

SILVER MANUAL
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VOLUME III

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Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
135 Dental Aid Grant & Loans	3,187,775	0	3,121,270	0	3,121,270	0	3,987,370	0	3,121,270	0	3,121,270	0	4,087,370	0	3,121,270	0	3,121,270	0
137 Optometry Aid Grants & Loans	502,500	0	550,000	0	550,000	0	665,000	0	550,000	0	550,000	0	675,000	0	550,000	0	550,000	0
138 Veterinary Aid	1,258,148	0	1,350,000	0	1,350,000	0	1,850,000	0	1,350,000	0	1,350,000	0	1,950,000	0	1,350,000	0	1,350,000	0
140 Chiropractic Aid	98,749	0	260,000	0	260,000	0	260,000	0	260,000	0	260,000	0	260,000	0	260,000	0	260,000	0
153 General Operations	3,466,896	30	4,312,095	38	4,312,095	38	3,944,782	33	3,814,466	31	3,814,466	31	3,947,365	33	3,817,049	31	3,817,049	31
156 Research Development Program Grants	507,812	0	500,000	0	5,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
160 State Scholarship-Federal	0	0	750,000	0	750,000	0	0	0	0	0	0	0	0	0	0	0	0	0
197 Student Asst Grants/Scholarships	49,369,809	0	57,050,000	0	57,050,000	0	57,050,000	0	57,050,000	0	57,050,000	0	57,050,000	0	57,050,000	0	57,050,000	0
1GF Improving Teacher Quality	539,519	0	715,500	0	715,500	0	506,000	0	506,000	0	506,000	0	0	0	0	0	0	0
2XK TANF	7,132,590	3	7,150,832	3	7,150,000	3	7,150,000	3	7,150,000	3	7,150,000	3	7,150,000	3	7,150,000	3	7,150,000	3
58B College Access Challenge Grant	1,267,500	0	1,400,000	0	2,000,000	0	700,000	0	700,000	0	700,000	0	700,000	0	700,000	0	700,000	0
59B ADHE-Scholarship Admn	436,996	5	885,096	6	882,096	6	798,228	6	798,228	6	798,228	6	798,228	6	798,228	6	798,228	6
772 Technical Education-Federal Programs	377,236	2	386,268	2	384,868	2	386,951	2	386,951	2	386,951	2	387,196	2	387,196	2	387,196	2
773 Osteopathy Aid	36,700	0	230,000	0	230,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
783 Podiatry Aid	45,200	0	130,400	0	130,400	0	195,400	0	130,400	0	130,400	0	200,400	0	130,400	0	130,400	0
921 Dept Higher Education - Cash in Treasury	43,193	0	465,000	0	1,695,000	0	405,000	0	405,000	0	405,000	0	405,000	0	405,000	0	405,000	0
97E Complt Coll Amer Grt	0	0	100,000	0	100,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
F91 Outcome-Cent Funding	0	0	54,512,702	0	54,512,702	0	54,512,702	0	54,512,702	0	54,512,702	0	54,512,702	0	54,512,702	0	54,512,702	0
N60 WF Initiative Act of 2015	1,427,657	0	2,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0
Total	69,698,280	40	135,869,163	49	148,193,931	49	141,536,433	44	139,860,017	42	139,860,017	42	141,248,261	44	139,356,845	42	139,356,845	42

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	20,353,415	23.2	18,144,993	12.4			10,233,447	7.1	10,233,447	7.1	10,233,447	7.1	10,031,393	7.0	10,161,709	7.1	10,161,709	7.1
General Revenue	4000010	4,826,839	5.5	5,399,182	3.7			5,773,128	4.0	5,773,128	4.0	5,773,128	4.0	5,812,365	4.1	5,812,365	4.1	5,812,365	4.1
Federal Revenue	4000020	9,316,845	10.6	10,402,600	7.1			8,742,951	6.1	8,742,951	6.1	8,742,951	6.1	8,237,196	5.8	8,237,196	5.8	8,237,196	5.8
Cash Fund	4000045	484,680	0.6	24,486	0.0			480,000	0.3	480,000	0.3	480,000	0.3	480,000	0.3	480,000	0.3	480,000	0.3
Trust Fund	4000050	507,812	0.6	500,000	0.3			500,000	0.3	500,000	0.3	500,000	0.3	500,000	0.3	500,000	0.3	500,000	0.3
Merit Adjustment Fund	4000055	0	0.0	24,567	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Educational Excellence Fund	4000220	13,716,415	15.6	14,291,518	9.8			14,291,518	9.9	14,291,518	10.0	14,291,518	10.0	14,291,518	10.0	14,291,518	10.0	14,291,518	10.0
Gen Rev Higher Ed Grants	4000258	39,404,868	44.9	39,917,466	27.3			48,369,752	33.7	48,189,752	33.6	48,189,752	33.6	48,369,752	33.8	48,189,752	33.7	48,189,752	33.7
Rainy Day Fund	4000267	0	0.0	2,000,000	1.4			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
HEG Fund Transfers/Adjust.	4000280	0	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Inter-agency Fund Transfer	4000316	436,996	0.5	885,096	0.6			798,228	0.6	798,228	0.6	798,228	0.6	798,228	0.6	798,228	0.6	798,228	0.6

Funding Sources			%		%		%		%		%		%		%
Intra-agency Fund Transfer	4000317	(2,000,000)	(2.3)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	795,403	0.9	54,512,702	37.3	54,512,702	37.9	54,512,702	38.0	54,512,702	38.0	54,512,702	38.1	54,512,702	38.1
Total Funds		87,843,273	100.0	146,102,610	100.0	143,701,726	100.0	143,521,726	100.0	143,521,726	100.0	143,033,154	100.0	142,983,470	100.0
Excess Appropriation/(Funding)		(18,144,993)		(10,233,447)		(2,165,293)		(3,661,709)		(3,661,709)		(1,784,893)		(3,626,625)	
Grand Total		69,698,280		135,869,163		141,536,433		139,860,017		139,860,017		141,248,261		139,356,845	

Variance in fund balance is due to unfunded appropriation in (156), (N60) and (HEG).

Analysis of Budget Request

Appropriation: 153 - General Operations

Funding Sources: HQA - Dept. of Higher Education - State

The Arkansas Department of Higher Education utilizes this appropriation to meet costs associated with general administrative functions tied to the specific mission of the Agency. This appropriation is primarily funded by general revenue payable from the Department of Higher Education Fund Account (HQA). Funding is also provided by the Arkansas Lottery Commission with proceeds from the Arkansas Scholarship Lottery for costs associated with the administration of the Arkansas Academic Challenge Scholarship.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Base Level Request is \$4,132,042 in FY18 and \$4,136,625 in FY19.

The Agency's Change Level Requests total (\$189,260) in appropriation and funding for FY18 and FY19, and includes the following:

- Regular Salaries and Personal Services Matching of (\$164,260) in FY18 and FY19 to eliminate three (3) positions: Two (2) DHE Program Specialists and one (1) Accounting Coordinator as part of the Agency's reorganization.
- Professional Fees of (\$60,000) each year due to a reduction of outside Information Technology and Data contracts.
- Capital Outlay restoration of \$35,000 each year for the purchase of IT equipment.

Subsequent to the Agency's initial Budget Request, the Office of Personnel Management and Agency personnel usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation. The Executive Recommendation provides for Agency Request plus a decrease of (\$130,316) in Regular Salaries and Personnel Services Matching for the reduction of two (2) C122 - DHE Program Specialists.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 153 - General Operations

Funding Sources: HQA - Dept. of Higher Education - State

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,835,374	2,430,874	2,430,874	2,192,808	2,094,840	2,094,840	2,194,208	2,096,240	2,096,240
#Positions		30	38	38	33	31	31	33	31	31
Extra Help	5010001	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
#Extra Help		0	6	8	6	6	6	6	6	6
Personal Services Matching	5010003	600,725	730,466	730,466	676,219	643,871	643,871	677,402	645,054	645,054
Operating Expenses	5020002	837,053	912,755	912,755	912,755	912,755	912,755	912,755	912,755	912,755
Conference & Travel Expenses	5050009	16,956	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	115,670	160,000	160,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	61,118	50,000	50,000	35,000	35,000	35,000	35,000	35,000	35,000
Total		3,466,896	4,312,095	4,312,095	3,944,782	3,814,466	3,814,466	3,947,365	3,817,049	3,817,049

Funding Sources										
Fund Balance	4000005	2,000,957	2,082,033		1,293,687	1,293,687	1,293,687	1,222,033	1,352,349	1,352,349
General Revenue	4000010	3,399,182	3,399,182		3,773,128	3,773,128	3,773,128	3,812,365	3,812,365	3,812,365
Merit Adjustment Fund	4000055	0	24,567		0	0	0	0	0	0
HEG Fund Transfers/Adjust.	4000280	100,000	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Other	4000370	48,790	0		0	0	0	0	0	0
Total Funding		5,548,929	5,605,782		5,166,815	5,166,815	5,166,815	5,134,398	5,264,714	5,264,714
Excess Appropriation/(Funding)		(2,082,033)	(1,293,687)		(1,222,033)	(1,352,349)	(1,352,349)	(1,187,033)	(1,447,665)	(1,447,665)
Grand Total		3,466,896	4,312,095		3,944,782	3,814,466	3,814,466	3,947,365	3,817,049	3,817,049

Analysis of Budget Request

Appropriation: 156 - Research Development Program Grants

Funding Sources: THD - Higher Education Research Development - Trust

The Arkansas Research Development Program provides grants to institutions of higher education for development of scientific research capability per Arkansas Code § 6-61-807. Funding for this program is required to be transferred from the Higher Education Building Maintenance Fund in accordance with Section 22 of Act 286 of 2010. Revenues in the Higher Education Building Maintenance Fund accumulate from the sale or lease of minerals, oil, gas, etc. on military and non-military federal lands located within the State of Arkansas.

The Base Level Request is \$500,000 each year of the 2017-2019 Biennium.

The Agency's Change Level Request is for appropriation of \$500,000 in FY18 and FY19, and includes the following:

- Grants and Aid of \$500,000 in FY18 and FY19 to cover the increased amount received in Mineral Lease Funds.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 156 - Research Development Program Grants

Funding Sources: THD - Higher Education Research Development - Trust

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	507,812	500,000	5,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total	507,812	500,000	5,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Funding Sources									
Trust Fund 4000050	507,812	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	507,812	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)	0	0		500,000	500,000	500,000	500,000	500,000	500,000
Grand Total	507,812	500,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Analysis of Budget Request

Appropriation: 160 - State Scholarship-Federal

Funding Sources: FCP - Dept. of Higher Education - Federal

This appropriation represents the federal share of the Workforce Improvement Grants Program, which is the State's only financial aid program based solely on financial need. The federal grant received is for Arkansas' participation in the "Leveraging Educational Assistance Partnership" (LEAP) Program. The goal is to help the non-traditional student (24 years old or older) returning to school who has financial need but may not be eligible for assistance from traditional state and federal programs. This appropriation is funded entirely from federal revenue received from the U.S. Department of Education.

The Base Level and total Agency Request is \$750,000 each year of the 2017-2019 Biennium.

The Agency's Change Level Request is (\$750,000) for FY18 and FY19, and includes the following:

- Grants and Aid of (\$750,000) in FY18 and FY19 due to the discontinuation of the Program.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 160 - State Scholarship-Federal

Funding Sources: FCP - Dept. of Higher Education - Federal

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	0	750,000	750,000	0	0	0	0	0	0
Total	0	750,000	750,000	0	0	0	0	0	0
Funding Sources									
Federal Revenue 4000020	0	750,000		0	0	0	0	0	0
Total Funding	0	750,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	750,000		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM

Analysis of Budget Request

Appropriation: 197 - Student Asst Grants/Scholarships

Funding Sources: HEG - Higher Education Grants

The Student Assistance Grants and Scholarships appropriation provides the Arkansas Department of Higher Education (ADHE) the authority to award the State's current and prospective college students with financial aid based upon academic performance and, in some programs, financial need. This appropriation is currently funded from a combination of general revenue, Higher Education Grants Fund balances, and Educational Excellence Trust Fund revenues, payable from the Higher Education Grants (HEG) Fund Account.

The Base Level Request is \$57,050,000 each year of the 2017-2019 Biennium.

The Agency's Change Level Request is for a reallocation of appropriation in FY18 and FY19, and includes the following:

- State Teacher Education Program of (\$500,000) to align scholarship appropriation with the number of eligible students.
- Washington Center Scholarships of \$40,000 to align scholarship appropriation with the number of eligible students.
- Dependent Scholarships (POW's MIA's, etc.) of \$1,000,000 to align scholarship appropriation with the number of eligible students.
- Dependents Law Enforcement, Officers, etc. of \$200,000 to align scholarship appropriation with the number of eligible students.
- Academic Challenge Scholarships of (\$3,690,000) to align scholarship appropriation with the number of eligible students.
- Arkansas Governor's Scholarship of \$3,800,000 to align scholarship appropriation with the number of eligible students.
- Web Based Applications of (\$850,000) to align scholarship appropriation with the number of eligible students.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 197 - Student Asst Grants/Scholarships

Funding Sources: HEG - Higher Education Grants

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	0	0	0	0	0	0	0	0	0
H E Opportunities Grant	5100004	5,611,553	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
National Guard Tuition Asst.	5100004	1,393,921	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Single Parent Scholarship Program	5100004	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
St Teacher Educ Prgm	5100004	1,154,383	2,000,000	2,000,000	1,500,000	2,000,000	2,000,000	1,500,000	2,000,000	2,000,000
Teacher Opportunity Program	5100004	1,499,888	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Workforce Improvement Grants	5100004	2,896,079	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
AR Geographical Critical Needs	5100030	97,500	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Dependents-Law Enf. Off, etc	5100030	272,536	400,000	400,000	600,000	400,000	400,000	600,000	400,000	400,000
Dependents-POW'S, MIA'S, etc.	5100030	768,505	450,000	450,000	1,450,000	450,000	450,000	1,450,000	450,000	450,000
SREB Minority Doctoral Scholars	5100030	200,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Washington Center Scholarships	5100030	110,000	100,000	100,000	140,000	100,000	100,000	140,000	100,000	100,000
Tuition Adjustment	5110014	0	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Academic Challenge	5900046	20,000,000	25,000,000	25,000,000	21,310,000	25,000,000	25,000,000	21,310,000	25,000,000	25,000,000
AR Governor's Scholar	5900047	14,676,871	15,200,000	15,200,000	19,000,000	15,200,000	15,200,000	19,000,000	15,200,000	15,200,000
SURF	5900048	145,670	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Web Based Applications	5900049	367,903	1,000,000	1,000,000	150,000	1,000,000	1,000,000	150,000	1,000,000	1,000,000
Total		49,369,809	57,050,000	57,050,000	57,050,000	57,050,000	57,050,000	57,050,000	57,050,000	57,050,000

Funding Sources										
Fund Balance	4000005	16,244,755	15,513,770		8,931,084	8,931,084	8,931,084	8,800,684	8,800,684	8,800,684
Educational Excellence Fund	4000220	13,716,415	14,291,518		14,291,518	14,291,518	14,291,518	14,291,518	14,291,518	14,291,518
Gen Rev Higher Ed Grants	4000258	34,275,796	34,275,796		42,728,082	42,728,082	42,728,082	42,728,082	42,728,082	42,728,082
Rainy Day Fund	4000267	0	2,000,000		0	0	0	0	0	0
HEG Fund Transfers/Adjust.	4000280	(100,000)	(100,000)		(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Other	4000370	746,613	0		0	0	0	0	0	0
Total Funding		64,883,579	65,981,084		65,850,684	65,850,684	65,850,684	65,720,284	65,720,284	65,720,284
Excess Appropriation/(Funding)		(15,513,770)	(8,931,084)		(8,800,684)	(8,800,684)	(8,800,684)	(8,670,284)	(8,670,284)	(8,670,284)
Grand Total		49,369,809	57,050,000		57,050,000	57,050,000	57,050,000	57,050,000	57,050,000	57,050,000

Analysis of Budget Request

Appropriation: 1GF - Improving Teacher Quality

Funding Sources: FCP - Dept. of Higher Education - Federal

The Arkansas Department of Higher Education's (ADHE) Improving Teacher Quality appropriation represents the State's 'No Child Left Behind' program. The goals of this appropriation stress the importance of preparing, training and recruiting high quality teachers and principals through competitive grants to institutions of higher education. Major emphasis is placed upon teacher quality as being a factor in improving student achievement. This program is federally funded through the U.S. Department of Education.

The Base Level is \$715,500 each year of the 2017-2019 Biennium.

The Agency's Change Level Requests total (\$209,500) in FY18 and (\$715,500) FY19, and include the following:

- Reallocation of \$2,000 from Grants and Aid to Operating Expenses in FY18 and FY19 to cover additional expenses relating to closing out the grant.
- Reallocation of \$1,500 from Grants and Aid to Travel and Conference in FY18 and FY19 to cover additional expenses relating to closing out the grant.
- Grants and Aid of (\$213,500) in FY18 and (\$713,000) FY19 due to a reduction in Federal Funding.
- Operating Expenses of (\$2,500) in FY19 due to a reduction in Federal Funding.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1GF - Improving Teacher Quality

Funding Sources: FCP - Dept. of Higher Education - Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	1,955	2,500	2,500	4,500	4,500	4,500	0	0	0
Conference & Travel Expenses	5050009	1,400	0	0	1,500	1,500	1,500	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	536,164	713,000	713,000	500,000	500,000	500,000	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		539,519	715,500	715,500	506,000	506,000	506,000	0	0	0
Funding Sources										
Federal Revenue	4000020	539,519	715,500		506,000	506,000	506,000	0	0	0
Total Funding		539,519	715,500		506,000	506,000	506,000	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		539,519	715,500		506,000	506,000	506,000	0	0	0

Analysis of Budget Request

Appropriation: 2XK - TANF

Funding Sources: FCP - Dept. of Higher Education - Federal

The Temporary Assistance to Needy Families (TANF) appropriation is a collaboration between the Arkansas Department of Higher Education (ADHE) and all twenty-two (22) two-year institutions of higher education. Known as the "Career Pathways" program, it provides educational and training services to recipients deemed eligible under the TANF Block Grant. ADHE works with the Arkansas Association of Two-Year Colleges (AATYC) to coordinate services to eligible recipients, and over 100,000 students have participated. The goal of this appropriation is to increase client self-sufficiency and job skills. This program is federally funded through the U.S. Department of Health and Human Services.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$7,153,869 each year of the biennium.

The Agency's Change Level Request is for a reduction of (\$1,593) in FY18 and FY19, and includes the following:

- Operating Expenses of (\$1,593) to align with prior authorized amount.
- Reallocation of \$10,000 from Operating Expenses to Conference and Travel. The reallocation allows for the Agency to cover costs for its TANF training for community colleges that have enrolled students who receive TANF.

The Executive Request provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2XK - TANF

Funding Sources: FCP - Dept. of Higher Education - Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	233,722	221,169	220,337	221,169	221,169	221,169	221,169	221,169	221,169
#Positions		3	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	66,612	64,630	64,630	65,391	65,391	65,391	65,391	65,391	65,391
Operating Expenses	5020002	37,451	46,698	56,698	45,105	45,105	45,105	45,105	45,105	45,105
Conference & Travel Expenses	5050009	3,898	10,000	0	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	5060010	13,550	14,784	14,784	14,784	14,784	14,784	14,784	14,784	14,784
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	6,777,357	6,793,551	6,793,551	6,793,551	6,793,551	6,793,551	6,793,551	6,793,551	6,793,551
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		7,132,590	7,150,832	7,150,000	7,150,000	7,150,000	7,150,000	7,150,000	7,150,000	7,150,000
Funding Sources										
Federal Revenue	4000020	7,132,590	7,150,832		7,150,000	7,150,000	7,150,000	7,150,000	7,150,000	7,150,000
Total Funding		7,132,590	7,150,832		7,150,000	7,150,000	7,150,000	7,150,000	7,150,000	7,150,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		7,132,590	7,150,832		7,150,000	7,150,000	7,150,000	7,150,000	7,150,000	7,150,000

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Budget exceeds Authorized Appropriation in Conference and Travel by authority of a Budget Classification Transfer.

Analysis of Budget Request

Appropriation: 58B - College Access Challenge Grant

Funding Sources: FCP - Dept. of Higher Education - Federal

The College Access Challenge Grant Program (CACGP) is designed to foster partnerships among federal, state, and local governments and philanthropic organizations through matching challenge grants that are aimed at increasing the number of low-income students who are prepared to enter and succeed in postsecondary education.

Projects funded by the CACGP are designed to: provide information to students and families regarding postsecondary education and career preparation; promote financial literacy and debt management; conduct outreach activities; assist students in completing the Free Application for Federal Student Financial Aid (FAFSA); provide need-based grant aid; conduct professional development for guidance counselors at middle and secondary schools, financial aid administrators, and college admissions counselors; and offer student loan cancellation or repayment or interest rate reductions for borrowers who are employed in a high-need geographical area or a high need profession.

This program is federally funded.

The Base Level Request is \$1,370,000 each year of the 2017-2019 Biennium.

The Change Level Requests total (\$670,000) each year of the biennium and are summarized as follows:

- Operating Expenses reduction of (\$629,000) each year due to a reduction in federal funding.
- Professional Fees of (\$41,000) each year due to a reduction in federal funding.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 58B - College Access Challenge Grant

Funding Sources: FCP - Dept. of Higher Education - Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	1,215,000	1,215,000	1,215,000	586,000	586,000	586,000	586,000	586,000	586,000
Conference & Travel Expenses	5050009	0	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Professional Fees	5060010	52,500	141,000	741,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	30,000	30,000	0	0	0	0	0	0
Total		1,267,500	1,400,000	2,000,000	700,000	700,000	700,000	700,000	700,000	700,000
Funding Sources										
Federal Revenue	4000020	1,267,500	1,400,000		700,000	700,000	700,000	700,000	700,000	700,000
Total Funding		1,267,500	1,400,000		700,000	700,000	700,000	700,000	700,000	700,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,267,500	1,400,000		700,000	700,000	700,000	700,000	700,000	700,000

Analysis of Budget Request

Appropriation: 59B - ADHE-Scholarship Admn

Funding Sources: HEG - Higher Education Grants

The Arkansas Department of Higher Education (ADHE) provides for the administration of the Arkansas Academic Challenge Scholarship program through Scholarship Administration appropriation. The Arkansas Lottery Commission provides funding for this appropriation with proceeds from the Arkansas Scholarship Lottery.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$1,000,205 each year of the 2017-2019 Biennium.

The Agency's Change Level Requests total (\$201,977) each year of the biennium and are as follows:

- Regular Salaries and Personal Services Matching of (\$116,977) in FY18 and FY19 due to the elimination of one (1) Executive Assistant to the Director (C118) and one (1) Accountant I (C116).
- Extra Help appropriation of (\$20,000) in FY18 and FY19 due to program restructuring.
- Professional Fees of (\$100,000) due to an elimination of an outside data reporting service. This allows the Agency to do this service in-house.
- Capital Outlay of \$35,000 in FY18 and FY19 to purchase database tools and hardware for the ADHE data warehouse.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 59B - ADHE-Scholarship Admn

Funding Sources: HEG - Higher Education Grants

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	228,065	333,320	330,320	360,316	360,316	360,316	360,316	360,316	360,316
#Positions		5	6	6	6	6	6	6	6	6
Extra Help	5010001	0	30,000	30,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help		0	9	9	9	9	9	9	9	9
Personal Services Matching	5010003	50,621	106,776	106,776	112,912	112,912	112,912	112,912	112,912	112,912
Operating Expenses	5020002	122,206	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	9,375	250,000	250,000	150,000	150,000	150,000	150,000	150,000	150,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	26,729	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Total		436,996	885,096	882,096	798,228	798,228	798,228	798,228	798,228	798,228
Funding Sources										
Inter-agency Fund Transfer	4000316	436,996	885,096		798,228	798,228	798,228	798,228	798,228	798,228
Total Funding		436,996	885,096		798,228	798,228	798,228	798,228	798,228	798,228
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		436,996	885,096		798,228	798,228	798,228	798,228	798,228	798,228

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 772 - Technical Education-Federal Programs

Funding Sources: FCP - Dept. of Higher Education - Federal

The Teacher Education-Federal Programs appropriation is designed to utilize federal funding awarded by the Carl D. Perkins Vocational and Technical Act. This Act focuses on the academic achievement of career and technical education students, strengthening the connections between secondary and postsecondary education, and improving state and local accountability.

The Arkansas Department of Career Education has been designated as the agency eligible to receive federal Perkins funds from the Office of Vocational and Adult Education in the U.S. Department of Education. Through a Memorandum of Understanding, the Arkansas Department of Career Education makes funds available to the Arkansas Department of Higher Education (ADHE) to administer the postsecondary portion of the Perkins Act.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$386,951 in FY18 and \$387,196 in FY19, and includes the following:

- Reallocation of \$25,500 from Professional Fees to Conference and Travel to allow sufficient appropriation for training expenses.

The Executive Recommendation provides for Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 772 - Technical Education-Federal Programs

Funding Sources: FCP - Dept. of Higher Education - Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	147,166	141,709	140,309	141,709	141,709	141,709	141,909	141,909	141,909
#Positions		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	42,424	41,608	41,608	42,291	42,291	42,291	42,336	42,336	42,336
Operating Expenses	5020002	105,777	77,251	77,251	77,251	77,251	77,251	77,251	77,251	77,251
Conference & Travel Expenses	5050009	9,383	15,200	15,200	40,700	40,700	40,700	40,700	40,700	40,700
Professional Fees	5060010	72,486	110,500	110,500	85,000	85,000	85,000	85,000	85,000	85,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		377,236	386,268	384,868	386,951	386,951	386,951	387,196	387,196	387,196
Funding Sources										
Federal Revenue	4000020	377,236	386,268		386,951	386,951	386,951	387,196	387,196	387,196
Total Funding		377,236	386,268		386,951	386,951	386,951	387,196	387,196	387,196
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		377,236	386,268		386,951	386,951	386,951	387,196	387,196	387,196

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 921 - Dept Higher Education - Cash in Treasury

Funding Sources: NHE - Cash in Treasury

This appropriation is for Cash Operations of The Arkansas Department of Higher Education (ADHE) as defined by Arkansas Code §19-4-801. This appropriation assists in the administration of grant awards related to the "Achieving the Dream", "Non-Traditional No More", and "College Goal Sunday" programs. "Achieving the Dream: Community Colleges Count" program receives private foundation funding to provide participating community colleges with resources to assist minority and low income students earn degrees and to facilitate transfers of credits to other institutions of higher education for continuing their studies. "Non-Traditional No More: Policy Solutions for Adult Learners" program is a Western Interstate Commission for Higher Education (WICHE) private foundation grant used to stimulate and guide policy changes to create a more navigable path to degree attainment for adults. "College Goal Sunday" uses funding provided via planning grant from the Lumina Foundation for Education, Inc. to provide low income families access to financial aid professionals and free assistance in completing the Free Application for Student Financial Aid (FAFSA), as well as helping those targeted students identify all financial aid available.

The Base Level Request is \$465,000 each year of the 2017-2019 Biennium.

The Agency's Change Level Request of (\$60,000) in FY18 and FY19, and includes the following:

- Operating Expenses of (\$28,000) in FY18 and FY19 due to a reduction in the Cash Fund Balance.
- Professional Fees of (\$32,000) in FY18 and FY19 due to a reduction in the Cash Fund Balance.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 921 - Dept Higher Education - Cash in Treasury

Funding Sources: NHE - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	8,230	290,000	878,070	262,000	262,000	262,000	262,000	262,000	262,000
Conference & Travel Expenses	5050009	13,663	30,000	60,620	30,000	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	18,300	95,000	551,310	63,000	63,000	63,000	63,000	63,000	63,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Scholarships	5100030	3,000	50,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000
Refunds/Reimbursements	5110014	0	0	5,000	0	0	0	0	0	0
Capital Outlay	5120011	0	0	100,000	0	0	0	0	0	0
Total		43,193	465,000	1,695,000	405,000	405,000	405,000	405,000	405,000	405,000
Funding Sources										
Fund Balance	4000005	2,000,745	440,514		0	0	0	0	0	0
Cash Fund	4000045	482,962	24,486		405,000	405,000	405,000	405,000	405,000	405,000
Intra-agency Fund Transfer	4000317	(2,000,000)	0		0	0	0	0	0	0
Total Funding		483,707	465,000		405,000	405,000	405,000	405,000	405,000	405,000
Excess Appropriation/(Funding)		(440,514)	0		0	0	0	0	0	0
Grand Total		43,193	465,000		405,000	405,000	405,000	405,000	405,000	405,000

Analysis of Budget Request

Appropriation: 97E - Complt Coll Amer Grt

Funding Sources: NHE - Cash in Treasury

This appropriation is for Cash Operations of The Arkansas Department of Higher Education (ADHE) for the operation of the Complete College America Grant. This grant will be used to enhance state efforts to boost college completion and close attainment gaps for traditionally underrepresented populations. Nine colleges and universities will participate in the initiative and will address transforming remediation and reducing time-to-degree and accelerating success.

The Base Level Request is \$100,000 each year of the 2017-2019 Biennium.

The Agency's Change Level Requests total (\$25,000) in FY18 and FY19, and includes the following:

- Operating Expenses of (\$25,000) in FY18 and FY19 each year due to the termination of the Grant.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 97E - Complt Coll Amer Grt

Funding Sources: NHE - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	0	100,000	100,000	75,000	75,000	75,000	75,000	75,000	75,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	100,000	100,000	75,000	75,000	75,000	75,000	75,000	75,000
Funding Sources										
Fund Balance	4000005	106,958	108,676		8,676	8,676	8,676	8,676	8,676	8,676
Cash Fund	4000045	1,718	0		75,000	75,000	75,000	75,000	75,000	75,000
Total Funding		108,676	108,676		83,676	83,676	83,676	83,676	83,676	83,676
Excess Appropriation/(Funding)		(108,676)	(8,676)		(8,676)	(8,676)	(8,676)	(8,676)	(8,676)	(8,676)
Grand Total		0	100,000		75,000	75,000	75,000	75,000	75,000	75,000

Analysis of Budget Request

Appropriation: F91 - Outcome-Cent Funding

Funding Sources: HQA- Outcome Center Funding- Higher Education Grants Fund Account

Act 1203 of 2011 repealed Arkansas Code §6-61-223 and amended §6-61-224, §6-61-228, §6-61-229, and §6-61-230. The act directs the Department of Higher Education to develop an outcome-centered component of the funding formula for colleges and universities by December 31, 2011. Beginning in 2013-14 the funding recommendations will be based on the need component of student enrollment and the output components of student success and other performance measures. The proportion of the funding recommendation will begin with five percent based on outcome-centered measures, increasing by five percent each year to reach 25 percent in 2017-18. The Director and staff at the Department of Higher Education worked with the presidents, chancellors and key staff at the universities and colleges, along with the Executive Director and key staff at the Arkansas Association of Two-Year Colleges, to develop the university and college performance measures.

Funds are payable from the Higher Education Fund Account.

The Base Level Request is \$54,198,524 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: F91 - Outcome-Cent Funding

Funding Sources: HQA- Outcome Center Funding- Higher Education Grants Fund Account

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Outcome-Centered Awards - Univer.5900046	0	40,320,284	40,320,284	40,320,284	40,320,284	40,320,284	40,320,284	40,320,284	40,320,284
Outcome-Centered Awards - Collegr.5900047	0	14,192,418	14,192,418	14,192,418	14,192,418	14,192,418	14,192,418	14,192,418	14,192,418
Total	0	54,512,702	54,512,702	54,512,702	54,512,702	54,512,702	54,512,702	54,512,702	54,512,702

Funding Sources									
Other	4000370	0	54,512,702		54,512,702	54,512,702	54,512,702	54,512,702	54,512,702
Total Funding		0	54,512,702		54,512,702	54,512,702	54,512,702	54,512,702	54,512,702
Excess Appropriation/(Funding)		0	0		0	0	0	0	0
Grand Total		0	54,512,702		54,512,702	54,512,702	54,512,702	54,512,702	54,512,702

Analysis of Budget Request

Appropriation: HEG - Health Education Grants & Loans

Funding Sources: HEG - Higher Education Grants

The Health Professions Financial Assistance Program of the Arkansas Department of Higher Education (ADHE) is responsible for developing rules and regulations for the Arkansas Health Education Grants (ARHEG) Program. ARHEG provides Arkansas residents financial assistance to attend certain out-of-state health and medical professional schools for graduate or professional programs not available in Arkansas. Education programs not offered in Arkansas are facilitated through contractual arrangements negotiated through the Southern Regional Education Board (SREB), of which Arkansas is a member. The State also contracts directly with out-of-state institutions for additional spaces or student slots at Non-SREB institutions. Such assistance is typically amounts sufficient to help offset the difference in the resident and non-resident tuition fees at participating institutions. Assistance is currently available for attendance at any accredited school of dentistry, veterinary medicine, optometry, osteopathy medicine, podiatric and chiropractic medicine. ARHEG is funded by general revenue payable from the Higher Education Grants (HEG) Fund.

The Base Level is \$5,641,670 each year of the 2017-2019 Biennium.

The Agency's Change Level Request is \$1,386,100 for FY18 and \$1,581,100 for FY19, and includes the following.

- Dental Grants and Aid of \$866,100 in FY18 and \$966,100 in FY19 to cover the increased cost of slot fees between the Arkansas Department of Higher Education and the Southern Regional Education Board (SERB). The SERB provides a certain number of slots which allows Arkansas students to attend professional schools not provided by the State of Arkansas.
- Optometry Grants and Aid of \$115,000 in FY18 and \$125,000 in FY19 to cover the increased cost of slot fees between the Arkansas Department of Higher Education and the Southern Regional Education Board (SERB). The SERB provides a certain number of slots which allows Arkansas students to attend professional schools not provided by the State of Arkansas.
- Veterinary Grants and Aid of \$500,000 in FY18 and \$600,000 in FY19 to cover the increased cost of slot fees between the Arkansas Department of Higher Education and the Southern Regional Education Board (SERB). The SERB provides a certain number of slots which allows Arkansas students to attend professional schools not provided by the State of Arkansas.
- Chiropractic Grants and Aid request to remain at their Base Level amount of \$260,000 for FY18 and FY19.
- Osteopathic Grants and Aid of (\$180,000) in FY18 and FY19 to decrease the amounts of appropriation due to the State of Arkansas now having an Osteopathic Medicine program.

Podiatry Grants and Aid of \$65,000 in FY18 and \$70,000 in FY19 to cover the increased cost of slot fees between the Arkansas Department of Higher Education and the Southern Regional Education Board (SERB). The SERB provides a certain number of slots which allows Arkansas students to attend professional schools not provided by the State of Arkansas.

The Executive Recommendation provides for Base Level with the exception of Appropriation 773 - Osteopathic Grants and Aid, in which the Executive Recommendation provides for Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: HEG - Health Education Grants & Loans

Funding Sources: HEG - Higher Education Grants

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Chiropractic Aid	5100004	98,749	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000
Dental Aid Grants	5100004	2,292,600	2,133,900	2,133,900	3,000,000	2,133,900	2,133,900	3,100,000	2,133,900	2,133,900
Optometry Aid Grants	5100004	417,500	410,000	410,000	525,000	410,000	410,000	535,000	410,000	410,000
Osteopathy Aid	5100004	36,700	230,000	230,000	50,000	50,000	50,000	50,000	50,000	50,000
Podiatry Aid	5100004	45,200	130,400	130,400	195,400	130,400	130,400	200,400	130,400	130,400
Veterinary Aid	5100004	1,258,148	1,100,000	1,100,000	1,600,000	1,100,000	1,100,000	1,700,000	1,100,000	1,100,000
Dental Aid Loans	5120029	895,175	987,370	987,370	987,370	987,370	987,370	987,370	987,370	987,370
Optometry Aid Loans	5120029	85,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Veterinary Aid Loans	5120029	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total		5,129,072	5,641,670	5,641,670	7,007,770	5,461,670	5,461,670	7,222,770	5,461,670	5,461,670

Funding Sources										
Gen Rev Higher Ed Grants	4000258	5,129,072	5,641,670		5,641,670	5,461,670	5,461,670	5,641,670	5,461,670	5,461,670
Total Funding		5,129,072	5,641,670		5,641,670	5,461,670	5,461,670	5,641,670	5,461,670	5,461,670
Excess Appropriation/(Funding)		0	0		1,366,100	0	0	1,581,100	0	0
Grand Total		5,129,072	5,641,670		7,007,770	5,461,670	5,461,670	7,222,770	5,461,670	5,461,670

Analysis of Budget Request

Appropriation: N60 - WF Initiative Act of 2015

Funding Sources: MIF - WF Initiative

The Workforce Initiative Act of 2015 appropriation provides the Arkansas Department of Higher Education the authority to award planning and implementation grants to Arkansas' K-12 and baccalaureate schools. Grantees use these funds to create a partnership between themselves and regional employers with the intention that the student can utilize the program to enter the workforce after completion. Funding for The Workforce Initiative Act of 2015 comes from General Revenue.

The Base Level Request is \$2,000,000 each year of the 2017-2019 Biennium.

The Change Level Requests total \$6,000,000 in FY18 and FY19, with no additional general revenue funding and includes the following:

- Grants and Aid of \$6,000,000 in FY18 and FY19 to restore appropriation back to its authorized level.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: N60 - WF Initiative Act of 2015

Funding Sources: MIF - WF Initiative

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
WF Initiative	5900046	1,427,657	2,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Total		1,427,657	2,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000

Funding Sources										
General Revenue	4000010	1,427,657	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Funding		1,427,657	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Excess Appropriation/(Funding)		0	0		6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Grand Total		1,427,657	2,000,000		8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000

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Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
147 Special Olympics	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0
193 State Operations	20,369,942	0	20,649,934	0	27,066,913	0	27,066,913	0	20,649,934	0	20,649,934	0	27,066,913	0	20,649,934	0	20,649,934	0
196 Community Mental Health Centers	7,100,805	0	7,005,603	0	8,780,603	0	8,780,603	0	7,005,603	0	7,005,603	0	8,780,603	0	7,005,603	0	7,005,603	0
1DE Various Building Construction	4,543,096	0	10,729,539	0	11,119,780	0	12,232,687	0	12,232,687	0	12,232,687	0	11,623,203	0	11,623,203	0	11,623,203	0
1EN Community Alcohol Safety	2,510,544	0	2,319,147	0	4,094,167	0	4,061,509	0	4,061,509	0	4,061,509	0	4,061,509	0	4,061,509	0	4,061,509	0
1ET Alcohol & Drug Abuse Prevention	17,341,051	0	20,770,069	0	21,770,069	0	24,270,069	0	24,270,069	0	24,270,069	0	24,270,069	0	24,270,069	0	24,270,069	0
2MN Mental Health Grants	6,665,429	0	7,342,148	0	9,789,616	0	9,789,616	0	9,789,616	0	9,789,616	0	9,789,616	0	9,789,616	0	9,789,616	0
2QZ Community Based Sanctions	2,480,444	0	2,480,444	0	2,550,000	0	3,812,000	0	2,480,444	0	2,480,444	0	3,812,000	0	2,480,444	0	2,480,444	0
2RA Juvenile Account Incentive Block Grant	279,932	0	212,021	0	1,671,520	0	712,021	0	712,021	0	712,021	0	712,021	0	712,021	0	712,021	0
2RB Community Services	15,774,620	0	14,154,434	0	20,150,017	0	18,971,100	0	16,971,100	0	16,971,100	0	18,971,100	0	16,971,100	0	16,971,100	0
2RC Federal Child & Youth Service Grants	4,145,454	0	4,371,921	0	6,262,546	0	6,262,546	0	4,371,921	0	4,371,921	0	6,262,546	0	4,371,921	0	4,371,921	0
2YH Residential Services	25,447,380	0	27,612,244	0	29,291,690	0	33,694,172	0	27,612,244	0	27,612,244	0	33,694,172	0	27,612,244	0	27,612,244	0
320 Child Care Development-Discretionary	30,149,634	0	24,950,000	0	35,469,372	0	42,450,000	0	42,450,000	0	42,450,000	0	42,450,000	0	42,450,000	0	42,450,000	0
396 Cty-Aid To Aged, Blind, Disabled	0	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0
397 Children's Medical Services	1,492,740	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0
408 Children's Medical Services-Federal	663,061	0	1,144,083	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0
410 Cty-Emergency Food Program	723,947	0	729,295	0	729,295	0	729,295	0	729,295	0	729,295	0	729,295	0	729,295	0	729,295	0
411 Cty-Low Income Energy Assistance Prgm	24,267,200	0	28,000,000	0	29,470,000	0	28,000,000	0	28,000,000	0	28,000,000	0	28,000,000	0	28,000,000	0	28,000,000	0
412 Cty-Refugee Resettlement Program	648	0	12,000	0	24,000	0	122,160	0	12,000	0	12,000	0	122,160	0	12,000	0	12,000	0
414 Consolidated Cost	720,367	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0
418 Meals on Wheels	2,061,889	0	2,400,000	0	2,400,000	0	2,500,000	0	2,400,000	0	2,400,000	0	2,500,000	0	2,400,000	0	2,400,000	0
426 Cty-Homeless Assistance Grant	1,563,076	0	2,638,091	0	2,638,091	0	2,638,091	0	2,638,091	0	2,638,091	0	2,638,091	0	2,638,091	0	2,638,091	0
4KS Nursing Home Quality	842,556	0	1,500,000	0	1,500,000	0	1,500,000	0	1,000,000	0	1,000,000	0	1,500,000	0	1,000,000	0	1,000,000	0
52H DAS-Variou Departmentwide Projects	98,623	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
59H Hunger Coalition	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0
59J Autism Treat/Coord	0	0	273,974	0	273,974	0	273,974	0	273,974	0	273,974	0	273,974	0	273,974	0	273,974	0
642 Medicaid Expansion-Medical Srvs	50,889	1	69,083	1	113,521	2	117,596	2	114,142	2	114,142	2	117,769	2	114,142	2	114,142	2
642 Medicaid Expansion-County Ops	2,602,109	60	2,816,195	60	2,885,980	60	2,825,998	60	2,825,998	60	2,825,998	60	2,828,468	60	2,828,468	60	2,828,468	60
648 Medicaid Exp-Prescription Drugs	4,009,744	0	4,553,782	0	4,553,782	0	4,781,471	0	4,553,782	0	4,553,782	0	5,020,545	0	4,553,782	0	4,553,782	0
648 Medicaid Exp-Hospital & Medical Services	13,640,024	0	42,510,440	0	62,510,440	0	49,635,962	0	42,510,440	0	42,510,440	0	49,742,238	0	42,510,440	0	42,510,440	0
653 DDS-State Operations	3,295,783	0	5,054,325	0	6,819,242	0	6,819,242	0	5,054,325	0	5,054,325	0	6,819,242	0	5,054,325	0	5,054,325	0
655 Acute Mental Health Services-Per Capita	503,188	0	503,188	0	3,875,080	0	3,875,080	0	503,188	0	503,188	0	3,875,080	0	503,188	0	503,188	0
657 Community Programs	9,500	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0

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Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
658 Grants to Community Providers	15,742,660	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0
876 Nursing Home Closure Costs	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
878 Long Term Care Facility Receivership	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
882 State Residential Treatment	1,828,922	0	8,591,656	0	10,860,055	0	13,862,656	0	13,862,656	0	13,862,656	0	13,953,656	0	13,953,656	0	13,953,656	0
883 Foster Care	37,199,052	0	31,863,982	0	34,689,983	0	44,911,982	0	44,911,982	0	44,911,982	0	48,736,982	0	48,736,982	0	48,736,982	0
890 Food Program	70,149,779	0	80,291,250	0	80,291,250	0	80,291,250	0	80,291,250	0	80,291,250	0	80,291,250	0	80,291,250	0	80,291,250	0
896 Director's Office	931,463	7	1,307,664	7	1,307,664	7	1,280,034	6	1,280,034	6	1,280,034	6	1,280,466	6	1,280,466	6	1,280,466	6
896 DHS-Admin Paying Account	0	0	0	0	0	0	450,443	6	450,443	6	450,443	6	450,443	6	450,443	6	450,443	6
896 Office of Chief Counsel	11,573,344	183	12,326,131	183	12,789,916	187	11,858,546	172	11,858,546	172	11,957,473	173	11,862,869	172	11,862,869	172	11,961,796	173
896 Division of Aging & Adult Services	18,432,609	305	19,084,327	287	20,973,981	310	20,345,025	302	19,234,025	302	19,173,746	300	20,357,743	302	19,246,743	302	19,186,464	300
896 Division of Children & Family Services	75,264,496	1,109	73,688,109	1,040	85,375,440	1,127	87,313,992	1,225	87,272,833	1,224	87,313,992	1,225	93,319,037	1,292	93,277,878	1,291	93,319,037	1,292
896 Division of Child Care/Early Childhood	18,559,247	204	21,469,725	190	23,850,642	206	21,655,698	190	21,619,221	190	21,557,683	188	21,658,372	190	21,623,295	190	21,561,757	188
896 Division of Behavioral Health Services	92,428,369	1,113	94,055,812	1,066	104,039,440	1,167	104,333,404	1,140	96,337,912	1,140	95,546,282	1,114	104,360,727	1,140	96,365,235	1,140	95,573,605	1,114
896 Division of Medical Services	26,396,922	331	27,782,170	326	34,124,888	330	30,812,832	270	24,313,591	270	24,131,487	263	32,279,182	270	24,321,377	270	24,139,273	263
896 Division of County Operations	114,507,100	1,779	117,353,382	1,728	123,099,006	1,782	124,650,774	1,777	119,459,268	1,777	119,406,612	1,776	124,040,294	1,777	119,536,804	1,777	119,484,148	1,776
896 Division of Administrative Services	28,032,278	279	29,077,013	251	31,728,475	311	34,666,934	311	34,666,934	311	33,970,223	290	34,689,005	311	34,689,005	311	33,992,295	290
896 DHS-Admin Paying Account	0	0	0	0	0	0	3,574,889	61	3,574,889	61	3,574,889	61	3,577,357	61	3,577,357	61	3,577,357	61
896 DHS-Admin Paying Account	0	0	0	0	0	0	4,769,353	67	4,769,353	67	4,769,353	67	4,771,513	67	4,771,513	67	4,771,513	67
896 DHS-Admin Paying Account	0	0	0	0	0	0	3,857,467	73	3,857,467	73	3,829,147	72	3,858,209	73	3,858,209	73	3,829,888	72
896 Division of Developmental Disabilities Svcs	137,559,521	2,643	140,895,805	2,454	156,513,293	2,708	153,430,475	2,669	153,227,474	2,669	152,186,903	2,630	153,509,296	2,669	153,306,295	2,669	152,265,724	2,630
896 Division of Services for the Blind	4,787,360	75	6,655,954	82	6,707,870	76	7,206,717	82	7,206,717	82	7,178,695	81	7,209,555	82	7,209,555	82	7,181,533	81
896 Community Svcs/Non-Profit Support	1,264,902	22	1,416,122	25	1,423,572	25	2,573,072	34	2,573,072	34	2,306,378	30	2,574,801	34	2,574,801	34	2,308,107	30
896 DHS-Admin Paying Account	0	0	340,135	0	340,135	0	0	0	0	0	0	0	0	0	0	0	0	0
896 Division of Youth Services	6,442,880	89	8,009,946	91	10,099,188	91	8,091,677	66	6,575,631	66	6,520,865	65	8,093,406	66	6,577,360	66	6,522,594	65
897 ARKIDS B Program	79,719,476	0	132,222,020	0	147,323,782	0	153,833,121	0	132,222,020	0	132,222,020	0	160,774,777	0	132,222,020	0	132,222,020	0
897 Hospital & Medical Services	5,101,914,119	0	5,585,140,144	0	6,689,382,816	0	6,660,893,014	0	6,660,893,014	0	6,660,893,014	0	7,019,281,760	0	7,019,281,760	0	7,019,281,760	0
897 Prescription Drugs	451,546,473	0	477,143,960	0	517,370,558	0	557,701,197	0	517,701,197	0	517,701,197	0	601,705,798	0	561,705,798	0	561,705,798	0
897 Private Nursing Home Care	656,024,021	0	683,113,654	0	724,218,533	0	713,607,064	0	703,607,064	0	703,607,064	0	734,715,275	0	724,715,275	0	724,715,275	0
897 TANF Block Grant	8,703,431	0	14,637,000	0	18,277,650	0	18,277,650	0	14,637,000	0	14,637,000	0	18,277,650	0	14,637,000	0	14,637,000	0
898 AmeriCorps Grants	1,842,764	0	2,510,704	0	2,510,704	0	2,510,704	0	2,510,704	0	2,510,704	0	2,510,704	0	2,510,704	0	2,510,704	0
898 Child & Family Life Inst	0	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
898 Child Care Grant/Aids	32,736,783	0	45,173,527	0	40,130,656	0	54,947,179	0	54,947,179	0	54,947,179	0	54,947,179	0	54,947,179	0	54,947,179	0
898 Community Based Care	0	0	0	0	180,000	0	0	0	0	0	0	0	0	0	0	0	0	0

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Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019							
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	
898 Community Svcs. Block Grant	8,635,043	0	9,783,146	0	9,783,146	0	9,783,146	0	9,783,146	0	9,783,146	0	9,783,146	0	9,783,146	0	9,783,146	0	9,783,146
898 Infant Infirmary	27,794,285	0	27,098,423	0	32,098,423	0	33,453,344	0	28,453,344	0	28,453,344	0	34,876,011	0	29,876,011	0	29,876,011	0	29,876,011
898 Nursing Home Care Alternatives	4,724,450	0	4,807,525	0	7,287,525	0	6,807,525	0	4,807,525	0	4,807,525	0	6,807,525	0	4,807,525	0	4,807,525	0	4,807,525
898 Nutrition Program	8,533,082	0	11,630,080	0	13,535,285	0	12,630,080	0	11,630,080	0	11,630,080	0	12,630,080	0	11,630,080	0	11,630,080	0	11,630,080
898 Older Worker Program Grants	1,049,184	0	1,052,665	0	1,552,665	0	1,552,665	0	1,052,665	0	1,052,665	0	1,552,665	0	1,052,665	0	1,052,665	0	1,052,665
898 Project Grants	9,436,094	0	10,367,702	0	12,794,305	0	12,367,702	0	10,367,702	0	10,367,702	0	12,367,702	0	10,367,702	0	10,367,702	0	10,367,702
898 Public Nursing Home Care	189,026,009	0	205,112,018	0	264,136,947	0	261,265,379	0	211,265,379	0	211,265,379	0	267,603,340	0	217,603,340	0	217,603,340	0	217,603,340
898 Purchase of Services	3,981,703	0	5,819,977	0	5,019,977	0	5,819,977	0	5,019,977	0	5,019,977	0	5,819,977	0	5,019,977	0	5,019,977	0	5,019,977
898 Retired & Sr Volunteer Program	68,108	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000
898 Social Svcs Blk Grant-Fed	0	0	129,084	0	129,084	0	129,084	0	129,084	0	129,084	0	129,084	0	129,084	0	129,084	0	129,084
898 Sr Citizen Centers	3,987,616	0	4,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000
898 Supplemental Nutrition Assist(SNAP)	157,325	0	343,235	0	343,235	0	4,324,080	0	343,235	0	343,235	0	4,523,722	0	343,235	0	343,235	0	343,235
898 TANF/Foster Care	58,945,633	0	56,120,193	0	60,230,751	0	76,181,879	0	76,181,879	0	76,181,879	0	85,817,193	0	85,817,193	0	85,817,193	0	85,817,193
929 Child Care-Treasury Paying	0	0	36,786	0	120,863	0	36,786	0	36,786	0	36,786	0	36,786	0	36,786	0	36,786	0	36,786
930 Cty-Commodity Distrib & Salvage Container	6,007	0	139,676	0	291,300	0	139,676	0	139,676	0	139,676	0	139,676	0	139,676	0	139,676	0	139,676
935 Community Srv/Non-Profit Support -- Cash in Tr	735	0	11,030	0	12,000	0	11,030	0	11,030	0	11,030	0	11,030	0	11,030	0	11,030	0	11,030
938 Patient Benefits-Cash in Treasury	25,746	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000
978 Senior Olympics	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000
982 Inter-Divisional Programs	46,536	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644
C99 Client Specific Emergency Services-Cash	0	0	111,600	0	111,600	0	111,600	0	111,600	0	111,600	0	111,600	0	111,600	0	111,600	0	111,600
NOT REQUESTED FOR THE BIENNIUM																			
1DK Cty-Shelter Plus Care Program	1,680,985	0	0	0	2,008,800	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35M Ms. Senior Pageant	0	0	0	0	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
937 Canteen -- Cash in Treasury	0	0	0	0	349,048	0	0	0	0	0	0	0	0	0	0	0	0	0	0
F71 DBH Juv. Drug Courts	0	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	7,506,284,068	8,200	8,207,764,641	7,791	9,612,439,703	8,389	9,670,938,761	8,513	9,475,112,521	8,512	9,471,989,316	8,409	10,129,653,011	8,580	9,925,570,802	8,579	9,922,447,597	8,476	

Funding Sources		%		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	11,111,563	0.1	10,314,875	0.1		10,314,875	0.1	10,314,875	0.1	10,314,875	0.1	8,811,727	0.1	8,811,727	0.1	8,811,727	0.1	8,811,727	0.1
General Revenue	4000010	1,397,882,956	18.4	1,495,773,531	18.0		1,719,165,678	19.5	1,604,131,455	18.3	1,604,131,455	18.4	1,842,692,204	19.9	1,768,809,253	19.3	1,768,809,253	19.3	1,768,809,253	19.3
Federal Revenue	4000020	5,548,425,875	73.0	6,061,067,505	72.9		6,423,607,969	73.0	6,413,883,531	73.4	6,413,851,541	73.4	6,751,651,193	73.0	6,733,417,709	73.4	6,733,385,719	73.4	6,733,385,719	73.4
Special Revenue	4000030	4,135,935	0.1	5,028,522	0.1		5,028,609	0.1	5,028,609	0.1	5,028,609	0.1	5,028,609	0.1	5,028,609	0.1	5,028,609	0.1	5,028,609	0.1
Cash Fund	4000045	32,488	0.0	374,092	0.0		374,092	0.0	374,092	0.0	374,092	0.0	374,092	0.0	374,092	0.0	374,092	0.0	374,092	0.0

Funding Sources		%		%		%		%		%		%		%		%	
Trust Fund	4000050	48,336,671	0.6	44,543,768	0.5	44,543,768	0.5	44,043,768	0.5	44,043,768	0.5	44,543,768	0.5	44,043,768	0.5	44,043,768	0.5
Merit Adjustment Fund	4000055	0	0.0	824,775	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Drug Rebates	4000200	52,022,896	0.7	40,859,589	0.5	40,859,589	0.5	40,859,589	0.5	40,859,589	0.5	40,859,589	0.4	40,859,589	0.4	40,859,589	0.4
General Improvement Fund	4000265	0	0.0	0	0.0	0	0.0	70,000,000	0.8	70,000,000	0.8	0	0.0	20,000,000	0.2	20,000,000	0.2
Hospital Assessment Fee	4000281	65,547,399	0.9	77,000,000	0.9	77,000,000	0.9	77,000,000	0.9	77,000,000	0.9	77,000,000	0.8	77,000,000	0.8	77,000,000	0.8
ICF/MR Provider Fee	4000282	6,547,648	0.1	10,870,062	0.1	10,870,062	0.1	10,870,062	0.1	10,870,062	0.1	10,870,062	0.1	10,870,062	0.1	10,870,062	0.1
Quality Assurance Fee	4000395	85,783,680	1.1	69,889,227	0.8	69,889,227	0.8	69,889,227	0.8	69,889,227	0.8	69,889,227	0.8	69,889,227	0.8	69,889,227	0.8
Reimbursement	4000425	8,102,360	0.1	14,554,539	0.2	14,554,539	0.2	14,554,539	0.2	14,554,539	0.2	14,554,539	0.2	14,554,539	0.2	14,554,539	0.2
State Administration of Justice	4000470	1,286,217	0.0	1,472,464	0.0	1,472,464	0.0	1,472,464	0.0	1,472,464	0.0	1,472,464	0.0	1,472,464	0.0	1,472,464	0.0
Tobacco Settlement	4000495	9,378,406	0.1	29,624,008	0.4	29,940,669	0.3	29,630,737	0.3	29,630,737	0.3	30,177,649	0.3	29,632,059	0.3	29,632,059	0.3
Transfer from Medicaid Match	4000550	4,329,645	0.1	13,764,573	0.2	13,764,573	0.2	13,764,573	0.2	13,764,573	0.2	13,764,573	0.1	13,764,573	0.1	13,764,573	0.1
Transfer to Ar Pub Defender	4000603	(96,796)	0.0	(240,000)	0.0	(240,000)	0.0	(240,000)	0.0	(240,000)	0.0	(240,000)	0.0	(240,000)	0.0	(240,000)	0.0
Transfer to DFA Disbursing	4000610	(400,000)	0.0	(400,000)	0.0	(400,000)	0.0	(400,000)	0.0	(400,000)	0.0	(400,000)	0.0	(400,000)	0.0	(400,000)	0.0
Transfer to Medicaid Match	4000660	(13,305,374)	(0.2)	(12,901,425)	(0.2)	(12,868,843)	(0.1)	(12,868,843)	(0.1)	(12,868,843)	(0.1)	(12,868,843)	(0.1)	(12,868,843)	(0.1)	(12,868,843)	(0.1)
Transfer to State Police	4000675	(1,268,671)	0.0	(1,674,208)	0.0	(1,674,208)	0.0	(1,674,208)	0.0	(1,674,208)	0.0	(1,674,208)	0.0	(1,674,208)	0.0	(1,674,208)	0.0
Various Program Support	4000730	374,024,294	4.9	448,225,967	5.4	351,318,415	4.0	351,318,415	4.0	351,099,260	4.0	356,218,496	3.8	356,218,496	3.9	355,999,341	3.9
Total Funds		7,601,877,192	100.0	8,308,971,864	100.0	8,797,521,478	100.0	8,741,952,885	100.0	8,741,701,740	100.0	9,252,725,141	100.0	9,179,563,116	100.0	9,179,311,971	100.0
Excess Appropriation/(Funding)		(95,593,124)		(101,207,223)		873,417,283		733,159,636		730,287,576		876,927,870		746,007,686		743,135,626	
Grand Total		7,506,284,068		8,207,764,641		9,670,938,761		9,475,112,521		9,471,989,316		10,129,653,011		9,925,570,802		9,922,447,597	

Budget exceeds Authorized in Child Care Grant/Aids (FC 898) due to a transfer from the Miscellaneous Federal Grant Holding Account. Budget exceeds Authorized in Purchase of Services (FC 898) due to a transfer from the Miscellaneous Federal Grant Holding Account.

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
1DE Various Building Construction	4,543,096	0	10,729,539	0	11,119,780	0	12,232,687	0	12,232,687	0	12,232,687	0	11,623,203	0	11,623,203	0	11,623,203	0
414 Consolidated Cost	720,367	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0	821,500	0
896 Director's Office	931,463	7	1,307,664	7	1,307,664	7	1,280,034	6	1,280,034	6	1,280,034	6	1,280,466	6	1,280,466	6	1,280,466	6
896 DHS-Admin Paying Account	0	0	0	0	0	0	450,443	6	450,443	6	450,443	6	450,443	6	450,443	6	450,443	6
896 Office of Chief Counsel	11,573,344	183	12,326,131	183	12,789,916	187	11,858,546	172	11,858,546	172	11,957,473	173	11,862,869	172	11,862,869	172	11,961,796	173
896 Division of Administrative Services	28,032,278	279	29,077,013	251	31,728,475	311	34,666,934	311	34,666,934	311	33,970,223	290	34,689,005	311	34,689,005	311	33,992,295	290
896 DHS-Admin Paying Account	0	0	0	0	0	0	3,574,889	61	3,574,889	61	3,574,889	61	3,577,357	61	3,577,357	61	3,577,357	61
896 DHS-Admin Paying Account	0	0	0	0	0	0	4,769,353	67	4,769,353	67	4,769,353	67	4,771,513	67	4,771,513	67	4,771,513	67
896 DHS-Admin Paying Account	0	0	0	0	0	0	3,857,467	73	3,857,467	73	3,829,147	72	3,858,209	73	3,858,209	73	3,829,888	72
896 Community Svcs/Non-Profit Support	1,264,902	22	1,416,122	25	1,423,572	25	2,573,072	34	2,573,072	34	2,306,378	30	2,574,801	34	2,574,801	34	2,308,107	30
896 DHS-Admin Paying Account	0	0	340,135	0	340,135	0	0	0	0	0	0	0	0	0	0	0	0	0
898 AmeriCorps Grants	1,842,764	0	2,510,704	0	2,510,704	0	2,510,704	0	2,510,704	0	2,510,704	0	2,510,704	0	2,510,704	0	2,510,704	0
898 Social Svcs Blk Grant-Fed	0	0	129,084	0	129,084	0	129,084	0	129,084	0	129,084	0	129,084	0	129,084	0	129,084	0
935 Community Srv/Non-Profit Support - Cash in Tr	735	0	11,030	0	12,000	0	11,030	0	11,030	0	11,030	0	11,030	0	11,030	0	11,030	0
C99 Client Specific Emergency Services-Cash	0	0	111,600	0	111,600	0	111,600	0	111,600	0	111,600	0	111,600	0	111,600	0	111,600	0
Total	48,908,949	490	58,780,522	466	62,294,430	530	78,847,343	730	78,847,343	730	77,954,545	705	78,271,784	730	78,271,784	730	77,378,986	705

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	11,111,563	18.8	10,314,875	14.9	10,314,875	12.3	10,314,875	12.6	10,314,875	12.6	8,811,727	10.7	8,811,727	10.9	8,811,727	10.9	
General Revenue	4000010	16,197,922	27.4	16,136,255	23.4	22,658,558	27.1	20,993,608	25.6	20,993,608	25.6	22,663,441	27.5	20,998,613	26.0	20,998,613	26.0	
Federal Revenue	4000020	16,973,899	28.7	21,180,290	30.7	24,805,938	29.6	24,805,938	30.2	24,805,938	30.2	24,831,983	30.2	24,831,983	30.8	24,831,983	30.8	
Cash Fund	4000045	735	0.0	122,630	0.2	122,630	0.1	122,630	0.1	122,630	0.1	122,630	0.1	122,630	0.2	122,630	0.2	
Merit Adjustment Fund	4000055	0	0.0	85,430	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Reimbursement	4000425	3,746,408	6.3	10,729,539	15.5	10,729,539	12.8	10,729,539	13.1	10,729,539	13.1	10,729,539	13.0	10,729,539	13.3	10,729,539	13.3	
Various Program Support	4000730	11,193,297	18.9	10,526,378	15.2	15,124,600	18.1	15,124,600	18.4	15,124,600	18.4	15,127,597	18.4	15,127,597	18.8	15,127,597	18.8	
Total Funds		59,223,824	100.0	69,095,397	100.0	83,756,140	100.0	82,091,190	100.0	82,091,190	100.0	82,286,917	100.0	80,622,089	100.0	80,622,089	100.0	
Excess Appropriation/(Funding)		(10,314,875)		(10,314,875)		(4,908,797)		(3,243,847)		(4,136,645)		(4,015,133)		(2,350,305)		(3,243,103)		
Grand Total		48,908,949		58,780,522		78,847,343		78,847,343		77,954,545		78,271,784		78,271,784		77,378,986		

Analysis of Budget Request

Appropriation: 1DE - Various Building Construction

Funding Sources: DHR - Human Services Renovation Fund

The Various Building Construction appropriation is for the purpose of construction, acquisition, renovation, maintenance, repair and equipping facilities of the Department of Human Services and for paying disallowances cited by the federal government. Facilities are those operated by the Divisions of Developmental Disabilities-Human Development Centers; Behavioral Health-Arkansas State Hospital and Arkansas Health Center; and Youth Services-Youth Services Centers and Wilderness Camps.

