

DOE - General Education

Enabling Laws

Act 2126 of 2005
Act 2131 of 2005
Act 20 of the 1st Extraordinary Session 2006
AR Code §6-5-301 et seq.
AR Code §6-10-101 thru §6-26-305
AR Code §6-42-101 et seq.
AR Code §6-45-101 et seq.
AR Code §6-47-201 et seq.
AR Code §26-80-101 et seq.
AR Code §25-6-101 et seq.

History and Organization

HISTORY OF PUBLIC EDUCATION IN ARKANSAS

Provisions were made within the framework of the Constitution of the State of Arkansas for free public education; directing the legislature to pass needed laws related to education; creating funding for public schools; providing local taxing units for school purposes; designing a method of levying a tax for maintenance and operation of local school districts; and providing authority for local school board members to carry out programs of the State's public education department.

The Arkansas Territorial Legislature in 1829 passed the first law for public education by requiring county judges to appoint a trustee for the sixteenth section of land in each township granted to education. The territory was organized in 1819. In 1853, the office of the County School Commissioner was created by the legislature. With various title changes and added responsibilities, this particular individual is now called the County School Supervisor.

In 1931, the Arkansas General Assembly established a reorganization law whereby consolidation of districts occurred only by the majority of the electors of those districts. In 1948, the Arkansas voters created the District Reorganization Bill that reduced the number of school districts from 1,500 to 424.

From 1875 to 1931, the office of the State's Superintendent of Public Instruction was reestablished. In 1931, the elected office of State Superintendent was abolished, and the State Board of Education was given the power to select a Commissioner of Education.

In 1965, the improvement of elementary and secondary schools was emphasized during a Presidential message on education. Within months after the message, Congress passed the Elementary and Secondary Education Act, which was to strengthen and improve the quality of education and increased educational opportunities in the public schools. The educational opportunities provided for in this federal act are currently being paid from federal funds.

Act 38 of 1971 changed the title of the Commissioner of Education to the Director of Education but

kept the duties and powers of the office the same. The Director of Education was to be confirmed by the Governor and served at the pleasure of the Governor.

Act 64 of 1981 divided the Department of Education into two major divisions, the General Education Division and the Vocational and Technical Education Division with each Division having a separate director.

Act 445 of 1983, known as "The Quality Education Act of 1983," provided for the establishment of minimum standards for accrediting public elementary and secondary schools in the State. As a result, the **Standards for Accreditation of Arkansas Public Schools** were developed and adopted by the State Board of Education on February 22, 1984. School districts had until June 1, 1987, to meet the Standards or risk consolidation or annexation. In 1984, there were 367 school districts in the State. As of June 30, 2000, there were 310 school districts in the State. These Standards have been revised once since they were put into place. The revision occurred in 1993.

Act 34 of 1983, First Extraordinary Session, created a new funding formula for local school districts known as "The School Finance Act of 1984." This particular formula provided funding to school districts known as Minimum Foundation Program Aid. The main focus of the 1983 First Extraordinary Session was education. The Arkansas General Assembly passed a one-cent sales tax which helped to increase the revenue available to school districts and to fund many new programs for education.

The legislation passed in the 1983 Regular Session and the 1983 First Extraordinary Session was considered to be the "first wave" of educational reform for Arkansas public schools. Examples of reforms include: required elementary school counselors; established smaller class sizes; created curriculum content guides which listed requirements for courses to be taught; increased advanced course offerings; required yearly testing of students in grades 3, 6, and 8 in the basic skills, Minimum Performance Test (MPT); required all public school districts to develop and file a six-year plan for improving its educational programs; established an Advisory Council for the Education of Gifted and Talented Children; implemented Act 76 of 1983, First Extraordinary Session, requiring teachers, administrators, and other certified personnel to undergo testing in regard to functional academic skills and knowledge of subject areas; implemented an effective schools project as a model of excellence for Arkansas public schools; and provided for the implementation of computer-based educational projects in the public schools, later known as the Instructional Microcomputer Project for Arkansas Classrooms (IMPAC).

In 1985-86, the Arkansas General Assembly adopted an array of additional legislation such as the establishment of a statewide system of Education Service Cooperatives; the authorization of parents to provide home schooling for their children; the amendment to the Arkansas Teacher Retirement System laws to establish an optional noncontributory plan for its members; the authorization of the Department of Education, General Division, to develop and implement a program of health services; the creation of a commission to study the disparity in teacher salaries; and the requirement for school districts to establish a drug abuse prevention program.

In 1987-88, the Arkansas General Assembly provided the state education system with acts such as establishing residency requirements for persons attending public schools; providing waivers from the teacher salary requirement due to a one time increase in new current revenue; establishing guidelines

for reporting data on students leaving high school prior to graduation; establishing the Commission on Teaching Excellence; and changing the date of the annual school election to the third Tuesday in September.

In 1989-90, the Arkansas General Assembly set up the Office of Accountability to assess the performance of schools and to publish a School Report Card by December 1 of each year, the School Choice program enabling students to attend a public school in a district other than the one in which the student resides but subject to certain restrictions and conditions, the Arkansas Early Childhood Commission, the suspension of a student's learner's permit or driver's license if no longer attending school if under 17, and a mandatory kindergarten law.

In 1991-92, the Arkansas General Assembly created an Educational Excellence Trust Fund to target to all of education the funds from a 1/2 cent sales tax increase; established a statewide computer network for education, later known as the Arkansas Public School Computer Network (APSCN), which is a computer link up with all schools in the State to facilitate data collection and reduce paperwork; established the Arkansas School for Mathematics and Sciences; established the Academy for Leadership Training and School-based Management; and passed a major restructuring act, Act 236 of 1991, which called for the reorganization of the Department of Education, General Division, to provide more support and less regulation to school districts as well as defining what Arkansas public schools must do in preparing students to be internationally competitive. The Department established the Comprehensive Outcomes Evaluation Program as a method for evaluation of the public schools every five years as mandated by the Standards for Accreditation. School vehicle insurance was added to the insurance program as a self-insurance program for schools.

In 1993-94, the legislature combined the appropriations for the Department of Education to a few appropriations for greater flexibility in reaching the goals of Act 236 of 1991. Grant programs were set up for Writing Assessments to assist in the development and piloting of writing portfolios and Curriculum Frameworks for school districts to develop exemplary local curricula to serve as statewide models. An appropriation was also set up for Workers Compensation to help school districts with worker compensation payments on school personnel. In addition, the K-3 Initiative was started with the passage of Act 1139 of 1993 which provided free summer school and summer school transportation to K-3 students who did not perform at grade level during the regular school year. In order for these students to be eligible for promotion to the next grade, they had to attend this specially designed summer school program.

In 1995-96, the Arkansas General Assembly enacted a new funding formula for the public schools that provided more equity in school funding. Minimum Foundation Program Aid was replaced by Equalization Funding. The legislature also funded At-risk Programs, Growth Facilities Funding, Additional Base Funding, and Debt Service Funding Supplements to assist districts with the cost of facilities. Technology centers were appropriated for the Education Service Cooperative to assist local school districts. Fiscal Crisis Relief Funding also provided assistance to districts adversely affected by the implementation of the new funding formula. Other legislation passed in 1995 included: an act to require criminal background checks for all teachers and administrators seeking an Arkansas teaching license for the first time; an act to ensure that a fiscal or academic crisis will not interrupt educational services provided to students (Academic and Fiscal Distress); an act known as the School Bus Safety Act of 1995; an act to establish the Arkansas Advanced Placement Incentive Program; an act to expand the K-3 Initiative of 1993 to include grades K-5; and an act to increase the number of

State Board of Education members from nine (9) to twelve (12).

In 1997-98, the Arkansas General Assembly passed legislation which provided for one core curriculum for all students in Arkansas public schools; required the Director to develop a plan to allow all school districts to utilize distance learning through a distance learning network; amended the laws concerning home-schooled students; provided a clearinghouse for information on nonsectarian practices in character and citizenship education; amended the laws relative to Arkansas education goals and performance accountability; required criminal background checks as a condition for employment in a public school district for all non-certified staff positions; expanded the requirement for background checks on teachers and administrators; allowed Teacher Retirement System members to retire with 28 years of service rather than 30; and Act 803 of 1997 abolished the Vocational and Technical Division of the Department of Education and created the Department of Workforce Education as a separate state agency with its own State Board of Workforce Education and Career Opportunities. The State Board of Education and the Department of Education continued for the general supervision of the public K-12 schools in the State.

In 1999-2000, the Arkansas General Assembly passed legislation which provided for teacher incentives to seek the National Board for Professional Teaching Standards (NBPTS) Certification to pay full tuition cost and bonuses; annual individual school performance reports and for the distribution of these reports to all parents or guardians of children enrolled in Arkansas public schools; the reduction in the number of State Board of Education members from twelve (12) to nine (9) over a three-year period; a new Charter School Law which allows for open-enrollment and school district conversion forms of charter schools with the new law completely replacing the 1995 law; the establishment for an accountability program for schools across the State referred to as the Arkansas Comprehensive Testing Assessment and Accountability Program (ACTAAP); and the elimination of the antiquated county boards of education in all 75 counties of the State over time.

