

**UNIVERSITY OF ARKANSAS (0135) - 2011-13 BIENNIUM -
Hi.Ed.Coord.Bd/Exec. Recommendation**

I) AGENCY SUMMARY & REVENUE SOURCES

The Institution is located in Fayetteville, Arkansas and had a total full-time equivalent enrollment of 17,912 for FY2009-10. It is a four year doctoral granting institution of higher education.

TOTAL BIENNIAL BUDGET

The Institution's total budget for the biennium is \$1.108 billion the first year & \$1.116 billion the second year.

FUNDING SOURCE

The budget is funded from 17% General Revenue, 1% Educational Excellence Trust Funds, with the remainder as cash funds from tuition, fees, federal funds, Tobacco Settlement Funds, and other sources.

II) SIGNIFICANT CHANGES

Increase in general revenue funding of \$5.6 million for FY12 and \$13.9 million for FY13. To be used for enrollment growth faculty hiring, competitive salaries for faculty/staff, utility increases, and 1.4% salary increases; water quality and sustainability; campus safety initiative, expansion of law enforcement training programs and distance learning.

Treasury Operating appropriation increases of approx. \$2.6 million and \$10.4 million for years 1 & 2, respectively, includes requests totaling approximately \$246,000 and 542,000 years 1 & 2 for the Arkansas Research and Education Optical Network (AREON), Winrock Institute, and Garvan Woodland Gardens.

Cash Operating appropriation increases of approx. \$43.3 million for AREON each year offset by a decrease in Soils Testing.

School for Math, Sciences & Arts general revenue increases of approximately \$62,000 and \$146,000 for years 1 & 2, respectively.

School for Math, Sciences & Arts Cash appropriation increases of approx. \$12 million each year.

III) ADDITIONAL POSITIONS

Total positions for 2011-13 Biennium: 7,169

Total budgeted positions for FY 2010-11: 6,302

Increase/(Decrease): 867

IV) SPECIAL LANGUAGE

* Winthrop Rockefeller Inst. Funding: Requires funding of the Rockefeller Institute \$929,000 appropriation.

* <Requests Deletion> Funding - School for Math., Sei.&Arts: States the funds provided for the Math., Sei.&Arts School in

~~Revenue Stabilization Law shall be transferred to the Math., Sci. & Arts fund from the U of A fund.~~

* Criminal Just. Inst. - Transfer Provision: Transfers \$150,000 from the Special State Assets Forfeiture Fund to the University of Arkansas Fund for the Criminal Justice Institute for education and training to address methamphetamine activities in the State.

* ~~<Requests Deletion> Refund to Expenditures: Proceeds from investments for the Soils Testing & Research Program are deemed refunds to expenditures.~~

* Archeological Survey - Use & Disbursing Officer: Restricts the appropriation & funds allocated to the Arkansas Archeological Survey to be used for no other purpose and makes the VP for Finance & Administration the disbursing officer.

* Special Allowances: Authorizes special allowances for housing and other unusual expenses for various Athletic Departments' employees, to be paid from athletic event receipts or from contributions other than state funds, with annual reporting to the Joint Legislative Auditing Committee.

* ~~<Requested Change> Additional Payments Authorized: Authorizes additional payments to head and assistant coaches from contract generated revenue with vendors of athletic apparel, shoes, multimedia rights, & other products~~

* Apprentice Program Wages: Provides for US Dept of Labor Approved Apprentice Program guidelines to be followed with skilled trades worker positions.

* ASMSA - Summer School Employees: Allows Residential Mentors, Teachers, and Counselors of the School for Math., Sciences and Arts additional compensation not to exceed 1/10 of their annual salary for summer work.

* ASMSA - Teacher Grant Funding Provision: Payment of additional compensation to School for Mathematics and Sciences teachers of to 1/10 of their annual salary for writing grants and publishing papers and not to be paid from General Revenue or Educational Excellence funds.

* ~~<Requests Deletion> Division of Agri. Laboratory: Previously Amended Ark. Code to transfer the Springdale Laboratory from the Livestock and Poultry Commission to the Division of Agriculture of the University of Arkansas.~~

* Fund Balances: Requires certification to the State CFO and the Legislative Council that, as of December 31 of each year, sufficient funds & appropriations are or will be available to meet all obligations; to be filed by February 28th or upon release of the previous year's audit by Legislative Audit and to include the preceding fiscal year's financial statement.

