



EXHIBIT C

BUDGET OVERVIEW

FOR ARKANSAS HIGHER EDUCATION

PRESENTED TO ALC-HIGHER ED SUBCOMMITTEE
JUNE 20, 2019



PART 1:
AGENCY OPERATIONS

AGENCY HISTORY

The Arkansas Department of Higher Education serves as the administrative staff for the Arkansas Higher Education Coordinating Board. The Board consists of 12 members who are appointed by the governor and serve staggered six-year terms. As part of its responsibilities, the staff develops and implements board policies and procedures. Additionally, the Department reviews academic programs; administers statewide financial aid programs and contracts with the Southern Regional Education Board for support of graduate and first professional study outside of Arkansas; recommends institutional operating, capital, and personal services budgets; and collects and reports on student and course data as part of a statewide data base and academic program inventory for policy studies.

The Department was originally established as the Commission on Coordinating Higher Education Finance in 1961. The commission was renamed and reorganized as the Department of Higher Education in 1971.

AGENCY MISSION

The mission of the Arkansas Department of Higher Education is to advocate for higher education; to promote a coordinated system of higher education in the state; and to assist each of the publicly and locally supported institutions of higher education in the state in improving the delivery of higher education services to the citizens of Arkansas.

OFFICE STRUCTURE

**DIRECTOR'S
OFFICE**

**AGENCY
FINANCE**

**PRIVATE
CAREER ED**

**FINANCIAL
AID**

**CARL PERKINS
PROGRAM**

**ACADEMIC
AFFAIRS**

**RESEARCH
AND ANALYTICS**

**CAREER
PATHWAYS**

**INSTITUTIONAL
FINANCE**

OFFICE STRUCTURE

**DIRECTOR'S
OFFICE
(6)**



- COORDINATE DAY TO DAY OPERATIONS OF THE AGENCY
- DISSEMINATE STATEWIDE HIGHER ED COMMUNICATIONS
- COORDINATE SPECIAL PROJECTS/LEGISLATIVE INQUIRIES
- MANAGE AGENCY IT FUNCTIONS

**AGENCY
FINANCE
(2)**



- MANAGE DAY TO DAY INVOICING AND ACCOUNTING FUNCTIONS
- OVERSEE HR FUNCTIONS

**INSTITUTIONAL
FINANCE
(4)**



- PREPARE BIENNIAL RECOMMENDATIONS FOR INSTITUTIONS
- COORDINATE HIGHER ED CLASS & COMP ADMINISTRATION
- COLLECT FINANCIAL DATA AND PREPARE YEARLY STATEWIDE REPORTS

OFFICE STRUCTURE

**FINANCIAL
AID
(6)**



- REVIEW AND AWARD STATEWIDE SCHOLARSHIP APPLICATIONS
- PROMOTE AWARENESS OF STATE AID PROGRAMS
- ANSWER QUESTIONS FROM STUDENTS AND PARENTS ON PROGRAMS

**ACADEMIC
AFFAIRS
(4)**



- REVIEW ACADEMIC PROGRAMS FOR PUBLIC HIGHER EDUCATION
- OVERSEE TRANSFER AND ARTICULATION AGREEMENTS, INCLUDING THE COURSE TRANSFER SYSTEM (ACTS)
- MAINTAIN LIAISON RELATIONSHIPS WITH CAMPUS ACADEMIC OFFICERS & STATE, REGIONAL AND NATIONAL EDUCATION GROUPS

**PRIVATE
CAREER ED
(2)**



- ISSUE LICENSES FOR THE OPERATION OF PRIVATELY PROVIDED NON-CREDIT POST-SECONDARY OCCUPATIONAL TRAINING SCHOOLS.
- PROVIDE CONSUMER PROTECTION FOR ENROLLED STUDENTS.

OFFICE STRUCTURE

**CAREER
PATHWAYS
(3)**



**CARL PERKINS
PROGRAM
(2)**



**RESEARCH
AND ANALYTICS
(5)**



- MANAGE THE INITIATIVE TO PROVIDE EDUCATION AND TRAINING FOR LOW INCOME ADULTS WITH A CHILD UNDER 18 AT HOME.
- PROVIDE ASSISTANCE TO 25 CAMPUSES TO AWARD CREDENTIALS DESIGNED TO LEAD TO EMPLOYMENT. COVERED EXPENSES INCLUDE: TUITION, BOOKS, EQUIPMENT, AND MAY INCLUDE VOUCHERS TO ASSIST WITH CHILDCARE AND TRANSPORTATION.
- EVALUATE REQUESTS & DISTRIBUTE GRANT FUNDS TO UPDATE CAMPUS EQUIPMENT FOR STUDENT TECHNICAL SUPPORT.
- ASSIST WITH ACADEMIC TRANSITIONS FROM SECONDARY TO POST-SECONDARY OR INTO THE WORKFORCE.
- PROVIDE PROFESSIONAL DEVELOPMENT FOR FACULTY AND STAFF.
- COLLECT AND REPORT ON STUDENT AND COURSE DATA AS PART OF A STATEWIDE DATABASE AND ACADEMIC PROGRAM INVENTORY