Funding for this appropriation is from the Human Services Renovation Fund and is derived from three sources. Federal reimbursement received by the Department. General revenue transferred from these three (3) Divisions with an annual maximum of five million dollars. Other funds may be utilized as determined to be available. At the request of the Director of the Department of Human Services and upon certification of the availability of such funds, the Chief Fiscal Officer of the State shall initiate the necessary transfer documents to reflect the transfer on the books of record of the Treasurer of State, the Auditor of State, the Chief Fiscal Officer of the State and the Department. Arkansas Code Annotated §19-5-1020 was amended by Act 1537 of 1999 to require that transfers into the Renovation Fund must be submitted to and receive approval from the Chief Fiscal Officer of the State, the Governor and the Legislative Council prior to the effective date of the transfer. This appropriation is centralized within the DHS Director's purview in order that the needs of the Department can be prioritized, however, maintained by the Division of Administrative Services. Expenditures for this appropriation are contingent upon available funding provided from within the Department.

The Agency Base Level request for this appropriation is \$10,729,539 each year of the biennium.

The Agency Change Level request is \$1,503,148 in FY2018 and \$893,664 in FY2019 for additional repair and maintenance needs at DBHS and DYS facilities.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1DE - Various Building Construction

Funding Sources: DHR - Human Services Renovation Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Construction	5090005	4,543,096	10,729,539	11,119,780	12,232,687	12,232,687	12,232,687	11,623,203	11,623,203	11,623,203
Total		4,543,096	10,729,539	11,119,780	12,232,687	12,232,687	12,232,687	11,623,203	11,623,203	11,623,203

Funding Sources										
Fund Balance	4000005	11,111,563	10,314,875		10,314,875	10,314,875	10,314,875	8,811,727	8,811,727	8,811,727
Reimbursement	4000425	3,746,408	10,729,539		10,729,539	10,729,539	10,729,539	10,729,539	10,729,539	10,729,539
Total Funding		14,857,971	21,044,414		21,044,414	21,044,414	21,044,414	19,541,266	19,541,266	19,541,266
Excess Appropriation/(Funding)		(10,314,875)	(10,314,875)		(8,811,727)	(8,811,727)	(8,811,727)	(7,918,063)	(7,918,063)	(7,918,063)
Grand Total		4,543,096	10,729,539		12,232,687	12,232,687	12,232,687	11,623,203	11,623,203	11,623,203

Analysis of Budget Request

Appropriation: 414 - Consolidated Cost

Funding Sources: MCC - Consolidated Cost Revolving Fund

The Division of Administrative Services is responsible for the centralized purchasing of postage, forms printing, and warehouse storage for the Department. Purchases are made through this appropriation with funding transferred from the respective Divisions to the Consolidated Cost Revolving Fund.

Funding for this appropriation, as indicated as various program support, is revenue transferred based on cost allocation derived from the program to which funds are assigned and can be a mix of funding sources such as general revenue, federal revenue, other revenue and/or a combination of each.

The Agency Base Level and total request for this appropriation is \$821,500 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 414 - Consolidated Cost

Funding Sources: MCC - Consolidated Cost Revolving Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	720,367	821,500	821,500	821,500	821,500	821,500	821,500	821,500	821,500
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		720,367	821,500	821,500	821,500	821,500	821,500	821,500	821,500	821,500
Funding Sources										
Various Program Support	4000730	720,367	821,500		821,500	821,500	821,500	821,500	821,500	821,500
Total Funding		720,367	821,500		821,500	821,500	821,500	821,500	821,500	821,500
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		720,367	821,500		821,500	821,500	821,500	821,500	821,500	821,500

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

The Department is requesting to create a new structure for this Division of DHS by combining the Administrative components of the Agency into a Shared Services Division. This reorganization would combine the Director's Office, Office of Chief Counsel, Division of Community Service and Nonprofit Support into the Administrative Services appropriation section. This new structure also consolidates the various finance, procurement, technology and human resources functions from the Divisions into a centralized location to better coordinate efforts across the agency.

This new structure consists of eight (8) sections listed below:

The **Director's Office** oversees collaboration and decision-making between business functions to ensure accountability and produce efficiencies within the Agency.

The **Office of Finance** ensures the efficiency, effectiveness, and integrity of Department of Human Services programs in the areas of budget administration, financial guidance, program integrity and audit, and long term planning. To accomplish this mission, this Office provides oversight, supervision, guidance and support across all finance staff within the agency.

The **Office of Procurement** ensures greater consistency in procurements across the agency. DHS Office of Procurement is a dedicated team specialized in the procurement of commodities and professional/technical services. The office has benefited from integrating division staff with both procurement and programmatic expertise. This reorganization allows the unit to more effectively forecast and leverage the agency's buying power against its purchasing needs to make certain the state receives improved pricing and to avoid waste. The goal is to operate procurements in a manner that is fair, open, and transparent, and encourages competition. DHS Office of Procurement has worked to mitigate risk and has implemented changes to its key business operations and work flow processes to make certain best practices and consistency are being utilized. This office places a high value on the integrity and transparency of procurements in compliance with state, federal, and agency laws, rules, regulations, and processes.

The stated mission of the **Office of Systems and Technology** is to provide, coordinate, and manage information technology solutions to support DHS strategic objectives, and to embrace a technological vision that makes us integral partners in the delivery of human services to Arkansas citizens. This Office establishes standards for equipment and software to support DHS staffs' technology needs. In addition, this office provides oversight, supervision, guidance and support to all technology staff of the agency.

The **Office of Human Resources** provides administrative/personnel services that support DHS. This section ensures that qualified

section processes all new hires, terminations, promotions, retirements, cross grades and other personnel changes for approximately 7,800 employees.

The **Office of Chief Counsel** provides legal, investigative and hearing services to the Agency in the areas of child welfare, adult protective services, delivery of services, and program administration. The office investigates client and provider complaints of rude, discourteous or unlawful treatment. In addition, this office provides support to DHS employees by assisting employee with law and rule interstation and promulgation as well as for grievances and review hearing to ensure federal and state civil rights/anti-discrimination laws are followed.

The **Office of Legislative & Intergovernmental Affairs** serves as the contact point for the Governor along with Arkansas State and federal legislators for policy questions and constituent needs involving DHS. The office also gives direction regarding legislative procedural questions and concerns from DHS staff.

The **Office of Communications and Community Engagement** (with the Division of Community Service and Non-profit Support reporting through this office) has three distinct roles: 1.) Handling all internal and external communications, including websites, media inquiries and social media platforms for DHS; 2.) Overseeing the national service programs of AmeriCorps and Foster Grandparents in Arkansas, including the monitoring of all grant awardees, and 3.) Working to identify gaps in services or areas within DHS where faith-based and non-profits would be better suited to serve Arkansas. The office as a whole also promotes the economic and societal benefits of volunteerism in Arkansas.

Funding for this appropriation includes general revenues (DAS - Department of Human Services Administration Fund Account), federal and other funds. The federal funds are derived from support services allocated through cost allocation and social service block grant funds. Other funding which is indicated as various program support is derived through cost allocation and can also include M&R proceeds.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$44,549,430 in FY2018 and \$44,563,322 in FY2019 with general revenue funding of \$16,233,971 in FY2018 and \$16,238,978 in FY2019 and 466 budgeted Base Level positions.

The Agency Change Level request is \$18,481,308 in FY2018 and \$18,501,341 in FY2019 with \$4,759,637 in FY2018 and \$4,759,635 in FY2019 in transferred general revenue and \$1,664,950 in FY2018 and \$1,664,828 in FY2019 in new general revenue for the restructuring of the new Shared Services administrative functions, and reflects the following:

- Regular Salaries and Personal Services Matching of \$15,632,405 in FY2018 and \$15,640,986 in FY2019 which reflects the following changes:

- Continuation of fourteen (14) growth pool positions received during FY2017;
- Elimination of twelve (12) positions to offset a portion of the growth pool positions received during the current year;
 - Restoration of sixty five (65) positions that are authorized but not budgeted;
 - Transfer of one hundred eighty seven (187) positions from the various DHS Divisions; and
 - Ten (10) new positions requested to provide timely financial support to the Division of Children and Family Services.
- Extra Help and Personal Services Matching of \$155,860 each year of the biennium.
 - Operating Expenses of \$1,888,613 in FY2018 and \$1,900,065 in FY2019.
 - Conference & Travel Expenses of \$137,930 each year of the biennium.
 - Professional Fees of \$500,000 each year of the biennium.
 - Capital Outlay of \$165,000 each year of the biennium.
 - Data Processing Services of \$1,500 each year of the biennium.

The Executive Recommendation provides for the Agency Request in appropriation and general revenue transfer with no new general revenue funding.

The Legislative Recommendation provides for the Executive Recommendation with the exception of the ten (10) new positions to support the Division of Children and Family Services as well as an additional reduction of fifteen (15) positions and a corresponding reduction of (\$892,798) each year in Regular Salaries and Personal Services Matching appropriation.

Appropriation Summary

Appropriation: 896 - DHS-Admin Paying Account

Funding Sources: PWP - Administration Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	19,146,189	20,138,470	22,323,459	31,738,458	31,738,458	31,069,481	31,755,958	31,755,958	31,086,981
#Positions		490	466	530	730	730	705	730	730	705
Extra Help	5010001	193,037	292,279	292,279	448,139	448,139	448,139	448,139	448,139	448,139
#Extra Help		20	30	30	30	30	30	30	30	30
Personal Services Matching	5010003	6,731,718	6,989,554	7,892,190	11,169,336	11,169,336	10,945,515	11,174,309	11,174,309	10,950,488
Overtime	5010006	629	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Operating Expenses	5020002	3,985,683	4,136,243	4,169,040	6,024,856	6,024,856	6,024,856	6,036,308	6,036,308	6,036,308
Conference & Travel Expenses	5050009	80,464	91,593	92,868	229,523	229,523	229,523	229,523	229,523	229,523
Professional Fees	5060010	9,477,596	10,414,691	10,415,691	10,914,691	10,914,691	10,914,691	10,914,691	10,914,691	10,914,691
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	63,008	65,000	65,000	165,000	165,000	165,000	165,000	165,000	165,000
Grandparent Foster Program	5900038	0	340,135	340,135	340,135	340,135	340,135	340,135	340,135	340,135
Data Processing Services	5900044	2,123,663	1,988,100	1,988,100	1,989,600	1,989,600	1,989,600	1,989,600	1,989,600	1,989,600
Total		41,801,987	44,467,065	47,589,762	63,030,738	63,030,738	62,137,940	63,064,663	63,064,663	62,171,865

Funding Sources										
General Revenue	4000010	16,197,922	16,136,255		22,658,558	20,993,608	20,993,608	22,663,441	20,998,613	20,998,613
Federal Revenue	4000020	15,131,135	18,540,502		22,166,150	22,166,150	22,166,150	22,192,195	22,192,195	22,192,195
Merit Adjustment Fund	4000055	0	85,430		0	0	0	0	0	0
Various Program Support	4000730	10,472,930	9,704,878		14,303,100	14,303,100	14,303,100	14,306,097	14,306,097	14,306,097
Total Funding		41,801,987	44,467,065		59,127,808	57,462,858	57,462,858	59,161,733	57,496,905	57,496,905
Excess Appropriation/(Funding)		0	0		3,902,930	5,567,880	4,675,082	3,902,930	5,567,758	4,674,960
Grand Total		41,801,987	44,467,065		63,030,738	63,030,738	62,137,940	63,064,663	63,064,663	62,171,865

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Social Services Block Grant

The Division of Administrative Services administers the social services block grant (SSBG). The Office of Community Services, Administration for Children and Families, U. S. Department of Health and Human Services is responsible for the administration of the grant program at the federal level with grants made directly to the State. Grant amounts are determined by a statutory formula based on individual state population. Up to 10 percent of block grant funds are allowed to be transferred to other block grant programs for support of health services, health promotion and disease prevention campaigns, and low-income home energy assistance.

Under the provisions of the block grant, each state has the authority to determine the most appropriate social services for the state's citizens. Included are services such as assistance to individuals and families to become more independent relative to financial support and personal care, family maintenance and avoidance of institutional care. These services are rendered through contracts with community programs across the state to provide services to people with developmental disabilities, mental illness, the elderly, and children. The agency has elected to allocate the majority of the SSBG funds to various divisions within the Department and other departments in state government - Workforce Education, Rehabilitation Services and Spinal Cord Commission thus eliminating the need for the majority of this appropriation. Each of the DHS divisions and other departments certify the funds in the respective division/department and budget for utilization of these funds.

Funding for this appropriation is 100% federal funds and is provided under Title XX of the Social Security Act (Omnibus Budget Reconciliation Act of 1981 as amended, P.L. 97-35; Jobs Training Bill, P.L. 98-8; P.L. 98-473; Medicaid and Medicare Patient and Program Act of 1987; Omnibus Budget Reconciliation Act of 1987, P.L. 100-203; Family Support Act of 1988, P.L. 100-485; Omnibus Budget Reconciliation Act of 1993, P.L. 103-66; 42 U.S.C. 1397 et seq.).

The Agency Base Level and total request for this appropriation is \$129,084 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

AmeriCorps Grant

The Division also administers the AmeriCorps grant. The Edward M. Kennedy Serve America Act of 2009 focused AmeriCorps' efforts in six key areas:

- **Disaster Services:** AmeriCorps members respond to disasters from tornadoes and hurricanes to fire and floods.
- **Education:** AmeriCorps programs place tutors and mentors in low performing schools to help students improve academic performance and skills.
- **Environmental Stewardships:** AmeriCorps members build trails, restore parks, run recycling programs and promote energy efficiency.
- **Healthy Futures:** AmeriCorps members provide education and outreach for healthier lifestyles. Arkansas' AmeriCorps members focus on healthy living and the programs provide students with opportunities to participate in healthy living activities to reduce obesity.
- **Economic Opportunity:** AmeriCorps engages members each year to fight poverty by expanding access to technology, recruiting volunteers to teach literacy, and strengthening antipoverty groups.
- **Veterans and Military Families:** AmeriCorps supports the military community by engaging veterans in service, helping veterans readjust to civilian life, and providing support to military families.

Funding for this appropriation is federal funds provided from the Department of Health and Human Services to assist States in carrying out a national service program as authorized by the National and Community Service Act of 1990, as amended (42 U.S.C. §12501 et seq.)

The Agency Base Level and total request for this appropriation is \$2,510,704 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
AmeriCorps Grants	5100004	1,842,764	2,510,704	2,510,704	2,510,704	2,510,704	2,510,704	2,510,704	2,510,704	2,510,704
Purchase of Services	5100004	0	129,084	129,084	129,084	129,084	129,084	129,084	129,084	129,084
Total		1,842,764	2,639,788	2,639,788	2,639,788	2,639,788	2,639,788	2,639,788	2,639,788	2,639,788
Funding Sources										
Federal Revenue	4000020	1,842,764	2,639,788		2,639,788	2,639,788	2,639,788	2,639,788	2,639,788	2,639,788
Total Funding		1,842,764	2,639,788		2,639,788	2,639,788	2,639,788	2,639,788	2,639,788	2,639,788
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,842,764	2,639,788		2,639,788	2,639,788	2,639,788	2,639,788	2,639,788	2,639,788

Analysis of Budget Request

Appropriation: 935 - Community Srv/Non-Profit Support – Cash in Treasury

Funding Sources: NHS - Cash in Treasury

This appropriation provides the Division of Community Service and Nonprofit Support authority for expenditure of fees and donations relating to various efforts established around the State. The funds are for training, volunteer recognition and special volunteer event expenses. These funds are interest income as well as honoraria from speaking engagements and donations.

The Agency Base Level and total request for this appropriation is \$11,030 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 935 - Community Srv/Non-Profit Support – Cash in Treasury

Funding Sources: NHS - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	735	7,233	7,703	7,233	7,233	7,233	7,233	7,233	7,233
Conference & Travel Expenses	5050009	0	2,865	2,865	2,865	2,865	2,865	2,865	2,865	2,865
Professional Fees	5060010	0	932	1,432	932	932	932	932	932	932
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		735	11,030	12,000	11,030	11,030	11,030	11,030	11,030	11,030
Funding Sources										
Cash Fund	4000045	735	11,030		11,030	11,030	11,030	11,030	11,030	11,030
Total Funding		735	11,030		11,030	11,030	11,030	11,030	11,030	11,030
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		735	11,030		11,030	11,030	11,030	11,030	11,030	11,030

Analysis of Budget Request

Appropriation: C99 - Client Specific Emergency Services–Cash

Funding Sources: 120 - Client Specific Emergency Services-Cash

This appropriation is a contingency for immediate, short term and specific client emergencies such as shelter, food or transportation. Federal social services block grant funds would be utilized should payments be necessary. There were no expenditures made under this appropriation in FY2016 and \$111,600 is budgeted in FY2017.

The Agency Base Level and total request for this appropriation is \$111,600 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C99 - Client Specific Emergency Services–Cash

Funding Sources: 120 - Client Specific Emergency Services-Cash

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Purchase of Services	5900043	0	111,600	111,600	111,600	111,600	111,600	111,600	111,600	111,600
Total		0	111,600	111,600	111,600	111,600	111,600	111,600	111,600	111,600

Funding Sources										
Cash Fund	4000045	0	111,600		111,600	111,600	111,600	111,600	111,600	111,600
Total Funding		0	111,600		111,600	111,600	111,600	111,600	111,600	111,600
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	111,600		111,600	111,600	111,600	111,600	111,600	111,600

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
418 Meals on Wheels	2,061,889	0	2,400,000	0	2,400,000	0	2,500,000	0	2,400,000	0	2,400,000	0	2,500,000	0	2,400,000	0	2,400,000	0
896 Division of Aging & Adult Services	18,432,609	305	19,084,327	287	20,973,981	310	20,345,025	302	19,234,025	302	19,173,746	300	20,357,743	302	19,246,743	302	19,186,464	300
898 Community Based Care	0	0	0	0	180,000	0	0	0	0	0	0	0	0	0	0	0	0	0
898 Nursing Home Care Alternatives	4,724,450	0	4,807,525	0	7,287,525	0	6,807,525	0	4,807,525	0	4,807,525	0	6,807,525	0	4,807,525	0	4,807,525	0
898 Nutrition Program	8,533,082	0	11,630,080	0	13,535,285	0	12,630,080	0	11,630,080	0	11,630,080	0	12,630,080	0	11,630,080	0	11,630,080	0
898 Older Worker Program Grants	1,049,184	0	1,052,665	0	1,552,665	0	1,552,665	0	1,052,665	0	1,052,665	0	1,552,665	0	1,052,665	0	1,052,665	0
898 Project Grants	9,436,094	0	10,367,702	0	12,794,305	0	12,367,702	0	10,367,702	0	10,367,702	0	12,367,702	0	10,367,702	0	10,367,702	0
898 Retired & Sr Volunteer Program	68,108	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
898 Sr Citizen Centers	3,987,616	0	4,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
978 Senior Olympics	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0	70,000	0
NOT REQUESTED FOR THE BIENNIUM																		
35M Ms. Senior Pageant	0	0	0	0	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	48,363,032	305	53,487,299	287	63,888,761	310	61,347,997	302	54,636,997	302	54,576,718	300	61,360,715	302	54,649,715	302	54,589,436	300

Funding Sources		%		%		%		%		%		%		%		%		%	
General Revenue	4000010	18,283,999	37.8	16,562,135	31.0	16,227,329	30.8	16,227,329	30.8	16,227,329	30.8	16,268,179	30.9	16,268,179	30.9	16,268,179	30.9	16,268,179	30.9
Federal Revenue	4000020	27,917,914	57.7	32,204,911	60.2	31,245,179	59.4	31,245,179	59.4	31,245,179	59.4	31,245,179	59.3	31,245,179	59.3	31,245,179	59.3	31,245,179	59.3
Special Revenue	4000030	2,159,810	4.5	2,508,500	4.7	2,508,500	4.8	2,508,500	4.8	2,508,500	4.8	2,508,500	4.8	2,508,500	4.8	2,508,500	4.8	2,508,500	4.8
Merit Adjustment Fund	4000055	0	0.0	47,051	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Medicaid Match	4000660	(243,813)	(0.5)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)	(32,582)	(0.1)
Various Program Support	4000730	245,122	0.5	2,197,284	4.1	2,686,454	5.1	2,686,454	5.1	2,686,454	5.1	2,658,198	5.0	2,658,198	5.0	2,658,198	5.0	2,658,198	5.0
Total Funds		48,363,032	100.0	53,487,299	100.0	52,634,880	100.0	52,634,880	100.0	52,634,880	100.0	52,647,474	100.0	52,647,474	100.0	52,647,474	100.0	52,647,474	100.0
Excess Appropriation/(Funding)		0		0		8,713,117		2,002,117		1,941,838		8,713,241		2,002,241		1,941,962			
Grand Total		48,363,032		53,487,299				61,347,997		54,636,997		54,576,718		61,360,715		54,649,715		54,589,436	

Analysis of Budget Request

Appropriation: 418 - Meals on Wheels

Funding Sources: DHP - Aging and Adult Services Fund Account

The Meals on Wheels appropriation is utilized to provide home delivered meals to clients who are homebound and unable to prepare nutritionally adequate meals, and live in an area where the meal can be delivered. These home delivered meals comply with the Dietary Guidelines for Americans and contain 1/3 of the Recommended Dietary Allowance (RDA) of nutrients (2/3 RDA provided if in the same day a second meal is served, and 100% if 3 meals in a day.) Clients must be age 60+ (or spouse or disabled dependent of person age 60+). This service is available through the Area Agencies on Aging (AAAs).

Funding for this appropriation consists of an allotment of an additional one-cent per pack tax levied on cigarettes as authorized by A.C.A. § 26-57-802 (Act 1211 of 1991). Additional funding was provided by a new \$1.25 tax per 1,000 cigarettes levied in 2001 by A.C.A. §26-57-1101 and a privilege tax by A.C.A. §26-57-1102 on tobacco products other than cigarettes on the first sale to wholesalers or retailers within the state at two percent (2%) of the manufacturer's selling price (Act 1698 of 2001). A.C.A §26-57-1103 (Act 2219 of 2005) directed that 50% of 29% of all moneys collected from the added tax would be credited as Special Revenues to be used to assist the Meals on Wheels Program.

The Agency Base Level request for this appropriation is \$2,400,000 each year of the biennium.

The Agency Change Level request is \$100,000 each year of the biennium for any unanticipated increases and/or carry forward funding from Cigarette Tax revenues.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 418 - Meals on Wheels

Funding Sources: DHP - Aging and Adult Services Fund Account

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Transportation Services 5900046	2,061,889	2,400,000	2,400,000	2,500,000	2,400,000	2,400,000	2,500,000	2,400,000	2,400,000
Total	2,061,889	2,400,000	2,400,000	2,500,000	2,400,000	2,400,000	2,500,000	2,400,000	2,400,000

Funding Sources									
Special Revenue 4000030	2,061,889	2,400,000		2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Total Funding	2,061,889	2,400,000		2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Excess Appropriation/(Funding)	0	0		100,000	0	0	100,000	0	0
Grand Total	2,061,889	2,400,000		2,500,000	2,400,000	2,400,000	2,500,000	2,400,000	2,400,000

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

This appropriation provides for the operations of the Division of Aging and Adult Services (DAAS) of the Department of Human Services. This Division promotes the health, safety, and independence of older Arkansans and adults with physical disabilities by providing programs and services including in-home care, adult day service, case management, education, support groups, health and wellness activities, employment services, and information and referral. Services are provided primarily through a network of eight Area Agencies on Aging (AAAs), over 100 community providers, and over 200 senior citizen centers.

The Project Grants appropriation provides a main source of federal revenue for support services to be distributed through Area Agencies on Aging and other community providers on a formula or project basis. Project Grants enables seniors to remain in their own homes with high quality of life for as long as possible through the provision of home and community-based services, including supports for family caregivers. Grants awarded to the State through competitive process ensure the rights of older people and prevent abuse, neglect and exploitation. Priority support services are provided through Project Grants as well as Ombudsman and senior part-time employment program for low-income persons age 55 and over who have poor employment prospects.

The Retired and Senior Volunteer Program (RSVP) appropriation is part of the national, non-profit organization sponsored locally by one of eight regional programs. It provides people age 55 and older with an opportunity to use the skills they spent a lifetime acquiring, in meaningful volunteer activities. RSVP also conducts recognition events for members of the program as a means to recognize the people who donate their time and talents to help their Arkansas communities, providing an opportunity for our members to socialize with other active seniors.

The Senior Citizens Centers appropriation provides DAAS with local hubs for administering the many programs offered to the service areas covered by the more than 200 Centers across the state. They serve as resources for information and assistance regarding eligibility and applications, places of congregation, as well as offering RSVP opportunities.

The Older Worker Program appropriation for DAAS provides for low-income persons age 55 and over who have poor employment prospects. Program participants receive assignments at community and government agencies and are paid the Federal or State minimum wage, whichever is higher. Participants may also receive assistance in developing job search skills and in locating a permanent job. Participants are placed in non-profit or public service type host agencies. They receive on-the-job training and work experience. During their training, participants work with their local Employment and Training Coordinator to achieve permanent part time or full time unsubsidized employment either at their host agency or with other employment sources in their area. Some of the benefits participants receive while in the program are: temporary paid work experience; improvement of marketable skills; development of new skills and an opportunity to establish a current work history.

The Community-Based Care and Nursing Home Alternative appropriations of DAAS encompass three programs: Alternatives, Assisted Living, and ElderChoices. All three are Medicaid home and community-based programs that provide services to Arkansas residents of several age ranges.

- Alternatives provides attendant care and environmental modification services to individuals age 21 through 64 who meet the criteria for intermediate nursing home care. The individuals' income should be less than 300% of poverty to meet the resource limits for Medicaid. Those who qualify may also receive regular Medicaid Benefits.
- Assisted Livings waiver program provides 24-hour supervision and supportive services, including limited nursing services in a congregate setting to persons aged 21 and older who have an income of no more than 300% of SSI and limited resources.
- ElderChoices provides in-home services to individuals 64 and over. These services are designed to delay or prevent institutionalization by maintaining, strengthening or restoring an eligible client's functioning in his or her own home, the home of a caregiver or foster facility. Services may include adult day care, adult day healthcare, adult foster care, chore, home delivered meals, homemaker services, personal emergency response system and respite care.

DAAS's Nutrition Programs appropriation is designed to provide meals to clients who are age 60 or older (or spouse or disabled dependent of person 60 or older), homebound, and unable to prepare nutritionally adequate meals, and living in an area where the meal can be delivered.

The funding for this appropriation is comprised of general revenue (DHP - Aging and Adult Services Fund Account), federal revenue, special revenue, and other funding. Federal revenue includes Title III - Older Americans Act, Title V - Federal Older Worker, Title VII - Ombudsman and Elder Abuse, Adult Protective Services, Nutrition Services Incentive Program, USDA Farmers Market, and Social Services Block Grant. DAAS is the successful recipient of several highly competitive and sought after federal grants: Money Follows the Person, Senior Medicare/Medicaid Fraud Patrol Expansion and Capacity Building, Medicare Enrollment Assistance for Area Agencies on Aging, Medicare Enrollment Assistance for Aging and Disability Resource Centers, and Adult Abuse/Violence of Female Victims. Other revenues indicated as various program support includes Adult Protective Service Registry Fees, Ombudsman Fees, and Area Agency on Aging Income Tax Check-Off (A.C.A. §26-51-454). Special revenue is the "In God We Trust License Plate Fund" (A.C.A. §27-15-4904).

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

896 - Administration Paying Account

The Agency Base Level Request for this appropriation is \$19,053,609 in FY2018 and \$19,066,203 in FY2019 with \$6,402,833 in FY2018 and \$6,443,683 in FY2019 of general revenue funding and 287 budgeted Base Level positions.

The Agency Change Level Request is \$1,291,416 in FY2018 and \$1,291,540 in FY2019 with a transfer of general revenue funding to other divisions of (\$357,194) each year for the following:

- Transfer Positions Out (8): Regular Salaries and Personal Services Matching of (\$441,701) each year of the biennium to support agency reorganization.
- Restore Positions (23): Regular Salaries and Personal Services Matching of \$979,683 in FY2018 and \$979,807 in FY2019. This request will allow assistance with the Medicaid Waiver program to investigate allegations of adult maltreatment and eligibility for long term services.
- Extra Help of \$22,434 for each year of the biennium.
- Operating Expenses of \$126,000 each year of the biennium to utilize any unanticipated increases in federal or private grant awards.
- Conference and Travel Expenses of (\$5,500) each year of the biennium to support agency reorganization.
- Professional Fees of \$500,000 each year of the biennium to utilize any unanticipated increases in federal or private grant awards.
- Capital Outlay of \$110,500 each year of the biennium to purchase vehicles for the Adult Protective Services Unit in the event DAAS receives additional federal funding.

898 - DHS Grants Paying Account

Base Level Request:

- The Agency Base Level request for the Project Grants appropriation is \$10,367,702 each year of the biennium.
- The Agency Base Level and total request for the Retired & Senior Volunteer Program is \$75,000 each year of the biennium and is funded 100% by general revenue.
- The Agency Base Level request for the Senior Citizen Centers is \$4,000,000 each year of the biennium and is funded 100% by general revenue.
- The Agency Base Level request for the Older Worker Program is \$1,052,665 each year of the biennium and is funded 100% by general revenue.
- The Agency Base Level request for the Nursing Home Care Alternatives is \$4,807,525 each year of the biennium and is funded by the Area Agency on Aging Income Tax Check-Off as well as general revenue.
- The Agency Base Level request for the Nutrition Program is \$11,630,080 each year of the biennium and is funded by the "In God We Trust License Plate Fund" and federal revenue.

Change Level Request:

- The Agency Change Level request for the Project Grants appropriation is \$2,000,000 each year of the biennium to utilize any unanticipated increases in Federal or private foundation funding.
- The Agency Change Level request for the Senior Citizen Centers is \$1,000,000 each year of the biennium to utilize any unanticipated

funding for this program.

- The Agency Change Level request for the Older Worker Program is \$500,000 each year of the biennium to utilize any unanticipated increases in Federal or private foundation funding.
- The Agency Change Level request for the Nursing Home Care Alternatives is \$2,000,000 each year of the biennium to utilize any unanticipated increases in any State, Federal, or private funding.
- The Agency Change Level request for the Nutrition Program is \$1,000,000 each year of the biennium to utilize any unanticipated increases in Federal or private foundation funding.

896 - Administration Paying Account

The Executive Recommendation provides for the Agency Request with the exception of \$126,000 each year in Operating Expenses, \$500,000 each year in Professional Fees and \$110,500 each year in Capital Outlay.

The Legislative Recommendation concurs with the Executive Recommendation with an additional reduction of two (2) positions and a corresponding reduction of (\$60,279) in Regular Salaries and Personal Services Matching appropriation.

898 - DHS Grants Paying Account

The Executive Recommendation provides for Base Level for Project Grants, Older Worker Program, Nursing Home Care Alternatives and the Nutrition Program.

The Executive Recommendation provides for the Agency Request for the Senior Citizen Centers appropriation with no new general revenue funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 896 - DHS-Admin Paying Account

Funding Sources: PWP - Administration Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	12,045,105	11,635,302	12,856,824	12,025,752	12,025,752	11,978,657	12,036,052	12,036,052	11,988,957
#Positions		305	287	310	302	302	300	302	302	300
Extra Help	5010001	83,870	98,000	120,434	120,434	120,434	120,434	120,434	120,434	120,434
#Extra Help		11	18	18	18	18	18	18	18	18
Personal Services Matching	5010003	4,274,565	4,127,455	4,546,754	4,354,769	4,354,769	4,341,585	4,357,187	4,357,187	4,344,003
Operating Expenses	5020002	1,825,050	2,477,320	2,632,969	2,603,320	2,103,320	2,103,320	2,603,320	2,103,320	2,103,320
Conference & Travel Expenses	5050009	74,476	104,000	104,500	98,500	98,000	98,000	98,500	98,000	98,000
Professional Fees	5060010	129,543	531,750	602,000	1,031,750	531,750	531,750	1,031,750	531,750	531,750
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Community Based Care	5100004	0	0	180,000	0	0	0	0	0	0
Nursing Hm Care Alternatives	5100004	4,724,450	4,807,525	7,287,525	6,807,525	4,807,525	4,807,525	6,807,525	4,807,525	4,807,525
Nutrition Programs	5100004	8,533,082	11,630,080	13,535,285	12,630,080	11,630,080	11,630,080	12,630,080	11,630,080	11,630,080
Older Wkrs Prgm Grant	5100004	1,049,184	1,052,665	1,552,665	1,552,665	1,052,665	1,052,665	1,552,665	1,052,665	1,052,665
Project Grants	5100004	9,436,094	10,367,702	12,794,305	12,367,702	10,367,702	10,367,702	12,367,702	10,367,702	10,367,702
Retired & Sr Volunteer Prgm	5100004	68,108	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Sr Citizen Centers	5100004	3,987,616	4,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Capital Outlay	5120011	0	110,500	110,500	110,500	0	0	110,500	0	0
Total		46,231,143	51,017,299	61,398,761	58,777,997	52,166,997	52,106,718	58,790,715	52,179,715	52,119,436

Funding Sources										
General Revenue	4000010	18,213,999	16,492,135		16,157,329	16,157,329	16,157,329	16,198,179	16,198,179	16,198,179
Federal Revenue	4000020	27,917,914	32,204,911		31,245,179	31,245,179	31,245,179	31,245,179	31,245,179	31,245,179
Special Revenue	4000030	97,921	108,500		108,500	108,500	108,500	108,500	108,500	108,500
Merit Adjustment Fund	4000055	0	47,051		0	0	0	0	0	0
Transfer to Medicaid Match	4000660	(243,813)	(32,582)		(32,582)	(32,582)	(32,582)	(32,582)	(32,582)	(32,582)
Various Program Support	4000730	245,122	2,197,284		2,686,454	2,686,454	2,686,454	2,658,198	2,658,198	2,658,198
Total Funding		46,231,143	51,017,299		50,164,880	50,164,880	50,164,880	50,177,474	50,177,474	50,177,474
Excess Appropriation/(Funding)		0	0		8,613,117	2,002,117	1,941,838	8,613,241	2,002,241	1,941,962
Grand Total		46,231,143	51,017,299		58,777,997	52,166,997	52,106,718	58,790,715	52,179,715	52,119,436

Analysis of Budget Request

Appropriation: 978 - Senior Olympics

Funding Sources: DHP - Aging and Adult Services Fund Account

This appropriation was first authorized in 1995 to provide funding for the Arkansas Senior Olympics. Funds are paid on a two-to-one matching basis to the Senior Arkansas Sports Organization, a non-profit organization that organizes the Arkansas Senior Olympic games. The purpose of the Senior Olympics program is to promote healthy lifestyles for seniors through education, fitness and sports participation.

Arkansas Senior Olympic Games are structured in accordance with rules established by the National Senior Games Association (NSGA). There are ten (10) age divisions that apply to both men and women for individual and doubles events, and seven (7) age divisions for team events. The events include: Archery, Badminton, Bowling, Cycling, Golf, Horseshoes, Race/Walk, Racquetball, Road Race, Shuffleboard, Swimming, Table Tennis, Tennis, Track and Field events and Weightlifting/Bench Press. Other recreational events are also available, including Basketball Shoot, Bean Bag Baseball, Card and Board Games, Eight Ball Pool, Pickle Ball, etc.

Funding for this appropriation consists of 100% general revenue (DHP - Aging and Adult Services Fund Account).

The Agency Base Level and total request for this appropriation is \$70,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 978 - Senior Olympics

Funding Sources: DHP - Aging and Adult Services Fund Account

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000

Funding Sources									
General Revenue 4000010	70,000	70,000		70,000	70,000	70,000	70,000	70,000	70,000
Total Funding	70,000	70,000		70,000	70,000	70,000	70,000	70,000	70,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	70,000	70,000		70,000	70,000	70,000	70,000	70,000	70,000

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
193 State Operations	20,369,942	0	20,649,934	0	27,066,913	0	27,066,913	0	20,649,934	0	20,649,934	0	27,066,913	0	20,649,934	0	20,649,934	0
196 Community Mental Health Centers	7,100,805	0	7,005,603	0	8,780,603	0	8,780,603	0	7,005,603	0	7,005,603	0	8,780,603	0	7,005,603	0	7,005,603	0
1EN Community Alcohol Safety	2,510,544	0	2,319,147	0	4,094,167	0	4,061,509	0	4,061,509	0	4,061,509	0	4,061,509	0	4,061,509	0	4,061,509	0
1ET Alcohol & Drug Abuse Prevention	17,341,051	0	20,770,069	0	21,770,069	0	24,270,069	0	24,270,069	0	24,270,069	0	24,270,069	0	24,270,069	0	24,270,069	0
2MN Mental Health Grants	6,665,429	0	7,342,148	0	9,789,616	0	9,789,616	0	9,789,616	0	9,789,616	0	9,789,616	0	9,789,616	0	9,789,616	0
655 Acute Mental Health Services-Per Capita	503,188	0	503,188	0	3,875,080	0	3,875,080	0	503,188	0	503,188	0	3,875,080	0	503,188	0	503,188	0
896 Division of Behavioral Health Services	92,428,369	1,113	94,055,812	1,066	104,039,440	1,167	104,333,404	1,140	96,337,912	1,140	95,546,282	1,114	104,360,727	1,140	96,365,235	1,140	95,573,605	1,114
938 Patient Benefits-Cash in Treasury	25,746	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
K50 Drug Abuse Prev/Treat - 89th	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NOT REQUESTED FOR THE BIENNIUM																		
937 Canteen - Cash in Treasury	0	0	0	0	349,048	0	0	0	0	0	0	0	0	0	0	0	0	0
F71 DBH Juv. Drug Courts	0	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	146,945,074	1,113	152,720,901	1,066	180,339,936	1,167	182,252,194	1,140	162,692,831	1,140	161,901,201	1,114	182,279,517	1,140	162,720,154	1,140	161,928,524	1,114

Funding Sources		%		%		%		%		%		%		%		%		%	
General Revenue	4000010	79,314,634	54.0	82,370,394	53.9	81,910,479	54.2	81,910,479	54.2	81,910,479	54.2	81,925,861	54.2	81,925,861	54.2	81,925,861	54.2	81,925,861	54.2
Federal Revenue	4000020	23,308,978	15.9	28,739,133	18.8	28,899,386	19.1	28,899,386	19.1	28,899,386	19.1	28,899,386	19.1	28,899,386	19.1	28,899,386	19.1	28,899,386	19.1
Special Revenue	4000030	1,649,427	1.1	1,470,031	1.0	1,470,031	1.0	1,470,031	1.0	1,470,031	1.0	1,470,031	1.0	1,470,031	1.0	1,470,031	1.0	1,470,031	1.0
Cash Fund	4000045	25,746	0.0	75,000	0.0	75,000	0.0	75,000	0.0	75,000	0.0	75,000	0.0	75,000	0.0	75,000	0.0	75,000	0.0
Merit Adjustment Fund	4000055	0	0.0	256,076	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
State Administration of Justice	4000470	1,286,217	0.9	1,472,464	1.0	1,472,464	1.0	1,472,464	1.0	1,472,464	1.0	1,472,464	1.0	1,472,464	1.0	1,472,464	1.0	1,472,464	1.0
Various Program Support	4000730	41,360,072	28.1	38,337,803	25.1	37,366,442	24.7	37,366,442	24.7	37,366,442	24.7	37,378,383	24.7	37,378,383	24.7	37,378,383	24.7	37,378,383	24.7
Total Funds		146,945,074	100.0	152,720,901	100.0	151,193,802	100.0	151,193,802	100.0	151,193,802	100.0	151,221,125	100.0	151,221,125	100.0	151,221,125	100.0	151,221,125	100.0
Excess Appropriation/(Funding)		0		0		31,058,392		11,499,029		10,707,399		31,058,392		11,499,029		10,707,399		10,707,399	
Grand Total		146,945,074		152,720,901		182,252,194		162,692,831		161,901,201		182,279,517		162,720,154		161,928,524		161,928,524	

Analysis of Budget Request

Appropriation: 196 - Community Mental Health Centers

Funding Sources: DBA - Mental Health Services Fund Account

This appropriation for State Assistance to Community Mental Health Centers provides the per capita funding of core services at the private non-profit Community Mental Health Centers (CMHCs). Special Language contained in Section 15 of Act 261 of 2014 sets the apportionment of funds on the basis of three dollars and six cents (\$3.06) per capita for the current biennium. Section 12 provides Allocation Restrictions for the maximum allocation of funds per CMHC. Section 13 provides a methodology for changing the Allocation Restrictions maximum allocation in the event that unforeseen circumstances occur. Section 14 in this Act established that every Mental Health Center eligible to receive any of the funds appropriated, as a condition of receiving any such funds, be subject to an annual audit of the overall operations of the CMHCs by the Division of Legislative Audit and submit a budget and go through the budget procedures process in the same manner as State Departments and Agencies. Section 16 sets the conditions for receiving funds under this appropriation to only locally-operated Centers and Clinics licensed or certified by the Division of Behavioral Health Services and 1) meet minimum standards of performance in the delivery of Mental Health Services as defined by the Department of Human Services, Behavioral Health Services Division; 2) supply statistical data to DHS-Division of Behavioral Health Services; 3) establish and maintain a sound financial management system in accordance with guidelines as set forth by DHS-Division of Behavioral Health Services; 4) establish and maintain community support programs as defined; 5) and the Board of Directors of each Center or Clinic shall adopt and submit an annual plan for the delivery of community support services for persons with long-term, severe mental illness as defined.

Funding for this appropriation is general revenue (DBA - Behavioral Health Services Fund Account) and other revenues which are indicated as various program support that become available, such as funding certified under the 45 day rule.

The Agency Base Level request for this appropriation is \$7,005,603 each year of the biennium.

The Agency Change Level request is \$1,775,000 each year of the biennium to restore appropriation to the previous authorized amount, should additional funding become available.

The Executive Recommendation is Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 196 - Community Mental Health Centers

Funding Sources: DBA - Mental Health Services Fund Account

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	7,100,805	7,005,603	8,780,603	8,780,603	7,005,603	7,005,603	8,780,603	7,005,603	7,005,603
Total	7,100,805	7,005,603	8,780,603	8,780,603	7,005,603	7,005,603	8,780,603	7,005,603	7,005,603

Funding Sources									
General Revenue 4000010	7,100,805	7,005,603		7,005,603	7,005,603	7,005,603	7,005,603	7,005,603	7,005,603
Total Funding	7,100,805	7,005,603		7,005,603	7,005,603	7,005,603	7,005,603	7,005,603	7,005,603
Excess Appropriation/(Funding)	0	0		1,775,000	0	0	1,775,000	0	0
Grand Total	7,100,805	7,005,603		8,780,603	7,005,603	7,005,603	8,780,603	7,005,603	7,005,603

Analysis of Budget Request

Appropriation: 1EN - Community Alcohol Safety

Funding Sources: MHS - Highway Safety Special Fund

Act 1219 of 1999 transferred the Community Alcohol Safety Program from the State Highway and Transportation Department to the Arkansas Department of Health effective July 1, 1999. Act 1717 of 2003 transferred this appropriation from the Department of Health by a Type 1 transfer as provided for in Arkansas Code Annotated §25-2-104 to the Department of Human Services, Division of Behavioral Health Services.

The Community Alcohol Safety program addresses offenders arrested for DWI. Individuals arrested are evaluated by the Alcohol Safety Education Program (ASEP). The ASEP consists of 14 different sub-grantees throughout the State that provide counselors, conduct pre-sentence investigation, and provide information to the public related to DWI issues.

Funding for this appropriation includes the State Administration of Justice Fund and Special Revenues. The Special Revenue received is derived from the Drug and Alcohol Safety Education Program. Funding associated with this appropriation is allowed to be counted against the Maintenance of Effort requirement for the Substance Abuse Prevention and Treatment (SAPT) Federal Block Grant that is payable out of the Alcohol and Drug Abuse Prevention appropriation.

The Agency Base Level request for this appropriation is \$2,319,147 each year of the biennium.

The Agency Change level request is \$1,742,362 each year of the biennium to be used should additional funding become available.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1EN - Community Alcohol Safety

Funding Sources: MHS - Highway Safety Special Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	0	0	20,788	0	0	0	0	0	0
#Positions		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	0	0	9,870	0	0	0	0	0	0
Operating Expenses	5020002	22	0	2,000	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	2,510,522	2,319,147	4,061,509	4,061,509	4,061,509	4,061,509	4,061,509	4,061,509	4,061,509
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,510,544	2,319,147	4,094,167	4,061,509	4,061,509	4,061,509	4,061,509	4,061,509	4,061,509
Funding Sources										
Special Revenue	4000030	1,649,427	1,470,031		1,470,031	1,470,031	1,470,031	1,470,031	1,470,031	1,470,031
State Administration of Justice	4000470	861,117	849,116		849,116	849,116	849,116	849,116	849,116	849,116
Total Funding		2,510,544	2,319,147		2,319,147	2,319,147	2,319,147	2,319,147	2,319,147	2,319,147
Excess Appropriation/(Funding)		0	0		1,742,362	1,742,362	1,742,362	1,742,362	1,742,362	1,742,362
Grand Total		2,510,544	2,319,147		4,061,509	4,061,509	4,061,509	4,061,509	4,061,509	4,061,509

Analysis of Budget Request

Appropriation: 1ET - Alcohol & Drug Abuse Prevention

Funding Sources: MDA - Drug Abuse Prevention and Treatment Fund

Act 1717 of 2003 transferred this appropriation from the Department of Health by a Type 1 transfer as provided for in Arkansas Code Annotated §25-2-104 to the Department of Human Services, Division of Behavioral Health Services. This program provides funding for alcohol and drug services which include detoxification, residential treatment, outpatient treatment, methadone maintenance treatment and Special Women's Services.

Funding for this appropriation is derived from a mix of sources that includes general revenue (DBA - Behavioral Health Services Fund Account), federal, Administration of Justice funds and other revenue. Federal revenue is comprised of Substance Abuse Prevention and Treatment Block Grant, Social Service Block Grant, U. S. Department of Education, and State Incentive Grant. Other funding which is indicated as various program support can include sources such as, City of Little Rock funds, Robert Wood Johnson funds, court costs and fees.

The Agency Base Level request for this appropriation is \$20,770,069 each year of the biennium.

The Agency Change Level request is \$3,500,000 each year of the biennium to be used should additional funding become available.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1ET - Alcohol & Drug Abuse Prevention

Funding Sources: MDA - Drug Abuse Prevention and Treatment Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	17,341,051	20,770,069	21,770,069	24,270,069	24,270,069	24,270,069	24,270,069	24,270,069	24,270,069
Total		17,341,051	20,770,069	21,770,069	24,270,069	24,270,069	24,270,069	24,270,069	24,270,069	24,270,069

Funding Sources										
General Revenue	4000010	1,239,998	1,275,023		1,275,023	1,275,023	1,275,023	1,275,023	1,275,023	1,275,023
Federal Revenue	4000020	15,443,817	18,871,698		18,871,698	18,871,698	18,871,698	18,871,698	18,871,698	18,871,698
State Administration of Justice	4000470	425,100	623,348		623,348	623,348	623,348	623,348	623,348	623,348
Various Program Support	4000730	232,136	0		0	0	0	0	0	0
Total Funding		17,341,051	20,770,069		20,770,069	20,770,069	20,770,069	20,770,069	20,770,069	20,770,069
Excess Appropriation/(Funding)		0	0		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Grand Total		17,341,051	20,770,069		24,270,069	24,270,069	24,270,069	24,270,069	24,270,069	24,270,069

Analysis of Budget Request

Appropriation: 2MN - Mental Health Grants

Funding Sources: PWE - Grants Paying

This appropriation provides authority for the Mental Health Block Grant, the Mental Health Homeless Grant, Child Mental Health Incentive - ACTION grant and other miscellaneous federal grants. Grants/Aids are used primarily for support of the private non-profit Community Mental Health Centers.

Funding for this appropriation is comprised 100% from federal sources.

The Agency Base Level request for this appropriation is \$7,342,148 each year of the biennium.

The Agency Change Level request is \$2,447,468 each year of the biennium to be used should additional funding become available.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2MN - Mental Health Grants

Funding Sources: PWE - Grants Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	6,665,429	7,342,148	9,789,616	9,789,616	9,789,616	9,789,616	9,789,616	9,789,616	9,789,616
Total		6,665,429	7,342,148	9,789,616	9,789,616	9,789,616	9,789,616	9,789,616	9,789,616	9,789,616

Funding Sources										
Federal Revenue	4000020	6,665,429	7,342,148		7,342,148	7,342,148	7,342,148	7,342,148	7,342,148	7,342,148
Total Funding		6,665,429	7,342,148		7,342,148	7,342,148	7,342,148	7,342,148	7,342,148	7,342,148
Excess Appropriation/(Funding)		0	0		2,447,468	2,447,468	2,447,468	2,447,468	2,447,468	2,447,468
Grand Total		6,665,429	7,342,148		9,789,616	9,789,616	9,789,616	9,789,616	9,789,616	9,789,616

Analysis of Budget Request

Appropriation: 655 - Acute Mental Health Services–Per Capita

Funding Sources: DBA - Mental Health Services Fund Account

This appropriation provides a per capita funding amount for private non-profit Community Mental Health Centers (CMHCs) as first established in Act 1589 of 2001. The amount of available funds for this appropriation shall be determined by the Director of the Department of Human Services and apportioned on a per capita basis up to a maximum of \$3.48 per capita each fiscal year of the biennium as set out in section 24 of Act 261 of 2014. Section 25 requires the Division of Behavioral Health Services to develop an evaluation and monitoring program to ensure all expenditures are made consistent with the intent of this appropriation and sets, as a condition of receiving funds, requirements for quarterly reporting from the CMHCs. Section 26 of this Act describes the Legislative findings and intent of this appropriation.

This appropriation is a 100% general revenue payable appropriation (DBA - Behavioral Health Services Fund Account).

The Agency Base Level request for this appropriation is \$503,188 each year of the biennium.

The Agency Change Level request is \$3,371,892 each year of the biennium to be used should additional funding become available.

The Executive Recommendation is Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 655 - Acute Mental Health Services--Per Capita

Funding Sources: DBA - Mental Health Services Fund Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	503,188	503,188	3,875,080	3,875,080	503,188	503,188	3,875,080	503,188	503,188
Total		503,188	503,188	3,875,080	3,875,080	503,188	503,188	3,875,080	503,188	503,188

Funding Sources										
General Revenue	4000010	503,188	503,188		503,188	503,188	503,188	503,188	503,188	503,188
Total Funding		503,188	503,188		503,188	503,188	503,188	503,188	503,188	503,188
Excess Appropriation/(Funding)		0	0		3,371,892	0	0	3,371,892	0	0
Grand Total		503,188	503,188		3,875,080	503,188	503,188	3,875,080	503,188	503,188

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

Reorganization of the Department of Human Services in 1985 by Act 348 created the Division of Mental Health Services (DMHS) and included responsibility for the Arkansas State Hospital and two other state operated Community Mental Health Centers (CMHC) located in Little Rock and Jonesboro as well as the Arkansas Health Center (formally known as the Benton Services Center). Since the reorganization, initiatives have focused on development of an integrated, client-centered community-based public mental health system that prioritizes adults with serious and persistent mental illness and children and adolescents with serious emotional disturbance. The responsibility, accountability and authority for the provision of services are placed at the community level, since most individuals serviced by the public mental health system reside in the community rather than institutions. Included in these initiatives was conversion of the two state-operated CMHCs to private non-profit status, the Little Rock CMHC on July 1 of 1993 and then the Jonesboro CMHC on July 1 of 1997.

Act 1717 of 2003 created the Division of Behavioral Health Services (DBHS), which placed under its responsibility all current programs of DMHS and, in addition, under Arkansas Code Annotated §25-2-104 transferred to DBHS by Type 1 transfer the Bureau of Alcohol and Drug Abuse Prevention from the Department of Health.

The Division of Behavioral Health Services is organized into three functional components. Those components are Central Administration, Arkansas State Hospital, and Arkansas Health Center.

The Division of Behavioral Health Services is responsible for ensuring the provision of mental health services throughout the State of Arkansas. Community-based services are provided statewide through contractual arrangements with fifteen private, non-profit Community Mental Health Centers (CMHCs), their affiliates, and three mental health clinics. There are 15 catchment areas in which the CMHCs have service sites in 69 of the 75 counties. Services are provided from 135 sites throughout the State of Arkansas.

The Division of Behavioral Health Services is responsible for the oversight and operation of the Arkansas State Hospital (ASH), a psychiatric inpatient treatment facility for those with mental or emotional disorders. The Arkansas State Hospital includes a 90-bed acute inpatient unit, a 88-bed forensic unit, a 36-bed adolescent unit, and a 20-bed adolescent sex offenders unit.

The Division also operates the Arkansas Health Center (AHC), a 310-bed long-term care psychiatric nursing facility which serves the needs of elderly Arkansans with disabilities who require specialized services and programs not generally available through community nursing homes. The program emphasizes the provision of services to special needs groups and individuals with cognitive dysfunctions. Services are available to all residents of Arkansas, provided individuals meet admission criteria.

Funding for this appropriation includes general revenue (DBA - Behavioral Health Services Fund Account), federal and other revenues. Federal revenue includes sources such as Mental Health Block grant, Access to Recovery grant, and Substance Abuse Prevention and Treatment (SAPT) Block grant. Other revenue which is indicated as various program support includes sources such as Medicaid and Medicare reimbursements, refunds, patient collections and rent.

896 - Administration Paying Account

Base Level:

The Agency Base Level Request for this appropriation is \$94,260,922 in FY2018 and \$94,300,437 in FY2019 with \$53,308,720 in FY2018 and \$53,330,503 in FY2019 of general revenue funding and 1,066 budgeted base level positions.

Change Level:

The Agency Change Level Request is \$10,072,482 in FY2018 and \$10,060,290 in FY2019 with a transfer of general revenue to other divisions of (\$831,989) in FY2018 and (\$838,390) in FY2019, and reflects the following:

- Discontinue Positions (6): Regular Salaries and Personal Services Matching of \$165,964 each year of the biennium.
- Transfer Out Positions (21): Regular Salaries and Personal Services Matching of \$1,248,641 in FY2018 and \$1,248,781 in FY2019.
- Restore Unfunded Positions (101): Regular Salaries and Personal Services Matching of \$3,559,199 each year of the biennium.
- Extra Help of \$199,935 for each year of the biennium.
- Operating Expenses of \$2,090,438 in FY2018 and \$2,078,986 in FY2019 which includes a transfer out of (\$311,604) for FY2018 and (\$323,056) for FY2019 to Shared Services and additional unfunded appropriation of \$2,402,042 each year of the biennium.
- Professional Fees of \$3,643,515 each year of the biennium.
- Capital Outlay of \$2,000,000 each year of the biennium for unexpected equipment expenditures.

193 - DHS State Operations

Base Level:

The Agency Base Level Request for the Grants/Patient Services line item is \$18,050,522 each year of the biennium.

The Agency Base Level and total request for the Mental Health Center Transfer line item is \$2,599,382 each year of the biennium.

Change Level:

The Agency Change Level Request for appropriation in the Grants/Patient Services line item is \$6,416,979 for each year of the biennium.

896 - Administration Paying Account

The Executive Recommendation provides for the Agency Request with the exception of \$199,935 each year in Extra Help, \$2,402,042 each year in Operating Expenses, \$3,643,515 each year in Professional Fees, and \$1,750,000 each year in Capital Outlay.

The Legislative Recommendation concurs with the Executive Recommendation with the exception of a reduction of twenty-six (26) positions and a corresponding reduction of (\$791,630) in Regular Salaries and Personal Services Matching appropriation.

193 - DHS State Operations

The Executive Recommendation is Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 896 - DHS-Admin Paying Account

Funding Sources: PWP - Administration Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	38,194,640	37,863,127	40,701,756	39,273,344	39,273,344	38,654,608	39,301,844	39,301,844	38,683,108
#Positions		1,113	1,066	1,167	1,140	1,140	1,114	1,140	1,140	1,114
Extra Help	5010001	5,475,740	5,832,583	6,032,518	6,032,518	5,832,583	5,832,583	6,032,518	5,832,583	5,832,583
#Extra Help		313	332	335	335	335	335	335	335	335
Personal Services Matching	5010003	16,351,531	15,516,741	16,818,290	16,450,228	16,450,228	16,277,334	16,460,503	16,460,503	16,287,609
Overtime	5010006	4,536,149	4,212,006	4,212,006	4,212,006	4,212,006	4,212,006	4,212,006	4,212,006	4,212,006
Operating Expenses	5020002	20,134,508	24,224,263	24,224,263	26,314,701	23,912,659	23,912,659	26,303,249	23,901,207	23,901,207
Conference & Travel Expenses	5050009	71,334	75,725	75,725	75,725	75,725	75,725	75,725	75,725	75,725
Professional Fees	5060010	7,453,546	6,331,367	9,974,882	9,974,882	6,331,367	6,331,367	9,974,882	6,331,367	6,331,367
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants/Patient Services	5100004	20,352,933	18,050,552	24,467,531	24,467,531	18,050,552	18,050,552	24,467,531	18,050,552	18,050,552
Capital Outlay	5120011	210,921	0	2,000,000	2,000,000	250,000	250,000	2,000,000	250,000	250,000
Mental Hlth Center Transfer	5900046	17,009	2,599,382	2,599,382	2,599,382	2,599,382	2,599,382	2,599,382	2,599,382	2,599,382
Total		112,798,311	114,705,746	131,106,353	131,400,317	116,987,846	116,196,216	131,427,640	117,015,169	116,223,539

Funding Sources										
General Revenue	4000010	70,470,643	73,586,580		73,126,665	73,126,665	73,126,665	73,142,047	73,142,047	73,142,047
Federal Revenue	4000020	1,199,732	2,525,287		2,685,540	2,685,540	2,685,540	2,685,540	2,685,540	2,685,540
Merit Adjustment Fund	4000055	0	256,076		0	0	0	0	0	0
Various Program Support	4000730	41,127,936	38,337,803		37,366,442	37,366,442	37,366,442	37,378,383	37,378,383	37,378,383
Total Funding		112,798,311	114,705,746		113,178,647	113,178,647	113,178,647	113,205,970	113,205,970	113,205,970
Excess Appropriation/(Funding)		0	0		18,221,670	3,809,199	3,017,569	18,221,670	3,809,199	3,017,569
Grand Total		112,798,311	114,705,746		131,400,317	116,987,846	116,196,216	131,427,640	117,015,169	116,223,539

Analysis of Budget Request

Appropriation: 938 - Patient Benefits–Cash in Treasury

Funding Sources: NHS - Cash in Treasury

The Patient Benefits appropriation provides funds on a cash basis to meet patient needs such as recreational activities and personal items. Cash funds are derived from proceeds from parking meters, interest and private donations.

The Agency Base Level and total request for this appropriation is \$75,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 938 - Patient Benefits–Cash in Treasury

Funding Sources: NHS - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Patient Benefit Fund	5900046	25,746	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Total		25,746	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000

Funding Sources										
Cash Fund	4000045	25,746	75,000		75,000	75,000	75,000	75,000	75,000	75,000
Total Funding		25,746	75,000		75,000	75,000	75,000	75,000	75,000	75,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		25,746	75,000		75,000	75,000	75,000	75,000	75,000	75,000

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
320 Child Care Development-Discretionary	30,149,634	0	24,950,000	0	35,469,372	0	42,450,000	0	42,450,000	0	42,450,000	0	42,450,000	0	42,450,000	0	42,450,000	0
890 Food Program	70,149,779	0	80,291,250	0	80,291,250	0	80,291,250	0	80,291,250	0	80,291,250	0	80,291,250	0	80,291,250	0	80,291,250	0
896 Division of Child Care/Early Childhood	18,559,247	204	21,469,725	190	23,850,642	206	21,655,698	190	21,619,221	190	21,557,683	188	21,658,372	190	21,623,295	190	21,561,757	188
898 Child Care Grant/Aids	32,736,783	0	45,173,527	0	40,130,656	0	54,947,179	0	54,947,179	0	54,947,179	0	54,947,179	0	54,947,179	0	54,947,179	0
929 Child Care-Treasury Paying	0	0	36,786	0	120,863	0	36,786	0	36,786	0	36,786	0	36,786	0	36,786	0	36,786	0
Total	151,595,443	204	171,921,288	190	179,862,783	206	199,380,913	190	199,344,436	190	199,282,898	188	199,383,587	190	199,348,510	190	199,286,972	188

Funding Sources		%		%		%		%		%		%		%		%	
General Revenue	4000010	7,345,194	4.8	7,429,455	4.3	7,837,869	4.3	7,837,869	4.3	7,837,869	4.3	7,838,044	4.3	7,838,044	4.3	7,838,044	4.3
Federal Revenue	4000020	141,676,019	93.5	161,514,266	93.9	170,190,637	94.0	170,190,637	94.0	170,190,637	94.0	170,191,674	94.0	170,191,674	94.0	170,191,674	94.0
Special Revenue	4000030	158,599	0.1	519,007	0.3	519,094	0.3	519,094	0.3	519,094	0.3	519,094	0.3	519,094	0.3	519,094	0.3
Cash Fund	4000045	0	0.0	36,786	0.0	36,786	0.0	36,786	0.0	36,786	0.0	36,786	0.0	36,786	0.0	36,786	0.0
Merit Adjustment Fund	4000055	0	0.0	3,774	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Various Program Support	4000730	2,415,631	1.6	2,418,000	1.4	2,418,000	1.3	2,418,000	1.3	2,418,000	1.3	2,418,000	1.3	2,418,000	1.3	2,418,000	1.3
Total Funds		151,595,443	100.0	171,921,288	100.0	181,002,386	100.0	181,002,386	100.0	181,002,386	100.0	181,003,598	100.0	181,003,598	100.0	181,003,598	100.0
Excess Appropriation/(Funding)		0		0		18,378,527		18,342,050		18,280,512		18,379,989		18,344,912		18,283,374	
Grand Total		151,595,443		171,921,288		199,380,913		199,344,436		199,282,898		199,383,587		199,348,510		199,286,972	

Budget exceeds Authorized in Child Care Grant/Aids (FC 898) due to a transfer from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 320 - Child Care Development-Discretionary

Funding Sources: FWF - DHS Federal

The Child Care and Development Block Grant (CCDF) consolidates childcare assistance programs and requires states to develop an integrated service delivery system to meet the needs of low income families. This appropriation is for the Discretionary category of funds. Specifically, these funds are targeted for low income working families and those transitioning from the Temporary Assistance for Needy Families program (TANF) Program to obtain child care; thereby allowing parents to work or obtain the training necessary to obtain employment or attend educational programs that will lead to employment.