In 2001-2002, the Arkansas General Assembly created the Arkansas Blue Ribbon Commission on Public Education to define an equitable and adequate system of free public education in the State as mandated under the "general, suitable and efficient" components of the Arkansas Constitution; directed the State Board of Education to conduct a study of public education, its structure, financial needs, and funds needed for improvement; adopted ethical guidelines to prohibit self-dealing in transactions between public educational entities and board members, administrators, or employees; passed the Educator Compensation Act to supplement traditional pay increases for the State's teachers; authorized the Department of Education to conduct a study of grade inflation within the State's high schools and to notify schools of such finding; established procedures for identifying critical teacher shortage areas and granting retired teachers a waiver of earnings limitations to return to active employment to help meet the needs of these areas; and clarified the State's ethics law to allow teachers and other school employees to receive gifts or compensation which recognize the employee's contribution to education.

In 2003-2004, the General Assembly addressed four major areas in the public education system of Arkansas: structure of the K-12 system, public school funding, public school facilities, and the structure of the Arkansas Department of Education. During the Regular Session, the legislature; enacted the Omnibus Quality Education Act, requiring all school districts to meet the Standards for Accreditation with sanctions for non-compliance; established requirements for school districts to create plans for more parental involvement in public schools; and created the Joint Committee on

Educational Facilities to assess all of the State's K-12 facilities and equipment. During the 2nd Extraordinary Session, the General Assembly required administrative consolidation of public school districts serving less than 350 students into districts that would have in excess of 350 students; adopted the Arkansas Student Assessment and Educational Accountability Act of 2004; created the Public School Funding Act, which designated a base of \$5,400 per student as the amount necessary for students to receive an adequate education; enacted a variety of revenue measures to raise the necessary funds to implement the new Public School Funding Act. The legislature also provided for the division of the Arkansas Department of Education into three divisions: General Education, Accountability and Educational Facilities with each division having its own director who answers independently to the State Board of Education. Other significant actions taken by the 84th General Assembly included the creation of a Teacher Housing Program; masters program for school principals; mandatory professional development for teachers and administrators and an appropriation to increase the number of early childhood programs offered in the State.

In 2005-06, the Arkansas General Assembly focused primarily on education reform as a result of directives and requirements of the Arkansas Supreme Court in *Lake View School District No. 25, et al. v. Mike Huckabee, et al.* The Court outlined the State's responsibility to identify and fund an adequate education for all students in Arkansas. Accordingly, legislation that provided additional funding in the amount of \$436.6 million over the biennium was implemented. The Legislature also funded and commissioned an Adequacy Study to determine future educational needs. Legislation established the Division of Public School Facilities and Transportation that will identify, assess and fund the State's facilities needs. In the area of teacher recruitment and retention, the General Assembly increased teacher salaries, took steps to strengthen the teacher health insurance program and provided for programs to enhance teaching and learning. The General Assembly also complied with the Court's mandate to track expenditures by expanding current coding methods, providing for in-service training for fiscal staff, strengthening financial accountability, and outlining penalties for non-compliance. The General Assembly continued to enhance and enrich curriculum standards and upgraded the capacity of the State's technology network. Legislation was enacted to change the structure of the Arkansas Department of Education (ADE). The ADE was also given more flexibility in personnel policies. The General Assembly again increased funding for early childhood programs to serve additional children. The Governor called the First Extraordinary Session of the 85th General Assembly to implicitly deal with the Court's mandates, providing an additional \$132.5 million for education funding.

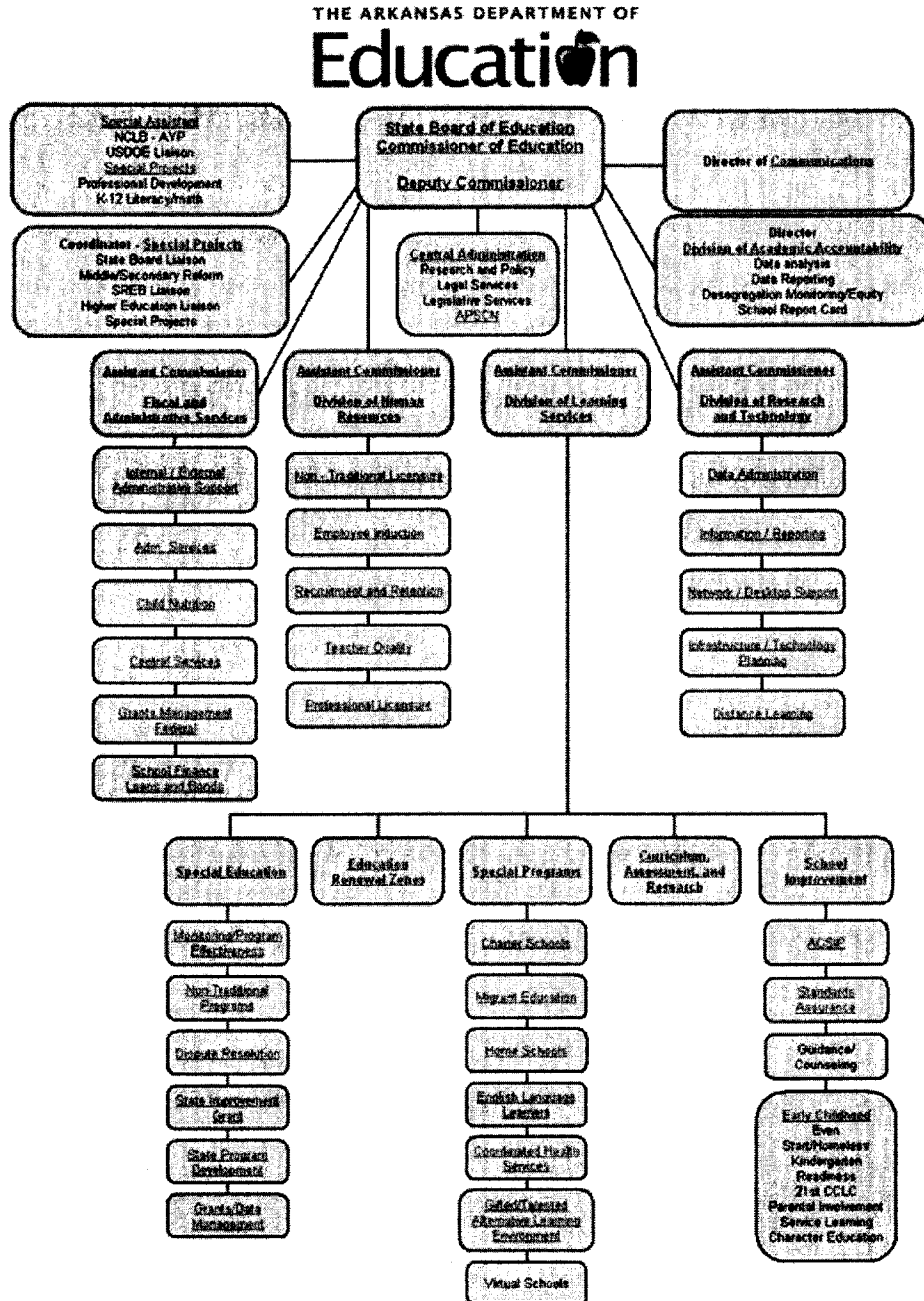
STATE BOARD OF EDUCATION - OVERSIGHT AND AUTHORITY

Statutory authority for the Arkansas State Board of Education is found in Ark. Code Ann. §6-11-101 (1999 Repl.). As set forth in various subsections of this code cite, the State Board of Education is in the process of reducing the number of its members from twelve (12) to nine (9) members over a three-year period ending with the nine-member board as of July 1, 2001, two from each congressional district of the State and the remainder to be appointed at large from within the State. The term of office is set at six (6) years with the terms of outgoing member(s) expiring on June 30 of each year. The Governor, subject to the confirmation of the Senate, appoints the members of the State Board of Education. The members take the oath of office prescribed by the Constitution of the State of Arkansas for officers.

The State Board of Education's powers and duties are outlined in Ark. Code Ann. §6-11-105 (1999

Repl.). These powers and duties include such things as general supervision of the public schools of the State, recommending courses of study for the public schools, issuing licenses to qualified persons to teach in the public schools, and performing "all other functions which may now or hereafter be delegated to the State Board of Education by law."

In addition, "the State Board of Education may organize and, from time to time, change and alter the Department of Education into such branches or sections as may be found necessary and desirable by the Director of the Department of Education . . ." These changes are to be brought forward in order for the Department of Education " . . . to perform all proper functions and to render maximum service relating to the operation and improvement of general education programs of the State."



Agency Commentary

ARKANSAS DEPARTMENT OF EDUCATION GENERAL DIVISION

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

Fish/Wildlife Conservation - 1XY

ACA § 6-16-1101, redirects money from Game and Fish Commission fines to educational programs in the counties in which the fines were collected. It requires the ADE to be the pass through agency to get the funds from the Commission to the counties. The Base Level for the 2007-2009 biennium is \$600,000 each year. The ADE is requesting a Change Level of \$100,000 each year to restore appropriation that was obtained in the FY07 fiscal year from the DFA - Cash Holding Appropriation.

NGA Honor States Grant Program - 4GT

In FY06 the Department of Education received a two-year grant award from the National Governor's Association (NGA) Center for Best Practices. The purpose of the grant is for the State of Arkansas to participate with nine other states in a project to develop and implement comprehensive plans for high school redesign and increase college-ready high school graduation rates. This request for \$500,000 is made for FY08 only in case there are some residual expenses that need to be made as the grant is finalized.

Medicaid Administration Claiming - 4HF

In FY06 The Arkansas Department of Education, Special Education Unit (ADE) along with the Department of Health and Human Services - Division of Medical Services (DMS) received federal approval from the Centers for Medicare and Medicaid Services (CMS) to coordinate and manage a statewide Medicaid administrative claiming program.

