



## Arkansas Department of Higher Education

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Asa Hutchinson  
Governor

Dr. Brett Powell  
Director

June 3, 2016

The Honorable Bill Sample, Co-Chair  
The Honorable David L. Branscum, Co-Chair  
Arkansas Legislative Council  
State Capitol Building  
Little Rock, AR 72201

Dear Senator Sample and Representative Branscum:

According to the provisions of A.C.A. §19-5-1018, state institutions of higher education share in the distribution of monies received by the state from the United States government from the sale or lease of minerals, oil, and gas on federal property located in the state. Section 23 of Act 978 of 2015 states, "After the sum of \$13,200,000 has been deposited into the Higher Education Building Maintenance Fund, any additional deposits are to be transferred to the Research Development Fund to be used as provided by law."

According to A.C.A. §6-61-801 et. seq., the Arkansas Research Development Program is established for providing Arkansas Research Development Program Grants to publicly-supported universities in Arkansas by the Department of Higher Education. The statute requires that the funds be disbursed by the Director of the Department of Higher Education after review by the Legislative Council.

The Arkansas Higher Education Coordinating Board approved the distribution of \$451,700.46 from the Research Development Fund to the University of Arkansas at Fayetteville for expenses associated with the Arkansas Research and Education Optical Network (ARE-ON) at its regular board meeting on April 22, 2016. Therefore, in accordance with A.C.A. §6-61-808, we submit this distribution of funds for review by the Legislative Council.

Sincerely,

A handwritten signature in black ink that reads "Brett A. Powell".

Brett A. Powell, Ed.D.  
Director

## **DISTRIBUTION OF MINERAL LEASE FUNDS**

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According to the provisions of A.C.A. §6-61-801 through §6-61-808, there is established the Arkansas Research Development Program for providing Arkansas Research Development Program Grants to publicly-supported universities in Arkansas by the Department of Higher Education. Act 978 of 2015 provides that after the sum of \$13,200,000 has been deposited into the Higher Education Building Maintenance Fund, any additional deposits are to be transferred to the Research Development Fund to be used as provided by law.

In accordance with A.C.A. §6-61-803 and A.C.A. §6-61-807, “There is created a program to be known as the Arkansas Research Development program which shall be administered by the Director of the Department of Higher Education. Funds may be made available for administration of the Arkansas Development Research Program, for purchasing state-of-the-art equipment, for minor renovations of laboratory space, for publication of findings, for employing scientists or research assistants, and for providing any other assistance to scientists in order to develop a continuing research capacity in this state which is recognized as exemplary.”

The floor for the Research Development Fund was reached in September 2006, and statute requires that the funds be disbursed by the Director of the Department of Higher Education in accordance with the recommendation of the Arkansas Higher Education Coordinating Board after review by Legislative Council.

### **Higher Education Research Development Fund:**

The current balance in the Higher Education Research Development Fund is \$451,700. The fiscal 2016 appropriation of \$5,000,000 is adequate for the authorization of distribution of up to \$750,000 requested by the Arkansas Research and Education Optical Network (ARE-ON) board of directors.

### **Recommendation:**

The ARE-ON represents an essential tool for research and development in the publicly supported universities of Arkansas. It is recommended that up to \$750,000 requested by the ARE-ON board of directors be distributed to the University of Arkansas, Fayetteville for continuing personal services and operating expenses related to ARE-ON.

ADHE Executive Staff recommend that the Arkansas Higher Education Coordinating Board approve the following resolution:

**RESOLVED**, That after review by the Legislative Council, the Director of the Arkansas Department of Higher Education is authorized to distribute up to \$750,000 from the Higher Education Research Development Fund to the University of Arkansas, Fayetteville for continuing personal services and operating expenses related to ARE-ON.

April 14, 2016

Dr. Brett Powell, Director  
Arkansas Department of Higher Education  
423 Main, Suite 400  
Little Rock, Arkansas 72201

Dear Dr. Powell:

Please accept this letter as a request on behalf of the ARE-ON board of directors for a distribution of up to \$750,000 from the Research Development Fund at the Arkansas Higher Education Coordinating Board meeting on April 22, 2016. This funding is necessary for continuing personal services and operating expenses.

The Department's continued support of ARE-ON is critical to the statewide expansion of higher education's research infrastructure and is very much appreciated.

Sincerely,



Donald R. Bobbitt  
President

cc: Tara Smith  
Steven Fulkerson

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Arkansas Archeological Survey / Phillips Community College of the University of Arkansas / University of Arkansas Community College at Hope  
University of Arkansas Community College at Batesville / Cossatot Community College of the University of Arkansas  
University of Arkansas Community College at Morrilton / University of Arkansas at Fort Smith  
Arkansas School for Mathematics, Sciences and the Arts / University of Arkansas Clinton School of Public Service

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