

DOE - Public School Fund

Enabling Laws

Act 1420 of 2007
Act 229 of 2007 (PSF)
Act 1243 of 2007
A.C.A. §6-5-301 et seq.
A.C.A. §6-10-101 thru §6-26-305
A.C.A. §6-42-101 et seq.
A.C.A. §6-45-101 et seq.
A.C.A. §6-47-201 et seq.
A.C.A. §26-80-101 et seq.
A.C.A. §25-6-101 et seq.

History and Organization

See General Education Division page 254.

Agency Commentary

ARKANSAS DEPARTMENT OF EDUCATION - PUBLIC SCHOOL FUND

The following is a summary of Change Level requests by appropriation:

SMART START/SMART STEP (057)

This program provides professional development and technical assistance to schools/districts specifically in the areas of literacy, mathematics, and science. The program supports schools/districts in the goal of all students at grade level. The funds provide for literacy specialists, mathematics specialists, and science specialists housed at the ADE and at the 15 Educational Service Cooperatives. The specialists provide professional development and technical assistance in a variety of areas including content knowledge, curriculum alignment, coaching and assessment. In addition, materials such as professional texts and technology supports are provided to schools who participate in the state developed professional development.

The Base Level request for this program is \$10,252,118 in each year of the 2009-11 biennium. The Change Level request is for general revenue funded appropriation of \$205,042 in FY10 and \$414,185 in FY11. The request represents a 2% increase in each year of the biennium to cover increases for salaries and benefits for personnel supported by the program.

ENGLISH LANGUAGE LEARNERS (082)

Additional aid is provided to school districts with students identified as not being proficient in the English language, to assist with securing specially-trained staff, instructional materials and/or training. An additional \$293 per student is paid to districts for those students identified as not proficient in the English language. The ADE also conducts a summer institute for teachers desiring training in teaching students. A.C.A. §6-20-2005(3)(A) states that beginning with the 2007-2008 school year English Language

Learners funding shall be \$293 for each identified English Language learner.

The Base Level for the general revenue funded appropriation is \$10,231,111 in each year of the 2009-11 biennium. The Change Level request is for an additional \$519,489 in FY10 and \$1,925,889 in FY11. The Base Level number of ELL students is 32,427. In FY10 ELL students are estimated to increase over base level by 1,773 for a total number of students in FY10 of 34,200. In FY11 ELL students are estimated to increase over base level by 6,573 for a total number of students in FY11 of 39,000. The amount included in the request for summer academies remains at \$730,000 each year

AT RISK (088)

This program utilizes approximately \$1,000,000 each year for the College Preparatory Enrichment Program (CPEP) which is a summer college preparatory enrichment program for those students who scored less than 19 on the ACT test. The program also provides for the utilization of assessment programs such as Plan, Explore and the Preliminary SAT/ National Merit Qualifying Tests.

The Base Level for the general revenue funded appropriation is \$1,490,500 in each year of the 2009-11 biennium. The Change Level request is for an additional \$127,530 in FY10 and \$198,030 in FY11 for additional costs of allowing schools to utilize the Preliminary SAT/National Merit Scholarship Qualifying Test, as well as or instead of the Plan and Explore programs for preparation for the ACT.

STATE FOUNDATION FUNDING (2HP)

The State Foundation Funding program is a formula driven program to equalize funding at the Uniform Rate of Tax (25 mills). In FY09 the A.C.A. §6-20-2305(a) (2) (B) provides for the Foundation Funding amount to be \$5,789 per previous year ADM student for all school districts. In addition, §6-20-2305(a) (2)(C)(i)(b) provides for school districts to receive Enhanced Educational Funding of \$87 per previous year ADM student. Open-Enrollment Charter Schools also are funded from this budget at the ADM funding amounts times the current year average daily membership of the school.

The Base Level for the general revenue funded appropriation is \$1,830,396,728 in each year of the 2009-11 biennium. The Change Level request is for an additional \$8,641,054 in FY10 and \$57,136,383 in FY11. At the time of this request, there was no final recommendation from the Joint Interim Committee on Education for a Foundation Funding amount. However, the Joint Adequacy Evaluation Oversight Subcommittee had recommended to the Joint Interim Committee on Education an increase range of 1.6% to 2.8%. This request assumes a 2.8% increase in the Foundation Funding amount per Average Daily Membership (ADM) student. It also assumes a 4.5% increase each year in assessments and an increase of 585 Average Daily Membership (ADM) students each year. Estimates for assessments and ADM students were determined by the Department of Education in consultation with the Bureau of Legislative Research, the DFA - Office of Economic Analysis and Tax Research and the Assessment Coordination Department. Also included in the request is an estimated increase in Open Enrollment Charter School students over FY09 of 1,894 in FY10 and 3,327 in FY11.

NATIONAL SCHOOL LUNCH (2HR)

NSLA is a formula driven program to target additional funding to school districts that have concentrations of poverty students. Districts with greater than 90% poverty will receive an additional \$1,488, those with greater than 70% and less than 90% will receive \$992 and those with less than 70% will receive \$496 per NSLA student identified in the previous year.

The Base Level for the general revenue funded appropriation is \$157,142,907 in each year of the 2009-11 biennium. The Change Level request is for an additional \$3,928,573 in FY10 and \$7,995,360 in

FY11. Using the increase from FY08 actual to FY09 budgeted as a starting point; the Department of Education has estimated that a 2.5% increase will be needed to provide for the anticipated growth in the number of students as well as the expected growth in the number of Open Enrollment Charter School students.

PROFESSIONAL DEVELOPMENT FUNDING (2HS)

This is a formula driven program that provides \$50 per previous year Average Daily Membership (ADM) student to School Districts to provide activities and materials to improve the knowledge of teachers, administrators, and paraprofessionals. Section 21 of Act 229 of 2007 allows the Department of Education to utilize \$4 million of the appropriation provided for this program to develop and implement statewide professional development support systems.

The Base Level request for the general revenue funded appropriation is \$23,079,074 in each year of the 2009-11 biennium. The Change Level request is for an additional \$200,776 in FY10 and \$301,676 in FY11. This request assumes no increase in the per ADM funding rate of \$50. However, the appropriation needs to be increased because of a projected increase in the ADM of 585 for FY10 and 1,170 for FY11 and an increase for the number of Open Enrollment Charter School students of 6,079 in FY10 and 7,512 in FY11.

DISTANCE LEARNING OPERATIONS (2HX)

Distance Learning is the technology and educational process used to provide instruction when the student and primary instructor are not physically present at the same time and/or place. Grants are provided for acquiring and leasing equipment and telecommunications services, as well as expanding distance learning opportunities, to school districts needing advanced level courses or courses for which a district could not justify a full time teacher for the number of students in the course.

The Base Level for this appropriation is \$5,831,400 from general revenue funds. The Change Level request is for an additional \$4,500,000 in each year of the 2009-11 biennium. This request provides for a change in the methodology for applying E-Rate credits (\$4,500,000 ea. yr.). The calculation and collection of E-Rate is administered by the Arkansas Department of Information Systems. Historically, the budget has been for the total amount needed for data processing services net of anticipated E-Rate credits. At the request of the DFA - Office of Accounting the new methodology will have the ADE budget the total anticipated amount of data processing services and certify as other income the amounts to be deposited in the Public School Fund from E-Rate credits. E-Rate, is administered by the Universal Service Administrative Company (USAC) under the direction of the Federal Communications Commission (FCC), and provides discounts to assist most schools and libraries in the United States to obtain affordable telecommunications and Internet access.

SCHOOL FUNDING CONTINGENCY (2ZH)

This appropriation is an unfunded contingency appropriation for the Department of Education to utilize to address unforeseen circumstances that occur. In order to use this appropriation, it must be transferred to a programmatic appropriation with the approval of the Chief Fiscal Officer of the State and the Arkansas Legislative Council or Joint Budget Committee.

The Change Level request is for the unfunded appropriation to continue at the \$25 million appropriation level in each year of the 2009-11 biennium.

98% URT ACTUAL COLLECTION ADJUSTMENT

The 98% URT Actual Collection Adjustment program was created by Act 272 of 2007. The program

assures that each school district's net revenue will equal 98% of the uniform rate of tax multiplied by the property assessment of the district. For a school district whose net revenues are less than 98% the Department will distribute to the district the difference. For a school district whose net revenues are more the district will repay the difference to the Department.

The Base Level for this appropriation is \$14,268,625 funded from general revenue. The Change Level request is for an additional \$11,098,476 in FY10 and \$12,239,996 in FY11. When added to Base Level the total cost of the 98% URT Actual Collection Adjustment is estimated to be \$25,367,101 in FY10 and \$26,508,621 in FY11. The increase being requested is based on the actual collection rate of 95.3% experienced in the 2008 fiscal year.

DEPARTMENT OF CORRECTION (380)

The cost of implementing and operating the school program in the Corrections School System shall be borne by the state and shall be paid from funds appropriated by the General Assembly from the general revenues of the state to the Department of Correction, the Department of Community Correction, and the Department of Education. The cost of facilities, equipment, and current operation in excess of the amount of grants and aids received from the Department of Education shall be borne by the Department of Correction and the Department of Community Correction as approved by the Board of Corrections.

The Base Level for the general revenue funded appropriation is \$5,147,675 in each year of the 2009-11 biennium. The Change Level request is for an additional \$300,000 in FY10 and \$450,000 in FY11. On behalf of the Corrections School System this additional general revenue funded appropriation is requested for additional personnel, supplies, equipment, and textbooks for the addition to programs at Malvern and Pine Bluff (\$150,000 each year). The request also provides for a 2% cost of living increase for current staff for each year of the biennium (\$150,000/\$300,000).

RESIDENTIAL CENTERS / JUVENILE DETENTION (394)

This program provides reimbursement to school districts for educational costs associated with: (1) disabled and non-disabled students placed in approved residential psychiatric and drug and alcohol treatment facilities; (2) disabled students placed in approved residential intermediate care facilities, and (3). disabled and non-disabled students placed by the courts in juvenile detention centers.