FUNDING SOURCES

FUND	AMOUNT	LIMITS ON USE
GENERAL REVENUE - OPERATIONS	\$11,399,182	AGENCY OPERATIONS, WORKFORCE GRANTS
GENERAL REVENUE - GRANTS	\$40,017,466	STATE SCHOLARSHIP AND GRANT PROGRAMS
EDUCATIONAL EXCELLENCE TRUST FUND	\$14,999,378	STATE SCHOLARSHIP AND GRANT PROGRAMS
LOTTERY PROCEEDS	\$76,393,906	STATE SCHOLARSHIP AND GRANT PROGRAMS
FEDERAL REVENUE	\$7,544,300	CAREER PATHWAYS INITIATIVE, CARL PERKINS PROGRAM
SPECIAL REVENUES	\$4,032,709	VARIOUS AGENCY INITIATIVES

SPECIAL REVENUE FUND BALANCES

FUND	AMOUNT	SOURCE	LIMITS ON USE	PLANS FOR USE
ADHE - OPERATING	\$2,036,385	OUT OF STATE INSTITUTION FEE COLLECTION; LOTTERY REIMBURSEMENTS	AGENCY OPERATIONS	LOTTERY SCHOLARSHIP ADMINISTRATIVE COSTS, SARA & SREB ACTIVITIES MARKETING & TECHNOLOGY, GENERAL OPERATIONS
ADHE – CASH	\$435,031	TRUSTEES CONFERENCE FEES; COMPLETE COLLEGE AMERICA GRANTS	ANNUAL TRUSTEES CONFERENCE; CCA INITIATIVES; SPECIAL PROJECTS	ANNUAL TRUSTEES CONFERENCE; CCA INITIATIVES; MASTER PLAN IMPLEMENTATION
PRIVATE CAREER ED – OPERATING	\$265,241	LICENSING FEES FOR PRIVATE CAREER ED SCHOOLS	OPERATIONS FOR PRIVATE CAREER ED DIVISION	OPERATION OF THE PRIVATE CAREER EDUCATION DIVISION INCLUDING COORDINATOR SALARY AND BENEFITS, TRAVEL, AND ADMINISTRATIVE EXPENSES
PRIVATE CAREER ED – CASH	\$34,922	FEE COLLECTION – NO LONGER GENERATING REVENUE	OPERATIONS FOR PRIVATE CAREER ED DIVISION	OPERATION OF THE PRIVATE CAREER EDUCATION DIVISION INCLUDING COORDINATOR SALARY AND BENEFITS, TRAVEL, AND ADMINISTRATIVE EXPENSES
PRIVATE CAREER ED – STUDENT PROTECTION FUND	\$1,261,130	ANNUAL LICENSING FEE COLLECTION	PAYS FOR CLAIMS RELATED TO SCHOOL INSOLVENCY	USED FOR CLAIMS SUBMITTED TO THE AGENCY RELATED TO SCHOOL INSOLVENCY AND OTHER COST RELATED TO SCHOOL CLOSINGS

REGIONAL WORKFORCE GRANTS

18
INSTITUTIONS

20
GRANTS

8,855
PARTICIPANTS

\$15.2 MIL
OVER 2 YEARS

**PLANNING
PHASE**



**IMPLEMENTATION
PHASE**



**CONTINUATION
PHASE**

FY2019 – \$8 MILLION TO FUND THE
CONTINUATION PHASE



FINANCIAL AID PROGRAMS

Programs funded by combination of State General Revenues, Educational Excellence Trust Funds and Lottery proceeds.

Program	FY2019 Budget
Academic Challenge Scholarship	\$20,000,000
AR Geographical Critical Needs	\$150,000
Arkansas Future Grant	\$9,000,000
Governor's Scholars Program	\$21,000,000
Law Enforcement Dependents	\$400,000
Military Dependents	\$1,500,000
National Guard Tuition Assistance	\$1,400,000
Go! Opportunities Grants	\$2,500,000
Single Parent Scholarship	\$175,000
SREB Minority Doctoral Scholars	\$175,000
State Teacher Education Program	\$1,650,000
SURF Program	\$150,000

Program	FY2019 Budget
Teacher Opportunity Program	\$1,500,000
Tuition Adjustment	\$350,000
Washington Center Scholarships	\$100,000
Workforce Improvement Grants	\$0
Arkansas Health Education Grants:	
Dental Aid	\$2,750,000
Dental Loans	\$987,370
Optometry Grants	\$550,000
Optometry Loans	\$140,000
Veterinary Aid	\$1,500,000
Veterinary Loan Forgiveness	\$0
Chiropractic	\$260,000
Podiatry	\$80,400
Osteopathy	\$50,000
Total	\$66,367,770

