



Arkansas Department of Higher Education

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Asa Hutchinson
Governor

Dr. Brett Powell
Director

October 12, 2015

The Honorable Chris Richey, Chair
The Honorable Jimmy Hickey, Chair
Arkansas Lottery Legislative Oversight Committee
State Capitol Building
Little Rock, AR 72201

Dear Senator Hickey and Representative Richey:

Dear Senator Johnson and Representative Hyde:

Pursuant to Arkansas Code Annotated 23-115-801 (d) (2), I am requesting your review of the Arkansas Department of Higher Education expenses for Fiscal 2015 for the reimbursable administrative costs associated with the scholarships awarded funded with the net proceeds of the Arkansas Lottery. The request represents \$498,486 in direct costs. The attached report shows expenses for fiscal year ended June 30, 2015, by category.

Upon completion of your review, the department shall submit the expenses to the Arkansas Lottery Commission for reimbursement to the Higher Education Grants Fund.

Should you require additional information, please let me know and we will be happy to provide.

Thank you for your consideration in this matter.

Sincerely,

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

Brett A. Powell, Ed.D.
Director

**Arkansas Department of Higher Education
Academic Challenge Scholarship Administrative Expense
Fiscal 2015**

	4thQrtFY14	Total. FY14	1stQrtFY15	2ndQrtFY15	3rdQrtFY15	4thQrtFY15	Total. FY15
Salaries	\$78,159.92	\$142,692.87	\$67,996.28	\$76,595.27	\$63,764.79	\$45,538.29	\$253,894.63
Benefits	\$17,603.89	\$32,182.73	\$16,692.39	\$18,032.27	\$11,911.57	\$10,308.22	\$56,944.45
Extra Help	\$0.00	\$0.00	\$7,814.11	\$2,592.50	\$0.00	\$0.00	\$10,406.61
Travel	\$0.00	\$2,983.60	\$0.00	\$0.00	\$8,700.51	\$0.00	\$8,700.51
Office Supplies	\$4,847.17	\$7,532.17					\$0.00
Network Services	\$93.80	\$399.24	\$943.34	\$943.34	\$943.34	\$943.34	\$3,773.35
Info. Tech. Hardware	\$22,985.20	\$25,661.17		\$16,278.06			\$16,278.06
Info. Tech. Software	\$0.00	\$10,195.07		\$9,884.88			\$9,884.88
Rents and Leases	\$5,865.98	\$5,865.98					\$0.00
Professional Fees	\$6,580.00	\$185,914.00	\$1,505.00	\$4,800.00	\$129,003.51	\$3,295.00	\$138,603.51
Total Direct:	\$136,135.96	\$413,426.83	\$94,951.12	\$129,126.32	\$214,323.72	\$60,084.85	\$498,486.00
INDIRECT COSTS							
Salaries	\$ 54,164.49	\$ 216,657.96					
Benefits	\$ 14,028.60	\$ 56,114.40					
Operations:		\$ -					
Travel		\$ -					
Temp Employees		\$ -					
Office Supplies		\$ -					
Network Services	\$ 2,010.32	\$ 8,041.28					
Info. Tech. Hardware		\$ -					
Office Equipment		\$ -					
Rents and Leases	\$ 4,478.89	\$ 17,915.56					
Professional Fees	\$ 9,850.00	\$ 39,400.00					
Total Indirect:	\$ 84,532.30	\$ 338,129.20					
TOTALS:	\$220,668.26	\$751,556.03					\$498,486.00

**Arkansas Department of Higher Education
Academic Challenge Scholarship Administrative Expense
Employee Classification
Fiscal 2015**

Authorized Title	Hourly Rate	Annual Salary	Type
DHE PROGRAM SPECIALIST	\$22.12	\$46,002.11	Full Time
DHE PROGRAM SPECIALIST	\$20.18	\$41,982.30	Full Time
DHE PROGRAM SPECIALIST	\$19.79	\$41,159.04	Full Time
DHE PROGRAM COORDINATOR	\$32.99	\$68,618.78	Full Time
DHE PROGRAM COORDINATOR	\$35.08	\$72,974.72	Full Time
DHE PROGRAM SPECIALIST	\$22.12	\$10,406.61	Part Time

Arkansas Department of Higher Education
Academic Challenge Scholarship Program
Administration Expenses

Academic Year	2011	2012	2013	2014	2015	Total
Direct	\$687,986	\$585,341	\$507,957	\$413,427	\$498,486	\$2,693,196
Indirect	\$482,724	\$260,768	\$286,059	\$338,129	\$0	\$1,367,680
Total	\$1,170,710	\$846,109	\$794,016	\$751,556	\$498,486	\$4,060,876

Academic Year	2011	2012	2013	2014	2015	
Awards	\$122,727,000	\$129,056,000	\$133,152,000	\$112,879,000	\$99,864,458	\$597,678,458
Administration	\$1,170,710	\$846,109	\$794,016	\$751,556	\$498,486	\$4,060,876
Percent	0.954%	0.656%	0.596%	0.666%	0.499%	0.679%

Year	Applications	Awards
2014-2015	51,806	36,700
2013-2014	50,275	36,259
2012-2013	46,506	31,041
2011-2012	46,012	25,881
2010-2011	65,541	28,656
Total	260,140	158,537