The Base Level for this general revenue funded appropriation is \$13,516,231 in each year of the 2009-11 biennium. The Change Level request is for an additional \$1,351,623 in FY10 and \$1,500,302 in FY11. This requested increase is needed due to 51 additional beds at Benton County and White River Juvenile Detention Centers and 83 additional beds at AR State Hospital (LR), Piney Ridge (Forrest City), Centers (Monticello), and Methodist (Bono) Residential Facilities. This request does not include an increase in the daily rate for the residential facilities.

TEACHER RETIREMENT MATCHING (437)

This program provides for the employer matching contribution for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals and the school operated by the Department of Correction.

The Base Level for this general revenue funded appropriation is \$6,655,000 in each year of the 2009-11 biennium. The Change Level request is for an additional \$332,750 in FY10 and \$682,138 in FY11. The requested increase of 5% in each year of the 2007-09 biennium for the Teacher Retirement Matching program is based on the increase experienced in FY08.

NATIONAL BOARD OF PROFESSIONAL TEACHING STANDARDS (438)

A.C.A. §6-17-413(a)(1)(A) calls for teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates.

The Base Level request for this appropriation is \$6,093,500 in each year of the 2009-11 biennium. Funding consists of \$5,183,500 each year from general revenue and \$910,000 each year from the Transit Tax on the rental of motor vehicles. The Change Level request is for additional general revenue funded appropriation of \$1,382,340 in FY10 and \$3,012,660 in FY11. A.C.A. §6-17-402 et seq. provides bonus incentives of \$5,000 for teachers achieving National Board Certification. The increase for the program is primarily for the addition of 25 additional Starting Bonus recipients each year and an additional 200 Yearly Bonus recipients in FY10 and another 300 Yearly bonus recipients in FY11.

SURPLUS COMMODITIES (450)

The Department of Human Services (DHS) administers the Surplus Commodities Program. Under an agreement with DHS, the Department of Education reimburses transportation costs of \$630,000 for the delivery of surplus commodities to the school districts.

The Base Level for this general revenue funded appropriation is \$630,000 each year of the 2009-11 biennium. The Change Level request is for an additional \$397,858 in FY10 and \$497,858 in FY11. On behalf of the DHS - Division of County Operations this addition of general revenue funded appropriation is requested to support the cost of the delivery of commodities to schools. DHS has indicated that without additional funds from ADE they can't continue to administer the program. The last increase provided for this program was in the 2003 fiscal year.

SCHOOL FUND - LEGISLATIVE AUDIT (454)

This appropriation provides a fund transfer to compensate Legislative Audit for auditing school food funds in the local school districts.

The Base Level for this general revenue funded appropriation is \$75,000 in each year of the 2009-11 biennium. The Change Level request is for an additional \$25,000 each year. The request is for additional costs for the Division of Legislative Audit to audit the school food funds.

GIFTED AND TALENTED (457)

This program makes available approximately \$44,500 in supplemental funding to 15 Educational Services Cooperatives (\$667,500) to fund a GT Supervisor. In addition, funding in the amount of approximately \$740,000 is used to fund the Governor's School. Funds in the amount of \$3,000 each for three school districts (\$9,000) that are awarded the Outstanding Gifted Program Award authorized by A.C.A. §6-42-104, 6(A) & (B) and \$6,000 is sent to the Springdale School District for the satellite GT office housing.

The Base Level for this general revenue funded appropriation is \$1,422,896 in each year of the 2009-11 biennium. The Change Level request is for an additional \$28,458 in FY10 and \$57,485 in FY11. This request represents a two (2) percent increase in each year of the biennium to cover increases for salaries and benefits for personnel supported by the Gifted and Talented program.

BETTER CHANGE PROGRAM (652)

Arkansas Better Chance Grants are administered by the Division of Child Care and Early Childhood Education of the Department of Human Services for the purpose of serving educationally deprived children birth through 5 years old, excluding kindergarten. Within the Arkansas Better Chance program

is the Arkansas Better Chance for School Success (ABCSS) program that funds innovative and developmentally appropriate early childhood programs for children ages 3 and 4 whose family household income is less than 200% of Federal Poverty Level.

The Base Level for this appropriation is \$111,000,000 in each year of the 2009-11 biennium. Base Level funding consists of general revenue (\$99,233,500), TANF Block Grant fund transfer (\$7,500,000) and Educational Excellence Trust Fund (\$4,266,500). The Change Level request is for unfunded appropriation for an additional \$2,775,000 in FY10 and \$5,619,375 in FY11. On behalf of the Department of Human Services - Division of Child Care and Early Childhood Education a COLA of 2.5% for the Better Chance program is requested. Fund Balance will be used to fund the additional appropriation. DHS has also asked the ADE to request that the \$7.5 million fund transfer from TANF for the Better Chance program be provided from general revenue so the TANF funds can be used for the DHS low-income child care program.

ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK (APSCN) (688)

From a non-profit agency begun in 1992, APSCN became a part of the Department of Education in 1998. APSCN's mission is to implement a statewide data communication network that connects all Arkansas public school systems and Education Service Cooperatives with the Department of Education to provide electronic access to administrative computing services and remote instructional services. Schools, district offices and Cooperatives use APSCN to process financial and student data.

The Base Level request for the APSCN is \$16,288,496 in FY10 and \$16,340,027 in FY11. The Base Level request is totally funded by general revenue. The Change Level request is for an additional \$8,607,563 in FY10 and \$10,435,883 in FY11.

This request for the Arkansas Public School Computer Network (APSCN) is for: (1) Additional band width needed due to expanded school utilization (\$1,207,563/\$2,535,883); (2) Implementation of the Teacher Access Center (TAC) and Home Access Center (HAC) programs (\$500,000/\$1,000,000); (3) A change in the methodology for applying E-Rate credits (\$6,700,000 each year); and (4) Unfunded appropriation of \$200,000 each year in Capital Outlay. The calculation and collection of E-Rate is administered by the Arkansas Department of Information Systems. Historically, the budget for APSCN has been for the total amount needed for data processing services net of anticipated E-Rate credits. At the request of the DFA - Office of Accounting the new methodology will have the ADE budget the total anticipated amount of data processing services and certify as other income the amounts to be deposited in the Public School Fund from E-Rate credits. E-Rate is administered by the Universal Service Administrative Company (USAC) under the direction of the Federal Communications Commission (FCC) and provides discounts to assist most schools and libraries in the United States to obtain affordable telecommunications and Internet access. Additional General Revenue funding of \$1,707,563 in FY10 and \$3,535,883 in FY11) is requested.

EARLY CHILDHOOD SPECIAL EDUCATION (697)

This program, which is authorized by A.C.A. §6-41-202 et seq., provides base funding for special education services through local education agencies for 11,500 three to five year old preschool children with disabilities. Funds are also provided to Education Services Cooperatives for behavioral intervention services to all local community preschool programs as well as to coordinate required transition activities for children ages 0-2 that will remain in special education as 3-5 preschoolers. Also included in this program are funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services.

The Base Level for this general revenue funded appropriation is \$15,316,744 in each year of the 2009-11 biennium. The Change Level request for the program is for an additional \$306,335 in FY10 and \$618,797 in FY11. This request represents a two (2) percent increase in each year of the 2009-11 biennium to cover increases for salaries and benefits for personnel supported by the Special Education Early Childhood Education program.

Performance Audit Findings

Teacher Recruitment and Retention – Arkansas Department of Education

UPDATE to Report Issued April 11, 2002

(July 1, 2005 – June 30, 2006) - Issued 06-07-2007

Findings and Conclusions:

- The recommendations in our original report were implemented by the Arkansas Department of Education. However, some programs are relatively new and it is too early to evaluate their full impact.

Recommendations:

N/A

Agency Position Usage Report - Public School Fund

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	
51	42	9	51	0	17.65 %	51	43	8	51	0	15.69 %	51	41	10	51	0	19.61 %

Analysis of Budget Request

Appropriation: 2HY - Education Renewal Zones

Funding Sources: JAA - Department of Education Public School Fund

The Office of Educational Renewal Zones is responsible for developing guidelines for the approval of education renewal zone strategic plans and guidelines for the evaluation and reporting of education renewal zone activities. The purpose of an education renewal zone is to: identify and implement education and management strategies designed specifically to improve public school performance and student academic achievement, with special focus on the State's most academically distressed public schools; provide for collaboration among the State's smaller schools and districts in order to achieve some of the advantages of economies of scale in providing educational and related activities; maximize benefits and outcomes of public schooling by concentrating and coordinating the resources of Arkansas' higher education institutions, the expertise of the regional education service cooperatives, and the technical assistance of other service providers to improve public school performance and student academic achievement; and enable small, rural, and low-wealth schools to make the best use of the latest cost-effective distance learning technology to enhance curricula and professional development through two-way interactive learning environments.

The Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include Career Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency is requesting Base Level for this program of \$2,085,784 in FY10 and \$2,093,782 in FY11.

The Executive Recommendation provides for Agency Request.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 2HY - Education Renewal Zones
Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	257,253	280,653	245,698	286,452	286,452	286,452	293,025	293,025	293,025
#Positions	5	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	62,496	81,789	74,342	87,632	87,632	87,632	89,057	89,057	89,057
Operating Expenses 5020002	65,123	91,800	29,700	91,800	91,800	91,800	91,800	91,800	91,800
Conference & Travel Expenses 5050009	4,553	13,000	8,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees 5060010	140,360	306,900	440,000	306,900	306,900	306,900	306,900	306,900	306,900
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	1,222,598	1,300,000	1,234,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	1,752,383	2,074,142	2,031,740	2,085,784	2,085,784	2,085,784	2,093,782	2,093,782	2,093,782
Funding Sources									
DOE Public School Fund 4000195	1,752,383	2,074,142		2,085,784	2,085,784	2,085,784	2,093,782	2,093,782	2,093,782
Total Funding	1,752,383	2,074,142		2,085,784	2,085,784	2,085,784	2,093,782	2,093,782	2,093,782
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,752,383	2,074,142		2,085,784	2,085,784	2,085,784	2,093,782	2,093,782	2,093,782

The FY08 Actual and FY09 Budgeted amounts in Regular Salaries exceed authorized amount due to salary adjustments made during the 2007-2009 Biennium.