TOBACCO SETTLEMENT LANGUAGE BELOW

* ~~<Requests Deletion> Carry Forward: Allows for the carry~~

~~forward of appropriations made from tobacco settlement funds and requires agency justification, reporting by DFA Budget, and agency status report prior to budget hearings with DFA inclusion in budget manuals.~~

* Transfer Restrictions: Prohibits any transfers among tobacco settlement funds appropriations except as provided in the Act containing the appropriations.

* Transfer Provisions: Allows transfer of tobacco funds appropriations between line items with approval of the Chief Fiscal Officer of the State, Dept. of Higher Education & Legislative Council and includes non-severability language.

* Positions: States that it is not the commitment of the State to continue any position funded from tobacco settlement funds if those funds become insufficient.

* Compliance: States fiscal control laws and regulations are to be complied with.

* Intent: States that disbursements are to be in accordance with Initiated Act 1 of 2000, budget manuals, and testimony relating to the appropriation act.

**UNIVERSITY OF ARKANSAS - FORT SMITH (0195) - 2011-13 BIENNIUM -
Hi.Ed.Coord.Bd/Exec. Recommendation**

I) AGENCY SUMMARY & REVENUE SOURCES

The Institution is located in Fort Smith, Arkansas and had a total full-time equivalent enrollment of 5,810 for FY2009-10. It is a four year institution of higher education and became a part of the University of Arkansas System effective January 1, 2002. An election was held on July 17, 2001 which repealed a 5.2 mills property tax, dissolved the Sebastian County Community College District, and a .25% local sales & use tax was passed for support of UA-Fort Smith.

TOTAL BIENNIAL BUDGET

The Institution's total budget for the biennium is \$235.5 million the first year & \$246.6 million the second year.

FUNDING SOURCE

The budget is funded from 9% General Revenue, 1% Educational Excellence Trust Funds with the remainder as cash funds from tuition & fees, local taxes, and other funds.

II) SIGNIFICANT CHANGES

Increase in general revenue funding of approximately \$720,000 for FY12 and \$1.8 for FY11, to be used for pay raises, health plan costs, staff/faculty hiring, and utilities and other maintenance and operating expense costs.

Treasury appropriation increases of approximately \$450,000 and \$1.5 million for years 1 & 2, respectively.

Cash appropriation increases of approximately \$41.3 million each year.

III) ADDITIONAL POSITIONS

Total positions for the 2011-13 Biennium: 1,115

Total budgeted positions for FY 2010-11: 867

Increase/(Decrease): 248

IV) SPECIAL LANGUAGE

* Employment Models: Authorizes employment models other than tenure.

* Fund Balances: Requires certification to the State CFO and the Legislative Council that, as of December 31 of each year, sufficient funds & appropriations are or will be available to meet all obligations; to be filed by February 28th or upon release of the previous year's audit by Legislative Audit and to include the preceding fiscal year's financial statement.

UNIVERSITY OF ARKANSAS AT LITTLE ROCK (0145) - 2011-13 BIENNIUM -
Hi.Ed.Coord.Bd/Exec. Recommendation

I) AGENCY SUMMARY & REVENUE SOURCES

The Institution is located in Little Rock, Arkansas and had a total full-time equivalent enrollment of 9,687 for FY2009-10. It is a four year doctoral granting institution of higher education.

TOTAL BIENNIAL BUDGET

The Institution's total budget for the biennium is \$440.9 million the first year & \$444.2 million the second year.

FUNDING SOURCE

The budget is funded from 15% General Revenue, 1% Educational Excellence Trust Funds with the remainder as cash funds from tuition & fees, Special Revenue & other funds.

II) SIGNIFICANT CHANGES

Increase in general revenue funding of approximately \$4.2 million for FY12 and \$7.6 million for FY13 for hiring faculty in high-demand areas, efforts to improve student success, salary increases and health insurance costs, and permanent funding for the Nanotechnology Center.

Treasury appropriation increases of approx. \$4 million and \$7.3 million for years 1 & 2, respectively.

III) ADDITIONAL POSITIONS

Total positions for the 2011-13 Biennium: 2,203

Total budgeted positions for FY 2010-11: 1,939

Increase/(Decrease): 64

IV) SPECIAL LANGUAGE

* Special Allowances: Authorizes a total of \$30,000 each year as special allowances for housing and other unusual expenses for various Athletic Department employees, to be paid from athletic event receipts and reported annually to the Legislative Joint Auditing Committee.

