

**REPORT
OF THE
SUBCOMMITTEE ON PERFORMANCE EVALUATION AND EXPENDITURE
REVIEW (PEER)
OF THE ARKANSAS LEGISLATIVE COUNCIL**

August 23, 2019

Dear Co-Chairs:

Your Subcommittee on Performance Evaluation and Expenditure Review (PEER) met on Tuesday, August 20, 2019, and after having reviewed the following items, reports that the Subcommittee's review and/or approval is complete unless otherwise noted.

A. Cash Fund Appropriation Increase Request– FY20

1. University of Arkansas Community College at Rich Mountain - \$8,800,000
2. Board of Examiners in Counseling - \$61,070
3. Department of Arkansas Heritage – Delta Cultural Center - \$87,500
4. Department of Arkansas Heritage – Historic Preservation - \$2,500
5. Department of Arkansas Heritage – Natural Heritage Commission - \$563,557
6. Department of Arkansas Heritage – Historic Preservation - \$72,500
7. Department of Parks, Heritage and Tourism – War Memorial Stadium - \$249,566
8. Department of Emergency Management - \$10,500,000

B. Items for Approval

1. Rainy Day Fund Release Requests
 - a. Department of Finance and Administration Disbursing Officer - \$50,000 for a grant to the Baby Sharon's Children's Catastrophic Illness Grant Program Trust Fund
 - b. Department of Human Services – Division of Child Care and Early Childhood Education - \$300,000 for a grant to the Save the Children Program
 - c. Arkansas Law Enforcement Training Academy - \$11,000 to provide support and assistance to beneficiaries of the fallen law enforcement officers
2. Restricted Reserve Fund Transfer Recommendation – Arkansas Economic Development Commission - \$5,700,000 for expansion of high-speed broadband services to rural Communities through the Arkansas Rural Connect (ARC) Program
3. Appropriation and/or Fund Transfer Request(s) – FY20

Arkansas Department of Transportation - \$73,851,004.84 Fund transfer from the Arkansas Highway Transfer Fund to the State Highway and Transportation Department Fund for state match for 2019 federal funds, flood damage repairs and pavement preservation projects

C. Budget Classification Transfer Request(s) – FY20

Department of Emergency Management - \$14,000 from Operating Expenses to Conference and Travel Expenses for the transfer of AWIN (Arkansas Wireless Information Network) to the Department of Emergency Management

D. Miscellaneous Federal Grant Appropriation Requests – FY20

1. Department of Agriculture – Forest Legacy Program - \$1,370,000
2. Department of Agriculture – Agriculture Marketing Service - \$433,760
3. Military Department – Readiness Center at Fort Chafee - \$3,305,076
4. Military Department – Access Control Building-Camp Robinson - \$2,345,184
5. Military Department – Master Cooperative Agreement - \$100,000
6. Military Department – Master Cooperative Agreement - \$3,964,846
7. Military Department – Master Cooperative Agreement - \$2,902,965

E. Items Approved on an Emergency Basis

1. Pay Plan Holding Account Transfers – FY19 (See Attachment 1)
2. Pay Plan Holding Account Transfers – FY20 (See Attachment 2) – Department of Human Services-Division of Youth Services - \$66,000 – To provide a monthly report until October 2019 of actual expenditures

F. Buffalo National River Watershed Conservation Easement Report – Funding for the easement came from three sources: \$3,700,000 from the Rainy Day Fund, \$1,500,000 from the Arkansas Natural and Cultural Resources Council and \$1,000,000 from the Nature Conservancy. Terms of the contract provide property owners 180 days to end commercial operations. Consequently, any site closure costs by the Arkansas Department of Environmental Quality cannot be determined at this time.