Medicaid Administrative Claiming is a federally funded program administered by CMS. This program provides school districts with the ability to receive reimbursement for certain administrative activities (most, if not all of which are already being performed without any reimbursement). School districts will be reimbursed for administrative costs incurred which directly support the Arkansas Medicaid program. This program includes all students, not just students in Special Education.

The Change Level request for this program is for \$15,000,000 each year of the 2007-2009 biennium for a cash fund appropriation, which will allow the Department of Education Special Education Unit to distribute the reimbursements received from the Medicaid program to the public schools.

ADE - State Operations - 620

The Change Level requests for the Department of Education State Operations appropriation total

\$828,700 in each year of the 2007-2009 biennium. The Change Level requests are summarized as follows:

1. Restoration of seven (7) positions - Section 24 of Act 2126 authorized a "Position Pool" of twenty-five (25) positions for the Department of Education for the 2005-2007 biennium. During the 2006 fiscal year the Department of Education utilized this authority to create seven (7) positions in the State Operations appropriation and one (1) position in the Arkansas Public School Computer Network (APSCN) appropriation. Language in this same section also requires that if any "Position Pool" position(s) is requested for continuation in the next biennium, the position(s) must be requested as a new position(s) in the agency's biennial budget request. The positions established by this authority are: (ADE Special Advisor, ADE Coordinator of Special Projects, ADE Special Assistant, Psychometrician, ADE Coord Sch. Imp. / Standards Assurance, and ADE Coordinator Special Programs). The cost of the restoration of these positions is \$674,845 of which \$530,314 is Regular Salaries and \$144,531 is Personal Services Matching.
2. Unfunded Appropriation - The Department of Education is requesting unfunded appropriation of \$153,855 for Extra Help (\$50,000) and associated Personal Services Matching (\$3,855) and Capital Outlay (\$100,000). These requests are being made primarily as a precaution for needs that may arise in the 2007-2009 biennium.

Child Nutrition - 637

The appropriation for the Child Nutrition Program is funded by federal funds received from the US Department of Agriculture. The Change Level request for the Child Nutrition Program for the 2007-2009 biennium is \$15,006,210 in FY08 and \$16,503,831 in FY09. In anticipation of additional federal funds that may become available in the 2007-2009 biennium for the Child Nutrition program, a 10% Increase is requested each year for all non-payroll commitment Items, as well as, requests for Capital Outlay and Data Processing. The major component of this Change Level request is Grants & Aid (\$14,880,000 in FY08 and \$16,368,000 in FY09).

Federal Elementary and Secondary Education - 650

The appropriation for the Federal Elementary and Secondary Education appropriation is funded primarily by federal funds received from the U.S. Department of Education. The Change Level request for this program for the 2007-2009 biennium is \$47,213,627 in FY08 and \$51,918,990 in FY09. In anticipation of additional federal funds that may become available in the 2007-2009 biennium for the Federal Elementary and Secondary appropriation, a 10% Increase is requested each year for all non-payroll commitment Items, as well as, requests for Capital Outlay. The major component of this Change Level request is Grants & Aid (\$47,213,627 in FY08 and \$51,918,990 in FY09).

Gates Foundation Grant-684

This cash funded appropriation was established by a grant from the Gates Family Foundation and relates primarily to technology training and improvements at the local school districts.

The Base Level request is \$786,500 in each year of the biennium. The Change Level request is to discontinue the program. It is anticipated that the remaining funds in the grant will be used during the 2007 fiscal year.

Alternative Certification Program - 899

The Alternative Certification Program is cash funded from fees paid by participants who are seeking alternative teacher certifications to cover the cost of training.

The total Change Level request for the program is \$299,966 in FY08 and \$307,612 in FY09. The request provides for the restoration of appropriation (Operating Expenses -\$206,505, Professional Fees-\$9,100) that was obtained from the DFA - Cash Holding Appropriation for FY07 and a 10% increase for program growth. The request for Grants & Aid is due to a change in the method of providing training requiring an increase in Grants & Aid (\$200,000 each year) and a corresponding decrease in Operating Expenses. The request also provides \$8,000 each year for training for the Non-Traditional Licensure Program staff. It is important that they interact with colleagues from other states to share ideas for improving the program.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2004

Findings

The Agency does not conduct student attendance audits in a systemic manner to provide assurance that enrollment and attendance data supplied by school districts is reliable. The Agency does review certain aspects of student attendance records at the school districts, but the attendance audit procedures are not applied to all districts consistently. Average daily membership, which is partly based on the number of students present and absent as reported by the school district, is a significant component of the formula used to calculate state funding for school districts. Additionally, the Agency has not verified that school districts have retained student attendance records in compliance with A.C.A. 6-20-2305(f)(5).

The Agency failed to establish adequate controls to ensure that monies deposited in the Federal Forest Reserve Fund (FZF) were distributed in a timely and accurate manner. Mineral leasing receipts generated on military and non-military lands and flood control revenues, which were received in previous fiscal years and totaled \$925,314, had not been distributed to the appropriate school districts and/or counties. Numerous clerical errors contributed to the under-distribution of \$237,156 of federal forest reserve funds and the over-distribution of \$56,053 of military mineral leasing money during the year.

Recommendations

Establish an audit plan to systematically review enrollment and attendance data to gain assurance about the reliability of information provided by school districts. The plan should include consistently applied procedures that verify the existence of students and evaluate the districts' adherence with applicable laws.

Strengthen internal controls over the calculation and distribution of all monies in the Federal Forest Reserve Fund (FZF). Additionally, the Agency should make corrections for the errors that resulted in underpayments and overpayments to school districts and counties.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2004

Findings

There were no formal monitoring and reporting procedures established in the rules and regulations governing the Limited English Proficiency (LEP) program. As a result, there is no documentation to support that recipients spent funds in a manner that was appropriate for the program.

Enrollment documentation obtained during the audit did not always support the enrollment figures that were used by the Agency during the year to calculate state aid.

- School districts report their enrollment data through the Arkansas Public School Computer Network (APSCN). Poverty index funding is based upon a school district's percentage of free and reduced price eligible students in kindergarten and first grade as of October 1 of the previous school year. Six (6) school districts were selected for testing. One (1) of those districts received \$23,426 because APSCN reports showed that the district had an index of 73% as of that date; however, APSCN reports obtained during the audit indicate that the index as of that date was only 71%. The minimum percentage necessary to qualify for funding for the year was 72%.
- The Alternative Learning Environment (ALE) annual report for two (2) of the eleven (11) school districts selected for testing indicated fewer students than was reflected in APSCN for the final third quarter installment payment of ALE funding. The annual report identifies the cumulative number of students served and so the enrollment on annual report should at least be equal to the number reflected in APSCN for the third quarter.

Recommendations

Establish Limited English Proficiency (LEP) rules and regulations for the effective monitoring and accurate reporting of student enrollment and expenditures.

Strengthen internal controls relating to the school districts' reporting of timely, accurate student enrollment data in the Arkansas Public School Computer Network (APSCN) to ensure proper funding of state aid.

Employment Summary

	Male	Female	Total	%
White Employees	80	147	227	65 %
Black Employees	20	88	108	31 %
Other Racial Minorities	6	6	12	4 %
Total Minorities			120	35 %
Total Employees			347	100 %

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Results of Statewide Assessment Program	ACA 6-15-1905	N	N	450,000	Required by Law
Annual Statistical Report	HCR 58 of 1961	Y	N	700	Required by Resolution
Arkansas Advisory Council for the Education of Gifted and Talented Children	ACA § 6-42-106	Y	Y	7	Governor, Legislators, Advisory Council members, Ken James, Woody Cummins, and Janinne Riggs
Arkansas Laws affecting Students Grades 7-12	ACA § 6-16-123	N	N	310	Required by law
Arkansas Title II State Report	Title II Sec 207 & 208 Higher Education Act	Y	Y	5	Federal Mandate to Publish
Arkansas Youth at Risk Survey	CDC, DASH	N	N	1,500	School districts for prevention programming and writing grants
Charter School Program Status Report	ACA 6-23-207	N	Y	4	Required by Law
Coordinated School Health Program Pamphlet	CDC, DASH	N	N	3,000	Distributed to school districts, community organizations and used at exhibits
Individual Schools Annual Improvement & Performance Category Level Designations & Ratings	ACA 6-15-1905	N	N	450,000	Required by Law
Results of Require Examination	ACA 6-15-404	N	N	1,000	Required by Law
School Choice Black-White Percentage of each county's public school students and acceptable range of variance report	ACA § 6-18-206	N	N	310	Required report for school districts within counties to use in determining school choice options for students
School Performance Reports	ACA § 6-15-1402	N	N	450,000	Legislation requiring individual school building performance reports to be compiled and mailed
Student Services Report	ACA 6-18-1007	Y	N	50	Required by Law
Teacher Recruitment Publications	ACA 6-17-310	N	N	100	Required by law