* Fund Balances: Requires certification to the State CFO and the Legislative Council that, as of December 31 of each year, sufficient funds & appropriations are or will be available to meet all obligations; to be filed by February 28th or upon release of the previous year's audit by Legislative Audit and to include the preceding fiscal year's financial statement.

**HENDERSON STATE UNIVERSITY (0100) - 2011-13 BIENNIUM -
Hi.Ed.Coord.Bd/Exec. Recommendation**

I) AGENCY SUMMARY & REVENUE SOURCES

The Institution is located in Arkadelphia, Arkansas and had a total full-time equivalent enrollment of 3,391 for FY2009-10. It is a four year institution of higher education.

TOTAL BIENNIAL BUDGET

The Institution's total budget for the biennium is \$93.8 million the first year & \$94.2 million the second year.

FUNDING SOURCE

The budget is funded from 20% General Revenue, 2% Educational Excellence Trust Funds, with the remainder as cash funds from tuition, fees & other funds.

II) SIGNIFICANT CHANGES

Increase in general revenue funding of approximately \$203,000 for FY12 and \$570,000 for FY13 to be used for instructional purposes, to enhance technology, equipment and supplies budgets. Treasury appropriation decrease of approx. 43,000 for year 1 and an increase of approximately \$331,000 for year 2.

Cash appropriation decreases of approx. \$174 million both years.

III) ADDITIONAL POSITIONS

Total positions for the 2011-13 Biennium: 734

Total budgeted positions for FY 2010-11: 612

Increase/(Decrease): 122

IV) SPECIAL LANGUAGE

* Food Service: Authorizes the University to utilize contingency positions to operate the food service if the current contract is cancelled, with approval of the Dept. of Higher Education and the Chief Fiscal Officer of the State and prior review of the Legislative Council.

* Special Allowance: Authorizes special allowances of up to \$10,000 per year for any coach who coaches more than one sport with annual reporting to the Legislative Joint Auditing Committee.

* Construction: Exempts the institution from review of construction projects by the Arkansas Building Authority for projects over \$5 million provided they have policies/procedures in compliance with Arkansas Code.

* Fund Balances: Requires certification to the State CFO and the Legislative Council that, as of December 31 of each year, sufficient funds & appropriations are or will be available to meet all obligations; to be filed by February 28th or upon release of the previous year's audit by Legislative Audit and to

include the preceding fiscal year's financial statement.

**Department of Higher Education (0700) - 2011-13 BIENNIUM -
Executive Recommendation**

I) AGENCY SUMMARY & REVENUE SOURCES

The first higher education coordinating board for Arkansas was created in 1961 as the Commission on Coordination of Higher Education Finance, which was renamed the State Board of Higher Education in 1971 and the staff for the Board became the Arkansas Department of Higher Education. Act 1114 of 1997 abolished the State Board of Higher Education and created the Arkansas Higher Education Coordinating Board, consisting of 12 members appointed by the Governor.

The Board determines the role and scope of each public institution, approves new academic programs, reviews existing programs, and analyzes and reports institutional and student data.

TOTAL BIENNIAL BUDGET

The Department's total budget for the biennium is \$81.2 million the first year and \$77.9 million the second year.

FUNDING SOURCE

The budget is funded from 53.3% General Revenue (41.5% for Grants & Scholarships), 23.3% Federal Funds, 14.5% Educational Excellence Trust funds, with the remainder funded from fund balances, Cash from donations and Institutional Certification fees, and Scholarship Lottery administration reimbursement.

II) SIGNIFICANT CHANGES

*Operations - Total net increase in appropriation of \$452,458 Yr1 and \$251,458 Yr2, a decrease in general revenue funding of \$191,000 each year, offset by Scholarship Lottery reimbursement of administrative expense funding of \$559,452 each year; and a net deletion of two positions and salary and match appropriation. The appropriation changes include decreases of salary and match appropriation of approximately \$64,300 each year to exchange four positions for two higher compensated positions; and an increase of approximately \$517,000 Yr1 and \$316,000 Yr2 which includes relocation expense of the agency and increased rent of \$292,000 each year.

*Research Dev. Program - \$4 million increase for program Grants appropriation, used to grant funds to universities, which is funded from current special lang. requiring funds to be transferred from the Bldg. Maint. Prog. Fund (after deposits reached \$13.2 million), which receives funds from natural resources sales and leases from Federal lands. The 1985 Research Development Act requires the funds to be used to attract scientists and industries to the State.

*State Scholarship - Federal - Increase of \$250,000 ea. Yr. over Base for additional federal funds, to encourage non-traditional students to return to school, and used to match the State Workforce Improvement Grants.