The FY09 Budgeted amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2007-2009 Biennium.

The FY09 Budgeted amounts in Operating Expenses, Conference and Travel Expenses and Grants and Aid exceed authorized amount by authority of Reallocation of Resources in Section 13 of Act 229 of 2007.

Analysis of Budget Request

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Arkansas Public School Computer Network (APSCN) - From a non-profit Agency begun in 1992, APSCN became a part of the Department of Education in 1998. APSCN's mission is to implement a statewide data communication network that connects all Arkansas public school systems and Education Service Cooperatives with the Department of Education to provide electronic access to administrative computing services and remote instructional services. Schools, district offices and Cooperatives use APSCN to process financial and student data.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study as well as the recommendation for one position transitioning from unclassified to classified. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Change Level request is for an additional \$8,607,563 in FY10 and \$10,435,883 in FY11 and consists of the following:

- (1) An additional \$1,207,563 in FY10 and \$2,535,883 in FY11 for additional band width needed due to expanded school utilization.
- (2) Additional \$500,000 in FY10 and \$1,000,000 in FY11 for implementation of the Teacher Access Center (TAC) and Home Access Center (HAC). The TAC helps teachers spend their time on education by providing them with an efficient classroom administration and parent communication system. From either their classroom or from home, teachers can use their web browser to enter attendance, manage grades and assignments, access student demographics and send notes to parents regarding their student's progress. The HAC provides parents and guardians with helpful information to support and guide their children through the educational progress. Parents can access a web portal to see their student's test scores, attendance record, class work assigned and discipline records. Additionally, email links are available so parents can communicate with the school and teachers.
- (3) Also, \$200,000 each fiscal year of unfunded appropriation in the Capital Outlay line item. This request is for any unforeseen problems that may occur during the biennium.
- (4) Increase in Operating Expenses line item appropriation by \$6,700,000 for each fiscal year. This request is for appropriation only and is needed due to a change in the methodology for applying E-Rate credits. The calculation and collection of E-Rate is administered by the Department of Information Systems (DIS). During previous budget cycles the budget for APSCN has been the total needed less the anticipated E-Rate Credits received by DIS. Now the Department of Education will receive these E-Rate credits and will be responsible for the entire charges of DIS.

In summary the Agency Request for General Revenue above Base Level is \$1,707,563 in FY10 and \$3,535,883 in FY11.

The Executive Recommendation provides for appropriation only in the amounts of \$8,607,563 in FY10 and \$10,435,883 in FY11.

Appropriation Summary

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Regular Salaries	5010000	1,805,923	2,088,028	2,053,926	2,190,699	2,190,699	2,190,699	2,233,046	2,233,046	2,233,046
#Positions		43	46	46	46	46	46	46	46	46
Personal Services Matching	5010003	572,462	636,642	639,108	709,763	709,763	709,763	718,947	718,947	718,947
Operating Expenses	5020002	1,555,462	1,731,395	1,731,395	1,731,395	21,488,347	21,488,347	1,731,395	23,316,667	23,316,667
Conference & Travel Expenses	5050009	3,367	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	14,679,306	11,349,389	11,349,389	11,349,389	0	0	11,349,389	0	0
Capital Outlay	5120011	0	0	0	0	200,000	200,000	0	200,000	200,000
Data Access Implementation	5900046	295,834	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
End to End Security Rev/Assmnt	5900047	269,037	0	0	0	0	0	0	0	0
Total		19,181,391	16,112,704	16,081,068	16,288,496	24,896,059	24,896,059	16,340,027	26,775,910	26,775,910

Funding Sources										
DOE Public School Fund	4000195	19,181,391	16,112,704		16,288,496	17,996,059	16,288,496	16,340,027	19,875,910	16,340,027
E-Rate Credit	4000207	0	0		0	6,700,000	6,700,000	0	6,700,000	6,700,000
Unfunded Appropriation	4000715	0	0		0	200,000	1,907,563	0	200,000	3,735,883
Total Funding		19,181,391	16,112,704		16,288,496	24,896,059	24,896,059	16,340,027	26,775,910	26,775,910
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		19,181,391	16,112,704		16,288,496	24,896,059	24,896,059	16,340,027	26,775,910	26,775,910

Budget in Regular Salaries and Personal Services Matching exceeds authorized due to salary and match rate adjustments during the 2007-2009 Biennium.

End to End Security Review/Assessment is a biennial appropriation (Sec. 20 of Act 1420 of 2007) for \$300,000.

Change Level by Appropriation

Appropriation: 688 - APSCN
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	16,288,496	46	16,288,496	100.0	16,340,027	46	16,340,027	100.0
C04	Reallocation	0	0	16,288,496	100.0	0	0	16,340,027	100.0
C05	Unfunded Appropriation	200,000	0	16,488,496	101.2	200,000	0	16,540,027	101.2
C08	Technology	8,407,563	0	24,896,059	152.8	10,235,883	0	26,775,910	163.9

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	16,288,496	46	16,288,496	100.0	16,340,027	46	16,340,027	100.0
C04	Reallocation	0	0	16,288,496	100.0	0	0	16,340,027	100.0
C05	Unfunded Appropriation	200,000	0	16,488,496	101.2	200,000	0	16,540,027	101.2
C08	Technology	8,407,563	0	24,896,059	152.8	10,235,883	0	26,775,910	163.9

Justification

C04	This request is to reallocate \$11,349,389 of currently authorized appropriation from Data Processing Services to Operating Expense for each year of the biennium. The Department of Information Systems expenditures are for database support and should be expensed from Operating Expense rather than Data Processing.
C05	The Department of Education is requesting unfunded appropriation of \$200,000 each year for unforeseen Capital Outlay needs of the Arkansas Public School Computer Network that may occur in the 2009-11 biennium.
C08	This request for the Arkansas Public School Computer Network (APSCN) is for: 1) Additional band width needed due to expanded school utilization (1,207,563/\$2,535,883); 2) Implementation of the Teacher Access Center (TAC) and Home Access Center (HAC) programs (\$500,000/\$1,000,000). A change in the methodology for applying E-Rate credits. (\$6,700,000 ea. yr.) The calculation and collection of E-Rate is administered by the Arkansas Department of Information Systems. Historically, the budget for APSCN has been for the total amount needed for data processing services net of anticipated E-Rate credits. At the request of the DFA - Office of Accounting the new methodology will have the ADE budget the total anticipated amount of data processing services and certify as other income the amounts to be deposited in the Public School Fund from E-Rate credits. E-Rate, is administered by the Universal Service Administrative Company (USAC) under the direction of the Federal Communications Commission (FCC), and provides discounts to assist most schools and libraries in the United States to obtain affordable telecommunications and Internet access. Additional General Revenue funding of \$1,707,563 in FY10 and \$3,535,883 in FY11) is requested. IT Tab reference is Major Application-Arkansas Public School Computer Network

Analysis of Budget Request

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

The Department of Education Public School Fund provides the primary State financial assistance to Arkansas' public elementary and secondary schools. For FY09, the major funding sources for the Department of Education Public School Fund are projected as: general revenue funding of approximately \$1.857 billion, the Educational Excellence Trust Fund will provide \$193.9 million, and the Educational Adequacy Fund will provide \$458.8 million.

The following discussion summarizes the fiscal status and Change Level requests for each program in the Department of Education Public School Fund:

Smart Start/Smart Step Assessment (057) - The Smart Start program is a comprehensive initiative that focuses on improving the academic achievement of Kindergarten through fourth grade students in the areas of reading and mathematics. Since its inception in FY00, this program has been expanded to include Smart Step and Next Step which covers grades five through eight. A state network of literacy and mathematics specialists assist schools with professional development to maintain a highly qualified teaching staff. In addition, the program provides professional development opportunities to all K-12 educators through statewide conferences, regional workshops and satellite delivered meetings. K-12 schools are also provided a variety of resources including professional books and videos.

Base Level is \$10,252,118 each year of the 2009-2011 Biennium. The Agency Change Level request is \$205,042 for FY10 and \$414,185 for FY11.

The additional appropriation and funding is being requested to cover increased costs for salaries and benefits of personnel supported by the Smart Start/ Smart Step program.

The Executive Recommendation provides for Agency Request.

English Language Learners (082) - English Language Learners (formerly Limited English Proficiency, amended by Act 59 of the Second Extraordinary Session of 2003) serves students identified as not being proficient in the English language. This program helps enable school districts to provide specially-trained staff, instructional materials and training for teachers with these qualified students. The Agency also holds summer training academies for teachers desiring additional training in teaching and assisting these students. A.C.A. §6-20-2305(3)(A) states that for the 2007-2008 school year English language learners funding shall be \$293 for each identified English language learner.

Base Level is \$10,231,111 each fiscal year of the 2009-2011 Biennium. The Agency Change Level request is \$519,489 for FY10 and \$1,925,889 for FY11.

The Change Level request assumes no increase in the funding rate of the current \$293 per English language learner. The increase in appropriation and funding is for growth of an estimated 1,773 students for a total number of students of 34,200 in FY10 and an additional 4,800 increase of students in FY11 for a total of 39,000 students.

The Executive Recommendation provides for Base Level.

At Risk (088) - The College Preparatory Enrichment Program (CPEP) is funded from the At Risk appropriation. The program provides remedial instruction during the summer for students entering the eleventh and twelfth grade whose scores on the American College Test (ACT) are below 19 in the areas of reading and/or mathematics. The students are provided 75 hours of instruction over a minimum of twenty days. At the conclusion of the program, students are given the opportunity to take the ACT and the cost is covered by the program. This is a special administration of the ACT for the students who have successfully completed the CPEP program. This program also utilizes the assessment programs such as Explore, a program designed for 8th and 9th grade students planning to take the ACT and Plan, which is for 10th grade students and the Preliminary SAT/ National Merit Scholarship Qualifying Tests. The Base Level for this program is \$1,490,500 each fiscal year of the 2009-2011 Biennium.