Department Appropriation Summary

Historical Data

Appropriation	2005-2006		2006-2007		2006-2007		2007-2008		2008-2009	
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Agency	Pos
1XJ Sch District Millage	944,115	0	950,000	0	950,000	0	950,000	0	950,000	0
1XY Fish/Wildlife Conservation	646,060	0	700,000	0	600,000	0	700,000	0	700,000	0
2DD Conference-Treasury	190,332	0	475,000	0	475,000	0	475,000	0	475,000	0
435 Federal Grants Administration	503,524	8	601,143	8	638,768	8	627,285	8	627,285	8
4GT NGA Honor Treas Cash	98,049	0	1,908,000	0	0	0	500,000	0	0	0
4HF Medicaid Adm-Treas C	1,477,876	0	7,000,000	0	0	0	15,000,000	0	15,000,000	0
620 State Operations	17,292,137	231	20,765,359	261	21,749,693	266	21,201,727	261	21,202,400	261
630 Building Maintenance	0	0	500,000	0	500,000	0	500,000	0	500,000	0
631 Revolving Loan Certification	2,021,231	2	13,157,195	3	13,190,398	3	13,158,273	3	13,158,273	3
637 Child Nutrition	117,380,170	15	150,479,162	15	150,532,124	15	165,508,054	15	167,005,675	15
639 Federal Turnback for School	10,998,546	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0
650 Fed Elem & Sec Education	333,015,912	57	474,234,064	68	462,267,895	65	521,390,821	68	526,096,184	68
885 Multiple Grant Award Program	1,711,092	0	2,636,375	0	2,636,375	0	2,626,375	0	2,626,375	0
893 Medicaid Reimbursement	751,168	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0
899 Alternative Certification Program	979,601	0	963,705	0	748,100	0	1,048,066	0	1,055,712	0
NOT REQUESTED FOR THE BIENNIUM										
4HP Financial Reporting	0	0	0	0	0	0	0	0	0	0
684 Gates Grant Treasury	90,219	0	811,500	0	811,500	0	0	0	0	0
Total	488,100,032	313	691,192,003	355	671,110,353	357	759,696,101	355	765,407,404	355

Funding Sources	2005-2006		2006-2007		2006-2007		2007-2008		2008-2009	
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Agency	Pos
Fund Balance	8,480,627	1.7	8,189,429	1.2	8,028,355	1.0	8,028,355	1.0	8,028,355	1.0
General Revenue	13,036,267	2.6	13,433,942	1.9	13,735,389	1.8	13,735,389	1.8	13,736,062	1.8
Federal Revenue	461,394,628	93.0	635,713,226	90.9	697,898,875	90.9	695,252,314	90.9	704,101,859	91.0
Cash Fund	4,881,834	1.0	19,344,006	2.8	25,359,941	3.3	25,351,941	3.3	24,867,587	3.2
Trust Fund	2,781,163	0.6	13,657,195	2.0	13,658,273	1.8	13,658,273	1.8	13,658,273	1.8
Merit Adjustment Fund	0	0.0	18,934	0.0	0	0.0	0	0.0	0	0.0
DFA Motor Vehicle Acquisition	28,271	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Educational Adequacy Fund	2,489,477	0.5	5,526,870	0.8	5,526,870	0.7	5,526,870	0.7	5,526,870	0.7
Educational Excellence Fund	873,122	0.2	920,613	0.1	920,613	0.1	920,613	0.1	920,613	0.1
Federal Indirect Costs	503,524	0.1	601,143	0.1	627,285	0.1	627,285	0.1	627,285	0.1
Property Tax Relief Trust	955,548	0.2	950,000	0.1	950,000	0.1	950,000	0.1	950,000	0.1

Funding Sources			%		%		%		%		%
Transfer from DOE Public School	4000525	865,000	0.1	865,000	0.1	865,000	0.1	865,000	0.1	865,000	0.1
Unfunded Appropriation	4000715	0	0.0	0	0.0	153,855	0.0	153,855	0.0	153,855	0.0
Total Funds		496,289,461	100.0	699,220,358	100.0	767,724,456	100.0	773,435,759	100.0	770,535,542	100.0
Excess Appropriation/(Funding)		(8,189,429)		(8,028,355)		(8,028,355)		(8,028,355)		(8,028,355)	
Grand Total		488,100,032		691,192,003		759,696,101		765,407,404		762,507,187	

Budgeted Number of Positions may exceed Authorized Number due to the flexibility inherent in the authorization of all positions through one salary section in the appropriations acts. Actual and Budget exceeds Authorized Appropriation in Fish/Wildlife Conservation, National Governor's Association Honor States Grant, Medicaid Administration Claiming and the Alternative Certification Program due to a transfer from the Cash Fund Holding Account.

FY07 Budget exceeds Authorized Appropriation in Federal Elementary and Secondary Education due to a transfer from the Miscellaneous Federal Grants Holding Account.

Agency Position Usage Report

FY2004-2005				FY2005-2006				FY2006-2007							
Authorized in Act	Budgeted		Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted		Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted		Unbudgeted Total	% of Authorized Unused	
	Filled	Unfilled				Unfilled	Total				Filled	Unfilled			Total
441	280	72	352	36.51%	362	285	56	341	21	362	283	72	355	7	21.82%

Analysis of Budget Request

Appropriation: 1XJ - Sch District Millage
Funding Sources: TPR-ADE Millage Rollback

Act 1026 of 2003 established appropriation for the Department of Education to compensate various school districts for Amendment 79 millage rollback. Funding for this appropriation is provided from the Property Tax Relief Trust Fund.

The Agency is requesting Base Level of \$950,000 for the 2007-2009 biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 1XJ Sch District Millage
Funding Sources: TPR-ADE Millage Rollback

Agency Request and Executive Recommendation

Historical Data

Commitment Item	2005-2006		2006-2007		2006-2007		2007-2008			2008-2009		
	Actual	Budget	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive		
Grants and Aid	944,115	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Total	944,115	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Funding Sources												
Fund Balance	22,869	34,302	34,302		34,302	34,302	34,302	34,302	34,302	34,302	34,302	34,302
Property Tax Relief Trust	955,548	950,000	950,000		950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Total Funding	978,417	984,302	984,302		984,302	984,302	984,302	984,302	984,302	984,302	984,302	984,302
Excess Appropriation/(Funding)	(34,302)	(34,302)	(34,302)		(34,302)	(34,302)	(34,302)	(34,302)	(34,302)	(34,302)	(34,302)	(34,302)
Grand Total	944,115	950,000	950,000		950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000

Analysis of Budget Request

Appropriation: 1XY - Fish/Wildlife Conservation

Funding Sources: NED-Cash in Treasury

Act 799 of 2003, redirected money collected from Game and Fish Commission fines to educational programs in the counties in which the fines were collected. The act required the ADE to be the pass through agency to get the funds from the Commission to the counties.

The Department of Education requests Base Level of \$600,000 plus additional appropriation in Grants and Aids of \$100,000 for both fiscal years. This appropriation was obtained from the DFA Cash Holding appropriation for FY2007.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1XY Fish/Wildlife Conservation
Funding Sources: NED-Cash in Treasury

Historical Data

Commitment Item	2005-2006		2006-2007		2006-2007		2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	646,060	700,000	600,000	600,000	700,000	700,000	600,000	700,000	700,000	600,000	700,000	700,000
Total	646,060	700,000	600,000	600,000	700,000	700,000	600,000	700,000	700,000	600,000	700,000	700,000
Funding Sources												
Cash Fund	646,060	700,000			600,000	700,000	600,000	700,000	700,000	600,000	700,000	700,000
Total Funding	646,060	700,000			600,000	700,000	600,000	700,000	700,000	600,000	700,000	700,000
Excess Appropriation/(Funding)	0	0			0	0	0	0	0	0	0	0
Grand Total	646,060	700,000			600,000	700,000	600,000	700,000	700,000	600,000	700,000	700,000

Actual and Budget exceeds Authorized Appropriation due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 1XY-Fish/Wildlife Conservation

Funding Sources: NED-Cash in Treasury

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	600,000	0	600,000	100.0	600,000	0	600,000	100.0
C01	Existing Program	100,000	0	700,000	116.6	100,000	0	700,000	116.6

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	600,000	0	600,000	100.0	600,000	0	600,000	100.0
C01	Existing Program	100,000	0	700,000	116.6	100,000	0	700,000	116.6

Justification

C01 | This request is to restore Cash Appropriation that was obtained from the DFA Cash Holding Appropriation for FY 2007.

Analysis of Budget Request

Appropriation: 2DD - Conference-Treasury

Funding Sources: NED-Cash in Treasury

The Department of Education is requesting Base Level Cash Fund appropriation of \$475,000 each fiscal year to pay expenses of conferences sponsored by the Department. Funding is provided from registration fees charged to participants. During the 2005-2007 biennium the ADE moved the account from a local bank to the State Treasury. Prior to the move this type of account was considered a non-appropriated expenditure. The appropriation will only be used if cash funds are available.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 2DD Conference-Treasury
Funding Sources: NED-Cash in Treasury

Agency Request and Executive Recommendation

Historical Data

Commitment Item	2005-2006		2006-2007		2006-2007		2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	181,219	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Conference & Travel Expenses	112	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	9,001	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Data Processing	0	0	0	0	0	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0	0	0	0	0	0
Total	190,332	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000
Funding Sources												
Fund Balance	308,591	318,735		318,735		318,735	318,735	318,735	318,735	318,735	318,735	318,735
Cash Fund	200,476	475,000		475,000		475,000	475,000	475,000	475,000	475,000	475,000	475,000
Total Funding	509,067	793,735		793,735		793,735	793,735	793,735	793,735	793,735	793,735	793,735
Excess Appropriation/(Funding)	(318,735)	(318,735)		(318,735)		(318,735)	(318,735)	(318,735)	(318,735)	(318,735)	(318,735)	(318,735)
Grand Total	190,332	475,000		475,000		475,000	475,000	475,000	475,000	475,000	475,000	475,000

Analysis of Budget Request

Appropriation: 435 - Federal Grants Administration

Funding Sources: FHA-Federal Indirect Costs

This appropriation for the Department of Education provides administration, accounting, purchasing and record keeping services for federal programs. It is funded by indirect cost charges levied against the federal programs operated by the Department.