The Subcommittee was also presented the:

1. Department of Human Services Inter Agency/Inter Divisional Match Fund Transfers – 4th Quarter FY19
2. Office of Attorney General Cash Settlement Fund as of June 30, 2019
3. Arkansas State Police Asset Forfeiture Expenditures as of June 30, 2019
4. Federal Grant Applications Report as of June 30, 2019
5. Federal Grant Awards Report as of June 30, 2019
6. Department of Environmental Quality Quarterly Report on Hazardous Waste Removal in Bella Vista, Arkansas

Respectfully submitted by Subcommittee Co-Chairs, Senator Bruce Maloch and Representative DeAnn Vaught

**ALC Report
For Emergency Review of
Budget Classification Transfers, Miscellaneous Federal Grants and Cash Appropriation
Requests**

June 21, 2019

On June 7, 2019, Senator Cecile Bledsoe and Representative Jeff Wardlaw, Co-Chairs of the Legislative Council and Senator Bruce Maloch and Representative DeAnn Vaught, Co-Chairs of the PEER Subcommittee received written notification from Larry Walther, the Chief Fiscal Officer of the State, requesting Emergency Review of Budget Classification Transfers, Miscellaneous Federal Grants and Cash Appropriation Requests.

Under Rule 16 of the Rules of the Arkansas Legislative Council, on June 21, 2019, the Co-Chairs of the Legislative Council and PEER Subcommittee unanimously determined that emergency review of the Budget Classification Transfers, Miscellaneous Federal Grants and Cash Appropriation Requests were necessary to enable the agencies to perform essential services and these transfers are being authorized to cover any fiscal year end shortfalls that may occur.

Below is a summary of the Budget Classification Transfers, Miscellaneous Federal Grants and Cash Appropriation Requests that were given emergency review.

Budget Classification Transfers

Transfer of appropriation between the Maintenance & General Operations commitment items and is limited to the amount of existing appropriation available in these commitment items.


Miscellaneous Federal Grants

In an amount not to exceed \$1,000,000

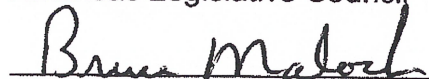
Cash Fund Appropriation Increases

In an amount not to exceed \$1,000,000

Respectfully Submitted,



Senator Cecile Bledsoe, Co-Chair
Arkansas Legislative Council



Senator Bruce Maloch, Co-Chair
ALC PEER Subcommittee



Representative Jeff Wardlaw, Co-Chair
Arkansas Legislative Council



Representative DeAnn Vaught, Co-Chair
ALC PEER Subcommittee



STATE OF ARKANSAS
**Department of Finance
and Administration**

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June 7, 2018

Senator Bruce Maloch, Co-Chair
Representative David Meeks, Co-Chair
Performance Evaluation & Expenditure Review Committee
Arkansas Legislative Council
State Capitol Building
Little Rock, AR 72201

RE: Prior Approval of Year-End Adjustments

Dear Co-Chairs:

I am requesting prior approval of year-end adjustments that may be required in order to close out Fiscal Year 2018. This will ensure that unanticipated items can be addressed by the Department of Finance and Administration at year-end without delay. Any item processed with this prior approval will be reported to the next regularly scheduled PEER meeting.

Without prior approval, unanticipated issues could potentially cause vendor payments to not be processed, the loading of Fiscal Year 2019 into the statewide accounting system (AASIS) to be interrupted, and state agency operations to be negatively impacted.

Prior review is requested for the following items:

- Budget Classification Transfers – Prior approval is requested to transfer appropriation between the General Maintenance and Operating commitment items in an agency appropriation, limited to the amount of existing appropriation available in these commitment items. This would allow a transfer to be made should unanticipated expenses arise at the end of the year. These requests do not increase the amount of appropriation available for an agency, but simply allow an agency to move amounts from one commitment item to another.
- Miscellaneous Federal Grants – Prior approval is requested for up to \$1 million in total transfers. This will allow agencies the ability to utilize federal funding if unanticipated issues arise.

- Cash Fund Holding Account Transfers – Prior approval is requested for up to \$1 million in total transfers. This will ensure appropriation is available for Cash Funded agencies if unforeseen issues arise.

Appropriation will only be provided in the amounts needed by a state agency. All items processed on an emergency basis with this prior approval will be reported to the next regularly scheduled ALC-PEER meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry W. Walther", written in a cursive style.

Larry W. Walther
Director

LWW:db



STATE OF ARKANSAS
**Department of Finance
and Administration**

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August 7, 2019

Senator Bruce Maloch, Co-Chair
Representative DeAnn Vaught, Co-Chair
Performance Evaluation & Expenditure Review Committee
Arkansas Legislative Council
State Capitol Building
Little Rock, AR 72201

RE: FY19 Performance Fund/Pay Plan Holding Account Transfer
Request(s)

Dear Co-Chairs:

I am forwarding for appropriate action as required by law, the attached
Merit Adjustment Fund/Pay Plan Holding Account Transfer Request(s)
that have received my approval as Chief Fiscal Officer of the State.