The Agency is requesting a Change Level increase over Base Level of \$127,530 for FY10 and \$198,030 in FY11. This increase is requested for the additional cost of allowing schools to utilize the AT Risk program for the Preliminary SAT/ National Merit Scholarship Qualifying Tests as well as or instead of the Explore and Plan programs for preparation for the ACT.

The Executive Recommendation provides for Agency Request.

Special Education - Catastrophic (091) - Provides for state funding to school districts for local occurrences when the costs of special education and related services required by an individual child are unduly expensive, extraordinary, or beyond the routine and normal costs associated with special education. Reimbursement from this program for an individual child can be sought only after eligible costs equal or exceed \$30,000 for the special education child. Medicaid and other third party funding are obtained prior to requesting state catastrophic funding.

The Agency is requesting Base Level of \$11,000,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Youth Shelters (094) - The Department of Human Services (DHS) maintains contracts with community providers for the operation of 10 youth shelters with approximately 250 beds. This program partially reimburses school districts for the additional costs of providing educational services to students placed in these facilities by DHS.

The Agency is requesting Base Level of \$165,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Technology Improvements (108) - These improvements are used to update the technology hardware and software available to Educational Service Cooperatives and local school districts. The funds are also used to make educational technology resources available through statewide projects such as APSCN and joint efforts with the state library system. The technology improvement grants and resources provided through this appropriation affect virtually every district in the state.

The Agency is requesting Base Level of \$1,000,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Technology Grants (119) - The Technology Grants appropriation is used to make technology grants to school districts for such programs as the Environmental and Spatial Technology (EAST) Initiative. The EAST program has received high praise from local school administrators and parents as well as national recognition. The EAST Initiative began in the 1996-97 school year at Greenbrier High School with 20 students. Today, the program has grown to over 10,000 students. Through their schools' EAST labs, students use technology and their training and knowledge to solve real-world problems facing their communities.

The Agency is requesting Base Level of \$3,602,678 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Distressed School District Support (136) - The Arkansas Academic Distress Program was legislated by Act 915 of 1995. The purpose of this Act is to improve the capacity of local school districts whose students are not achieving at academically desired levels by school through targeted assistance coordinated by the Department of Education.

The Agency is requesting Base Level of \$450,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Home School Testing (150) - Each student enrolled in a home school program who is considered to be at grade level or no more than two (2) years beyond the normal age for the appropriate grade for which the state mandates norm-referenced tests for public school students shall be tested using a nationally recognized norm-referenced achievement test selected by the State Board of Education.

The Agency is requesting Base Level of \$250,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Non-Traditional Licensure Grants (1PS) - This program supplements the cash funded Alternative Certification program which was developed by the Department of Education for certifying individuals, that have expertise and knowledge in a particular subject, but do not have the standard teaching certificate, to teach.

The Agency is requesting Base Level of \$50,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Content Standards and Curriculum Frameworks Revision (1QV) - Act 1706 of 2003 grants appropriation for expenses associated with the development of a comprehensive plan to revise content standards and curriculum frameworks in the core academic areas of reading, writing, mathematics, science, history, geography, and civics. This is a biennial appropriation with any remaining appropriation on June 30, 2010, carried forward to FY11.

The Agency is requesting Base Level of \$100,000 for the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Economic Education (1XE) - The objective of this program is to integrate economics into the K-12 curriculum by training teachers and administrators in economic principles.

The Agency is requesting Base Level of \$350,000 for both years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

State Foundation Funding (2HP) - State Foundation Funding is the amount of state financial aid provided to each school district. Act 59 of the Second Extraordinary Session of 2003 changed the process by which aid is distributed to school districts. Act 272 of 2007 amended A.C.A. § 6-20-2305(a) to establish the Foundation Funding amount as \$5,719 in FY08 and \$5,789 in FY09 multiplied by the school district's average daily membership (ADM) for the previous school year. Additionally, Act 273 of 2007 provided for school districts to receive Enhanced Educational funding of \$51 in FY08 and \$87 in FY09 multiplied by the school district's ADM for the previous school year.

The amount paid as State Foundation Funding is computed as the difference between the Foundation Funding amount established by the General Assembly (\$5,789 for FY09) times the ADM of the previous school year and less the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus 100% of miscellaneous funds (average over a 5 year period) of the school district. Open-Enrollment Charter Schools are also funded from the Foundation Funding line item at the Foundation amount times the current year ADM of the school. The Base Level is \$1,830,396,728 for both fiscal years of the 2009-2011 Biennium.

The Agency is requesting an increase of \$8,641,054 for FY10 and \$57,136,383 for FY11. This amount is based upon a 2.8% increase in the Foundation Funding amount per ADM. The 2.8% increase is based off the range of 1.6-2.8% as recommended by the Joint Adequacy Evaluation Oversight Committee to the Joint Interim Committee on Education. Also, this request assumes a 4.5% increase in assessments and an increase in the ADM by 585 students each year.

The Executive Recommendation provides for a net increase of \$3,374,221 in FY10 and an increase of \$12,784,514 in FY11. The Executive Recommendation for FY10 is \$16,295,895, which is based upon a 2.0% increase of the Foundation Funding amount and an Enhanced Foundation amount of \$35 per ADM. For FY11, the Executive Recommendation is based only upon the 2.0% increase in the Foundation Funding amount.

National School Lunch Student Funding (2HR) - Funding for national school lunch students shall be based on the number of students eligible for free or reduced-price lunch program under the National School Lunch Act (NSLA) identified on the Arkansas Public School Computer Network Cycle Two Report. Base Level is \$152,142,907 for both fiscal years of the 2009-2011 Biennium.

For both the 2009-2010 and the 2010-2011 school years the Department has a recommendation of a 2.5% increase. This increase is only for the anticipated increase in number of students in the program. The rates for the NLSA will not change from the current rates listed in A.C.A. § 6-20-2305(b)(4)(A), which are:

- School districts in which 90% or greater of the enrolled students are national school lunch students, funding shall be \$1,488;
- For school districts in which at least 70% but less than 90% of the enrolled students are national school lunch students, funding shall be \$992; and

- For school districts in which less than 70% of the enrolled students are national school lunch students, funding shall be \$496.

The total increase in appropriation and funding requested is \$3,928,573 for FY10 and \$7,955,360 for FY11.

The Executive Recommendation provides for \$1,500,000 for both fiscal years of the 2009-2011 Biennium.

Professional Development Funding (2HS) - This aid, through Section 21 of Act 229 of 2007, is a formula driven program that provides \$50 per the previous year ADM students to school districts for professional development activities. Professional development is used to provide activities and materials to improve the knowledge of teachers and administrators to ensure that all students demonstrate proficiency in the state academic standards.

Base Level is \$23,079,074 each fiscal year of the 2009-2011 Biennium.

The Change Level request is \$200,776 in FY10 and \$301,676 in FY11. The requested increases are due to a projected increase in ADM students of 585 for FY10 and 1,170 for FY11, as well as an increase in the number of Open Charter school students each year of the biennium.

The Executive Recommendation provides for Base Level.

Arkansas Teacher Housing Development Foundation (2HT) - This appropriation provides an operating grant to the Arkansas Teacher Housing Development Foundation. The purpose of the foundation is to facilitate the development of affordable housing for high-performing teachers in high-priority school districts and to provide housing incentives to encourage high-performing teachers to relocate to high-priority districts.

The Agency is requesting Base Level of \$100,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request. Additionally, the Executive Recommendation moves the Arkansas Teacher Housing Development Foundation to the Department of Education - General Education Division. This grant funding will follow that transfer of appropriation to the General Education Division - Teacher Housing Development Operations (56U).

Supplemental Millage Incentive Funding (2HU) - Act 2206 of 2005 repealed A.C.A. § 6-20-2406 for supplemental millage funding, however A.C.A. § 6-20-2503 (f)(2)(A) requires state financial assistance under this program to be paid out over a ten year period by reducing the amount received by a school district after Fiscal Year 2006 by one-tenth in each year of the ten year period. Additionally, the savings in this program during each fiscal year is to be transferred to the Educational Facilities Partnership Fund Account.

The Agency is requesting Base Level of \$10,000,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request

Distance Learning Operating Grants (2HX) - These grants provide funding for acquiring and or leasing equipment and telecommunications services, and operating expenses necessary for school districts to have two-way interactive television for distance learning education. The primary purpose is to provide

distance learning resources to assist school districts in receiving advanced high school courses, advanced placement courses, enriched course content, or other academic courses not otherwise available in the school district.

Base Level is \$5,831,400 for both fiscal years of the 2009-2011 Biennium.

The Agency is requesting an increase in appropriation only of \$4,500,000 for both fiscal years of the 2009-2011 Biennium. This appropriation request only is due to a change in the E-Rate methodology between the Department of Education and the Department of Information Systems.

The Executive Recommendation provides for Agency Request.

Academic Improvement Training (2HZ) - This appropriation is for the cost of providing statewide training to Local Education Agencies (LEA's) on the preparation and analysis of Academic Improvement Plans. An Academic Improvement Plan is a plan detailing supplemental or intervention and remedial instruction, or both, in deficient academic areas for any student who is not proficient on a portion or portions of the state mandated criterion-reference assessments. Base Level is of the 2009-2011 Biennium.

The Agency is requesting Base Level of \$500,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Content Standards Revision (2JA) - This appropriation is for the cost associated with the periodic review and revision of Academic Content Standards as required by A.C.A. §6-15-404(c). Academic Content Standards are a series of documents that specify what a student enrolled in an Arkansas Public School should know and be able to do. The Academic Content Standards also provide the foundation for the development of the State assessment system.