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

The Agency is requesting Base Level of \$627,285 for the 2007-2009 biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 435 Federal Grants Administration
Funding Sources: FHA-Federal Indirect Costs

Agency Request and Executive Recommendation

Historical Data

Commitment Item	2005-2006		2006-2007		2006-2007		2007-2008			2008-2009			
	Actual	Budget	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	377,540	381,268	381,268	391,494	381,268	381,268	381,268	381,268	381,268	381,268	381,268	381,268	381,268
#Positions	8	8	8	8	8	8	8	8	8	8	8	8	8
Personal Services Matching	101,260	90,233	90,233	117,632	116,375	116,375	116,375	116,375	116,375	116,375	116,375	116,375	116,375
Operating Expenses	11,873	49,970	49,970	49,970	49,970	49,970	49,970	49,970	49,970	49,970	49,970	49,970	49,970
Conference & Travel Expenses	2,126	19,672	19,672	19,672	19,672	19,672	19,672	19,672	19,672	19,672	19,672	19,672	19,672
Professional Fees	10,725	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Data Processing	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	503,524	601,143	601,143	638,768	627,285	627,285	627,285	627,285	627,285	627,285	627,285	627,285	627,285
Funding Sources													
Federal Indirect Costs	503,524	601,143	601,143		627,285	627,285	627,285	627,285	627,285	627,285	627,285	627,285	627,285
Total Funding	503,524	601,143	601,143		627,285	627,285	627,285	627,285	627,285	627,285	627,285	627,285	627,285
Excess Appropriation/(Funding)	0	0	0		0	0	0	0	0	0	0	0	0
Grand Total	503,524	601,143	601,143		627,285	627,285	627,285	627,285	627,285	627,285	627,285	627,285	627,285

Analysis of Budget Request

Appropriation: 4GT - NGA Honor Treas Cash

Funding Sources: NED-Cash in Treasury

In FY2006 the Department of Education received a two-year grant award from the National Governor's Association (NGA) Center for Best Practices. The purpose of the grant is for the State of Arkansas to participate with nine other states in a project to develop and implement comprehensive plans for high school redesign and increase college-ready high school graduation rates.

The Change Level appropriation request is \$500,000 for only FY08. This request is made in case there are some residual expenses that need to be paid.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 4GT NGA Honor Treas Cash
Funding Sources: NED-Cash in Treasury

Agency Request and Executive Recommendation

Historical Data

Commitment Item	2005-2006		2006-2007		2006-2007	2007-2008			2008-2009		
	Actual	Budget	Budget	Authorized	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
NGA Honor States Grant	98,049	1,908,000	1,908,000	0	0	0	500,000	500,000	0	0	0
Total	98,049	1,908,000	1,908,000	0	0	0	500,000	500,000	0	0	0
Funding Sources											
Cash Fund	98,049	1,908,000	1,908,000			0	500,000	500,000	0	0	0
Total Funding	98,049	1,908,000	1,908,000			0	500,000	500,000	0	0	0
Excess Appropriation/(Funding)	0	0	0			0	0	0	0	0	0
Grand Total	98,049	1,908,000	1,908,000			0	500,000	500,000	0	0	0

Actuals and Budget exceeds Authorized Appropriation due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 4GT-NGA Honor Treas Cash

Funding Sources: NED-Cash in Treasury

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	x	0	0	0	x
C01	Existing Program	500,000	0	500,000	x	0	0	0	x

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	100.0	0	0	0	100.0
C01	Existing Program	500,000	0	500,000	100.0	0	0	0	100.0

Justification

C01	In FY06 the Department of Education received a two-year grant award from the National Governor's Association (NGA) Center for Best Practices. The purpose of the grant is for the State of Arkansas to participate with nine other states in a project to develop and implement comprehensive plans for high school redesign and increase college-ready high school graduation rates. This request is made for FY08 only in case there are some residual expenses that need to be made.
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Analysis of Budget Request

Appropriation: 4HF - Medicaid Adm-Treas C

Funding Sources: NED-Cash in Treasury

Medicaid Administrative Claiming is a federally funded program administered by the Centers for Medicare and Medicaid Services (CMS). This program provides school districts with the ability to receive reimbursement for certain administrative activities. School districts will be reimbursed for administrative costs incurred which directly support the Arkansas Medicaid program. The program includes all students, not just students in Special Education.

In FY06, The Department of Education, Special Education Unit along with the Department of Health and Human Services-Division of Medical Services received approval from CMS to coordinate and manage a statewide Medicaid administrative claiming program.

The appropriation for this program in FY06 and FY07 was received by PEER approval from the DFA Cash Holding appropriation. For FY08 and FY09, the Department of Education requests appropriation of \$15,000,000 each year. This is an estimate of the amount that could be needed once all schools are participating. Expenditure of appropriation will be contingent on funds being available.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 4HF Medicaid Adm-Treas C
Funding Sources: NED-Cash in Treasury

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2006-2007			2007-2008			2008-2009		
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive	Base Level	Agency	Executive
AR Medicaid Admin Claims	1,477,876	7,000,000	0	0	15,000,000	15,000,000	0	15,000,000	15,000,000	0	15,000,000	15,000,000
Total	1,477,876	7,000,000	0	0	15,000,000	15,000,000	0	15,000,000	15,000,000	0	15,000,000	15,000,000
Funding Sources												
Fund Balance	0	87,791		0	0	0	0	0	0	0	0	0
Cash Fund	1,565,667	6,912,209		0	15,000,000	15,000,000	0	15,000,000	15,000,000	0	15,000,000	15,000,000
Total Funding	1,565,667	7,000,000		0	15,000,000	15,000,000	0	15,000,000	15,000,000	0	15,000,000	15,000,000
Excess Appropriation/(Funding)	(87,791)	0		0	0	0	0	0	0	0	0	0
Grand Total	1,477,876	7,000,000		0	15,000,000	15,000,000	0	15,000,000	15,000,000	0	15,000,000	15,000,000

Actuals and Budget exceeds Authorized Appropriation due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 4HF-Medicaid Adm-Treas C

Funding Sources: NED-Cash in Treasury

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	x	0	0	0	x
C01	Existing Program	15,000,000	0	15,000,000	x	15,000,000	0	15,000,000	x

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	100.0	0	0	0	100.0
C01	Existing Program	15,000,000	0	15,000,000	100.0	15,000,000	0	15,000,000	100.0

Justification

C01	Medicaid Administration Claiming is a new cash funded program that began in FY06 . The appropriation for FY06 and FY07 was obtained from the DFA Cash Holding appropriation. It allows the Department of Education to distribute to school districts reimbursements received from the Medicaid program for administrative costs incurred by the schools which directly support the Arkansas Medicaid program. The amount requested is an estimate of the amount that could be needed once all schools are participating.
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Analysis of Budget Request

Appropriation: 620 - State Operations

Funding Sources: EGA-Department of Education-State Operations

This appropriation provides resources for the operation of the Department of Education and assistance to Arkansas' public schools. Operational activities include legal services, information technology, public relations and fiscal management. Assistance to school districts includes the "School Report Card," fiscal and administrative support, curriculum and instruction, and special education assistance and compliance monitoring. For FY06, funding was provided from general revenue, the Educational Excellence Trust Fund, Merit Adjustment funds, the Educational Adequacy Trust Fund, and a transfer from the Public School Fund.

A cost of living increase is not incorporated in Base level pending the outcome of the Classification and Compensation Study. The Base Level request of \$10,755,048 for FY08 and FY09 for Regular Salaries does include board member stipend payments. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in the Worker's Compensation and Unemployment Tax Rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

Agency general revenue requests include: \$530,314 in Regular Salaries and \$144,531 in Personal Services Matching for both fiscal years for the restoration of seven pool positions authorized by Section 24 of Act 2126 of 2005. Additional language in Act 2126 requires the Department of Education to request these positions as new positions during the next biennium.

The Department of Education also requests \$153,855 of unfunded appropriation for both fiscal years in Extra Help \$50,000, associated Personal Services Matching \$3,855 and Capital Outlay \$100,000 to address unforeseen concerns in a timely manner.

The Executive Recommendation provides for Agency Request.

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

- \$530,314 for both fiscal years in Regular Salaries for restoration of seven pool positions authorized by Section 24 of Act 2126 of 2005.
- \$144,531 for both fiscal years in Personal Services Matching for fringe benefits of the seven pool positions.