Sincerely,

A handwritten signature in cursive script, reading "Larry W. Walther".

Larry W. Walther
Director

LWW:ald

Attachment(s)

**PERFORMANCE FUND/PAY PLAN HOLDING ACCOUNT TRANSFERS
FOR FY19- June PEER**

<u>BUSINESS AREA</u>	<u>AGENCY</u>	<u>FISCAL YEAR</u>	<u>MERIT ADJUSTMENT FUND</u>	<u>PAY PLAN HOLDING ACCOUNT</u>	<u>DATE OF TRANSFER</u>	<u>AMOUNT OF APPROPRIATION TRANSFER</u>	<u>EMERGENCY APPROVED BY CFO</u>	<u>PENDING ALC REVIEW</u>	<u>REASON FOR TRANSFER</u>
0513	Arkansas School for the Deaf	19	X			\$ 350,000.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0552	Northwest Technical Institute	19	X			\$ 11,080.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0318	MLK Commission	19	X			\$ 30,000.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0710	Department of Human Services	19	X			\$ 1,027,705.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0238	Ethics Commission	19	X			\$ 50,000.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0950	ALETA	19	X			\$ 273,176.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0365	Disabled Veterans	19	X			\$ 5,982.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0960	State Police	19	X			\$ 2,900,000.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0472	Geographic Information System	19	X			\$ 110,263.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0612	DFA - ABC Enforcement	19	X			\$ 279,435.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0685	Health Services Permit Agency	19	X			\$ 22,869.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0319	Minority Health Commission	19	X			\$ 13,842.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0315	Capital Zoning Commission	19	X			\$ 23,170.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0955	State Crime Lab	19	X			\$ 105,000.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0631	DFA - Racing Commission	19	X			\$ 32,908.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0400	Agriculture Department	19	X			\$ 365,340.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0900	Parks and Tourism	19	X			\$ 340,000.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0341	Waterways Commission	19	X			\$ 3,000.00	X		Performance Funding required due to the impact of Pay Plan Implementation, Act 365 of 2017
0292	Speech Pathology and Audiology Board	19		X		\$ 600.00	X		Additional Personal Services Matching is requested due to the impact of Pay Plan Implementation, Act 365 of 2017.
0280	Optometry Board	19		X		\$ 2,200.00	X		Additional Regular Salaries and Personal Services Matching is requested due to the impact of Pay Plan Implementation, Act 365 of 2017.
0341	Arkansas Waterways Commission	19		X		\$ 1,400.00	X		Additional Personal Services Matching is requested due to the impact of Pay Plan Implementation, Act 365 of 2017.
0323	Administrative Office of the Courts	19		X		\$ 17,200.00	X		Additional Regular Salaries and Personal Services Matching is requested due to the impact of Pay Plan Implementation, Act 365 of 2017.
0402	Aeronautics Department	19		X		\$ 4,000.00	X		Additional Personal Services Matching is requested due to the impact of Pay Plan Implementation, Act 365 of 2017.
0513	Arkansas School for the Deaf	19		X		\$ 17,500.00	X		Additional Regular Salaries and Personal Services Matching is requested due to the impact of Pay Plan Implementation, Act 365 of 2017.

PERFORMANCE FUND/PAY PLAN HOLDING ACCOUNT TRANSFERS
FOR FY19- June PEER

<u>BUSINESS AREA</u>	<u>AGENCY</u>	<u>FISCAL YEAR</u>	<u>MERIT ADJUSTMENT FUND</u>	<u>PAY PLAN HOLDING ACCOUNT</u>	<u>DATE OF TRANSFER</u>	<u>AMOUNT OF APPROPRIATION TRANSFER</u>	<u>EMERGENCY APPROVED BY CFO</u>	<u>PENDING ALC REVIEW</u>	<u>REASON FOR TRANSFER</u>
0241	Judicial Discipline and Disability Commission	19		X		\$ 1,200.00	X		Additional Regular Salaries and Personal Services Matching is requested due to the impact of Pay Plan Implementation, Act 365 of 2017.
0645	Health Department	19		X		\$ 1,400.00	X		Additional Regular Salaries and Personal Services Matching is requested due to the impact of Pay Plan Implementation, Act 365 of 2017.
						<u>\$ 5,989,270.00</u>			