Funding for this appropriation includes 100% federal revenue consisting of Discretionary Child Care Development Block Grant funding.

The Agency Base Level request for this appropriation is \$24,950,000 each year of the biennium.

The Agency Change Level request is \$17,500,000 each year of the biennium for anticipated growth in the federal voucher program.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 320 - Child Care Development-Discretionary

Funding Sources: FWF - DHS Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	30,149,634	24,950,000	35,469,372	42,450,000	42,450,000	42,450,000	42,450,000	42,450,000	42,450,000
Total		30,149,634	24,950,000	35,469,372	42,450,000	42,450,000	42,450,000	42,450,000	42,450,000	42,450,000

Funding Sources										
Federal Revenue	4000020	30,149,634	24,950,000		24,950,000	24,950,000	24,950,000	24,950,000	24,950,000	24,950,000
Total Funding		30,149,634	24,950,000		24,950,000	24,950,000	24,950,000	24,950,000	24,950,000	24,950,000
Excess Appropriation/(Funding)		0	0		17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000
Grand Total		30,149,634	24,950,000		42,450,000	42,450,000	42,450,000	42,450,000	42,450,000	42,450,000

Analysis of Budget Request

Appropriation: 890 - Food Program

Funding Sources: FWF - DHS Federal

The Child and Adult Care Food Program (CACFP) provides nutritious meals in public and non-profit licensed child care centers, adult day care centers, day care homes and outside school hours centers. Private for profit organizations may qualify if they receive payments under Title XX of the Social Security Act for at least 25% of their clients. Residential programs are not eligible for participation in this food program. The CACFP assists with initiating, maintaining, and expanding nonprofit food service programs for children or adult participants in nonresidential institutions which provide care. The program is intended to enable such institutions to integrate a nutritious food service with organized care services for enrolled participants. The National School Lunch Program provides reimbursement to schools, licensed child care institutions, juvenile detention centers and hospitals serving lunches to eligible children. Participating schools and other institutions will serve lunches that are nutritionally adequate and ensure that participating children gain a full understanding of the relationship between proper eating and good health. The Special Milk Program provides reimbursement to schools and non-profit child care institutions for serving milk to eligible children. The Summer Food Service Program reimburses organizations for providing nutritious meals and snacks to children during the summer months. The program generally operates during the months of May through September at site locations where regularly scheduled food services are provided for children. Sites may also participate in the program from September through May if the school is closed because of an emergency situation. Service institutions operating food programs for children on school vacation under a continuous year-round calendar may apply for participation in other months.

Funding for this appropriation includes 100% federal revenue consisting of federal reimbursements from the U.S. Department of Agriculture.

The Agency Base Level and total request for this appropriation is \$80,291,250 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 890 - Food Program

Funding Sources: FWF - DHS Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	70,149,779	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250
Total		70,149,779	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250

Funding Sources										
Federal Revenue	4000020	70,149,779	80,291,250		80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250
Total Funding		70,149,779	80,291,250		80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		70,149,779	80,291,250		80,291,250	80,291,250	80,291,250	80,291,250	80,291,250	80,291,250

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

This appropriation provides administrative support for the Division of Child Care and Early Childhood Education (DCCECE). The purpose of DCCECE is to enhance the coordination of child care and early childhood education programs within Arkansas. The Division was created to accommodate the transfer of the Early Childhood Commission and the administrative component of the Arkansas Better Chance (ABC) Program from the Department of Education.

Funding for this appropriation consists of general revenue (DCC - Childcare and Early Childhood Education Fund Account), federal revenue, special revenue and other revenues. Federal revenue primarily includes funding from the Department of Health and Human Services Child Care Development Block Grant, Title IV-E Foster Care, and USDA Child Nutrition. Special revenue is comprised of Child Care Provider License Fees. Other revenue which is indicated as various program support is funding from the Arkansas Better Chance Program.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$21,472,761 in FY2018 and \$21,475,973 in FY2019 with 188 budgeted Base Level positions.

The Agency Change Level request is \$182,937 in FY2018 and \$182,399 in FY2019 with a transfer of general revenue to other divisions of (\$70,566) each year for the following:

- Restore Positions (18): Regular Salaries and Personal Services Matching of \$932,037 in FY18 and \$932,899 in FY2019. The 2 positions established via MFG will not be transferred and will administer the High Quality Preschool Development grant.
- Transfer Positions Out (16): Regular Salaries and Personal Services Matching of (\$846,169) each year of the biennium to support Shared Services Division due to agency reorganization.
- Extra Help of \$60,592 for each year of the biennium.
- Operating Expenses of \$19,921 in FY2018 and \$18,521 in FY2019 to support (HQPP).
- Conference and Travel Expenses of \$16,556 each year of the biennium to support (HQPP).

The Executive Recommendation provides for the Agency Request with the exception of \$19,921 in FY2018 and \$18,521 in FY2019 in Operating Expenses and \$16,556 each year in Conference & Travel Expenses.

The Legislative Recommendation concurs with the Executive Recommendation with an additional reduction of two (2) positions and a corresponding reduction of (\$61,538) in Regular Salaries and Personal Services Matching appropriation.

Appropriation Summary

Appropriation: 896 - DHS-Admin Paying Account

Funding Sources: PWP - Administration Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	6,941,549	6,690,155	7,393,834	6,750,577	6,750,577	6,702,459	6,753,877	6,753,877	6,705,759
#Positions		204	190	206	190	190	188	190	190	188
Extra Help	5010001	99,280	153,795	153,795	214,387	214,387	214,387	214,387	214,387	214,387
#Extra Help		9	13	13	13	13	13	13	13	13
Personal Services Matching	5010003	2,530,876	2,532,091	2,755,678	2,561,323	2,561,323	2,547,903	2,562,097	2,562,097	2,548,677
Overtime	5010006	21	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	3,016,132	4,566,890	4,567,990	4,586,811	4,566,890	4,566,890	4,585,411	4,566,890	4,566,890
Conference & Travel Expenses	5050009	87,500	73,250	72,500	89,056	72,500	72,500	89,056	72,500	72,500
Professional Fees	5060010	5,883,889	7,448,544	8,901,845	7,448,544	7,448,544	7,448,544	7,448,544	7,448,544	7,448,544
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		18,559,247	21,469,725	23,850,642	21,655,698	21,619,221	21,557,683	21,658,372	21,623,295	21,561,757

Funding Sources										
General Revenue	4000010	1,164,457	1,164,457		1,097,871	1,097,871	1,097,871	1,098,046	1,098,046	1,098,046
Federal Revenue	4000020	14,820,560	17,877,510		17,255,316	17,255,316	17,255,316	17,256,353	17,256,353	17,256,353
Special Revenue	4000030	158,599	480,984		480,984	480,984	480,984	480,984	480,984	480,984
Merit Adjustment Fund	4000055	0	3,774		0	0	0	0	0	0
Various Program Support	4000730	2,415,631	1,943,000		1,943,000	1,943,000	1,943,000	1,943,000	1,943,000	1,943,000
Total Funding		18,559,247	21,469,725		20,777,171	20,777,171	20,777,171	20,778,383	20,778,383	20,778,383
Excess Appropriation/(Funding)		0	0		878,527	842,050	780,512	879,989	844,912	783,374
Grand Total		18,559,247	21,469,725		21,655,698	21,619,221	21,557,683	21,658,372	21,623,295	21,561,757

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

The passage of the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193 established the Child Care Development Fund (CCDF). This fund allows maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within the State of Arkansas; promotes parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs; encourages States to provide consumer education information to help parents make informed choices about child care; assists States to provide child care to parents trying to achieve independence from public assistance; and assist States in implementing the health, safety, licensing and registration standards established in State regulations. A minimum of four percent (4%) of CCDF funds must be used to improve the quality of childcare. Quality activities include training, grants and loans to providers, and health and safety improvements.

In the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, specific funding is designated for Child Care. Funding received under the Child Care Development Fund by states is in three categories:

- **Mandatory:** Base allocations for states
- **Matching:** Additional available funds if states spend base allocations and provide state match above Maintenance of Effort
- **Discretionary:** Funding designated as the Child Care Development Block Grant

Funding for this appropriation consists of general revenue (DGF - Department of Human Services Grants Fund Account), federal revenue, other revenue and special revenue. Federal revenues include Child Care Development Block Grant funding. Other revenue which is indicated as various program support consists of reimbursements. Special revenue was derived from Beer Tax collections due to the State before the sunset of the funding source.

The Agency Base Level request for this appropriation is \$40,130,656 each year of the biennium.

The Agency Change Level request is \$14,816,523 each year of the biennium to accommodate the HQPP program to provide quality child care services to four year olds who meet the income guidelines for the program.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	32,736,783	45,173,527	40,130,656	54,947,179	54,947,179	54,947,179	54,947,179	54,947,179	54,947,179
Total		32,736,783	45,173,527	40,130,656	54,947,179	54,947,179	54,947,179	54,947,179	54,947,179	54,947,179

Funding Sources										
General Revenue	4000010	6,180,737	6,264,998		6,739,998	6,739,998	6,739,998	6,739,998	6,739,998	6,739,998
Federal Revenue	4000020	26,556,046	38,395,506		47,694,071	47,694,071	47,694,071	47,694,071	47,694,071	47,694,071
Special Revenue	4000030	0	38,023		38,110	38,110	38,110	38,110	38,110	38,110
Various Program Support	4000730	0	475,000		475,000	475,000	475,000	475,000	475,000	475,000
Total Funding		32,736,783	45,173,527		54,947,179	54,947,179	54,947,179	54,947,179	54,947,179	54,947,179
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		32,736,783	45,173,527		54,947,179	54,947,179	54,947,179	54,947,179	54,947,179	54,947,179

Budget exceeds Authorized Appropriation in Grants and Aid due to a transfer from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 929 - Child Care-Treasury Paying

Funding Sources: NHS - Cash in Treasury

The Arkansas Child Care Facilities Loan Guarantee Fund was created to provide loan guarantees to assist with the development of new or to expand existing day care facilities with target areas specifically in low income, rural areas of the State that show demonstrated need for child care. Arkansas Code Annotated §20-78-503 created the Arkansas Child Care Facilities Loan Guarantee Trust Fund with initial funds derived from interest income on the investment of state funds. Funds are authorized in \$100,000 annual increments up to a balance of \$350,000. The State Treasurer can replenish the fund when the balance reaches or falls below \$100,000.

The Division of Child Care and Early Childhood Education is authorized to develop and implement necessary rules and regulations to receive, review, and approve applications for loan deficiency guarantee assistance. Revision of a loan guarantee may be approved when it becomes necessary to ensure adequate child care financing is available. Loan guarantees should be given the following considerations: geographic distribution, community need, community income, with priority given to those communities with the lowest median family income, proof of viable administrative and financial management, and intended licensure of the facility. The Division is required to report the status of the Loan Guarantee Fund to the Legislative Council each October.

Arkansas Code Annotated §20-78-503 designates the Arkansas Child Care Facilities Loan Guarantee Fund as a Cash Fund Account. The Agency is authorized to accept moneys for the Fund from any source in addition to the allocations from the State Treasurer. The fund is a continuing fund and not subject to fiscal year limitations. Interest that has accrued during a fiscal year that is not required to cover loan defaults occurring that fiscal year is made available for non-refundable grants to child care facilities for start-up, development, training scholarships, or expansion.

The Agency Base Level and total request for this appropriation is \$36,786 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 929 - Child Care-Treasury Paying

Funding Sources: NHS - Cash in Treasury

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Agency	Executive	Legislative	Agency	Executive	Legislative
Loan Guarantee/Grants 5900046	0	36,786	120,863	36,786	36,786	36,786	36,786	36,786	36,786
Total	0	36,786	120,863	36,786	36,786	36,786	36,786	36,786	36,786

Funding Sources									
Cash Fund 4000045	0	36,786		36,786	36,786	36,786	36,786	36,786	36,786
Total Funding	0	36,786		36,786	36,786	36,786	36,786	36,786	36,786
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	36,786		36,786	36,786	36,786	36,786	36,786	36,786

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
882 State Residential Treatment	1,828,922	0	8,591,656	0	10,860,055	0	13,862,656	0	13,862,656	0	13,862,656	0	13,953,656	0	13,953,656	0	13,953,656	0
883 Foster Care	37,199,052	0	31,863,982	0	34,689,983	0	44,911,982	0	44,911,982	0	44,911,982	0	48,736,982	0	48,736,982	0	48,736,982	0
896 Division of Children & Family Services	75,264,496	1,109	73,688,109	1,040	85,375,440	1,127	87,313,992	1,225	87,313,992	1,225	87,313,992	1,225	93,319,037	1,292	93,319,037	1,292	93,319,037	1,292
898 TANF/Foster Care	58,945,633	0	56,120,193	0	60,230,751	0	76,181,879	0	76,181,879	0	76,181,879	0	85,817,193	0	85,817,193	0	85,817,193	0
Total	173,238,103	1,109	170,263,940	1,040	191,156,229	1,127	222,270,509	1,225	222,270,509	1,225	222,270,509	1,225	241,826,868	1,292	241,826,868	1,292	241,826,868	1,292

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	71,827,783	41.5	91,537,075	53.8	128,250,565	61.6	118,250,565	59.7	118,250,565	59.7	140,181,014	62.4	130,181,014	60.7	130,181,014	60.7	
Federal Revenue	4000020	82,353,446	47.5	75,744,853	44.5	77,204,622	37.1	77,204,622	38.9	77,204,622	38.9	81,640,335	36.4	81,640,335	38.0	81,640,335	38.0	
Merit Adjustment Fund	4000055	0	0.0	111,220	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Reimbursement	4000425	4,355,952	2.5	3,725,000	2.2	3,725,000	1.8	3,725,000	1.9	3,725,000	1.9	3,725,000	1.7	3,725,000	1.7	3,725,000	1.7	
Transfer to State Police	4000675	(1,268,671)	(0.7)	(1,674,208)	(1.0)	(1,674,208)	(0.8)	(1,674,208)	(0.8)	(1,674,208)	(0.8)	(1,674,208)	(0.7)	(1,674,208)	(0.8)	(1,674,208)	(0.8)	
Various Program Support	4000730	15,969,593	9.2	820,000	0.5	710,095	0.3	710,095	0.4	710,095	0.4	710,095	0.3	710,095	0.3	710,095	0.3	
Total Funds		173,238,103	100.0	170,263,940	100.0	208,216,074	100.0	198,216,074	100.0	198,216,074	100.0	224,582,236	100.0	214,582,236	100.0	214,582,236	100.0	
Excess Appropriation/(Funding)		0		0		14,054,435		24,054,435		24,054,435		17,244,632		27,244,632		27,244,632		
Grand Total		173,238,103		170,263,940		222,270,509		222,229,350		222,270,509		241,826,868		241,826,868		241,826,868		

Analysis of Budget Request

Appropriation: 882 - State Residential Treatment

Funding Sources: DCF - Children and Family Services Fund Account

This appropriation provides residential treatment services to children in need of placement and treatment. These services are purchased through private provider contracts and Medicaid Eligible service providers. The services are targeted for children who have been diagnosed as having serious emotional and/or behavioral problems and are in need of placement and treatment.

Funding for this appropriation is general revenue (DCF - Children and Family Services Fund Account) and refunds that consist of contract reimbursements for spent general revenue.

The Agency Base Level for this appropriation is \$8,591,565 each year of the biennium.

The Agency Change Level request of \$5,271,000 in FY2018 and \$5,362,000 in FY2019 is to meet needs in residential treatment services due to the growing number of children in care.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 882 - State Residential Treatment

Funding Sources: DCF - Children and Family Services Fund Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	1,828,922	8,591,656	10,860,055	13,862,656	13,862,656	13,862,656	13,953,656	13,953,656	13,953,656
Total		1,828,922	8,591,656	10,860,055	13,862,656	13,862,656	13,862,656	13,953,656	13,953,656	13,953,656

Funding Sources										
General Revenue	4000010	1,711,258	8,566,656		13,837,656	13,837,656	13,837,656	13,928,656	13,928,656	13,928,656
Reimbursement	4000425	14,444	25,000		25,000	25,000	25,000	25,000	25,000	25,000
Various Program Support	4000730	103,220	0		0	0	0	0	0	0
Total Funding		1,828,922	8,591,656		13,862,656	13,862,656	13,862,656	13,953,656	13,953,656	13,953,656
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,828,922	8,591,656		13,862,656	13,862,656	13,862,656	13,953,656	13,953,656	13,953,656

Analysis of Budget Request

Appropriation: 883 - Foster Care

Funding Sources: DCF - Children and Family Services Fund Account

The Division of Children and Family Services (DCFS) provides selective placement for children in the custody of the Department of Human Services in approved foster homes or licensed facilities for a planned period of time when separation from a birth parent or legal guardian necessitates such separation. Foster Care is an integral part of the service delivery system of the Division of Children and Family Services.

Funding for this appropriation consists of general revenue (DCF-Children and Family Services Fund Account), refunds that consist of board reimbursements for spent general revenue and other funding which is indicated as various program support can also include sources such as federal awards, fees, and maximization of federal claiming. These other funds are considered to be non-federal and technically can be expended for any program or service within the Department.

The Agency Base Level request for this appropriation is \$31,863,982 each year of the biennium with general revenue of \$28,163,982.

The Agency Change Level request for this appropriation is \$13,048,000 in FY2018 and \$16,873,000 in FY2019 with general revenue request of \$11,396,536 in FY2018 and \$16,561,653 in FY2019. The following delineates the agency request:

- \$11,396,536 in FY2018 and \$16,561,563 in FY2019 due to increased payments for the rising number of children in care, board payments, and the increase in adoption subsidies.
- \$1,651,464 for FY2018 and \$311,347 in FY2019 for unfunded appropriation to be utilized for client services if savings are generated in other areas.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 883 - Foster Care

Funding Sources: DCF - Children and Family Services Fund Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	37,199,052	31,863,982	34,689,983	44,911,982	44,911,982	44,911,982	48,736,982	48,736,982	48,736,982
Total		37,199,052	31,863,982	34,689,983	44,911,982	44,911,982	44,911,982	48,736,982	48,736,982	48,736,982

Funding Sources										
General Revenue	4000010	32,857,544	28,163,982		39,560,518	39,560,518	39,560,518	44,725,635	44,725,635	44,725,635
Reimbursement	4000425	4,341,508	3,700,000		3,700,000	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000
Total Funding		37,199,052	31,863,982		43,260,518	43,260,518	43,260,518	48,425,635	48,425,635	48,425,635
Excess Appropriation/(Funding)		0	0		1,651,464	1,651,464	1,651,464	311,347	311,347	311,347
Grand Total		37,199,052	31,863,982		44,911,982	44,911,982	44,911,982	48,736,982	48,736,982	48,736,982

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

This appropriation provides administrative support for the Division of Children and Family Services (DCFS). This Division is responsible for the protection of children, the continuation of the family-centered approach to service delivery to help strengthen and maintain natural families when possible, the expansion of programs such as therapeutic services, foster care prevention, management information systems and quality assurance and monitoring.

DCFS provides family supports to keep children at home, assist families when the families temporarily can't provide the necessary care for their children and help eliminate child maltreatment. DCFS attempts to keep families together and only separates children from their families as a last alternative. Specific services provided by the Division are: Support Services, Foster Care, Adoption Services and Protective Services.

The Division was operating under a Child Welfare Reform Federal Consent Decree until December, 2001. The original lawsuit (commonly known as "Angela R") was filed in 1991, alleging gross abuse and neglect of children of this State and the State's failure to protect those children. The consent decree was approved in 1994 and extended in 1999 and again in October 2001. In December 2001, the decree ended when the plaintiffs to the original lawsuit did not challenge DCFS compliance with the federal consent decree.

Funding for this appropriation includes general revenue (DCF-Children and Family Services Fund Account), federal revenues and other revenues, which is identified as various program support. The federal funds are derived from Title IV-E, Title IV-B, TANF, Child Abuse Prevention Treatment Act (CAPTA), Social Service Block Grant, Emergency Assessment funding, and Safe and Stable Families Act funding. Other revenues which are indicated as various program support are derived from many sources including federal awards, fees, third party reimbursements and maximization of federal claiming. These other revenues are considered to be non-federal and technically can be expended for any program or service within the Department.

Base Level:

The Agency Base Level Request for this appropriation is \$73,888,855 in FY2018 and \$73,921,694 in FY2019 with \$34,709,548 in FY2018 and \$34,725,314 in FY2019 of general revenue funding and 1040 budgeted base level positions.

Change Level:

The Agency Change Level Request is \$13,425,137 in FY2018 and \$19,397,343 in FY2019 with \$13,374,893 in FY2018 and \$16,428,459 in FY2019 in new general revenue and an increase of 185 positions in FY2018 and 252 in FY2018, and reflects the following:

- New Positions (179 in FY2018 and 246 in FY2019): Regular Salaries and Personal Services Matching of \$8,063,325 in FY2018 and \$10,940,531 in FY2019 to meet the need from the growing number of children in care.
- Discontinue Position (2): Regular Salaries and Personal Services Matching of (\$63,980) each year of the biennium.
- Transfer Positions Out (20): Regular Salaries and Personal Services Matching of (\$1,200,179) for each year of the biennium to support agency reorganization.
- Restore Unfunded Positions (28): Regular Salaries and Personal Services Matching of \$1,280,401 for each year of the biennium to provide direct service or provide direct support to field staff.
- Extra Help of \$1,031,570 for each year of the biennium.
- Operating Expenses of \$2,758,000 in FY2018 and \$5,431,000 in FY2019 which includes a transfer of (\$47,000) each year of the biennium to support agency reorganization and an increase of \$2,805,000 for FY2018 and \$5,478,000 for FY2019 for increased overhead associated with new staff, increased mileage reimbursements, and fuel purchases for transportation.
- Professional Fees and Services of \$1,556,000 for FY2018 and \$1,978,000 for FY2019 for increase in client services to the rising number of children in care.

The Executive Recommendation provides for the Agency Request for appropriation with \$3,374,893 in FY2018 and \$6,428,459 in FY2019 in new general revenue.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 896 - DHS-Admin Paying Account

Funding Sources: PWP - Administration Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	38,019,263	36,559,363	39,297,324	42,307,105	42,307,105	42,307,105	44,390,494	44,390,494	44,390,494
#Positions		1,109	1,040	1,127	1,225	1,225	1,225	1,292	1,292	1,292
Extra Help	5010001	531,608	200,000	625,000	1,231,570	1,231,570	1,231,570	1,231,570	1,231,570	1,231,570
#Extra Help		53	65	65	65	65	65	65	65	65
Personal Services Matching	5010003	13,401,540	13,932,031	14,787,617	16,489,602	16,489,602	16,489,602	17,316,258	17,316,258	17,316,258
Overtime	5010006	0	1,200,000	4,000,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Operating Expenses	5020002	10,097,166	9,799,660	12,145,347	12,557,660	12,557,660	12,557,660	15,230,660	15,230,660	15,230,660
Conference & Travel Expenses	5050009	19,794	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	12,994,719	11,942,055	14,390,152	13,498,055	13,498,055	13,498,055	13,920,055	13,920,055	13,920,055
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	200,406	25,000	100,000	0	0	0	0	0	0
Total		75,264,496	73,688,109	85,375,440	87,313,992	87,313,992	87,313,992	93,319,037	93,319,037	93,319,037

Funding Sources										
General Revenue	4000010	22,158,989	34,509,173		48,084,441	38,084,441	38,084,441	51,153,773	41,153,773	41,153,773
Federal Revenue	4000020	40,148,956	40,261,924		38,221,693	38,221,693	38,221,693	41,157,406	41,157,406	41,157,406
Merit Adjustment Fund	4000055	0	111,220		0	0	0	0	0	0
Transfer to State Police	4000675	(1,268,671)	(1,674,208)		(1,674,208)	(1,674,208)	(1,674,208)	(1,674,208)	(1,674,208)	(1,674,208)
Various Program Support	4000730	14,225,222	480,000		370,095	370,095	370,095	370,095	370,095	370,095
Total Funding		75,264,496	73,688,109		85,002,021	75,002,021	75,002,021	91,007,066	81,007,066	81,007,066
Excess Appropriation/(Funding)		0	0		2,311,971	12,311,971	12,311,971	2,311,971	12,311,971	12,311,971
Grand Total		75,264,496	73,688,109		87,313,992	87,313,992	87,313,992	93,319,037	93,319,037	93,319,037

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

The TANF/Foster Care Program is used to assist with the costs of foster care maintenance for eligible children; administrative costs to manage the program; and training for staff and foster parents. The primary purpose of this program is to fund proper care for children who need placement outside their homes. This appropriation is also used to assist States in paying maintenance costs for adopted children with special needs, such as children who are older or who have disabilities. The primary purpose of this program is to advance the permanency of hard to place children in adoptive homes and avoid inappropriate and excessive numbers of foster care placements.

This appropriation also provides for Independent Living services for foster children age 16 and older. This service is intended to provide a transition to independent living by providing encouragement and assistance in obtaining a high school diploma or vocational skill training, as well as training in daily living skills.

Funding for this appropriation includes general revenue (DCF - Children and Family Services Fund Account), federal revenues, and other revenues, which are identified as various program support. Federal revenues include Title IV-E Adoption Subsidies, Title IV-B Family Preservation Funding, SSBG, and TANF. Other revenues which are indicated as various program support and consists of match out of board reimbursements.

The Agency Base Level request for this appropriation is \$56,120,193 each year of the biennium with general revenue of \$20,297,264.

The Agency Change Level request for this appropriation is \$20,061,686 in FY2018 and \$29,697,000 in FY2019 with general revenue request of \$6,470,686 in FY2018 and \$10,075,686 in FY2019. The following delineates the agency request:

- \$9,970,686 in FY2018 and \$15,075,686 in FY2019 due to the increased number of children in care for counseling, home studies, intensive family services, psych evaluations, and respite care.
- \$10,091,000 for FY2018 and \$14,621,314 in FY2019 for unfunded appropriation in case additional federal funding becomes available for IV-E eligible board payments and client services.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	58,945,633	56,120,193	60,230,751	76,181,879	76,181,879	76,181,879	85,817,193	85,817,193	85,817,193
Total		58,945,633	56,120,193	60,230,751	76,181,879	76,181,879	76,181,879	85,817,193	85,817,193	85,817,193

Funding Sources										
General Revenue	4000010	15,099,992	20,297,264		26,767,950	26,767,950	26,767,950	30,372,950	30,372,950	30,372,950
Federal Revenue	4000020	42,204,490	35,482,929		38,982,929	38,982,929	38,982,929	40,482,929	40,482,929	40,482,929
Various Program Support	4000730	1,641,151	340,000		340,000	340,000	340,000	340,000	340,000	340,000
Total Funding		58,945,633	56,120,193		66,090,879	66,090,879	66,090,879	71,195,879	71,195,879	71,195,879
Excess Appropriation/(Funding)		0	0		10,091,000	10,091,000	10,091,000	14,621,314	14,621,314	14,621,314
Grand Total		58,945,633	56,120,193		76,181,879	76,181,879	76,181,879	85,817,193	85,817,193	85,817,193

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019							
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	
396 Cty-Aid To Aged, Blind, Disabled	0	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000	0	4,000
410 Cty-Emergency Food Program	723,947	0	729,295	0	729,295	0	729,295	0	729,295	0	729,295	0	729,295	0	729,295	0	729,295	0	729,295
411 Cty-Low Income Energy Assistance Prgm	24,267,200	0	28,000,000	0	29,470,000	0	28,000,000	0	28,000,000	0	28,000,000	0	28,000,000	0	28,000,000	0	28,000,000	0	28,000,000
412 Cty-Refugee Resettlement Program	648	0	12,000	0	24,000	0	122,160	0	12,000	0	12,000	0	122,160	0	12,000	0	12,000	0	12,000
426 Cty-Homeless Assistance Grant	1,563,076	0	2,638,091	0	2,638,091	0	2,638,091	0	2,638,091	0	2,638,091	0	2,638,091	0	2,638,091	0	2,638,091	0	2,638,091
59H Hunger Coalition	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113	0	995,113
642 Medicaid Expansion-County Ops	2,602,109	60	2,816,195	60	2,885,980	60	2,825,998	60	2,825,998	60	2,825,998	60	2,828,468	60	2,828,468	60	2,828,468	60	2,828,468
896 Division of County Operations	114,507,100	1,779	117,353,382	1,728	123,099,006	1,782	124,650,774	1,777	119,459,268	1,777	119,406,612	1,776	124,040,294	1,777	119,536,804	1,777	119,484,148	1,776	119,484,148
897 TANF Block Grant	8,703,431	0	14,637,000	0	18,277,650	0	18,277,650	0	14,637,000	0	14,637,000	0	18,277,650	0	14,637,000	0	14,637,000	0	14,637,000
898 Community Svcs. Block Grant	8,635,043	0	9,783,146	0	9,783,146	0	9,783,146	0	9,783,146	0	9,783,146	0	9,783,146	0	9,783,146	0	9,783,146	0	9,783,146
898 Supplemental Nutrition Assist(SNAP)	157,325	0	343,235	0	343,235	0	4,324,080	0	343,235	0	343,235	0	4,523,722	0	343,235	0	343,235	0	343,235
930 Cty-Commodity Distrib & Salvage Container	6,007	0	139,676	0	291,300	0	139,676	0	139,676	0	139,676	0	139,676	0	139,676	0	139,676	0	139,676
NOT REQUESTED FOR THE BIENNIUM																			
1DK Cty-Shelter Plus Care Program	1,680,985	0	0	0	2,008,800	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	163,841,984	1,839	177,451,133	1,788	190,549,616	1,842	192,489,983	1,837	179,566,822	1,837	179,514,166	1,836	192,081,615	1,837	179,646,828	1,837	179,594,172	1,836	179,594,172

Funding Sources		%		%		%		%		%		%		%		%		%	
General Revenue	4000010	46,656,247	28.5	48,638,926	27.4			46,620,172	26.2	46,620,172	26.2	46,620,172	26.2	46,651,076	26.2	46,651,076	26.2	46,651,076	26.2
Federal Revenue	4000020	110,132,397	67.2	117,213,428	66.1			120,223,412	67.5	120,223,412	67.5	120,223,412	67.5	120,373,246	67.5	120,373,246	67.5	120,373,246	67.5
Cash Fund	4000045	6,007	0.0	139,676	0.1			139,676	0.1	139,676	0.1	139,676	0.1	139,676	0.1	139,676	0.1	139,676	0.1
Merit Adjustment Fund	4000055	0	0.0	281,461	0.2			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Tobacco Settlement	4000495	1,301,054	0.8	1,408,097	0.8			1,412,999	0.8	1,412,999	0.8	1,412,999	0.8	1,414,234	0.8	1,414,234	0.8	1,414,234	0.8
Various Program Support	4000730	5,746,279	3.5	9,769,545	5.5			9,811,514	5.5	9,811,514	5.5	9,811,514	5.5	9,780,241	5.5	9,780,241	5.5	9,780,241	5.5
Total Funds		163,841,984	100.0	177,451,133	100.0			178,207,773	100.0	178,207,773	100.0	178,207,773	100.0	178,358,473	100.0	178,358,473	100.0	178,358,473	100.0
Excess Appropriation/(Funding)		0		0				14,282,210		1,359,049		1,306,393		13,723,142		1,288,355		1,235,699	
Grand Total		163,841,984		177,451,133				192,489,983		179,566,822		179,514,166		192,081,615		179,646,828		179,594,172	

Analysis of Budget Request

Appropriation: 396 - Cty-Aid To Aged, Blind, Disabled

Funding Sources: DGF - DHS Grants Fund

In 1974, the Aid to Aged, Blind and Disabled (AABD) program was converted to the Supplemental Security Income (SSI) Program through an amendment to the Medicaid State Plan. This amendment allowed individuals in the AABD categories that were not eligible under SSI criteria, but meet the State Medicaid eligibility criteria to receive SSI benefits. The Aid to Aged, Blind and Disabled appropriation provides cash assistance to individuals residing in Arkansas to supplement their SSI payments. These payments are made in accordance with section 1616 of the Social Security Act and section 212 of P. L. 93-66.

Through an agreement entered into between the Social Security Administration (SSA) and the Department of Human Services, the Social Security Administration makes these payments to individuals determined eligible by SSA. The State pays Social Security Administration for making the payments to eligible individuals and for administrative fees for determining eligibility.

Funding for this appropriation is from general revenues through the Department of Human Services Grants Fund Account (DGF-DHS Grants Fund) as authorized in Arkansas Code Annotated §19-5-306(10)(A)(iii).

The Agency Base Level and total request for this appropriation is \$4,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 396 - Cty-Aid To Aged, Blind, Disabled

Funding Sources: DGF - DHS Grants Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	0	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total	0	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000

Funding Sources									
General Revenue 4000010	0	4,000		4,000	4,000	4,000	4,000	4,000	4,000
Total Funding	0	4,000		4,000	4,000	4,000	4,000	4,000	4,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	4,000		4,000	4,000	4,000	4,000	4,000	4,000

Analysis of Budget Request

Appropriation: 410 - Cty-Emergency Food Program

Funding Sources: FWF - DHS Federal

The Emergency Food Program provides food on an emergency basis for families in need and the homeless. Donated food is also made available for Disaster Assistance. Additionally, Division of County Operations (DCO) utilizes surplus USDA commodities to supplement low-income food programs in Arkansas. Agencies such as Food Banks and Community Program Action Agencies have agreements with DCO to provide food through soup kitchens, food pantries and mass distribution to households.

This appropriation also includes the Commodity Supplemental Food Program which provides food to seniors in need on a monthly basis. The caseload level can be adjusted each Federal Fiscal year based on availability of food products and administrative funding. Community Action Agencies throughout the State have agreements with DCO to distribute food to this client base.

Funding for this appropriation is 100% federal from the U. S. Department of Agriculture, Food and Consumer Services.

The Agency Base Level and total request for this appropriation is \$729,295 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 410 - Cty-Emergency Food Program

Funding Sources: FWF - DHS Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	723,947	729,295	729,295	729,295	729,295	729,295	729,295	729,295	729,295
Total		723,947	729,295	729,295	729,295	729,295	729,295	729,295	729,295	729,295

Funding Sources										
Federal Revenue	4000020	723,947	729,295		729,295	729,295	729,295	729,295	729,295	729,295
Total Funding		723,947	729,295		729,295	729,295	729,295	729,295	729,295	729,295
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		723,947	729,295		729,295	729,295	729,295	729,295	729,295	729,295

Analysis of Budget Request

Appropriation: 411 - Cty-Low Income Energy Assistance Prgm

Funding Sources: FWF - DHS Federal

The Low Income Home Energy Assistance (LIHEAP) program provides federal funds to assist low-income households with the cost of their home energy expenses such as gas, electricity, propane, etc. The agency administers the Winter/Summer Assistance Program and Crisis Intervention Program. Assistance is provided in the form of a one-time per year payment to the energy supplier of an eligible household, or in some cases, directly to the applicant. The Crisis Intervention Program provides assistance to eligible households in energy related emergencies. Eligibility is based on 150% of current Office of Management and Budget (OMB) income poverty guidelines for all households.

Funding for this appropriation is 100% federal from the U. S. Department of Health and Human Services, Administration for Children and Families.

The Agency Base Level and total request for this appropriation is \$28,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 411 - Cty-Low Income Energy Assistance Prgm

Funding Sources: FWF - DHS Federal

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	24,267,200	28,000,000	29,470,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000
Total	24,267,200	28,000,000	29,470,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000

Funding Sources									
Federal Revenue 4000020	24,267,200	28,000,000		28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000
Total Funding	24,267,200	28,000,000		28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	24,267,200	28,000,000		28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000

Analysis of Budget Request

Appropriation: 412 - Cty-Refugee Resettlement Program

Funding Sources: FWF - DHS Federal

The Refugee Resettlement Program provides temporary assistance to refugees and entrants to the state to help in becoming self-sufficient and self-reliant. This program was established by the 1980 Immigration and Nationality Act and authorizes cash assistance and medical assistance for up to eight months following entry. Social services may be provided to refugees for up to five years. Refugees may apply for cash, medical and the supplemental nutrition assistance program (SNAP) assistance at Department of Human Services offices in their county of residence.

Due to the steady decline in eligibles, Arkansas chose to discontinue the optional Social Services component of the program effective October 1, 2002. Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA) will continue to be available through the county offices to any new arrivals entering the state in the future. The federal Office of Refugee Resettlement contracts directly with an agency outside of DHS for the social services aspects of the program.

Funding for this appropriation is 100% federal from the U. S. Department of Health and Human Services, Administration for Children and Families and is available to states as well as non-profit organizations to help offset costs related to resettlement efforts.

The Agency Base Level request for this appropriation is \$12,000 each year of the biennium.

The Agency Change Level request is for \$110,160 each year due to increasing caseloads within the State.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 412 - Cty-Refugee Resettlement Program

Funding Sources: FWF - DHS Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	648	12,000	24,000	122,160	12,000	12,000	122,160	12,000	12,000
Total		648	12,000	24,000	122,160	12,000	12,000	122,160	12,000	12,000

Funding Sources										
Federal Revenue	4000020	648	12,000		12,000	12,000	12,000	12,000	12,000	12,000
Total Funding		648	12,000		12,000	12,000	12,000	12,000	12,000	12,000
Excess Appropriation/(Funding)		0	0		110,160	0	0	110,160	0	0
Grand Total		648	12,000		122,160	12,000	12,000	122,160	12,000	12,000

Analysis of Budget Request

Appropriation: 426 - Cty-Homeless Assistance Grant

Funding Sources: FWF - DHS Federal

The Homeless Assistance Grant is a federal program through the U. S. Department of Housing and Urban Development. This program is designed to assist local communities in helping to improve the quality of life for the homeless by providing grants for renovation, rehabilitation or conversion of buildings to be used as emergency shelters. Funds can be used for paying for operations, maintenance, insurance, utilities, and furnishings, essential social services that are connected with the shelters and for prevention efforts. The estimated homeless count in the State of Arkansas for 2011 is 19,135. Funding for this appropriation is 100% federal.

The Agency Base Level and total request for this appropriation is \$2,638,091 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 426 - Cty-Homeless Assistance Grant

Funding Sources: FWF - DHS Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	1,563,076	2,638,091	2,638,091	2,638,091	2,638,091	2,638,091	2,638,091	2,638,091	2,638,091
Total		1,563,076	2,638,091	2,638,091	2,638,091	2,638,091	2,638,091	2,638,091	2,638,091	2,638,091

Funding Sources										
Federal Revenue	4000020	1,563,076	2,638,091		2,638,091	2,638,091	2,638,091	2,638,091	2,638,091	2,638,091
Total Funding		1,563,076	2,638,091		2,638,091	2,638,091	2,638,091	2,638,091	2,638,091	2,638,091
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,563,076	2,638,091		2,638,091	2,638,091	2,638,091	2,638,091	2,638,091	2,638,091

Analysis of Budget Request

Appropriation: 59H - Hunger Coalition

Funding Sources: DCO - County Operations Account

This appropriation was originally authorized by Act 1385 of 2009. Arkansas food banks have reported an increase in utilization which is attributed to poor economic conditions and local disasters coupled with the increased cost of food storage and transportation. To address this need, the State Food Purchasing Program was created and funded with state general revenues generated from an increase in the tax on cigarettes and other tobacco products provided in Act 180 of 2009. The Division of County Operations grants these funds to the Arkansas Hunger Relief Alliance for distribution to the local food distribution networks for the purpose of purchasing Arkansas products through the State Food Purchasing Program.

Funding for this appropriation is 100% general revenue (DCO - County Operations Fund Account).

The Agency Base Level and total request for this appropriation is \$995,113 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 59H - Hunger Coalition

Funding Sources: DCO - County Operations Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	995,113	995,113	995,113	995,113	995,113	995,113	995,113	995,113	995,113
Total		995,113	995,113	995,113	995,113	995,113	995,113	995,113	995,113	995,113

Funding Sources										
General Revenue	4000010	995,113	995,113		995,113	995,113	995,113	995,113	995,113	995,113
Total Funding		995,113	995,113		995,113	995,113	995,113	995,113	995,113	995,113
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		995,113	995,113		995,113	995,113	995,113	995,113	995,113	995,113

Analysis of Budget Request

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

This appropriation is for the additional administrative costs to the Division of County Operations associated with the Medicaid Expansion Programs established by Initiated Act 1 of 2000. The expanded Medicaid programs are as follows:

1. Expansion of Medicaid coverage and benefits to pregnant women with incomes up to 200 percent of the Federal Poverty Level (approved for implementation November 1, 2001);
2. Expansion of inpatient and outpatient hospital reimbursements and benefits to adults age 19 to 64 to reduce coinsurance payment from 22 percent to 10 percent of the cost of the first Medicaid covered day of each admission and cover additional medically necessary days in the hospital from 20 days up to 24 allowed days per State Fiscal Year (approved for implementation November 1, 2001);
3. Expansion of non-institutional coverage and benefits to adults aged 65 and over. Referred to as ARSeniors, this program extends full Medicaid benefits to adults age 65 and over who have been identified as Qualified Medicare Beneficiaries (QMB) and meet specific income limits (approved for implementation October 1, 2002); and

Funding for this appropriation is derived from tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level and total request for this appropriation is \$2,825,998 in FY2018 and \$2,828,468 in FY2019 with 60 budgeted Base Level positions.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,745,287	1,763,026	1,815,789	1,763,826	1,763,826	1,763,826	1,765,826	1,765,826	1,765,826
#Positions		60	60	60	60	60	60	60	60	60
Personal Services Matching	5010003	699,231	707,374	724,396	716,377	716,377	716,377	716,847	716,847	716,847
Operating Expenses	5020002	157,591	295,795	295,795	295,795	295,795	295,795	295,795	295,795	295,795
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Data Processing Services	5900044	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		2,602,109	2,816,195	2,885,980	2,825,998	2,825,998	2,825,998	2,828,468	2,828,468	2,828,468
Funding Sources										
Federal Revenue	4000020	1,301,055	1,408,098		1,412,999	1,412,999	1,412,999	1,414,234	1,414,234	1,414,234
Tobacco Settlement	4000495	1,301,054	1,408,097		1,412,999	1,412,999	1,412,999	1,414,234	1,414,234	1,414,234
Total Funding		2,602,109	2,816,195		2,825,998	2,825,998	2,825,998	2,828,468	2,828,468	2,828,468
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,602,109	2,816,195		2,825,998	2,825,998	2,825,998	2,828,468	2,828,468	2,828,468

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

The Division of County Operations was established originally in Act 348 of 1985 in the reorganization of the Department of Human Services under the title of Program Operations. Act 164 of 1995 amended Arkansas Code Annotated §25-10-102 and created the Division of Medical Services, renamed the Division of Program Operations to County Operations and transferred functions that were a part of the Division of Economic and Medical Services to County Operations. Functions transferred to the Division of County Operations were Aid to Families with Dependent Children, Food Stamp Program (now called Supplemental Nutrition Assistance Program - SNAP), Project Success and the Community Services Block Grant.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, eliminated the open-ended federal entitlement program of Aid to Families with Dependent Children (AFDC) and created a federal block grant program for states to provide cash assistance to families on a time-limited basis under the Temporary Assistance to Needy Families (TANF) program. The Arkansas Personal Responsibility and Public Assistance Reform Act, Act 1058 of 1997 was enacted during the 81st General Assembly and signed by the Governor on April 3, 1997, thereby establishing the Transitional Employment Assistance (TEA) program. With the enactment of these laws, the AFDC and Project Success programs were eliminated and replaced by the TEA program. Enacted during the 85th General Assembly and signed by the Governor, Act 1705 of 2005 transferred responsibility for the program to the Department of Workforce Services (DWS) and also created the Work Pays program, which is an extension of the TEA program for former TEA recipients who are working. Pursuant to this Act, responsibility for determining eligibility for the program and delivering cash assistance benefits remains with the Division of County Operations while DWS is responsible for the provision of case management services and overall administration of the program.

The Division of County Operations has the primary responsibility for providing the leadership and support in each of the eighty-three (83) county offices in the 75 counties, a new Access Arkansas Center is being constructed in Batesville and will process approximately 28,000 applications and reevaluations each month, many of which are being filed online. The Division of County Operations is responsible for administering the SNAP, TEA, Medicaid and ARKids Programs to citizens across Arkansas. Additional programs administered at the county level though local organizations include the Community Services Block Grant; Energy and Weatherization Assistance for low income elderly, people with disabilities and families with children; Homeless and Housing Assistance; and Commodity Distribution. The Division is responsible for the physical office space in each of the counties including rent, utilities, telephone charges, janitorial services and other items needed at the local level. The Division coordinates the services of the various DHS Divisions at the local level and provides clerical support. The Division currently has four (4) distinct areas of operation: Field Operations, Program Planning and Development, Community Services and Administrative Support.

Funding for this appropriation is derived from a mix of sources that includes general revenue (DCO - County Operations Fund Account), federal and other revenues. Federal funding sources include revenues derived from administrative costs for TEA, SNAP, Community Services Block Grant, Refugee Resettlement, Emergency Shelter, Commodities, Child Health Insurance (CHIP) and Medicaid (Regular and Enhanced)

programs. Other funding which is indicated as various program support can also include sources such as Title XIX match, miscellaneous collections, federal awards, fees, third party reimbursements and maximization of federal claiming. These other funds are considered to be non-federal and technically can be expended for any program or service within the Department.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$117,680,205 in FY2018 and \$117,757,492 in FY2019 with \$47,900,033 in FY2018 and \$47,931,301 in FY2019 in general revenue funding and 1,728 budgeted Base Level positions.

The Agency Change Level Request is \$6,970,569 in FY2018 and \$6,282,802 in FY2019 with a transfer of general revenue funding to other divisions of (\$2,432,413) in FY2018 and (\$2,432,783) in FY2019, and reflects the following:

- Transfer Positions Out (5): Regular Salaries and Personal Services Matching of (\$359,307) in FY2018 and (\$360,048) in FY2019 to support the Agency reorganization.
- Restore Positions (54): Regular Salaries and Personal Services Matching of \$1,995,660 in FY2018 and \$1,996,650 in FY2019 to provide support the determination of eligibility for the SNAP, Medicaid, TEA and Work Pays programs. Restoration of these positions allows the division to more efficiently manage vacancies and reduce delays in customer services by operating in a continuous hiring/training mode.
- Extra Help of \$239,760 for each year of the biennium.
- Operating Expenses of \$2,266,550 in FY2018 and \$1,407,029 in FY2019 which includes a transfer out of (\$48,525) each year to Shared Services to support the Department reorganization as well as an increase of \$2,315,075 in FY2018 and \$1,455,554 in FY2019 to replace two (2) County Offices due to inadequate conditions and inadequate environments to serve clients and also to cover increases in postage, mailing and wired Services for client notices for SNAP, TEA and Medicaid programs.
- Professional Fees of \$2,048,585 in FY2018 and \$2,148,406 in FY2019 for projected increases in funding for SNAP Employment and Training and SNAP Nutrition Education services.
- Professional Admin Fee of \$827,846 in FY2018 and \$899,530 in FY2019 for increasing costs of various Information Technology Services.

The Executive Recommendation provides for the Agency Request with the exception of the following:

- Operating Expenses increase of \$2,315,075 in FY2018 and \$1,455,554 in FY2019.
- Professional Fees of \$2,048,585 in FY2018 and \$2,148,406 in FY2019.
- Professional Admin Fee of \$827,846 in FY2018 and \$899,530 in FY2019.

The Legislative Recommendation concurs with the Executive Recommendation with an additional reduction of one (1) position and a corresponding reduction of (\$52,656) in Regular Salaries and Personal Services Matching appropriation.

Appropriation Summary

Appropriation: 896 - DHS-Admin Paying Account

Funding Sources: PWP - Administration Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	56,878,261	56,327,345	59,024,939	57,449,579	57,449,579	57,408,679	57,512,379	57,512,379	57,471,479
#Positions		1,779	1,728	1,782	1,777	1,777	1,776	1,777	1,777	1,776
Extra Help	5010001	357,762	390,052	390,052	629,812	629,812	629,812	629,812	629,812	629,812
#Extra Help		30	37	37	37	37	37	37	37	37
Personal Services Matching	5010003	21,542,919	21,686,532	22,736,256	22,498,949	22,498,949	22,487,193	22,513,685	22,513,685	22,501,929
Overtime	5010006	163	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Operating Expenses	5020002	25,217,098	25,147,460	25,147,460	27,414,010	25,098,935	25,098,935	26,554,489	25,098,935	25,098,935
Conference & Travel Expenses	5050009	137,642	167,081	167,081	167,081	167,081	167,081	167,081	167,081	167,081
Professional Fees	5060010	5,448,803	6,499,735	6,499,735	8,548,320	6,499,735	6,499,735	8,648,141	6,499,735	6,499,735
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	20,000	20,000	0	0	0	0	0	0
Data Processing Services	5900044	4,924,452	7,090,177	9,088,483	7,918,023	7,090,177	7,090,177	7,989,707	7,090,177	7,090,177
Total		114,507,100	117,353,382	123,099,006	124,650,774	119,459,268	119,406,612	124,040,294	119,536,804	119,484,148

Funding Sources										
General Revenue	4000010	45,583,121	47,486,374		45,467,620	45,467,620	45,467,620	45,498,524	45,498,524	45,498,524
Federal Revenue	4000020	63,177,700	59,816,002		62,821,085	62,821,085	62,821,085	62,969,684	62,969,684	62,969,684
Merit Adjustment Fund	4000055	0	281,461		0	0	0	0	0	0
Various Program Support	4000730	5,746,279	9,769,545		9,811,514	9,811,514	9,811,514	9,780,241	9,780,241	9,780,241
Total Funding		114,507,100	117,353,382		118,100,219	118,100,219	118,100,219	118,248,449	118,248,449	118,248,449
Excess Appropriation/(Funding)		0	0		6,550,555	1,359,049	1,306,393	5,791,845	1,288,355	1,235,699
Grand Total		114,507,100	117,353,382		124,650,774	119,459,268	119,406,612	124,040,294	119,536,804	119,484,148

Analysis of Budget Request

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

With the enactment of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and the Arkansas Personal Responsibility and Public Assistance Reform Act of 1997, open-ended entitlement for Aid to Families with Dependent Children (AFDC) was replaced with federal block grant funding to states. The Arkansas program is entitled Transitional Employment Assistance (TEA). The Arkansas 81st General Assembly passed Act 1058 of 1997 declaring that welfare reform is one of the major human service priorities of state government and establishes the goals of achieving a significant reduction in the number of citizens who are enrolled in such programs, transforming a "one-size fits all" welfare system that fosters dependence, low self-esteem, and irresponsible behavior to one that rewards work and fosters self-reliance, responsibility and family stability. Act 1567 of 1999 amended Act 1058 of 1997 by establishing the Arkansas Transitional Employment Board. Act 1264 of 2001 and Act 1306 of 2003 enacted other provisions to strengthen the Arkansas TEA Program. Arkansas Act 1705 of 2005 transferred responsibility for the program to the Department of Workforce Services (DWS). Under this Act, responsibility for determining eligibility for the program and delivering cash assistance benefits remains with the Division of County Operations (DCO) while DWS is responsible for the provision of case management services and overall administration of the program. Act 1705 of 2005 also created the Work Pays program, which is an extension of the TEA program for former TEA recipients who are working. DWS has overall responsibility for the Work Pays program with eligibility determination and benefit delivery remaining with DCO.

TEA Program eligibility is limited to economically needy families with children under the age of 18 who are U.S. citizens or aliens lawfully admitted to the United States under specific criteria and are residing in Arkansas. The parent(s) living with the children must cooperate in child support enforcement activities, if applicable to the family, and must sign and comply with a Personal Responsibility Agreement, which includes ensuring that their children are immunized and that they attend school. All able-bodied parent(s) must actively engage in work related activities as a condition of the family's ongoing eligibility. TEA cash assistance is limited to a maximum of twenty-four (24) months in an adult's lifetime. For those former TEA recipients who are employed at least 24 hours per week and meet the minimum federal work participation rates, an additional twenty-four (24) months of Work Pays benefits are available.

Assistance under the TEA and Work Pays Programs may include: monthly cash assistance payments to help meet the family's basic needs; employment services such as work experience, job search, and job readiness activities; assistance with basic and vocational education; assistance with supportive services such as childcare, transportation and other expenses related to work activity; case management services; and eligibility for extended support services to help the parent retain a job after the cash assistance case closes due to employment.

Congress reauthorized the TANF program through the Deficit Reduction Act of 2005. Although the Act requires States to meet higher rates of work participation, no significant changes were made in the program design beyond the State initiatives and organizational changes prescribed by Act 1705 of 2005.

Funding for this appropriation is derived from the federal Temporary Assistance for Needy Families (TANF) block grant and general revenue

from the Department of Human Services Grants Fund Account (DGF-DHS Grants Fund) as authorized in Arkansas Code Annotated §19-5-306 (10)(A)(iv) and general revenue fund transfers from the Department of Workforce Services as authorized in Section 9 of Act 271 of 2014 for FY2015. Other funding which is indicated as various program support can also include sources such as the payback of the federal share of overpayment collections on AFDC and interest on TEA cash assistance.

The Agency Base Level request for this appropriation is \$14,637,000 each year of the biennium.

The Agency Change Level request is for \$3,640,650 each year of the biennium for services provided to Transitional Employment Assistance (TEA) Program participants.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
TANF Block Grant	5100004	8,703,431	14,637,000	18,277,650	18,277,650	14,637,000	14,637,000	18,277,650	14,637,000	14,637,000
Total		8,703,431	14,637,000	18,277,650	18,277,650	14,637,000	14,637,000	18,277,650	14,637,000	14,637,000

Funding Sources										
Federal Revenue	4000020	8,703,431	14,637,000		14,637,000	14,637,000	14,637,000	14,637,000	14,637,000	14,637,000
Total Funding		8,703,431	14,637,000		14,637,000	14,637,000	14,637,000	14,637,000	14,637,000	14,637,000
Excess Appropriation/(Funding)		0	0		3,640,650	0	0	3,640,650	0	0
Grand Total		8,703,431	14,637,000		18,277,650	14,637,000	14,637,000	18,277,650	14,637,000	14,637,000

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

The Community Services Block Grant program helps low-income persons become more independent by providing a range of services through local Community Action Agencies. The services are designed to impact the causes of poverty and assist low-income persons gain the skills necessary for employment, offer better educational and training activities to handle finances, improve housing, make use of social services available to them and become involved in community activities. Additionally, the program provides funds for involvement of low-income persons in community development activities, essential services to homeless persons and development of innovative approaches, at both the local and state level, to meet the nutritional needs of low-income persons. Eligibility is based on current OMB poverty income guidelines.

Social Services Block Grant (SSBG) funds are used to provide supportive services to help low-income children and families achieve and maintain self-sufficiency. These services include case management, employment services, nutrition, emergency assistance, and other social services to address the needs of families in crisis. SSBG funds also provide special services and supportive activities for the disabled through job placement, employment counseling, and referrals to community resources and opportunities.

Supplemental Nutrition Assistance Program (SNAP) - The Employment and Training (E & T) Program (formerly the Food Stamp Employment and Training Program) provides Employment and Training activities which promote long term self sufficiency to SNAP recipients classified as an ABAWD (able-bodied adult without dependent children) and who live in one of the counties where an E & T Program is operational. Services include independent job search, job search training, education, work experience and vocational training. Client reimbursements for expenses associated with participation in the E & T Program, such as travel reimbursements, are funded with 50% State General Revenue and 50% Federal funds.

Supplemental Nutrition Assistance Program (SNAP) - The Farmers Market Program has been established by U.S. Department of Agriculture (USDA) to allow consumers to have access to locally grown farm fresh produce, enable farmers the opportunity to expand their customer base, and cultivate consumer loyalty with the farmers who grow the produce. In order to participate in the Electronic Benefits Transfer (EBT) Farmers Market Program, each market must be authorized by the USDA Food and Nutrition Service (FNS) to accept Supplemental Nutrition Assistance Program (SNAP) benefits. The USDA provides funds for the purchase of Point of Sale devices and monthly wireless fees so fruits and vegetables can be purchased by SNAP recipients with their Electronic Benefits Transfer card. The grants are paid with 100% Federal funds.

Funding for this appropriation is derived from the federal Community Services Block Grant, U. S. Department of Health and Human Services, Administration for Children and Families, federal Social Services Block Grant (SSBG) funds, federal USDA funds and general revenue from the Department of Human Services Grants Fund Account (DGF-DHS Grants Fund) as authorized in Arkansas Code Annotated §19-5-306(10)(A)(ii) and §19-5-306(10)(A)(xi).

The Agency Base Level request for the Supplemental Nutrition Assistance Program line item is \$343,235 each year of the biennium.

The Agency Base Level and total request for the Community Services Block Grant line item is \$9,783,146 each year of the biennium.

The Agency Change Level request for the Supplemental Nutrition Assistance Program line item is \$3,980,845 in FY2018 and \$4,180,487 in FY2019 to provide Employment & Training (E&T) services to promote sufficiency through employment for able-bodied adult SNAP recipients.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Community Srvs. Block Grant	5100004	8,635,043	9,783,146	9,783,146	9,783,146	9,783,146	9,783,146	9,783,146	9,783,146	9,783,146
Suppl Nutrition Assist(SNAP)	5100004	157,325	343,235	343,235	4,324,080	343,235	343,235	4,523,722	343,235	343,235
Total		8,792,368	10,126,381	10,126,381	14,107,226	10,126,381	10,126,381	14,306,868	10,126,381	10,126,381
Funding Sources										
General Revenue	4000010	78,013	153,439		153,439	153,439	153,439	153,439	153,439	153,439
Federal Revenue	4000020	8,714,355	9,972,942		9,972,942	9,972,942	9,972,942	9,972,942	9,972,942	9,972,942
Total Funding		8,792,368	10,126,381		10,126,381	10,126,381	10,126,381	10,126,381	10,126,381	10,126,381
Excess Appropriation/(Funding)		0	0		3,980,845	0	0	4,180,487	0	0
Grand Total		8,792,368	10,126,381		14,107,226	10,126,381	10,126,381	14,306,868	10,126,381	10,126,381

Analysis of Budget Request

Appropriation: 930 - Cty-Commodity Distrib & Salvage Container

Funding Sources: NHS - Cash in Treasury

The Commodity Distribution and Salvage Container Program receives United States Department of Agriculture (USDA) donated foods for distribution to school districts, food banks, soup kitchens and food pantries, etc. The donated foods are distributed through a contract with a local warehouse. In the event, that the donated food is damaged or destroyed from improper storage, care or handling, it is classified as a "food loss" claim. Compensation of the value of the donated food is provided by the contractor and/or recipient agency, to the distributing agency (Division of County Operations Commodity Distribution Program). Compensation is deposited in the Salvage and Container Cash Fund. Upon approval by USDA, these funds may be used for training, equipment and vehicle purchases utilized by the Commodity Distribution Program for enhancements to the program.

The Agency Base Level and total request for this appropriation is \$139,676 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 930 - Cty-Commodity Distrib & Salvage Container

Funding Sources: NHS - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	2,370	130,186	281,810	130,186	130,186	130,186	130,186	130,186	130,186
Conference & Travel Expenses	5050009	3,637	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		6,007	139,676	291,300	139,676	139,676	139,676	139,676	139,676	139,676
Funding Sources										
Cash Fund	4000045	6,007	139,676		139,676	139,676	139,676	139,676	139,676	139,676
Total Funding		6,007	139,676		139,676	139,676	139,676	139,676	139,676	139,676
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		6,007	139,676		139,676	139,676	139,676	139,676	139,676	139,676

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
147 Special Olympics	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0	178,768	0
397 Children's Medical Services	1,492,740	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0	1,729,279	0
408 Children's Medical Services-Federal	663,061	0	1,144,083	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0	1,446,205	0
59J Autism Treat/Coord	0	0	273,974	0	273,974	0	273,974	0	273,974	0	273,974	0	273,974	0	273,974	0	273,974	0
653 DDS-State Operations	3,295,783	0	5,054,325	0	6,819,242	0	6,819,242	0	5,054,325	0	5,054,325	0	6,819,242	0	5,054,325	0	5,054,325	0
657 Community Programs	9,500	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
658 Grants to Community Providers	15,742,660	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0	15,892,045	0
896 Division of Developmental Disabilities Srvs	137,559,521	2,643	140,895,805	2,454	156,513,293	2,708	153,430,475	2,669	153,227,474	2,669	152,186,903	2,630	153,509,296	2,669	153,306,295	2,669	152,265,724	2,630
982 Inter-Divisional Programs	46,536	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0	108,644	0
Total	158,988,569	2,643	165,326,923	2,454	183,011,450	2,708	179,928,632	2,669	177,960,714	2,669	176,920,143	2,630	180,007,453	2,669	178,039,535	2,669	176,998,964	2,630

Funding Sources		%		%		%		%		%		%		%		%	
General Revenue	4000010	67,563,710	42.5	67,632,830	40.9	67,179,187	40.6	67,179,187	40.6	67,179,187	40.6	67,199,853	40.6	67,199,853	40.6	67,199,853	40.6
Federal Revenue	4000020	20,030,765	12.6	23,161,427	14.0	25,266,414	15.3	25,266,414	15.3	25,266,414	15.3	25,323,455	15.3	25,323,455	15.3	25,323,455	15.3
Special Revenue	4000030	9,500	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0
Transfer to Medicaid Match	4000660	(13,061,561)	(8.2)	(12,868,843)	(7.8)	(12,836,261)	(7.8)	(12,836,261)	(7.8)	(12,836,261)	(7.8)	(12,836,261)	(7.8)	(12,836,261)	(7.8)	(12,836,261)	(7.8)
Various Program Support	4000730	84,446,155	53.1	87,351,509	52.8	85,785,435	51.9	85,785,435	51.9	85,785,435	51.9	85,785,435	51.8	85,785,435	51.8	85,785,435	51.8
Total Funds		158,988,569	100.0	165,326,923	100.0	165,444,775	100.0	165,444,775	100.0	165,444,775	100.0	165,522,482	100.0	165,522,482	100.0	165,522,482	100.0
Excess Appropriation/(Funding)		0		0		14,483,857		12,515,939		11,475,368		14,484,971		12,517,053		11,476,482	
Grand Total		158,988,569		165,326,923		179,928,632		177,960,714		176,920,143		180,007,453		178,039,535		176,998,964	

Analysis of Budget Request

Appropriation: 147 - Special Olympics

Funding Sources: DEA - Developmental Disabilities Services Fund

This appropriation is for a grant to the Arkansas Special Olympics, Inc. This program provides sports training and competitive opportunities throughout the year for athletes who are developmentally challenged.

Funding for this appropriation is 100% general revenue (DEA-Developmental Disabilities Services Fund Account).

The Agency Base Level and total request for this appropriation is \$178,768 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 147 - Special Olympics

Funding Sources: DEA - Developmental Disabilities Services Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	178,768	178,768	178,768	178,768	178,768	178,768	178,768	178,768	178,768
Total		178,768	178,768	178,768	178,768	178,768	178,768	178,768	178,768	178,768

Funding Sources										
General Revenue	4000010	178,768	178,768		178,768	178,768	178,768	178,768	178,768	178,768
Total Funding		178,768	178,768		178,768	178,768	178,768	178,768	178,768	178,768
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		178,768	178,768		178,768	178,768	178,768	178,768	178,768	178,768

Analysis of Budget Request

Appropriation: 397 - Children's Medical Services

Funding Sources: DGF - DHS Grants Fund

The State Children's Medical Services (CMS) program provides services to children with special health care needs. CMS assists in the provision of services through service teams, satellite offices and parent support groups. In addition to the children with special health care needs, CMS also assists children with special needs on the Tax Equity and Fiscal Responsibility Act (TEFRA) program. TEFRA considers just the child and the child's income for eligibility and is broader in scope than Medicaid. A medical condition must be present to be eligible.

