & Administration
Office of the Secretary
1509 W. 7th St., Ste. 401
Little Rock, AR 72203-3278

Re: Restricted Reserve Funding Request – University of Arkansas System
Act 847 of 2021, Section 6(A) – Development and Enhancement appropriation

Dear Secretary Walther:

The University of Arkansas System respectfully requests \$1,500,000 from the Restricted Reserve Fund as start-up funds for the acquisition and integration of Grantham University [Grantham] into the UA System. Grantham is a fully online institution founded primarily by and in service to members of the military and first responders.

Grantham's degree programs complement and expand on the system's current online programs and have a continued focus on workforce needs. Additionally, the addition of Grantham will enhance the system's ability to connect with and serve important student populations, especially those serving at home and abroad in our military. The acquisition comes as other public universities have acquired for-profit, online institutions across the country, including Purdue University's purchase of Kaplan University and the University of Arizona's more recent purchase of Ashford University.

We are acquiring a respected, accredited university for the purchase price of \$1. The transaction includes intellectual property to support more than 60 degree programs and will bring approximately 4,000 students, 170 full-time staff and 240 part-time faculty into the UA System. Despite the overall appeal of the transaction and benefits to the system and the state, we do face some short-term challenges at the outset. For example, there is often a delay obtaining approvals from the U.S. Department of Education related to student federal financial aid, and there are upfront setup costs for operations that come due shortly after closing.

The requested funds are critical to ensuring a smooth transition for Grantham into the system and limiting any disruption in operations to the campus, its students and employees. I firmly believe that a quality online education offers the best opportunity to attract new businesses to Arkansas and further enhance the skills of existing workers. UA-Grantham will significantly expand the

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

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

Secretary Larry Walther
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portfolio of degrees available online throughout the system, giving us the most comprehensive set of online credentials at a single institution in Arkansas or the region.

While I am requesting assistance with start-up funds, UA-Grantham will not request general revenue for its annual operations.

Thank you for considering this request. Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald R. Bobbitt", followed by a horizontal line extending to the right.

Donald R. Bobbitt
President
Charles E. Scharlau Presidential Leadership Chair