The Agency is requesting Base Level of \$161,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Intensive School Support (2JB) - A.C.A. §6-15-2004 et seq. requires public schools to determine in part each students progress from one grade to another based upon proficiency in reading writing and mathematics; District school board policies facilitate such proficiency; and each student and his or her parent be informed of the students academic progress. A.C.A. §6-15-2008 requires the Department of Education to provide technical assistance as needed to aid school districts in administering this subchapter; The Department of Education shall report to the House Interim Committee on Education and the Senate Interim Committee on Education, at least semi-annually, the districts requesting assistance, the date of the requests, the dates and actions taken; and the results of the action taken or assistance provided.

The Agency is requesting Base Level of \$320,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Teacher Recruitment High-Priority District (2JC) - A.C.A. §6-17-811 requires the Department of Education to provide a system of incentives for teacher recruitment and retention in high priority districts. A "High-Priority District" is one that has 1,000 or fewer students in which 80% or more of public school students are eligible for the free or reduced-price lunch program under the National School Lunch Act and

have a three-quarter ADM of 1,000 or fewer for the 2003-2004 school year. Beginning in the 2004-2005 school year, a teacher licensed by the state board who teaches in a school in a high-priority district shall receive, in addition to all other salary and benefits, bonus payments as specified by law.

The Agency is requesting Base Level of \$2,100,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

School Funding Contingency (2ZH) - The School Funding Contingency appropriation is an authorization of unfunded appropriation that is used to address unforeseen problems that arise during the course of a biennium. The Department of Education has special language allowing the transfer of this appropriation to address problem areas.

The Change Level request is for \$25,000,000 of unfunded appropriation in each year of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Arkansas Leadership Academy (2ZK) - The Arkansas Leadership Academy is responsible for administering the Master School Principal Program. The program provides training programs and opportunities to expand the knowledge base and leadership skills of public school principals, as well as teachers, superintendents and other administrators, and school board members. The Base Level is the 2009-2011 Biennium.

The Agency is requesting Base Level of \$500,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Master Principal Bonus (2ZM) - Act 44 of the 2nd Extraordinary Session of 2003 provided for incentive bonuses for principals achieving Master Principal status through the Arkansas Leadership Academy. Section 3 of Act 44 allows for \$9,000 annually for five years while serving as a full-time principal in a public school in Arkansas. Section 4 provides for \$25,000 annually while working as a full time principal in an Arkansas "low-performing" school.

The Agency is requesting Base Level of \$90,000 each fiscal year of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Special Needs Isolated (2ZS) - Act 1452 of 2005 created this program for certain isolated schools and certain school districts with a low student density. The program allows for these schools that meet the eligibility criteria set by the Department, to receive additional funding to provide for an adequate education for the students.

The Agency is requesting Base Level of \$3,000,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Alternative Learning (311) - A.C.A. §6-18-508 requires every school district to establish an alternative learning environment (ALE) for students who have shown and inability to function in a standard learning

environment. It also requires the Department to establish an incentive program for districts whose ALE programs meet Department guidelines. ALE's must provide all of the educational programs available in other classrooms, and must provide additional services to meet the needs of this group of at-risk children. Additionally, A.C.A. §6-20-2305(b)(2)(A)(i) establishes the ALE funding amount shall be \$4,063 multiplied by the number of identified ALE students enrolled during a school district's previous school year.

The Agency is requesting Base Level of \$19,968,837 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

General Facilities Funding (326) - A.C.A. §6-20-2503 (e)(1) et. seq. requires the Commission of Academic Facilities and Transportation to compute the amount of general facilities funding that each school district received or would have received under the Supplemental School District Funding Act of 2003 during FY2005, then the commission shall phase out state financial assistance under the general facilities funding over a 10 year period by reducing the amount received by a school district after FY2006 by one tenth (1/10) in each year of the ten year period with the saving distributed through the Educational Facilities Partnership Fund Account.

This funding may only be used for the purchase of school buses, furniture, equipment, computer software, renovation or repairs of existing facilities, or repayment of commercial bonds or revolving loans.

The Agency is requesting Base level of \$8,100,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Isolated Funding (331) - Because of location or geographic barriers, some districts are not able to share resources with other districts or may have unusual transportation needs. These districts under 350 Average Daily Membership (ADM) are termed "isolated" and receive additional funding. Act 65 of the Second Extraordinary Session of 2003 established 56 "isolated" school districts and set a per student dollar amount to be paid to each district for the 2003-04 school year. Beginning in the 2004-05 school year, and each year thereafter, isolated funding will be provided to each district in an amount equal to the prior year three-quarter average daily membership of the isolated school area multiplied by the per student isolated funding amount set for the 2003-04 school year.

The Agency is requesting Base Level of \$7,896,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Student Growth Funding (332) - Student Growth Funding is a program that provides supplemental funding to school districts that have a growth in students over the previous school year. Pursuant to Act 272 of 2007, student growth funding is comprised of four calculations. One quarter (1/4) of the per student foundation funding (\$5,789 times ¼ for fiscal year 2007-2008) is multiplied by any increase in the school district's: (1) first quarter current year Average Daily Membership (ADM) over the 3-quarter ADM of the previous school year; (2) second quarter current year ADM over the 3-quarter ADM of the previous school year; (3) third quarter current year ADM over the 3-quarter ADM of the previous school year; and (4) fourth quarter current year ADM over the 3-quarter ADM of the previous school year, excluding any increase resulting solely from consolidation or annexation with another district.

The Agency is requesting Base Level of \$54,851,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Debt Service Funding Supplement (336) - A.C.A. §6-20-2503 created the Bonded Debt Assistance Program to enable the Division of Public School Academic Facilities and Transportation to provide eligible school districts with financial assistance for the purpose of retiring outstanding bonded indebtedness in existence as of January 1, 2005. The Commission for Public School Academic Facilities and Transportation directs the Division to work with the Department of Education to determine the amount of financial assistance for each eligible school district. The Division is responsible for ascertaining the scheduled debt payment on a fiscal year basis from the principal and interest payment in effect and on file with the Department and then reduce the amount of the payment by 10% over a 10 year period.

The Agency is requesting Base Level of \$28,455,384 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Alternative Pay (34K) - Act 847 of 2007 created the Alternative Pay program to establish rules for determining a salary amount that is part of the licensed or classified employee's total compensation for additional responsibilities, mastery of new knowledge and skills, advanced career opportunities, increase student achievement, attracting highly qualified teachers or professional development exceeding state minimums.

The Agency is requesting Base Level of \$2,500,000 for each fiscal year of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Traveling Teachers (34M) - Act 1027 of 2007 created the Traveling Teachers program to assist rural schools districts having 8,000 students or fewer in providing appropriately certified licensed teachers to teach required courses in grades 9-12. The traveling teacher will teach one (1) or more required courses in a critical shortage area, or one of the required 38 units pursuant to the Department Rules Governing the Standards for Accreditation.

The Agency is requesting Base Level of \$500,000 for each fiscal year of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

98% URT Actual Collection Adjustment (34N) - To insure that every public school district receives the full amount of Foundation Funding, the 86th General Assembly created Act 272 of 2007, amending A.C.A. §6-20-2305(a)(4)(A), which states by the end of each school year, for a school district whose net revenues are less than the sum of 98% of the uniform rate of tax (URT) multiplied by the property tax assessment of the school district, the Department of Education shall distribute to the school district the difference between the net revenues of the school district and the sum of 98% of the URT multiplied by the property assessment of the school district.

The Base Level is \$14,268,625 for both fiscal years of the 2009-2011 Biennium. The Agency Request is an increase of \$11,098,476 in FY10 and \$12,239,996 in FY11. This increase is requested due to the actual

collection rate of 95.3% experienced in FY08.

The Executive Recommendation provides Agency Request.

Department of Correction (380) - A.C.A. §12-29-301 et seq. established the Department of Correction School District and establishes a formula to determine the funding level and states that the cost of running the Department of Correction School District shall be borne by the Department of Correction and the Department of Education.

Base Level for the 2009-2011 Biennium is \$5,147,675 each fiscal year. The Agency Request is \$300,000 for FY10 and \$450,000 for FY11. The increase is requested for additional personnel, supplies, equipment and textbooks for the addition to programs at the Malvern and Pine Bluff facilities. Additionally, this request provides for a 2% COLA for current staff.

The Executive Recommendation provides for Agency Request.

Residential Centers/Juvenile Detention (394) - This program provides reimbursement to school districts for the educational costs associated with disabled and non-disabled students placed in approved residential psychiatric and drug and alcohol treatment facilities or juvenile detention centers.

Base Level is \$13,516,231 each fiscal year of the 2009-2011 Biennium and the Agency Request is \$1,351,623 for FY10 and \$1,500,302 for FY11. The request is for an additional 51 beds at the Benton County and White River Juvenile Detention Centers and 83 additional beds at Arkansas State Hospital (Little Rock), Piney Ridge (Forrest City), Centers (Monticello), and Methodist (Bono) Residential Facilities. This request does not include an increase in the daily rate for the residential facilities.

The Executive Recommendation provides for Base Level.

Consolidation Incentive (421) - These are additional funds provided to schools created as a result of consolidation of existing school districts. The incentive is unrestricted and may be used at the discretion of the local school district.

The Agency is requesting Base Level of \$5,210,100 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Pygmalion Commission (425) - This grant to the Pygmalion Commission (A.C.A. §6-15-1801 et seq.) on Nontraditional Education is to develop alternative learning environments and provide changes in curriculum, instructional approaches, school climate, and organization to improve educational outcomes for at-risk students.

The Agency is requesting Base Level of \$40,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Cooperative Education Tech Centers (434) - Technology Coordinators in the Education Service Cooperatives assist local school districts by providing technology training, advising school districts in software/hardware purchases, and overseeing technology initiatives. This program provides grants to each of the State's 15 Education Service Cooperatives.

The Agency is requesting Base Level of \$1,200,000 for each fiscal year of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Teacher Retirement Matching (437) - This is the employer matching for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals and the school operated by the Department of Correction.