Appropriation Summary

620 State Operations
 EGA-Department of Education-State Operations

Agency Request and Executive Recommendation

Commitment Item	Historical Data				2007-2008			2008-2009		
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive	
Regular Salaries	9,568,026	11,285,362	11,982,765	10,755,048	11,285,362	11,285,362	10,755,048	11,285,362	11,285,362	
#Positions	231	261	266	254	261	261	254	261	261	
Extra Help	16,411	14,998	14,998	14,998	64,998	64,998	14,998	64,998	64,998	
#Extra Help	1	8	8	8	8	8	8	8	8	
Personal Services Matching	2,793,200	3,199,544	3,619,696	3,391,526	3,539,912	3,539,912	3,392,199	3,540,585	3,540,585	
Operating Expenses	2,636,994	3,813,430	2,925,404	3,813,430	3,813,430	3,813,430	3,813,430	3,813,430	3,813,430	
Conference & Travel Expenses	106,055	203,030	203,030	203,030	203,030	203,030	203,030	203,030	203,030	
Professional Fees	341,471	1,061,263	724,800	1,061,263	1,061,263	1,061,263	1,061,263	1,061,263	1,061,263	
Data Processing	833,591	718,732	1,764,000	718,732	718,732	718,732	718,732	718,732	718,732	
Capital Outlay	596,389	54,000	100,000	0	100,000	100,000	0	100,000	100,000	
Reading Recovery	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
AR Leadership Academy	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	
Compact Educ Resrch & Dev	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
Total	17,292,137	20,765,359	21,749,693	20,373,027	21,201,727	21,201,727	20,373,700	21,202,400	21,202,400	

Funding Sources	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008 Agency	2007-2008 Executive	2008-2009 Agency	2008-2009 Executive
General Revenue	13,036,267	13,433,942		13,060,544	13,735,389	13,736,062	13,736,062
Merit Adjustment Fund	0	18,934		0	0	0	0
DFA Motor Vehicle Acquisition	28,271	0		0	0	0	0
Educational Adequacy Fund	2,489,477	5,526,870		5,526,870	5,526,870	5,526,870	5,526,870
Educational Excellence Fund	873,122	920,613		920,613	920,613	920,613	920,613
Transfer from DOE Public Schor	865,000	865,000		865,000	865,000	865,000	865,000
Unfunded Appropriation	0	0		0	153,855	153,855	153,855
Total Funding	17,292,137	20,765,359		20,373,027	21,201,727	21,202,400	21,202,400
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	17,292,137	20,765,359		20,373,027	21,201,727	21,202,400	21,202,400

Agency used pool positions during FY2007. The pool positions are required to be requested as new positions during biennium request. FY06 Actual exceeds Authorized Appropriation in Capital Outlay by authority of Budget Classification Transfer. Budget exceeds Authorized Appropriation in Operating Expenses and Professional Fees by authority of Budget Classification Transfer and Special Language in Act 20 Section 9 of the 1st Extraordinary Session 2006, which allowed for carry forward of appropriation for Enhanced Professional Development Programs.

Change Level by Appropriation

Appropriation: 620-State Operations

Funding Sources: EGA-Department of Education-State Operations

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	20,373,027	254	20,373,027	100.0	20,373,700	254	20,373,700	100.0
C01	Existing Program	100,000	0	20,473,027	100.4	100,000	0	20,473,700	100.4
C05	Unfunded Appropriation	53,855	0	20,526,882	100.7	53,855	0	20,527,555	100.7
C06	Restored Position	674,845	7	21,201,727	104.0	674,845	7	21,202,400	104.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	20,373,027	254	20,373,027	100.0	20,373,700	254	20,373,700	100.0
C01	Existing Program	100,000	0	20,473,027	100.4	100,000	0	20,473,700	100.4
C05	Unfunded Appropriation	53,855	0	20,526,882	100.7	53,855	0	20,527,555	100.7
C06	Restored Position	674,845	7	21,201,727	104.0	674,845	7	21,202,400	104.0

Justification

C01	This request is for unfunded appropriation for State Operations as a precaution for needs that may arise in the 2007-2009 biennium for Capital Outlay -\$100,000.
C05	This request is for unfunded appropriation for State Operations as a precaution for needs that may arise in the 2007-2009 biennium for Extra Help and associated Personal Services Matching -\$50,000, 03-\$3,855.
C06	This request provides for the restoration of salaries and matching for 7 positions (ADE Special Advisor, ADE Coordinator of Special Projects, ADE Special Assistant, Psychometrician, ADE Coord Sch. Imp. / Standards Assurance, and ADE Coordinator Special Programs) authorized by Section 24 (Establishment of a Position Pool) of Act 2126 of 2005. All of these positions are budgeted in FY07 and normally would be included in Base Level. However, language in Section 24 requires that positions created by this language that are requested to be continued in the next biennium must be requested as new positions. Regular Salaries - \$530,314 Personal Services Matching - 144,531

Analysis of Budget Request

Appropriation: 630 - Building Maintenance

Funding Sources: TEB-Education Building Revolving Bond

The Department of Education is requesting Base Level of \$500,000 for the 2007-2009 Biennium for the Building Maintenance program which provides financing for building and grounds maintenance, equipment maintenance contracts, insurance and janitorial services for the various buildings in the Education complex. This appropriation is funded from rent charged to the various non-federal units at the Department.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 630 Building Maintenance
Funding Sources: TEB-Education Building Revolving Bond

Agency Request and Executive Recommendation

Historical Data

Commitment Item	2005-2006		2006-2007		2006-2007		2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Conference & Travel Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0
Data Processing	0	0	0	0	0	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources												
Fund Balance	2,536,862	2,828,652		2,828,652		2,828,652	2,828,652	2,828,652	2,828,652	2,828,652	2,828,652	2,828,652
Trust Fund	291,790	500,000		500,000		500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	2,828,652	3,328,652		3,328,652		3,328,652	3,328,652	3,328,652	3,328,652	3,328,652	3,328,652	3,328,652
Excess Appropriation/(Funding)	(2,828,652)	(2,828,652)		(2,828,652)		(2,828,652)	(2,828,652)	(2,828,652)	(2,828,652)	(2,828,652)	(2,828,652)	(2,828,652)
Grand Total	0	500,000		500,000		500,000	500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 631 - Revolving Loan Certification

Funding Sources: TEM-Education Revolving Loan Certificates Fund

The Revolving Loan Certificates program within the Department of Education issues revolving loan certificates through the State Treasury in order to finance loans up to \$500,000 each to school districts for construction and the purchase of equipment or buses.

A cost of living increase is not incorporated in Base level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency is requesting Base Level of \$13,158,273 for the 2007-2009 biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 631 Revolving Loan Certification
Funding Sources: TEM-Education Revolving Loan Certificates Fund

Historical Data

Commitment Item	2005-2006				2006-2007				2007-2008				2008-2009			
	Actual	Budget	Authorized		Base Level	Agency	Executive		Base Level	Agency	Executive		Base Level	Agency	Executive	
Regular Salaries	55,976	86,824	110,951		86,824	86,824	86,824		86,824	86,824	86,824		86,824	86,824	86,824	
#Positions	2	3	3		3	3	3		3	3	3		3	3	3	
Personal Services Matching	23,639	30,371	39,447		31,449	31,449	31,449		31,449	31,449	31,449		31,449	31,449	31,449	
Operating Expenses	3,581	27,500	27,500		27,500	27,500	27,500		27,500	27,500	27,500		27,500	27,500	27,500	
Conference & Travel Expenses	0	2,500	2,500		2,500	2,500	2,500		2,500	2,500	2,500		2,500	2,500	2,500	
Professional Fees	0	10,000	10,000		10,000	10,000	10,000		10,000	10,000	10,000		10,000	10,000	10,000	
Data Processing	0	0	0		0	0	0		0	0	0		0	0	0	
Capital Outlay	0	0	0		0	0	0		0	0	0		0	0	0	
Loans	1,938,035	13,000,000	13,000,000		13,000,000	13,000,000	13,000,000		13,000,000	13,000,000	13,000,000		13,000,000	13,000,000	13,000,000	
Total	2,021,231	13,157,195	13,190,398		13,158,273	13,158,273	13,158,273		13,158,273	13,158,273	13,158,273		13,158,273	13,158,273	13,158,273	
Funding Sources																
Fund Balance	2,097,849	2,565,991			2,565,991	2,565,991	2,565,991		2,565,991	2,565,991	2,565,991		2,565,991	2,565,991	2,565,991	
Trust Fund	2,489,373	13,157,195			13,158,273	13,158,273	13,158,273		13,158,273	13,158,273	13,158,273		13,158,273	13,158,273	13,158,273	
Total Funding	4,587,222	15,723,186			15,724,264	15,724,264	15,724,264		15,724,264	15,724,264	15,724,264		15,724,264	15,724,264	15,724,264	
Excess Appropriation/(Funding)	(2,565,991)	(2,565,991)			(2,565,991)	(2,565,991)	(2,565,991)		(2,565,991)	(2,565,991)	(2,565,991)		(2,565,991)	(2,565,991)	(2,565,991)	
Grand Total	2,021,231	13,157,195			13,158,273	13,158,273	13,158,273		13,158,273	13,158,273	13,158,273		13,158,273	13,158,273	13,158,273	

Analysis of Budget Request

Appropriation: 637 - Child Nutrition
Funding Sources: FHB-DOE Food Service Federal Fund

The Child Nutrition Program of the Department of Education provides administrative services and reimbursement to the local school districts that participate in the school lunch, school breakfast or special milk programs. This program also promotes nutrition education by conducting courses in methods and materials for teaching nutrition education. The Child Nutrition Program is funded with federal funds from the United States Department of Agriculture.

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

The Agency Request totals of \$15,006,210 in FY08 and \$16,503,831 in FY09. The requests will provide for a projected 10% increase in the program each of the next two fiscal years. The growth is primarily in Grants and Aid, which totals \$14.8 million in FY08 and \$16.3 million in FY09. This appropriation 100% federally funded and the appropriation will only be used if funds become available.

The Executive Recommendation is for Base Level except for the Grants and Aid line item which is recommended at the Agency Request of \$14,880,000 for FY08 and \$16,368,000 for FY09.