**ALC Report
For Emergency Review of
Pay Plan Request**

July 29, 2019

On July 29, 2019, Senator Cecile Bledsoe and Representative Jeff Wardlaw, Co-Chairs of the Legislative Council, and Senator Bruce Maloch and Representative DeAnn Vaught, Co-Chairs of the PEER Subcommittee, received written notification from Larry Walther, the Chief Fiscal Officer of the State, requesting Emergency Review of a Pay Plan Appropriation Request.

Under Rule 16 of the Rules of the Arkansas Legislative Council, on July 29, 2019 the Co-Chairs of the Legislative Council and PEER Subcommittee unanimously determined that emergency review of the Pay Plan request was necessary to enable the agency to perform essential services. As such, the Co-Chairs of the Legislative Council and the Co-Chairs of the PEER Subcommittee may act on behalf of the Legislative Council in regard to this request, and state herein that this request shall be filed as reviewed and reported to the Legislative Council at its next regularly scheduled meeting in accordance with Rule 16.


Below is a summary of the Pay Plan request that was given emergency review.

Pay Plan Appropriation Request – FY20
DHS Division of Youth Services - \$66,000

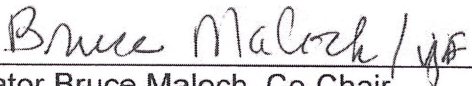
Respectfully Submitted,



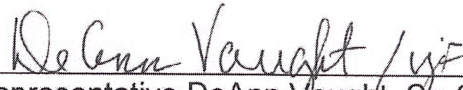
Senator Cecile Bledsoe, Co-Chair
Arkansas Legislative Council



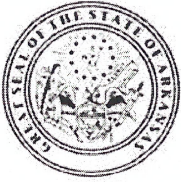
Representative Jeff Wardlaw, Co-Chair
Arkansas Legislative Council



Senator Bruce Maloch, Co-Chair
ALC PEER Subcommittee



Representative DeAnn Vaught, Co-Chair
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July 29, 2019

Senator Cecile Bledsoe, Chair
Representative Jeff Wardlaw, Chair
Arkansas Legislative Council
State Capitol
Little Rock, AR 72201

RE: Emergency Action Procedures Request

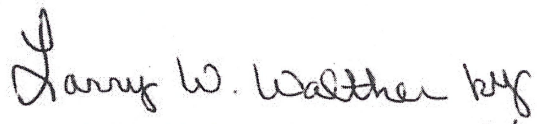
Dear Co-Chairs:

This is to inform you that there is an item for Legislative Council review that requires your immediate attention. Because of the time-sensitive nature of this item, the Department of Finance and Administration respectfully requests an expedited review.

This item is a request for Extra Help appropriation. The request is needed to meet the August 2, 2019 payroll for the Department of Human Services – Division of Youth Services.

I ask that you please institute emergency action procedures for consideration of these matters and sign them out of Committee per Rule 16 of the Rules of the Arkansas Legislative Council.

Sincerely,


Larry W. Walther
Director

LWW:ald

**DFA - OFFICE OF BUDGET
PERSONAL SERVICES - EXTRA HELP**

Agency Code: 0710 Agency Name: DHS - Division of Youth Services

Funds Center Code: 896 Funds Center Name: DHS - Admin Paying Account

Fund Code: PWP8000 Functional Area: HHS


Extra Help

Document Number	Amount	Commitment Item	Funds Center	Fund	Functional Area	B/U*
3100044542	\$ 66,000.00	590:00:46	F42	MXX0108	ADMIN	U

Personal Services Matching

Document Number	Amount	Commitment Item	Funds Center	Fund	Functional Area	B/U*
3100044542	\$ -	590:00:46	F42	MXX0108	ADMIN	U

Purpose: The division needs \$66,000 to cover Extra Help until October PEER. This is due to the payout of Extra Help employees that are now on contract (Residential Facilities).

DFA-BUDGET:  DFA-ACCOUNTING: _____

DATE: 7/29/19 DATE: _____

* B=Block, U=Unblock

Revised 07/01/2009