Base Level is \$6,655,000 each fiscal year of the 2009-2011 Biennium. The Change Level request is \$332,750 for FY10 and \$682,138 for FY11. This request is for a 5% increase for each fiscal year based on the increase experienced in FY08.

The Executive Recommendation provides for Base Level.

National Board of Professional Teaching Standards (438) - A.C.A. §6-17-413(a)(1)(A) calls for teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates.

Base Level is \$6,093,500 each fiscal year of the 2009-2011 Biennium. The Change Level request is for an additional \$1,382,340 in FY10 and \$3,012,660 in FY11. This requested increase is due to an estimated increase of 25 additional Starting Bonus Recipients each year and an additional 200 Yearly Bonus Recipients in FY10 and an additional 300 Yearly Bonus Recipients in FY11.

The Executive Recommendation provides for Base Level.

Advanced Placement Incentive (440) - This provides support to establish advanced placement courses that are easily accessible and will prepare students for admission to, and success in, a postsecondary educational environment. The major aspect to this incentive program, now that the state is paying for all student AP exams, is support for professional development for AP and Pre-AP teachers. This program also pays for the balance of student exams that extend over the state's payment of exam costs and this also pays for awards of up to \$50 to schools for each score of 3 or better on AP exams.

The Agency is requesting Base Level of \$825,000 each fiscal year of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Criminal Background Checks (444) - This program provides \$50,000 each year to pay the costs of both state and federal criminal background checks for the first renewal of non-expired licenses for certified personnel. The checks cost \$15 for the State Police check and \$24 for the FBI.

The Agency is requesting Base Level of \$50,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Arkansas Easter Seals (445) - This program, begun in the 1960s, partially funds the cost of educational services provided by the Easter Seal Society to children ages 3 to 21 who have orthopedic and/or communicative disorders. This funding reduces the amount that local school districts have to pay for these educational services and also qualifies the facility as "state supported" so that federal funds are

available to further reduce the cost to local school districts.

The Agency is requesting Base Level of \$193,113 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Public School Employee Insurance (446) - This program pays the state contribution for insurance premiums for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals, and the school operated by the Department of Correction, and \$61 per month for each eligible employee electing to participate in the public school employee health insurance program.

The Agency is requesting Base Level of \$37,273,600 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

School Food Services (447) - This program combined with the Surplus Commodities program provides the State match for the total school food program in local schools. This grant is paid to school districts based on the number of lunches served.

The Agency is requesting Base Level of \$1,650,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Surplus Commodities (450) - The Department of Human Services administers the Surplus Commodities Program. School districts currently receive a large share of the commodities. Under an agreement with DHS, the Department of Education provides funding to supplement transportation costs resulting from delivery of the goods to the school districts.

The Base Level is \$630,000 for both fiscal years. The Agency is requesting a Change Level increase of \$397,858 for FY10 and \$497,858 for FY11. This request is made on behalf of DHS-Division of County Operations. The Division of County Operations has indicated that without this increase, they will be unable to continue to administer this program.

The Executive Recommendation provides for \$150,000 each fiscal year of the 2009-2011 Biennium.

Grants to School Districts (451) - These payments are made for educating students in North Arkansas who can't get to their assigned district because Bull Shoals Lake separates them from their district, and it would require a round trip of more than 35 miles.

The Agency is requesting Base Level of \$50,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Workers' Compensation (452) - Claims and administrative expenses are paid by a fund transfer to the Miscellaneous Revolving Fund based on the previous year's claims. This appropriation is for claims made before 1994-95 when districts were required by Act 862 of 1993 to provide their own workers' compensation coverage.

The Agency is requesting Base Level of \$450,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

School Food - Legislative Audit (454) - This is a fund transfer up to \$75,000 each year to compensate Legislative Audit for auditing school food funds in the local school districts. Base Level is \$75,000 for each fiscal year of the 2009-2011 Biennium.

The Agency is requesting an increase of \$25,000 each fiscal year for additional cost for Legislative Audit to audit the Child Nutrition Program.

The Executive Recommendation provides for Base Level.

Gifted and Talented (457) - This program provides: (1) salary support for 15 Gifted and Talented supervisors in the Cooperatives; (2) funding for the Arkansas Governor's School; (3) Act 56 - Outstanding Gifted Program Awards (3 annually); and, (4) an annual contribution to the AGATE (Arkansans for Gifted and Talented Education Conference).

Basel level is \$1,422,896 for both fiscal years of the 2009-2011 Biennium. The Agency Request is for increases of \$28,458 for FY10 and \$57,485 for FY11. This increase request is for a 2% increase each year for salaries and benefits for personnel in the Gifted and Talented Program.

The Executive Recommendation provides for Agency Request.

School Worker Defense (458) - This program provides for claims and legal fees for liability suits against school personnel.

The Agency is requesting Base Level of \$390,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Assessment/End of Level Testing (459) - A.C.A. §6-15-404 requires standards based testing at the primary, intermediate, and middle levels, which currently is administered at grades 4, 6, and 8. It also requires end-of-course testing for Algebra, Geometry, and Literacy (grade 11).

The Agency is requesting Base Level of \$23,887,747 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Court Ordered Desegregation (460) - This appropriation was established for costs stemming from the Pulaski County School Desegregation Settlement Agreement and the Camden Fairview Desegregation Settlement.

The Agency is requesting Base Level of \$69,814,372 for each fiscal year of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Teacher of the Year (4HM) - Act 17 of the 1st Extraordinary Session of 2006 established a grant for the Arkansas Teacher of the Year award. The Act requires the Department of Education to develop a process

for selecting the Arkansas Teacher of the Year and provides that the teacher shall be placed on administrative leave for the year following his or her selection to assist with improving teaching conditions in the state. Act 18 of the 1st Extraordinary Session of 2006 appropriates \$125,000 for the Arkansas Teacher of the Year program.

The Agency is requesting Base Level of \$125,000 in each fiscal year of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Declining Enrollment (4HN) - Act 20 of the 1st Extraordinary Session of 2006 provides school districts with declining enrollment additional funding equal to the difference between the average of the two immediately preceding years' average daily membership and the average daily membership for the previous school year multiplied by \$5,620 or the special needs isolated funding under A.C.A. § 6-20-604. A school district may receive both declining enrollment funding and special needs isolated funding only if sufficient funding is available.

The Agency is requesting Base Level of \$13,963,389 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Intervention Block Grants (565) - This program provides grants to local school districts, schools and education cooperatives to provide services targeting parent involvement. The grants support the Smart Start and Smart Step Initiatives by providing the child's first teacher, the parent, with resources that will support literacy and mathematics achievement.

The Agency is requesting Base Level of \$137,000 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Serious Offender Program (566) - Serious Offender Units for juveniles are operated by the Department of Human Services, but the Department of Education pays the educational costs of those located in these units through a Memorandum of Understanding (MOU) with DHS. School districts are provided funds based on the number of Serious Offender participants in the district. The funds then flow to the provider in the district. There are currently Serious Offender Programs (SOP) located in Mansfield, Harrisburg, Lewisville, Palestine-Wheatly, and Dermott school districts.

The Agency is requesting Base Level of \$ 1,050,946 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Better Chance Program (652) - This program funds innovative and developmentally appropriate early childhood programs for educationally deprived children ages 3-5. Act 1132 of 1997 transferred the Early Childhood Commission to the Department of Human Services with the Grants remaining with the Department of Education.

The Base Level is \$111,000,000 and the Agency is requesting \$2,775,000 in FY10 and \$5,619,375 in FY11. This request for appropriation only will be funded from fund balance and is to give DHS-Division of Child Care and Early Childhood a 2.5% increase in the program.

The Executive Recommendation provides for Agency Request.

Special Education Services (668) - This program provides extended year summer programs for students with disabilities, provides special education services to foster children who are wards of the State placed in out-of-state residential facilities, and provides funds for the partial reimbursement of special education supervisors.

The Agency is requesting Base Level of \$4,145,285 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Human Development Center Education Aid (669) - This program provides funding for educational services to the children in the State's Human Development Centers.

The Agency is requesting Base Level of \$526,150 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Education Service Cooperatives (670) - The 15 educational cooperatives around the State facilitate the sharing of resources and services between local school districts.

The Agency is requesting Base Level of \$6,129,270 for both fiscal years of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Early Childhood Special Education (697) - This program provides special education services through local education agencies for 11,500 three to five year old preschool children with disabilities. Funds are also provided to Education Service Cooperatives for behavioral intervention services to all community preschool programs as well as to coordinate required transition activities for children ages 0 - 2 that will remain in special education as 3 - 5 preschoolers. Also included in this program are the funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services.

Base level for the biennium is \$15,316,744 each fiscal year of the 2009-2011 Biennium. The Agency Request is for an additional \$306,335 in FY10 and \$618,797 in FY11. The increase amount requested represents a 2% increase for each fiscal year to cover increases for salaries and benefits for personnel for Special Education Early Childhood programs.

The Executive Recommendation provides for Base Level.

Distance Learning (698) - The purpose of this program is to provide for the establishment, organization, and administration of a distance learning program designed to improve course offerings available to students throughout the state. The program will demonstrate the efficiency of using distance learning to enhance elementary and secondary education and prepare students for greater success in a postsecondary educational environment.

The Agency is requesting Base Level of \$6,500,000 for each fiscal year of the 2009-2011 Biennium.

The Executive Recommendation provides for Base Level.

Teacher Licensure/Mentoring (699) - This program covers the Arkansas Induction program for new teachers and administrators. The Induction program provides Pathwise mentoring for support, retention, and professional growth of new educators. To date, there have been 200 mentor trainers certified statewide, and 12,000 mentors successfully trained in the Pathwise Observation mentoring model. Praxis III performance assessment is also a component of the Induction program. Praxis III is the teaching performance assessment that is conducted by a trained, site-based assessor for determining standard licensure decisions for new teachers. Currently there are 80 assessors trained for this purpose.