Appropriation Summary

Appropriation: 637 Child Nutrition
Funding Sources: FHB-DOE Food Service Federal Fund

Historical Data Agency Request and Executive Recommendation

Commitment Item	2005-2006			2006-2007			2006-2007			2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	520,840	556,033	585,345	556,033	556,033	556,033	556,033	556,033	556,033	556,033	556,033	556,033	556,033	556,033	556,033
#Positions	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Personal Services Matching	162,022	161,029	184,679	183,711	183,711	183,711	183,711	183,711	183,711	183,711	183,711	183,711	183,711	183,711	183,711
Operating Expenses	169,767	393,100	393,100	393,100	432,410	393,100	393,100	436,341	393,100	436,341	393,100	436,341	393,100	436,341	393,100
Conference & Travel Expenses	21,109	52,600	52,600	52,600	57,860	52,600	52,600	58,386	52,600	58,386	52,600	58,386	52,600	58,386	52,600
Professional Fees	0	156,400	156,400	156,400	172,040	156,400	156,400	173,604	156,400	173,604	156,400	173,604	156,400	173,604	156,400
Data Processing	6,590	0	0	0	10,000	0	0	10,000	0	10,000	0	10,000	0	10,000	0
Grants and Aid	116,409,934	148,800,000	148,800,000	148,800,000	163,680,000	163,680,000	148,800,000	165,168,000	163,680,000	165,168,000	163,680,000	165,168,000	163,680,000	165,168,000	163,680,000
Refunds/Reimbursements	86,425	360,000	360,000	360,000	396,000	360,000	360,000	399,600	360,000	399,600	360,000	399,600	360,000	399,600	360,000
Capital Outlay	3,483	0	0	0	20,000	0	0	20,000	0	20,000	0	20,000	0	20,000	0
Total	117,380,170	150,479,162	150,532,124	150,501,844	165,508,054	165,381,844	150,501,844	167,005,675	165,381,844	167,005,675	150,501,844	167,005,675	166,869,844	167,005,675	166,869,844
Funding Sources															
Federal Revenue	117,380,170	150,479,162		150,501,844	165,508,054	165,381,844	150,501,844	167,005,675	165,381,844	167,005,675	150,501,844	167,005,675	166,869,844	167,005,675	166,869,844
Total Funding	117,380,170	150,479,162		150,501,844	165,508,054	165,381,844	150,501,844	167,005,675	165,381,844	167,005,675	150,501,844	167,005,675	166,869,844	167,005,675	166,869,844
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0	0	0	0	0	0	0
Grand Total	117,380,170	150,479,162		150,501,844	165,508,054	165,381,844	150,501,844	167,005,675	165,381,844	167,005,675	150,501,844	167,005,675	166,869,844	167,005,675	166,869,844

FY06 Actuals exceed Authorized Appropriation in Data Processing and Capital Outlay by authority of Budget Classification Transfer.

Change Level by Appropriation

Appropriation: 637-Child Nutrition
Funding Sources: FHB-DOE Food Service Federal Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	150,501,844	15	150,501,844	100.0	150,501,844	15	150,501,844	100.0
C01	Existing Program	15,006,210	0	165,508,054	109.9	16,503,831	0	167,005,675	110.9

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	150,501,844	15	150,501,844	100.0	150,501,844	15	150,501,844	100.0
C01	Existing Program	14,880,000	0	165,381,844	109.8	16,368,000	0	166,869,844	110.8

Justification

C01 In anticipation of additional federal funds that may become available in the 2007-2009 biennium for the Child Nutrition program, a 10% Increase is requested each year for all non-payroll commitment Items, as well as, requests for Capital Outlay and Data Processing.

Analysis of Budget Request

Appropriation: 639 - Federal Turnback for School

Funding Sources: FZF-Federal Forest Reserve-DOE

The Department of Education is requesting a Base Level of \$11,000,000 each year of the 2007-2009 biennium for this program which distributes federal turnback money from mineral leasing, forest reserve and flood control to the appropriate school districts.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 639 Federal Turnback for School
Funding Sources: FZF-Federal Forest Reserve-DOE

Historical Data

Commitment Item	2005-2006		2006-2007		2006-2007		2007-2008			2008-2009		
	Actual	Budget	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive		
Grants and Aid	10,998,546	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000		
Total	10,998,546	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000		
Funding Sources												
Federal Revenue	10,998,546	11,000,000	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000		
Total Funding	10,998,546	11,000,000	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000		
Excess Appropriation/(Funding)	0	0	0		0	0	0	0	0	0		
Grand Total	10,998,546	11,000,000	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000		

Analysis of Budget Request

Appropriation: 650 - Fed Elem & Sec Education
Funding Sources: FEE-Dept of Education Federal Fund

The Federal Elementary and Secondary Education appropriation for the Department of Education contains the majority of the federal entitlement programs for elementary and secondary education. These programs include Title 1 Compensatory Education for the educationally disadvantaged, Title 2 Block Grant, Special Education programs, Early Childhood programs, AIDS Education, Drug Education, and Migrant Education.

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

The Agency Request for Federal Elementary and Secondary Education totals \$47,213,627 in FY08 and \$51,918,990 in FY09. The requests will provide for a projected growth of 10% each fiscal year. The majority of the request is in the Grants and Aid line item which totals \$44.6 million in FY08 and \$49.1 million in FY09. This appropriation is 100% federally funded and will only be used if funds become available.

The Executive Recommendation is for Base Level except for the Grants and Aid line item which is recommended at the Agency Request of \$44,693,276 in FY08 and \$49,162,604 in FY09.

Appropriation Summary

Appropriation: 650 Fed Elem & Sec Education
Funding Sources: FEE-Dept of Education Federal Fund

Agency Request and Executive Recommendation

Commitment Item	Historical Data				2007-2008			2008-2009		
	2005-2006	2006-2007	2006-2007	2006-2007	Base Level	Agency	Executive	Base Level	Agency	Executive
	Actual	Budget	Authorized	Authorized						
Regular Salaries	2,134,994	2,747,966	2,725,897	2,747,966	2,747,966	2,747,966	2,747,966	2,747,966	2,747,966	2,747,966
#Positions	57	68	65	68	68	68	68	68	68	68
Extra Help	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help	0	4	4	4	4	4	4	4	4	4
Personal Services Matching	676,779	788,829	846,004	846,004	882,959	882,959	882,959	882,959	882,959	882,959
Operating Expenses	2,376,030	3,455,900	3,455,900	3,455,900	3,455,900	3,801,490	3,455,900	3,455,900	3,836,049	3,455,900
Conference & Travel Expenses	188,107	710,500	710,500	710,500	710,500	781,550	710,500	710,500	788,655	710,500
Professional Fees	3,914,354	18,351,105	7,200,830	18,351,105	18,351,105	20,186,216	18,351,105	18,351,105	20,369,727	18,351,105
Data Processing	0	86,000	86,000	86,000	86,000	94,600	86,000	86,000	95,460	86,000
Grants and Aid	322,812,642	446,932,764	446,932,764	446,932,764	446,932,764	491,626,040	491,626,040	446,932,764	496,095,368	496,095,368
Refunds/Reimbursements	806,158	1,000,000	300,000	1,000,000	1,000,000	1,100,000	1,000,000	1,000,000	1,110,000	1,000,000
Capital Outlay	106,848	151,000	0	151,000	0	160,000	0	0	160,000	0
Total	333,015,912	474,234,064	462,267,895	474,177,194	474,177,194	521,390,821	518,870,470	474,177,194	526,096,184	523,339,798
Funding Sources										
Federal Revenue	333,015,912	474,234,064		474,177,194	474,177,194	521,390,821	518,870,470	474,177,194	526,096,184	523,339,798
Total Funding	333,015,912	474,234,064		474,177,194	474,177,194	521,390,821	518,870,470	474,177,194	526,096,184	523,339,798
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0	0
Grand Total	333,015,912	474,234,064		474,177,194	474,177,194	521,390,821	518,870,470	474,177,194	526,096,184	523,339,798

Budgeted Number of positions may exceed Authorized Number due to the flexibility inherent in the authorization of all positions through one salary section in appropriations acts.
 The FY07 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2005-2007 Biennium.
 Budget exceeds Authorized Appropriation in Professional Fees and Refunds/Reimbursements by authority of Budget Classification transfer.
 FY06 Actual and Budget exceeds Authorized Appropriation in Capital Outlay by authority of Budget Classification Transfer.

Change Level by Appropriation

Appropriation: 650-Fed Elem & Sec Education
Funding Sources: FEE-Dept of Education Federal Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	474,177,194	68	474,177,194	100.0	474,177,194	68	474,177,194	100.0
C01	Existing Program	47,213,627	0	521,390,821	109.9	51,918,990	0	526,096,184	110.9

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	474,177,194	68	474,177,194	100.0	474,177,194	68	474,177,194	100.0
C01	Existing Program	44,693,276	0	518,870,470	109.4	49,162,604	0	523,339,798	110.3

Justification

C01 In anticipation of additional federal funds that may become available in the 2007-2009 biennium for the Federal Elementary and Secondary Education program, a 10% Increase is requested each year for all non-payroll commitment Items, as well as, a request for Capital Outlay .

Analysis of Budget Request

Appropriation: 885 - Multiple Grant Award Program

Funding Sources: NED-Cash in Treasury

The Department of Education receives grants and awards from private foundations or individuals for program, such as, Teacher of the Year, Minority Teacher Recruitment, Dean's Symposium and Play it Again Arkansas. The Department currently administers approximately 16-20 such grants each year.