*Student Assistance Grants and Scholarships - Overall net

decrease of \$14.5 million Yr1 and \$17.7 million Yr2 to discontinue four programs (Teacher Opportunity Grant, Second Effort Scholarships, Washington Center Scholarships, Geographical Critical Needs) and reduce eight programs' appropriation (State Teacher Ed. Program, Workforce Improvement Grants, Higher Ed. Opportunity Grants, Minority Masters Fellowship, Dependents of Law Enforcement Officers, Minority Teacher Scholarships, State Teacher Assistance Resource Prog. & Student Undergraduate Research Fellowship) ; a deletion of \$550,000 each year for Web Based Applications (requesting \$250,000 for this purpose in the Scholarship Administration appropriation), and an included offsetting increase of \$105,000 each year in the Dependents of POWs, MIAs, KIAs Tuition Waivers due to ongoing military actions, and an increase in the Governor's Scholars appropriation of \$1.4 million Yr1 with a \$170,000 decrease in year 2. Funded from General Revenue and Educational Excellence Trust funds.

*Temporary Assist. To Needy Families (TANF)- Increase of approximately \$2.5 million each year to move \$97,000 of appropriation from Operating Expense to Conference & Travel Expense (\$55,000) and Professional Fees (\$42,000), with an additional increase in of \$23,000 for training seminars and upgrades to the Information Network of Arkansas to maintain scholastic records; an increase in Capital Outlay each year of \$15,000 for student record keeping hardware; and an increase of \$2,455,207 each year for increased awarded Grants. Provides educational training to eligible persons to increase self-sufficiency of clients, federally funded.

* College Access Challenge Grant - Increase of approximately \$204,000 in Operating Expense and \$605,000 in Professional Fees appropriation each year for increased advertising informing the public of aid and assistance available and training seminars and materials for school counselors, funded from increased federal funds. Program attempts to increase the number of low-income students entering and succeeding in postsecondary education.

* Scholarship Administration - Increase of \$280,000 in total each year to add eight Extra Help positions and appropriation of \$30,000, move \$150,000 from Operating Expense to Professional Fees and increase Professional Fees an additional \$250,000 each year for Web-based applications and changes to the Universal Financial Aid Management System to accommodate non-traditional and current achiever awards, uniform transcript submission, and maintenance of programs. Funded from reimbursement from the Arkansas Scholarship Lottery.

*Technical Education -Federal - Increase over base totaling \$65,000 each year, with increases of \$50,000 each year in Conference and Travel for training seminars and \$15,000 each year in Capital Outlay for the agency's relocation to another building. Program provides technical education services to applicable institutions of higher education.

Cash Appropriation - Increase over base of \$425,000 each year, including \$200,000 in Operating Expense and \$225,000 in

Professional Fees for grant awards for the Achieve the Dream, the Non-Traditional No More, and the College Goal Sunday Programs; \$100,000 each year in Scholarships for Mahlon Martin minority scholarships, and \$40,000 ea. Yr. for hosting educational conferences. Funding from donations.

*Higher Education Grants & Loans - Requests reductions in all but one line item totaling \$1,184,900 each year to continue funding students in the pipeline and a declining balance in the Higher Education Grants Fund account. Reductions itemized: Osteopathy Aid, \$82,000; Podiatry Aid, \$110,400; Veterinary Aid, \$171,000; Chiropractic Aid, \$158,000; Dental Aid Grants, \$433,900; Optometry Aid Grants, \$89,600; and Optometry Aid Loans, \$140,000.

Provides the difference between residential and non-residential tuition to students attending an out-of-state institution teaching a health and medical professional program not available in our State.

III) ADDITIONAL POSITIONS

Total Positions for 2011-13 Biennium: 52

Total Budgeted Positions for FY 2011: 54

Increase/(Decrease): (2) - Trade two Software Analysts, an Administrative Specialist, and a Human Resources Analyst for a higher paid Program Specialist and Program Coordinator to be used across divisions and provide finance and management experience.

IV) SPECIAL LANGUAGE

~~*Requests Deletion> Scholarship Shortfall Reserve Transfer: Requires transfer by warrant of the set aside reserve of \$20 million in the Grants Fund Account to the Scholarship Shortfall Reserve Trust Account of the Lottery Commission to be used as authorized by law.~~

* Emergency Grants & Extra Help Pool: Allows institutions affected by an emergency/disaster event, upon the Governor declaring a disaster and with the approval of the Gov. and the recommendation of the Director of the Dept. of Higher Ed. (ADHE), to request a grant from the Disaster Relief Fund. Also provides a pool of 500 Extra Help positions to the ADHE for use in such emergencies.