The Agency is requesting Base Level of \$7,508,758 for each fiscal year of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

Fund Transfers - In each year of the biennium, \$11,115,000 is transferred from the Department of Education Public School Fund Account to various entities for the following purposes:

- (1) Act 2131 of 2005, Section 17 requires a transfer of \$200,000 during each fiscal year of the biennium to the University of Arkansas at Little Rock Fund, specifically to provide funding for the Arkansas/STRIVE Program.
- (2) Act 2090 of 2005, Section 7 "the Director of the Assessment Coordination Department of the State of Arkansas shall certify monthly to the Chief Fiscal Officer of the State, the amount of funding needed each month to pay counties and professional reappraisal companies for the reappraisal of real property as required by law. Upon receipt of such certification the Chief Fiscal Officer of the State shall transfer on his books and those of the State Treasurer 76% of the amounts certified from the Department of Education Public School Fund Account, 16% of the amount certified from the County Aid Fund, and 8% of the amount certified from the Municipal Aid Fund to the Arkansas Real Property Reappraisal Fund." The amount to be transferred from the Public School Fund is projected to be \$10,830,000 each year of the biennium.
- (3) Surety Bond Transfer - This program pays for the surety bond for public school employees. The appropriation is made to the Department of Finance and Administration but paid from the Department of Education Public School Fund. The amount transferred is projected to be \$85,000 each year of the biennium.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$3,374,221 in FY10 and \$12,784,514 in FY11 for the State Foundation Funding line item. The Enhanced Funding recommendation for FY10 adds general revenue funding above the 2% recommended Foundation Funding formula amount by \$16,295,895.
- \$150,000 in both fiscal years for the Surplus Commodities line item
- \$28,458 in FY10 and \$57,485 in FY11 for the Gifted and Talented program
- \$1,500,000 in both fiscal years for the National School Lunch Act line item
- \$127,530 in FY10 and \$198,030 in FY11 for the At Risk line item
- \$300,000 in FY10 and \$450,000 in FY11 for the Department of Correction line item
- \$22,367,101 in FY10 and \$23,508,621 in FY11 for the 98% URT Actual Collections line item.

Funding Sources									
Trnfr frm DOE Pub School Fund	4000525	(28,569,430)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)
Transfer frm GR Allotment Rrsv	4000544	22,003,790	11,268,625	0	0	0	0	0	0
Trnfr to DOE Public School Fund	4000625	250,000	0	0	0	0	0	0	0
Transfer to General Education	4000630	(865,000)	0	0	0	0	0	0	0
Transit Tax	4000700	1,149,154	910,000	910,000	910,000	910,000	910,000	910,000	910,000
Unfunded Appropriation	4000715	0	0	0	27,775,000	27,980,042	0	30,619,375	31,033,560
Total Funding		2,551,419,692	2,605,093,755	2,593,925,130	2,666,314,059	2,654,252,482	2,582,556,505	2,727,228,889	2,668,007,340
Excess Appropriation/(Funding)		(66,783,242)	(55,514,617)	(44,245,992)	(55,514,617)	(55,514,617)	(32,977,367)	(55,514,617)	(55,514,617)
Grand Total		2,484,636,450	2,549,579,138	2,549,679,138	2,610,799,442	2,598,737,865	2,549,579,138	2,671,714,272	2,612,492,723

The variance of the carry forward balance between FY08 and FY09 is due to the \$11,268,625 of the total \$22,003,790 transfer from General Allotment Reserve shown on Transfer from GR Allotment Reserve Funding line.

Appropriation 1QV - Content and Curriculum is a biennial appropriation. Special Language provides for carry forward of appropriation.

Budget and/or Actuals exceed Authorized in Special Ed-Catastrophic, Distance Learning Operations, Alternative Learning, 98% URT Actual Collections Adjustment, Declining Enrollment, Serious Offender and Education Service Cooperatives due to special language which provides for Appropriation Transfer authority.

Change Level by Appropriation

Appropriation: 057 - Smart Start/Smart Step

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	10,252,118	0	10,252,118	100.0	10,252,118	0	10,252,118	100.0
C01	Existing Program	205,042	0	10,457,160	102.0	414,185	0	10,666,303	104.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	10,252,118	0	10,252,118	100.0	10,252,118	0	10,252,118	100.0
C01	Existing Program	205,042	0	10,457,160	102.0	414,185	0	10,666,303	104.0

Justification

C01	The ADE makes grants to Educational Services Cooperatives for math, literacy, and science specialists. This request represents a two (2) percent increase in each year of the 2009-11 biennium to cover increases for salaries and benefits for personnel supported by the Smart Start/Smart Step program.
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Change Level by Appropriation

Appropriation: 082 - English Language Learners

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	10,231,111	0	10,231,111	100.0	10,231,111	0	10,231,111	100.0
C01	Existing Program	519,489	0	10,750,600	105.1	1,925,889	0	12,157,000	118.8

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	10,231,111	0	10,231,111	100.0	10,231,111	0	10,231,111	100.0
C01	Existing Program	0	0	10,231,111	100.0	0	0	10,231,111	100.0

Justification

C01	This request assumes no increase in the per student funding rate of \$293. The base level number of ELL students is 32,427. In FY10 the number of ELL students are estimated to increase over base level by 1,773 for a total number of students in FY10 of 34,200. In FY11 the number of ELL students are estimated to increase over base level by 6,573 for a total number of students in FY11 of 39,000. The amount included in the request for summer academies remains at \$730,000 each year.
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Change Level by Appropriation

Appropriation: 088 - At Risk

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,490,500	0	1,490,500	100.0	1,490,500	0	1,490,500	100.0
C01	Existing Program	127,530	0	1,618,030	108.6	198,030	0	1,688,530	113.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,490,500	0	1,490,500	100.0	1,490,500	0	1,490,500	100.0
C01	Existing Program	127,530	0	1,618,030	108.6	198,030	0	1,688,530	113.3

Justification

C01	This request is for additional costs of allowing schools to utilize College Preparatory Enrichment Program (CPEP) funds for preparation programs for the Preliminary SAT / National Merit Scholarship Qualifying Test, as well as or instead of the Plan and Explore programs for preparation for the ACT.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Education Department-Public School Fund

Program: Content & Curriculum

Act #: 229 of 2007

Section(s) #: 1 & 20

Estimated Carry Forward Amount \$ 82,760.00

Appropriation

Funds

Funding Source: Public School

Accounting Information:

Business Area: 0500

Funds Center: 1QV

Fund: JAA

Functional Area: EDUC

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Contents Standard Curriculum Frameworks	5900046	82,760.00	82,607.19
Total		\$ 82,760.00	\$ 82,607.19

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

This is a biennial appropriation that is used to provide for expenses associated with Curriculum Framework revisions. The revision cycle for each subject area is every 6 years.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

Carry forward appropriation has been budgeted for FY2009.

Dr. Ken James
Commissioner of Education

08-15-2008
Date

Change Level by Appropriation

Appropriation: 2HP - State Foundation Funding
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,830,396,728	0	1,830,396,728	100.0	1,830,396,728	0	1,830,396,728	100.0
C01	Existing Program	8,641,054	0	1,839,037,782	100.5	57,136,383	0	1,887,533,111	103.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,830,396,728	0	1,830,396,728	100.0	1,830,396,728	0	1,830,396,728	100.0
C01	Existing Program	3,374,221	0	1,833,770,949	100.2	12,784,514	0	1,843,181,242	100.7

Justification

C01	At the time of this request, there was no final recommendation from the Joint Interim Committee on Education for a Foundation Funding amount. However, the Joint Adequacy Evaluation Oversight Subcommittee had recommended to the Joint Interim Committee on Education an increase range of 1.6% to 2.8%. This request assumes a 2.8% increase in the Foundation Funding amount per Average Daily Membership (ADM) student. It also assumes a 4.5% increase each year in assessments and an increase of 585 Average Daily Membership (ADM) students each year. Estimates for assessments and ADM students were determined by the Department of Education in consultation with the Bureau of Legislative Research, the DFA - Office of Economic Analysis and Tax Research and the Assessment Coordination Department. Also included in the request is an estimated increase in Open Enrollment Charter School students over FY09 of 1,894 in FY10 and 3,327 in FY11.
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Change Level by Appropriation

Appropriation: 2HR - National School Lunch

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	157,142,907	0	157,142,907	100.0	157,142,907	0	157,142,907	100.0
C01	Existing Program	3,928,573	0	161,071,480	102.5	7,955,360	0	165,098,267	105.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	157,142,907	0	157,142,907	100.0	157,142,907	0	157,142,907	100.0
C01	Existing Program	1,500,000	0	158,642,907	101.0	1,500,000	0	158,642,907	101.0

Justification

C01	The Change Level request is for an additional \$3,928,573 in FY10 and \$7,995,360 in FY11. Using the increase from FY08 actual to FY09 budgeted as a starting point, the Department of Education has estimated that a 2.5% increase will be needed to provide for the anticipated growth in the number of students as well as the expected growth in the number of Open Enrollment Charter School students.
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Change Level by Appropriation

Appropriation: 2HS - Prof Development Fund
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	23,079,074	0	23,079,074	100.0	23,079,074	0	23,079,074	100.0
C01	Existing Program	200,776	0	23,279,850	100.9	301,676	0	23,380,750	101.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	23,079,074	0	23,079,074	100.0	23,079,074	0	23,079,074	100.0
C01	Existing Program	0	0	23,079,074	100.0	0	0	23,079,074	100.0

Justification

C01	This request assumes no increase in the per ADM funding rate of \$50. However, the appropriation needs to be increased because of a projected increase in the ADM of 585 for FY10 , 1,170 for FY11 and an increase for the number of Open Enrollment Charter school students of 6,079 in FY10 and 7,512 in FY11.
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Change Level by Appropriation