The Department of Education requests Base Level of \$2,626,375 for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 885 Multiple Grant Award Program
 Funding Sources: NED-Cash in Treasury

Agency Request and Executive Recommendation

Historical Data

Commitment Item	2005-2006		2006-2007		2006-2007		2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	18,152	122,000	122,000	122,000	122,000	122,000	122,000	122,000	122,000	122,000	122,000	122,000
Conference & Travel Expenses	0	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500
Professional Fees	2,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Data Processing	0	0	0	0	0	0	0	0	0	0	0	0
Grants and Aid	1,690,940	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875
Capital Outlay	0	10,000	10,000	0	0	0	0	0	0	0	0	0
Total	1,711,092	2,636,375	2,636,375	2,636,375	2,636,375	2,636,375	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375

Funding Sources		2007-2008		2008-2009	
		Base Level	Agency	Base Level	Agency
Fund Balance	2,386,326	1,120,429	1,120,429	1,120,429	1,120,429
Cash Fund	445,195	2,626,375	2,626,375	2,626,375	2,626,375
Total Funding	2,831,521	3,746,804	3,746,804	3,746,804	3,746,804
Excess Appropriation/(Funding)	(1,120,429)	(1,120,429)	(1,120,429)	(1,120,429)	(1,120,429)
Grand Total	1,711,092	2,626,375	2,626,375	2,626,375	2,626,375

Analysis of Budget Request

Appropriation: 893 - Medicaid Reimbursement

Funding Sources: NED-Cash in Treasury

The Department of Education collects from the various school districts their match as Medicaid providers and then transmits this quarterly to the State Medicaid Office. Reimbursements are for targeted case management and psychological services in addition to the reimbursement for speech-language pathology, physical therapy and occupational therapy.

The Agency is requesting Base Level of \$5,010,500 for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 893 Medicaid Reimbursement
Funding Sources: NED-Cash in Treasury

Agency Request and Executive Recommendation

Historical Data

Commitment Item	2005-2006		2006-2007		2006-2007		2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	751,168	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Medicaid Admin	5900046	0	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Total		751,168	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500
Funding Sources												
Fund Balance	4000005	93,458	116,968	116,968	116,968	116,968	116,968	116,968	116,968	116,968	116,968	116,968
Cash Fund	4000045	774,678	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500
Total Funding		868,136	5,127,468	5,127,468	5,127,468	5,127,468	5,127,468	5,127,468	5,127,468	5,127,468	5,127,468	5,127,468
Excess Appropriation/(Funding)		(116,968)	(116,968)	(116,968)	(116,968)	(116,968)	(116,968)	(116,968)	(116,968)	(116,968)	(116,968)	(116,968)
Grand Total		751,168	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500

Analysis of Budget Request

Appropriation: 899 - Alternative Certification Program
Funding Sources: NED-Cash in Treasury

The Department of Education has developed alternative methods for certifying individuals within the State who have expertise and knowledge in particular subject areas but do not have the standard teaching certificate. The prospective teachers are charged a fee for training workshops with the funds used to pay workshop expenses.

The Department is requesting Change Levels totaling \$299,966 in FY08 which includes: \$78,766 in Operating Expenses, \$8,000 in Conference and Travel Expenses and \$13,200 in Professional Fees. Also the request includes \$200,000 for Grants and Aids due to a change in the method of providing training. For FY09, the total request is \$307,612 and includes: \$85,992 in Operating Expenses, \$8,000 in Conference and Travel Expenses, \$13,620 in Professional Fees, and \$200,000 in Grants and Aids. The Department continues to see growth in the alternative certification program. The appropriation is 100% funded by workshop fees and will only be used if funding is available.

The Executive Recommendation provides for the Agency Request in all line items with the exception of Conference and Travel Expenses, which is recommended at Base Level.

Appropriation Summary

Appropriation: 899 Alternative Certification Program
Funding Sources: NED-Cash in Treasury

Historical Data Agency Request and Executive Recommendation

Commitment Item	2005-2006		2006-2007		2006-2007		2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	942,404	922,605	716,100	716,100	794,866	794,866	716,100	802,092	802,092	716,100	802,092	802,092
Conference & Travel Expenses	0	0	0	0	8,000	0	0	0	8,000	0	8,000	0
Professional Fees	37,197	41,100	32,000	32,000	45,200	45,200	32,000	45,620	45,620	32,000	45,620	45,620
Data Processing	0	0	0	0	0	0	0	0	0	0	0	0
Grants and Aid	0	0	0	0	200,000	200,000	0	200,000	200,000	0	200,000	200,000
Capital Outlay	0	0	0	0	0	0	0	0	0	0	0	0
Total	979,601	963,705	748,100	748,100	1,048,066	1,040,066	748,100	1,055,712	1,047,712	748,100	1,055,712	1,047,712

Funding Sources	2006-2007	2007-2008	2008-2009
Fund Balance	1,043,278	1,043,278	1,043,278
Cash Fund	963,705	1,048,066	1,055,712
Total Funding	2,006,983	2,091,344	2,098,990
Excess Appropriation/(Funding)	(1,043,278)	(1,043,278)	(1,043,278)
Grand Total	963,705	1,048,066	1,055,712

FY06 Actual and FY07 Budget exceeds Authorized Appropriation due to a transfer from the Cash Holding Fund Account.

Change Level by Appropriation

Appropriation: 899-Alternative Certification Program

Funding Sources: NED-Cash in Treasury

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	748,100	0	748,100	100.0	748,100	0	748,100	100.0
C01	Existing Program	491,966	0	1,240,066	165.7	499,612	0	1,247,712	166.7
C02	New Program	8,000	0	1,248,066	166.8	8,000	0	1,255,712	167.8
C03	Discontinue Program	(200,000)	0	1,048,066	140.1	(200,000)	0	1,055,712	141.1

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	748,100	0	748,100	100.0	748,100	0	748,100	100.0
C01	Existing Program	491,966	0	1,240,066	165.7	499,612	0	1,247,712	166.7
C02	New Program	0	0	1,240,066	165.7	0	0	1,247,712	166.7
C03	Discontinue Program	(200,000)	0	1,040,066	139.0	(200,000)	0	1,047,712	140.0

Justification

C01	This request provides for the restoration of appropriation (Operating Expenses -\$206,505, Professional Fees-\$9,100) that was obtained from the DFA - Cash Holding Appropriation for FY07 and a 10% increase for program growth. The request for Grants & Aid is due to a change in the method of providing training requiring an increase in Grants & Aid and a corresponding decrease in Operating Expenses.
C02	There has never been a travel budget for the Non-Traditional Licensure Program staff. It is important that they interact with colleagues from other states to share ideas for improving the program.
C03	This request is due to a change in the methodology for providing training for this program requiring an increase in Grants and a corresponding decrease in Operating Expenses.

Appropriation Summary

Appropriation: 4HP Financial Reporting

Funding Sources:

Historical Data Agency Request and Executive Recommendation

Commitment Item	2005-2006			2006-2007			2006-2007			2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive	Base Level	Agency	Executive			
Financial Reporting	0	0	0	0	0	0	0	0	0	0	0	0			
Total	0	0	0	0	0	0	0	0	0	0	0	0			

Analysis of Budget Request

Appropriation: 684 - Gates Grant Treasury

Funding Sources: NED-Cash in Treasury

This appropriation is 100% cash funded from grants received from the Gates Family Foundation to continue technology training and improvements at the local school districts. It is anticipated that the remaining funds for this program will be used during the 2007 fiscal year. Therefore, the Department requests this appropriation not continue during the 2007-2009 biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 684 Gates Grant Treasury
Funding Sources: NED-Cash in Treasury

Agency Request and Executive Recommendation

Historical Data

Commitment Item	2005-2006		2006-2007		2006-2007		2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Executive	Base Level	Agency	Executive	Base Level	Agency	Executive	
Operating Expenses	20,633	169,400	169,400	169,400	0	169,400	0	0	169,400	0	0	
Conference & Travel Expenses	0	42,350	42,350	42,350	0	42,350	0	0	42,350	0	0	
Professional Fees	45,486	121,000	121,000	121,000	0	121,000	0	0	121,000	0	0	
Data Processing	0	0	0	0	0	0	0	0	0	0	0	
Grants and Aid	0	453,750	453,750	453,750	0	453,750	0	0	453,750	0	0	
Capital Outlay	24,100	25,000	25,000	25,000	0	0	0	0	0	0	0	
Total	90,219	811,500	811,500	811,500	0	786,500	0	0	786,500	0	0	
Funding Sources												
Fund Balance	159,379	73,283			0	0	0	0	0	0	0	
Cash Fund	4,123	738,217			0	0	0	0	0	0	0	
Total Funding	163,502	811,500			0	0	0	0	0	0	0	
Excess Appropriation/(Funding)	(73,283)	0			0	786,500	0	0	786,500	0	0	
Grand Total	90,219	811,500			0	786,500	0	0	786,500	0	0	

Not Requested for New Biennium.

Change Level by Appropriation

Appropriation: 684-Gates Grant Treasury

Funding Sources: NED-Cash in Treasury

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	786,500	0	786,500	100.0	786,500	0	786,500	100.0
C03	Discontinue Program	(786,500)	0	0	0.0	(786,500)	0	0	0.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	786,500	0	786,500	100.0	786,500	0	786,500	100.0
C03	Discontinue Program	(786,500)	0	0	0.0	(786,500)	0	0	0.0

Justification

C03 | It is anticipated that the remaining funds for this program will be used during the 2007 fiscal year.