

EXECUTIVE SUMMARY

Contact: Jennus Burton (870) 933-7950

INFORMATION ITEM: Arkansas State University System (ASU System) submits the attached as the status report on state revenue collections for five months ending November 30, 2009.

ISSUE: ASU System campuses anticipate receiving from 50.9% to 68.8% for each campus of its budgeted Educational and General income from the State of Arkansas for the 2009-2010 fiscal year. State revenues are an integral part of the funding for the salaries, operating expenses, scholarships, and capital needs of the university.

BACKGROUND:

- The Arkansas Department of Finance and Administration (DF&A) revised the revenue projection for FY 09-10 effective October 20, 2009. DF&A has projected 98% distribution of Category A of the Revenue Stabilization Act for the 2009-2010 fiscal year, in the amount of \$4,408.8 million. However, 97.5% of the revised Category A is permanent funds, while 2.514% of Category A is one-time funds.
- In order to fund 98% of Category A of the Revenue Stabilization Act for the 2009-2010 fiscal year, state revenues would need to decrease .6% from collections received during fiscal year 2008-2009.
- State revenue collections available for distribution as of November 30, 2009, totaled \$1,868.7 million as compared to fiscal year 2008-2009 collections of \$1,883.7 million for the same period. This is a decrease of .8%.
- ASU System was budgeted to receive \$2,376,334 in state funds for the 2009-2010 fiscal year; however, with the October 20, 2009 revenue forecast revisions of 98% of Category A, the ASU System is now budgeted to receive \$49,536 less than the original budget, or \$2,268,302 in Category A permanent funds, and \$58,496 in Category A one-time funds.
- ASU-Jonesboro was budgeted to receive \$63,490,617 in state funds for the 2009-2010 fiscal year; however, with the October 20, 2009 revenue forecast revisions, ASU-Jonesboro is now budgeted to receive \$1,123,579 less than the original budget, or \$51,359,333 in Category A permanent funds, and \$1,324,471 in Category A one-time funds. Educational Excellence funds (\$5,878,074) have been revised slightly downward by \$120,447. Tobacco Settlement funds have been revised upward by \$386,999 to \$3,883,604.
- ASU-Beebe was budgeted to receive \$14,202,693 in state funds for the 2009-2010 fiscal year; however, with the October 20, 2009 revenue forecast revisions, ASU-Beebe is now budgeted to receive \$265,910 less than the original budget, or \$11,563,779 in Category A permanent funds, and \$298,210 in Category A one-time funds. Educational Excellence funds (\$1,402,399) have been revised slightly downward by \$28,737, and Workforce 2000 funds (\$691,299) have been revised slightly upward by \$47,641.

- ASU-Mountain Home was budgeted to receive \$4,570,204 in state funds for fiscal year 2009-2010; however, with the October 20, 2009 revenue forecast revisions, ASU-Mountain Home is now budgeted to receive \$82,310 less than the original budget, or \$3,413,562 in Category A permanent funds, and \$88,030 in Category A one-time funds. Educational Excellence funds (\$75,000) have not been revised to date. Workforce 2000 funds (\$710,249) have been revised slightly upward by \$48,947.
- ASU-Newport was budgeted to receive \$7,170,030 in state funds for fiscal year 2009-2010; however, with the October 20, 2009 revenue forecast revisions, ASU-Newport is now budgeted to receive \$130,925 less than the original budget, or \$5,752,930 in Category A permanent funds, and \$142,358 in Category A one-time funds. Workforce 2000 funds (\$1,222,034) have been revised slightly upward by \$84,217.

STATE OF ARKANSAS NET REVENUE COLLECTIONS
FISCAL YEAR 2010
(\$ in Millions)

	Fiscal Year 2009		Fiscal Year 2010		Percent Incr/(Decr)
	Monthly-Actual	Cumulative	Monthly	Cumulative	
July	\$ 371.2	\$ 371.2	\$ 412.0	\$ 412.0	11.0%
August	350.7	721.9	341.3	753.3	4.3%
September	481.4	1,203.3	410.3	1,163.6	-3.3%
October	352.4	1,555.7	313.5	1,477.1	-5.1%
November	328.0	1,883.7	391.6	1,868.7	-8%
December	399.0	2,282.7			
January	425.2	2,707.9			
February	207.3	2,915.2			
March	299.6	3,214.8			
April	491.9	3,706.7			
May	293.0	3,999.7			
June	435.0	4,434.7			
Total					

DF&A revised Allotments for 2009-2010 (98% of A revised 20-Oct-09) \$4,408.8 million

Net General Revenues Distributed in FY2008-2009 \$4,434.7 million

Amount Cumulative General Revenues may decrease for FY 2009-2010
without additional further Reductions to State Agencies \$25.9 million

General Revenues Collected to date 30-Nov-09 \$1,868.7 million

General Revenues Collected as of 30-Nov-08 \$1,883.7 million

Amount Cumulative General Revenues Increased or (Declined) as of 30-Nov-09
compared to 30-Nov-08 (\$15.0 million)

Percent Increase (Decrease) Net General Revenues Actual Compared to 20-Oct-09 Revised
Forecast (.8%)

Percent Increase (Decrease) needed to fund 98% of A 2.3%

Percent Increase (Decreased) Collected Year-To-Date as of 30-Nov-09 (5.1%)

Amount Revenues must continue to increase and still fund 100% of DF&A revised Forecast \$26.1 million

November Cumulative Revenue Collections are \$1,868.7 million or .8% below
the general revenue forecast revised on October 20, 2009.