* Reallocation of Resources: Allows for the transfer of positions, appropriations & related funds between campuses, divisions, branches & other budgetary units for purposes of reorganization, operational efficiencies or consolidation of administrative functions, limit of 2 per FY and 5% of general revenue and special revenue appropriation, includes non-severability language.

* Financial Aid Loans: Allows Budget Stabilization Trust Fund loans for financial aid appropriations and requires remaining loans at the end of one year to be repaid from the first two months revenues of the next fiscal year.

* Work Force 2000 Development Fund: Limits distribution of funds from the Work Force 2000 Development Fund to the technical colleges to 93.691% of the total funds available each year;

provides for dollars to follow schools when converting from technical institutes to technical colleges.

* Higher Education Building Maintenance Fund: Provides that after \$13,200,000 has been deposited, the next \$10,000,000 is to be transferred to the Research Development Fund.

* Refund to Expenditures: Requires repayment of loans for JR/SR Minority Teacher Scholars, Minority Masters Fellows and the State Teacher Assistance Resource Prog. to be deposited in the State Treasury fund from which it originated.

* National Guard Tuition Incentive: Loans or assistance must be repaid if the discharge is less than a Honorable Discharge. Priority for funding of assistance will be for current recipients.

* College Savings Bonds: States that the Dept. of Higher Ed. will adopt rules/regulations for allocation of College Savings Bond funds in a manner consistent with Internal Revenue Code and such will be exempt from any law in conflict.

* College Savings Bonds Limitations: Limits amount of bonds outstanding to \$300 million in any biennium and debt service amount to \$24 million in any fiscal year

* ~~<Requests Deletion> Health Education Grants & Loans Carryforward: Allows for the carryforward of funds from the 1st year to the 2nd year; requires agency justification, reporting by DFA Budget, and agency status report prior to budget hearings with DFA inclusion in budget manuals.~~

* Health Education Grants & Loans Priorities: Requires the Higher Education Coordinating Board to determine the number of slots for each program after consulting recognized associations of each medical profession & other interested persons.

* Financial Aid Programs Reporting: Requires report on funding of financial aid programs to the House & Senate Interim Committees on Education.

* Audit/Review of State Scholarship Funds: States that any post-secondary institution that receives state scholarship funds is subject to audit/review of those funds, upon approval of the Leg. Joint Auditing Cmt.

* Audit Data: Requires all post-secondary institutions to furnish a copy of the Integrated Post-Secondary Education Data System data within 3 weeks following the IPEDS due date to the Department of Higher Education.

* ~~<Requests Deletion> AR Geographical Critical Needs Minority Teacher Scholarship Program: Provides for the transfer of up to \$200,000 of appropriation & funds, determined to be available, to UA Pine Bluff to administer the scholarship program.~~

* Funding for Salary Increases: Requires general revenue funding for cost of living increases at institutions of higher education to only be used for that purpose, with unused amounts to be recovered & transferred to the General Revenue Allotment Reserve Fund

* DHE Program Coordinator: Transfers sufficient funding for the

DHE Program Coordinator position from the Higher Education Grants Fund Account to the Department of Higher Education Fund Account.

* Transfer Provision - Funds and appropriation may be transferred between financial aid programs with limitations on transfers from the Governor's Scholars Program or the Academic Challenge Program and with CFO of the State approval and review by the Legislative Council.

* Transfer of Health Ed. Grants and Loans: Funds and appropriation may be transferred between Health Education Grants/Loans for out-of-state medical programs with CFO of the State approval.

* Contingency Appropriations - Institutions: Upon ADHE and CFO of the State approval institutions' contingency appropriation can be transferred but must be reported to the Leg. Council or Joint Budget Committee by the July meeting.

* Student Undergraduate Research Fellowship Prog.: DHE is to adopt rules and regs for the SURF program and may use some of the funds for administrative costs.

* Cooperation Agreements: Two-year institutions within 25 miles of a four-year institution must enter into a written agreement addressing duplication of services.

* <New Requested> Cost Allocation: The Department of Higher Education may determine refund amounts to the Higher Education Fund Account or the Higher Education Grants Fund Account from reimbursements for Academic Challenge Scholarships administrative costs received from the Ark. Lottery Commission.