

**DEPARTMENT OF CAREER EDUCATION (ADCE)
AND PUBLIC SCHOOL FUND (0590)
FISCAL YEAR 2014 & 2015 - ALC/JBC Recommendation**

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The mission of the Arkansas Department of Career Education(ADCE) is to provide leadership and contribute resources to serve the diverse and changing workforce training needs of the youth and adults of Arkansas.

The Department is responsible for administering public secondary and postsecondary vocational, technical and adult education programs, Arkansas Rehabilitation Services, and the Arkansas State Approving Agency for Veterans Training. The Department of Career Education is under the authority of the State Board of Career Education.

TOTAL BUDGET

DEPARTMENT:

The total budget for FY2014 is \$39,046,037 for FY2014 and \$38,898,617 for FY2015 exclusive of the Department of Career Education Public School Fund Account Appropriations.

PUBLIC SCHOOL FUND:

The total budget for the Arkansas Department of Career Education payable from the Public School Fund is \$44,260,061 for FY2014 and FY2015.

FUNDING SOURCES

Department:

The appropriations for the Department of Career Education are funded by a variety of sources including general revenue, special revenue, Educational Excellence Trust Fund, federal funds, cash funds, fund balances, loan repayments, and transfers from other agencies.

PUBLIC SCHOOL FUND:

The appropriations for the Department of Career Education - Public School Fund Account are funded by general revenue allocations through the Revenue Stabilization Law, the Educational Excellence Trust Fund and Fund Balances.

II) SIGNIFICANT CHANGES

DEPARTMENT:

VOCATIONAL, TECHNICAL AND ADULT EDUCATION - OPERATIONS (APPROPRIATION 640)

This appropriation provides the majority of the general revenue support for the operations of the Department, and is funded by general revenue and the Educational Excellence Trust Fund. The annual maximum fund transfer of \$150,000 from the Motor Vehicle Commission authorized originally for FY2008 and authorized for the 2011-13 biennium is not recommended to be continued. Provides a total appropriation of \$6,789,261 for FY2014 and \$6,743,677 for FY2015 which includes the following changes:

Regular Salaries and Matching - Reduction of \$76,487 for FY2014 and \$76,611 for FY2015 to transfer a Grade C123 ACE Program Coordinator to serve as an instruction coordinator for the Construction Craft Program to increase student involvement in the secondary CTE programs related to construction trades.

Operating Expenses - Increase of \$196,000 for FY2014 and \$151,000 for FY2015 allow the Department to secure a different facility that will house all three divisions, Career and Technical, Adult Education and Arkansas Rehabilitation Services in one location. \$151,000 of the FY2014 increase is for rent increases, and \$45,000 is for moving expenses and the \$151,000 increase for FY2015 is for increases in rent. This appropriation increase is to be funded by a reallocation of general revenue funding from the Department of Career Education - Arkansas Rehabilitation Services Operations appropriation.

FEDERAL VOCATIONAL, TECHNICAL AND ADULT EDUCATION - OPERATIONS (APPROPRIATION 641)

This appropriation is the federal counterpart to the general revenue

appropriation described above (App 640), and provides federally funded administrative support to the Department. Provides a total appropriation of \$21,436,321 for FY2014 and \$21,436,262 for FY2015 and includes the following changes:

Regular Salaries and Matching - Increase of \$41,151 each year to continue a C115 Administrative Analyst position approved by a Miscellaneous Federal Grant request working on the Arkansas Works program that helps with data collection on performance measures and other administrative duties.

Grants and Aid - Increase \$1,097,314 for FY2014 and \$1,096,140 to distribute one-time grants to school districts for special projects.

FEDERAL ADULT BASIC EDUCATION (APPROPRIATION 645)

This appropriation is used to provide adult education services and is funded by the U.S. Department of Education - Basic Adult Education State Grant. The appropriation is \$8,368,745 each year and includes the following change:

Grants and Aid - Increase of \$927,219 each year due to the amount of federal carryover funding available to the program.

FEDERAL EQUIPMENT AND TRAINING-OPERATIONS (APPROPRIATION 647)

This appropriation is used for inventory control and is funded from M&R proceeds derived from the sale of equipment purchased with federal funds. The appropriation is \$16,700 for FY2014 and \$14,800 for FY2015 which is an increase of \$10,700 for FY2014 and \$8,800 for FY2015 for the purchase of supplies.

CONSTRUCTION CRAFT (APPROPRIATION 755)

This appropriation is used to operate the Construction Craft Training Program which provides grants for construction training programs located in two and four year colleges and in Technical Institutes. The appropriation is \$963,618 for FY2014 and \$963,741 for FY2015 and includes the following increase:

Regular Salaries and Matching - Increase of \$76,487 for FY2014 and \$76,611 for FY2015 to provide for the transfer from the Vo-Tech Administration Operating Appropriation a Grade C123 ACE Program Coordinator to serve as an instruction coordinator for the Construction Craft Program to increase student involvement in the secondary CTE programs related to construction trades.