CMS programs are community based with staff at the local level making decisions on behalf of the families receiving services. CMS staff members assist families by coordinating care in areas such as assessments, arranging medical appointments, determining additional needed services, payment authorization, coordinating parent support groups, arranging respite care and transportation, and coordinating the TEFRA program.

Funding for this appropriation is 100% general revenue (DGF - Department of Human Services Grants Fund Account).

The Agency Base Level and total request for this appropriation is \$1,729,279 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 397 - Children's Medical Services

Funding Sources: DGF - DHS Grants Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	1,492,740	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279
Total		1,492,740	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279

Funding Sources										
General Revenue	4000010	1,492,740	1,729,279		1,729,279	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279
Total Funding		1,492,740	1,729,279		1,729,279	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,492,740	1,729,279		1,729,279	1,729,279	1,729,279	1,729,279	1,729,279	1,729,279

Analysis of Budget Request

Appropriation: 408 - Children's Medical Services-Federal

Funding Sources: FWF - DHS Federal

The Federal Children's Medical Services (CMS) appropriation is a companion to the State Children's Medical Services appropriation 397 and provides for community based services for children with special health care needs, including chronic illnesses and physical disabilities. Examples of services include therapies, medications, transportation, medical treatments and equipment. The community based offices allow for more rapid responses to the needs of the children and their families. This appropriation supports the programs and services detailed in the State CMS program appropriation.

Funding for this appropriation is 100% federal revenue consisting of Title V funding.

Then Agency Base Level request is \$1,144,083 each year of the biennium.

The Agency Change Level request is \$302,122 each year of the biennium to support an increase in the federal funded program, in accordance with the grant award guidelines.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 408 - Children's Medical Services-Federal

Funding Sources: FWF - DHS Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	663,061	1,144,083	1,446,205	1,446,205	1,446,205	1,446,205	1,446,205	1,446,205	1,446,205
Total		663,061	1,144,083	1,446,205	1,446,205	1,446,205	1,446,205	1,446,205	1,446,205	1,446,205

Funding Sources										
Federal Revenue	4000020	663,061	1,144,083		1,446,205	1,446,205	1,446,205	1,446,205	1,446,205	1,446,205
Total Funding		663,061	1,144,083		1,446,205	1,446,205	1,446,205	1,446,205	1,446,205	1,446,205
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		663,061	1,144,083		1,446,205	1,446,205	1,446,205	1,446,205	1,446,205	1,446,205

Analysis of Budget Request

Appropriation: 59J - Autism Treat/Coord

Funding Sources: DEA - Developmental Disabilities Services Fund Account

An increasing number of Arkansans are being diagnosed with Autism Spectrum Disorders. Children and adults with Autism Spectrum Disorders require specialized treatment. To address this need, state general revenues generated from an increase in the tax on cigarettes and other tobacco products as a result of Act 180 of 2009 were provided to the Division of Developmental Disabilities Services.

The Division of Developmental Disabilities Services is working closely with the Legislative Task Force on Autism to identify and prioritize needed services to this population.

Funding is 100% general revenue (DEA - Developmental Disabilities Services Fund Account).

The Agency Base Level and total request for this appropriation is \$273,974 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 59J - Autism Treat/Coord

Funding Sources: DEA - Developmental Disabilities Services Fund Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	0	273,974	273,974	273,974	273,974	273,974	273,974	273,974	273,974
Total		0	273,974	273,974	273,974	273,974	273,974	273,974	273,974	273,974

Funding Sources										
General Revenue	4000010	0	273,974		273,974	273,974	273,974	273,974	273,974	273,974
Total Funding		0	273,974		273,974	273,974	273,974	273,974	273,974	273,974
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	273,974		273,974	273,974	273,974	273,974	273,974	273,974

Analysis of Budget Request

Appropriation: 657 - Community Programs

Funding Sources: SDT - DDS Dog Track Special Revenue Fund

The Community Programs appropriation is utilized to provide services for eligible individuals through licensed community providers. Pursuant to Arkansas Code Annotated §23-111-503, this appropriation is funded by fees generated from proceeds of the Southland Greyhound Park. Generally, this appropriation is used to supplement contracts with community providers for a wide range of services provided to individuals with developmental disabilities.

Funding for this appropriation includes 100% special revenue consisting of two-thirds (2/3) of the net proceeds derived from the three (3) additional days of racing authorized by the Arkansas Racing Commission for any dog racing meet, and is to be used for the sole benefit for Community Programs of the Division of Developmental Disabilities Services.

The Agency Base Level and total request for this appropriation is \$50,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 657 - Community Programs

Funding Sources: SDT - DDS Dog Track Special Revenue Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Community Programs	5900046	9,500	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		9,500	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

Funding Sources										
Special Revenue	4000030	9,500	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding		9,500	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		9,500	50,000		50,000	50,000	50,000	50,000	50,000	50,000

Analysis of Budget Request

Appropriation: 658 - Grants to Community Providers

Funding Sources: DEA - Developmental Disabilities Services Fund Account

The Grants to Community Providers appropriation provides for community based services through private non-profit service providers throughout the state for individuals who do not meet Medicaid eligibility criteria for services such as speech, occupational and physical therapy, adult development and preschool services. In addition to grants to community providers for contracted services, this appropriation provides Medicaid Match paid by warrant for Developmental Day Treatment Clinic Services (5 day week clinics that provide work training for adults and preschool training for children), Therapy, Personal Care and Case Management.

Funding for this appropriation is 100% general revenue (DEA - Developmental Disabilities Services Fund Account).

The Agency Base Level and total request for this appropriation is \$15,892,045 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 658 - Grants to Community Providers
Funding Sources: DEA - Developmental Disabilities Services Fund Account

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	15,742,660	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045
Total	15,742,660	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045

Funding Sources									
General Revenue 4000010	15,742,660	15,892,045		15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045
Total Funding	15,742,660	15,892,045		15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	15,742,660	15,892,045		15,892,045	15,892,045	15,892,045	15,892,045	15,892,045	15,892,045

Analysis of Budget Request

Appropriation: 896 - DHS—Admin Paying Account

Funding Sources: PWP - Administration Paying

This appropriation provides administrative support for the Division of Developmental Disabilities (DDS). This Division administers state programs and services for people with developmental disabilities. Arkansas Statutes define a developmental disability as impairment generally attributable to mental retardation, cerebral palsy, epilepsy or autism. Services through DDS are available for persons diagnosed as having a disability occurring prior to age 22.

In addition to the coordination of community programs and services for individuals with disabilities, DDS is responsible for the management and operation of five (5) state-owned and controlled Human Development Centers (HDCs). These institutional facilities provide 24-hour residential services, habilitation, medical services, therapies and education at the following:

Conway HDC: Provides comprehensive services including a skilled nursing facility for children and adults. Primary emphasis is on medical services, special education, domestic and personal skill development, habilitation training, workshop opportunities, employment training, recreation opportunities and development.

Arkadelphia HDC: Provides comprehensive services for adults of all functioning levels except for those with severe medical needs. Primary emphasis is on adult enrichment, vocational training and transitional placement.

Jonesboro HDC: Provides comprehensive services for adults of all functioning levels except those with severe medical needs. Primary emphasis is on serving individuals with a primary diagnosis of mental retardation.

Booneville HDC: Provides varied services for adults who are ambulatory with no severe medical needs. Primary emphasis is training programs and living options for those that do not require extensive medical care, but may need behavioral services due to mental illness.

Southeast Arkansas (Warren) HDC: Provides both institutional and group home services for adults. Primary emphasis includes functional training for daily living skills and vocational training.

Funding for this appropriation consists of general revenue (DEA - Developmental Disabilities Services Fund Account), federal revenue and other revenue. Federal revenue primarily includes Title XIX, Title V, Early Intervention, Foster Grandparent and Social Service Block Grant funding. Other funding, which is indicated as various program support can also include sources such as the Special Education Fund, Target Case Management, and Medicaid reimbursements.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance

for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

896 - Administration Paying Account

Base Level:

The Agency Base Level Request for this appropriation is \$140,765,143 in FY2018 and \$140,843,973 in FY2019 with \$49,316,226 in FY2018 and \$49,336,768 in FY2019 in general revenue funding and 2,454 budgeted Base Level positions.

Change Level:

The Agency Change Level Request is \$12,426,782 in FY2018 and \$12,426,650 in FY2019 with general revenue transfer to other divisions of (\$386,940) in FY2018 and (\$386,816) in FY2019, and reflects the following:

- Discontinue Position (14): Regular Salaries and Personal Services Matching of (\$447,992) each year of the biennium.
- Transfer Positions Out (25): Regular Salaries and Personal Services Matching of (\$2,103,729) in FY2018 and (\$2,104,975) in FY2019 to support Shared Services Division due to the agency reorganization.
- Restore Unfunded Positions (254): Regular Salaries and Personal Services Matching of \$6,970,743 in FY2018 and \$6,970,611 in FY2019 to provide flexibility in the provision of quality and continuity of care and ensure the health and safety of the residents at the five (5) Human Development Centers.
- Extra Help of \$1,027,262 for each year of the biennium.
- Overtime of \$1,199,000 for each year of the biennium.
- Operating Expenses of \$1,407,392 for each year of the biennium to cover increased cost of care for the HDC clients.
- Professional Fees of \$371,789 for each year of the biennium to cover the implementation cost of moving to a more efficient web-based applications and pay for the introduction of comprehensive electronic health records.
- Conference and Travel Expenses of \$21,272 each year of the biennium to provide continued availability of training opportunities of current service delivery options.
- Capital Outlay of \$703,001 for each year of the biennium to replace worn down inefficient equipment.
- Professional Admin Fee of \$100,000 for each year of the biennium.
- Vocational Trainees of \$12,000 for each year of the biennium to provide an increase in vocational training opportunities for individuals residing at HDC.
- Purchase of Service of \$614,323 for each year of the biennium to provide a part time General Physician in order to meet additional medical needs of the aging population.

653 - DHS State Operations

Base Level:

The Agency Base Level request for the Grants/Patient Services line item is \$4,987,134 each year of the biennium.

The Agency Base Level and total request for the Children and Adolescent Services line item is \$67,191 each year of the biennium in appropriation and general revenue funding.

Change Level:

The Agency Change Level request for the Grants/Patient Services line item is \$1,764,917 to allow for increases in this federally funded program.

896 - Administration Paying Account

The Executive Recommendation provides for the Agency Request with the exception Capital Outlay, which is Recommended at \$500,000 each year.

The Legislative Recommendation concurs with the Executive Recommendation with an additional reduction of thirty nine (39) positions and a corresponding reduction of (\$1,040,571) in Regular Salaries and Personal Services Matching appropriation.

653 - DHS State Operations

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 896 - DHS-Admin Paying Account

Funding Sources: PWP - Administration Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	72,106,055	71,207,865	79,291,519	75,914,585	75,914,585	75,105,833	75,977,985	75,977,985	75,169,233
#Positions		2,643	2,454	2,708	2,669	2,669	2,630	2,669	2,669	2,630
Extra Help	5010001	1,693,765	1,883,682	1,889,553	2,910,944	2,910,944	2,910,944	2,910,944	2,910,944	2,910,944
#Extra Help		191	200	200	200	200	200	200	200	200
Personal Services Matching	5010003	29,547,761	29,138,744	32,760,921	32,060,655	32,060,655	31,828,836	32,076,076	32,076,076	31,844,257
Overtime	5010006	2,223,900	1,111,000	2,310,000	2,310,000	2,310,000	2,310,000	2,310,000	2,310,000	2,310,000
Extra Salaries	5010008	0	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
Operating Expenses	5020002	26,011,988	28,925,660	30,392,871	30,333,052	30,333,052	30,333,052	30,333,052	30,333,052	30,333,052
Conference & Travel Expenses	5050009	55,082	78,131	99,403	99,403	99,403	99,403	99,403	99,403	99,403
DDS-State Operations	5060010	53,385	0	0	0	0	0	0	0	0
Professional Fees	5060010	473,563	946,358	1,318,147	1,318,147	1,318,147	1,318,147	1,318,147	1,318,147	1,318,147
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants/Patient Services	5100004	3,092,543	4,987,134	6,752,051	6,752,051	4,987,134	4,987,134	6,752,051	4,987,134	4,987,134
Capital Outlay	5120011	342,364	550,000	703,000	703,001	500,000	500,000	703,001	500,000	500,000
Foster Grandparent Stipends	5900038	149,855	0	0	0	0	0	0	0	0
Data Processing Services	5900044	511,624	600,000	600,000	700,000	700,000	700,000	700,000	700,000	700,000
Vocational Trainees	5900046	156,108	227,000	239,000	239,000	239,000	239,000	239,000	239,000	239,000
Children & Adolescent Svcs	5900047	0	67,191	67,191	67,191	67,191	67,191	67,191	67,191	67,191
Purchase of Service	5900047	4,437,311	6,200,365	6,881,879	6,814,688	6,814,688	6,814,688	6,814,688	6,814,688	6,814,688
Total		140,855,304	145,950,130	163,332,535	160,249,717	158,281,799	157,241,228	160,328,538	158,360,620	157,320,049

Funding Sources										
General Revenue	4000010	50,103,006	49,450,120		48,996,477	48,996,477	48,996,477	49,017,143	49,017,143	49,017,143
Federal Revenue	4000020	19,367,704	22,017,344		23,820,209	23,820,209	23,820,209	23,877,250	23,877,250	23,877,250
Transfer to Medicaid Match	4000660	(13,061,561)	(12,868,843)		(12,836,261)	(12,836,261)	(12,836,261)	(12,836,261)	(12,836,261)	(12,836,261)
Various Program Support	4000730	84,446,155	87,351,509		85,785,435	85,785,435	85,785,435	85,785,435	85,785,435	85,785,435
Total Funding		140,855,304	145,950,130		145,765,860	145,765,860	145,765,860	145,843,567	145,843,567	145,843,567
Excess Appropriation/(Funding)		0	0		14,483,857	12,515,939	11,475,368	14,484,971	12,517,053	11,476,482
Grand Total		140,855,304	145,950,130		160,249,717	158,281,799	157,241,228	160,328,538	158,360,620	157,320,049

Analysis of Budget Request

Appropriation: 982 - Inter-Divisional Programs

Funding Sources: DEA - Developmental Disabilities Services Fund Account

The DHS Inter-Divisional Program appropriation provides integrated services and programs for individuals with complex needs requiring the combined efforts of multiple DHS Divisions. The programs/services are for individualized “wrap around” services (e.g. respite care, in-home assistance, out of home support, etc.) to supplement and enhance available program options. These individualized services are alternatives to out-of-state placements and in-state residential options that allow the individual to remain in the community. The Division of Developmental Disabilities (DDS) staff coordinates the provision of services to ensure that those individuals with special needs that cross divisional lines receive needed services.

Funding for this appropriation is 100% general revenue (DEA - Developmental Disabilities Services Fund Account).

The Agency Base Level and total request for this appropriation is \$108,644 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 982 - Inter-Divisional Programs

Funding Sources: DEA - Developmental Disabilities Services Fund Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	46,536	108,644	108,644	108,644	108,644	108,644	108,644	108,644	108,644
Total		46,536	108,644	108,644	108,644	108,644	108,644	108,644	108,644	108,644

Funding Sources										
General Revenue	4000010	46,536	108,644		108,644	108,644	108,644	108,644	108,644	108,644
Total Funding		46,536	108,644		108,644	108,644	108,644	108,644	108,644	108,644
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		46,536	108,644		108,644	108,644	108,644	108,644	108,644	108,644

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
4KS Nursing Home Quality	842,556	0	1,500,000	0	1,500,000	0	1,500,000	0	1,000,000	0	1,000,000	0	1,500,000	0	1,000,000	0	1,000,000	0
642 Medicaid Expansion-Medical Svcs	50,889	1	69,083	1	113,521	2	117,596	2	114,142	2	114,142	2	117,769	2	114,142	2	114,142	2
648 Medicaid Exp-Prescription Drugs	4,009,744	0	4,553,782	0	4,553,782	0	4,781,471	0	4,553,782	0	4,553,782	0	5,020,545	0	4,553,782	0	4,553,782	0
648 Medicaid Exp-Hospital & Medical Services	13,640,024	0	42,510,440	0	62,510,440	0	49,635,962	0	42,510,440	0	42,510,440	0	49,742,238	0	42,510,440	0	42,510,440	0
876 Nursing Home Closure Costs	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
878 Long Term Care Facility Receivership	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
896 Division of Medical Services	26,396,922	331	27,782,170	326	34,124,888	330	30,812,832	270	24,313,591	270	24,131,487	263	32,279,182	270	24,321,377	270	24,139,273	263
897 ARKIDS B Program	79,719,476	0	132,222,020	0	147,323,782	0	153,833,121	0	132,222,020	0	132,222,020	0	160,774,777	0	132,222,020	0	132,222,020	0
897 Hospital & Medical Services	5,101,914,119	0	5,585,140,144	0	6,689,382,816	0	6,660,893,014	0	6,660,893,014	0	6,660,893,014	0	7,019,281,760	0	7,019,281,760	0	7,019,281,760	0
897 Prescription Drugs	451,546,473	0	477,143,960	0	517,370,558	0	557,701,197	0	517,701,197	0	517,701,197	0	601,705,798	0	561,705,798	0	561,705,798	0
897 Private Nursing Home Care	656,024,021	0	683,113,654	0	724,218,533	0	713,607,064	0	703,607,064	0	703,607,064	0	734,715,275	0	724,715,275	0	724,715,275	0
898 Child & Family Life Inst	0	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
898 Infant Infirmary	27,794,285	0	27,098,423	0	32,098,423	0	33,453,344	0	28,453,344	0	28,453,344	0	34,876,011	0	29,876,011	0	29,876,011	0
898 Public Nursing Home Care	189,026,009	0	205,112,018	0	264,136,947	0	261,265,379	0	211,265,379	0	211,265,379	0	267,603,340	0	217,603,340	0	217,603,340	0
Total	6,550,964,518	332	7,188,495,694	327	8,479,583,690	332	8,469,850,980	272	8,328,883,973	272	8,328,701,869	265	8,909,866,695	272	8,760,153,945	272	8,759,971,841	265

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue	4000010	989,635,030	15.1	1,065,241,269	14.8	1,246,227,923	16.4	1,143,690,206	15.1	1,143,690,206	15.1	1,357,687,487	16.9	1,296,300,920	16.2	1,296,300,920	16.2	
Federal Revenue	4000020	5,084,005,699	77.6	5,550,652,002	77.2	5,893,824,408	77.4	5,884,899,970	77.7	5,884,899,970	77.7	6,217,199,276	77.2	6,199,765,792	77.6	6,199,765,792	77.6	
Trust Fund	4000050	48,056,739	0.7	44,331,747	0.6	44,331,747	0.6	43,831,747	0.6	43,831,747	0.6	44,331,747	0.6	43,831,747	0.5	43,831,747	0.5	
Drug Rebates	4000200	52,022,896	0.8	40,859,589	0.6	40,859,589	0.5	40,859,589	0.5	40,859,589	0.5	40,859,589	0.5	40,859,589	0.5	40,859,589	0.5	
General Improvement Fund	4000265	0	0.0	0	0.0	0	0.0	70,000,000	0.9	70,000,000	0.9	0	0.0	20,000,000	0.3	20,000,000	0.3	
Hospital Assessment Fee	4000281	65,547,399	1.0	77,000,000	1.1	77,000,000	1.0	77,000,000	1.0	77,000,000	1.0	77,000,000	1.0	77,000,000	1.0	77,000,000	1.0	
ICF/MR Provider Fee	4000282	6,547,648	0.1	10,870,062	0.2	10,870,062	0.1	10,870,062	0.1	10,870,062	0.1	10,870,062	0.1	10,870,062	0.1	10,870,062	0.1	
Quality Assurance Fee	4000395	85,783,680	1.3	69,889,227	1.0	69,889,227	0.9	69,889,227	0.9	69,889,227	0.9	69,889,227	0.9	69,889,227	0.9	69,889,227	0.9	
Reimbursement	4000425	0	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	100,000	0.0	
Tobacco Settlement	4000495	8,077,352	0.1	28,215,911	0.4	28,527,670	0.4	28,217,738	0.4	28,217,738	0.4	28,763,415	0.4	28,217,825	0.4	28,217,825	0.4	
Transfer from Medicaid Match	4000550	4,329,645	0.1	13,764,573	0.2	13,764,573	0.2	13,764,573	0.2	13,764,573	0.2	13,764,573	0.2	13,764,573	0.2	13,764,573	0.2	

Funding Sources			%		%		%		%		%		%		%				
Various Program Support	4000730	206,958,430	3.2	287,571,314	4.0			188,181,741	2.5	188,181,741	2.5	187,962,586	2.5	193,126,413	2.4	193,126,413	2.4	192,907,258	2.4
Total Funds		6,550,964,518	100.0	7,188,495,694	100.0			7,613,576,940	100.0	7,571,304,853	100.0	7,571,085,698	100.0	8,053,591,789	100.0	7,993,726,148	100.0	7,993,506,993	100.0
Excess Appropriation/(Funding)		0		0				856,274,040		757,579,120		757,616,171		856,274,906		766,427,797		766,464,848	
Grand Total		6,550,964,518		7,188,495,694				8,469,850,980		8,328,883,973		8,328,701,869		8,909,866,695		8,760,153,945		8,759,971,841	

Analysis of Budget Request

Appropriation: 4KS - Nursing Home Quality

Funding Sources: TLT - Long Term Care Trust Fund

The Nursing Home Quality of Life appropriation provides for two (2) new approaches to nursing home care. These approaches are as follows:

- Eden Alternative approach
- Greenhouse Project approach

Both the Eden Alternative and the Greenhouse Project are attempts to create a new model for long-term care facilities that emphasizes a more home style environment over traditional institutional settings. Evidence indicates that residents of facilities operated under either approach perform significantly better than residents of traditional long-term care facilities.

The Eden Alternative approach allows residents choices in their everyday living that are traditionally dictated to the resident by the facility. These choices include, among others, the choice of meals (what is served and when) and the care routine. It also utilizes permanent assignments of caregivers to create familiarity and trust.

The Greenhouse Project approach utilizes Eden Alternative principles, but with a strikingly different physical plant. Greenhouse Project facilities are constructed on the premise that the elders will thrive in a nursing home if it's built to resemble living in one's own house. This means that facilities are built in small, separate units with each unit housing its own kitchen and laundry, and with no more than ten (10) beds - all of which are private rooms. This gives residents more privacy and more control over their lives. Additionally, Greenhouse Project facilities stress resident participation. This is performed in a number of ways. For example:

- Residents are encouraged to participate in meal planning and preparation. The facility is constructed so that residents can both gather around the kitchen and observe or participate in meal preparation. This gives them meaningful experiences and allows a time for interaction between the elders and the staff.
- Residents are encouraged to use their skills and interests for the benefit of other residents. An emphasis is placed on what residents can do rather than just their physical ailments and disabilities.
- The use of "universal" workers. Under this concept, each unit or house is staffed by the same CNAs and nurses who not only perform traditional care, but also perform laundry and meal preparation. This aids in worker retention by varying the duties of the workers. It also allows the workers to better learn the desires and abilities of residents, and to encourage their participation in various aspects of their own care, as if they were home. The staffs are assigned only to one particular unit or house allowing the elders to become better acquainted with their caregivers.

Facilities that adopt the Eden Alternative/Greenhouse Project model are operated at the same cost as traditional facilities. Once a facility has adopted the model, there is no additional cost, making the on going project cost-neutral. The cost of building a facility to meet Greenhouse Project requirements are approximately the same as for a traditional facility.

There are, however, one-time or initial startup costs for training and physical plant changes for existing facilities. In order to encourage the adoption of the Eden Alternative/Greenhouse Project model, the U. S. Department of Health and Human Services' proposed that the Arkansas Department of Human Services utilize some of the funding collected that is associated with the imposition of civil penalties levied on long-term care facilities in the Long-Term Care Trust Fund.

As the licensing and regulatory agency, the Office of Long Term Care believes that encouraging the adoption of these models benefits the State of Arkansas in a number of ways. First, the models provide a higher level of care for residents, at little or no cost to the State. Second, the adoption of these models results in an inarguable increase in the quality of life for residents. Third, adoption of this proposal places Arkansas in a leadership role in remaking the long-term care model, and demonstrates the State's commitment to seeking improvement in long-term care.

Funding for this program is derived from other revenues which are indicated as the Long-Term Care Trust Fund. This fund consists of all moneys and interest received from the imposition of civil penalties levied by the state on long-term care facilities found to be out of compliance with the requirements of federal or state law or regulations. Under this appropriation, funds are targeted for Eden Alternative/Greenhouse Project related grants to facilities. The funding would be provided by grants for:

- Eden Alternative Associate Training to providers; and
- Greenhouse Project development for new construction of facilities.

The Agency Base Level and total request for this appropriation is \$1,500,000 each year of the biennium.

The Executive Recommendation is to reduce the appropriation to \$1,000,000 each year of the biennium.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 4KS - Nursing Home Quality

Funding Sources: TLT - Long Term Care Trust Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	842,556	1,500,000	1,500,000	1,500,000	1,000,000	1,000,000	1,500,000	1,000,000	1,000,000
Total	842,556	1,500,000	1,500,000	1,500,000	1,000,000	1,000,000	1,500,000	1,000,000	1,000,000

Funding Sources									
Trust Fund 4000050	842,556	1,500,000		1,500,000	1,000,000	1,000,000	1,500,000	1,000,000	1,000,000
Total Funding	842,556	1,500,000		1,500,000	1,000,000	1,000,000	1,500,000	1,000,000	1,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	842,556	1,500,000		1,500,000	1,000,000	1,000,000	1,500,000	1,000,000	1,000,000

Analysis of Budget Request

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

The Medicaid Expansion Program provides appropriation for the administration component of the Medicaid Expansion Program established by Initiated Act 1 of 2000 for the Division of Medical Services. The expanded Medicaid programs are as follows:

1. Expansion of Medicaid coverage and benefits to pregnant women with incomes up to 200 percent of the Federal Poverty Level (approved for implementation November 1, 2001);
2. Expansion of inpatient and outpatient hospital reimbursements and benefits to adults age 19 to 64 to reduce coinsurance payment from 22 percent to 10 percent of the cost of the first Medicaid covered day of each admission and cover additional medically necessary days in the hospital from 20 days up to 24 allowed days per State Fiscal Year (approved for implementation November 1, 2001);
3. Expansion of non-institutional coverage and benefits to adults aged 65 and over. Referred to as ARSeniors, this program extends full Medicaid benefits to adults age 65 and over who have been identified as Qualified Medicare Beneficiaries (QMB) and meet specific income limits (approved for implementation October 1, 2002);

Funding for this appropriation is derived from tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

Base Level:

The Agency Base Level Request for this appropriation is \$69,285 with 1 budgeted position for each year of the biennium.

Change Level:

The Agency Change Level Request is \$48,311 in FY2018 and \$51,736 in FY2019, and reflects the following:

- Restore Unfunded Position (1): Regular Salaries and Personal Services Matching of \$44,857 each year of the biennium.
- Operating Expenses of \$3,454 in FY2018 and \$3,627 in FY2019.

The Executive Recommendation provides for the Agency Request with the exception of \$3,454 in FY2018 and \$3,627 in FY2019 in Operating Expenses.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 642 - DHS Medicaid Expansion Program

Funding Sources: PTA - Medicaid Expansion Program Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	34,934	40,396	69,476	72,645	72,645	72,645	72,645	72,645	72,645
#Positions		1	1	2	2	2	2	2	2	2
Personal Services Matching	5010003	12,918	14,318	26,227	27,128	27,128	27,128	27,128	27,128	27,128
Operating Expenses	5020002	2,320	12,369	15,818	15,823	12,369	12,369	15,996	12,369	12,369
Conference & Travel Expenses	5050009	717	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		50,889	69,083	113,521	117,596	114,142	114,142	117,769	114,142	114,142
Funding Sources										
Federal Revenue	4000020	25,348	34,541		36,370	36,370	36,370	36,456	36,456	36,456
Tobacco Settlement	4000495	25,541	34,542		36,369	36,369	36,369	36,456	36,456	36,456
Total Funding		50,889	69,083		72,739	72,739	72,739	72,912	72,912	72,912
Excess Appropriation/(Funding)		0	0		44,857	41,403	41,403	44,857	41,230	41,230
Grand Total		50,889	69,083		117,596	114,142	114,142	117,769	114,142	114,142

Analysis of Budget Request

Appropriation: 648 - Tobacco-Delay Draw-Paying

Funding Sources: PTD - Medicaid Expansion Program Account

Medicaid Expansion Program - Prescription Drugs referenced on page 1270

The Medicaid Expansion Program - Prescription Drugs provides appropriation for the prescription drugs component of the Medicaid Expansion Program established by Initiated Act 1 of 2000. This appropriation is funded through tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Base Level request for this appropriation is \$4,553,782 each year of the biennium.

The Agency Change Level request for this appropriation is \$227,689 in FY2018 and \$634,114 in FY2019. This request is to meet demands due to program growth.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Medicaid Expansion Program - Hospital and Medical Services referenced on page 1271

The Medicaid Expansion Program - Hospital and Medical Services provides appropriation for the Hospital/Medical component of the Medicaid Expansion Program established by Initiated Act 1 of 2000. This appropriation is funded through tobacco settlement funds and federal revenue provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Base Level request for this appropriation is \$42,510,440 each year of the biennium.

The Agency Change Level request for this appropriation is \$7,125,522 in FY2018 and \$8,464,601 in FY2019.

- \$2,125,522 in FY2018 and \$3,464,601 in FY2019 to meet demands due to program growth.
- Unfunded Appropriation of \$5,000,000 for each year in the biennium to respond to federal and state mandates to the extent funds are available.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 648 - Tobacco-Delay Draw-Paying - Prescription Drug

Funding Sources: PTD - Medicaid Expansion Program Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Medicaid Exp-Prescrip Drugs	5100004	4,009,744	4,553,782	4,553,782	4,781,471	4,553,782	4,553,782	5,020,545	4,553,782	4,553,782
Total		4,009,744	4,553,782	4,553,782	4,781,471	4,553,782	4,553,782	5,020,545	4,553,782	4,553,782

Funding Sources										
Federal Revenue	4000020	53,870	69,690		200,000	69,690	69,690	511,541	69,690	69,690
Tobacco Settlement	4000495	3,955,874	4,484,092		4,581,471	4,484,092	4,484,092	4,509,004	4,484,092	4,484,092
Total Funding		4,009,744	4,553,782		4,781,471	4,553,782	4,553,782	5,020,545	4,553,782	4,553,782
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,009,744	4,553,782		4,781,471	4,553,782	4,553,782	5,020,545	4,553,782	4,553,782

Appropriation Summary

Appropriation: 648 - Tobacco-Delay Draw-Paying - Hospital/Medical Services

Funding Sources: PTD - Medicaid Expansion Program Account

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Medicaid Exp-Hosp/Med Svcs 5100004	13,640,024	42,510,440	62,510,440	49,635,962	42,510,440	42,510,440	49,742,238	42,510,440	42,510,440
Total	13,640,024	42,510,440	62,510,440	49,635,962	42,510,440	42,510,440	49,742,238	42,510,440	42,510,440

Funding Sources									
Federal Revenue 4000020	9,544,087	29,625,526		31,538,495	29,625,526	29,625,526	31,336,646	29,625,526	29,625,526
Tobacco Settlement 4000495	4,095,937	12,884,914		13,097,467	12,884,914	12,884,914	13,405,592	12,884,914	12,884,914
Total Funding	13,640,024	42,510,440		44,635,962	42,510,440	42,510,440	44,742,238	42,510,440	42,510,440
Excess Appropriation/(Funding)	0	0		5,000,000	0	0	5,000,000	0	0
Grand Total	13,640,024	42,510,440		49,635,962	42,510,440	42,510,440	49,742,238	42,510,440	42,510,440

Analysis of Budget Request

Appropriation: 876 - Nursing Home Closure Costs

Funding Sources: TLT - Long Term Care Trust Fund

Nursing Home Closure Costs appropriation is available in the event the Division of Medical Services finds it necessary to take over the operation of a nursing home in an emergency situation. The purpose of any take-over would be for the protection of the health or property of residents of long-term care facilities, including, but not limited to, the payment for the costs of relocation of residents to other facilities, maintenance and operation of a facility pending correction of deficiencies or closure, and reimbursement of residents for personal funds lost.

Funding for this appropriation is derived from other revenues which are indicated as the Long-Term Care Trust Fund. This fund consists of all moneys and interest received from the imposition of civil penalties levied by the state on long-term care facilities found to be out of compliance with the requirements of federal or state law or regulations.

The Agency Base Level and total request for this appropriation is \$50,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 876 - Nursing Home Closure Costs

Funding Sources: TLT - Long Term Care Trust Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Expenses 5900046	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

Funding Sources									
Trust Fund 4000050	0	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding	0	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	50,000		50,000	50,000	50,000	50,000	50,000	50,000

Analysis of Budget Request

Appropriation: 878 - Long Term Care Facility Receivership

Funding Sources: DLT - Long Term Care Facility Receivership Fund

As authorized by Arkansas Code Annotated §20-10-901 et seq., the Long Term Care Facility Receivership appropriation is used to pay the expenses of receivers appointed, if a nursing home is placed in receivership. Payment may not be made from this account until a court of law has found that a nursing home has insufficient funds to pay a receiver after all other operating expenses of the facility have been paid. The funding for this appropriation is from reimbursement at the beginning of a biennium from the general revenue fund account of the state apportionment fund prior to the distribution of revenue stabilization law with a maximum amount of one hundred thousand dollars (\$100,000).

The Agency Base Level and total request for this appropriation is \$100,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 878 - Long Term Care Facility Receivership

Funding Sources: DLT - Long Term Care Facility Receivership Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Expenses 5900046	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Funding Sources									
Reimbursement 4000425	0	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding	0	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	100,000		100,000	100,000	100,000	100,000	100,000	100,000

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

Act 348 of 1985 authorized the reorganization of the Department of Human Services. As part of this reorganization, the Division of Social Services became the Division of Economic and Medical Services. Act 164 of 1995 eliminated the Division of Economic and Medical Services, creating the Division of Medical Services, while functions at the county level were assigned to the Division of County Operations (formerly the Division of Program Operations). The Division of Medical Services' primary responsibility is management of the Arkansas Medicaid program, which was created by the passage of Title XIX of the Social Security Act of 1965, with Arkansas implementing the program on January 1, 1970.

Medicaid enables states to furnish:

- Medical assistance to those who have insufficient income and resources to meet the costs of necessary medical services.
- Rehabilitation and other services to help these families and individuals become or remain independent and able to care for themselves.

Each state has some sort of Medicaid program to meet the federal mandates and requirements as laid out in Title XIX. Arkansas, however, established a medical care program 26 years before passage of the federal laws requiring health care for the needy: Section 7 of Act 280 of 1939 and Act 416 of 1977 authorized the State of Arkansas to establish and maintain a medical care program for the indigent and vested responsibility for regulating and administering the program in the Arkansas Department of Human Services. This program receives federal grants under Title XIX. Thus Arkansas Medicaid is a joint federal and state program that provides necessary medical services to eligible persons who are not able to pay for such services. Individuals are certified as eligible for Medicaid services through the state's county Human Services Offices or District Social Security Offices. The Social Security Administration automatically sends SSI recipient information to DHS.

The Arkansas Medicaid Program is divided into three (3) forms of services:

1. Services Mandated by the Federal Government
2. Optional Services Chosen by Arkansas
3. Waivers Approved by the Centers for Medicare and Medicaid Services (CMS)

These services are as follows:

Services Mandated by the Federal Government:

- Child Health Services - Early and Periodic Screening, Diagnosis and Treatment (EPSDT) (Under Age 21)
- Family Planning Services and Supplies (All Ages)
- Federally Qualified Health Center (FQHC) (All Ages)
- Home Health Services (All Ages)

- Hospital Services - Inpatient and Outpatient (All Ages)
- Laboratory and X-Ray (All Ages)
- Certified Nurse-Midwife Services (All Ages)
- Medical and Surgical Services of a Dentist (All Ages)
- Nurse Practitioner (Pediatric, Family, Obstetric-Gynecologic and Gerontological) (All Ages)
- Nursing Facility Services (Age 21 and Older)
- Physician Services (All Ages)
- Rural Health Clinic (RHC) (All Ages)
- Transportation (to and from medical providers when medically necessary) (All Ages)

Optional Services Chosen by Arkansas:

- Ambulatory Surgical Center Services (All Ages)
- Audiological Services (Under Age 21)
- Certified Registered Nurse Anesthetist (CRNA) Services (All Ages)
- Child Health Management Services (CHMS) (Under Age 21)
- Chiropractic Services (All Ages)
- Dental Services (All Ages)
- Developmental Day Treatment Clinic Services (DDTCS) (Preschool and Age 18 and Older)
- Developmental Rehabilitation Services (Under Age 3)
- Domiciliary Care Services (All Ages)
- Durable Medical Equipment (DME) (All Ages)
- End-Stage Renal Disease (ESRD) Facility Services (All Ages)
- Hearing Aid Services (Under Age 21)
- Hospice Services (All Ages)
- Hyperalimentation Services (All Ages)
- Independent Choices (Age 18 and Older)
- Inpatient Psychiatric Services (Under Age 21)
- Intermediate Care Facility (ICF) Services (All Ages)
- Licensed Mental Health Practitioner Services (Under Age 21)
- Medical Supplies (All Ages)
- Medicare Crossovers (All Ages)
- Nursing Facility Services (Under Age 21)
- Occupational, Physical, Speech Therapy Services (Under Age 21)
- Orthotic Appliances (All Ages)
- PACE (Program of All-Inclusive Care for the Elderly) (Age 55 and Older)
- Personal Care Services (All Ages)

- Podiatrist Services (All Ages)
- Portable X-Ray (All Ages)
- Prescription Drugs (All Ages)
- Private Duty Nursing Services (All Ages)
- Prosthetic Devices (All Ages)
- Rehabilitative Hospital Services (All Ages)
- Rehabilitative Services for:
 - Persons with Mental Illness (RSPMI) (All Ages)
 - Persons with Physical Disabilities (RSPD) and Youth and Children (Under Age 21)
- Respiratory Care Services (Under Age 21)
- School-Based Mental Health Services (Under Age 21)
- Targeted Case Management:
 - Children's Services (Title V), SSI, TEFRA, EPSDT, Division of Children and Family Services and Division of Youth Services (Under Age 21)
 - Beneficiaries with a Developmental Disability (All Ages)
 - Adults (Age 60 and Older)
 - Pregnant Women (All Ages)
- Tuberculosis Services (All Ages)
- Ventilator Equipment (All Ages)
- Visual Care Services (All Ages)

Waivers Approved by the Centers for Medicare and Medicaid Services (CMS):

- Alternatives for Adults with Physical Disabilities (Age 21-64)
- ARKids B (Age 18 and Under)
- Autism (Age 18 months-6 years)
- Developmental Disabilities Services (DDS- Alternative Community Services) (All Ages)
- ElderChoices (Age 65 and Older)
- Living Choices (Assisted Living) (Age 21 and Older)
- Non-Emergency Transportation (All Ages)
- Tax Equity Fiscal Responsibility Act of 1982 (TEFRA) (Under Age 21)
- Women's Health (Family Planning) (All Ages)

The Arkansas Medicaid Program does have limitations on the services that are provided. The major benefit limitations on services for adults (age 21 and older) are as follows:

- Twelve visits to hospital outpatient departments allowed per state fiscal year.
- A total of twelve office visits allowed per state fiscal year for any combination of the following: certified nurse midwife, nurse practitioner,

- physician, medical services provided by a dentist, medical services furnished by an optometrist, and Rural Health Clinics.
- One basic family planning visit and three (3) periodic family planning visits per state fiscal year. Family planning visits are not counted toward other service limitations.
 - Lab and x-ray services limited to total benefit payment of \$500 per state fiscal year, except for EPSDT beneficiaries.
 - Three pharmaceutical prescriptions are allowed per month (family planning and tobacco cessation prescriptions are not counted against benefit limit; unlimited prescriptions for nursing facility beneficiaries and EPSDT beneficiaries under age 21). Extensions will be considered up to a maximum of six (6) prescriptions per month for beneficiaries at risk of institutionalization. Beneficiaries receiving services through the Assisted Living waiver may receive up to nine (9) medically necessary prescriptions per month. Medicare-Medicaid beneficiaries (dual eligibles) receive their drugs through the Medicare Part D program as of January 1, 2006.
 - Inpatient hospital days limited to 24 per state fiscal year, except for EPSDT beneficiaries and certain organ transplant patients.
 - Co-insurance: Some beneficiaries must pay 10% of first Medicaid covered day of hospital stay.
 - Beneficiaries in the Working Disabled aid category must pay 25% of the charges for the first Medicaid covered day of inpatient hospital services and must also pay co-insurance for some additional services.
 - Some beneficiaries must pay \$.50 - \$3 of every prescription, and \$2 on the dispensing fee for prescription services for eyeglasses. Beneficiaries in the Working Disabled aid category must pay a higher co-payment for these services and also must pay co-payments for some additional services.

Additional Information for limitations relating to children:

- The families of some children are responsible for co-insurance, co-payments, or premiums.
- Co-insurance: ARKids B beneficiaries must pay 10% of the charges for the first Medicaid covered day of inpatient hospital services and must also pay co-insurance for some outpatient and DME services.
- Co-Pay: ARKids B beneficiaries must pay a co-payment for most services; for example \$10.00 for most office visits and \$5.00 for most prescription drugs (and must use generic drugs and manufacturer rebates, if available). ARKids B beneficiaries annual cost-sharing is capped at 5% of the family's gross annual income.
- Premiums: Based on family income certain TEFRA beneficiaries must pay a premium. TEFRA families whose income is at or below 150% of the Federal Poverty level cannot be assessed a premium.

Any and all exceptions to benefit limits are based on medical necessity.

The Division consists of the Director's Office and eight (8) distinct organizational units:

Program and Provider Management: The Office of Program and Provider Management includes the following operations: Provider & Member Relations, Dental, Visual and EPSDT, Behavioral Health and Utilization Review. The Provider and Member Relations, Dental, Visual and EPSDT section administers the Dental, Visual and Child Health Services (EPSDT) Medicaid programs and oversees the non-emergency transportation program, Medicaid Managed Care Systems and ConnectCare programs. This section also assists providers and beneficiaries in resolving matters related to billing and coverage. The Utilization Review section develops healthcare policies based on recognized standards of care, current healthcare initiatives and participation from community stakeholders to ensure adequate coverage benefits for Medicaid

beneficiaries. Utilization review monitors the quality and medical necessity of services delivered by Medicaid health care providers. In addition this section is responsible for the prior authorization of medically necessary services such as transplants, extension of benefits, prosthetics, hearing aids, hyperalimentation services and out of state transportation.

Medicaid Information Management: The Office of Medicaid Information Management is responsible for administering the Medicaid Management Information System (MMIS) which processes all Medicaid claims. The MMIS Systems and Support Unit procures and administers the contracted fiscal agent that operates the MMIS. This Unit also monitors the fiscal agent's contract compliance, performs quality assurance reviews on how the MMIS operates, manages requests for modifications to the MMIS, develops enhancements to the MMIS, and develops and produces reports from the Medicaid data warehouse.

Long Term Care: The Office of Long Term Care (OLTC) is the unit of state government responsible for the regulation of long term care facilities in Arkansas. These facilities include Nursing Homes, Intermediate Care Facilities for the Mentally Retarded (ICF/MR), Residential Care Facilities (RCF), Adult Day Care, Adult Day Health Care, Post-Acute Head Injury Facilities, Assisted Living Facilities (ALF) and Psychiatric Residential Treatment Facilities (PRTF). This regulation of facilities includes conducting on-site inspections of facilities, investigations of complaints against facilities, medical need determinations for placement into facilities, and licensure of facilities and facility administrators. In addition, the Office of Long Term Care administers a criminal record background check on the employees and applicants and of facilities the Office regulates, and the Office is responsible for the administration of the training and certification of Certified Nursing Assistance (CNAs), who are long-term care facility caregivers that are employed in long term care facilities and hospital-based facilities. The Office of Long Term Care includes the following operations: Quality Assurance & Support, Survey & Certification, Special Programs, Abuse & Neglect, and State Regulated Facilities.

Program and Administrative Support: The Office of Program and Administrative Support includes the following operations: Financial Activities, Provider Reimbursement and Third Party Liability. The Financial Activities unit performs such functions as program and operational budgeting, expenditure monitoring and evaluation, federal and state reporting, and administrative support such as personnel management, contract issuance and management, requests for proposals, and the preparation of interagency agreements. The Provider Reimbursement unit is responsible for maintaining rate files, establishing and administering methodologies for provider reimbursements, including cost reports and cost settlements, and financial aspects of the Office of Long Term Care such as budgeting, reimbursement, and audits of provider cost reports. The Third Party Liability area is responsible for implementing cost-avoidance procedures to prevent the payment of Medicaid monies when other (third) parties such as private insurance companies should pay the claim. In addition, in those instances where cost-avoidance is not successful, the Third Party Liability unit is responsible for pursuing recoupment of Medicaid monies.

Pharmacy: The Pharmacy Office is responsible for assuring that medically necessary pharmaceutical therapy is provided to Arkansas Medicaid recipients. It seeks to deliver these services cost effectively while complying with all state and federal requirements. The OBRA 90 statute requires states to cover all outpatient drugs by a manufacturer who signs a rebate agreement with the Centers for Medicare / Medicaid (CMS) as well as to establish a Drug Utilization Review (DUR) Board which is under the direction of the Pharmacy Office. The Office researches clinical data, develops the clinical criteria and edits for various drugs and drug classes, then works directly with the state's fiscal agent to apply the criteria and edits within the software, is the project manager for the stated evidenced-based prescription drug program, researches and reviews claims information to assist providers, beneficiaries and interested parties and researches exception criteria to assist

physicians.

Policy, Program and Contract Oversight: The Policy, Program and Contract Oversight consists of three units. The Program Planning and Development (PPD) unit develops and maintains the Medicaid State Plan and the State's Child Health Insurance Program Plan, both required by CMS. This Unit develops and maintains fifty-seven (57) different Medicaid provider policy manuals, which include information on covered services, benefit limits, prior approvals, and billing procedures. The Waiver Quality Assurance unit is responsible for monitoring operation of the Medicaid waiver programs. The Waiver QA unit assures compliance with CMS requirements for operating the waivers through case reviews, data analysis, technical assistance to operating agencies, communication and coordination with CMS, developing new waivers and amendments to existing waivers, and developing QA strategies and interagency agreements for the waivers. The Contract Oversight unit is responsible for assisting program and contract staff in developing performance indicators for contracts and monitoring the performance of all Division of Medical Services contractors.

Healthcare Innovation: The Health Care Innovation Unit is responsible for directing the operations and activities to redesign the Medicaid payment and service delivery systems by working with multi-payers, staff, and contractors to design and deliver episodes of care for acute conditions; implement new models of population based health for chronic conditions; develop and coordinate infrastructure requirements; and facilitate stakeholder, provider and patient engagement. Arkansas Medicaid is creating a patient-centered health care system that embraces the triple aim: (1) improving the health of the population; (2) enhancing the patient experience of care, including quality, access, and reliability; and (3) reducing, or at least controlling, the cost of health care. This will be accomplished by transforming the vast majority of care and payment from a fee for service models to models that reward and support providers for delivering improved outcomes and high quality, cost effective care.

Coordination of Coverage: The Coordination of Coverage Unit is responsible for coordinating any DMS efforts in the implementation of the Affordable Care Act, identifying potential improvement in the Medicaid consumer experience, and ongoing coordination of coverage for Medicaid recipients as they move in and out of Medicaid and other health insurance plans through the upcoming health insurance exchange. In addition, this new team will participate in other Medicaid changes, and will coordinate with all areas within DMS, several other DHS Divisions, and other State agencies.

The Agency is funded through general revenue (DEM - Medical Services Fund Account), federal and other revenues. Federal revenue is provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as various program support are derived from Third Party Liability Recovery, Nurse Aide Training and Long-Term Care Licensure Fees.

Base Level:

The Agency Base Level Request for this appropriation is \$27,171,070 in FY2018 and \$27,182,805 in FY2019 with \$7,067,957 in FY2018 and \$7,068,538 in FY2019 in general revenue funding and 317 budgeted base level positions.

Change Level:

The Agency Change Level Request is \$3,641,762 in FY2018 and \$5,096,377 in FY2019 with \$3,028,073 in FY2018 and (\$553,668) in FY2019 in general revenue funding and a reduction of (47) positions, and reflects the following:

- Discontinue Position (1): Regular Salaries and Personal Services Matching of (\$36,238) each year of the biennium.
- Transfer Positions Out (67): Regular Salaries and Personal Services Matching of (\$4,391,377) in FY2018 and (\$4,396,192) in FY2019 to support agency reorganization.
- Restore Unfunded Positions 12: Regular Salaries and Personal Services Matching of \$1,119,051 in FY2018 and \$1,119,917 in FY2019 to take care of the many changes taking place in the Medicaid program.
- Restore Pool Positions 9: Regular Salaries and Personal Services Matching of \$695,768 each year of the biennium needed to take care of the many changes taking place in the Medicaid program.
- Extra Help of \$110,132 for each year of the biennium.
- Operating Expenses of \$6,154,856 in FY2018 and \$7,613,420 in FY2019 which includes a transfer out of (\$234,253) each year of the biennium to support agency reorganization and an increase of \$1,389,109 for FY2018 and \$2,847,673 for FY2019 for growth. Additional Unfunded Appropriation of \$5,000,000 each year of the biennium to respond to federal and state mandates to the extent funds are available.
- Conference Fees and Travel of (\$10,430) for each year of the biennium to support agency reorganization.

The Executive Recommendation provides for the Agency Request in appropriation and funding with the exception of the following:

- Extra Help of \$110,132 for each year of the biennium.
- Operating Expenses increase of \$6,389,109 for FY2018 and \$7,847,673 for FY2019.

The Legislative Recommendation concurs with the Executive Recommendation with the exception of a reduction of seven (7) positions and a corresponding reduction of (\$182,104) in Regular Salaries and Personal Services Matching appropriation.

Appropriation Summary

Appropriation: 896 - DHS-Admin Paying Account

Funding Sources: PWP - Administration Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	15,613,089	15,569,802	16,603,442	13,116,696	13,116,696	12,975,326	13,122,996	13,122,996	12,981,626
#Positions		331	326	330	270	270	263	270	270	263
Extra Help	5010001	73,068	201,892	201,892	312,024	201,892	201,892	312,024	201,892	201,892
#Extra Help		7	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	5,182,420	5,237,732	5,555,974	4,466,942	4,466,942	4,426,208	4,468,428	4,468,428	4,427,694
Overtime	5010006	9	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	3,977,629	4,279,284	8,270,120	10,434,140	4,045,031	4,045,031	11,892,704	4,045,031	4,045,031
Conference & Travel Expenses	5050009	136,919	233,728	233,728	223,298	223,298	223,298	223,298	223,298	223,298
Professional Fees	5060010	433,626	755,132	755,132	755,132	755,132	755,132	755,132	755,132	755,132
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	90,508	0	0	0	0	0	0	0	0
Data Processing Services	5900044	889,654	1,499,600	2,499,600	1,499,600	1,499,600	1,499,600	1,499,600	1,499,600	1,499,600
Total		26,396,922	27,782,170	34,124,888	30,812,832	24,313,591	24,131,487	32,279,182	24,321,377	24,139,273

Funding Sources										
General Revenue	4000010	7,197,500	7,197,500		10,096,030	10,096,030	10,096,030	6,514,870	6,514,870	6,514,870
Federal Revenue	4000020	17,488,478	17,147,678		11,431,097	11,161,039	11,161,039	16,029,705	14,301,949	14,301,949
Various Program Support	4000730	1,710,944	3,436,992		3,056,522	3,056,522	2,837,367	3,504,558	3,504,558	3,285,403
Total Funding		26,396,922	27,782,170		24,583,649	24,313,591	24,094,436	26,049,133	24,321,377	24,102,222
Excess Appropriation/(Funding)		0	0		6,229,183	0	37,051	6,230,049	0	37,051
Grand Total		26,396,922	27,782,170		30,812,832	24,313,591	24,131,487	32,279,182	24,321,377	24,139,273

Analysis of Budget Request

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Private Nursing Home Care Appropriation referenced on page 1289

The Private Nursing Home Care appropriation pays expenses for individuals who reside in nursing homes and are eligible to receive Medicaid Benefits. The residents in nursing home facilities have chronic medical needs. The referring physician must certify medical need with documented evidence of why services are needed in order for a person to be admitted and remain in a nursing home. Each Medicaid certified nursing facility evaluates each nursing home applicant's need for nursing home services. A thorough and complete evaluation must be conducted to ensure that individuals who do not require nursing home services are not admitted to nursing facilities. For Medicaid eligible recipients, the Office of Long Term Care cannot guarantee Medicaid reimbursement for any applicant admitted prior to approval by the Office of Long Term Care Medical Needs Determination section. No applicant with diagnoses or other indicators of mental illness, mental retardation, or developmental disabilities may be admitted to nursing home care prior to evaluation and approval by the Office of Long Term Care.

In general, nursing homes provide total care for their residents--meeting needs from social to dietary to medical. They are staffed by licensed nurses and certified nursing assistants. Nursing homes accept a variety of payment methods, such as private pay (which includes insurance), Medicaid, and Medicare. No age requirement applies to nursing home placements.

In addition to the provider payments noted above, Act 689 of 1987 created the Long-Term Care Aide Training program. Under this Act, the Office of Long Term Care was required to establish a training program to be completed by all aides in long term care facilities who provide personal care to residents. This program consists of 75 hours of training and is payable from the Private Nursing Home Care appropriation.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as quality assurance fee per Act 635 of 2001, various program support which can include nursing home administration fees and Medicaid match, miscellaneous transfers derived from Arkansas Code Annotated §17-24-305(b)(1)(A), and the Medicaid Trust Fund. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$683,113,654 each year of the biennium with general revenue of \$139,044,877.

The Agency Change Level request for this appropriation is \$30,493,410 in FY2018 and \$51,601,621 in FY2019 with general revenue request of (\$50,550) in FY2018 and \$4,057,811 in FY2019. The following delineates the agency request:

- \$20,493,410 in FY2018 and \$41,601,621 in FY2019 for growth.

\$10,000,000 each year of the biennium in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request on the growth, but not the unfunded appropriation.

The Legislative Recommendation concurs with the Executive Recommendation.

Prescription Drugs Appropriation referenced on page 1290

The Prescription Drugs appropriation is an optional Medicaid service chosen by Arkansas. The program allows eligible recipients to obtain prescription medication through participating pharmacies in Arkansas. Reimbursement for the program is based on the drug cost and the fee for dispensing pharmaceuticals. The Omnibus Budget Reconciliation Act of 1990 authorized rebates from pharmaceutical manufacturers. The federal share is returned and the amount retained by the state is calculated based upon the state matching rate for Medicaid.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as drug rebates, the Medicaid Trust Fund, and various program support which can include Medicaid match. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$477,143,960 each year of the biennium with general revenue of \$116,078,745.

The Agency Change Level request for this appropriation is \$80,557,237 in FY2018 and \$124,561,838 in FY2019 with general revenue reduction request of (\$4,630,642) in FY2016 and an increase of \$6,686,565 in FY2019. The following delineates the agency request:

- \$40,557,237 in FY2018 and \$84,561,838 in FY2019 for growth.
- \$40,000,000 each year of the biennium in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request on the growth, but not the unfunded appropriation.

The Legislative Recommendation concurs with the Executive Recommendation.

Hospital and Medical Services Appropriation referenced on page 1291

The Hospital and Medical Services appropriation is one of several federally supported and state administered assistance programs within the Medicaid program and consists of many services including inpatient and outpatient hospital, community mental health centers, community

health centers, rural health clinics, home health, private duty nursing, personal care, hospice, practitioners such as physicians, dentists, audiologist, psychologist, speech, occupational and physical therapists, maternity clinics, family planning, laboratory and x-ray services, case management, transportation and Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for children under 21 years of age which is the Child Health Services Program. Waiver services are also included in this appropriation. Waiver services are those that the Centers for Medicare and Medicaid Services have waived traditional provisions of the Medicaid regulations and allow deviations in how and where the services are provided and include programs such as Elderchoices, DDS-Non-institutional Waiver and Adults with Physical Disabilities. Payments are made directly to providers for services for individuals who are eligible for Medicaid services. The State establishes reimbursement rates and the methodology for rate setting. However, the Centers for Medicare and Medicaid Services must approve the state's policy(ies) and regulations in order for the State to be in compliance with guidelines established in federal law.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as Medicaid Trust Fund, intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, hospital assessment fee per Act 562 of 2009 (as amended per Act 19 of 2011), and as various program support which can include matching funds from UAMS (from general revenue), Department of Education (from cash funds), Arkansas Children's Hospital, DHS Divisions (from general revenue) for services such as Therapies, Transportation, Waiver services, UPL-Upper Payment Limit match, DSH-Disproportionate Share Hospital payments, etc. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$5,585,140,144 each year of the biennium with general revenue of \$792,162,845.

The Agency Change Level request for this appropriation is \$1,075,752,870 in FY2018 and \$1,434,141,616 in FY2019 with general revenue request of \$182,927,053 in FY2018 and \$280,676,723 in FY2019. The following delineates the agency request:

- \$404,752,870 in FY2018 and \$765,841,616 in FY2019 for growth.
- (\$54,000,000) in FY2018 and (\$56,700,000) in FY2019 during the biennium, the division expects to see the effects of program savings due to the transformation plan being implemented in SFY2017.
- \$725,000,000 each year in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for Agency Request for appropriation and \$80,089,339 in FY2018 and \$219,290,156 in FY2019 in new general revenue funding. General improvement funds are also being recommended in the amount of \$70,000,000 in FY2018 and \$20,000,000 in FY2019 to fully subsidize these required funding levels.

The Legislative Recommendation concurs with the Executive Recommendation.

ARKIDS B Program Appropriation referenced on page 1292

The ArKids B program appropriation provides medical services for children who are without medical insurance coverage. Many of the parents of these children are employed but are unable to afford the necessary coverage for their children. The parents earn sufficient salaries that make them ineligible for coverage by Medicaid, thereby leaving the children without medical care.

ArKids B Program is an optional Medicaid service chosen by Arkansas and is authorized through a federal waiver to the Medicaid program that expands coverage to children in families with income at or below 200 percent of the federal poverty level. Services are available only to children through 18 years of age and are otherwise ineligible to receive Medicaid benefits. Each child must have a Primary Care Physician who will either provide the needed services or make the appropriate referral for medically necessary treatment. A patient co-payment is required per physician visit and per prescription. Effective July 1, 2006, DHS set an annual cap on cost-sharing (co-payments and coinsurance) for ARKids B families. The annual cost-sharing cap is 5% of the family's annual gross (before taxes) income.

The ArKids B Program appropriation has two (2) components and they are as follows:

- Prescription Drugs
- Hospital/Medical

Prescription Drugs component has coverage limits based on medical necessity with a \$5 per prescription co-pay and the recipient must use generic and rebate manufactures.

Generally, the Hospital/Medical component benefits include such programs as inpatient hospital, physician visits, vision care (1 visit per year for routine exam and 1 pair of eyeglasses), dental services (2 visits per year for cleaning, x-rays, no orthodontia), medical supplies, home health services and emergency room services, ambulance (emergency only), ambulatory surgical center, durable medical equipment (\$500 per year), family planning, FQHC, nurse midwife, outpatient mental and behavior health (\$2,500 limit), podiatry, RHC and speech therapy with some form of co-pay required. Immunizations and preventative health screenings per protocols provided by the primary care physician or Division of Health require no patient co-payments.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as the Medicaid Trust Fund, and as various program support which can include Medicaid match. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$132,222,020 each year of the biennium.

The Agency Change Level request for this appropriation is \$21,611,101 in FY2018 and \$28,552,757 in FY2019. The following delineates the agency request:

\$6,611,101 in FY2018 and \$13,552,757 in FY2019 for growth.