Appropriation: 2HX - Distance Learning Operations
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	5,831,400	0	5,831,400	100.0	5,831,400	0	5,831,400	100.0
C08	Technology	4,500,000	0	10,331,400	177.2	4,500,000	0	10,331,400	177.2

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	5,831,400	0	5,831,400	100.0	5,831,400	0	5,831,400	100.0
C08	Technology	4,500,000	0	10,331,400	177.2	4,500,000	0	10,331,400	177.2

Justification

C08	This request provides for a change in the methodology for applying E-Rate credits (\$4,500,000 ea. yr.). The calculation and collection of E-Rate is administered by the Arkansas Department of Information Systems. Historically, the budget has been for the total amount needed for data processing services net of anticipated E-Rate credits. At the request of the DFA - Office of Accounting the new methodology will have the ADE budget the total anticipated amount of data processing services and certify as other income the amounts to be deposited in the Public School Fund from E-Rate credits. E-Rate, is administered by the Universal Service Administrative Company (USAC) under the direction of the Federal Communications Commission (FCC), and provides discounts to assist most schools and libraries in the United States to obtain affordable telecommunications and Internet access. IT Tab reference is Major Application-Distance Learning
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Change Level by Appropriation

Appropriation: 2ZH - School Funding Contingency

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	25,000,000	0	25,000,000	100.0	25,000,000	0	25,000,000	100.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	25,000,000	0	25,000,000	100.0	25,000,000	0	25,000,000	100.0

Justification

C05	This request is for \$25 million of unfunded appropriation in each year of the 2009-11 biennium. This will enable the Department of Education to address unforeseen circumstances that may arise in the biennium.
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Change Level by Appropriation

Appropriation: 34N - 98% URT Actual Collection Adj
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	14,268,625	0	14,268,625	100.0	14,268,625	0	14,268,625	100.0
C01	Existing Program	11,098,476	0	25,367,101	177.8	12,239,996	0	26,508,621	185.8

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	14,268,625	0	14,268,625	100.0	14,268,625	0	14,268,625	100.0
C01	Existing Program	11,098,476	0	25,367,101	177.8	12,239,996	0	26,508,621	185.8

Justification

C01	Section 31 of Act 1420 of 2007 states that it is the legislative intent that school districts are fully funded for foudation funding and in order for that to be certain a 98% URT Actual Collection Adjustment is necessary. Based on the actual collection rate of 95.3% experienced in the 2008 fiscal year, the Department of Education is requesting additional General Revenue funded appropriation of\$11,098,476 in FY10 and \$12,239,996 in FY11. When added to Base Level the total cost of the 98% URT Actual Collection Adjustment is estimated to be \$25,367,101 in FY10 and \$26,508,621 in FY11.
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Change Level by Appropriation

Appropriation: 380 - Dept of Correction

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	5,147,675	0	5,147,675	100.0	5,147,675	0	5,147,675	100.0
C01	Existing Program	300,000	0	5,447,675	105.8	450,000	0	5,597,675	108.7

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	5,147,675	0	5,147,675	100.0	5,147,675	0	5,147,675	100.0
C01	Existing Program	300,000	0	5,447,675	105.8	450,000	0	5,597,675	108.7

Justification

C01	On behalf of the Corrections School System this additional general revenue funded appropriation is requested for additional personnel, supplies, equipment, and textbooks for the addition to programs at Malvern and Pine Bluff (\$150,000 each year). The request also provides for a 2% cost of living increase for current staff for each year of the biennium (\$150,000/\$300,000).
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Change Level by Appropriation

Appropriation: 394 - Residential Ctrs/Juv Detention
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	13,516,231	0	13,516,231	100.0	13,516,231	0	13,516,231	100.0
C01	Existing Program	1,351,623	0	14,867,854	110.0	1,500,302	0	15,016,533	111.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	13,516,231	0	13,516,231	100.0	13,516,231	0	13,516,231	100.0
C01	Existing Program	0	0	13,516,231	100.0	0	0	13,516,231	100.0

Justification

C01	This requested increase is needed due to 51 additional beds at Benton County and White River Juvenile Detention Centers and 83 additional beds at AR State Hospital (LR), Piney Ridge (Forrest City), Centers (Monticello), and Methodist (Bono) Residential Facilities. This request does not include an increase in the daily rate for the residential facilities.
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Change Level by Appropriation

Appropriation: 437 - Teacher Retirement Matching
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	6,655,000	0	6,655,000	100.0	6,655,000	0	6,655,000	100.0
C01	Existing Program	332,750	0	6,987,750	105.0	682,138	0	7,337,138	110.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	6,655,000	0	6,655,000	100.0	6,655,000	0	6,655,000	100.0
C01	Existing Program	0	0	6,655,000	100.0	0	0	6,655,000	100.0

Justification

C01	The requested increase of 5% in each year of the 2007-09 biennium for the Teacher Retirement Matching program is based on the increase experienced in FY08.
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Change Level by Appropriation

Appropriation: 438 - Ntl Bd Prof Teaching Standards
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	6,093,500	0	6,093,500	100.0	6,093,500	0	6,093,500	100.0
C01	Existing Program	1,382,340	0	7,475,840	122.7	3,012,660	0	9,106,160	149.4

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	6,093,500	0	6,093,500	100.0	6,093,500	0	6,093,500	100.0
C01	Existing Program	0	0	6,093,500	100.0	0	0	6,093,500	100.0

Justification

C01	ACA §6-17-402 et seq. provides bonus incentives of \$5,000 for teachers achieving National Board Certification. The increase for the program is primarily for the addition of 25 additional Stating Bonus recipients each year and an additional 200 Yearly Bonus recipients in FY10 and another 300 Yearly bonus recipients in FY11.
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Change Level by Appropriation

Appropriation: 450 - Surplus Commodities
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	630,000	0	630,000	100.0	630,000	0	630,000	100.0
C01	Existing Program	397,858	0	1,027,858	163.2	497,858	0	1,127,858	179.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	630,000	0	630,000	100.0	630,000	0	630,000	100.0
C01	Existing Program	150,000	0	780,000	123.8	150,000	0	780,000	123.8

Justification

C01	On behalf of the DHS - Division of County Operations this addition of General Revenue funded appropriation is requested to support the cost of the delivery of commodities to schools. DHS has indicated that without additional funds from ADE they can't continue to administer the program. The last increase provided for this program was in the 2003 fiscal year.
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Change Level by Appropriation

Appropriation: 454 - School Food-Legislative Audit
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	75,000	0	75,000	100.0	75,000	0	75,000	100.0
C01	Existing Program	25,000	0	100,000	133.3	25,000	0	100,000	133.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	75,000	0	75,000	100.0	75,000	0	75,000	100.0
C01	Existing Program	0	0	75,000	100.0	0	0	75,000	100.0

Justification

C01	This request is for additional costs for the Division of Legislative Audit to audit the Child Nutrition Program.
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Change Level by Appropriation

Appropriation: 457 - Gifted & Talented

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,422,896	0	1,422,896	100.0	1,422,896	0	1,422,896	100.0
C01	Existing Program	28,458	0	1,451,354	102.0	57,485	0	1,480,381	104.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,422,896	0	1,422,896	100.0	1,422,896	0	1,422,896	100.0
C01	Existing Program	28,458	0	1,451,354	102.0	57,485	0	1,480,381	104.0

Justification

C01	This request represents a two (2) percent increase in each year of the 2009-11 biennium to cover increases for salaries and benefits for personnel for Gifted and Talented program.
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Change Level by Appropriation

Appropriation: 652 - Better Chance Program

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	111,000,000	0	111,000,000	100.0	111,000,000	0	111,000,000	100.0
C05	Unfunded Appropriation	2,775,000	0	113,775,000	102.5	5,619,375	0	116,619,375	105.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	111,000,000	0	111,000,000	100.0	111,000,000	0	111,000,000	100.0
C05	Unfunded Appropriation	2,775,000	0	113,775,000	102.5	5,619,375	0	116,619,375	105.1

Justification

C05	On behalf of the DHS - DCCECE a COLA of 2.5% for the Better Chance Program is requested in each year for Unfunded Appropriation. Fund Balance to be used. (\$2,775,000/\$5,619,375). DHS has also asked the ADE to request that the \$7.5 million fund transfer from TANF for the Better Chance program be provided from General Revenue so the TANF funds can be used for the DHS low-income child care program.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Education Department-Public School Fund

Program: Better Chance Program

Act #: 229 of 2007

Section(s) #: 1 & 27

Estimated Carry Forward Amount \$ 6,335,467.00

Appropriation

Funds

Funding Source: Public School

Accounting Information:

Business Area: 0500

Funds Center: 652

Fund: JAA

Functional Area: EDUC

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Total		\$ 0.00	\$ 0.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

The carry-forward funds are needed to allow the Department of Human Services - Child Care and Early Childhood Education Division to supplement funding to current ABC programs to pay for wrap-around (before/after) care and full-day care during school holidays for preschool children enrolled in Arkansas Better Chance. In the past the Division has spent between \$3 and \$4 million in federal funds to pay for this. With the continued expansion of ABC this past year and flat-funding of federal dollars, the Division seeks to use carry-forward for this purpose to fulfill this important need for working parents.

Actual Funding Carry Forward Amount \$ 6,422,118.82

Current status of carry forward appropriation/funding:

Carry forward funds remain available and are restricted to use only for ABC expenditures.

Dr. Ken James
Commissioner of Education

08-15-2008
Date

Change Level by Appropriation

Appropriation: 697 - Early Childhood Special Educ

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	15,316,744	0	15,316,744	100.0	15,316,744	0	15,316,744	100.0
C01	Existing Program	306,335	0	15,623,079	102.0	618,797	0	15,935,541	104.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	15,316,744	0	15,316,744	100.0	15,316,744	0	15,316,744	100.0
C01	Existing Program	0	0	15,316,744	100.0	0	0	15,316,744	100.0

Justification

C01	This request represents a two (2) percent increase in each year of the 2009-11 biennium to cover increases for salaries and benefits for personnel for Special Education Early Childhood programs.
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