HOUSING CONSTRUCTION PROGRAM (APPROPRIATION 35S)

This appropriation provides for a revolving loan program to make loans available to Secondary Area Technical Centers and other eligible entities for the purchase of building materials, supplies and fixtures to be used in construction of a single family dwelling unit or other non-residential building project approved by the Housing Construction Program. It is funded by loan repayments made after the sale of units constructed through the Housing Construction Program. The appropriation is \$329,613 each year of the biennium which is an increase of \$164,806 each year to increase the appropriation up to the amount of funds available as of the end of FY2012.

CAREER COACHES GRANT (APPROPRIATION 96V)

This appropriation is used to support the Arkansas Works program and specifically 3 Career Coaches in Pulaski County schools with high dropout rates and is funded by a Winthrop Rockefeller Foundation Grant. This appropriation was originally established by a Miscellaneous Federal Grant request approved by the Arkansas Legislative Council during the 2011-13 biennium and is \$160,000 for FY2014 and \$60,000 for FY2015 to allow the Department to use the remaining grant funds.

PUBLIC SCHOOL FUND:

The Department has the following five authorized appropriations funded by the Department of Career Education - Public School Fund Account. The appropriation amounts shown below are a continuation of the base level each year of the 2013-15 biennium.

Governor's Commission on Adult Literacy - \$773,676 each year (note: \$724 for

a 2% cost of living adjustment is included in this amount)

Adult Basic & General Education - \$19,860,569 each year

Coordinated Career Education Services - \$1,119,433 each year

Vocational Center Aid - \$20,136,383 each year

Vocational Start-Up Grants - \$2,370,000 each year

III) ADDITIONAL POSITIONS

DEPARTMENT:

Total Positions FY2015: 92

Total Positions FY2014: 92

Total Budgeted Positions FY2013: 92

Increase / (Decrease): 0

PUBLIC SCHOOL FUND:

Total Positions FY2015: 1

Total Positions FY2014: 1

Total Budgeted Positions FY2013: 1

Increase / (Decrease): 0

IV) SPECIAL LANGUAGE

FEDERAL MATCHING: Authorizes the Public School Fund appropriated funds for Adult Basic & General Education, Coordinated Career Education Services, Vocational Center Aid and Vocational Start-Up Grants and Aid to be used to match any available federal funds in order to provide the maximum amount of money possible for the programs.

VOCATIONAL START-UP: Requires the funds and appropriation provided for the Vocational Start-Up appropriation to be allocated in accordance with rules and regulations established by the State Board of Career Education after undergoing a prior review by the Rules and Regulations Subcommittee of the Legislative Council or Joint Budget Committee.

EDUCATIONAL TRAINING/RETRAINING: Requires \$300,000 of the funds and appropriation authorized for Adult Basic and General Education, be made available to eligible entities approved by the State Board of Career Education to expand the education, training and re-training opportunities which are needed due to changing technology. In the event the official revenue forecast or the available carryover balance does not provide for full funding of the Adult Basic/General Adult Education appropriation, the language authorizes a proportional reduction to the \$300,000 requirement.

ADULT EDUCATION DISTRIBUTION: Establishes a fund distribution priority for those Adult Education administrative units that are determined to be operating efficient and effective adult education programs under criteria established by the Board of Career Education. These criteria shall be established in rules and regulations promulgated by the State Board of Career Education, and shall include relative administrative efficiency in the counties served and achievement of federal performance indicators. Requires unallocated funds to be redistributed based upon needs as determined by the State Board of Career Education.

TRANSFER OF FUNDS-PROMOTIONAL ITEMS: Requires the Chief Fiscal Officer of the State to establish a special line item to be used in the acquisition of promotional items upon request by the ADCE. It further requires ADCE to obtain State Board of Career Education approval and Arkansas Legislative Council or Joint Budget Committee prior approval when they want to transfer monies from their operating expense appropriation to their Promotional Items line item. Classifies the legislative prior review and approval language as non-severable language, and if the prior review and approval is ruled unconstitutional then the entire section is void.

SECONDARY TECHNICAL CENTER AID PROVISIONS: Provides that Secondary Technical Center (STC) aid shall be calculated and distributed based upon STCs' FTE count, which prevents the implementation of recently promulgated rules that

limit funding to STCs that have greater than 60% of their students coming from one high school to 60% of their FTE count. This provision was also made effective immediately upon passage and approval of the bill.

January 2013