- \$15,000,000 each year of the biennium in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account - Private Nursing Home

Funding Sources: PWD - Grants Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Private Nursing Home Care	5100004	656,024,021	683,113,654	724,218,533	713,607,064	703,607,064	703,607,064	734,715,275	724,715,275	724,715,275
Total		656,024,021	683,113,654	724,218,533	713,607,064	703,607,064	703,607,064	734,715,275	724,715,275	724,715,275

Funding Sources										
General Revenue	4000010	109,480,364	139,044,877		138,994,327	138,994,327	138,994,327	143,102,688	143,102,688	143,102,688
Federal Revenue	4000020	461,507,262	476,061,905		496,605,865	496,605,865	496,605,865	513,605,715	513,605,715	513,605,715
Quality Assurance Fee	4000395	84,934,728	67,780,041		67,780,041	67,780,041	67,780,041	67,780,041	67,780,041	67,780,041
Various Program Support	4000730	101,667	226,831		226,831	226,831	226,831	226,831	226,831	226,831
Total Funding		656,024,021	683,113,654		703,607,064	703,607,064	703,607,064	724,715,275	724,715,275	724,715,275
Excess Appropriation/(Funding)		0	0		10,000,000	0	0	10,000,000	0	0
Grand Total		656,024,021	683,113,654		713,607,064	703,607,064	703,607,064	734,715,275	724,715,275	724,715,275

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account - Prescription Drug

Funding Sources: PWD - Grants Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Prescription Drugs	5100004	451,546,473	477,143,960	517,370,558	557,701,197	517,701,197	517,701,197	601,705,798	561,705,798	561,705,798
Total		451,546,473	477,143,960	517,370,558	557,701,197	517,701,197	517,701,197	601,705,798	561,705,798	561,705,798

Funding Sources										
General Revenue	4000010	89,388,953	116,078,745		111,448,103	111,448,103	111,448,103	122,765,310	122,765,310	122,765,310
Federal Revenue	4000020	310,134,624	320,205,626		365,393,505	365,393,505	365,393,505	398,080,899	398,080,899	398,080,899
Drug Rebates	4000200	52,022,896	40,859,589		40,859,589	40,859,589	40,859,589	40,859,589	40,859,589	40,859,589
Total Funding		451,546,473	477,143,960		517,701,197	517,701,197	517,701,197	561,705,798	561,705,798	561,705,798
Excess Appropriation/(Funding)		0	0		40,000,000	0	0	40,000,000	0	0
Grand Total		451,546,473	477,143,960		557,701,197	517,701,197	517,701,197	601,705,798	561,705,798	561,705,798

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account - Hospital and Medical Services

Funding Sources: PWD - Grants Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Hospital and Medical Services	5100004	5,101,914,119	5,585,140,144	6,689,382,816	6,660,893,014	6,660,893,014	6,660,893,014	7,019,281,760	7,019,281,760	7,019,281,760
Total		5,101,914,119	5,585,140,144	6,689,382,816	6,660,893,014	6,660,893,014	6,660,893,014	7,019,281,760	7,019,281,760	7,019,281,760

Funding Sources										
General Revenue	4000010	768,097,543	792,162,846		974,789,898	872,252,181	872,252,181	1,072,839,568	1,011,453,001	1,011,453,001
Federal Revenue	4000020	4,057,656,735	4,413,457,560		4,680,592,481	4,680,592,481	4,680,592,481	4,936,434,921	4,936,434,921	4,936,434,921
Trust Fund	4000050	47,214,183	42,781,747		42,781,747	42,781,747	42,781,747	42,781,747	42,781,747	42,781,747
General Improvement Fund	4000265	0	0		0	70,000,000	70,000,000	0	20,000,000	20,000,000
Hospital Assessment Fee	4000281	61,000,000	77,000,000		77,000,000	77,000,000	77,000,000	77,000,000	77,000,000	77,000,000
ICF/MR Provider Fee	4000282	5,836,455	9,983,017		9,983,017	9,983,017	9,983,017	9,983,017	9,983,017	9,983,017
Tobacco Settlement	4000495	0	10,812,363		10,812,363	10,812,363	10,812,363	10,812,363	10,812,363	10,812,363
Transfer from Medicaid Match	4000550	4,329,645	13,764,573		13,764,573	13,764,573	13,764,573	13,764,573	13,764,573	13,764,573
Various Program Support	4000730	157,779,558	225,178,038		126,168,935	126,168,935	126,168,935	130,665,571	130,665,571	130,665,571
Total Funding		5,101,914,119	5,585,140,144		5,935,893,014	5,903,355,297	5,903,355,297	6,294,281,760	6,252,895,193	6,252,895,193
Excess Appropriation/(Funding)		0	0		725,000,000	757,537,717	757,537,717	725,000,000	766,386,567	766,386,567
Grand Total		5,101,914,119	5,585,140,144		6,660,893,014	6,660,893,014	6,660,893,014	7,019,281,760	7,019,281,760	7,019,281,760

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account - ARKids B

Funding Sources: PWD - Grants Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
ARKids B Program	5100004	79,719,476	132,222,020	147,323,782	153,833,121	132,222,020	132,222,020	160,774,777	132,222,020	132,222,020
Total		79,719,476	132,222,020	147,323,782	153,833,121	132,222,020	132,222,020	160,774,777	132,222,020	132,222,020

Funding Sources										
General Revenue	4000010	4,422,360	0		0	0	0	0	0	0
Federal Revenue	4000020	75,297,116	132,222,020		138,833,121	132,222,020	132,222,020	145,774,777	132,222,020	132,222,020
Total Funding		79,719,476	132,222,020		138,833,121	132,222,020	132,222,020	145,774,777	132,222,020	132,222,020
Excess Appropriation/(Funding)		0	0		15,000,000	0	0	15,000,000	0	0
Grand Total		79,719,476	132,222,020		153,833,121	132,222,020	132,222,020	160,774,777	132,222,020	132,222,020

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Child and Family Life Institute Appropriation referenced on page 1296

Arkansas Code Annotated §20-78-104 authorized Arkansas Children's Hospital to provide administration for the Child Health and Family Life Institute (CHFLI). Children's Hospital and UAMS, Department of Pediatrics act in conjunction by either contract or cooperative agreement for necessary activities in the delivery of services through the CHFLI. The mission of the institute is "an initiated state effort to explore, develop, and evaluate new and better ways to address medically, socially, and economically interrelated health and developmental needs of children with special health care needs and their families. Utilizing a multidisciplinary collaboration of professionals, the Institute's priorities include wellness and prevention, screening and diagnosis, treatment and intervention, training and education, service access, public policy and advocacy, research and evaluation". Programs include such services as KIDS FIRST - a pediatric day health treatment program for preschool age children at risk for developmental delay; CO-MEND Councils of volunteer/local community activities with pooled resources to assist families; Outreach offers specialized health care at the local level for children who live in areas without specialized care available; Community Pediatrics-a support system with a pediatric team available to provide services in medically underserved areas; Children-at-Risk - diagnostic and treatment for children who have been abused and their families; Pediatric Psychology; Developmental/Physical Medicine and Rehabilitation for children with severe disabilities; and Adolescent Medicine. Children's Hospital is specifically to fund the KIDS FIRST Program as a priority when considering program funding decisions within the Institute. The Department of Pediatrics is the administrative oversight entity for cooperative agreements or contracts for the delivery of services.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account).

The Agency Base Level and total request for this appropriation is \$2,100,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Infant Infirmery Appropriation referenced on page 1297

The Infant Infirmery Nursing Home appropriation provides for services to infants with special needs. The facilities are licensed as Private Pediatric Intermediate Care Facilities for the Mentally Retarded (ICFs/MR). Facilities receiving reimbursement through this appropriation are Arkansas Pediatric Facility, Brownwood Life Care Center, Millcreek of Arkansas and Easter Seals Children's Rehabilitation Center. These programs provide a valuable service in that many children are admitted to one of these programs when discharged from a hospital and need continuing attention and medical oversight but not on-going medical treatment.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal revenue derived from Title XIX -

Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, the Medicaid Trust Fund, and various program support which can include Medicaid match. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$27,098,423 each year of the biennium with general revenue of \$5,217,301.

The Agency Change Level request for this appropriation is \$6,354,921 in FY2018 and \$7,777,588 in FY2019 with general revenue request of \$157,442 in FY2018 and \$489,350 in FY2019. The following delineates the agency request:

- \$1,354,921 in FY2018 and \$2,777,588 in FY2019 for growth.
- \$5,000,000 each year of the biennium in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request on the growth, but not the unfunded appropriation.

The Legislative Recommendation concurs with the Executive Recommendation.

Public Nursing Home Care Appropriation referenced on page 1298

The Public Nursing Home Care appropriation includes Title XIX Medicaid reimbursement for services provided in the six (6) Human Development Centers (Intermediate Care Facilities for the Mentally Retarded-ICFs/MR), the Arkansas Health Center and the thirty-one (31) 15 Bed or Less (ICFs/MR) programs across the State. Services include 24 hour a day residential, medical, psychological, education and training, life skills training and therapy services needed through staffing and case plan determination. Annual staffings are required to reassess the progress of each individual and adjustments are made in case plans when necessary to help each person attain the goals and objectives established in the case plans.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as quality assurance fee per Act 635 of 2001, intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, various program support which can include matching funds from the Human Development Centers (from general revenue), the DDS Small 10 Beds Intermediate Care Facilities for the Mentally Retarded (ICFs/MR)(from general revenue), the Arkansas Health Center (from mixed funding). Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Base Level request for this appropriation is \$205,112,018 each year of the biennium with general revenue of \$3,440,000.

The Agency Change Level request for this appropriation is \$56,153,361 in FY2018 and \$62,491,322 in FY2019 with general revenue request of (\$15,178) in FY2018 and \$1,218,400 in FY2019. The following delineates the agency request:

- \$6,153,361 in FY2018 and \$12,491,322 in FY2019 for growth.
- \$50,000,000 each year of the biennium in unfunded appropriation to allow the Division the capability to respond to federal and/or state mandates.

The Executive Recommendation provides for the Agency Request on the growth, but not the unfunded appropriation.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account - Child & Family Life Institute

Funding Sources: PWE - Grants Paying

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Child & Family Life Inst 5100004	0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Total	0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000

Funding Sources									
General Revenue 4000010	0	2,100,000		2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Total Funding	0	2,100,000		2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	2,100,000		2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account - Infant Infirmary

Funding Sources: PWE - Grants Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Infant Infirmary	5100004	27,794,285	27,098,423	32,098,423	33,453,344	28,453,344	28,453,344	34,876,011	29,876,011	29,876,011
Total		27,794,285	27,098,423	32,098,423	33,453,344	28,453,344	28,453,344	34,876,011	29,876,011	29,876,011

Funding Sources										
General Revenue	4000010	6,717,301	5,217,301		5,374,743	5,374,743	5,374,743	5,706,651	5,706,651	5,706,651
Federal Revenue	4000020	19,516,839	18,884,891		20,082,370	20,082,370	20,082,370	21,173,129	21,173,129	21,173,129
ICF/MR Provider Fee	4000282	711,193	887,045		887,045	887,045	887,045	887,045	887,045	887,045
Quality Assurance Fee	4000395	848,952	2,109,186		2,109,186	2,109,186	2,109,186	2,109,186	2,109,186	2,109,186
Total Funding		27,794,285	27,098,423		28,453,344	28,453,344	28,453,344	29,876,011	29,876,011	29,876,011
Excess Appropriation/(Funding)		0	0		5,000,000	0	0	5,000,000	0	0
Grand Total		27,794,285	27,098,423		33,453,344	28,453,344	28,453,344	34,876,011	29,876,011	29,876,011

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account - Public Nursing Home

Funding Sources: PWE - Grants Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Public Nursing Home Care	5100004	189,026,009	205,112,018	264,136,947	261,265,379	211,265,379	211,265,379	267,603,340	217,603,340	217,603,340
Total		189,026,009	205,112,018	264,136,947	261,265,379	211,265,379	211,265,379	267,603,340	217,603,340	217,603,340

Funding Sources										
General Revenue	4000010	4,331,009	3,440,000		3,424,822	3,424,822	3,424,822	4,658,400	4,658,400	4,658,400
Federal Revenue	4000020	132,781,340	142,942,565		149,111,104	149,111,104	149,111,104	154,215,487	154,215,487	154,215,487
Hospital Assessment Fee	4000281	4,547,399	0		0	0	0	0	0	0
Various Program Support	4000730	47,366,261	58,729,453		58,729,453	58,729,453	58,729,453	58,729,453	58,729,453	58,729,453
Total Funding		189,026,009	205,112,018		211,265,379	211,265,379	211,265,379	217,603,340	217,603,340	217,603,340
Excess Appropriation/(Funding)		0	0		50,000,000	0	0	50,000,000	0	0
Grand Total		189,026,009	205,112,018		261,265,379	211,265,379	211,265,379	267,603,340	217,603,340	217,603,340

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
896 Division of Services for the Blind	4,787,360	75	6,655,954	82	6,707,870	76	7,206,717	82	7,206,717	82	7,178,695	81	7,209,555	82	7,209,555	82	7,181,533	81
898 Purchase of Services	3,981,703	0	5,819,977	0	5,019,977	0	5,819,977	0	5,019,977	0	5,019,977	0	5,819,977	0	5,019,977	0	5,019,977	0
Total	8,769,063	75	12,475,931	82	11,727,847	76	13,026,694	82	12,226,694	82	12,198,672	81	13,029,532	82	12,229,532	82	12,201,510	81

Funding Sources		%		%		%		%		%		%		%		%
General Revenue 4000010	1,883,424	21.5	1,883,424	15.1			1,883,424	14.5	1,883,424	15.4	1,883,424	15.4	1,883,424	14.5	1,883,424	15.4
Federal Revenue 4000020	6,885,639	78.5	10,587,835	84.9			11,143,270	85.5	10,343,270	84.6	10,311,280	84.6	11,146,108	85.5	10,346,108	84.6
Merit Adjustment Fund 4000055	0	0.0	4,672	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds	8,769,063	100.0	12,475,931	100.0			13,026,694	100.0	12,226,694	100.0	12,194,704	100.0	13,029,532	100.0	12,229,532	100.0
Excess Appropriation/(Funding)	0		0				0		0		3,968		0		0	
Grand Total	8,769,063		12,475,931				13,026,694		12,226,694		12,198,672		13,029,532		12,229,532	

Budget exceeds Authorized in Purchase of Services (FC 898) due to a transfer from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

In 1983, Act 481 was passed, creating the Division of State Services for the Blind (DSB). The Act removed the Division from the jurisdiction of the Department of Rehabilitation Services and made it an autonomous state agency within the Department of Human Services. The Division is responsible for its own State Plan under the Federal Rehabilitation Act. Agency direction and performance responsibility lies with a seven (7) member consumer board comprised of organization representatives involved in providing services for people who have visual impairments. The member organizations include those such as Arkansas Lions, Blinded Veterans Association, Lions World Services for the Blind, Arkansas School for the Blind, and the Arkansas Affiliate of the National Federation of the Blind. By law, the majority of the members of the Board must be persons who are blind. This organizational structure was maintained in the reorganization of the Department when Act 348 of 1985 was passed. Services to individuals with visual impairments are provided by agency staff and by contracting with service providers who specialize in services for people with visual impairments.

DSB serves consumers through three interdependent units: Field Services, Vending Facility Program, and the DSB Directors Office. These three service units were designed by the DSB Board to offer two advantages to the State of Arkansas:

- First, to enhance the personal self-sufficiency of consumers eliminating costs associated with unnecessary skilled care; and
- Second, to maximize the potential contributions made by consumers as citizens and taxpayers.

The agency is funded through general revenue (DSB - State Services for the Blind Fund Account). Federal funding sources include revenues derived from the federal Department of Education - Rehabilitation Services Administration, Social Security Administration; as well as, federal grant funding such as the Social Services Block Grant. Other revenues which are indicated as various program support can include sources such as M&R proceeds and refunds.

896 DHS - Administrative Paying Account

The Agency Base Level request for Operations is \$11,121,065 in FY2018 and \$11,124,644 in FY2019 with \$1,073,552 each year in general revenue funding and 76 budgeted Base Level positions.

The Agency Change Level request for Operations totals \$1,905,629 in FY2018 and \$1,904,888 in FY2019 and includes the following:

- Restore Positions (6): Regular Salaries and Personal Services Matching of \$302,977 in FY 2018 and \$302,236 in FY 2019 to restore six Miscellaneous Federal Grant (MFG) positions. All six positions are Certified Vocational Rehabilitation Counselors assigned to the pre-employment transition program newly created under the 2014 Workforce Innovation and Opportunity Act.

Operating Expenses of \$290,385 each year broken down as follows:

- \$65,385 each year in support of the six L098C Certified Vocational Rehabilitation Counselor MFG Positions requested above.
- \$160,000 for routine replacements of personal computer desktops, laptops and software licenses.
- \$65,000 for the AWARE Client Database System annual upgrade and maintenance support each year.
- Professional Fees of \$487,267 each year to address potential contracting needs emanating from recent changes to the Rehabilitation Act under federal WIOA. The act and its recently released regulations strongly encourage Memoranda of Understanding and Memoranda of Agreement with public and private service providers across the state and related contracting.
- Capital Outlay of \$25,000 each year to enable DSB to purchase equipment that is normally purchased as Maintenance & Operation (M&O) in the event the item exceeds the M&O cost ceiling and becomes Capital Outlay or to enable DSB to replace a federally funded vehicle used for itinerant travel to consumer's homes or places of employment should usage demand replacement in accordance with state standards.

898 DHS - Grants Paying Account

The Agency Base Level request for the Purchase of Services line item is \$5,019,977 each year of the biennium with general revenue of \$809,872 each year.

The Agency Change Level request for the Purchase of Services line item is \$800,000 per year to restore appropriation currently approved through a Miscellaneous Federal Grant to purchase adaptive equipment, braille instruction, surgical procedures and other specialized services to enable job-seekers who are blind to gain independence and secure appropriate employment.

896 DHS - Administrative Paying Account

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation with the exception of a reduction of one (1) positions and a corresponding reduction of (\$28,022) in Regular Salaries and Personal Services Matching appropriation.

898 DHS - Grants Paying Account

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 896 - DHS-Admin Paying Account

Funding Sources: PWP - Administration Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	2,603,306	3,057,681	2,904,731	3,043,805	3,043,805	3,021,978	3,046,105	3,046,105	3,024,278
#Positions		75	82	76	82	82	81	82	82	81
Extra Help	5010001	42,361	384,174	384,174	384,174	384,174	384,174	384,174	384,174	384,174
#Extra Help		12	12	30	30	30	30	30	30	30
Personal Services Matching	5010003	1,020,733	1,147,844	1,090,828	1,160,216	1,160,216	1,154,021	1,160,754	1,160,754	1,154,559
Operating Expenses	5020002	947,098	1,650,022	1,584,637	1,875,022	1,875,022	1,875,022	1,875,022	1,875,022	1,875,022
Conference & Travel Expenses	5050009	72,801	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Professional Fees	5060010	55,413	176,233	663,500	663,500	663,500	663,500	663,500	663,500	663,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Purchase of Services	5100004	3,981,703	5,819,977	5,019,977	5,819,977	5,019,977	5,019,977	5,819,977	5,019,977	5,019,977
Capital Outlay	5120011	45,648	185,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total		8,769,063	12,475,931	11,727,847	13,026,694	12,226,694	12,198,672	13,029,532	12,229,532	12,201,510

Funding Sources										
General Revenue	4000010	1,883,424	1,883,424		1,883,424	1,883,424	1,883,424	1,883,424	1,883,424	1,883,424
Federal Revenue	4000020	6,885,639	10,587,835		11,143,270	10,343,270	10,311,280	11,146,108	10,346,108	10,314,118
Merit Adjustment Fund	4000055	0	4,672		0	0	0	0	0	0
Total Funding		8,769,063	12,475,931		13,026,694	12,226,694	12,194,704	13,029,532	12,229,532	12,197,542
Excess Appropriation/(Funding)		0	0		0	0	3,968	0	0	3,968
Grand Total		8,769,063	12,475,931		13,026,694	12,226,694	12,198,672	13,029,532	12,229,532	12,201,510

Budget exceeds Authorized Appropriation in Regular Salaries, Personal Services Matching, Operating Expenses, Capital Outlay, Purchase of Services and Number of Positions due to a transfer from the Miscellaneous Federal Grant Holding Account.

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
2QZ Community Based Sanctions	2,480,444	0	2,480,444	0	2,550,000	0	3,812,000	0	2,480,444	0	2,480,444	0	3,812,000	0	2,480,444	0	2,480,444	0
2RA Juvenile Account Incentive Block Grant	279,932	0	212,021	0	1,671,520	0	712,021	0	712,021	0	712,021	0	712,021	0	712,021	0	712,021	0
2RB Community Services	15,774,620	0	14,154,434	0	20,150,017	0	18,971,100	0	16,971,100	0	16,971,100	0	18,971,100	0	16,971,100	0	16,971,100	0
2RC Federal Child & Youth Service Grants	4,145,454	0	4,371,921	0	6,262,546	0	6,262,546	0	4,371,921	0	4,371,921	0	6,262,546	0	4,371,921	0	4,371,921	0
2YH Residential Services	25,447,380	0	27,612,244	0	29,291,690	0	33,694,172	0	27,612,244	0	27,612,244	0	33,694,172	0	27,612,244	0	27,612,244	0
896 Division of Youth Services	6,442,880	89	8,009,946	91	10,099,188	91	8,091,677	66	6,575,631	66	6,520,865	65	8,093,406	66	6,577,360	66	6,522,594	65
Total	54,570,710	89	56,841,010	91	70,024,961	91	71,543,516	66	58,723,361	66	58,668,595	65	71,545,245	66	58,725,090	66	58,670,324	65

Funding Sources		%		%		%		%		%		%		%		%			
General Revenue	4000010	47,960,935	87.9	47,790,608	84.1			49,956,281	84.7	49,124,725	84.5	49,124,725	84.5	49,959,392	84.7	49,127,836	84.5	49,127,836	84.5
Federal Revenue	4000020	4,195,253	7.7	5,161,640	9.1			5,139,965	8.7	5,139,965	8.8	5,139,965	8.8	5,138,583	8.7	5,138,583	8.8	5,138,583	8.8
Trust Fund	4000050	279,932	0.5	212,021	0.4			212,021	0.4	212,021	0.4	212,021	0.4	212,021	0.4	212,021	0.4	212,021	0.4
Merit Adjustment Fund	4000055	0	0.0	35,091	0.1			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Ar Pub Defender	4000603	(96,796)	(0.2)	(240,000)	(0.4)			(240,000)	(0.4)	(240,000)	(0.4)	(240,000)	(0.4)	(240,000)	(0.4)	(240,000)	(0.4)	(240,000)	(0.4)
Transfer to DFA Disbursing	4000610	(400,000)	(0.7)	(400,000)	(0.7)			(400,000)	(0.7)	(400,000)	(0.7)	(400,000)	(0.7)	(400,000)	(0.7)	(400,000)	(0.7)	(400,000)	(0.7)
Various Program Support	4000730	2,631,386	4.8	4,281,650	7.5			4,281,650	7.3	4,281,650	7.4	4,281,650	7.4	4,281,650	7.3	4,281,650	7.4	4,281,650	7.4
Total Funds		54,570,710	100.0	56,841,010	100.0			58,949,917	100.0	58,118,361	100.0	58,118,361	100.0	58,951,646	100.0	58,120,090	100.0	58,120,090	100.0
Excess Appropriation/(Funding)		0		0				12,593,599		605,000		550,234		12,593,599		605,000		550,234	
Grand Total		54,570,710		56,841,010				71,543,516		58,723,361		58,668,595		71,545,245		58,725,090		58,670,324	

Analysis of Budget Request

Appropriation: 2QZ - Community Based Sanctions

Funding Sources: DYS - Youth Services Fund Account

The Community Based Sanctions appropriation is used by the Division of Youth Services (DYS) to ensure appropriate sanctions for juveniles adjudicated delinquent. This program is intended to provide a range of sanction alternatives for juveniles who are adjudicated delinquent and for those who fail to comply with aftercare plans or orders of the Court.

The intent of this program is to provide more options for the Courts and Community Based Providers in working with juveniles in the community rather than committing them to DYS. The primary goal of graduated (progressive) sanctions is to reduce problem behaviors, and include the following examples:

- Verbal Warnings
- Contracts with conditions (curfews, increased treatment, increased drug testing, etc.)
- Community Service/Work Crew hours
- Day Reporting
- Electronic Monitoring
- Short Term Confinement (requires court involvement)
- Long Term Confinement (requires court involvement)

Funding for this appropriation is general revenue (DYS-Youth Services Fund Account) and other revenues which are indicated as various program support that become available, such as funding certified under the 45 day rule.

The Agency Base Level request for this appropriation is \$2,480,444 each year of the biennium.

The Agency Change Level request is \$1,331,556 each year of the biennium, which includes new general revenue funding of \$831,556 and \$500,000 unfunded appropriation in order to provide expanded and enhances services.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2QZ - Community Based Sanctions

Funding Sources: DYS - Youth Services Fund Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	2,480,444	2,480,444	2,550,000	3,812,000	2,480,444	2,480,444	3,812,000	2,480,444	2,480,444
Total		2,480,444	2,480,444	2,550,000	3,812,000	2,480,444	2,480,444	3,812,000	2,480,444	2,480,444

Funding Sources										
General Revenue	4000010	2,480,444	2,480,444		3,312,000	2,480,444	2,480,444	3,312,000	2,480,444	2,480,444
Total Funding		2,480,444	2,480,444		3,312,000	2,480,444	2,480,444	3,312,000	2,480,444	2,480,444
Excess Appropriation/(Funding)		0	0		500,000	0	0	500,000	0	0
Grand Total		2,480,444	2,480,444		3,812,000	2,480,444	2,480,444	3,812,000	2,480,444	2,480,444

Analysis of Budget Request

Appropriation: 2RA - Juvenile Account Incentive Block Grant

Funding Sources: TYS - Juvenile Accountability Incentive Block Grant (JAIBG) Trust Fund

The Juvenile Accountability Incentive Block Grant (JAIBG) appropriation is a federal program administered by the Office of Juvenile Justice and Delinquency Prevention program within the US Department of Justice. The JAIBG is designed to promote greater accountability in the juvenile justice system by targeting 16 specified program purpose areas, including the following:

- Graduated sanctions for juvenile offenders
- Construction of juvenile detention or correctional facilities
- Hiring of judges/probation officers/public defenders and pre-trial services
- Hiring prosecutors
- Funding to prosecutors, including technology, equipment and training programs
- Training for law enforcement & court personnel
- Juvenile gun courts
- Juvenile drug courts
- Juvenile records system
- Inter-agency information sharing programs
- Accountability based programs
- Risk and Needs assessment
- School safety accountability based programs
- Restorative justice programs
- Juvenile courts and probation programs
- Hiring/training detention & corrections personnel

Funding for this appropriation is 100% federal JAIBG funds that are designated for local units of government. The State established and utilizes an interest bearing trust fund to deposit program funds received through a grant award under the JAIBG program. State and local governments that are eligible to receive JAIBG funds must establish a coordinated enforcement plan developed by a Juvenile Crime Enforcement Coalition (JCEC) at either the state or local level for the purpose of reducing juvenile crime.

The Agency Base Level request for this appropriation is \$212,021 each year of the biennium.

The Agency Change Level request is \$500,000 each year of the biennium for anticipated increases in federal funding through the Juvenile Accountability Incentive Block Grant.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2RA - Juvenile Account Incentive Block Grant

Funding Sources: TYS - Juvenile Accountability Incentive Block Grant (JAIBG) Trust Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	279,932	212,021	1,671,520	712,021	712,021	712,021	712,021	712,021	712,021
Total		279,932	212,021	1,671,520	712,021	712,021	712,021	712,021	712,021	712,021

Funding Sources										
Trust Fund	4000050	279,932	212,021		212,021	212,021	212,021	212,021	212,021	212,021
Total Funding		279,932	212,021		212,021	212,021	212,021	212,021	212,021	212,021
Excess Appropriation/(Funding)		0	0		500,000	500,000	500,000	500,000	500,000	500,000
Grand Total		279,932	212,021		712,021	712,021	712,021	712,021	712,021	712,021

Analysis of Budget Request

Appropriation: 2RB - Community Services

Funding Sources: DYS - Youth Services Fund Account

The Community Services appropriation is utilized by the Division of Youth Services (DYS) to purchase services from community based providers for non-committed youth who are considered at risk or low risk, and for juveniles transferred from a DYS residential program to after-care. These services include electronic monitoring, intensive supervision and tracking, day services (educational services for youth admitted to the program who are not enrolled in school), crime prevention/intervention and after-care supervision for state custody youth.

In addition to non-residential programs offered, emergency shelter services are provided along with community based non secure residential treatment for juveniles whose emotional and/or behavioral problems cannot be remedied in his/her home. These services are available in each of the 28 judicial districts, and are provided by privately operated, nonprofit organizations to juveniles up to 18 years of age. After-care services are provided to juveniles up to 21 years of age.

Funding for this appropriation is general revenue (DYS-Youth Services Fund Account) and other revenues which are indicated as various program support that become available, such as Targeted Case Management and Rehab funding.

The Agency Base Level request for this appropriation is \$14,154,434 each year of the biennium.

The Agency Change Level request is \$4,816,666 each year of the biennium with new general revenue funding of \$2,816,666 to increase the capacity of DYS community-based services and programs to meet increased demand from juvenile courts and communities.

The Executive Recommendation provides for Base Level in addition to \$2,816,666 each year in appropriation and new general revenue funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2RB - Community Services

Funding Sources: DYS - Youth Services Fund Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	15,774,620	14,154,434	20,150,017	18,971,100	16,971,100	16,971,100	18,971,100	16,971,100	16,971,100
Total		15,774,620	14,154,434	20,150,017	18,971,100	16,971,100	16,971,100	18,971,100	16,971,100	16,971,100

Funding Sources										
General Revenue	4000010	15,475,974	14,126,334		16,943,000	16,943,000	16,943,000	16,943,000	16,943,000	16,943,000
Various Program Support	4000730	298,646	28,100		28,100	28,100	28,100	28,100	28,100	28,100
Total Funding		15,774,620	14,154,434		16,971,100	16,971,100	16,971,100	16,971,100	16,971,100	16,971,100
Excess Appropriation/(Funding)		0	0		2,000,000	0	0	2,000,000	0	0
Grand Total		15,774,620	14,154,434		18,971,100	16,971,100	16,971,100	18,971,100	16,971,100	16,971,100

Analysis of Budget Request

Appropriation: 2RC - Federal Child & Youth Service Grants

Funding Sources: FWF - DHS Federal

This appropriation enables the Division of Youth Services to provide grants to various entities for delinquency programs in accordance with the U.S. Department of Justice. Programs focus on training local officials and staff to work with juveniles to prevent delinquency at the local level by developing comprehensive strategies for prevention, community policing, reducing disproportionate minority confinement, ensuring separation of children from adults in confinement when detention is unavoidable, removing non-offending youth from correctional facilities and promoting gender specific services to meet the needs of females to prevent them entering the juvenile justice system.

Funding for this appropriation is 100% federal revenue. The federal funds are derived from Juvenile Justice and Delinquency Prevention grants (JJPD), Social Service Block Grants (SSBG) and Title I funding.

The Agency Base Level request for this appropriation is \$4,371,921 each year of the biennium.

The Agency Change Level request is \$1,890,625 each year of the biennium to support any increases in federal funding.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2RC - Federal Child & Youth Service Grants

Funding Sources: FWF - DHS Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	4,145,454	4,371,921	6,262,546	6,262,546	4,371,921	4,371,921	6,262,546	4,371,921	4,371,921
Total		4,145,454	4,371,921	6,262,546	6,262,546	4,371,921	4,371,921	6,262,546	4,371,921	4,371,921

Funding Sources										
Federal Revenue	4000020	4,145,454	4,371,921		4,371,921	4,371,921	4,371,921	4,371,921	4,371,921	4,371,921
Total Funding		4,145,454	4,371,921		4,371,921	4,371,921	4,371,921	4,371,921	4,371,921	4,371,921
Excess Appropriation/(Funding)		0	0		1,890,625	0	0	1,890,625	0	0
Grand Total		4,145,454	4,371,921		6,262,546	4,371,921	4,371,921	6,262,546	4,371,921	4,371,921

Analysis of Budget Request

Appropriation: 2YH - Residential Services

Funding Sources: DYS - Youth Services Fund Account

This appropriation provides residential services for juveniles committed to the Division of Youth Services. Following evaluation at the state operated observation and assessment facility; juveniles are placed in an appropriate program in a secure and/or specialized treatment environment. The Division operates seven juvenile residential facilities that house and treat the state's most serious chronic or violent juvenile offenders committed to the Division by the State's District Courts.

Residential services are provided to juveniles through contracts with private community providers and include the following:

Arkansas Juvenile Assessment & Treatment Center (AJATC)

Provides centralized intake for all juveniles assigned to DYS and is assigned for the most serious violent/sexual offenders and for those that disrupt placement due to behavior issues. This facility houses 143 youth.

Eight Regional Juvenile Treatment Centers

Provide services for males age 14-18, females age 14-21 (housed at the Mansfield female unit) and males age 18-21 housed at the Dermott Juvenile Correctional Facility (JCF). These facilities house a total of 204 youth.

Alternative placement and Specialized Treatment Programs

The Division contracts with 12 different provider groups throughout the state to provide specialized treatment including Psychiatric/Therapeutic Treatments, Sex Offender Treatment and Substance Abuse Treatment.

Funding for this appropriation is general revenue (DYS-Youth Services Fund Account) and other revenues which are indicated as various program support that become available, such as Targeted Case Management and Rehab funding.

The Agency Base Level request for this appropriation is \$27,612,244 each year of the biennium.

The Agency Change Level request for appropriation is \$6,081,928 each year of the biennium for contracted services as funds are needed for contract adjustments associated with DYS facilities.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2YH - Residential Services

Funding Sources: DYS - Youth Services Fund Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	25,447,380	27,612,244	29,291,690	33,694,172	27,612,244	27,612,244	33,694,172	27,612,244	27,612,244
Total		25,447,380	27,612,244	29,291,690	33,694,172	27,612,244	27,612,244	33,694,172	27,612,244	27,612,244

Funding Sources										
General Revenue	4000010	23,114,640	23,358,694		23,358,694	23,358,694	23,358,694	23,358,694	23,358,694	23,358,694
Various Program Support	4000730	2,332,740	4,253,550		4,253,550	4,253,550	4,253,550	4,253,550	4,253,550	4,253,550
Total Funding		25,447,380	27,612,244		27,612,244	27,612,244	27,612,244	27,612,244	27,612,244	27,612,244
Excess Appropriation/(Funding)		0	0		6,081,928	0	0	6,081,928	0	0
Grand Total		25,447,380	27,612,244		33,694,172	27,612,244	27,612,244	33,694,172	27,612,244	27,612,244

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

The Division of Youth Services was created by Act 1296 of 1993 to be entirely devoted “to handling the problems of youths involved with the juvenile justice system.” The primary responsibilities of DYS as it functions today are to coordinate components of the juvenile justice system, establish serious offender programs, expand community based-services, and provide services to delinquent and Family-in-Need-of-Services (FINS) youth. Other responsibilities of the agency include research related to juvenile delinquency and related problems, development of programs for early intervention and prevention of juvenile delinquency and maintenance of information on juvenile delinquents in the state. This appropriation provides administrative support for the Division of Youth Services.

Funding for this appropriation includes general revenue (DYS - Youth Services Fund Account), federal revenues, and other revenues that become available, which are indicated as various program support. The federal funds are derived from Juvenile Justice and Delinquency Prevention Program (JJDP) funds, Juvenile Accountability Block Grant (JAPBG) funds and Title I funds. Various program support can also include sources such as Carl Perkins Grant funding, McArthur Private Grant funding and Attorney General’s Office settlements.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee’s health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$8,027,794 in FY2018 and \$8,031,254 in FY2019 with \$7,894,203 in FY2018 and \$7,897,329 in FY2019 in general revenue funding and 91 budgeted Base Level positions.

The Agency Change Level Request is \$63,883 in FY2018 and \$62,152 in FY2019 with a transfer of general revenue funding to other divisions of (\$1,551,616) in FY2018 and (\$1,551,631) in FY2019 and a reduction of (25) positions, and reflects the following:

- Transfer Positions Out (25): Regular Salaries and Personal Services Matching of (\$1,228,330) in FY2018 and (\$1,230,061) in FY2019 to support agency reorganization.
- Operating Expenses of (\$305,333) each year of the biennium to support reorganization.
- Conference and Travel Expenses of (\$23,500) each year of the biennium to support agency reorganization.
- Capital Outlay of \$105,000 each year of the biennium for any equipment replacements that may arise.
- Statewide Prevention/Intervention Youth Development Services of \$1,516,046 each year of the biennium for additional prevention/intervention youth grants funded from the Attorney General's Office settlements for Boys and Girls Clubs.

The Executive Recommendation provides for the Agency Request with the exception of \$1,516,046 each year for the Statewide

Prevention/Intervention Youth Development Services line item.

The Legislative Recommendation concurs with the Executive Recommendation with an additional reduction of one (1) position and a corresponding reduction of (\$54,766) in Regular Salaries and Personal Services Matching appropriation.

Appropriation Summary

Appropriation: 896 - DHS-Admin Paying Account

Funding Sources: PWP - Administration Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	3,344,699	3,265,972	3,650,965	2,374,383	2,374,383	2,331,768	2,375,783	2,375,783	2,333,168
#Positions		89	91	91	66	66	65	66	66	65
Extra Help	5010001	0	40,008	40,008	40,008	40,008	40,008	40,008	40,008	40,008
#Extra Help		0	34	34	34	34	34	34	34	34
Personal Services Matching	5010003	1,201,434	1,214,073	1,297,276	895,180	895,180	883,029	895,509	895,509	883,358
Overtime	5010006	203	8,004	8,004	8,004	8,004	8,004	8,004	8,004	8,004
Operating Expenses	5020002	1,794,067	3,013,339	3,013,339	2,708,006	2,708,006	2,708,006	2,708,006	2,708,006	2,708,006
Conference & Travel Expenses	5050009	43,342	114,500	114,500	91,000	91,000	91,000	91,000	91,000	91,000
Professional Fees	5060010	38,377	354,050	354,050	354,050	354,050	354,050	354,050	354,050	354,050
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	20,758	0	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Statewide Prevention/Inervention Y	5900048	0	0	1,516,046	1,516,046	0	0	1,516,046	0	0
Total		6,442,880	8,009,946	10,099,188	8,091,677	6,575,631	6,520,865	8,093,406	6,577,360	6,522,594

Funding Sources										
General Revenue	4000010	6,889,877	7,825,136		6,342,587	6,342,587	6,342,587	6,345,698	6,345,698	6,345,698
Federal Revenue	4000020	49,799	789,719		768,044	768,044	768,044	766,662	766,662	766,662
Merit Adjustment Fund	4000055	0	35,091		0	0	0	0	0	0
Transfer to Ar Pub Defender	4000603	(96,796)	(240,000)		(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)
Transfer to DFA Disbursing	4000610	(400,000)	(400,000)		(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)
Total Funding		6,442,880	8,009,946		6,470,631	6,470,631	6,470,631	6,472,360	6,472,360	6,472,360
Excess Appropriation/(Funding)		0	0		1,621,046	105,000	50,234	1,621,046	105,000	50,234
Grand Total		6,442,880	8,009,946		8,091,677	6,575,631	6,520,865	8,093,406	6,577,360	6,522,594

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	
288 Unanticipated Services	0	0	0	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	
2QX Information Systems-Operations	63,369,297	231	75,162,005	262	102,698,335	262	100,320,735	262	100,320,735	262	100,320,735	261	103,526,285	262	103,526,285	262	103,526,285	261	
2QY Equipment Acquisition	2,162,971	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0	3,500,000	0	
NOT REQUESTED FOR THE BIENNIUM																			
F64 Broadband Services	0	0	0	0	10,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	65,532,268	231	78,662,005	262	136,198,335	262	123,820,735	262	123,820,735	262	123,820,735	261	127,026,285	262	127,026,285	262	127,026,285	261	

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	13,764,020	17.0	15,365,555	14.2			29,237,047	20.3	29,237,047	20.3	29,237,047	20.3	20,237,047	14.6	20,237,047	14.6	20,237,047	14.6
Non-Revenue Receipts	4000040	67,123,895	83.0	92,533,497	85.8			114,820,735	79.7	114,820,735	79.7	114,820,735	79.7	118,026,285	85.4	118,026,285	85.4	118,026,285	85.4
Transfer from DIS Revolving	4000520	1,000,000	1.2	2,837,995	2.6			3,500,000	2.4	3,500,000	2.4	3,500,000	2.4	3,500,000	2.5	3,500,000	2.5	3,500,000	2.5
Transfer to Info Tech Reserve	4000645	(1,000,000)	(1.2)	(2,837,995)	(2.6)			(3,500,000)	(2.4)	(3,500,000)	(2.4)	(3,500,000)	(2.4)	(3,500,000)	(2.5)	(3,500,000)	(2.5)	(3,500,000)	(2.5)
Transfers / Adjustments	4000683	9,908	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		80,897,823	100.0	107,899,052	100.0			144,057,782	100.0	144,057,782	100.0	144,057,782	100.0	138,263,332	100.0	138,263,332	100.0	138,263,332	100.0
Excess Appropriation/(Funding)		(15,365,555)		(29,237,047)				(20,237,047)		(20,237,047)		(20,237,047)		(11,237,047)		(11,237,047)		(11,237,047)	
Grand Total		65,532,268		78,662,005				123,820,735		123,820,735		123,820,735		127,026,285		127,026,285		127,026,285	

Analysis of Budget Request

Appropriation: 288 - Unanticipated Services

Funding Sources: MHC - Department of Information Systems Revolving Fund

This appropriation was established for the Department of Information Systems for the provision of unanticipated services to State Agencies, unusual growth in applications, or uncontrollable increases in payments to public utilities necessary for the continuous provision of services. Special language authorizes an appropriation transfer, upon approval of the Governor and prior review by the Joint Committee on Advanced Communications and Information Technology, to appropriation 2QX-Operations.

The Agency requests continuation of this appropriation at \$20,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 288 - Unanticipated Services

Funding Sources: MHC - Department of Information Systems Revolving Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Contingency-Reserve 5130018	0	0	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total	0	0	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000

Funding Sources									
Non-Revenue Receipts 4000040	0	0		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total Funding	0	0		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000

Analysis of Budget Request

Appropriation: 2QX - Information Systems-Operations

Funding Sources: MHC - Department of Information Systems Revolving Fund

The Department of Information Systems (DIS) provides information technology services to state government and includes a centralized service bureau; a statewide network backbone for data, voice and video; technical guidance and planning for integration with the state architecture; procurement services; and other services for agency and community connectivity. This appropriation is funded by non-revenue receipts derived from services provided to various agencies of the federal, state, city, and county governments. In the event of unforeseen conditions, the agency may request appropriation transfer from Appropriation 288 - Unanticipated Services; after approval of the Governor and prior review by the Joint Committee on Advanced Communications and Information Technology.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Agency requests a Change Level increase of \$28,043,759 in FY18 and \$31,243,759 in FY19 as follows:

- Extra Help of \$107,500 and \$8,267 for Personal Services Matching each year of the 2017-2019 Biennium for nine additional Extra Help positions. These positions will enable the agency to hire individuals with specific technical skills to work on a specific project requiring those skills. These positions will add to the cost efficiency of the organization by better matching employees with skills required for individual projects.
- Capital Outlay of \$2,300,000 in FY18 and \$5,500,000 in FY19 for the 2017-2019 Biennium. This request is for appropriation only and will allow the agency to procure upgraded equipment to provide enhanced services and product selections to its customers.
- Telecommunication/Technology Delivery line item of \$25,627,992 for each year of the 2017-2019 Biennium. This line item is used for E-Rate reimbursement and delivery of goods and services requested by the agency's customers.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation with the exception of the elimination of one (1) Computer Operator position and one (1) Administrative Specialist II position. The Legislative Recommendation also provides for the addition of one (1) State System Architect position.

Appropriation Summary

Appropriation: 2QX - Information Systems-Operations

Funding Sources: MHC - Department of Information Systems Revolving Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	12,825,131	15,951,028	16,934,383	15,161,589	15,161,589	15,161,589	15,165,589	15,165,589	15,165,589
#Positions		231	262	262	262	262	261	262	262	261
Extra Help	5010001	74,746	107,500	107,500	215,000	215,000	215,000	215,000	215,000	215,000
#Extra Help		4	9	9	18	18	18	18	18	18
Personal Services Matching	5010003	4,142,476	4,691,423	5,616,406	4,791,100	4,791,100	4,791,100	4,792,650	4,792,650	4,792,650
Overtime	5010006	329	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000
Operating Expenses	5020002	6,939,729	9,545,591	9,545,591	9,545,591	9,545,591	9,545,591	9,545,591	9,545,591	9,545,591
Conference & Travel Expenses	5050009	83,991	107,160	107,160	107,160	107,160	107,160	107,160	107,160	107,160
Professional Fees	5060010	13,063	631,500	631,500	631,500	631,500	631,500	631,500	631,500	631,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,329,177	2,832,000	2,832,000	2,945,000	2,945,000	2,945,000	6,145,000	6,145,000	6,145,000
Data Processing Services	5900044	623,356	8,406,866	8,406,866	8,406,866	8,406,866	8,406,866	8,406,866	8,406,866	8,406,866
Telecommunication/Technology Deliv	5900046	37,337,299	32,822,937	58,450,929	58,450,929	58,450,929	58,450,929	58,450,929	58,450,929	58,450,929
Total		63,369,297	75,162,005	102,698,335	100,320,735	100,320,735	100,320,735	103,526,285	103,526,285	103,526,285

Funding Sources										
Fund Balance	4000005	11,948,952	14,703,550		29,237,047	29,237,047	29,237,047	20,237,047	20,237,047	20,237,047
Non-Revenue Receipts	4000040	67,123,895	92,533,497		94,820,735	94,820,735	94,820,735	98,026,285	98,026,285	98,026,285
Transfer to Info Tech Reserve	4000645	(1,000,000)	(2,837,995)		(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)
Total Funding		78,072,847	104,399,052		120,557,782	120,557,782	120,557,782	114,763,332	114,763,332	114,763,332
Excess Appropriation/(Funding)		(14,703,550)	(29,237,047)		(20,237,047)	(20,237,047)	(20,237,047)	(11,237,047)	(11,237,047)	(11,237,047)
Grand Total		63,369,297	75,162,005		100,320,735	100,320,735	100,320,735	103,526,285	103,526,285	103,526,285

Analysis of Budget Request

Appropriation: 2QY - Equipment Acquisition

Funding Sources: MHD - Department of Information Systems Reserve

The Department of Information Systems utilizes this appropriation for major equipment acquisition or information technology improvements as stated in A.C.A §25-4-122. The agency also uses appropriation authorized through their Operations appropriation (2QX) for purchase of equipment.

The Department is authorized to accumulate a reserve for equipment acquisition in an amount not to exceed the Department's depreciation expense per fiscal year. In addition, the Department is authorized to obtain, from the State Board of Finance, loans from the Budget Stabilization Trust Fund to supplement the reserve if the reserve is insufficient to handle the total cost of required equipment acquisitions. These loans and the reserve for equipment acquisition shall be used exclusively for major equipment acquisitions or information technology improvements required in order to fulfill the requirements for one (1) or more user agencies. The loans from the Budget Stabilization Trust Fund to the Information Technology Reserve Fund shall be repaid within five (5) years from revenues derived from charges to users, and the annual loan repayment amount shall be computed as a part of the total yearly expenses of the Department and shall be charged proportionately to users. The State Board of Finance, after obtaining the Governor's written approval, shall also review and may approve the loans the establish terms of repayment and a rate of interest to be paid by the Department of Information Systems Revolving Fund to the Budget Stabilization Trust Fund, which rate shall be approximately equivalent to the rate of interest the State Board of Finance is receiving on other investments at the time of approving the loan request.

The Agency requests Base Level appropriation of \$3,500,000 for each year of the 2017 - 2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2QY - Equipment Acquisition
Funding Sources: MHD - Department of Information Systems Reserve

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Equip Acq's & IT Improvements 5900046	2,162,971	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total	2,162,971	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000

Funding Sources									
Fund Balance 4000005	1,815,068	662,005		0	0	0	0	0	0
Transfer from DIS Revolving 4000520	1,000,000	2,837,995		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Transfers / Adjustments 4000683	9,908	0		0	0	0	0	0	0
Total Funding	2,824,976	3,500,000		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Excess Appropriation/(Funding)	(662,005)	0		0	0	0	0	0	0
Grand Total	2,162,971	3,500,000		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000

Funding Sources		%		%		%		%		%		%		%		%		
Workers' Comp Revolving	4000735	13,176,032	10.1	16,500,000	10.6		16,500,000	11.9	16,500,000	11.9	0	0	16,500,000	12.6	16,500,000	12.6	0	0
Total Funds		130,793,501	100.0	155,678,314	100.0		138,947,929	100.0	138,947,929	100.0	0	0	131,221,098	100.0	131,410,710	100.0	0	0
Excess Appropriation/(Funding)		(74,722,899)		(57,730,183)			(41,061,169)		(41,250,781)		0		(33,295,674)		(33,674,898)		0	
Grand Total		56,070,602		97,948,131			97,886,760		97,697,148		0		97,925,424		97,735,812		0	

Budget exceeds authorization for Health Information Counseling (2TE) due to salary and matching rate adjustments during the 2015-2017 Biennium.

*Rate Review- Federal (85P) combines Federal and Health Insurance Rate Review Cycle III approved as a Miscellaneous Federal Grant into Health Insurance Premium Rate Review-Federal.

Variance in fund balance is due to unfunded appropriation in (1AQ) AMAIT - Operations and (2TC) Governmental Bonding Board Operations.
No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 1QA - AMAIT - Operations

Funding Sources: TMI - Arkansas Multi-Agency Insurance Trust Fund

The Arkansas Multi-Agency Insurance Trust Fund Program was established by Act 1762 of 2003 to reduce the costs of insurance coverage for state agencies by combining their premium dollars in purchasing broader coverage for property and vehicle insurance with higher deductibles. The program is also designed to build a growing reserve to self-insure ever larger deductible amounts allowing further reductions in policy prices.

Agency Request provides for Base Level of \$20,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 1QA - AMAIT - Operations

Funding Sources: TMI - Arkansas Multi-Agency Insurance Trust Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
AMAIT 5900046	7,062,972	20,000,000	20,000,000	20,000,000	20,000,000	0	20,000,000	20,000,000	0
Total	7,062,972	20,000,000	20,000,000	20,000,000	20,000,000	0	20,000,000	20,000,000	0

Funding Sources									
Fund Balance 4000005	16,475,423	17,667,462		5,867,462	5,867,462	0	0	0	0
Trust Fund 4000050	8,255,011	8,200,000		8,250,000	8,250,000	0	8,250,000	8,250,000	0
Total Funding	24,730,434	25,867,462		14,117,462	14,117,462	0	8,250,000	8,250,000	0
Excess Appropriation/(Funding)	(17,667,462)	(5,867,462)		5,882,538	5,882,538	0	11,750,000	11,750,000	0
Grand Total	7,062,972	20,000,000		20,000,000	20,000,000	0	20,000,000	20,000,000	0

No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2SW - Insurance-State Operations

Funding Sources: TSI - State Insurance Department Trust Fund

The State Insurance Department's State Operations appropriation is funded by special revenues that are authorized in Arkansas Code §19-5-922.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

Base Level is \$13,408,421 in FY2018 and \$13,416,310 in FY2019 and includes 134 positions and 19 Extra Help.

The Agency Change Level Request totals \$170,226 in FY2018 and \$200,633 in FY2019, and includes the following:

- Operating Expenses of \$15,226 in FY2018 and \$45,633 in FY2019 to cover office space rent increase.
- Capital Outlay of \$155,000 each year for scheduled replacement and upgrading of technology indicated in the Department's IT plan and replacement of Non-IT equipment.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation in addition to providing for the Agency Request reflects the reduction of one (1) Administrative Specialist (C109), (1) Fiscal Support Specialist (C112), (1) Administrative Specialist III (C112), and (1) Legal Support Specialist (C113) based on the personnel evaluation.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2SW - Insurance-State Operations

Funding Sources: TSI - State Insurance Department Trust Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	6,475,209	6,867,858	7,013,643	6,941,016	6,832,430	0	6,946,416	6,837,830	0
#Positions		128	134	134	134	130	0	134	130	0
Extra Help	5010001	129,368	140,000	140,000	140,000	140,000	0	140,000	140,000	0
#Extra Help		15	19	19	19	19	0	19	19	0
Personal Services Matching	5010003	2,296,348	2,237,807	2,306,888	2,274,449	2,229,499	0	2,276,938	2,231,988	0
Overtime	5010006	17	35,000	35,000	35,000	35,000	0	35,000	35,000	0
Operating Expenses	5020002	2,599,674	2,731,956	2,731,956	2,747,182	2,747,182	0	2,777,589	2,777,589	0
Conference & Travel Expenses	5050009	75,133	138,000	138,000	138,000	138,000	0	138,000	138,000	0
Professional Fees	5060010	21,626	142,000	142,000	142,000	142,000	0	142,000	142,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	82,713	355,000	355,000	155,000	155,000	0	155,000	155,000	0
Special Maintenance	5120032	17,380	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Professional Services	5900043	247,056	956,000	956,000	956,000	956,000	0	956,000	956,000	0
Total		11,944,524	13,653,621	13,868,487	13,578,647	13,425,111	0	13,616,943	13,463,407	0
Funding Sources										
Fund Balance	4000005	23,188,045	35,886,632		37,233,011	37,233,011	0	38,654,364	38,807,900	0
Trust Fund	4000050	24,643,111	15,000,000		15,000,000	15,000,000	0	15,000,000	15,000,000	0
Total Funding		47,831,156	50,886,632		52,233,011	52,233,011	0	53,654,364	53,807,900	0
Excess Appropriation/(Funding)		(35,886,632)	(37,233,011)		(38,654,364)	(38,807,900)	0	(40,037,421)	(40,344,493)	0
Grand Total		11,944,524	13,653,621		13,578,647	13,425,111	0	13,616,943	13,463,407	0

No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2SX - Fraud Investigation Unit

Funding Sources: TSI - State Insurance Department Trust Fund

The Fraud Investigation Unit was created with the passage of Act 1136 of 1993 to investigate allegations of fraud in workers' compensation cases. Funding is provided by special revenues collected by the Insurance Department and earmarked for this purpose.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 a month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increase.

Base Level is \$1,150,610 each year of the biennium.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation in addition to providing for the Agency Request reflects the reduction of one (1) Administrative Specialist III (C112) position based on the personnel evaluation.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2SX - Fraud Investigation Unit

Funding Sources: TSI - State Insurance Department Trust Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	208,669	756,079	785,917	756,479	731,211	0	756,479	731,211	0
#Positions		4	15	15	15	14	0	15	14	0
Personal Services Matching	5010003	65,494	244,432	255,104	248,304	237,496	0	248,304	237,496	0
Operating Expenses	5020002	97,798	122,827	122,827	122,827	122,827	0	122,827	122,827	0
Conference & Travel Expenses	5050009	325	12,000	12,000	12,000	12,000	0	12,000	12,000	0
Professional Fees	5060010	0	11,000	11,000	11,000	11,000	0	11,000	11,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		372,286	1,146,338	1,186,848	1,150,610	1,114,534	0	1,150,610	1,114,534	0
Funding Sources										
Fund Balance	4000005	126,602	25,564		25,614	25,614	0	25,614	61,690	0
Special Revenue	4000030	271,248	1,146,388		1,150,610	1,150,610	0	1,150,610	1,150,610	0
Total Funding		397,850	1,171,952		1,176,224	1,176,224	0	1,176,224	1,212,300	0
Excess Appropriation/(Funding)		(25,564)	(25,614)		(25,614)	(61,690)	0	(25,614)	(97,766)	0
Grand Total		372,286	1,146,338		1,150,610	1,114,534	0	1,150,610	1,114,534	0

No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2SY - Insurance Fraud Investigation Division

Funding Sources: TIF - Insurance Fraud Investigation Division Trust Fund

Act 337 of 1997 (A.C.A. §23-100-101 et seq.) provides for funding of an Insurance Fraud Investigation Division in the State Insurance Department to investigate suspected cases of fraud over a broad range of activities in the insurance industry in Arkansas. An annual administrative and regulatory fee exclusively to support fraud investigation efforts is collected annually from each company under the Department's jurisdiction.

Agency Request provides for Base Level of \$237,635 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2SY - Insurance Fraud Investigation Division

Funding Sources: TIF - Insurance Fraud Investigation Division Trust Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	547,102	0	0	0	0	0	0	0	0
#Positions		11	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	183,126	0	0	0	0	0	0	0	0
Operating Expenses	5020002	61,193	191,635	191,635	191,635	191,635	0	191,635	191,635	0
Conference & Travel Expenses	5050009	1,423	35,000	35,000	35,000	35,000	0	35,000	35,000	0
Professional Fees	5060010	0	11,000	11,000	11,000	11,000	0	11,000	11,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		792,844	237,635	237,635	237,635	237,635	0	237,635	237,635	0
Funding Sources										
Fund Balance	4000005	524,133	350,955		763,320	763,320	0	1,175,685	1,175,685	0
Special Revenue	4000030	619,666	650,000		650,000	650,000	0	650,000	650,000	0
Total Funding		1,143,799	1,000,955		1,413,320	1,413,320	0	1,825,685	1,825,685	0
Excess Appropriation/(Funding)		(350,955)	(763,320)		(1,175,685)	(1,175,685)	0	(1,588,050)	(1,588,050)	0
Grand Total		792,844	237,635		237,635	237,635	0	237,635	237,635	0

Actual exceeds Budget and Authorized in Regular Salaries, Positions, and Personal Services Matching due to a transfer of positions to fund center (2SX)- Fraud Investigation Unit in FY17.
Expenditure of appropriation is contingent upon available funding.
No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2SZ - Prepaid Funeral Benefits Division

Funding Sources: TIP - State Insurance Department Prepaid Trust Fund

Act 372 of 1997 (Arkansas Code §23-40-107 et seq.) provides for administration of prepaid funeral benefit plans in the State of Arkansas and established the Division of Prepaid Funeral Benefits within the State Insurance Department for this purpose. Funding is derived from initial application or renewal fees for annual permits to sell prepaid funeral benefits.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 a month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increase.

Base Level Request is \$396,801 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2SZ - Prepaid Funeral Benefits Division

Funding Sources: TIP - State Insurance Department Prepaid Trust Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	177,441	219,174	221,367	219,174	219,174	0	219,174	219,174	0
#Positions		4	5	5	5	5	0	5	5	0
Personal Services Matching	5010003	59,425	74,141	75,761	75,237	75,237	0	75,237	75,237	0
Operating Expenses	5020002	9,760	71,390	71,390	71,390	71,390	0	71,390	71,390	0
Conference & Travel Expenses	5050009	1,292	4,000	4,000	4,000	4,000	0	4,000	4,000	0
Professional Fees	5060010	0	27,000	27,000	27,000	27,000	0	27,000	27,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		247,918	395,705	399,518	396,801	396,801	0	396,801	396,801	0
Funding Sources										
Fund Balance	4000005	1,114,780	1,295,565		1,284,860	1,284,860	0	1,273,059	1,273,059	0
Special Revenue	4000030	428,703	385,000		385,000	385,000	0	385,000	385,000	0
Total Funding		1,543,483	1,680,565		1,669,860	1,669,860	0	1,658,059	1,658,059	0
Excess Appropriation/(Funding)		(1,295,565)	(1,284,860)		(1,273,059)	(1,273,059)	0	(1,261,258)	(1,261,258)	0
Grand Total		247,918	395,705		396,801	396,801	0	396,801	396,801	0

No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2TA - Continuing Education Program

Funding Sources: TIE - Insurance Continuing Education Trust Fund

The Insurance Department's Continuing Education Program has one position budgeted to process continuing education records that are required for agent license renewals. Funding is provided from continuing education application fees, as authorized in Arkansas Code §23-64-308.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 a month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increase.

Agency Request provides for Base Level of \$36,076 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2TA - Continuing Education Program

Funding Sources: TIE - Insurance Continuing Education Trust Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	0	25,268	25,268	25,268	25,268	0	25,268	25,268	0
#Positions		0	1	1	1	1	0	1	1	0
Personal Services Matching	5010003	5,040	10,682	10,812	10,808	10,808	0	10,808	10,808	0
Total		5,040	35,950	36,080	36,076	36,076	0	36,076	36,076	0
Funding Sources										
Fund Balance	4000005	1,511,237	1,612,669		1,676,719	1,676,719	0	1,740,643	1,740,643	0
Special Revenue	4000030	106,472	100,000		100,000	100,000	0	100,000	100,000	0
Total Funding		1,617,709	1,712,669		1,776,719	1,776,719	0	1,840,643	1,840,643	0
Excess Appropriation/(Funding)		(1,612,669)	(1,676,719)		(1,740,643)	(1,740,643)	0	(1,804,567)	(1,804,567)	0
Grand Total		5,040	35,950		36,076	36,076	0	36,076	36,076	0

No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2TB - State Employee Claims

Funding Sources: TUW - Workers' Compensation Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of workers' compensation claims payments for employees of the State. Revolving funds derived from agency workers' compensation benefits contributions are the revenue sources for this appropriation, as authorized in Arkansas Code §19-5-805.

Base Level is \$16,500,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2TB - State Employee Claims

Funding Sources: TUW - Workers' Compensation Revolving Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	13,176,032	16,500,000	16,500,000	16,500,000	16,500,000	0	16,500,000	16,500,000	0
Total	13,176,032	16,500,000	16,500,000	16,500,000	16,500,000	0	16,500,000	16,500,000	0
Funding Sources									
Workers' Comp Revolving 4000735	13,176,032	16,500,000		16,500,000	16,500,000	0	16,500,000	16,500,000	0
Total Funding	13,176,032	16,500,000		16,500,000	16,500,000	0	16,500,000	16,500,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	13,176,032	16,500,000		16,500,000	16,500,000	0	16,500,000	16,500,000	0

No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2TC - Governmental Bonding Board Operations

Funding Sources: TFB - Fidelity Bond Trust Fund

The State Insurance Department is the managing agency for the appropriation through which the Governmental Bonding Board administers the Self-Insured Fidelity Bond Program on behalf of officials and public employees of counties, municipalities, public schools, and the State of Arkansas. Funding is authorized in A.C.A. §21-2-711 and is derived from bond premiums withheld from the County Aid, Municipal Aid, and Public School funds and from premiums transferred from the fund accounts of State agencies.

Agency Request provides for Base Level of \$4,104,855 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2TC - Governmental Bonding Board Operations

Funding Sources: TFB - Fidelity Bond Trust Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	548	5,000	5,000	5,000	5,000	0	5,000	5,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	0	150,000	150,000	150,000	150,000	0	150,000	150,000	0
Claims	5110015	257,204	3,000,000	3,000,000	3,000,000	3,000,000	0	3,000,000	3,000,000	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Investments	5120013	0	760,637	760,637	760,637	760,637	0	760,637	760,637	0
Professional Services	5900043	0	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Reinsurance	5900046	0	139,218	139,218	139,218	139,218	0	139,218	139,218	0
Total		257,752	4,104,855	4,104,855	4,104,855	4,104,855	0	4,104,855	4,104,855	0
Funding Sources										
Fund Balance	4000005	4,190,033	4,750,433		745,578	745,578	0	0	0	0
Trust Fund	4000050	818,152	100,000		300,000	300,000	0	300,000	300,000	0
Total Funding		5,008,185	4,850,433		1,045,578	1,045,578	0	300,000	300,000	0
Excess Appropriation/(Funding)		(4,750,433)	(745,578)		3,059,277	3,059,277	0	3,804,855	3,804,855	0
Grand Total		257,752	4,104,855		4,104,855	4,104,855	0	4,104,855	4,104,855	0

No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2TD - Public Employees Claims Section

Funding Sources: HUA - Miscellaneous Agencies Fund

This program is funded by transfers from the Public School Fund, the County Aid Fund, the Municipal Aid Fund, and the fund accounts of State agencies for which workers' compensation claims are administered by this Section, as authorized in Arkansas Code §11-9-307.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 a month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increase.

Base Level is \$1,995,438 in FY2018 and \$1,995,684 in FY2019.

The Executive Recommendation provides for the Agency Request.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2TD - Public Employees Claims Section

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	980,352	996,344	997,645	996,944	996,944	0	997,144	997,144	0
#Positions		23	24	24	24	24	0	24	24	0
Personal Services Matching	5010003	342,772	343,443	343,782	348,563	348,563	0	348,609	348,609	0
Operating Expenses	5020002	197,119	635,931	635,931	635,931	635,931	0	635,931	635,931	0
Conference & Travel Expenses	5050009	10,283	13,000	13,000	13,000	13,000	0	13,000	13,000	0
Professional Fees	5060010	0	1,000	1,000	1,000	1,000	0	1,000	1,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Claims	5110015	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,530,526	1,989,718	1,991,358	1,995,438	1,995,438	0	1,995,684	1,995,684	0
Funding Sources										
Special Revenue	4000030	1,530,526	1,989,718		1,995,438	1,995,438	0	1,995,684	1,995,684	0
Total Funding		1,530,526	1,989,718		1,995,438	1,995,438	0	1,995,684	1,995,684	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,530,526	1,989,718		1,995,438	1,995,438	0	1,995,684	1,995,684	0

No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2TE - Health Information Counseling

Funding Sources: FID - Insurance Department - Federal

The Insurance Department's Health Information Counseling Program is 100% federally funded by the U.S. Department of Health and Human Services. Its purpose is to develop and maintain a network of local volunteers to dispense information and assist senior citizens with their insurance needs.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 a month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increase.

The Agency Request provides for Base Level of \$966,463 in FY2018 and \$966,585 in FY2019.

