

AR TEACHER HOUSING DEVELOPMENT FOUNDATION

Enabling Laws

Act 2044 of 2004
A.C.A. § 6-26-101 et seq.

History and Organization

The Arkansas Teacher Housing Development Foundation is responsible for the development, implementation, and administration of housing incentive programs to recruit and retain teachers in high priority school districts. The Foundation is also responsible for obtaining private and public sources of funding for those housing incentive programs.

Act 39 of the Second Extraordinary Session of 2003 created the Arkansas Teacher Housing Development Foundation to provide affordable housing and housing incentives to attract high performing teachers to high priority school districts. The Act is now codified as Arkansas Code Annotated § 6-26-101 et seq.

A "high priority" school district has difficulty recruiting and retaining high performing teachers for grades K-12; has a critical shortage of teachers qualified to teach for any grades K-12; and has fifty percent (50%) or more of the students in the district performing below proficiency on any or all bench-mark examinations.

Housing incentives are provided to high performing teachers to entice them to relocate to high priority school districts. In addition, housing incentives are provided to high performing teachers that already teach in high priority school districts for retention purposes.

Agency Mission

The Foundation's mission is to develop, implement, and administer housing incentive programs to recruit and retain high performing teachers in high priority school districts. Housing incentives may include home purchase down-payment assistance, low-interest rate mortgages, rental assistance and multifamily housing developments. The Foundation is charged with raising private and public funds to finance the housing incentive programs.

In addition to its mission, the Foundation has adopted the following goals:

- To serve as a resource center to direct teachers to existing housing and homeownership programs and services;
- To work with local lenders and agencies to develop exclusive mortgage products and discount programs for teachers; and
- To identify the rental housing needs of teachers and meet those needs through partnerships with developers and private owners.

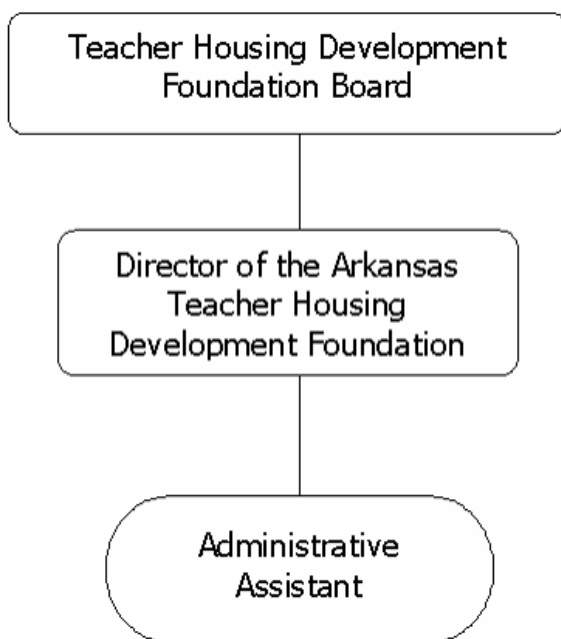
Grant funds from the Department of Education and private fundraising efforts support the Foundation's mission and goals.

The Board of Trustees

The Arkansas Teacher Housing Development Foundation is operated and controlled by a board of trustees that consists of nine (9) members. Board members hail from across the State and include educators, housing professionals, business owners, the director of the Arkansas Development Finance Authority, the director of the Arkansas Teacher Retirement System, and the president of the Arkansas Chapter of the National Association of Minority Contractors. Three members are appointed by the President Pro Tempore. The Speaker of the House of Representatives also appoints three members. Both the President Pro Tempore and the Speaker of the House must select one appointee from a list provided by the Arkansas Education Association; one appointee from a list provided by the Chamber of Commerce and Associated Industries of Arkansas; and one appointee who has at least ten (10) years of housing development and fundraising experience. Three board members serve a term of four years. Three board members serve a term of three years. The remaining members serve a term of two years. The first appointed term will expire in 2007.

In 2005, the inaugural board was appointed. The board members were Fred Allen (Little Rock), Director of the Arkansas Teacher Retirement System; David Malone (Little Rock), Director of the Arkansas Development Finance Authority; Mac Dodson (Little Rock); Betty Cox (Mena); Vicki Overman (Jasper); Mil Adams (Conway); Issac Wilburn (Forrest City); Kelly Robbins (Little Rock); and Bart Hudspeth (Brinkley). Fred Allen served as the Board's first president/chair. Bart Hudspeth and Kelly Robbins served as the vice presidents of the Board.

In January 2006, the Board approved the hiring of the Agency's first director. Thereafter, the administrative offices of the Arkansas Teacher Housing Development Foundation were established.



Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00%	2	1	0	1	1	50.00%	2	2	0	2	0	0.00%

Analysis of Budget Request

Appropriation: 2XE - AR Teacher Housing Development Foundation - Operations

Funding Sources: NTH-Cash in Treasury

The Arkansas Teacher Housing Development Foundation was established by Act 39 of the Second Extraordinary Session 2004, Arkansas Code § 6-26-101 et seq. The Agency has a board of nine members. The board members consist of 3 members chosen by the President Pro Tempore of the Senate, 3 members chosen by the Speaker of the House of Representatives, the President of the Arkansas Chapter of the National Association of Minority Contractors, The President of the Arkansas Development Finance Authority, and the Executive Director of the Arkansas Teacher Retirement System. The term of each board member shall be four years.

The Foundation was established to implement and administer housing incentive programs to recruit and retain high performing teachers in high priority school districts. Those incentives may include down payment assistance, low-interest rate mortgages, rental assistance and multifamily housing developments. The Foundation is required to raise private and public donations and grants to pay for the housing incentive programs.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base level due to the Social Security Tax Maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

Change Level Requests total \$522,812 for FY08 and \$523,312 for FY09. An increase of \$4,812 for the Operating Expenses line for each year is for Rent increases, rental of office equipment, regular office expenses and advertising expenses. The Agency requests Conference and Travel Expenses line item appropriation in the amount of \$3,000 for FY08 and \$3,500 for FY09. This is to allow the Director to attend educational conferences concerning housing development, construction financing and other housing programs. Additionally, the Agency requests an increase in the Professional Fees line item in the amount of \$15,000 for each year. This increase is to allow the Agency to contact and utilize marketing, advertising, website development and technical support professionals. Also, the Agency has requested Grants and Aid appropriation in the amount of \$500,000 for each year. This is an unfunded appropriation request. The Agency is actively pursuing donations and grants to begin issuing grants to eligible teachers in FY08.

The Executive Recommendation provides for Base Level and \$500,000 of unfunded appropriation for the Grants and Aids Line item.

Appropriation Summary

Appropriation: 2XE AR Teacher Housing Development Foundation - Operations
Funding Sources: NTH-Cash in Treasury

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	36,272	94,202	97,850	94,202	94,202	94,202	94,202	94,202	94,202
#Positions	2	2	2	2	2	2	2	2	2
Personal Services Matching 5010003	7,323	26,722	25,441	27,475	27,475	27,475	27,475	27,475	27,475
Operating Expenses 5020002	4,419	28,500	25,000	25,000	29,812	25,000	25,000	29,812	25,000
Conference & Travel Expenses 5050009	0	2,500	0	0	3,000	0	0	3,500	0
Professional Fees 5060010	0	10,000	10,000	10,000	25,000	10,000	10,000	25,000	10,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	0	0	0	0	500,000	500,000	0	500,000	500,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	48,014	161,924	158,291	156,677	679,489	656,677	156,677	679,989	656,677
Funding Sources									
Fund Balance 4000005	301,130	364,794		302,870	302,870	302,870	223,381	223,381	246,193
Cash Fund 4000045	11,678	0		0	0	0	0	0	0
Transfer from DOE Public School Fund 4000525	100,000	100,000		77,188	100,000	100,000	76,688	100,000	100,000
Unfunded Appropriation 4000715	0	0		0	500,000	500,000	0	500,000	500,000
Total Funding	412,808	464,794		380,058	902,870	902,870	300,069	823,381	846,193
Excess Appropriation/(Funding)	(364,794)	(302,870)		(223,381)	(223,381)	(246,193)	(143,392)	(143,392)	(189,516)
Grand Total	48,014	161,924		156,677	679,489	656,677	156,677	679,989	656,677

The FY07 Budgeted amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2005-2007 biennium.

The FY07 Budgeted amount exceeds Authorized Appropriation in Operating Expenses and Conference & Travel Expenses due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 2XE-AR Teacher Housing Development Foundation - Operations

Funding Sources: NTH-Cash in Treasury

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	156,677	2	156,677	100.0	156,677	2	156,677	100.0
C01	Existing Program	22,812	0	179,489	114.5	23,312	0	179,989	114.8
C05	Unfunded Appropriation	500,000	0	679,489	433.6	500,000	0	679,989	434.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	156,677	2	156,677	100.0	156,677	2	156,677	100.0
C01	Existing Program	0	0	156,677	100.0	0	0	156,677	100.0
C05	Unfunded Appropriation	500,000	0	656,677	419.1	500,000	0	656,677	419.1

Justification

C01	Operating Expenses - The Agency requests \$1,500 in FY08 and FY09 for Rent due to expansion of agency office space, \$812 for rent of office equipment, \$1,500 for advertising and promotional items, \$1,000 for office supplies. In Conference & Travel Expenses - The Agency requests \$3,000 in FY08 and \$3,500 in FY09 to allow the director to attend housing development, construction financing and other educational conferences. In Professional Fees - \$15,000 for FY08 and FY09 is requested for the purpose of contracting with various professionals to assist with marketing, advertising and website development.
C05	Agency requests \$500,000 of unfunded appropriation for grants. The Agency is currently seeking private grants and donations to begin awarding housing incentives to eligible teachers. The Agency hopes to begin issuing grants during FY08.