

Department of Higher Education (0700)
FISCAL YEAR 2019
As Enacted by Act 197 of 2018

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION:

To advocate for higher education, promote a coordinated system, and assist the publicly and locally supported institutions in improving services to the citizens.

The Commission on Coordination of Higher Education Finance, created in 1961, 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 serving staggered six year terms.

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 and administers statewide financial aid programs.

TOTAL APPROPRIATION

The total appropriation in FY2019 is approximately \$150.3 million.

FUNDING SOURCE

The operations/scholarships budget is funded primarily from fund balances, General Revenue, Federal Funds, and Educational Excellence Trust funds, with the remainder funded from Outcome Centered funding transfers, Cash from donations/grants and Institutional Certification fees, and Scholarship Lottery administration reimbursement.

II) CHANGE LEVEL REQUESTS

HEALTH EDUCATION GRANTS AND LOANS (APPROPRIATION HEG)

This appropriation provides aid to all eligible Arkansas students who attend medical professional programs not offered in Arkansas, and is funded with general revenue. The total increase of \$1,106,100 in appropriation, requested to ensure there is sufficient appropriation for these programs, includes the following increases:

- Dental Aid - Grants increased by \$616,100.
- Optometry Aid - Grants increased by \$90,000.
- Veterinary Aid increased by \$400,000.

III) ADDITIONAL POSITIONS

Total Authorized Positions FY2019: 45
Total Authorized Positions FY2018: 42
Increase/(Decrease): 3 in FY2019.

The increase of 3 positions is due to the merger of the State Board of Private Career Education into ADHE.

ADHE Extra Help Positions FY2019: 15 (Total FY2018 Authorized Extra Help: 15)
State Board of Private Career Education Extra Help FY2019: 2
(Total FY2018 Authorized Extra Help: 2)

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 positions, general revenue and special revenue appropriation and funding, with approval of the Board and Leg. Council or Joint Budget Cmt. (and review by Higher Ed. Dept. if involving academic programs), includes non-severability language.

Loans - Financial Aid: Allows Budget Stabilization Trust Fund loans for financial aid appropriations and, in the event of an unanticipated revenue shortfall, 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 Procedures: Provides for the distribution of funds from the Work Force 2000 Development Fund to the technical colleges, limited to 93.691% of the total funds available each year, and states that dollars follow schools when they transfer to, or merge with, other institutions. Also states that amounts collected in excess of the FY2014 distribution are deposited into the Skills Development Fund (Act 893 of '15) to be used for workforce development programs by the Dept. of Career Education - Office of Skills Development.

Building Maintenance Fund: Provides that after \$13,200,000 has been deposited (from Federal lands mineral sales/leases) any additional funds are to be transferred to the Research

Development Fund.

Refund to Expenditures: Requires repayments of loans, grants, or scholarships funded from the Higher Ed. Grants Fund Acct. 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.

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

Financial Aid Programs Reporting: Requires report on current year funding, and next year projections, of financial aid programs to the House & Senate Interim Committees on Education by May 30.

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 provided 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 to align the appropriation with the number of students 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 the stated Health Education Grants/Loans for out-of-state medical programs with CFO of the State approval.

Contingency Appropriations - Transfers & Reports: 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 (SURF) Prog.: ADHE is to adopt rules and regulations for the SURF program and may use some of the funds for administrative costs.

Cooperation Agreements: Any institution having a main campus, satellite campus, or center within 25 miles of another institution's main campus 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.

Appropriation & Fund Transfer - 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 which can use up to 20% to administer the program.

Outcome Centered Funding Awards: Allows transfer, upon certification by the Director of Dept. of Higher Education, from the institutions' Treasury funds to the Dept. of Higher Education Fund Account to be redistributed based upon the outcome centered funding policy of the Higher Education Coordinating Board.

Administrative Fees: Authorizes the agency to recover non-refundable administrative fees from out-of-state, non-public, and for-profit colleges and universities.

DHE Workforce Initiative Act Funding: Allows the Chief Fiscal Officer of the State to transfer funds, up to the amount of appropriation in the Workforce Initiative Act of 2015 appropriation (eight million dollars), from the agency's operating fund to the Workforce Initiative Act of 2015 Fund for that program's grants.

Arkansas Works and Ark. Health Insurance Marketplace

Restrictions: Language prohibits the institutions of higher education from budgeting, allocating, or expending any funds for the purpose of advertising or promoting the Healthcare Independence Program, Health Insurance Marketplace, and Arkansas Works, or for the activities of navigators, guides, counselors, and producers under these programs.

***NEW LANGUAGE* Arkansas Workforce Challenge Scholarship Funds:**

Special language added which grants ADHE authority to transfer Arkansas Workforce Challenge Scholarship funds for scholarship awards for nontraditional students.

***NEW LANGUAGE* Code Amendment:** This language increases the limit of scholarship awards to nontraditional students from \$12 million to \$15 million.