The Executive Recommendation provides for the Agency Request.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2TE - Health Information Counseling

Funding Sources: FID - Insurance Department - Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	201,002	236,677	204,217	236,677	236,677	0	236,777	236,777	0
#Positions		6	7	7	7	7	0	7	7	0
Personal Services Matching	5010003	75,040	88,130	76,883	89,314	89,314	0	89,336	89,336	0
Operating Expenses	5020002	71,739	284,063	284,063	284,063	284,063	0	284,063	284,063	0
Conference & Travel Expenses	5050009	1,600	0	0	0	0	0	0	0	0
Professional Fees	5060010	226,488	356,409	356,409	356,409	356,409	0	356,409	356,409	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		575,869	965,279	921,572	966,463	966,463	0	966,585	966,585	0
Funding Sources										
Federal Revenue	4000020	575,869	965,279		966,463	966,463	0	966,585	966,585	0
Total Funding		575,869	965,279		966,463	966,463	0	966,585	966,585	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		575,869	965,279		966,463	966,463	0	966,585	966,585	0

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2TF - Refunds of Overpayments

Funding Sources: MTA - Miscellaneous Revolving Fund

The Insurance Department's Refunds of Overpayments appropriation is used to return premium taxes paid to this State in error and to return amounts that are overpaid.

The Agency Request provides for Base Level of \$11,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2TF - Refunds of Overpayments

Funding Sources: MTA - Miscellaneous Revolving Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements 5110014	10,999,255	11,000,000	11,000,000	11,000,000	11,000,000	0	11,000,000	11,000,000	0
Total	10,999,255	11,000,000	11,000,000	11,000,000	11,000,000	0	11,000,000	11,000,000	0

Funding Sources									
Miscellaneous Revolving 4000350	10,999,255	11,000,000		11,000,000	11,000,000	0	11,000,000	11,000,000	0
Total Funding	10,999,255	11,000,000		11,000,000	11,000,000	0	11,000,000	11,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	10,999,255	11,000,000		11,000,000	11,000,000	0	11,000,000	11,000,000	0

No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2TG - Public School Employees Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of payments for long-term workers' compensation claims filed prior to July 1, 1994, by public school employees. Revolving funds derived from employer workers' compensation benefits contributions are the revenue sources for the appropriation through which claims payments are made, as authorized in A.C.A. §19-5-1009.

The Agency Request provides for Base Level of \$450,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2TG - Public School Employees Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	97,348	450,000	450,000	450,000	450,000	0	450,000	450,000	0
Total	97,348	450,000	450,000	450,000	450,000	0	450,000	450,000	0
Funding Sources									
Miscellaneous Revolving 4000350	97,348	450,000		450,000	450,000	0	450,000	450,000	0
Total Funding	97,348	450,000		450,000	450,000	0	450,000	450,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	97,348	450,000		450,000	450,000	0	450,000	450,000	0

No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2TH - County Employee Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of payments for long-term workers' compensation claims filed prior to January 1, 1985, by county employees. Revolving funds derived from employer workers' compensation benefits contributions are the revenue sources for the appropriation through which claims payments are made, as authorized in Arkansas Code §19-5-1009.

The Agency Request provides for Base Level of \$200,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2TH - County Employee Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	28,181	200,000	200,000	200,000	200,000	0	200,000	200,000	0
Total	28,181	200,000	200,000	200,000	200,000	0	200,000	200,000	0
Funding Sources									
Miscellaneous Revolving 4000350	28,181	200,000		200,000	200,000	0	200,000	200,000	0
Total Funding	28,181	200,000		200,000	200,000	0	200,000	200,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	28,181	200,000		200,000	200,000	0	200,000	200,000	0

No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2TJ - City Employee Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of payments for long-term workers' compensation claims filed prior to January 1, 1985, by city employees. Revolving funds derived from employer workers' compensation benefits contributions are the revenue sources for the appropriation through which claims payments are made, as authorized in Arkansas Code §19-5-1009.

The Agency Request provides for Base Level of \$600,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2TJ - City Employee Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	26,368	600,000	600,000	600,000	600,000	0	600,000	600,000	0
Total	26,368	600,000	600,000	600,000	600,000	0	600,000	600,000	0
Funding Sources									
Miscellaneous Revolving 4000350	26,368	600,000		600,000	600,000	0	600,000	600,000	0
Total Funding	26,368	600,000		600,000	600,000	0	600,000	600,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	26,368	600,000		600,000	600,000	0	600,000	600,000	0

No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2TK - Consumer Info System - Cash

Funding Sources: NDD - Insurance Department - Cash in Treasury

The Department's Consumer Information System Cash Fund is used to dispense information to the public concerning the various policy types, coverages, and purchasing options offered by the insurance industry.

The current Cash in Treasury balance and previous funding support for this program were derived from a \$100 annual assessment levied on each licensed insurer, as authorized in Arkansas Code §23-63-108. This assessment is no longer collected and support of consumer information through this appropriation will end when the current fund balance and earned interest have been depleted.

The Agency Request provides for Base Level of \$79,005 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2TK - Consumer Info System - Cash

Funding Sources: NDD - Insurance Department - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	2,587	79,005	79,005	79,005	79,005	0	79,005	79,005	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,587	79,005	79,005	79,005	79,005	0	79,005	79,005	0
Funding Sources										
Fund Balance	4000005	72,264	70,804		70,804	70,804	0	70,804	70,804	0
Cash Fund	4000045	1,127	79,005		79,005	79,005	0	79,005	79,005	0
Total Funding		73,391	149,809		149,809	149,809	0	149,809	149,809	0
Excess Appropriation/(Funding)		(70,804)	(70,804)		(70,804)	(70,804)	0	(70,804)	(70,804)	0
Grand Total		2,587	79,005		79,005	79,005	0	79,005	79,005	0

Expenditure of appropriation is contingent upon available funding.
No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2TM - Travel & Subsistence-Cash

Funding Sources: NDD - Insurance Department - Cash in Treasury

The Insurance Department's Travel and Subsistence Cash Fund is currently authorized at \$100,000 each year. Arkansas Code §23-67-220 provides for recovery of reasonable costs incurred by the Department in conducting financial examinations of entities under its jurisdiction. Part of the recovered costs is passed through this account to reimburse individual examiners for their personal expenses incurred during the examination process.

The Agency Request provides for Base Level of \$100,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2TM - Travel & Subsistence-Cash

Funding Sources: NDD - Insurance Department - Cash in Treasury

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Agency	Executive	Legislative	Agency	Executive	Legislative
Travel & Subsistence Expenses 5900046	28,457	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Total	28,457	100,000	100,000	100,000	100,000	0	100,000	100,000	0

Funding Sources									
Fund Balance 4000005	1,162	1,185		1,185	1,185	0	1,185	1,185	0
Cash Fund 4000045	28,480	100,000		100,000	100,000	0	100,000	100,000	0
Total Funding	29,642	101,185		101,185	101,185	0	101,185	101,185	0
Excess Appropriation/(Funding)	(1,185)	(1,185)		(1,185)	(1,185)	0	(1,185)	(1,185)	0
Grand Total	28,457	100,000		100,000	100,000	0	100,000	100,000	0

Expenditure of appropriation is contingent upon available funding.
No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 2TN - Prepaid Funeral Contracts Recovery

Funding Sources: TIP - Prepaid Funeral Contracts Program Recovery Fund

Act 1043 of 2001 established the Prepaid Funeral Contracts Recovery Program to reimburse purchasers of pre-need funeral contracts who suffer financial loss due to impairment, insolvency, business interruption, or improper inactivity of a licensed prepaid funeral organization. Funding is authorized from one-time fees of no less than \$5 per contract, up to a maximum set by the State Insurance Commissioner. Such fees collected are to be deposited into the State Insurance Department Prepaid Trust Fund. A portion of these collections may be designated by the State Insurance Commissioner for transfer to the Prepaid Funeral Contracts Recovery Program Fund to pay expenses and claims incurred.

The Agency Request provides for Base Level of \$500,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 2TN - Prepaid Funeral Contracts Recovery

Funding Sources: TIP - Prepaid Funeral Contracts Program Recovery Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Expenses & Claims 5900046	0	500,000	500,000	500,000	500,000	0	500,000	500,000	0
Total	0	500,000	500,000	500,000	500,000	0	500,000	500,000	0

Funding Sources									
Fund Balance 4000005	121,928	128,590		128,590	128,590	0	128,590	128,590	0
Special Revenue 4000030	6,662	500,000		500,000	500,000	0	500,000	500,000	0
Total Funding	128,590	628,590		628,590	628,590	0	628,590	628,590	0
Excess Appropriation/(Funding)	(128,590)	(128,590)		(128,590)	(128,590)	0	(128,590)	(128,590)	0
Grand Total	0	500,000		500,000	500,000	0	500,000	500,000	0

No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 4HH - Criminal Background Checks-Cash

Funding Sources: NDD - Criminal Background Checks - Cash in Treasury

The Insurance Department's appropriation for conducting criminal background checks was established by requests from the Cash Fund Holding Account during FY2006 and FY2007. Funding is provided through a \$22 fee charged to each first-time license applicant and is used to obtain criminal background data from the Arkansas State Police.

The Agency Request provides for Base Level of \$125,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 4HH - Criminal Background Checks-Cash

Funding Sources: NDD - Criminal Background Checks - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	53,614	125,000	125,000	125,000	125,000	0	125,000	125,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		53,614	125,000	125,000	125,000	125,000	0	125,000	125,000	0
Funding Sources										
Fund Balance	4000005	18,575	13,378		13,378	13,378	0	13,378	13,378	0
Cash Fund	4000045	48,417	125,000		125,000	125,000	0	125,000	125,000	0
Total Funding		66,992	138,378		138,378	138,378	0	138,378	138,378	0
Excess Appropriation/(Funding)		(13,378)	(13,378)		(13,378)	(13,378)	0	(13,378)	(13,378)	0
Grand Total		53,614	125,000		125,000	125,000	0	125,000	125,000	0

Expenditure of appropriation is contingent upon available funding.
No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 56A - Public School Insurance Program

Funding Sources: TPS - Public School Insurance Trust Fund

Act 738 of 2007 combined the School Motor Vehicle Operations Program and the Public Elementary and Secondary School Insurance Operations Program into the Public School Insurance Program to more efficiently and more economically provide coverage for the vehicles and property of participating school districts.

The Agency Request provides for Base Level of \$20,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 56A - Public School Insurance Program

Funding Sources: TPS - Public School Insurance Trust Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Expenses and Claims	5900046	7,166,536	20,000,000	20,000,000	20,000,000	20,000,000	0	20,000,000	20,000,000	0
Total		7,166,536	20,000,000	20,000,000	20,000,000	20,000,000	0	20,000,000	20,000,000	0
Funding Sources										
Fund Balance	4000005	11,721,055	12,919,662		9,919,662	9,919,662	0	6,919,662	6,919,662	0
Trust Fund	4000050	8,365,143	17,000,000		17,000,000	17,000,000	0	17,000,000	17,000,000	0
Total Funding		20,086,198	29,919,662		26,919,662	26,919,662	0	23,919,662	23,919,662	0
Excess Appropriation/(Funding)		(12,919,662)	(9,919,662)		(6,919,662)	(6,919,662)	0	(3,919,662)	(3,919,662)	0
Grand Total		7,166,536	20,000,000		20,000,000	20,000,000	0	20,000,000	20,000,000	0

No Legislative Recommendation was made on this Appropriation.

Analysis of Budget Request

Appropriation: 85P - Rate Review-Federal

Funding Sources: FID - Insurance Department - Federal

This federally funded Health Insurance Premium Rate Review Program provides federal dollars from the Department of Health and Human Services to establish or enhance a current state program that will conduct an annual review of health insurance premiums to protect consumers from unreasonable, unjustified, or excessive rate increases. This program is offered through authority in Section 2974 of the federal Public Health Service Act.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 a month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increase.

Base Level for this program is \$5,866,230 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: 85P - Rate Review-Federal

Funding Sources: FID - Insurance Department - Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	234,729	216,532	199,667	216,632	216,632	0	216,632	216,632	0
#Positions		3	3	3	3	3	0	3	3	0
Personal Services Matching	5010003	65,585	63,472	60,725	64,577	64,577	0	64,577	64,577	0
Operating Expenses	5020002	28,991	1,013,525	1,013,525	1,013,525	1,013,525	0	1,013,525	1,013,525	0
Conference & Travel Expenses	5050009	7,434	191,416	191,416	191,416	191,416	0	191,416	191,416	0
Professional Fees	5060010	1,020,559	4,380,080	4,380,080	4,380,080	4,380,080	0	4,380,080	4,380,080	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,357,298	5,865,025	5,845,413	5,866,230	5,866,230	0	5,866,230	5,866,230	0
Funding Sources										
Federal Revenue	4000020	1,357,298	5,865,025		5,866,230	5,866,230	0	5,866,230	5,866,230	0
Total Funding		1,357,298	5,865,025		5,866,230	5,866,230	0	5,866,230	5,866,230	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,357,298	5,865,025		5,866,230	5,866,230	0	5,866,230	5,866,230	0

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium. No Legislative Recommendation was made on this Appropriation.

Appropriation Summary

Appropriation: F08 - Level One Cooperative Agreement*

Funding Sources: FID - Insurance Department - Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	52,307	0	1,273,586	0	0	0	0	0	0
#Positions		10	0	23	0	0	0	0	0	0
Personal Services Matching	5010003	9,721	0	431,873	0	0	0	0	0	0
Operating Expenses	5020002	110,458	0	1,009,574	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	257,148	0	0	0	0	0	0
Professional Fees	5060010	172,709	0	36,618,646	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		345,195	0	39,590,827	0	0	0	0	0	0
Funding Sources										
Federal Revenue	4000020	345,195	0		0	0	0	0	0	0
Total Funding		345,195	0		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		345,195	0		0	0	0	0	0	0

Appropriation not requested for the 2017-2019 Biennium.

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
148 State Operations	3,594,088	57	4,127,255	59	4,234,610	62	4,211,390	59	4,211,390	59	4,211,390	59	4,213,572	59	4,213,572	59	4,213,572	59
149 Boiler Inspection	734,126	11	831,977	10	1,006,022	10	834,097	10	834,097	10	834,097	10	834,220	10	834,220	10	834,220	10
151 Federal Programs	1,203,365	16	1,279,848	16	1,276,353	17	1,283,164	16	1,283,164	16	1,283,164	16	1,284,054	16	1,284,054	16	1,284,054	16
2CT Board of Electrical Examiners	607,327	9	666,563	9	721,558	9	669,115	9	669,115	9	669,115	9	669,237	9	669,237	9	669,237	9
940 Wage and Hour - Cash	94,984	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
942 Seminar & Conference Expenses - Cash	27,546	0	53,000	0	53,000	0	53,000	0	53,000	0	53,000	0	53,000	0	53,000	0	53,000	0
Total	6,261,436	93	7,158,643	94	7,491,543	98	7,250,766	94	7,250,766	94	7,250,766	94	7,254,083	94	7,254,083	94	7,254,083	94

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	1,600,649	20.8	1,435,121	16.8			1,376,820	16.5	1,376,820	16.5	1,376,820	16.5	1,113,773	13.8	1,113,773	13.8	1,113,773	13.8
General Revenue	4000010	3,227,555	41.9	3,227,555	37.8			3,227,555	38.6	3,227,555	38.6	3,227,555	38.6	3,227,555	39.9	3,227,555	39.9	3,227,555	39.9
Federal Revenue	4000020	1,452,365	18.9	1,528,848	17.9			1,532,164	18.3	1,532,164	18.3	1,532,164	18.3	1,533,054	18.9	1,533,054	18.9	1,533,054	18.9
Special Revenue	4000030	1,294,986	16.8	2,095,052	24.5			1,975,000	23.6	1,975,000	23.6	1,975,000	23.6	1,975,000	24.4	1,975,000	24.4	1,975,000	24.4
Cash Fund	4000045	121,002	1.6	248,887	2.9			247,500	3.0	247,500	3.0	247,500	3.0	247,500	3.1	247,500	3.1	247,500	3.1
Total Funds		7,696,557	100.0	8,535,463	100.0			8,359,039	100.0	8,359,039	100.0	8,359,039	100.0	8,096,882	100.0	8,096,882	100.0	8,096,882	100.0
Excess Appropriation/(Funding)		(1,435,121)		(1,376,820)				(1,108,273)		(1,108,273)		(1,108,273)		(842,799)		(842,799)		(842,799)	
Grand Total		6,261,436		7,158,643				7,250,766		7,250,766		7,250,766		7,254,083		7,254,083		7,254,083	

FY17 Budget exceeds the Authorized amount in (151) Federal Programs due to salary adjustments during the 2015-2017 Biennium.
Variation in Fund Balance is due to unfunded appropriation in (942) Seminar & Conference Expenses - Cash.

Analysis of Budget Request

Appropriation: 148 - State Operations

Funding Sources: HSA - Dept. of Labor Fund Account

The Department of Labor was created by A.C.A. §11-2-106 under the supervision and direction of the Director of the Department of Labor. The Director is appointed by the Governor and is subject to confirmation by the Senate. The Director is authorized in A.C.A. §11-2-108 to enforce all labor laws, not otherwise specified in law; administer and enforce all laws, rules and regulations under the purview of the Department; ensure all inspections are conducted as required by rules and regulations of the Department; conduct investigations; and collect and compile statistical information regarding labor in the State.

This appropriation is utilized to support the State Operations of the Agency and to provide the matching requirements for the Federal Occupational Safety Health Administration (OSHA), Mine Safety Health and Administration (MSHA), Revised Occupational Safety and Health Statistics (ROSH), and Census of Fatal Occupational Injuries (CFOI) grants. Funding is derived from general revenue and special revenue from fees collected by the Elevator Inspection Program; as well as non-revenue receipts from blasting certification fees and amusement ride inspections.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

Base Level is \$4,176,878 in FY18 and \$4,179,060 in FY19.

The Agency's Change level request is for \$34,512 each year of the biennium and includes the following:

- Extra Help and Personal Services Matching of \$34,512 each year due to adding two (2) Extra Help positions to hire temporary workers when necessary and allow the possibility of hiring interns which could lead to promotion or movement to a full time position.
- Reallocation of \$19,645 each year from Operating Expenses to Conference & Travel Expenses to provide required training to new and existing inspectors.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 148 - State Operations

Funding Sources: HSA - Dept. of Labor Fund Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	2,276,987	2,534,877	2,587,831	2,564,034	2,564,034	2,564,034	2,565,569	2,565,569	2,565,569
#Positions		57	59	62	59	59	59	59	59	59
Extra Help	5010001	0	0	0	32,000	32,000	32,000	32,000	32,000	32,000
#Extra Help		0	0	0	2	2	2	2	2	2
Personal Services Matching	5010003	797,731	862,029	916,430	885,007	885,007	885,007	885,654	885,654	885,654
Operating Expenses	5020002	486,382	704,599	704,599	684,954	684,954	684,954	684,954	684,954	684,954
Conference & Travel Expenses	5050009	32,846	22,750	22,750	42,395	42,395	42,395	42,395	42,395	42,395
Professional Fees	5060010	142	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		3,594,088	4,127,255	4,234,610	4,211,390	4,211,390	4,211,390	4,213,572	4,213,572	4,213,572

Funding Sources										
Fund Balance	4000005	33,447	8,074		57,426	57,426	57,426	47,591	47,591	47,591
General Revenue	4000010	3,227,555	3,227,555		3,227,555	3,227,555	3,227,555	3,227,555	3,227,555	3,227,555
Federal Revenue	4000020	249,000	249,000		249,000	249,000	249,000	249,000	249,000	249,000
Special Revenue	4000030	92,160	700,052		725,000	725,000	725,000	725,000	725,000	725,000
Total Funding		3,602,162	4,184,681		4,258,981	4,258,981	4,258,981	4,249,146	4,249,146	4,249,146
Excess Appropriation/(Funding)		(8,074)	(57,426)		(47,591)	(47,591)	(47,591)	(35,574)	(35,574)	(35,574)
Grand Total		3,594,088	4,127,255		4,211,390	4,211,390	4,211,390	4,213,572	4,213,572	4,213,572

Analysis of Budget Request

Appropriation: 149 - Boiler Inspection

Funding Sources: MLS - Dept. of Labor Special Fund

The Boiler Inspection Program is established in ACA §20-23-101 et seq. and is funded by special revenue collected by the Department from permits and inspection of all boilers used by private and public industries. In addition, fees are collected for annual and biennial inspections of all boilers and pressure vessels, the examination and licensing of boiler operators, quality control assurance surveys, ASME code shop service, licensing of firms to install and repair boilers and pressure vessels, consultation regarding boiler installation, maintenance, operation and repair.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$834,097 in FY18 and \$834,220 in FY19.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 149 - Boiler Inspection

Funding Sources: MLS - Dept. of Labor Special Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	438,458	432,040	554,363	431,871	431,871	431,871	431,971	431,971	431,971
#Positions		11	10	10	10	10	10	10	10	10
Personal Services Matching	5010003	161,116	148,089	199,811	150,378	150,378	150,378	150,401	150,401	150,401
Operating Expenses	5020002	129,729	237,804	237,804	237,804	237,804	237,804	237,804	237,804	237,804
Conference & Travel Expenses	5050009	4,823	14,044	14,044	14,044	14,044	14,044	14,044	14,044	14,044
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		734,126	831,977	1,006,022	834,097	834,097	834,097	834,220	834,220	834,220
Funding Sources										
Fund Balance	4000005	369,035	498,735		561,758	561,758	561,758	477,661	477,661	477,661
Special Revenue	4000030	863,826	895,000		750,000	750,000	750,000	750,000	750,000	750,000
Total Funding		1,232,861	1,393,735		1,311,758	1,311,758	1,311,758	1,227,661	1,227,661	1,227,661
Excess Appropriation/(Funding)		(498,735)	(561,758)		(477,661)	(477,661)	(477,661)	(393,441)	(393,441)	(393,441)
Grand Total		734,126	831,977		834,097	834,097	834,097	834,220	834,220	834,220

Analysis of Budget Request

Appropriation: 151 - Federal Programs

Funding Sources: FNA - Dept. of Labor-Federal Programs

Arkansas Code Annotated §11-2-121 authorizes the Director of the Department of Labor to enter into agreements with the United States Government for assistance and cooperation in enforcing and implementing state and federal laws. This appropriation is 100% federally funded and is utilized for the receipt of grant funds for conducting OSHA Consultation, Mine Safety and Health Consultation and Training, and the Occupational Injuries and Fatalities Surveys.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level is \$1,283,164 in FY18 and \$1,284,054 in FY19.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 151 - Federal Programs

Funding Sources: FNA - Dept. of Labor-Federal Programs

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	661,639	687,709	675,374	687,245	687,245	687,245	687,963	687,963	687,963
#Positions		16	16	17	16	16	16	16	16	16
Personal Services Matching	5010003	233,781	233,306	242,146	237,086	237,086	237,086	237,258	237,258	237,258
Operating Expenses	5020002	246,213	314,883	314,883	314,883	314,883	314,883	314,883	314,883	314,883
Conference & Travel Expenses	5050009	33,064	43,950	43,950	43,950	43,950	43,950	43,950	43,950	43,950
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	28,668	0	0	0	0	0	0	0	0
Total		1,203,365	1,279,848	1,276,353	1,283,164	1,283,164	1,283,164	1,284,054	1,284,054	1,284,054
Funding Sources										
Federal Revenue	4000020	1,203,365	1,279,848		1,283,164	1,283,164	1,283,164	1,284,054	1,284,054	1,284,054
Total Funding		1,203,365	1,279,848		1,283,164	1,283,164	1,283,164	1,284,054	1,284,054	1,284,054
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,203,365	1,279,848		1,283,164	1,283,164	1,283,164	1,284,054	1,284,054	1,284,054

Analysis of Budget Request

Appropriation: 2CT - Board of Electrical Examiners

Funding Sources: MLS - Dept. of Labor Special Fund

Arkansas Code Annotated §17-28-201 created the Board of Electrical Examiners consisting of the Director of the Department of Labor and eight (8) other members appointed by the Governor with the advice and consent of the Senate. The Board is authorized to adopt rules and regulations; conduct examinations for licensure; register electrical apprentices and issue certificates; and revoke or suspend licenses or certificates. This appropriation is funded by special revenues from fees collected for license issuance and renewal of electrical contractors and the examination, licensure and renewal of master, journeyman, and industrial maintenance electricians as well as residential master and journeyman electricians and air conditioning electricians.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$669,115 in FY18 and \$669,237 in FY19.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2CT - Board of Electrical Examiners

Funding Sources: MLS - Dept. of Labor Special Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	360,041	366,057	396,355	366,532	366,532	366,532	366,632	366,632	366,632
#Positions		9	9	9	9	9	9	9	9	9
Personal Services Matching	5010003	131,254	126,338	151,035	128,415	128,415	128,415	128,437	128,437	128,437
Operating Expenses	5020002	112,745	167,738	167,738	167,738	167,738	167,738	167,738	167,738	167,738
Conference & Travel Expenses	5050009	3,287	6,430	6,430	6,430	6,430	6,430	6,430	6,430	6,430
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		607,327	666,563	721,558	669,115	669,115	669,115	669,237	669,237	669,237
Funding Sources										
Fund Balance	4000005	1,192,526	924,199		757,636	757,636	757,636	588,521	588,521	588,521
Special Revenue	4000030	339,000	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding		1,531,526	1,424,199		1,257,636	1,257,636	1,257,636	1,088,521	1,088,521	1,088,521
Excess Appropriation/(Funding)		(924,199)	(757,636)		(588,521)	(588,521)	(588,521)	(419,284)	(419,284)	(419,284)
Grand Total		607,327	666,563		669,115	669,115	669,115	669,237	669,237	669,237

Analysis of Budget Request

Appropriation: 940 - Wage and Hour - Cash

Funding Sources: NDW - Cash in Treasury

The Department of Labor utilizes this appropriation as a "pass through" account to disburse cash funds collected from employers when it is determined an employer owes compensation to an employee resulting from wage and hour investigations and legal actions pursued by the Agency. Payments made to the Department of Labor by employers for this purpose are then disbursed to the employee.

The Agency Request is for Base Level of \$200,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 940 - Wage and Hour - Cash

Funding Sources: NDW - Cash in Treasury

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Agency	Executive	Legislative	Agency	Executive	Legislative
Miscellaneous CI 46 5900046	94,984	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total	94,984	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000

Funding Sources									
Cash Fund 4000045	94,984	200,000		200,000	200,000	200,000	200,000	200,000	200,000
Total Funding	94,984	200,000		200,000	200,000	200,000	200,000	200,000	200,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	94,984	200,000		200,000	200,000	200,000	200,000	200,000	200,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 942 - Seminar & Conference Expenses - Cash

Funding Sources: NDW - Cash in Treasury

The Department utilizes this appropriation to cover seminar and conference related costs. Cash funds collected from participants attending safety seminars and conferences hosted by the Department fund this appropriation.

The Agency Request is for Base Level of \$53,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 942 - Seminar & Conference Expenses - Cash

Funding Sources: NDW - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	9,549	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Conference & Travel Expenses	5050009	17,997	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		27,546	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000
Funding Sources										
Fund Balance	4000005	5,641	4,113		0	0	0	0	0	0
Cash Fund	4000045	26,018	48,887		47,500	47,500	47,500	47,500	47,500	47,500
Total Funding		31,659	53,000		47,500	47,500	47,500	47,500	47,500	47,500
Excess Appropriation/(Funding)		(4,113)	0		5,500	5,500	5,500	5,500	5,500	5,500
Grand Total		27,546	53,000		53,000	53,000	53,000	53,000	53,000	53,000

Expenditure of appropriation is contingent upon available funding.

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	
172 Law Enforcement Standards-Operations	3,284,558	52	3,289,926	54	3,438,735	55	3,301,965	54	3,301,965	54	3,301,965	54	3,304,173	54	3,304,173	54	3,304,173	54	
86M 911 Training & Education	153,610	1	225,135	1	212,335	1	265,297	1	265,297	1	265,297	1	265,297	1	265,297	1	265,297	1	
D48 Special Training-Cash	191,867	0	330,000	0	438,675	0	380,000	0	380,000	0	380,000	0	380,000	0	380,000	0	380,000	0	
F63 Fallen Law Enforcement Officers	0	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	
NOT REQUESTED FOR THE BIENNIUM																			
C64 AG Funding - Cash	4,842	0	0	0	94,624	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	3,634,877	53	3,870,061	55	4,209,369	56	3,972,262	55	3,972,262	55	3,972,262	55	3,974,470	55	3,974,470	55	3,974,470	55	

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	179,787	4.7	230,953	5.8			95,296	2.5	95,296	2.5	95,296	2.5	8,132	0.2	8,132	0.2	8,132	0.2
General Revenue	4000010	3,266,103	84.5	3,289,926	83.0			3,301,965	86.0	3,301,965	86.0	3,301,965	86.0	3,304,173	88.0	3,304,173	88.0	3,304,173	88.0
Special Revenue	4000030	2,977	0.1	19,478	0.5			18,800	0.5	18,800	0.5	18,800	0.5	16,900	0.5	16,900	0.5	16,900	0.5
Cash Fund	4000045	206,539	5.3	225,000	5.7			225,000	5.9	225,000	5.9	225,000	5.9	225,000	6.0	225,000	6.0	225,000	6.0
Miscellaneous Transfers	4000355	210,424	5.4	200,000	5.0			200,000	5.2	200,000	5.2	200,000	5.2	200,000	5.3	200,000	5.3	200,000	5.3
Total Funds		3,865,830	100.0	3,965,357	100.0			3,841,061	100.0	3,841,061	100.0	3,841,061	100.0	3,754,205	100.0	3,754,205	100.0	3,754,205	100.0
Excess Appropriation/(Funding)		(230,953)		(95,296)				131,201		131,201		131,201		220,265		220,265		220,265	
Grand Total		3,634,877		3,870,061				3,972,262		3,972,262		3,972,262		3,974,470		3,974,470		3,974,470	

The miscellaneous transfer comes from a fund transfer from the Arkansas Emergency Telephone Service Board.

FY17 Budget amount in Regular Salaries and Personal Services Matching for 86M exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Variance in fund balance due to unfunded appropriation in (D48) Special Training - Cash and (F63) Fallen Law Enforcement Officers.

Analysis of Budget Request

Appropriation: 172 - Law Enforcement Standards-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

This General Revenue appropriation provides for the operations of the Commission on Law Enforcement Standards and Training (CLEST). CLEST provides basic training for new officers and specialized training for certified police officers at the Arkansas Law Enforcement Training Academy (ALETA) near East Camden and in Springdale, while providing field training classes as requested around the State. CLEST and ALETA's goal is to establish the role of the law enforcement officer as a professional, thereby presenting the citizens of the State of Arkansas with officers who have the knowledge and skills to detect, prevent and reduce crime.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for continuation of Base Level in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 172 - Law Enforcement Standards-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,748,715	1,831,310	1,838,989	1,833,211	1,833,211	1,833,211	1,835,011	1,835,011	1,835,011
#Positions		52	54	55	54	54	54	54	54	54
Personal Services Matching	5010003	664,899	679,260	695,014	689,398	689,398	689,398	689,806	689,806	689,806
Operating Expenses	5020002	826,763	751,496	821,872	751,496	751,496	751,496	751,496	751,496	751,496
Conference & Travel Expenses	5050009	14,190	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500
Professional Fees	5060010	10,204	10,360	15,360	10,360	10,360	10,360	10,360	10,360	10,360
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	19,787	0	50,000	0	0	0	0	0	0
Total		3,284,558	3,289,926	3,438,735	3,301,965	3,301,965	3,301,965	3,304,173	3,304,173	3,304,173
Funding Sources										
General Revenue	4000010	3,266,103	3,289,926		3,301,965	3,301,965	3,301,965	3,304,173	3,304,173	3,304,173
Miscellaneous Transfers	4000355	18,455	0		0	0	0	0	0	0
Total Funding		3,284,558	3,289,926		3,301,965	3,301,965	3,301,965	3,304,173	3,304,173	3,304,173
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,284,558	3,289,926		3,301,965	3,301,965	3,301,965	3,304,173	3,304,173	3,304,173

Miscellaneous transfers are refunds and reimbursements to the Agency.

Analysis of Budget Request

Appropriation: 86M - 911 Training & Education

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency uses this appropriation for personal services and operating expenses of the Arkansas Commission on Law Enforcement Standards and Training - 911 Training Education. Funding for this appropriation comes from a fund transfer of \$200,000 from the Arkansas Emergency Telephone Service Board.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level Request is for appropriation only of \$117,901 in Capital Outlay for each year of the biennium in order to utilize funds received from the ETS/911 Board.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 86M - 911 Training & Education

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	51,254	49,085	38,458	49,085	49,085	49,085	49,085	49,085	49,085
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	16,480	15,951	13,778	16,212	16,212	16,212	16,212	16,212	16,212
Operating Expenses	5020002	44,987	55,099	55,099	55,099	55,099	55,099	55,099	55,099	55,099
Conference & Travel Expenses	5050009	19,139	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Professional Fees	5060010	9,250	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	12,500	78,000	78,000	117,901	117,901	117,901	117,901	117,901	117,901
Total		153,610	225,135	212,335	265,297	265,297	265,297	265,297	265,297	265,297
Funding Sources										
Fund Balance	4000005	60,205	98,564		73,429	73,429	73,429	8,132	8,132	8,132
Miscellaneous Transfers	4000355	191,969	200,000		200,000	200,000	200,000	200,000	200,000	200,000
Total Funding		252,174	298,564		273,429	273,429	273,429	208,132	208,132	208,132
Excess Appropriation/(Funding)		(98,564)	(73,429)		(8,132)	(8,132)	(8,132)	57,165	57,165	57,165
Grand Total		153,610	225,135		265,297	265,297	265,297	265,297	265,297	265,297

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Funding for this appropriation comes from a \$200,000 transfer from the Arkansas Emergency Telephone Service Board.

Analysis of Budget Request

Appropriation: D48 - Special Training-Cash

Funding Sources: 108 - Law Enforcement Standards and Training - Cash

The Commission on Law Enforcement Standards and Training uses this cash appropriation for Operating Expenses and Capital Outlay associated with Special Training. Fees are collected from state agencies for the use of the Training Academy's facilities for special training of their police officers and for meals purchased by the Fire Training Academy for students enrolled in training. The Commission uses this appropriation to buy uniforms (up to \$40,000 annually pursuant to A.C.A. §12-9-111), purchase equipment and supplies, and for facility maintenance.

The Agency's Change Level Request is for appropriation of \$50,000 in each year of the biennium to replace equipment.

Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: D48 - Special Training-Cash

Funding Sources: 108 - Law Enforcement Standards and Training - Cash

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	186,190	330,000	368,675	330,000	330,000	330,000	330,000	330,000	330,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	472	0	20,000	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	5,205	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		191,867	330,000	438,675	380,000	380,000	380,000	380,000	380,000	380,000

Funding Sources										
Fund Balance	4000005	112,195	126,867		21,867	21,867	21,867	0	0	0
Cash Fund	4000045	206,539	225,000		225,000	225,000	225,000	225,000	225,000	225,000
Total Funding		318,734	351,867		246,867	246,867	246,867	225,000	225,000	225,000
Excess Appropriation/(Funding)		(126,867)	(21,867)		133,133	133,133	133,133	155,000	155,000	155,000
Grand Total		191,867	330,000		380,000	380,000	380,000	380,000	380,000	380,000

Analysis of Budget Request

Appropriation: F63 - Fallen Law Enforcement Officers

Funding Sources: SLS - Fallen Law Enforcement Officers' Beneficiary Fund

This appropriation provides for personal services, operating expenses, and grants to provide support and assistance to beneficiaries of fallen law enforcement officers. Funding for this appropriation is special revenue generated by special license plate fees (A.C.A. § 27-24-1315, § 27-24-1413, § 27-24-1414).

The Agency Request is for continuation of Base Level in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: F63 - Fallen Law Enforcement Officers

Funding Sources: SLS - Fallen Law Enforcement Officers' Beneficiary Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Fallen Law Enforcement Officers 5900046	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000

Funding Sources									
Fund Balance 4000005	2,545	5,522		0	0	0	0	0	0
Special Revenue 4000030	2,977	19,478		18,800	18,800	18,800	16,900	16,900	16,900
Total Funding	5,522	25,000		18,800	18,800	18,800	16,900	16,900	16,900
Excess Appropriation/(Funding)	(5,522)	0		6,200	6,200	6,200	8,100	8,100	8,100
Grand Total	0	25,000		25,000	25,000	25,000	25,000	25,000	25,000

Analysis of Budget Request

Appropriation: 050 - Liquefied Petroleum Gas Board-Operations

Funding Sources: SIL - Liquefied Petroleum Gas Fund

The Liquefied Petroleum Gas Board is funded by inspection, permit, and license fees that are enumerated in A.C.A. § 19-6-407. These fees are deposited as special revenues in the Liquefied Petroleum Gas Board Fund.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Board is requesting Base Level of \$603,637 in FY18 and \$604,495 in FY19.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation with the exception of the Operating Expenses line item recommended at \$130,000, the Professional Fees line item recommended at \$10,000, and the Capital Outlay line item recommended at \$20,000.

Appropriation Summary

Appropriation: 050 - Liquefied Petroleum Gas Board-Operations

Funding Sources: SIL - Liquefied Petroleum Gas Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	310,046	297,220	294,315	297,320	297,320	297,320	298,020	298,020	298,020
#Positions		7	7	7	7	7	7	7	7	7
Extra Help	5010001	0	8,300	8,300	8,300	8,300	8,300	8,300	8,300	8,300
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	104,066	101,676	101,979	103,367	103,367	103,367	103,525	103,525	103,525
Operating Expenses	5020002	88,433	150,000	150,000	150,000	150,000	130,000	150,000	150,000	130,000
Conference & Travel Expenses	5050009	78	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Professional Fees	5060010	10,200	38,650	38,650	38,650	38,650	10,000	38,650	38,650	10,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	20,000	0	0	20,000
Total		512,823	601,846	599,244	603,637	603,637	574,987	604,495	604,495	575,845
Funding Sources										
Fund Balance	4000005	1,108,210	1,195,521		1,118,675	1,118,675	1,118,675	1,040,038	1,040,038	1,068,688
Special Revenue	4000030	600,134	525,000		525,000	525,000	525,000	525,000	525,000	525,000
Total Funding		1,708,344	1,720,521		1,643,675	1,643,675	1,643,675	1,565,038	1,565,038	1,593,688
Excess Appropriation/(Funding)		(1,195,521)	(1,118,675)		(1,040,038)	(1,040,038)	(1,068,688)	(960,543)	(960,543)	(1,017,843)
Grand Total		512,823	601,846		603,637	603,637	574,987	604,495	604,495	575,845

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
125 Martin Luther King - State Operations	226,765	3	262,865	4	261,764	4	264,398	4	264,398	4	264,398	4	264,398	4	264,398	4	264,398	4
54S Martin Luther King - Treasury Cash	74,056	0	91,118	0	91,050	0	91,123	0	91,123	0	91,123	0	91,123	0	91,123	0	91,123	0
Total	300,821	3	353,983	4	352,814	4	355,521	4	355,521	4	355,521	4	355,521	4	355,521	4	355,521	4

Funding Sources		%		%		%		%		%		%		%		%
Fund Balance 4000005	33,452	11.1	525	0.1	525	0.1	525	0.1	525	0.1	520	0.1	520	0.1	520	0.1
General Revenue 4000010	226,765	75.3	233,167	65.8	236,395	66.4	236,395	66.4	236,395	66.4	237,395	66.7	237,395	66.7	237,395	66.7
Cash Fund 4000045	41,129	13.6	120,816	34.1	119,121	33.5	119,121	33.5	119,121	33.5	118,121	33.2	118,121	33.2	118,121	33.2
Total Funds	301,346	100.0	354,508	100.0	356,041	100.0	356,041	100.0	356,041	100.0	356,036	100.0	356,036	100.0	356,036	100.0
Excess Appropriation/(Funding)	(525)		(525)		(520)		(520)		(520)		(515)		(515)		(515)	
Grand Total	300,821		353,983		355,521		355,521		355,521		355,521		355,521		355,521	

Budget amount in 125 Martin Luther King –State Operations exceeds the authorized amount due to Regular Salaries and Personal Services Matching rate adjustments during the 2015-2017 Biennium.

Budget amount in 54S Martin Luther King –Treasury Cash exceeds the authorized amount due to Personal Services Matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 125 - Martin Luther King - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Martin Luther King, Jr. Commission was established by Arkansas Code Annotated §24-24-101. The Commission consists of thirteen (13) members: five (5) members appointed by the Governor; four (4) members appointed by the President Pro Tempore of the Senate; and four (4) members appointed by the Speaker of the House of Representatives. The Governor shall select annually a chair from the membership of the commission.

The responsibility of the Commission is to promote racial harmony, understanding, respect and goodwill among all citizens; promote principles of nonviolence; promote awareness and appreciation of the civil rights movement and advocacy of the principles and legacy of Dr. King; develop, coordinate, and advise the Governor and the General Assembly of appropriate ceremonies and activities related to Dr. King's birthday; and to receive donations and contributions from individuals and public and private organizations to carry out its responsibilities. Funding to support the activities of the Commission is derived from General Revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency is requesting Base Level appropriation of \$264,398 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 125 - Martin Luther King - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	129,980	149,968	149,277	150,568	150,568	150,568	150,568	150,568	150,568
#Positions		3	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	49,472	54,113	53,703	55,046	55,046	55,046	55,046	55,046	55,046
Operating Expenses	5020002	47,313	58,484	58,484	58,484	58,484	58,484	58,484	58,484	58,484
Conference & Travel Expenses	5050009	0	300	300	300	300	300	300	300	300
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		226,765	262,865	261,764	264,398	264,398	264,398	264,398	264,398	264,398
Funding Sources										
General Revenue	4000010	226,765	233,167		236,395	236,395	236,395	237,395	237,395	237,395
Cash Fund	4000045	0	29,698		28,003	28,003	28,003	27,003	27,003	27,003
Total Funding		226,765	262,865		264,398	264,398	264,398	264,398	264,398	264,398
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		226,765	262,865		264,398	264,398	264,398	264,398	264,398	264,398

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 54S - Martin Luther King - Treasury Cash

Funding Sources: NMK - Martin Luther King - Cash in Treasury

One of the responsibilities of the Commission is to receive donations and contributions in order to carry out its duties of promoting racial harmony, understanding, respect and goodwill, with these revenues deposited into a cash fund account pursuant to Arkansas Code Annotated §25-24-102. The Commission continues to apply for grants in support of community-based programs and services for the prevention of youth crime and violence.

The Agency is requesting Base Level appropriation of \$91,123 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 54S - Martin Luther King - Treasury Cash

Funding Sources: NMK - Martin Luther King - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Extra Help	5010001	15,946	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900
#Extra Help		3	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	1,593	1,294	1,226	1,299	1,299	1,299	1,299	1,299	1,299
Operating Expenses	5020002	56,517	67,924	67,924	67,924	67,924	67,924	67,924	67,924	67,924
Conference & Travel Expenses	5050009	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Professional Fees	5060010	0	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		74,056	91,118	91,050	91,123	91,123	91,123	91,123	91,123	91,123
Funding Sources										
Fund Balance	4000005	33,452	525		525	525	525	520	520	520
Cash Fund	4000045	41,129	91,118		91,118	91,118	91,118	91,118	91,118	91,118
Total Funding		74,581	91,643		91,643	91,643	91,643	91,638	91,638	91,638
Excess Appropriation/(Funding)		(525)	(525)		(520)	(520)	(520)	(515)	(515)	(515)
Grand Total		74,056	91,118		91,123	91,123	91,123	91,123	91,123	91,123

FY17 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2015-2017 Biennium.

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
266 Civilian Student Training Program	3,325,170	55	3,571,221	61	3,706,822	61	3,660,495	61	3,660,495	61	3,660,495	61	3,665,696	61	3,665,696	61	3,665,696	61
268 General Operations	6,092,082	73	6,536,067	73	6,659,067	120	7,606,605	73	7,614,344	73	7,614,344	73	7,610,566	73	7,618,305	73	7,618,305	73
269 Military Call-up and Court Martial	289,215	1	2,540,000	0	2,540,000	0	2,560,000	0	2,560,000	0	2,560,000	0	2,560,000	0	2,560,000	0	2,560,000	0
270 Federal Training Site	9,937,380	226	13,365,652	255	18,704,122	334	15,583,071	315	15,583,071	315	15,583,071	315	15,588,223	315	15,588,223	315	15,588,223	315
275 Federal Training Site Grant	20,560,645	0	43,028,044	0	43,028,044	0	43,028,044	0	43,028,044	0	43,028,044	0	43,028,044	0	43,028,044	0	43,028,044	0
34Y Military Family Relief Trust	3,526	0	149,453	0	149,453	0	189,636	0	189,636	0	189,636	0	189,636	0	189,636	0	189,636	0
393 Cash Operations	253,007	0	1,956,469	0	1,713,690	0	1,727,223	0	1,727,223	0	1,727,223	0	1,727,223	0	1,727,223	0	1,727,223	0
443 Counter Drug Asset Forfeiture	8,709	0	64,847	0	64,847	0	55,721	0	55,721	0	55,721	0	55,721	0	55,721	0	55,721	0
455 Military Support Revolving	194,047	0	334,020	0	553,423	0	334,020	0	334,020	0	334,020	0	334,020	0	334,020	0	334,020	0
575 Fort Chaffee Training Site	11,539,467	89	20,811,985	101	20,127,885	101	20,145,181	101	20,145,181	101	20,145,181	101	20,146,496	101	20,146,496	101	20,146,496	101
576 National Guard Museum	83,547	1	81,368	1	100,110	1	89,053	1	89,053	1	89,053	1	89,053	1	89,053	1	89,053	1
577 AR National Guard Youth Challenge Program	2,780,950	52	3,267,000	49	2,905,173	49	3,200,000	49	3,200,000	49	3,200,000	49	3,200,000	49	3,200,000	49	3,200,000	49
NOT REQUESTED FOR THE BIENNIUM																		
556 Federal Armory Assistance	22,624	0	0	0	166,692	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	55,090,369	497	95,706,126	540	100,419,328	666	98,179,049	600	98,186,788	600	98,186,788	600	98,194,678	600	98,202,417	600	98,202,417	600

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	5,851,205	9.6	5,566,782	5.6			3,473,034	3.5	3,473,034	3.6	3,473,034	3.6	2,314,551	2.4	1,263,584	1.3	1,263,584	1.3
General Revenue	4000010	9,835,989	16.2	9,354,887	9.4			10,593,188	10.7	9,391,663	9.6	9,456,663	9.7	10,616,224	10.8	9,415,287	9.9	9,480,287	9.9
Federal Revenue	4000020	44,145,816	72.8	79,655,931	80.3			81,059,090	81.9	80,824,900	82.8	80,824,900	82.8	81,062,081	82.8	80,829,657	84.7	80,829,657	84.7
Cash Fund	4000045	169,129	0.3	188,041	0.2			273,403	0.3	273,403	0.3	273,403	0.3	273,403	0.3	273,403	0.3	273,403	0.3
Merit Adjustment Fund	4000055	0	0.0	24,278	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Budget Stabilization Trust	4000130	289,215	0.5	2,540,000	2.6			2,560,000	2.6	2,560,000	2.6	2,560,000	2.6	2,560,000	2.6	2,560,000	2.7	2,560,000	2.7
Income Tax Donations	4000283	17,565	0.0	100,000	0.1			100,000	0.1	100,000	0.1	100,000	0.1	100,000	0.1	100,000	0.1	100,000	0.1
Intra-agency Fund Transfer	4000317	330,913	0.5	1,749,241	1.8			601,232	0.6	601,232	0.6	601,232	0.6	610,444	0.6	610,444	0.6	610,444	0.6
M & R Sales	4000340	17,319	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

Funding Sources		%		%		%		%		%		%		%		%		
Military Support Revolving	4000342	0	0.0	0	0.0		334,020	0.3	334,020	0.3	334,020	0.3	334,020	0.3	334,020	0.4	334,020	0.3
Total Funds		60,657,151	100.0	99,179,160	100.0		98,993,967	100.0	97,558,252	100.0	97,623,252	100.0	97,870,723	100.0	95,386,395	100.0	95,451,395	100.0
Excess Appropriation/(Funding)		(5,566,782)		(3,473,034)			(814,918)		628,536		563,536		323,955		2,816,022		2,751,022	
Grand Total		55,090,369		95,706,126			98,179,049		98,186,788		98,186,788		98,194,678		98,202,417		98,202,417	

Budget exceeds Authorized Appropriation in (393) Cash Operations due to a transfer from the Cash Fund Holding Account.

Budget exceeds Authorized Appropriation in (575) Fort Chaffee Training Site due to a transfer from the Miscellaneous Federal Grant Holding Account.

Budget exceeds Authorized Appropriation in (577) AR National Guard Youth Challenge Program due to a transfer from the Miscellaneous Federal Grant Holding Account.

Variance in Fund Balance is due to unfunded appropriation in (266) Civilian Student Training Program, (393) Cash Operations, (443) Counter Drug Asset Forfeiture, (576) National Guard Museum, and (577) AR National Guard Youth Challenge Program.

Analysis of Budget Request

Appropriation: 266 - Civilian Student Training Program

Funding Sources: HMD - State Military Department

Acts 375 and 1133 of 1993 established the Civilian Student Training Program (CSTP) located at Camp Robinson. CSTP offers rehabilitation for juveniles (11-17 years of age) who are referred to the Program by juvenile justices throughout the state. With full staff and funding, the Program can accommodate an annual maximum population of 330 students. This appropriation is funded by general revenue to support the operations and employee services of the residential juvenile training and behavior management facility.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level request is for appropriation and new general revenue of \$65,000 in each year of the biennium and reflects the following:

- Extra Help of \$15,000 each year to maintain staff to student ratio for safety of staff and students;
- Capital Outlay of \$50,000 each year for replacement and/or purchase of equipment essential to the maintenance and operation of the Student Training Program.

The Executive Recommendation provides for Agency Request in appropriation only.

The Legislative Recommendation concurs with the Executive Recommendation and provides for additional General Revenue funding of \$65,000.

Appropriation Summary

Appropriation: 266 - Civilian Student Training Program

Funding Sources: HMD - State Military Department

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,787,148	1,947,131	1,977,379	1,961,351	1,961,351	1,961,351	1,965,551	1,965,551	1,965,551
#Positions		55	61	61	61	61	61	61	61	61
Extra Help	5010001	20,776	25,000	25,000	40,000	40,000	40,000	40,000	40,000	40,000
#Extra Help		2	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	714,135	765,986	771,339	776,040	776,040	776,040	777,041	777,041	777,041
Overtime	5010006	432	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Operating Expenses	5020002	702,378	816,854	816,854	816,854	816,854	816,854	816,854	816,854	816,854
Conference & Travel Expenses	5050009	3,879	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250
Professional Fees	5060010	13,921	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	82,501	0	100,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		3,325,170	3,571,221	3,706,822	3,660,495	3,660,495	3,660,495	3,665,696	3,665,696	3,665,696
Funding Sources										
General Revenue	4000010	3,325,170	3,571,221		3,660,495	3,595,495	3,660,495	3,665,696	3,600,696	3,665,696
Total Funding		3,325,170	3,571,221		3,660,495	3,595,495	3,660,495	3,665,696	3,600,696	3,665,696
Excess Appropriation/(Funding)		0	0		0	65,000	0	0	65,000	0
Grand Total		3,325,170	3,571,221		3,660,495	3,660,495	3,660,495	3,665,696	3,665,696	3,665,696

Analysis of Budget Request

Appropriation: 268 - General Operations

Funding Sources: HMD - State Military Department

The State Operations appropriation provides for the administration of the Arkansas Military Department. The staffing costs and maintenance and general operation expenses in support of the Agency headquarters and National Guard training complex at Camp Robinson as well as the administration and up keep for armories in communities around the State are included in this fund center.

For several years the Agency, through the Cooperative Agreement with the National Guard Bureau, has received federal reimbursement for expenditures from this appropriation. These funds were deposited into the Special Military Fund and used to supplement general revenue for operations of the Agency. The Cooperative Agreement was amended and beginning in Federal FY11 the Agency no longer receives federal reimbursement for expenditures from this appropriation. Therefore, the Agency will be funded from general revenue, and the balance of the Special Military Fund only until such time that the fund depleted.

The Agency's Change Level request is for appropriation and new General Revenue of \$1,050,967 each year of the biennium and reflects the following:

- Extra Help of \$25,000 and Personal Services and Matching of \$2,216 each year to help meet the needs of various programs;
- Operating Expenses of \$1,000,000 each year for repairs to 52 armories built in the 1940's-1950's era and need repairs to become ADA compliant;
- Conference and Travel Expenses of \$4,000 each year to meet the required training needs of the Civil Air Patrol and the Directorate of State Resources;
- Capital Outlay of \$50,000 each year for the replacement and/or purchase of equipment essential to the maintenance and operation of Camp Robinson and Fort Chaffee;
- Special Maintenance re-allocation of \$29,249 each year to offset needs in other commitment items; and
- Officer Candidate School re-allocation of \$1,000 each year to offset needs in other commitment items.

The Executive Recommendations provides for Agency Request in appropriation only.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 268 - General Operations

Funding Sources: HMD - State Military Department

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	2,505,930	2,778,956	2,782,064	2,782,887	2,790,626	2,790,626	2,785,387	2,793,126	2,793,126
#Positions		73	73	120	73	73	73	73	73	73
Extra Help	5010001	54,132	60,000	60,000	85,000	85,000	85,000	85,000	85,000	85,000
#Extra Help		9	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	996,686	1,017,662	1,037,554	1,035,518	1,035,518	1,035,518	1,036,979	1,036,979	1,036,979
Overtime	5010006	159	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Operating Expenses	5020002	2,361,115	2,500,000	2,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Conference & Travel Expenses	5050009	10,000	10,000	10,000	14,000	14,000	14,000	14,000	14,000	14,000
Professional Fees	5060010	62,982	127,700	127,700	127,700	127,700	127,700	127,700	127,700	127,700
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	68,488	0	100,000	50,000	50,000	50,000	50,000	50,000	50,000
Special Maintenance	5120032	29,092	29,249	29,249	0	0	0	0	0	0
Officer Candidate School	5900046	0	1,000	1,000	0	0	0	0	0	0
Purchase of Flags	5900048	3,498	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Total		6,092,082	6,536,067	6,659,067	7,606,605	7,614,344	7,614,344	7,610,566	7,618,305	7,618,305

Funding Sources										
Fund Balance	4000005	3,211,770	3,199,942		3,322,942	3,322,942	3,322,942	2,264,003	1,213,036	1,213,036
General Revenue	4000010	5,732,022	4,885,548		5,946,434	4,895,467	4,895,467	5,960,793	4,909,826	4,909,826
Merit Adjustment Fund	4000055	0	24,278		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	330,913	1,749,241		601,232	601,232	601,232	610,444	610,444	610,444
M & R Sales	4000340	17,319	0		0	0	0	0	0	0
Total Funding		9,292,024	9,859,009		9,870,608	8,819,641	8,819,641	8,835,240	6,733,306	6,733,306
Excess Appropriation/(Funding)		(3,199,942)	(3,322,942)		(2,264,003)	(1,205,297)	(1,205,297)	(1,224,674)	884,999	884,999
Grand Total		6,092,082	6,536,067		7,606,605	7,614,344	7,614,344	7,610,566	7,618,305	7,618,305

Intra-agency Fund Transfer is from Special Military Fund MBL0000 in accordance with ACA 19-5-1007

Analysis of Budget Request

Appropriation: 269 - Military Call-up and Court Martial

Funding Sources: HMD - State Military Department

This appropriation provides for emergency Military Call-Up and Military Court Martial expenses. Funding for this program is provided by transfers from the Budget Stabilization Trust Fund.

The Agency Change Level Request is for \$20,000 in Emergency Call-Up for each year of the biennium to utilize fines collected in accordance with ACA 12-64-609.

The Executive Recommendation provides for Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 269 - Military Call-up and Court Martial

Funding Sources: HMD - State Military Department

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Emergency Call Up	5900046	275,248	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Court Martial Expenses	5900047	13,967	40,000	40,000	60,000	60,000	60,000	60,000	60,000	60,000
Total		289,215	2,540,000	2,540,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000
Funding Sources										
Budget Stabilization Trust	4000130	289,215	2,540,000		2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000
Total Funding		289,215	2,540,000		2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		289,215	2,540,000		2,560,000	2,560,000	2,560,000	2,560,000	2,560,000	2,560,000

Analysis of Budget Request

Appropriation: 270 - Federal Training Site

Funding Sources: FMF - State Military Federal

This appropriation provides Regular Salaries, Overtime, and Personal Services Matching costs for state positions funded 100% with federal funds to support operations of the Camp Robinson Federal Training Site.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level requests include Regular Salaries and Personal Services Matching appropriation of \$2,169,436 in FY18 and \$2,168,569 in FY19 and reflect the restoration of 90 positions as well as a reduction of 30 currently budgeted positions to allow flexibility of mission ready needs. This represents a net increase of 60 positions.

The Executive Recommendation provides for Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 270 - Federal Training Site

Funding Sources: FMF - State Military Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	6,440,639	7,818,148	11,637,710	9,329,550	9,329,550	9,329,550	9,333,688	9,333,688	9,333,688
#Positions		226	255	334	315	315	315	315	315	315
Extra Help	5010001	517,274	1,320,787	1,320,787	1,320,787	1,320,787	1,320,787	1,320,787	1,320,787	1,320,787
#Extra Help		49	84	84	84	84	84	84	84	84
Personal Services Matching	5010003	2,929,855	3,378,717	4,897,625	4,084,734	4,084,734	4,084,734	4,085,748	4,085,748	4,085,748
Overtime	5010006	46,471	648,000	648,000	648,000	648,000	648,000	648,000	648,000	648,000
Operating Expenses	5020002	3,141	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Conference & Travel Expenses	5050009	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		9,937,380	13,365,652	18,704,122	15,583,071	15,583,071	15,583,071	15,588,223	15,588,223	15,588,223
Funding Sources										
Federal Revenue	4000020	9,937,380	13,365,652		15,583,071	15,583,071	15,583,071	15,588,223	15,588,223	15,588,223
Total Funding		9,937,380	13,365,652		15,583,071	15,583,071	15,583,071	15,588,223	15,588,223	15,588,223
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		9,937,380	13,365,652		15,583,071	15,583,071	15,583,071	15,588,223	15,588,223	15,588,223

Analysis of Budget Request

Appropriation: 275 - Federal Training Site Grant

Funding Sources: FMF - State Military Federal

The State Military Department's appropriation for operational costs of the Camp Robinson Federal Training Site Grant Program is 100% federally funded.

The Agency's Change Level request totals \$3,000,000 in Capital Outlay for each year of the biennium for the replacement needs and/or purchase of equipment essential to the maintenance and operations of Camp Robinson.

The Executive Recommendation provides for Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 275 - Federal Training Site Grant

Funding Sources: FMF - State Military Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	17,646,193	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999
Conference & Travel Expenses	5050009	37,498	362,945	362,945	362,945	362,945	362,945	362,945	362,945	362,945
Professional Fees	5060010	1,837,098	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,039,856	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total		20,560,645	43,028,044	43,028,044	43,028,044	43,028,044	43,028,044	43,028,044	43,028,044	43,028,044
Funding Sources										
Federal Revenue	4000020	20,560,645	43,028,044		43,028,044	43,028,044	43,028,044	43,028,044	43,028,044	43,028,044
Total Funding		20,560,645	43,028,044		43,028,044	43,028,044	43,028,044	43,028,044	43,028,044	43,028,044
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		20,560,645	43,028,044		43,028,044	43,028,044	43,028,044	43,028,044	43,028,044	43,028,044

Analysis of Budget Request

Appropriation: 34Y - Military Family Relief Trust

Funding Sources: TFM - Military Family Relief Trust

This appropriation is for direct financial assistance for families of deployed soldiers. Funding comes from taxpayer donations.

The Agency's Change Level request is for additional appropriation of \$40,183 in Operating Expenses each year of the biennium to provide additional financial assistance to soldiers.

The Executive Recommendation provides for Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 34Y - Military Family Relief Trust

Funding Sources: TFM - Military Family Relief Trust

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	3,526	149,453	149,453	189,636	189,636	189,636	189,636	189,636	189,636
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		3,526	149,453	149,453	189,636	189,636	189,636	189,636	189,636	189,636
Funding Sources										
Fund Balance	4000005	175,598	189,637		140,184	140,184	140,184	50,548	50,548	50,548
Income Tax Donations	4000283	17,565	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding		193,163	289,637		240,184	240,184	240,184	150,548	150,548	150,548
Excess Appropriation/(Funding)		(189,637)	(140,184)		(50,548)	(50,548)	(50,548)	39,088	39,088	39,088
Grand Total		3,526	149,453		189,636	189,636	189,636	189,636	189,636	189,636

Analysis of Budget Request

Appropriation: 393 - Cash Operations

Funding Sources: NMD - Military Oprs Cash in Treasury

This appropriation is for operating expenses of the State Military Department and funded from Cash in Treasury Funds that are derived from rentals and fees for usage of the facilities at Camp Robinson and the commercial harvesting of timber.

The Agency's Change Level request is for appropriation of \$213,533 in each year of the biennium and reflects the following:

- Operating Expenses reduced by \$12,110 each year to offset needs in other commitment items;
- Conference and Travel Expenses of \$2,000 each year to match current cash in treasury;
- Professional Fees of \$24,027 each year to match current cash in treasury; and
- Capital Outlay of \$199,616 each year for replacement and/or purchase of equipment essential to the maintenance and operations of Camp Robinson to match current cash in treasury.

The Executive Recommendation provides for Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 393 - Cash Operations

Funding Sources: NMD - Military Oprs Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	60,100	1,515,874	1,502,690	1,490,580	1,490,580	1,490,580	1,490,580	1,490,580	1,490,580
Conference & Travel Expenses	5050009	2,761	5,500	5,500	7,500	7,500	7,500	7,500	7,500	7,500
Professional Fees	5060010	29,861	66,546	5,500	29,527	29,527	29,527	29,527	29,527	29,527
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	160,285	368,549	200,000	199,616	199,616	199,616	199,616	199,616	199,616
Total		253,007	1,956,469	1,713,690	1,727,223	1,727,223	1,727,223	1,727,223	1,727,223	1,727,223

Funding Sources										
Fund Balance	4000005	1,873,324	1,787,462		9,908	9,908	9,908	0	0	0
Cash Fund	4000045	167,145	178,915		273,403	273,403	273,403	273,403	273,403	273,403
Total Funding		2,040,469	1,966,377		283,311	283,311	283,311	273,403	273,403	273,403
Excess Appropriation/(Funding)		(1,787,462)	(9,908)		1,443,912	1,443,912	1,443,912	1,453,820	1,453,820	1,453,820
Grand Total		253,007	1,956,469		1,727,223	1,727,223	1,727,223	1,727,223	1,727,223	1,727,223

Expenditure of appropriation is contingent upon available funding.

Budget exceeds Authorized Appropriation in Operating Expenses, Professional Fees, and Capital Outlay due to a transfer from the Cash Fund Holding Account.

Analysis of Budget Request

Appropriation: 443 - Counter Drug Asset Forfeiture

Funding Sources: NMD - Counter Drug Cash in Treasury

The Counter Drug Asset Forfeiture Program employs funds held in the Department's cash fund in State Treasury account. The Department assists in federal counter drug operations and receives a portion of the proceeds derived from the sale of seized assets. These funds must be used for law enforcement operations and training in accordance with the U.S. Department of Justice's Code.

