

Department of Higher Education (0700) - 2013 FISCAL YEAR

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, analyzes and reports institutional and student data, and recommends special language, personnel, funding, and appropriation amounts.

TOTAL AUTHORIZED

The Department's total appropriation is approximately \$110.5 million.

FUNDING SOURCE

The budget is funded from approximately 47.3% General Revenue (43.4% for Grants & Scholarships), 24.3% Federal Funds, 15.2% 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

None

III) ADDITIONAL POSITIONS

Total Positions for FY2012: 52

Total Positions for FY2013: 52

IV) SPECIAL LANGUAGE

* 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 for Institutions: 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
- * 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.
- * 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 Funding: 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.

* 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.

* 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 the UA-Pine Bluff to administer the scholarship program.

* Higher Ed. Institutions' Pool Positions: Provides a pool of 300 university and 250 college positions to meet unanticipated enrollment growth, industry training demand, and mandated responsibilities. Position pay will not exceed the institution's highest authorized; requests must be justified to, and recommended by, the Department, be approved by the Legislative Council or Joint Budget Committee; and continuing positions must be requested as new in the subsequent budget request.