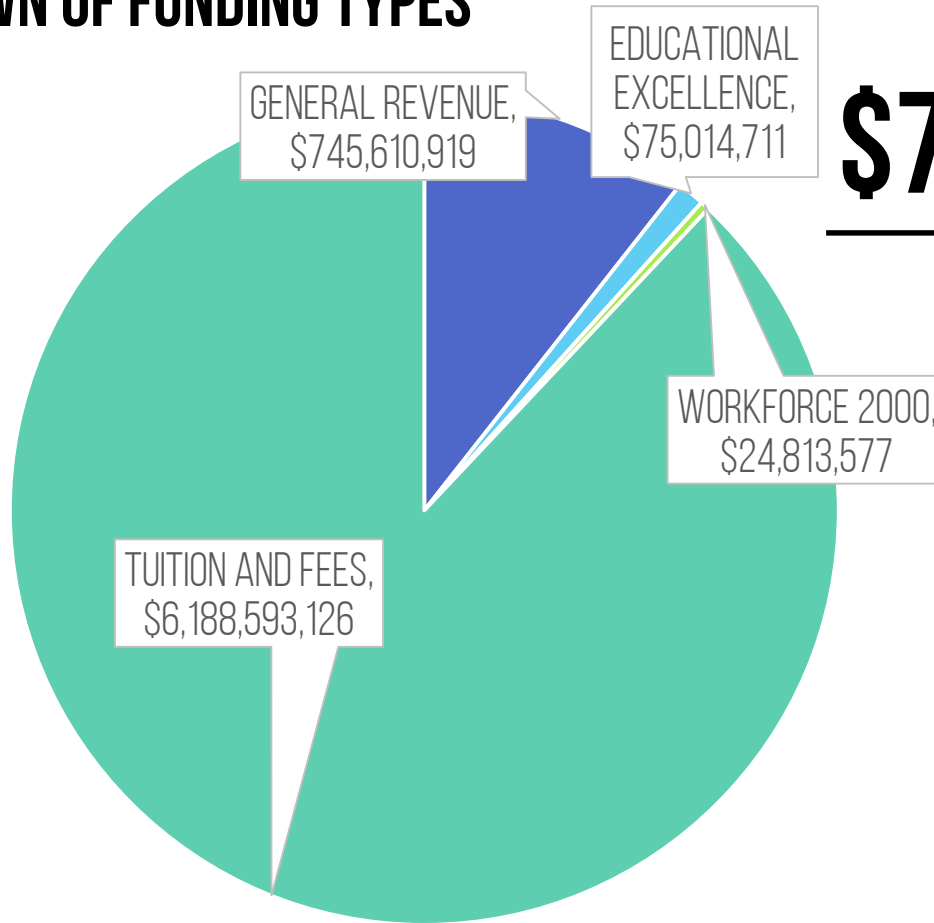


PART 2:

INSTITUTIONS OF HIGHER EDUCATION

CURRENT INSTITUTIONAL FUNDING

BREAKDOWN OF FUNDING TYPES



TOTAL FUNDING

\$7.034 BILLION

STATE GENERAL REVENUE

\$745,610,919

FOUR YEAR
\$595,098,378

TWO YEAR
\$150,512,541

EDUCATIONAL EXCELLENCE TRUST FUND

Educational Excellence Trust Fund (EETF) (Act 10 of 1991) A.C.A. 19-5-942 “An Act to create an educational excellence Trust Fund; to Provide for the transfer and allocation of fund to the Educational Excellence Trust Fund; to Provide for the Distribution of Revenues According to the Fund and for Other Purposes.”

The Educational Excellence Trust Fund amounts include an allocation for the Arkansas Department of Education (preK-12) and the Department of Workforce Education. Higher Education receives approximately 20% of the fund. The initial distribution from this fund was set out in law in actual dollar amounts. All distributions since that time have been made on a pro-rata basis calculated from the initial allocation.

WORKFORCE 2000 TRUST FUND

The legislation for **Work Force 2000** dates back to 1991 and the 78th General Assembly (A.C.A. 6-53-301). It was during this session that work was being done to move away from the vocational-technical school model towards a more traditional, academically focused post-secondary education model; for Arkansas, this was the community college model. Such moves were part of a national trend in the 1990s, focusing on stronger academic preparation to accompany the student's technical training.

One of the challenges of this change was for the former vocational schools to earn accreditation. Accreditation meant raising the credentials of faculty, expanding library holdings, improving equipment levels, and establishing nursing programs, to name a few. The Work Force 2000 Development Fund was created to finance this mission change at the post-secondary level. Today, it serves to fund the continued improvement and flexibility to meet changing workforce needs for Arkansas.