The Agency's Change Level request is for a total reduction in appropriation for Counter Drug Asset Forfeiture of \$9,126 each year of the biennium to match current cash in treasury.

The Executive Recommendation provides for Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 443 - Counter Drug Asset Forfeiture

Funding Sources: NMD - Counter Drug Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Counterdrug Asset Forfeiture	5900046	8,709	64,847	64,847	55,721	55,721	55,721	55,721	55,721	55,721
Total		8,709	64,847	64,847	55,721	55,721	55,721	55,721	55,721	55,721

Funding Sources									
Fund Balance	4000005	62,446	55,721		0	0	0	0	0
Cash Fund	4000045	1,984	9,126		0	0	0	0	0
Total Funding		64,430	64,847		0	0	0	0	0
Excess Appropriation/(Funding)		(55,721)	0		55,721	55,721	55,721	55,721	55,721
Grand Total		8,709	64,847		55,721	55,721	55,721	55,721	55,721

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 455 - Military Support Revolving

Funding Sources: MSR - Military Support Revolving Fund

This appropriation is used for non-emergency Military Call-Up to support military training activities. Funding for the Military Support Revolving Fund, established by A.C.A. § 19-5-1095, consists of fund transfers and deposits from federal agencies.

The Agency is requesting Base Level each year of the biennium.

The Executive Recommendation provides for Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 455 - Military Support Revolving

Funding Sources: MSR - Military Support Revolving Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Non-Emergency Call-Up Expenses 5900046	194,047	334,020	553,423	334,020	334,020	334,020	334,020	334,020	334,020
Total	194,047	334,020	553,423	334,020	334,020	334,020	334,020	334,020	334,020

Funding Sources									
Fund Balance 4000005	528,067	334,020		0	0	0	0	0	0
Military Support Revolving 4000342	0	0		334,020	334,020	334,020	334,020	334,020	334,020
Total Funding	528,067	334,020		334,020	334,020	334,020	334,020	334,020	334,020
Excess Appropriation/(Funding)	(334,020)	0		0	0	0	0	0	0
Grand Total	194,047	334,020		334,020	334,020	334,020	334,020	334,020	334,020

Analysis of Budget Request

Appropriation: 575 - Fort Chaffee Training Site

Funding Sources: FMF - State Military Federal

This appropriation is 100% federally funded for personnel and operational costs of the Fort Chaffee Training Site.

The Agency's Change Level request is for \$2,000,000 in Capital Outlay each year of the biennium to purchase tractors, brush trucks and other equipment to maintain roads and training ranges.

The Executive Recommendation provides for Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 575 - Fort Chaffee Training Site

Funding Sources: FMF - State Military Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	2,612,424	3,020,135	2,535,599	2,535,078	2,535,078	2,535,078	2,536,116	2,536,116	2,536,116
#Positions		89	101	101	101	101	101	101	101	101
Extra Help	5010001	94,294	302,408	302,408	302,408	302,408	302,408	302,408	302,408	302,408
#Extra Help		11	35	35	35	35	35	35	35	35
Personal Services Matching	5010003	1,208,824	1,364,907	1,165,343	1,183,160	1,183,160	1,183,160	1,183,437	1,183,437	1,183,437
Overtime	5010006	42,905	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000
Operating Expenses	5020002	6,662,429	11,058,500	11,058,500	11,058,500	11,058,500	11,058,500	11,058,500	11,058,500	11,058,500
Conference & Travel Expenses	5050009	6,865	238,160	238,160	238,160	238,160	238,160	238,160	238,160	238,160
Professional Fees	5060010	611,509	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	300,217	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total		11,539,467	20,811,985	20,127,885	20,145,181	20,145,181	20,145,181	20,146,496	20,146,496	20,146,496
Funding Sources										
Federal Revenue	4000020	11,539,467	20,811,985		20,145,181	20,145,181	20,145,181	20,146,496	20,146,496	20,146,496
Total Funding		11,539,467	20,811,985		20,145,181	20,145,181	20,145,181	20,146,496	20,146,496	20,146,496
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		11,539,467	20,811,985		20,145,181	20,145,181	20,145,181	20,146,496	20,146,496	20,146,496

Budget exceeds Authorized Appropriation in Regular Salaries and Personal Services Matching by authority of a Miscellaneous Federal Grant.

Analysis of Budget Request

Appropriation: 576 - National Guard Museum

Funding Sources: HUA - Miscellaneous Agencies Fund

This appropriation receives general revenue from the Miscellaneous Agencies Fund for personal services and operational costs of the Arkansas National Guard Museum.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level request totals \$7,495 in appropriation and new general revenue funding in Operating Expenses each year of the biennium to meet the growing needs of the museum for educational supplies, office supplies, wireless telecommunications, and newspaper clipping service and new exhibit.

The Executive Recommendation provides for Agency Request for appropriation only.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 576 - National Guard Museum

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	39,796	38,082	53,448	38,082	38,082	38,082	38,082	38,082	38,082
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	14,417	13,936	17,312	14,126	14,126	14,126	14,126	14,126	14,126
Operating Expenses	5020002	26,848	24,450	24,450	31,945	31,945	31,945	31,945	31,945	31,945
Conference & Travel Expenses	5050009	0	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Purchase of Flags	5900048	2,486	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total		83,547	81,368	100,110	89,053	89,053	89,053	89,053	89,053	89,053
Funding Sources										
General Revenue	4000010	83,547	81,368		89,053	81,558	81,558	89,053	81,558	81,558
Total Funding		83,547	81,368		89,053	81,558	81,558	89,053	81,558	81,558
Excess Appropriation/(Funding)		0	0		0	7,495	7,495	0	7,495	7,495
Grand Total		83,547	81,368		89,053	89,053	89,053	89,053	89,053	89,053

Analysis of Budget Request

Appropriation: 577 - AR National Guard Youth Challenge Program

Funding Sources: HMD - State Military Department

The Arkansas National Guard Youth Challenge Program provides for the personal services and operational costs to support a residential educational training program for high school dropouts to enable them to receive a General Educational Development (GED) Diploma and assistance for further education or employment. The Program is designed for two (2) cycles per year to accommodate a total of 200 students per year. This appropriation is funded by general revenue and federal reimbursements on a 25/75 split.

The Agency's Change Level request totals \$312,253 in FY18 and \$309,899 in FY19 with new General Revenue of \$78,063 in FY18 and \$77,475 in FY19 and reflects the following:

- Extra Help of \$10,000 each year in order to maintain a required staff to student ratio for the safety of staff and students;
- Operating Expenses of \$277,253 in FY18 and \$274,899 in FY19 for the increased cost of feeding participants; and
- Capital Outlay of \$25,000 each year for the replacement needs and/or purchase of equipment essential to the maintenance and operations of the Youth Challenge Program.

The Executive Recommendation provides for Agency Request for appropriation only.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 577 - AR National Guard Youth Challenge Program

Funding Sources: HMD - State Military Department

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,369,942	1,542,686	1,478,216	1,550,621	1,550,621	1,550,621	1,552,521	1,552,521	1,552,521
#Positions		52	49	49	49	49	49	49	49	49
Extra Help	5010001	9,982	10,000	10,000	20,000	20,000	20,000	20,000	20,000	20,000
#Extra Help		1	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	560,528	608,314	581,457	616,626	616,626	616,626	617,080	617,080	617,080
Overtime	5010006	202	500	500	500	500	500	500	500	500
Operating Expenses	5020002	806,027	1,000,319	700,000	977,253	977,253	977,253	974,899	974,899	974,899
Conference & Travel Expenses	5050009	3,348	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees	5060010	8,529	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	22,392	95,181	125,000	25,000	25,000	25,000	25,000	25,000	25,000
Total		2,780,950	3,267,000	2,905,173	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000

Funding Sources										
General Revenue	4000010	695,250	816,750		897,206	819,143	819,143	900,682	823,207	823,207
Federal Revenue	4000020	2,085,700	2,450,250		2,302,794	2,068,604	2,068,604	2,299,318	2,066,894	2,066,894
Total Funding		2,780,950	3,267,000		3,200,000	2,887,747	2,887,747	3,200,000	2,890,101	2,890,101
Excess Appropriation/(Funding)		0	0		0	312,253	312,253	0	309,899	309,899
Grand Total		2,780,950	3,267,000		3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000

Budget exceeds Authorized Appropriation in Regular Salaries, Personal Services Matching, and Operating Expenses due to a transfer from the Miscellaneous Federal Grant Holding Account.

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
2MF Treasury Cash	19,700	0	65,000	0	65,000	0	65,000	0	65,000	0	65,000	0	65,000	0	65,000	0	65,000	0
463 Minority Health Initiative	1,314,502	6	1,646,596	6	1,642,975	6	2,010,770	6	1,647,770	6	1,647,770	6	2,010,770	6	1,647,770	6	1,647,770	6
815 Minority Health Operations	194,475	3	197,505	3	203,941	3	198,333	3	198,333	3	198,333	3	198,333	3	198,333	3	198,333	3
Total	1,528,677	9	1,909,101	9	1,911,916	9	2,274,103	9	1,911,103	9	1,911,103	9	2,274,103	9	1,911,103	9	1,911,103	9

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	19,328	1.2	23,035	1.2			3,707	0.2	3,707	0.2	3,707	0.2	0	0.0	0	0.0	0	0.0
General Revenue	4000010	194,475	12.5	197,505	10.3			198,333	8.8	198,333	10.5	198,333	10.5	198,333	8.8	198,333	10.5	198,333	10.5
Cash Fund	4000045	23,407	1.5	45,672	2.4			45,672	2.0	45,672	2.4	45,672	2.4	45,672	2.0	45,672	2.4	45,672	2.4
Tobacco Settlement	4000495	1,314,502	84.7	1,646,596	86.1			2,010,770	89.0	1,647,770	86.9	1,647,770	86.9	2,010,770	89.2	1,647,770	87.1	1,647,770	87.1
Total Funds		1,551,712	100.0	1,912,808	100.0			2,258,482	100.0	1,895,482	100.0	1,895,482	100.0	2,254,775	100.0	1,891,775	100.0	1,891,775	100.0
Excess Appropriation/(Funding)		(23,035)		(3,707)				15,621		15,621		15,621		19,328		19,328		19,328	
Grand Total		1,528,677		1,909,101				2,274,103		1,911,103		1,911,103		2,274,103		1,911,103		1,911,103	

Variance in the fund balance is due to unfunded appropriation in (FC 2MF-Treasury Cash). Budget exceeds Authorized due to salary adjustments in (FC 463).

Analysis of Budget Request

Appropriation: 2MF - Treasury Cash

Funding Sources: NMH - Cash in Treasury

This cash fund appropriation allows the Agency to expense any grants, donations, or reimbursements that it may receive on reimbursements for expenses of providing seminars or educational activities.

The Agency is requesting Base Level of \$65,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of this appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2MF - Treasury Cash

Funding Sources: NMH - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Personal Svcs & Oprs Exp	5900046	19,700	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Total		19,700	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Funding Sources										
Fund Balance	4000005	19,328	23,035		3,707	3,707	3,707	0	0	0
Cash Fund	4000045	23,407	45,672		45,672	45,672	45,672	45,672	45,672	45,672
Total Funding		42,735	68,707		49,379	49,379	49,379	45,672	45,672	45,672
Excess Appropriation/(Funding)		(23,035)	(3,707)		15,621	15,621	15,621	19,328	19,328	19,328
Grand Total		19,700	65,000		65,000	65,000	65,000	65,000	65,000	65,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 463 - Minority Health Initiative

Funding Sources: TSE - Targeted State Needs Program Account

The Tobacco Settlement Funded Minority Health Initiative is one of four targeted state needs programs established by Initiated Act 1 of 2000. This Initiative was established and is administered by the Agency to provide screening, monitoring, and treatment of hypertension, stroke, and other disorders disproportionately critical to the State's minorities.

Special Language allows the Agency to transfer from its Operating Expenses and/or Screening, Monitoring, Treating and Outreach appropriation and funds to be used in the acquisition of promotional items.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency is requesting a Change Level Request totaling \$363,000 each year of the biennium. The changes are as follows:

- Increase in Operating Expenses totaling \$108,000 each year to allow the Agency to enter into technical service agreements with third party vendors,
- Increase in Conference and Travel totaling \$5,000 each year to allow the Agency to provide proper training and career development to staff in order to meet the agency mission,
- Increase in Screening/Monitoring/Treating & Outreach totaling \$250,000 each year to allow the Agency to partner with various entities to aggressively seek evidence-based approaches to prevent the onset of diabetes by addressing physical activity and nutrition, mitigate the effects of diabetes by increasing education and medical compliance, and decrease the number of deaths as a direct consequence of diabetes.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 463 - Minority Health Initiative

Funding Sources: TSE - Targeted State Needs Program Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	206,345	209,589	201,206	209,589	209,589	209,589	209,589	209,589	209,589
	#Positions	6	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	76,040	76,665	81,427	77,839	77,839	77,839	77,839	77,839	77,839
Operating Expenses	5020002	289,871	531,788	333,229	639,788	531,788	531,788	639,788	531,788	531,788
Conference & Travel Expenses	5050009	12,411	20,000	20,000	25,000	20,000	20,000	25,000	20,000	20,000
Professional Fees	5060010	199,857	250,000	448,559	250,000	250,000	250,000	250,000	250,000	250,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Promotional Items	5090028	4,622	0	0	0	0	0	0	0	0
Capital Outlay	5120011	26,153	0	0	0	0	0	0	0	0
Screen/Monitor/Treat & Outreach	5900046	499,203	558,554	558,554	808,554	558,554	558,554	808,554	558,554	558,554
Total		1,314,502	1,646,596	1,642,975	2,010,770	1,647,770	1,647,770	2,010,770	1,647,770	1,647,770

Funding Sources									
Tobacco Settlement	4000495	1,314,502	1,646,596		2,010,770	1,647,770	1,647,770	2,010,770	1,647,770
Total Funding		1,314,502	1,646,596		2,010,770	1,647,770	1,647,770	2,010,770	1,647,770
Excess Appropriation/(Funding)		0	0		0	0	0	0	0
Grand Total		1,314,502	1,646,596		2,010,770	1,647,770	1,647,770	2,010,770	1,647,770

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium. Budget exceeds Authorized Appropriation in Operating Expenses by authority of a Budget Classification Transfer.

Analysis of Budget Request

Appropriation: 815 - Minority Health Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The general revenue funded Minority Health Operations appropriation is used to assure equal access of the State's minorities to health care, provide disease education, treatment, screening, and prevention, study health delivery issues, increase awareness, and make agency and legislative recommendations concerning these issues.

Special Language allows the Agency to transfer from its Operating Expenses appropriation and funds to be used in the acquisition of Promotional Items.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency is requesting Base Level of \$198,333 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 815 - Minority Health Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	146,395	147,897	149,149	147,897	147,897	147,897	147,897	147,897	147,897
#Positions		3	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	47,625	47,879	53,063	48,707	48,707	48,707	48,707	48,707	48,707
Operating Expenses	5020002	141	1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,229
Conference & Travel Expenses	5050009	314	500	500	500	500	500	500	500	500
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Promotional Items	5090028	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		194,475	197,505	203,941	198,333	198,333	198,333	198,333	198,333	198,333
Funding Sources										
General Revenue	4000010	194,475	197,505		198,333	198,333	198,333	198,333	198,333	198,333
Total Funding		194,475	197,505		198,333	198,333	198,333	198,333	198,333	198,333
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		194,475	197,505		198,333	198,333	198,333	198,333	198,333	198,333

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
129 Beaver Eradication Program	150,000	0	150,000	0	300,000	0	300,000	0	150,000	0	150,000	0	300,000	0	150,000	0	150,000	0
1AA Dam Inventory	210,453	1	324,729	1	380,268	1	315,036	1	315,036	1	315,036	1	315,036	1	315,036	1	315,036	1
1EE Water, Waste Disposal, Pollution Abatement	8,144,884	5	90,314,747	5	90,314,507	5	90,316,054	5	90,316,054	5	90,316,054	5	90,316,177	5	90,316,177	5	90,316,177	5
262 Natural Resources Commission-Operations	3,483,798	28	3,496,853	27	4,236,058	27	4,306,600	27	3,503,800	27	3,503,800	27	4,308,195	27	3,505,395	27	3,505,395	27
263 Grants and Attorney Services	91,712	0	91,711	0	841,711	0	1,341,711	0	91,711	0	91,711	0	1,341,711	0	91,711	0	91,711	0
2BU Flood Insurance Program	1,163,152	3	3,228,062	3	3,226,971	3	3,223,932	3	3,179,245	2	3,179,245	2	3,224,054	3	3,179,367	2	3,179,367	2
2GE Water/Sewer/Solid Waste-State	89,482	0	84,296	0	750,000	0	750,000	0	84,296	0	84,296	0	750,000	0	84,296	0	84,296	0
2RG Water Quality Implementation	1,801,581	5	1,843,812	5	2,489,315	5	2,590,197	5	1,845,197	5	1,845,197	5	2,590,320	5	1,845,320	5	1,845,320	5
381 Rural Fire Protection Program	100,000	0	100,000	0	1,000,000	0	1,000,000	0	100,000	0	100,000	0	1,000,000	0	100,000	0	100,000	0
383 Conservation District Grants	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
420 Natural Resources Comm-Cash	4,467,144	25	9,344,679	26	9,304,393	27	9,356,767	26	9,263,568	24	9,263,568	24	9,357,626	26	9,264,427	24	9,264,427	24
527 Construction Asst Revolving Loan Fund Program	1,023,744	13	1,198,696	15	1,201,809	15	1,185,790	15	1,100,244	13	1,100,244	13	1,186,035	15	1,100,489	13	1,100,489	13
659 Ouachita River Waterways Projects	0	0	57,675	0	57,675	0	57,675	0	57,675	0	57,675	0	57,675	0	57,675	0	57,675	0
808 Water Research	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0
822 Conservation District Clerks' Insurance	403,200	0	403,200	0	403,200	0	403,200	0	403,200	0	403,200	0	403,200	0	403,200	0	403,200	0
924 Water/Sewer/Solid Waste	2,247,587	0	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000	0
997 NonPoint Source Pollution Control Program	3,296,142	7	6,635,391	8	6,686,713	10	6,637,791	8	6,637,791	8	6,637,791	8	6,637,913	8	6,637,913	8	6,637,913	8
U31 Water Use Program	0	0	26,000	0	0	0	126,000	0	126,000	0	126,000	0	126,000	0	126,000	0	126,000	0
U38 Conservation Technical Assistance	7,282	1	1,269,347	3	0	0	1,219,433	3	1,219,433	3	1,219,433	3	1,219,433	3	1,219,433	3	1,219,433	3
Total	26,972,961	87	124,861,998	93	127,485,420	93	129,422,986	93	124,686,050	88	124,686,050	88	129,426,175	93	124,689,239	88	124,689,239	88

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	46,179,367	69.5	39,469,095	26.7			23,173,186	16.0	23,173,186	16.3	23,173,186	16.3	17,124,419	12.4	17,217,618	12.7	17,217,618	12.7
General Revenue	4000010	6,412,573	9.7	6,440,948	4.4			9,018,804	6.2	6,471,004	4.6	6,471,004	4.6	9,020,522	6.5	6,472,722	4.8	6,472,722	4.8
Federal Revenue	4000020	5,700,773	8.6	12,682,225	8.6			12,707,982	8.8	12,577,749	8.9	12,577,749	8.9	12,708,471	9.2	12,578,238	9.3	12,578,238	9.3
Cash Fund	4000045	5,413,222	8.1	5,048,770	3.4			5,308,000	3.7	5,308,000	3.7	5,308,000	3.7	5,308,000	3.8	5,308,000	3.9	5,308,000	3.9
Trust Fund	4000050	0	0.0	57,675	0.0			57,675	0.0	57,675	0.0	57,675	0.0	57,675	0.0	57,675	0.0	57,675	0.0
Merit Adjustment Fund	4000055	0	0.0	21,724	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Bond Proceeds	4000125	0	0.0	60,314,747	40.7			70,316,054	48.6	70,316,054	49.6	70,316,054	49.6	70,316,177	50.8	70,316,177	51.7	70,316,177	51.7
Inter-agency Fund Transfer	4000316	(18,257,522)	(27.5)	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

Funding Sources		%		%		%		%		%		%		%		%		
Loan Repayment	4000330	20,993,643	31.6	24,000,000	16.2		24,000,000	16.6	24,000,000	16.9	24,000,000	16.9	24,000,000	17.3	24,000,000	17.7	24,000,000	17.7
Total Funds		66,442,056	100.0	148,035,184	100.0		144,581,701	100.0	141,903,668	100.0	141,903,668	100.0	138,535,264	100.0	135,950,430	100.0	135,950,430	100.0
Excess Appropriation/(Funding)		(39,469,095)		(23,173,186)			(15,158,715)		(17,217,618)		(17,217,618)		(9,109,089)		(11,261,191)		(11,261,191)	
Grand Total		26,972,961		124,861,998			129,422,986		124,686,050		124,686,050		129,426,175		124,689,239		124,689,239	

FY17 Budget exceeds Authorized in (2BU) Flood Insurance Program and (420) Natual Resources COMM-Cash due to salary and matching rate adjustments during the 2015-2017 Biennium.

FY17 Budget exceeds Authorized in (U31) Water Use Program and (U38) Conservation Technical Assistance due to a transfer from the Miscellaneous Federal Grant Holding Account.

Variation in fund balance is due to unfunded appropriation in (129) Beaver Eradication Program, (262) Natural Resources Commission-Operations, (263) Grants and Attorney Services, (2GE) Water/Sewer/Solid Waste-State, (2RG) Water Quality Implentation, and (381) Rural Fire Protection Program.

Analysis of Budget Request

Appropriation: 129 - Beaver Eradication Program

Funding Sources: HUA - Miscellaneous Agencies Fund

The "Beaver Eradication Program" created under Act 630 of 1993 and coordinated by the Department of Finance and Administration and county governments is now called the "Conservation District Beaver Control Program," administered by the Arkansas Natural Resources Commission through Arkansas's conservation districts. This program reimburses conservation districts \$10 per beaver for payments they make to certified beaver harvesters. To receive grant funding through this program, conservation districts must submit a district beaver control plan to the Commission, who will allocate the available funding to districts according to their projected harvest, past participation, and other factors to ensure fairness. This program is funded entirely by general revenue.

Base Level is \$150,000 each year of the 2017-2019 Biennium in appropriation and general revenue funding.

The Agency Change Level Request includes appropriation and new general revenue funding of \$150,000 each year of the biennium. This request will enable Arkansas' 75 Conservation Districts to increase the number of beavers removed annually from the state from 15,000 to 30,000.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 129 - Beaver Eradication Program

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	150,000	150,000	300,000	300,000	150,000	150,000	300,000	150,000	150,000
Total	150,000	150,000	300,000	300,000	150,000	150,000	300,000	150,000	150,000

Funding Sources									
General Revenue 4000010	150,000	150,000		300,000	150,000	150,000	300,000	150,000	150,000
Total Funding	150,000	150,000		300,000	150,000	150,000	300,000	150,000	150,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	150,000	150,000		300,000	150,000	150,000	300,000	150,000	150,000

Analysis of Budget Request

Appropriation: 1AA - Dam Inventory

Funding Sources: FSC - Natural Resources Commission Federal

The Natural Resources Commission's Dam Inventory appropriation is used to conduct periodic inspections to determine the number and current condition of dams within the State's jurisdiction. The Commission maintains this information in a database and provides updated records to the Federal Emergency Management Agency. This appropriation is 100% federally funded.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$305,036 each year of the biennium.

The Agency Change Level request is \$10,000 each year of the biennium for Capital Outlay to replace existing equipment for the Dam Inventory Program.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1AA - Dam Inventory

Funding Sources: FSC - Natural Resources Commission Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	55,571	53,796	103,636	53,796	53,796	53,796	53,796	53,796	53,796
#Positions		1	1	1	1	1	1	1	1	1
Extra Help	5010001	6,615	10,000	0	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	18,838	17,720	33,419	18,027	18,027	18,027	18,027	18,027	18,027
Operating Expenses	5020002	47,968	49,216	49,216	49,216	49,216	49,216	49,216	49,216	49,216
Conference & Travel Expenses	5050009	8,736	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Professional Fees	5060010	41,255	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	31,470	76,997	76,997	76,997	76,997	76,997	76,997	76,997	76,997
Capital Outlay	5120011	0	20,000	20,000	10,000	10,000	10,000	10,000	10,000	10,000
Total		210,453	324,729	380,268	315,036	315,036	315,036	315,036	315,036	315,036
Funding Sources										
Federal Revenue	4000020	210,453	324,729		315,036	315,036	315,036	315,036	315,036	315,036
Total Funding		210,453	324,729		315,036	315,036	315,036	315,036	315,036	315,036
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		210,453	324,729		315,036	315,036	315,036	315,036	315,036	315,036

FY17 Budgeted Extra Help exceed Authorized due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 1EE - Water, Waste Disposal, Pollution Abatement

Funding Sources: TPW - Water, Waste Disposal and Pollution Abatement Construction Fund

The Water, Waste Disposal and Pollution Abatement Program provides low interest rate loans to communities for water resources and waste disposal projects. The program is funded from the sale of Water, Waste Disposal and Pollution Abatement General Obligation Bonds, loan repayments and interest income.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$90,316,054 in FY18 and \$90,316,177 in FY19.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1EE - Water, Waste Disposal, Pollution Abatement

Funding Sources: TPW - Water, Waste Disposal and Pollution Abatement Construction Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	237,958	233,440	232,539	233,440	233,440	233,440	233,540	233,540	233,540
	#Positions	5	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	78,072	76,907	77,568	78,214	78,214	78,214	78,237	78,237	78,237
Operating Expenses	5020002	274	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Project Disbursements	5900046	7,828,580	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000
Total		8,144,884	90,314,747	90,314,507	90,316,054	90,316,054	90,316,054	90,316,177	90,316,177	90,316,177

Funding Sources										
Fund Balance	4000005	24,916,122	16,795,118		6,795,118	6,795,118	6,795,118	6,795,118	6,795,118	6,795,118
Bond Proceeds	4000125	0	60,314,747		70,316,054	70,316,054	70,316,054	70,316,177	70,316,177	70,316,177
Inter-agency Fund Transfer	4000316	(18,257,522)	0		0	0	0	0	0	0
Loan Repayment	4000330	18,281,402	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total Funding		24,940,002	97,109,865		97,111,172	97,111,172	97,111,172	97,111,295	97,111,295	97,111,295
Excess Appropriation/(Funding)		(16,795,118)	(6,795,118)		(6,795,118)	(6,795,118)	(6,795,118)	(6,795,118)	(6,795,118)	(6,795,118)
Grand Total		8,144,884	90,314,747		90,316,054	90,316,054	90,316,054	90,316,177	90,316,177	90,316,177

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 262 - Natural Resources Commission-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The State Operations appropriation provides administrative support for the Arkansas Natural Resources Commission and is funded entirely by general revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

Base Level is \$3,503,800 in FY18 and \$3,505,395 in FY19 in appropriation and general revenue funding.

The Agency Change Level Request is \$802,800 each year of appropriation and new general revenue in Grants in Aid for the operating expenses of the state conservation districts.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 262 - Natural Resources Commission-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,516,794	1,533,752	1,518,212	1,532,351	1,532,351	1,532,351	1,533,651	1,533,651	1,533,651
	#Positions	28	27	27	27	27	27	27	27	27
Personal Services Matching	5010003	472,994	475,804	480,549	484,152	484,152	484,152	484,447	484,447	484,447
Operating Expenses	5020002	401,026	400,379	400,379	400,379	400,379	400,379	400,379	400,379	400,379
Conference & Travel Expenses	5050009	10,162	10,165	10,165	10,165	10,165	10,165	10,165	10,165	10,165
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	946,059	939,990	1,689,990	1,742,790	939,990	939,990	1,742,790	939,990	939,990
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Surveys & Investigations	5900046	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900
Water Planning	5900047	130,981	130,981	130,981	130,981	130,981	130,981	130,981	130,981	130,981
Research Project	5900048	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882
Total		3,483,798	3,496,853	4,236,058	4,306,600	3,503,800	3,503,800	4,308,195	3,505,395	3,505,395

Funding Sources										
General Revenue	4000010	3,483,798	3,475,129		4,306,600	3,503,800	3,503,800	4,308,195	3,505,395	3,505,395
Merit Adjustment Fund	4000055	0	21,724		0	0	0	0	0	0
Total Funding		3,483,798	3,496,853		4,306,600	3,503,800	3,503,800	4,308,195	3,505,395	3,505,395
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,483,798	3,496,853		4,306,600	3,503,800	3,503,800	4,308,195	3,505,395	3,505,395

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 263 - Grants and Attorney Services

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Grants and Attorney Services appropriation provides for Arkansas's share of operating grants for three river and watershed compacts (the River Basin Compact, the Arkansas River Compact and the Red River Compact), provides for travel and stipend expenses for commission members, supports conservation projects, and provides for special legal assistance concerning water rights. This program is funded entirely by general revenue.

Base Level is \$91,711 each year of the biennium in appropriation and general revenue funding.

The Agency Change Level reflects an increase in Conservation Projects of \$1,250,000 in appropriation and new general revenue funding each year of the 2017-2019 Biennium to enable the Agency to provide grants to the State's 75 Conservation Districts and support the top three resource concerns: stream bank stabilization, water conservation, and invasive species control projects.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 263 - Grants and Attorney Services

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	42,820	42,820	42,820	42,820	42,820	42,820	42,820	42,820	42,820
Legal Counsel	5900040	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871
Committee/Commission Exp	5900041	10,001	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Conservation Projects	5900046	3,500	3,500	753,500	1,253,500	3,500	3,500	1,253,500	3,500	3,500
Arkansas River Compact	5900047	17,800	17,800	17,800	17,800	17,800	17,800	17,800	17,800	17,800
Red River Compact	5900048	11,720	11,720	11,720	11,720	11,720	11,720	11,720	11,720	11,720
Total		91,712	91,711	841,711	1,341,711	91,711	91,711	1,341,711	91,711	91,711
Funding Sources										
General Revenue	4000010	91,712	91,711		1,341,711	91,711	91,711	1,341,711	91,711	91,711
Total Funding		91,712	91,711		1,341,711	91,711	91,711	1,341,711	91,711	91,711
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		91,712	91,711		1,341,711	91,711	91,711	1,341,711	91,711	91,711

Analysis of Budget Request

Appropriation: 2BU - Flood Insurance Program

Funding Sources: FSC - Natural Resources Commission Federal

The Natural Resources Commission's Flood Insurance Program is funded entirely by federal revenues granted to the Commission by the Federal Emergency Management Agency (FEMA) within the U.S. Department of Homeland Security. The Commission uses this appropriation to provide a community flood insurance assistance program and to provide grant funding to Arkansas Geographic Information Office (GIS) to support the FEMA Flood Map Modernization Program.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$3,198,932 in FY18 and \$3,199,054 in FY19.

The Agency's Change Level request is \$25,000 each year of the biennium for Capital Outlay to replace existing equipment for the Flood Insurance programs.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation, in addition to providing for the Agency Request, reflects the reduction of one (1) Land Resource Specialist (C115) position based on the personnel evaluation.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2BU - Flood Insurance Program

Funding Sources: FSC - Natural Resources Commission Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	127,933	132,208	130,909	132,308	99,999	99,999	132,408	100,099	100,099
#Positions		3	3	3	3	2	2	3	2	2
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	43,547	45,169	45,377	45,939	33,561	33,561	45,961	33,583	33,583
Operating Expenses	5020002	31,658	281,039	281,039	281,039	281,039	281,039	281,039	281,039	281,039
Conference & Travel Expenses	5050009	9,193	32,571	32,571	32,571	32,571	32,571	32,571	32,571	32,571
Professional Fees	5060010	912,065	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	22,070	997,075	997,075	997,075	997,075	997,075	997,075	997,075	997,075
Capital Outlay	5120011	16,686	30,000	30,000	25,000	25,000	25,000	25,000	25,000	25,000
Total		1,163,152	3,228,062	3,226,971	3,223,932	3,179,245	3,179,245	3,224,054	3,179,367	3,179,367
Funding Sources										
Federal Revenue	4000020	1,163,152	3,228,062		3,223,932	3,179,245	3,179,245	3,224,054	3,179,367	3,179,367
Total Funding		1,163,152	3,228,062		3,223,932	3,179,245	3,179,245	3,224,054	3,179,367	3,179,367
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,163,152	3,228,062		3,223,932	3,179,245	3,179,245	3,224,054	3,179,367	3,179,367

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 2GE - Water/Sewer/Solid Waste-State

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Water, Sewer, and Solid Waste - State appropriation provides funding for water, sewer, and solid waste projects that improve or provide basic infrastructure for Arkansas's rural communities. Special language provides for any obligated funds in this account that are not expended by the close of each fiscal year to be transferred to the Commission's Water, Sewer, and Solid Waste Revolving Fund account for later expenditure toward obligated projects. This program is funded entirely by general revenue.

Base Level is \$84,296 each year of the biennium in appropriation and general revenue.

The Agency's Change Level Request includes an increase in Grants and Aid of \$665,704 in appropriation only for each year of the 2017-19 Biennium to restore the Water, Sewer and Solid Waste Grants. This additional appropriation would be used in the event that savings from the Miscellaneous Agencies Fund Account become available.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2GE - Water/Sewer/Solid Waste-State

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	89,482	84,296	750,000	750,000	84,296	84,296	750,000	84,296	84,296
Total		89,482	84,296	750,000	750,000	84,296	84,296	750,000	84,296	84,296

Funding Sources										
General Revenue	4000010	89,482	84,296		84,296	84,296	84,296	84,296	84,296	84,296
Total Funding		89,482	84,296		84,296	84,296	84,296	84,296	84,296	84,296
Excess Appropriation/(Funding)		0	0		665,704	0	0	665,704	0	0
Grand Total		89,482	84,296		750,000	84,296	84,296	750,000	84,296	84,296

Analysis of Budget Request

Appropriation: 2RG - Water Quality Implementation

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Water Quality Plan Implementation Program provides matching for federal funds in the U.S. Environmental Protection Agency (EPA) Section 319 Nonpoint Source Pollution Abatement Program, as well as matching for the EPA Clean Lakes Program and Corps of Engineers projects. This program is funded entirely by general revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$1,845,197 in FY18 and \$1,845,320 in FY19 in appropriation and general revenue.

The Agency's Change Level Request totaling \$745,000 in appropriation and \$345,000 in new general revenue funding includes the following:

- Grants and Aid increase of \$200,000 appropriation only for Water Quality Match Grants.
- Water Quality Technicians increase of \$545,000 each year with \$345,000 in new general revenue funding and \$200,000 in appropriation only to enable the Agency to meet its grant payment obligations and support the ANRC Nutrient Management Program.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2RG - Water Quality Implementation

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	258,478	247,574	247,237	247,574	247,574	247,574	247,674	247,674	247,674
#Positions		5	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	82,619	80,038	80,878	81,423	81,423	81,423	81,446	81,446	81,446
Operating Expenses	5020002	2,364	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Conference & Travel Expenses	5050009	975	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	734,056	762,000	962,000	962,000	762,000	762,000	962,000	762,000	762,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Water Quality Technician	5900046	723,089	750,000	1,195,000	1,295,000	750,000	750,000	1,295,000	750,000	750,000
Total		1,801,581	1,843,812	2,489,315	2,590,197	1,845,197	1,845,197	2,590,320	1,845,320	1,845,320
Funding Sources										
General Revenue	4000010	1,801,581	1,843,812		2,190,197	1,845,197	1,845,197	2,190,320	1,845,320	1,845,320
Total Funding		1,801,581	1,843,812		2,190,197	1,845,197	1,845,197	2,190,320	1,845,320	1,845,320
Excess Appropriation/(Funding)		0	0		400,000	0	0	400,000	0	0
Grand Total		1,801,581	1,843,812		2,590,197	1,845,197	1,845,197	2,590,320	1,845,320	1,845,320

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 381 - Rural Fire Protection Program

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Rural Fire Protection Program provides assistance to rural communities to develop rural water impoundments and to improve firefighting capabilities. The agency disburses the entire allotment to the Arkansas Association of Resource Conservation and Development Council (AARCDC) located in Roland, Arkansas, which is an organization designed to assist rural communities solve problems and develop new opportunities. The AARCDC determines which local fire departments and political subdivisions will be assisted. This program is funded entirely by general revenue.

Base Level is \$100,000 each year of the biennium in appropriation and general revenue funding.

The Agency's Change Level Request includes an increase in Grants and Aid of \$900,000 in appropriation only each year of the 2017-2019 Biennium. The purpose of the request is to restore previously authorized appropriation. This will be used in the event that savings from the Miscellaneous Agencies Fund Account become available.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 381 - Rural Fire Protection Program

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	100,000	100,000	1,000,000	1,000,000	100,000	100,000	1,000,000	100,000	100,000
Total	100,000	100,000	1,000,000	1,000,000	100,000	100,000	1,000,000	100,000	100,000

Funding Sources									
General Revenue 4000010	100,000	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding	100,000	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Excess Appropriation/(Funding)	0	0		900,000	0	0	900,000	0	0
Grand Total	100,000	100,000		1,000,000	100,000	100,000	1,000,000	100,000	100,000

Analysis of Budget Request

Appropriation: 383 - Conservation District Grants

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Conservation District Program provides grants to conservation districts throughout the State for the purpose of enhancing the capability of conservation districts to carry out conservation within their respective district. Projects eligible for grant funds must carry out resource enhancement, restoration or protection and must be new or in addition to those projects in which a district is currently involved. Projects intended to replace existing programs are not eligible for grant funding. The maximum total grant per district is \$25,000 per year, and grant funds must be matched by local cash funds on a ratio of \$1 local to \$2 grant. This grant program is funded entirely from general revenue.

The Agency Request provides for Base Level of \$250,000 each year of the biennium in appropriation and general revenue funding.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 383 - Conservation District Grants

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000

Funding Sources									
General Revenue 4000010	250,000	250,000		250,000	250,000	250,000	250,000	250,000	250,000
Total Funding	250,000	250,000		250,000	250,000	250,000	250,000	250,000	250,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	250,000	250,000		250,000	250,000	250,000	250,000	250,000	250,000

Analysis of Budget Request

Appropriation: 420 - Natural Resources Comm-Cash

Funding Sources: NSW - Cash in Treasury

The Natural Resources Commission - Cash appropriation provides for the Safe Drinking Water Program and the Water Grants Program. These programs provide administration for safe drinking water projects that are funded through activities of the Arkansas Development Finance Authority. As authorized in Arkansas Code §15-22-1102, funds are transferred from Arkansas Development Finance Authority to the Natural Resources Commission Cash Account for maintenance and support of this program. Additional funding primarily consists of fees, principal and interest payments on previous loans and interest income earned on investments.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$9,251,767 in FY18 and \$9,252,626 in FY19.

The Agency's Change Level Request totals \$105,000 each year of the biennium and includes the following:

- Conference and Travel increase of \$5,000 each year for conference and seminar fees.
- Reallocation of \$105,000 each year from Training/Contract Services to Grants and Aid to streamline grant process.
- Capital Outlay increase of \$100,000 each year. This request will enable the agency to purchase equipment for the Wetland Mitigation Program.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation, in addition to providing for the Agency Request except Conference & Travel Expenses, reflects the reduction of one (1) Grants Analyst (C117) and one (1) Administrative Specialist (C109) position based on the personnel evaluation.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 420 - Natural Resources Comm-Cash

Funding Sources: NSW - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,068,799	1,152,786	1,114,300	1,153,211	1,089,549	1,089,549	1,153,911	1,090,249	1,090,249
#Positions		25	26	27	26	24	24	26	24	24
Extra Help	5010001	12,392	30,800	30,800	30,800	30,800	30,800	30,800	30,800	30,800
#Extra Help		3	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	374,370	388,743	386,943	395,406	370,869	370,869	395,565	371,028	371,028
Operating Expenses	5020002	371,908	533,331	533,331	533,331	533,331	533,331	533,331	533,331	533,331
Conference & Travel Expenses	5050009	12,968	27,000	27,000	32,000	27,000	27,000	32,000	27,000	27,000
Professional Fees	5060010	243,700	910,002	910,002	910,002	910,002	910,002	910,002	910,002	910,002
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	2,274,737	6,097,017	6,097,017	6,202,017	6,202,017	6,202,017	6,202,017	6,202,017	6,202,017
Capital Outlay	5120011	3,270	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Training/Contract Services	5900043	105,000	105,000	105,000	0	0	0	0	0	0
Total		4,467,144	9,344,679	9,304,393	9,356,767	9,263,568	9,263,568	9,357,626	9,264,427	9,264,427

Funding Sources										
Fund Balance	4000005	13,150,521	14,096,599		9,800,690	9,800,690	9,800,690	5,751,923	5,845,122	5,845,122
Cash Fund	4000045	5,413,222	5,048,770		5,308,000	5,308,000	5,308,000	5,308,000	5,308,000	5,308,000
Total Funding		18,563,743	19,145,369		15,108,690	15,108,690	15,108,690	11,059,923	11,153,122	11,153,122
Excess Appropriation/(Funding)		(14,096,599)	(9,800,690)		(5,751,923)	(5,845,122)	(5,845,122)	(1,702,297)	(1,888,695)	(1,888,695)
Grand Total		4,467,144	9,344,679		9,356,767	9,263,568	9,263,568	9,357,626	9,264,427	9,264,427

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 527 - Construction Asst Revolving Loan Fund Program

Funding Sources: FSC - Natural Resources Commission Federal

The Construction Assistance Revolving Loan Fund Program monitors and approves the progress of projects employing low interest loans from the Natural Resources Commission that are used to provide clean water by reducing or eliminating elements of water borne pollution. Funding for this appropriation is 100% federal.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for of \$1,185,790 in FY18 and \$1,186,035 in FY19.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation, in addition to providing for the Agency Request, reflects the reduction of one (1) Grants Analyst (C117) and one (1) Purchasing Specialist (C115) position based on the personnel evaluation.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 527 - Construction Asst Revolving Loan Fund Program

Funding Sources: FSC - Natural Resources Commission Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	694,555	749,057	749,336	735,120	673,620	673,620	735,320	673,820	673,820
#Positions		13	15	15	15	13	13	15	13	13
Personal Services Matching	5010003	227,820	241,516	244,350	242,547	218,501	218,501	242,592	218,546	218,546
Operating Expenses	5020002	97,198	182,404	182,404	182,404	182,404	182,404	182,404	182,404	182,404
Conference & Travel Expenses	5050009	4,171	12,219	12,219	12,219	12,219	12,219	12,219	12,219	12,219
Professional Fees	5060010	0	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,023,744	1,198,696	1,201,809	1,185,790	1,100,244	1,100,244	1,186,035	1,100,489	1,100,489
Funding Sources										
Federal Revenue	4000020	1,023,744	1,198,696		1,185,790	1,100,244	1,100,244	1,186,035	1,100,489	1,100,489
Total Funding		1,023,744	1,198,696		1,185,790	1,100,244	1,100,244	1,186,035	1,100,489	1,100,489
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,023,744	1,198,696		1,185,790	1,100,244	1,100,244	1,186,035	1,100,489	1,100,489

Analysis of Budget Request

Appropriation: 659 - Ouachita River Waterways Projects

Funding Sources: TWO - Ouachita River Waterways Project Trust Fund

The Natural Resources Commission's Ouachita River Waterways Projects Program provides grant funding to the Ouachita River Park Commission to support the development of recreational facilities, parks, and services along the banks of the Ouachita River across South Arkansas. This appropriation is funded from the Ouachita River Waterways Project Trust Fund (A.C.A. 19-5-1109).

The Agency Request is for Base Level of \$57,675 in each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 659 - Ouachita River Waterways Projects

Funding Sources: TWO - Ouachita River Waterways Project Trust Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	0	57,675	57,675	57,675	57,675	57,675	57,675	57,675	57,675
Total		0	57,675	57,675	57,675	57,675	57,675	57,675	57,675	57,675

Funding Sources										
Trust Fund	4000050	0	57,675		57,675	57,675	57,675	57,675	57,675	57,675
Total Funding		0	57,675		57,675	57,675	57,675	57,675	57,675	57,675
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	57,675		57,675	57,675	57,675	57,675	57,675	57,675

Analysis of Budget Request

Appropriation: 808 - Water Research

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's appropriation for Water Research is used to provide grant funding to the U.S. Geological Survey to enable research using data collected and compiled in the Commission's water management and water quality programs. The appropriation is funded entirely by general revenue.

The Agency Request is for Base Level of \$42,800 in each year of the biennium in appropriation and general revenue funding.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 808 - Water Research

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	42,800	42,800	42,800	42,800	42,800	42,800	42,800	42,800	42,800
Total		42,800	42,800	42,800	42,800	42,800	42,800	42,800	42,800	42,800

Funding Sources										
General Revenue	4000010	42,800	42,800		42,800	42,800	42,800	42,800	42,800	42,800
Total Funding		42,800	42,800		42,800	42,800	42,800	42,800	42,800	42,800
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		42,800	42,800		42,800	42,800	42,800	42,800	42,800	42,800

Analysis of Budget Request

Appropriation: 822 - Conservation District Clerks' Insurance

Funding Sources: HUA - Miscellaneous Agencies Fund

Conservation district clerks are authorized by Arkansas Code Annotated §14-125-312 to take part in the State Employees Group Insurance Plan. This appropriation provides the State's matching portion of health insurance premiums and is funded entirely by general revenue.

Base Level Request includes Personal Services Matching appropriation of \$403,200 each year of the 2017-2019 Biennium. This includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month for the current budgeted level of 80 eligible district clerks.

The Agency Request is for Base Level of \$403,200 each year of the biennium in appropriation and general revenue funding.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 822 - Conservation District Clerks' Insurance

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Personal Services Matching 5010003	403,200	403,200	403,200	403,200	403,200	403,200	403,200	403,200	403,200
Total	403,200	403,200	403,200	403,200	403,200	403,200	403,200	403,200	403,200

Funding Sources									
General Revenue 4000010	403,200	403,200		403,200	403,200	403,200	403,200	403,200	403,200
Total Funding	403,200	403,200		403,200	403,200	403,200	403,200	403,200	403,200
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	403,200	403,200		403,200	403,200	403,200	403,200	403,200	403,200

Analysis of Budget Request

Appropriation: 924 - Water/Sewer/Solid Waste

Funding Sources: MAC - Water, Sewer, and Solid Waste Revolving Fund

The Water, Sewer, and Solid Waste-Revolving appropriation is used to provide grants, low interest loans and deferred loans to eligible entities to use for water, sewer, or solid waste management (§14-230-105). Eligible entities include cities, towns, counties, regional water districts, special improvement districts, public facilities boards, rural development authorities, rural waterworks facilities boards, other public entities and nonprofit corporations which provide water, sewer, or solid waste services to one or more cities, towns, or counties. The Maximum assistance is 50% of the total project cost. Funding for this appropriation consists of loan principal and interest repayments that are deposited into the Water, Sewer and Solid Waste Revolving Fund (§19-5-310).

The Agency Request is for Base Level of \$6,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 924 - Water/Sewer/Solid Waste

Funding Sources: MAC - Water, Sewer, and Solid Waste Revolving Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	2,247,587	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Total		2,247,587	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000

Funding Sources										
Fund Balance	4000005	8,112,724	8,577,378		6,577,378	6,577,378	6,577,378	4,577,378	4,577,378	4,577,378
Loan Repayment	4000330	2,712,241	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total Funding		10,824,965	12,577,378		10,577,378	10,577,378	10,577,378	8,577,378	8,577,378	8,577,378
Excess Appropriation/(Funding)		(8,577,378)	(6,577,378)		(4,577,378)	(4,577,378)	(4,577,378)	(2,577,378)	(2,577,378)	(2,577,378)
Grand Total		2,247,587	6,000,000		6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000

Analysis of Budget Request

Appropriation: 997 - NonPoint Source Pollution Control Program

Funding Sources: FSC - Natural Resources Commission Federal

This program reflects the federal side of the Natural Resources Commission's role in conducting the U.S. Environmental Protection Agency (EPA) Section 319 grant program to fund nonpoint source pollution management strategies. This appropriation is funded from federal funding from the EPA (the state match portion of this program is expensed in the Water Quality Plan Implementation Appropriation). The Arkansas Natural Resources Commission administers this program with an emphasis on funding best management practices in priority watersheds.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$6,587,791 in FY18 and \$6,587,913 in FY19.

The Agency's Change Level Request totaling \$50,000 of Capital Outlay each year of the 2017-19 Biennium is to replace existing field equipment for Water Quality Projects.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 997 - NonPoint Source Pollution Control Program

Funding Sources: FSC - Natural Resources Commission Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	305,549	353,293	389,896	353,543	353,543	353,543	353,643	353,643	353,643
#Positions		7	8	10	8	8	8	8	8	8
Extra Help	5010001	3,418	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
#Extra Help		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	118,552	120,488	135,207	122,638	122,638	122,638	122,660	122,660	122,660
Operating Expenses	5020002	169,369	294,334	294,334	294,334	294,334	294,334	294,334	294,334	294,334
Conference & Travel Expenses	5050009	4,428	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Professional Fees	5060010	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	2,691,582	5,642,276	5,642,276	5,642,276	5,642,276	5,642,276	5,642,276	5,642,276	5,642,276
Capital Outlay	5120011	3,244	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		3,296,142	6,635,391	6,686,713	6,637,791	6,637,791	6,637,791	6,637,913	6,637,913	6,637,913
Funding Sources										
Federal Revenue	4000020	3,296,142	6,635,391		6,637,791	6,637,791	6,637,791	6,637,913	6,637,913	6,637,913
Total Funding		3,296,142	6,635,391		6,637,791	6,637,791	6,637,791	6,637,913	6,637,913	6,637,913
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,296,142	6,635,391		6,637,791	6,637,791	6,637,791	6,637,913	6,637,913	6,637,913

Analysis of Budget Request

Appropriation: U31 - Water Use Program

Funding Sources: FSC - Natural Resources Commission Federal

The ANRC recently completed an update of the Arkansas Water Plan. One of priority needs identified in this update was the need for reliable water use data. Acquiring this data means the expansion of the network of stream gages, monitoring wells, water quality monitoring sites and improved information of water use.

The Agency's Change Level request totals \$126,000 each year and includes the following:

- Professional Fees of \$100,000 for an additional USGS grant awarded to the ANRC. This grant will enable the Agency to contract with a service provider to install flow meters on irrigation wells in various statewide countries.
- Restoration of \$26,000 each year that was approved as a Miscellaneous Federal Grant through the PEER subcommittee and Legislative Council in FY16 and FY17. This appropriation is broken down as follows:
 - \$13,023 each year in Regular Salaries.
 - \$3,992 each year in Personal Services Matching.
 - \$8,985 each year in Operating Expenses.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: U31 - Water Use Program

Funding Sources: FSC - Natural Resources Commission Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	0	13,023	0	13,023	13,023	13,023	13,023	13,023	13,023
#Positions		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	0	3,992	0	3,992	3,992	3,992	3,992	3,992	3,992
Operating Expenses	5020002	0	8,985	0	8,985	8,985	8,985	8,985	8,985	8,985
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	26,000	0	126,000	126,000	126,000	126,000	126,000	126,000
Funding Sources										
Federal Revenue	4000020	0	26,000		126,000	126,000	126,000	126,000	126,000	126,000
Total Funding		0	26,000		126,000	126,000	126,000	126,000	126,000	126,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	26,000		126,000	126,000	126,000	126,000	126,000	126,000

FY17 Budget exceeds Authorized due to a transfer from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: U38 - Conservation Technical Assistance

Funding Sources: FSC - Natural Resources Commission Federal

The functions of the Conservation Division include oversight of the 75 Conservation Districts including fiscal management and program planning; registration of surface water and groundwater usage; administration of a tax credit program, creation of surface water storage, reduction of ground water use; and administrative support of the Board of Registration for Soil Classifiers. This division also performs geographic information system analyses and data acquisition. The Nutrient Management Program was implemented to oversee the Poultry Feeding Operations Registration Program and the certification of Nutrient Planners and Applicators.

The Agency's Change Level Request is for the Restoration of \$1,219,433 each year that was approved as a Miscellaneous Federal Grant through the PEER subcommittee and Legislative Council in FY16 and FY17 and includes the following:

- Regular Salaries and Personal Services Matching of \$152,550 each year to restore three (3) positions.
- Operating Expenses of \$120,246 each year.
- Grants and Aid of \$906,637 each year.
- Capital Outlay of \$40,000 each year.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: U38 - Conservation Technical Assistance
Funding Sources: FSC - Natural Resources Commission Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	2,513	153,372	0	111,996	111,996	111,996	111,996	111,996	111,996
#Positions		1	3	0	3	3	3	3	3	3
Personal Services Matching	5010003	556	49,092	0	40,554	40,554	40,554	40,554	40,554	40,554
Operating Expenses	5020002	432	120,246	0	120,246	120,246	120,246	120,246	120,246	120,246
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	3,781	906,637	0	906,637	906,637	906,637	906,637	906,637	906,637
Capital Outlay	5120011	0	40,000	0	40,000	40,000	40,000	40,000	40,000	40,000
Total		7,282	1,269,347	0	1,219,433	1,219,433	1,219,433	1,219,433	1,219,433	1,219,433
Funding Sources										
Federal Revenue	4000020	7,282	1,269,347		1,219,433	1,219,433	1,219,433	1,219,433	1,219,433	1,219,433
Total Funding		7,282	1,269,347		1,219,433	1,219,433	1,219,433	1,219,433	1,219,433	1,219,433
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		7,282	1,269,347		1,219,433	1,219,433	1,219,433	1,219,433	1,219,433	1,219,433

FY17 Budget exceeds Authorized due to a transfer from the Miscellaneous Federal Grant Holding Account.

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
204 Oil & Gas Commission-Operations	4,387,946	43	5,268,732	44	5,249,119	44	5,132,065	44	5,132,065	44	5,132,065	44	5,134,396	44	5,134,396	44	5,134,396	44
2XV Well Plugging Program	626,671	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0
A20 Refunds/Reimbursements	232,000	0	200,000	0	500,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
Total	5,246,617	43	7,968,732	44	8,249,119	44	7,832,065	44	7,832,065	44	7,832,065	44	7,834,396	44	7,834,396	44	7,834,396	44

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	46,143,525	90.2	45,999,502	90.8			42,680,770	90.2	42,680,770	90.2	42,680,770	90.2	39,498,705	89.5	39,498,705	89.5	39,498,705	89.5
Special Revenue 4000030	4,994,241	9.8	4,150,000	8.2			4,150,000	8.8	4,150,000	8.8	4,150,000	8.8	4,150,000	9.4	4,150,000	9.4	4,150,000	9.4
Cash Fund 4000045	0	0.0	500,000	1.0			500,000	1.1	500,000	1.1	500,000	1.1	500,000	1.1	500,000	1.1	500,000	1.1
Transfer from Special Revenue 4000565	0	0.0	2,000,000	3.9			2,000,000	4.2	2,000,000	4.2	2,000,000	4.2	2,000,000	4.5	2,000,000	4.5	2,000,000	4.5
Transfers / Adjustments 4000683	(1,647)	0.0	(2,000,000)	(3.9)			(2,000,000)	(4.2)	(2,000,000)	(4.2)	(2,000,000)	(4.2)	(2,000,000)	(4.5)	(2,000,000)	(4.5)	(2,000,000)	(4.5)
Total Funds	51,136,119	100.0	50,649,502	100.0			47,330,770	100.0	47,330,770	100.0	47,330,770	100.0	44,148,705	100.0	44,148,705	100.0	44,148,705	100.0
Excess Appropriation/(Funding)	(45,889,502)		(42,680,770)				(39,498,705)		(39,498,705)		(39,498,705)		(36,314,309)		(36,314,309)		(36,314,309)	
Grand Total	5,246,617		7,968,732				7,832,065		7,832,065		7,832,065		7,834,396		7,834,396		7,834,396	

Analysis of Budget Request

Appropriation: 204 - Oil & Gas Commission-Operations

Funding Sources: SDO - Oil and Gas Commission Fund

The Oil & Gas Commission's operating appropriation is funded by special revenues, as authorized in A.C.A §19-6-410.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Commission is requesting Base Level appropriation of \$5,132,065 in FY18 and \$5,134,396 in FY19.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 204 - Oil & Gas Commission-Operations

Funding Sources: SDO - Oil and Gas Commission Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	2,090,028	2,095,177	2,073,664	2,096,477	2,096,477	2,096,477	2,098,377	2,098,377	2,098,377
#Positions		43	44	44	44	44	44	44	44	44
Extra Help	5010001	49,905	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
#Extra Help		8	10	10	10	10	10	10	10	10
Personal Services Matching	5010003	694,881	692,041	693,941	704,074	704,074	704,074	704,505	704,505	704,505
Operating Expenses	5020002	554,238	987,797	987,797	987,797	987,797	987,797	987,797	987,797	987,797
Conference & Travel Expenses	5050009	23,822	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Professional Fees	5060010	6,142	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000
Construction	5090005	67,992	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Refunds/Reimbursements	5110014	6,500	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capital Outlay	5120011	159,624	150,000	150,000	0	0	0	0	0	0
Data Processing Services	5900044	225,251	348,217	348,217	348,217	348,217	348,217	348,217	348,217	348,217
Interstate Oil Compact	5900046	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Geological Research	5900047	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Underground Injection Control	5900048	6,063	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Groundwater Protection	5900049	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Total		4,387,946	5,268,732	5,249,119	5,132,065	5,132,065	5,132,065	5,134,396	5,134,396	5,134,396

Funding Sources										
Fund Balance	4000005	42,886,947	43,310,482		39,941,750	39,941,750	39,941,750	36,709,685	36,709,685	36,709,685
Special Revenue	4000030	4,701,481	3,900,000		3,900,000	3,900,000	3,900,000	3,900,000	3,900,000	3,900,000
Transfers / Adjustments	4000683	0	(2,000,000)		(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Total Funding		47,588,428	45,210,482		41,841,750	41,841,750	41,841,750	38,609,685	38,609,685	38,609,685
Excess Appropriation/(Funding)		(43,200,482)	(39,941,750)		(36,709,685)	(36,709,685)	(36,709,685)	(33,475,289)	(33,475,289)	(33,475,289)
Grand Total		4,387,946	5,268,732		5,132,065	5,132,065	5,132,065	5,134,396	5,134,396	5,134,396

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 2XV - Well Plugging Program

Funding Sources: SAW - Abandoned and Orphan Well Plugging Fund

This appropriation is funded by special revenue derived from fees, forfeited bonds, proceeds from the sale of hydrocarbons, and grants or gifts from the public. In addition, upon review of the Chief Fiscal Officer of the State and the Legislative Council, special language allows a transfer up to \$750,000 per year from the Oil and Gas Fund to the Abandoned and Orphan Well Plugging Fund. The Oil & Gas Commission's Abandoned and Orphan Well Plugging Fund was established by Acts 1265 and 1267 of 2005 (A.C.A. §15-71-115). The fund is utilized for well plugging program expenses. The Commission specifically utilizes the funds to plug abandoned and orphaned wells by means of contracts, grants to landowners, or for the payment of other plugging costs or corrective work.

The Commission is requesting Base Level of \$2,500,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2XV - Well Plugging Program

Funding Sources: SAW - Abandoned and Orphan Well Plugging Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Well Plugging Expenses	5900046	626,671	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total		626,671	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Funding Sources										
Fund Balance	4000005	2,815,038	2,481,127		2,231,127	2,231,127	2,231,127	1,981,127	1,981,127	1,981,127
Special Revenue	4000030	292,760	250,000		250,000	250,000	250,000	250,000	250,000	250,000
Transfer from Special Revenue	4000565	0	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Funding		3,107,798	4,731,127		4,481,127	4,481,127	4,481,127	4,231,127	4,231,127	4,231,127
Excess Appropriation/(Funding)		(2,481,127)	(2,231,127)		(1,981,127)	(1,981,127)	(1,981,127)	(1,731,127)	(1,731,127)	(1,731,127)
Grand Total		626,671	2,500,000		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000

Analysis of Budget Request

Appropriation: A20 - Refunds/Reimbursements

Funding Sources: 301 - Oil and Gas Commission Cash

The Oil & Gas Commission's cash fund is used for deposit of special revenue fees collected by the Commission and to hold bonds posted by companies engaged in seismographic exploration in the State. This account provides checks with which to make transfers to the State Treasury and eliminates the necessity of sending cash through the mail. The Commission then transfers collected funds to the Oil and Gas Commission Fund to be utilized for Regular Salaries and Operating Expenses.

The Commission is requesting Base Level of \$200,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: A20 - Refunds/Reimbursements

Funding Sources: 301 - Oil and Gas Commission Cash

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements	5110014	232,000	200,000	500,000	200,000	200,000	200,000	200,000	200,000	200,000
Total		232,000	200,000	500,000	200,000	200,000	200,000	200,000	200,000	200,000

Funding Sources										
Fund Balance	4000005	441,540	207,893		507,893	507,893	507,893	807,893	807,893	807,893
Cash Fund	4000045	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Transfers / Adjustments	4000683	(1,647)	0		0	0	0	0	0	0
Total Funding		439,893	707,893		1,007,893	1,007,893	1,007,893	1,307,893	1,307,893	1,307,893
Excess Appropriation/(Funding)		(207,893)	(507,893)		(807,893)	(807,893)	(807,893)	(1,107,893)	(1,107,893)	(1,107,893)
Grand Total		232,000	200,000		200,000	200,000	200,000	200,000	200,000	200,000

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019							
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	
1MH Trails for Life Grants	150,943	0	200,000	0	260,000	0	75,000	0	75,000	0	75,000	0	0	0	0	0	0	0	0
2JJ SCORP Program-Federal	637,062	0	3,271,148	0	3,271,148	0	3,271,148	0	3,271,148	0	3,271,148	0	3,271,148	0	3,271,148	0	3,271,148	0	3,271,148
433 Museum Natural Res-Spec Rev	100,512	3	109,860	3	114,490	3	77,179	3	77,179	3	77,179	3	77,179	3	77,179	3	77,179	3	77,179
499 State Operations	21,850,974	435	21,600,330	430	21,794,605	430	21,738,044	431	21,694,473	430	21,694,473	430	21,757,400	431	21,713,829	430	21,713,829	430	21,713,829
500 Conservation Tax	31,828,102	152	52,171,716	160	52,170,991	160	54,126,392	164	53,976,263	160	53,976,263	160	54,137,805	164	53,987,676	160	53,987,676	160	53,987,676
502 Keep Arkansas Beautiful-ConsTax	594,746	3	686,608	3	694,073	3	752,665	3	752,665	3	752,665	3	717,789	3	717,789	3	717,789	3	717,789
504 Tourism Promotion-Special Rev	13,507,638	8	14,880,113	8	14,875,489	8	16,538,419	9	16,497,093	8	14,847,093	8	16,538,419	9	16,497,093	8	14,847,093	8	14,847,093
54L Wildlife Observation Trails	0	0	1,006,614	0	1,006,614	0	1,006,614	0	1,006,614	0	1,006,614	0	1,006,614	0	1,006,614	0	1,006,614	0	1,006,614
579 Outdoor Recreation Grants Prg	2,706,468	3	7,829,933	4	7,869,651	4	7,835,680	4	7,835,680	4	7,835,680	4	7,835,680	4	7,835,680	4	7,835,680	4	7,835,680
986 Operations & Construction-Cash in Treasury	31,100,518	188	33,792,543	191	34,508,136	191	34,418,202	191	34,418,202	191	34,418,202	191	34,523,901	191	34,523,901	191	34,523,901	191	34,523,901
994 Retirement & Relocation Program	0	0	228,278	0	228,278	0	428,278	0	428,278	0	428,278	0	428,278	0	428,278	0	428,278	0	428,278
995 Tourism - Cash in Treasury	20,193	0	55,010	0	65,200	0	55,010	0	55,010	0	55,010	0	55,010	0	55,010	0	55,010	0	55,010
996 Entertainers Hall of Fame-Treas	124	0	37,460	0	38,420	0	37,460	0	37,460	0	37,460	0	37,460	0	37,460	0	37,460	0	37,460
Total	102,497,280	792	135,869,613	799	136,897,095	799	140,360,091	805	140,125,065	799	138,475,065	799	140,386,683	805	140,151,657	799	138,501,657	799	138,501,657

Funding Sources		%		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	39,326,769	27.3	41,679,578	28.3	11,407,072	9.6	11,407,072	9.6	11,407,072	9.6	4,558,805	4.0	4,603,325	4.0	4,595,760	4.0				
General Revenue	4000010	21,850,974	15.2	21,600,330	14.7	21,738,044	18.3	21,694,473	18.2	21,407,308	18.0	21,757,400	19.0	21,713,829	19.0	21,407,308	18.8				
Federal Revenue	4000020	662,935	0.5	3,324,086	2.3	3,224,086	2.7	3,224,086	2.7	3,224,086	2.7	3,124,086	2.7	3,124,886	2.7	3,124,886	2.7				
Special Revenue	4000030	50,012,589	34.7	50,483,533	34.3	52,116,335	43.8	52,119,529	43.8	52,119,529	43.9	53,907,678	47.1	53,909,382	47.1	53,909,382	47.3				
Cash Fund	4000045	32,320,596	22.4	29,180,044	19.8	29,571,884	24.8	29,571,884	24.8	29,571,884	24.9	30,027,608	26.3	30,027,608	26.3	30,027,608	26.3				
Interest	4000300	2,571	0.0	2,000	0.0	2,000	0.0	2,000	0.0	2,000	0.0	2,000	0.0	2,000	0.0	2,000	0.0				
Interest Income / Royalties	4000307	424	0.0	500	0.0	500	0.0	500	0.0	500	0.0	500	0.0	500	0.0	500	0.0				
Transfers from Agencies	4000690	0	0.0	1,006,614	0.7	1,006,614	0.8	1,006,614	0.8	1,006,614	0.8	1,006,614	0.9	1,006,614	0.9	1,006,614	0.9				
Total Funds		144,176,858	100.0	147,276,685	100.0	119,066,535	100.0	119,026,158	100.0	118,738,993	100.0	114,384,691	100.0	114,388,144	100.0	114,074,058	100.0				
Excess Appropriation/(Funding)		(41,679,578)		(11,407,072)		21,293,556		21,098,907		19,736,072		26,001,992		25,763,513		24,427,599					
Grand Total		102,497,280		135,869,613		140,360,091		140,125,065		138,475,065		140,386,683		140,151,657		138,501,657					

Variance in Fund Balance due to unfunded appropriation in Fund Centers 500, 502, 504, 579, and 986.

FY17 Budget amounts in FC 500 and FC 504 exceed the Authorized amount due to salary and matching rate adjustments during the 2015 - 2017 Biennium.

Analysis of Budget Request

Appropriation: 1MH - Trails for Life Grants

Funding Sources: NPT - Parks Treasure Fund

The appropriation is funded by proceeds derived from the Health Department - Tobacco Settlement Proceeds Act for grants to cities and counties for the purpose of constructing health and fitness trails and other related facilities that target public health and fitness improvements in their communities.

The agency has decided that the Trails for Life Program will be discontinued due to decreased funding.

The Agency Base Level is \$200,000 each year of the biennium.

The Change Level Request is for a reduction of (\$125,000) in FY18 and (\$200,000) in FY19.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1MH - Trails for Life Grants

Funding Sources: NPT - Parks Treasure Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	150,943	200,000	260,000	75,000	75,000	75,000	0	0	0
Total		150,943	200,000	260,000	75,000	75,000	75,000	0	0	0
Funding Sources										
Fund Balance	4000005	4,111	30,221		5,221	5,221	5,221	0	0	0
Cash Fund	4000045	175,000	175,000		0	0	0	0	0	0
Interest	4000300	2,053	0		0	0	0	0	0	0
Total Funding		181,164	205,221		5,221	5,221	5,221	0	0	0
Excess Appropriation/(Funding)		(30,221)	(5,221)		69,779	69,779	69,779	0	0	0
Grand Total		150,943	200,000		75,000	75,000	75,000	0	0	0

Expenditure of Appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 2JJ - SCORP Program-Federal

Funding Sources: FPT - Parks & Tourism Federal

The Department utilizes this appropriation to provide for the Outdoor Recreation Grant Program and the Development of the Statewide Comprehensive Outdoor Recreation Plan. This appropriation is funded by the Federal Land and Water Conservation Fund Program (LWCF).

The Base Level Request is \$3,271,148 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2JJ - SCORP Program-Federal

Funding Sources: FPT - Parks & Tourism Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	58,651	66,950	66,950	66,950	66,950	66,950	66,950	66,950	66,950
Conference & Travel Expenses	5050009	0	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100
Professional Fees	5060010	1,975	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	576,436	3,178,098	3,178,098	3,178,098	3,178,098	3,178,098	3,178,098	3,178,098	3,178,098
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		637,062	3,271,148	3,271,148	3,271,148	3,271,148	3,271,148	3,271,148	3,271,148	3,271,148

Funding Sources										
Fund Balance	4000005	334,171	360,044		412,982	412,982	412,982	365,920	365,920	365,920
Federal Revenue	4000020	662,935	3,324,086		3,224,086	3,224,086	3,224,086	3,124,086	3,124,886	3,124,886
Total Funding		997,106	3,684,130		3,637,068	3,637,068	3,637,068	3,490,006	3,490,806	3,490,806
Excess Appropriation/(Funding)		(360,044)	(412,982)		(365,920)	(365,920)	(365,920)	(218,858)	(219,658)	(219,658)
Grand Total		637,062	3,271,148		3,271,148	3,271,148	3,271,148	3,271,148	3,271,148	3,271,148

Analysis of Budget Request

Appropriation: 433 - Museum Natural Res-Spec Rev

Funding Sources: SAH - Arkansas Oil Museum Fund

The Department utilizes this appropriation to provide operating expenses for the Museum of Natural Resources (formerly the Oil and Brine Museum). Pursuant to Arkansas Code §25-58-301, this appropriation receives its income from the 1/2 Cent Tax on each barrel of oil produced in the State.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level is \$110,988 each year of the biennium with three (3) Regular positions.

The Change Level Request is for a reduction of Regular Salaries and Personal Services Matching (\$33,809) each year of the biennium due to the special revenue that funds this appropriation has decreased due to reduced tax collection.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 433 - Museum Natural Res-Spec Rev

Funding Sources: SAH - Arkansas Oil Museum Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	73,877	76,682	82,490	50,028	50,028	50,028	50,028	50,028	50,028
#Positions		3	3	3	3	3	3	3	3	3
Extra Help	5010001	0	0	2,043	0	0	0	0	0	0
#Extra Help		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	26,635	33,178	29,957	27,151	27,151	27,151	27,151	27,151	27,151
Operating Expenses	5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		100,512	109,860	114,490	77,179	77,179	77,179	77,179	77,179	77,179
Funding Sources										
Fund Balance	4000005	33,032	13,523		0	0	0	6,555	9,749	2,184
Special Revenue	4000030	81,003	96,337		83,734	86,928	86,928	85,224	86,928	86,928
Total Funding		114,035	109,860		83,734	86,928	86,928	91,779	96,677	89,112
Excess Appropriation/(Funding)		(13,523)	0		(6,555)	(9,749)	(9,749)	(14,600)	(19,498)	(11,933)
Grand Total		100,512	109,860		77,179	77,179	77,179	77,179	77,179	77,179

The Expenditure of Appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 499 - State Operations

Funding Sources: HGA - Parks & Tourism Account

This appropriation provides State Funding for the personal services and operating expenses of the Central Administration, Tourism (including Great River Road), and Parks (including Museum Services) Divisions of the Department of Parks and Tourism. The funding source for this appropriation is general revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015. The Base Level request for Regular Salaries includes board member stipend payments.

The Base Level Request is \$21,694,473 in FY18 and \$21,713,829 in FY19.

The Agency Change Level Request provides for Regular Salaries and Personal Services Matching of \$43,972 each year of the biennium for a new Human Resources Recruiter position as well as an increase in Board Member stipends each year. Reallocation is also requested to cover IT expenses for normal computer replacement in various Central Administration sections based on the Agency's replacement policy. M&O costs are redistributed from other expenditures to low value assets to meet this requirement.

The Executive Recommendation provides for Base Level in addition to the Reallocation requested.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 499 - State Operations

Funding Sources: HGA - Parks & Tourism Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	15,160,357	14,782,870	14,854,438	14,830,238	14,799,125	14,799,125	14,845,538	14,814,425	14,814,425
#Positions		435	430	430	431	430	430	431	430	430
Extra Help	5010001	17,907	30,600	33,100	30,600	30,600	30,600	30,600	30,600	30,600
#Extra Help		2	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	5,534,884	5,647,911	5,709,248	5,738,257	5,725,799	5,725,799	5,742,313	5,729,855	5,729,855
Operating Expenses	5020002	493,640	493,423	549,893	493,423	493,423	493,423	493,423	493,423	493,423
Conference & Travel Expenses	5050009	4,198	4,950	7,350	4,950	4,950	4,950	4,950	4,950	4,950
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	22,000	22,588	22,588	22,588	22,588	22,588	22,588	22,588	22,588
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Tourism Promotion	5900046	0	0	0	0	0	0	0	0	0
Advertising Expense	5900047	617,888	617,888	617,888	617,888	617,888	617,888	617,888	617,888	617,888
Conference-DAC	5900048	100	100	100	100	100	100	100	100	100
Total		21,850,974	21,600,330	21,794,605	21,738,044	21,694,473	21,694,473	21,757,400	21,713,829	21,713,829
Funding Sources										
General Revenue	4000010	21,850,974	21,600,330		21,738,044	21,694,473	21,407,308	21,757,400	21,713,829	21,407,308
Total Funding		21,850,974	21,600,330		21,738,044	21,694,473	21,407,308	21,757,400	21,713,829	21,407,308
Excess Appropriation/(Funding)		0	0		0	0	287,165	0	0	306,521
Grand Total		21,850,974	21,600,330		21,738,044	21,694,473	21,694,473	21,757,400	21,713,829	21,713,829

Analysis of Budget Request

Appropriation: 500 - Conservation Tax

Funding Sources: SPT - Dept. of Parks & Tourism Treasury Fund

This appropriation provides for the special revenue funding from the 1/8 Cent Sales Tax levied by Amendment 75 (A.C.A.19-6-484). The Department utilizes these funds to supplement existing funding for State Parks and to provide for their repair and further development, consistent with the referendum presented to and approved by the citizens of Arkansas in 1996.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$50,625,638 in FY18 and \$50,637,051 in FY19.

The Change Level Request provides for \$3,500,754 each year of the biennium and is summarized as follows:

- Regular Salaries and Personal Services Matching of \$172,754 each year for four (4) new positions to support new and expanded operations at Jacksonport, Lake Charles, Woolly Hollow and the Parks Director's office.
- Extra Help of \$250,000 each year to keep salaries competitive and to fund a change in accounting for auto gratuities required by the IRS.
- Professional Fees and Services of \$200,000 each year to market and advertise new facilities/parks and for performing high quality celebrity concerts at the Ozark Folk Center.
- Construction of \$250,000 each year to clear some of the backlog of construction projects.
- Capital Outlay of \$1,878,000 each year to meet the parks and museums needs to replace deteriorated equipment.
- Special Maintenance of \$750,000 each year for buildings and facilities maintenance and repairs.

The Executive Recommendation provides for the Agency Request with the exception of four (4) new positions requested above. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 500 - Conservation Tax

Funding Sources: SPT - Dept. of Parks & Tourism Treasury Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	4,794,195	5,069,136	5,050,002	5,179,207	5,074,436	5,074,436	5,188,407	5,083,636	5,083,636
#Positions		152	160	160	164	160	160	164	160	160
Extra Help	5010001	1,828,675	1,784,077	1,784,077	2,034,077	2,034,077	2,034,077	2,034,077	2,034,077	2,034,077
#Extra Help		268	237	237	237	237	237	237	237	237
Personal Services Matching	5010003	2,415,785	2,161,644	2,180,053	2,256,249	2,210,891	2,210,891	2,258,462	2,213,104	2,213,104
Operating Expenses	5020002	11,036,469	12,122,078	12,122,078	12,122,078	12,122,078	12,122,078	12,122,078	12,122,078	12,122,078
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	386,779	413,894	413,894	613,894	613,894	613,894	613,894	613,894	613,894
Construction	5090005	7,734,192	26,624,272	26,624,272	26,874,272	26,874,272	26,874,272	26,874,272	26,874,272	26,874,272
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,526,483	1,578,000	1,578,000	1,878,000	1,878,000	1,878,000	1,878,000	1,878,000	1,878,000
Special Maintenance	5120032	2,105,524	2,418,615	2,418,615	3,168,615	3,168,615	3,168,615	3,168,615	3,168,615	3,168,615
Total		31,828,102	52,171,716	52,170,991	54,126,392	53,976,263	53,976,263	54,137,805	53,987,676	53,987,676

Funding Sources										
Fund Balance	4000005	25,175,220	24,096,584		3,113,828	3,113,828	3,113,828	0	0	0
Special Revenue	4000030	30,749,466	31,188,960		32,124,629	32,124,629	32,124,629	33,088,368	33,088,368	33,088,368
Total Funding		55,924,686	55,285,544		35,238,457	35,238,457	35,238,457	33,088,368	33,088,368	33,088,368
Excess Appropriation/(Funding)		(24,096,584)	(3,113,828)		18,887,935	18,737,806	18,737,806	21,049,437	20,899,308	20,899,308
Grand Total		31,828,102	52,171,716		54,126,392	53,976,263	53,976,263	54,137,805	53,987,676	53,987,676

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium. Expenditure of Appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 502 - Keep Arkansas Beautiful-ConsTax

Funding Sources: SBA - Keep Arkansas Beautiful

Act 1278 of 1997 (A.C.A. 15-11-603) established the Keep Arkansas Beautiful Commission to implement a statewide litter prevention program through the voluntary actions of local communities. This appropriation provides for the special revenue funding from the 1/8th Cent Sales Tax levied by Amendment 75 (A.C.A. 19-6-484). This funding will be utilized to support the Keep Arkansas Beautiful Commission and its activities.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Agency Base Level is \$687,165 in FY18 and \$687,289 in FY19.

The Agency's Change Level Request is \$65,500 in FY18 and \$30,500 in FY19 and is summarized as follows:

- Advertising Expense of \$40,900 each year of the biennium to better realign communications with the public through on-line media and also sustain website additions and maintenance.
- Capital Outlay of \$35,000 in FY18 to replace the 2005 program vehicle currently in place.
- Professional Fees decrease of (\$10,400) each year of the biennium to support the increased Advertising Expenses.

The Executive Recommendation provides for the Agency Request. Also, the Executive Recommendation provides for the Agency Request for Capital Outlay to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 502 - Keep Arkansas Beautiful-ConsTax

Funding Sources: SBA - Keep Arkansas Beautiful

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	112,442	116,260	121,997	116,260	116,260	116,260	116,360	116,360	116,360
#Positions		3	3	3	3	3	3	3	3	3
Extra Help	5010001	273	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	40,683	41,969	43,697	42,526	42,526	42,526	42,550	42,550	42,550
Operating Expenses	5020002	61,362	89,928	89,928	89,928	89,928	89,928	89,928	89,928	89,928
Conference & Travel Expenses	5050009	0	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Professional Fees	5060010	9,235	35,400	35,400	25,000	25,000	25,000	25,000	25,000	25,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Capital Outlay	5120011	0	0	0	35,000	35,000	35,000	0	0	0
Advertising Expense	5900047	369,751	379,051	379,051	419,951	419,951	419,951	419,951	419,951	419,951
Total		594,746	686,608	694,073	752,665	752,665	752,665	717,789	717,789	717,789

Funding Sources										
Fund Balance	4000005	190,479	275,909		282,389	282,389	282,389	243,605	243,605	243,605
Special Revenue	4000030	680,176	693,088		713,881	713,881	713,881	735,297	735,297	735,297
Total Funding		870,655	968,997		996,270	996,270	996,270	978,902	978,902	978,902
Excess Appropriation/(Funding)		(275,909)	(282,389)		(243,605)	(243,605)	(243,605)	(261,113)	(261,113)	(261,113)
Grand Total		594,746	686,608		752,665	752,665	752,665	717,789	717,789	717,789

Analysis of Budget Request

Appropriation: 504 - Tourism Promotion-Special Rev

Funding Sources: TDT - Tourism Development Fund

Act 629 of 1989 (A.C.A. §19-5-956) established the Tourism Development Trust Fund to promote tourism in Arkansas. Pursuant to A.C.A. § 26-52-1006, funding is derived from a 2% Gross Receipts Tax on tourist-related business. The Department utilizes this appropriation for operating expenses to promote Arkansas tourism through advertising and website promotion, grassroots campaigns, and printed materials.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request includes appropriation of \$14,847,093 each year of the biennium.

The Agency's Change Level Request provides for \$1,691,326 each year and is summarized as follows:

- Regular Salary and Personal Services Matching of \$41,326 for one (1) new position in the Group Travel Section - ADPT Consultant (P034C) to assist in the lucrative sports marketing arena each year of the biennium.
- Operating Expenses of \$150,000 each year to cover additional costs in association membership dues, brochure printing, software maintenance, lodging, warehouse rental, equipment rental and website hosting.
- Advertising Expenses of \$1,500,000 each year to cope with recent changes in the travel industry particularly internet marketing campaigns as well as purchasing additional broadcast and print media in each year.
- Reallocation of appropriation within the Tourism Promotion line item totaling \$20,000 for more efficient allocation of maintenance and operating expenses. Those areas include software maintenance, rent, additional lodging, staff vehicle insurance, and professional and administrative fees.

The Executive Recommendation provides for the Agency Request with the exception of the one (1) new position requested above.

The Legislative Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 504 - Tourism Promotion-Special Rev

Funding Sources: TDT - Tourism Development Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	243,845	246,896	244,711	276,747	247,496	247,496	276,747	247,496	247,496
#Positions		8	8	8	9	8	8	9	8	8
Extra Help	5010001	23,972	27,502	25,000	27,502	27,502	27,502	27,502	27,502	27,502
#Extra Help		7	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	99,640	100,950	101,013	114,405	102,330	102,330	114,405	102,330	102,330
Operating Expenses	5020002	1,244,753	1,682,575	1,682,575	1,830,575	1,830,575	1,682,575	1,830,575	1,830,575	1,682,575
Conference & Travel Expenses	5050009	1,424	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360
Professional Fees	5060010	13,441	15,000	15,000	17,000	17,000	15,000	17,000	17,000	15,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	22,940	35,000	35,000	0	0	0	0	0	0
Tourist Promotion	5900046	1,050,595	1,272,000	1,272,000	1,272,000	1,272,000	1,272,000	1,272,000	1,272,000	1,272,000
Advertising Expense	5900047	10,807,028	11,344,830	11,344,830	12,844,830	12,844,830	11,344,830	12,844,830	12,844,830	11,344,830
Small Festival Expenses, Advertising	5900048	0	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Total		13,507,638	14,880,113	14,875,489	16,538,419	16,497,093	14,847,093	16,538,419	16,497,093	14,847,093

Funding Sources										
Fund Balance	4000005	666,893	1,910,741		2,453,545	2,453,545	2,453,545	2,031,984	2,073,310	2,073,310
Special Revenue	4000030	14,750,968	15,420,917		16,114,858	16,114,858	16,114,858	16,840,027	16,840,027	16,840,027
Interest	4000300	518	2,000		2,000	2,000	2,000	2,000	2,000	2,000
Total Funding		15,418,379	17,333,658		18,570,403	18,570,403	18,570,403	18,874,011	18,915,337	18,915,337
Excess Appropriation/(Funding)		(1,910,741)	(2,453,545)		(2,031,984)	(2,073,310)	(3,723,310)	(2,335,592)	(2,418,244)	(4,068,244)
Grand Total		13,507,638	14,880,113		16,538,419	16,497,093	14,847,093	16,538,419	16,497,093	14,847,093

FY17 Budget amount in Regular Salaries and Extra Help exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 54L - Wildlife Observation Trails

Funding Sources: SWO - Operations

Act 686 of 2009 established that the Arkansas Game and Fish Commission make available \$1,000,000 in FY2010 and FY2011 for the Wildlife Observation Trails Pilot Program. Wildlife Observation Trail means a trail route designed to promote conservation and management of wildlife resources of the state and to promote tourism and economic development through the enjoyment, use, protection and improvement of the natural resources of Arkansas.

The Agency requests Base Level of \$1,006,614 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 54L - Wildlife Observation Trails

Funding Sources: SWO - Operations

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	0	6,614	6,614	6,614	6,614	6,614	6,614	6,614	6,614
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	1,006,614	1,006,614	1,006,614	1,006,614	1,006,614	1,006,614	1,006,614	1,006,614
Funding Sources										
Transfers from Agencies	4000690	0	1,006,614		1,006,614	1,006,614	1,006,614	1,006,614	1,006,614	1,006,614
Total Funding		0	1,006,614		1,006,614	1,006,614	1,006,614	1,006,614	1,006,614	1,006,614
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	1,006,614		1,006,614	1,006,614	1,006,614	1,006,614	1,006,614	1,006,614

Analysis of Budget Request

Appropriation: 579 - Outdoor Recreation Grants Prg

Funding Sources: MPT - Parks & Tourism Outdoor Recreation

The Agency utilizes this appropriation for operating expenses and outdoor recreational grants to cities and counties. Funding is derived from the State Parks' portion of the proceeds of the Real Estate Transfer Tax increase levied by Act 729 of 1987, and further increased by Act 1181 of 1993 (A.C.A. 26-60-105).

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$7,805,680 each year of the biennium.

The Agency Change Level Request is for Capital Outlay of \$30,000 each year of the biennium for potential replacement of an aging vehicle.

The Executive Recommendation provides for the Agency Request. Also, the Executive Recommendation provides for the Agency Request for Capital Outlay to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 579 - Outdoor Recreation Grants Prg
Funding Sources: MPT - Parks & Tourism Outdoor Recreation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	108,811	149,563	177,011	149,563	149,563	149,563	149,563	149,563	149,563
#Positions		3	4	4	4	4	4	4	4	4
Extra Help	5010001	0	15,210	15,210	15,210	15,210	15,210	15,210	15,210	15,210
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	56,857	56,759	69,029	57,506	57,506	57,506	57,506	57,506	57,506
Operating Expenses	5020002	11,093	37,020	37,020	37,020	37,020	37,020	37,020	37,020	37,020
Conference & Travel Expenses	5050009	0	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	2,529,707	7,544,881	7,544,881	7,544,881	7,544,881	7,544,881	7,544,881	7,544,881	7,544,881
Capital Outlay	5120011	0	25,000	25,000	30,000	30,000	30,000	30,000	30,000	30,000
Total		2,706,468	7,829,933	7,869,651	7,835,680	7,835,680	7,835,680	7,835,680	7,835,680	7,835,680

Funding Sources									
Fund Balance	4000005	5,173,320	4,973,980		0	0	0	0	0
Special Revenue	4000030	2,507,128	2,855,953		2,650,955	2,650,955	2,650,955	2,730,484	2,730,484
Total Funding		7,680,448	7,829,933		2,650,955	2,650,955	2,650,955	2,730,484	2,730,484
Excess Appropriation/(Funding)		(4,973,980)	0		5,184,725	5,184,725	5,184,725	5,105,196	5,105,196
Grand Total		2,706,468	7,829,933		7,835,680	7,835,680	7,835,680	7,835,680	7,835,680

Expenditure of Appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 986 - Operations & Construction-Cash in Treasury

Funding Sources: NPT - Parks Fund

This appropriation is financed by cash receipts and interest income generated by the State Park System. Cash receipts include the fees charged for park facility usage and/or property rentals, the sale of items purchased from gift shops, restaurant operations, and other miscellaneous receipts. The Department utilizes this appropriation to provide staff and operational support to park and museum activities.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation of \$33,303,827 in FY18 and \$33,310,526 in FY19.

The Agency Change Level Request provides for \$1,114,375 in FY18 and \$1,213,375 in FY19 and is summarized as follows:

- Extra Help and Personal Services Matching of \$272,625 each year to fund the final installment of the minimum wage.
- Operating Expenses of \$900,577 each year for implementation of a new on-line reservation system and also for expected increases related to higher fuel and utility costs.
- Professional Fees of \$637,558 in FY18 and \$736,558 in FY19 for marketing/advertising new and expanded facilities/parks.
- Capital Outlay of \$525,000 each year of the biennium for the replacement of aging vehicles and deteriorating equipment.
- Contractual Services of \$50,000 each year to accommodate increases in vendor contracts at the Ozark Folk Center and also to fund a new internship program.
- Construction decrease of (\$1,271,385) each year due to completion of the rails to trails match on the Delta Heritage trail.

The Executive Recommendation provides for the Agency Request. Also, the Executive Recommendation provides for the Agency Request for Capital Outlay to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 986 - Operations & Construction-Cash in Treasury

Funding Sources: NPT - Parks Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	5,812,132	5,965,718	5,928,135	5,970,918	5,970,918	5,970,918	5,976,318	5,976,318	5,976,318
#Positions		188	191	191	191	191	191	191	191	191
Extra Help	5010001	3,530,921	4,269,367	4,269,367	4,519,367	4,519,367	4,519,367	4,519,367	4,519,367	4,519,367
#Extra Help		420	553	553	553	553	553	553	553	553
Personal Services Matching	5010003	3,219,584	2,753,946	2,756,545	2,807,655	2,807,655	2,807,655	2,808,954	2,808,954	2,808,954
Operating Expenses	5020002	7,594,228	9,048,948	9,799,525	9,949,525	9,949,525	9,949,525	9,949,525	9,949,525	9,949,525
Conference & Travel Expenses	5050009	14,543	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500
Professional Fees	5060010	681,948	871,542	871,542	1,509,100	1,509,100	1,509,100	1,608,100	1,608,100	1,608,100
Construction	5090005	3,068,779	1,771,385	1,771,385	500,000	500,000	500,000	500,000	500,000	500,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Resale (COGS)	5090017	4,309,492	5,058,961	5,058,961	5,058,961	5,058,961	5,058,961	5,058,961	5,058,961	5,058,961
Capital Outlay	5120011	0	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000
Debt Service	5120019	2,580,430	3,050,999	3,050,999	3,050,999	3,050,999	3,050,999	3,050,999	3,050,999	3,050,999
Contractual Services	5900043	288,461	436,177	436,177	486,177	486,177	486,177	486,177	486,177	486,177
Total		31,100,518	33,792,543	34,508,136	34,418,202	34,418,202	34,418,202	34,523,901	34,523,901	34,523,901

Funding Sources										
Fund Balance	4000005	7,009,644	8,027,740		3,215,041	3,215,041	3,215,041	0	0	0
Cash Fund	4000045	32,118,614	28,979,844		29,558,684	29,558,684	29,558,684	30,002,408	30,002,408	30,002,408
Total Funding		39,128,258	37,007,584		32,773,725	32,773,725	32,773,725	30,002,408	30,002,408	30,002,408
Excess Appropriation/(Funding)		(8,027,740)	(3,215,041)		1,644,477	1,644,477	1,644,477	4,521,493	4,521,493	4,521,493
Grand Total		31,100,518	33,792,543		34,418,202	34,418,202	34,418,202	34,523,901	34,523,901	34,523,901

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium. Expenditure of Appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 994 - Retirement & Relocation Program

Funding Sources: TDT - PT - Trsm Promotion

Act 609 of 1997 (A.C.A. §25-13-301) created the Retirement and Relocation Program to promote economic development of the State by encouraging retirees to relocate to Arkansas. Funding is derived from general revenues. The Department utilizes the appropriation for advertising expenses to encourage retirees to relocate to Arkansas.

The Agency Base Level is \$228,278 each year of the biennium.

The Change Level Request provides for Advertising Expenses of \$200,000 each year of the biennium to attract baby-boomers to move to Arkansas in the retirement years.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 994 - Retirement & Relocation Program

Funding Sources: TDT - PT - Trsm Promotion

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	0	26,659	26,659	26,659	26,659	26,659	26,659	26,659	26,659
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Advertising Expense	5900047	0	198,619	198,619	398,619	398,619	398,619	398,619	398,619	398,619
Total		0	228,278	228,278	428,278	428,278	428,278	428,278	428,278	428,278

Funding Sources									
Fund Balance	4000005	666,893	1,910,741		1,910,741	1,910,741	1,910,741	1,910,741	1,910,741
Special Revenue	4000030	1,243,848	228,278		428,278	428,278	428,278	428,278	428,278
Total Funding		1,910,741	2,139,019		2,339,019	2,339,019	2,339,019	2,339,019	2,339,019
Excess Appropriation/(Funding)		(1,910,741)	(1,910,741)		(1,910,741)	(1,910,741)	(1,910,741)	(1,910,741)	(1,910,741)
Grand Total		0	228,278		428,278	428,278	428,278	428,278	428,278

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Analysis of Budget Request

Appropriation: 995 - Tourism - Cash in Treasury

Funding Sources: NPT - Tourism Operations

This appropriation provides for the operation of the Gift Shop in the Central Office. Funding is derived from the sale of merchandise from the Gift Shop. Items for resale are purchased in bulk as necessary. Since 1999, this appropriation has typically averaged in excess of \$60,000 in fund balances.

The Agency Base Level is \$55,010 each year of the biennium.

The Change Level Request provides for Reallocation of \$20,000 from Operating Expenses to the Resale category to give more flexibility in purchasing Arkansas: The Natural State products for retail sales to the public.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 995 - Tourism - Cash in Treasury

Funding Sources: NPT - Tourism Operations

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	5,670	35,010	45,200	15,010	15,010	15,010	15,010	15,010	15,010
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Resale (COGS)	5090017	14,523	20,000	20,000	40,000	40,000	40,000	40,000	40,000	40,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		20,193	55,010	65,200	55,010	55,010	55,010	55,010	55,010	55,010

Funding Sources										
Fund Balance	4000005	49,050	42,851		1,041	1,041	1,041	0	0	0
Cash Fund	4000045	13,994	13,200		13,200	13,200	13,200	13,200	13,200	13,200
Total Funding		63,044	56,051		14,241	14,241	14,241	13,200	13,200	13,200
Excess Appropriation/(Funding)		(42,851)	(1,041)		40,769	40,769	40,769	41,810	41,810	41,810
Grand Total		20,193	55,010		55,010	55,010	55,010	55,010	55,010	55,010

The Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 996 - Entertainers Hall of Fame-Treas

Funding Sources: NPT - Parks & Tourism Hall of Fame

Act 671 of 1985 (A.C.A. 13-9-101) as amended created the Arkansas Entertainers Hall of Fame Board to honor individuals who by achievement or service have made outstanding and lasting contributions in entertainment. During the 81st General Assembly, Act 255 of 1997 transferred the authority and responsibility for the administration of the Arkansas Hall of Fame to the Arkansas Department of Parks and Tourism. Additional funding is provided by donations from private sources and the City of Pine Bluff, where the Agency is located. This appropriation provides for the operation of the Arkansas Entertainers Hall of Fame.

The Agency requests Base Level of \$37,460 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 996 - Entertainers Hall of Fame-Treas

Funding Sources: NPT - Parks & Tourism Hall of Fame

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Agency	Executive	Legislative	Agency	Executive	Legislative
Various Exp - Entertainers Hall 5900046	124	37,460	38,420	37,460	37,460	37,460	37,460	37,460	37,460
Total	124	37,460	38,420	37,460	37,460	37,460	37,460	37,460	37,460

Funding Sources									
Fund Balance 4000005	23,956	37,244		12,284	12,284	12,284	0	0	0
Cash Fund 4000045	12,988	12,000		0	0	0	12,000	12,000	12,000
Interest Income / Royalties 4000307	424	500		500	500	500	500	500	500
Total Funding	37,368	49,744		12,784	12,784	12,784	12,500	12,500	12,500
Excess Appropriation/(Funding)	(37,244)	(12,284)		24,676	24,676	24,676	24,960	24,960	24,960
Grand Total	124	37,460		37,460	37,460	37,460	37,460	37,460	37,460

Revenue is received every other year. The Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 306 - Parole Board Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Parole Board consists of seven members, which are appointed by the Governor and confirmed by the Senate for a seven-year term. Board members regularly conduct parole hearings throughout the State of Arkansas and make decisions on conditional releases of inmates in correctional facilities. The Board is also responsible for reviewing all pardon and executive clemency applications and making non-binding recommendations to the Governor. The Chairman of the Parole Board also serves as an ex-officio member of the Board of Corrections.

Funding for Parole Board is from general revenue. The Parole Board is authorized to receive assistance from the Department of Correction (DOC) and the Department of Community Correction (DCC), as provided by Section 3 of Act 54 of 2016.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015. The Base Level request for Regular Salaries includes board member stipend payments. The Technology related requests are documented in the Agency's Information Technology (IT) Plan.

The Agency's Change Level Request is for new general revenue funding and appropriation totaling \$65,015 in FY18 and \$70,415 in FY19 and includes the following:

- Regular Salaries and Personal Services Matching of \$52,015 in FY18 and FY19 for the restoration of one (1) Victim Input Coordinator (C118 - growth pool position);
- Operating Expenses totaling \$7,500 in FY18 and \$12,900 in FY19, including \$7,200 FY18 and \$12,600 FY19 for the purchase of laptops and \$300 each year for postage; and
- Conference & Travel of \$5,500 in FY18 and FY19 for increased specialized training for the senior and clerical staff, and Revocation Hearing Judges.

The Executive Recommendation provides for the Agency Request in appropriation and general revenue funding with exception of \$5,500 each year for Conference and Travel, for an increasing totaling \$59,515 in FY18 and \$64,915 in FY19.

The Legislative Recommendation concurs with the Executive Recommendation with the addition of one (1) growth pool position.

Appropriation Summary

Appropriation: 306 - Parole Board Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,446,277	1,471,843	1,416,043	1,483,726	1,483,726	1,483,726	1,483,926	1,483,926	1,483,926
#Positions		26	26	25	26	26	27	26	26	27
Personal Services Matching	5010003	434,828	457,053	444,667	467,994	467,994	467,994	468,040	468,040	468,040
Operating Expenses	5020002	286,882	262,811	334,673	270,311	270,311	270,311	275,711	275,711	275,711
Conference & Travel Expenses	5050009	1,322	4,500	5,000	10,000	4,500	4,500	10,000	4,500	4,500
Professional Fees	5060010	32,944	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	75,000	0	0	0	0	0	0
Total		2,202,253	2,276,207	2,355,383	2,312,031	2,306,531	2,306,531	2,317,677	2,312,177	2,312,177
Funding Sources										
General Revenue	4000010	2,202,253	2,258,696		2,312,031	2,306,531	2,306,531	2,317,677	2,312,177	2,312,177
Merit Adjustment Fund	4000055	0	17,511		0	0	0	0	0	0
Total Funding		2,202,253	2,276,207		2,312,031	2,306,531	2,306,531	2,317,677	2,312,177	2,312,177
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,202,253	2,276,207		2,312,031	2,306,531	2,306,531	2,317,677	2,312,177	2,312,177

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.
 FY17 Budget Positions exceed the Authorized Positions due to a transfer from the Agency Growth Pool during the 2015-2017 Biennium.

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
1VA Ombudsman Program	93,315	1	89,534	1	90,636	1	89,900	1	89,900	1	89,900	1	89,900	1	89,900	1	89,900	1
337 Public Defender-Operations	2,632,590	19	2,852,895	19	2,821,166	19	2,862,447	19	2,862,447	19	2,862,447	19	2,863,430	19	2,863,430	19	2,863,430	19
530 Public Defender -Trial Office	21,263,050	231	21,614,900	234	21,735,207	234	23,967,731	267	23,024,176	252	23,024,176	252	23,871,294	267	22,976,489	252	22,976,489	252
Total	23,988,955	251	24,557,329	254	24,647,009	254	26,920,078	287	25,976,523	272	25,976,523	272	26,824,624	287	25,929,819	272	25,929,819	272

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	1,525,691	5.8	2,096,563	8.0			1,785,331	6.4	1,785,331	6.6	1,785,331	6.6	1,167,414	4.2	1,167,414	4.4	1,167,414	4.4
State Central Services 4000035	17,332,335	66.4	17,366,346	65.9			17,204,234	61.3	16,260,679	59.9	16,260,679	59.9	17,207,291	62.6	16,312,486	61.4	16,312,486	61.4
Bail Bond Fees 4000115	1,341,941	5.1	1,200,000	4.6			1,100,000	3.9	1,100,000	4.1	1,100,000	4.1	1,100,000	4.0	1,100,000	4.1	1,100,000	4.1
State Administration of Justice 4000470	4,490,217	17.2	4,490,217	17.0			6,908,027	24.6	6,908,027	25.4	6,908,027	25.4	6,908,027	25.1	6,908,027	26.0	6,908,027	26.0
Transfer from DHS-DYS 4000515	93,315	0.4	89,534	0.3			89,900	0.3	89,900	0.3	89,900	0.3	89,900	0.3	89,900	0.3	89,900	0.3
User / Attorney Fees 4000725	1,302,019	5.0	1,100,000	4.2			1,000,000	3.6	1,000,000	3.7	1,000,000	3.7	1,000,000	3.6	1,000,000	3.8	1,000,000	3.8
Total Funds	26,085,518	100.0	26,342,660	100.0			28,087,492	100.0	27,143,937	100.0	27,143,937	100.0	27,472,632	100.0	26,577,827	100.0	26,577,827	100.0
Excess Appropriation/(Funding)	(2,096,563)		(1,785,331)				(1,167,414)		(1,167,414)		(1,167,414)		(648,008)		(648,008)		(648,008)	
Grand Total	23,988,955		24,557,329				26,920,078		25,976,523		25,976,523		26,824,624		25,929,819		25,929,819	

Analysis of Budget Request

Appropriation: 1VA - Ombudsman Program

Funding Sources: HSC - State Central Services

The Ombudsman Division of the Arkansas Public Defender Commission was created during the 82nd General Assembly for the purpose of insuring that children placed within the custody of the Department of Human Services (DHS) - Division of Youth Services are receiving necessary services designed to keep them safe both mentally and physically. One position in the Ombudsman Division of the Arkansas Public Defender Commission is funded from funds transferred by the DHS. This transfer is for the benefit of the Juvenile Ombudsman Program of the Public Defender Commission.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for base level of \$89,900 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1VA - Ombudsman Program

Funding Sources: HSC - State Central Services

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	72,136	69,059	69,735	69,059	69,059	69,059	69,059	69,059	69,059
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	21,179	20,475	20,901	20,841	20,841	20,841	20,841	20,841	20,841
Total		93,315	89,534	90,636	89,900	89,900	89,900	89,900	89,900	89,900
Funding Sources										
Transfer from DHS-DYS	4000515	93,315	89,534		89,900	89,900	89,900	89,900	89,900	89,900
Total Funding		93,315	89,534		89,900	89,900	89,900	89,900	89,900	89,900
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		93,315	89,534		89,900	89,900	89,900	89,900	89,900	89,900

Analysis of Budget Request

Appropriation: 337 - Public Defender-Operations

Funding Sources: HSC - State Central Services

The Arkansas Public Defender Commission was established in 1993 to address a variety of problems and concerns related to the representation of indigent criminal defendants in Capital Conflicts and Appeals to the Supreme Court in the State of Arkansas. The State Operations appropriation is funded from the State Central Services Fund.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Agency Request is for base level of \$2,862,447 for FY2018 and \$2,863,430 for FY2019.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 337 - Public Defender-Operations

Funding Sources: HSC - State Central Services

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,381,095	1,268,374	1,240,725	1,270,674	1,270,674	1,270,674	1,271,474	1,271,474	1,271,474
#Positions		19	19	19	19	19	19	19	19	19
Extra Help	5010001	5,301	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
#Extra Help		2	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	401,906	380,183	376,103	387,435	387,435	387,435	387,618	387,618	387,618
Operating Expenses	5020002	244,656	247,648	247,648	247,648	247,648	247,648	247,648	247,648	247,648
Conference & Travel Expenses	5050009	17,381	19,690	19,690	19,690	19,690	19,690	19,690	19,690	19,690
Professional Fees	5060010	582,251	925,000	925,000	925,000	925,000	925,000	925,000	925,000	925,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,632,590	2,852,895	2,821,166	2,862,447	2,862,447	2,862,447	2,863,430	2,863,430	2,863,430
Funding Sources										
State Central Services	4000035	2,632,590	2,852,895		2,862,447	2,862,447	2,862,447	2,863,430	2,863,430	2,863,430
Total Funding		2,632,590	2,852,895		2,862,447	2,862,447	2,862,447	2,863,430	2,863,430	2,863,430
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,632,590	2,852,895		2,862,447	2,862,447	2,862,447	2,863,430	2,863,430	2,863,430

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 530 - Public Defender -Trial Office

Funding Sources: HSC - State Central Services

The Trial Public Defender Office of the Arkansas Public Defender Commission was created by Act 1341 of 1997 and provides for the establishment of a statewide public defender system in Arkansas. The Trial Public Defender Office operates under the supervision of the Executive Director of the Arkansas Public Defender Commission. Duties of all public defenders are to provide for competent, effective, and uniform representation of indigent criminal defendants throughout the State. The Commission utilizes over sixty-one (61) job share positions.

The Trial Public Defender Office is funded from a share of those funds remitted by the cities and counties from court costs and filing fees for deposit into the State Administration of Justice Fund. A portion of those funds is then allocated for deposit into the State Central Services Fund for the benefit of the Public Defender Commission per Arkansas Code §16-10-310. Arkansas Code §17-19-301 (e) allows for a fee to be charged and collected by all bail bond companies on each bond. The additional revenue helps defray the cost of the public defender system, both statewide and in each individual county.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$21,690,377 in FY2018 and \$21,701,190 in FY2019.

The Agency's Change Level Request provides for \$2,277,354 in FY2018 and \$2,170,104 in FY2019 and includes the following:

- Regular Salaries and Personal Services Matching increases of \$1,738,537 each year associated with the addition of three (3) attorneys, ten (10) paralegals, ten (10) capital conflict investigators, and ten (10) mitigation specialists.
- Operating Expenses to support the overhead associated with thirty-three (33) positions total \$528,917 in FY2018 and \$421,667 in FY2019. These expenses include additional office space, office furniture, office supplies, membership fees, subscriptions and dues, telephone and parking costs, computers, software, and Internet connect. The technology-related portion of this request is in compliance with the Agency's IT plan.
- Conference Fee and Travel for the three (3) newly requested attorney positions totaling \$9,900 each year to support required continuing education training requirements.

The Executive Recommendation provides for Base Level in addition to the following:

- Regular Salaries and Personal Services Matching increases of \$1,016,988 each year associated with the addition of three (3) attorneys, five (5) paralegals, five (5) capital conflict investigators, and five (5) mitigation specialists.
- Operating Expenses to support the overhead associated with eighteen (18) positions total \$306,911 in FY2018 and \$248,411 in FY2019. These expenses include additional office space, office furniture, office supplies, membership fees, subscriptions and dues, telephone and parking costs, computers, software, and Internet connect. The technology-related portion of this request is in compliance with the Agency's IT plan.
- Conference Fee and Travel for the three (3) newly requested attorney positions totaling \$9,900 each year to support required continuing education training requirements.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 530 - Public Defender -Trial Office

Funding Sources: HSC - State Central Services

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	15,066,467	14,860,987	14,868,478	16,137,780	15,612,105	15,612,105	16,146,580	15,620,905	15,620,905
#Positions		231	234	234	267	252	252	267	252	252
Extra Help	5010001	12,790	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
#Extra Help		2	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	4,518,744	4,501,968	4,614,784	5,039,189	4,843,315	4,843,315	5,041,202	4,845,328	4,845,328
Operating Expenses	5020002	322,863	392,845	392,845	921,762	699,756	699,756	814,512	641,256	641,256
Conference & Travel Expenses	5050009	24,044	24,100	24,100	34,000	34,000	34,000	34,000	34,000	34,000
Professional Fees	5060010	481,141	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Public Defender Comm. Prgms.	5900046	658,600	770,000	770,000	770,000	770,000	770,000	770,000	770,000	770,000
Bail Bond Co. Public Def. Prgm.	5900047	178,401	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total		21,263,050	21,614,900	21,735,207	23,967,731	23,024,176	23,024,176	23,871,294	22,976,489	22,976,489

Funding Sources										
Fund Balance	4000005	1,525,691	2,096,563		1,785,331	1,785,331	1,785,331	1,167,414	1,167,414	1,167,414
State Central Services	4000035	14,699,745	14,513,451		14,341,787	13,398,232	13,398,232	14,343,861	13,449,056	13,449,056
Bail Bond Fees	4000115	1,341,941	1,200,000		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
State Administration of Justice	4000470	4,490,217	4,490,217		6,908,027	6,908,027	6,908,027	6,908,027	6,908,027	6,908,027
User / Attorney Fees	4000725	1,302,019	1,100,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Funding		23,359,613	23,400,231		25,135,145	24,191,590	24,191,590	24,519,302	23,624,497	23,624,497
Excess Appropriation/(Funding)		(2,096,563)	(1,785,331)		(1,167,414)	(1,167,414)	(1,167,414)	(648,008)	(648,008)	(648,008)
Grand Total		21,263,050	21,614,900		23,967,731	23,024,176	23,024,176	23,871,294	22,976,489	22,976,489

FY2016 Actual and FY2017 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 251 (60) of 2016.

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
2QR Public Employee Retirement-Operations	91,526,414	88	142,487,233	92	142,454,535	82	142,050,285	82	142,050,285	82	142,050,285	82	142,040,148	82	142,040,148	82	142,040,148	82
2QS St Police Retirement-Operations	18,559,458	0	35,343,560	0	35,343,560	0	35,343,560	0	35,343,560	0	35,343,560	0	35,343,560	0	35,343,560	0	35,343,560	0
2QT Judicial Retirement-Operations	3,428,112	0	10,663,389	0	10,663,389	0	10,663,389	0	10,663,389	0	10,663,389	0	10,663,389	0	10,663,389	0	10,663,389	0
C22 Public Employee Retirement-Cash	411,626,274	0	500,000,000	0	500,000,000	0	650,000,000	0	650,000,000	0	650,000,000	0	650,000,000	0	650,000,000	0	650,000,000	0
C23 St Police Retirement-Cash	19,506,800	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0
C24 Judicial Retirement-Cash	11,556,976	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0
F73 APERS Pension Administration System	5,457,256	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0
Total	561,661,290	88	765,494,182	92	765,461,484	82	915,057,234	82	915,057,234	82	915,057,234	82	915,047,097	82	915,047,097	82	915,047,097	82

Funding Sources		%		%		%		%		%		%		%		%
Trust Fund 4000050	561,661,290	100.0	765,494,182	100.0			915,057,234	100.0	915,057,234	100.0	915,057,234	100.0	915,047,097	100.0	915,047,097	100.0
Total Funds	561,661,290	100.0	765,494,182	100.0			915,057,234	100.0	915,057,234	100.0	915,057,234	100.0	915,047,097	100.0	915,047,097	100.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0	
Grand Total	561,661,290		765,494,182				915,057,234		915,057,234		915,057,234		915,047,097		915,047,097	

FY17 Budget exceeds the Authorized amount in (2QR) Public Employee Retirement- Operations due to Personal Services Matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 2QR - Public Employee Retirement-Operations

Funding Sources: TSR - APERS Fund

The Administration Program of the Arkansas Public Employees Retirement System (APERS) administers the Public Employees Retirement System, the State Police Retirement System, the Judicial Retirement System, and the District Judges Retirement System. Each retirement system has a separate Board of Trustees. The Public Employees Retirement System and the State Police Retirement System have both contributory and non-contributory provisions. The Judicial Retirement System is a contributory system.

The main goal of this Program is to provide members and retirees with the highest level of benefits, customer service and accurate, timely information.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

Base Level is \$142,017,785 for FY18 and \$142,022,648 for FY19.

The Agency's Change Level request for \$32,500 in FY18 and \$17,500 in FY19 reflects the following:

- \$15,000 in Capital Outlay for FY18 to purchase office furniture.
- \$17,500 in Capital Outlay for each year for office equipment in conjunction with the new pension administration system operations.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2QR - Public Employee Retirement-Operations

Funding Sources: TSR - APERS Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	3,178,073	3,846,258	3,846,258	3,488,918	3,488,918	3,488,918	3,492,518	3,492,518	3,492,518
#Positions		88	92	82	82	82	82	82	82	82
Extra Help	5010001	73,744	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
#Extra Help		6	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	1,126,539	1,332,357	1,299,659	1,220,249	1,220,249	1,220,249	1,221,512	1,221,512	1,221,512
Operating Expenses	5020002	1,345,813	1,607,473	1,607,473	1,607,473	1,607,473	1,607,473	1,607,473	1,607,473	1,607,473
Conference & Travel Expenses	5050009	19,568	42,500	42,500	42,500	42,500	42,500	42,500	42,500	42,500
Professional Fees	5060010	1,352,489	10,583,645	10,583,645	10,583,645	10,583,645	10,583,645	10,583,645	10,583,645	10,583,645
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Benefits-Non Employee	5100023	29,546,476	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Refunds/Reimbursements	5110014	54,871,915	85,000,000	85,000,000	85,000,000	85,000,000	85,000,000	85,000,000	85,000,000	85,000,000
Capital Outlay	5120011	11,797	0	0	32,500	32,500	32,500	17,500	17,500	17,500
Total		91,526,414	142,487,233	142,454,535	142,050,285	142,050,285	142,050,285	142,040,148	142,040,148	142,040,148

Funding Sources										
Trust Fund	4000050	91,526,414	142,487,233		142,050,285	142,050,285	142,050,285	142,040,148	142,040,148	142,040,148
Total Funding		91,526,414	142,487,233		142,050,285	142,050,285	142,050,285	142,040,148	142,040,148	142,040,148
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		91,526,414	142,487,233		142,050,285	142,050,285	142,050,285	142,040,148	142,040,148	142,040,148

FY17 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2015-2017 Biennium.

Budget Number of Positions may exceed the Authorized Number due to transfers from the Temporary Position Pool as authorized by Section 15 of Act 116 of 2016 during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 2QS - St Police Retirement-Operations

Funding Sources: TMR - State Police Retirement Fund

The Arkansas Public Employees Retirement System (APERS) administers the Arkansas State Police Retirement System (ASPRS) under the authority of A.C.A. §24-6-204. The administration, management, and control of the System are the responsibility of the Board of Trustees of the State Police Retirement System. The Board meets at least once each quarter and consists of eleven members: the Chairman of the Arkansas State Police Commission, the Director of the Department of Arkansas State Police, the Director of the Arkansas Department of Finance and Administration or the Director's designee from that department, five members of the SPRS to be elected by the members of the system with at least two holding the rank of trooper, trooper first class or corporal, at least one holding a rank higher than the rank of corporal, and at least one whose retirement eligibility is covered under the Tier Two Benefit Plan of the ASPRS.

The Agency Request provides for Base Level of \$35,343,560 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2QS - St Police Retirement-Operations

Funding Sources: TMR - State Police Retirement Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	5,484	77,610	77,610	77,610	77,610	77,610	77,610	77,610	77,610
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	37,550	265,950	265,950	265,950	265,950	265,950	265,950	265,950	265,950
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Benefits-Non Employee	5100023	1,841,033	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Refunds/Reimbursements	5110014	16,675,391	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		18,559,458	35,343,560	35,343,560	35,343,560	35,343,560	35,343,560	35,343,560	35,343,560	35,343,560
Funding Sources										
Trust Fund	4000050	18,559,458	35,343,560		35,343,560	35,343,560	35,343,560	35,343,560	35,343,560	35,343,560
Total Funding		18,559,458	35,343,560		35,343,560	35,343,560	35,343,560	35,343,560	35,343,560	35,343,560
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		18,559,458	35,343,560		35,343,560	35,343,560	35,343,560	35,343,560	35,343,560	35,343,560

Analysis of Budget Request

Appropriation: 2QT - Judicial Retirement-Operations

Funding Sources: TAR - Judges Retirement Fund

The Arkansas Public Employees Retirement System (APERS) administers the Judicial Retirement System (JRS) under the authority of A.C.A. § 24-8-204. The administration and control of the JRS is the responsibility of the Board of Trustees of the Judicial Retirement System. The Board meets at least once each quarter and consists of five members appointed by the Arkansas Judicial Council. These members serve at the pleasure of the Council and one member is elected by the Board to serve as Chairman.

Pursuant to A.C.A. §24-8-207(a), all chancery judges, circuit judges, judges of the Arkansas Court of Appeals, and justices of the Arkansas Supreme Court, whether elected or appointed to office, shall participate in the Arkansas Judicial Retirement System (AJRS).

The Agency Request provides for Base Level of \$10,663,389 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2QT - Judicial Retirement-Operations

Funding Sources: TAR - Judges Retirement Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	3,285	40,510	40,510	40,510	40,510	40,510	40,510	40,510	40,510
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	95,950	122,879	122,879	122,879	122,879	122,879	122,879	122,879	122,879
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Benefits-Non Employee	5100023	455,922	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
Refunds/Reimbursements	5110014	2,872,955	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		3,428,112	10,663,389	10,663,389	10,663,389	10,663,389	10,663,389	10,663,389	10,663,389	10,663,389
Funding Sources										
Trust Fund	4000050	3,428,112	10,663,389		10,663,389	10,663,389	10,663,389	10,663,389	10,663,389	10,663,389
Total Funding		3,428,112	10,663,389		10,663,389	10,663,389	10,663,389	10,663,389	10,663,389	10,663,389
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,428,112	10,663,389		10,663,389	10,663,389	10,663,389	10,663,389	10,663,389	10,663,389

Analysis of Budget Request

Appropriation: C22 - Public Employee Retirement-Cash

Funding Sources: 131 - Arkansas Public Employees Retirement System-Cash

The Arkansas Public Employees Retirement System cash fund is utilized for payments to beneficiaries by check or wire transfer.

Base Level is \$500,000 each year of the biennium.

The Agency Request change level totals \$150,000,000 each year of the biennium to accommodate payment of retiree benefits via direct deposit.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C22 - Public Employee Retirement-Cash

Funding Sources: 131 - Arkansas Public Employees Retirement System-Cash

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Benefits-Non Employee 5100023	411,626,274	500,000,000	500,000,000	650,000,000	650,000,000	650,000,000	650,000,000	650,000,000	650,000,000
Total	411,626,274	500,000,000	500,000,000	650,000,000	650,000,000	650,000,000	650,000,000	650,000,000	650,000,000

Funding Sources									
Trust Fund 4000050	411,626,274	500,000,000		650,000,000	650,000,000	650,000,000	650,000,000	650,000,000	650,000,000
Total Funding	411,626,274	500,000,000		650,000,000	650,000,000	650,000,000	650,000,000	650,000,000	650,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	411,626,274	500,000,000		650,000,000	650,000,000	650,000,000	650,000,000	650,000,000	650,000,000

Analysis of Budget Request

Appropriation: C23 - St Police Retirement-Cash

Funding Sources: 131 - Arkansas State Police Retirement-Cash

The Arkansas State Police Retirement cash fund is utilized for payments to beneficiaries of the State Police Retirement System by wire transfer.

The Agency Request provides for Base Level of \$35,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C23 - St Police Retirement-Cash
Funding Sources: 131 - Arkansas State Police Retirement-Cash

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Benefits-Non Employee 5100023	19,506,800	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Total	19,506,800	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000

Funding Sources									
Trust Fund 4000050	19,506,800	35,000,000		35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Total Funding	19,506,800	35,000,000		35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	19,506,800	35,000,000		35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000

Analysis of Budget Request

Appropriation: C24 - Judicial Retirement-Cash

Funding Sources: 131 - Arkansas Judicial Retirement-Cash

The Arkansas Judicial Retirement cash fund is utilized for payments to beneficiaries of the Judicial Retirement System by direct deposit.

The Agency Request provides for Base Level of \$21,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C24 - Judicial Retirement-Cash

Funding Sources: 131 - Arkansas Judicial Retirement-Cash

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Benefits-Non Employee 5100023	11,556,976	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Total	11,556,976	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000

Funding Sources									
Trust Fund 4000050	11,556,976	21,000,000		21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Total Funding	11,556,976	21,000,000		21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	11,556,976	21,000,000		21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000

Analysis of Budget Request

Appropriation: F73 - APERS Pension Administration System

Funding Sources: TSR - Arkansas Public Employees' Retirement System Fund

The APERS Pension Administration System is an ongoing project to overhaul the APERS Customer Relations Management (CRM) software for the first time in several decades.

The Agency provides for Base Level of \$21,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: F73 - APERS Pension Administration System
Funding Sources: TSR - Arkansas Public Employees' Retirement System Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
APERS Pension Capital Projects 5900046	5,457,256	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Total	5,457,256	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Funding Sources									
Trust Fund 4000050	5,457,256	21,000,000		21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Total Funding	5,457,256	21,000,000		21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	5,457,256	21,000,000		21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
255 Utilities Division-Operations	8,375,276	88	9,959,025	89	9,955,274	89	9,940,681	89	9,940,681	89	9,940,681	89	9,944,734	89	9,944,734	89	9,944,734	89
256 Pipeline Safety Program	905,709	10	972,106	10	942,610	10	975,539	10	975,539	10	975,539	10	975,539	10	975,539	10	975,539	10
257 Tax Division-Operations	1,076,132	15	1,336,634	15	1,736,361	15	1,728,201	15	1,728,201	15	1,728,201	15	1,728,692	15	1,728,692	15	1,728,692	15
2KA Contingency	0	0	0	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
Total	10,357,117	113	12,267,765	114	13,634,245	114	13,644,421	114	13,644,421	114	13,644,421	114	13,648,965	114	13,648,965	114	13,648,965	114

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	7,066,478	41.8	6,547,670	38.6			4,678,541	28.6	4,678,541	28.6	4,678,541	28.6	2,721,310	18.5	2,721,310	18.5	2,721,310	18.5
Federal Revenue	4000020	362,708	2.1	486,053	2.9			465,932	2.8	465,932	2.8	465,932	2.8	465,932	3.2	465,932	3.2	465,932	3.2
Special Revenue	4000030	8,480,844	50.2	9,312,259	55.0			10,600,835	64.8	10,600,835	64.8	10,600,835	64.8	10,926,632	74.2	10,926,632	74.2	10,926,632	74.2
Ad Valorem Tax	4000060	994,757	5.9	600,324	3.5			620,423	3.8	620,423	3.8	620,423	3.8	620,423	4.2	620,423	4.2	620,423	4.2
Total Funds		16,904,787	100.0	16,946,306	100.0			16,365,731	100.0	16,365,731	100.0	16,365,731	100.0	14,734,297	100.0	14,734,297	100.0	14,734,297	100.0
Excess Appropriation/(Funding)		(6,547,670)		(4,678,541)				(2,721,310)		(2,721,310)		(2,721,310)		(1,085,332)		(1,085,332)		(1,085,332)	
Grand Total		10,357,117		12,267,765				13,644,421		13,644,421		13,644,421		13,648,965		13,648,965		13,648,965	

Analysis of Budget Request

Appropriation: 255 - Utilities Division-Operations

Funding Sources: SJP - Public Service Commission Fund

The Public Service Commission - Utilities Division is funded entirely by special revenues derived from assessments paid by the utility companies under its jurisdiction, as authorized in A.C.A. § 19-6-406.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

Base Level for the Division is \$9,919,681 in FY18 and \$9,923,734 in FY19.

The Agency's Change Level Request is \$21,000 each year in Capital Outlay to replace one vehicle each year of the Biennium.

The Executive Recommendation provides for the Agency Request for Capital Outlay to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 255 - Utilities Division-Operations

Funding Sources: SJP - Public Service Commission Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	5,437,372	5,601,898	5,584,248	5,562,486	5,562,486	5,562,486	5,565,686	5,565,686	5,565,686
#Positions		88	89	89	89	89	89	89	89	89
Extra Help	5010001	0	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
#Extra Help		0	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	1,653,995	1,695,858	1,709,757	1,716,926	1,716,926	1,716,926	1,717,779	1,717,779	1,717,779
Overtime	5010006	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Operating Expenses	5020002	927,577	1,070,597	1,070,597	1,070,597	1,070,597	1,070,597	1,070,597	1,070,597	1,070,597
Conference & Travel Expenses	5050009	48,396	68,922	68,922	68,922	68,922	68,922	68,922	68,922	68,922
Professional Fees	5060010	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Special Maintenance	5120032	0	24,319	24,319	24,319	24,319	24,319	24,319	24,319	24,319
Fed Regulatory Services	5900040	214,029	290,575	290,575	290,575	290,575	290,575	290,575	290,575	290,575
Professional Services	5900043	56,680	998,000	998,000	998,000	998,000	998,000	998,000	998,000	998,000
Data Processing Services	5900044	37,227	138,856	138,856	138,856	138,856	138,856	138,856	138,856	138,856
Total		8,375,276	9,959,025	9,955,274	9,940,681	9,940,681	9,940,681	9,944,734	9,944,734	9,944,734

Funding Sources										
Fund Balance	4000005	3,650,233	3,504,212		2,479,032	2,479,032	2,479,032	1,576,972	1,576,972	1,576,972
Special Revenue	4000030	8,229,255	8,933,845		9,038,621	9,038,621	9,038,621	9,362,418	9,362,418	9,362,418
Total Funding		11,879,488	12,438,057		11,517,653	11,517,653	11,517,653	10,939,390	10,939,390	10,939,390
Excess Appropriation/(Funding)		(3,504,212)	(2,479,032)		(1,576,972)	(1,576,972)	(1,576,972)	(994,656)	(994,656)	(994,656)
Grand Total		8,375,276	9,959,025		9,940,681	9,940,681	9,940,681	9,944,734	9,944,734	9,944,734

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 256 - Pipeline Safety Program

Funding Sources: SAD - Public Service Utility Safety Fund

The Public Service Commission's Pipeline Safety Program is funded by special revenue inspection fees charged annually to each company according to its pipeline mileage in Arkansas, as authorized in Arkansas Code § 23-15-214 et seq. The Program is also eligible for federal reimbursement for up to 50% of its expenditures. Under this program, the Commission maintains safety jurisdiction and monitors the transmission by pipeline of hazardous materials, such as gasoline, oil, and natural gas.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level for this appropriation is \$950,539 each year of the 2017-2019 Biennium.

The Agency's Change Level Request is \$25,000 each year in Capital Outlay to replace one vehicle each year of the Biennium.

The Executive Recommendation provides for the Agency Request for Capital Outlay to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 256 - Pipeline Safety Program

Funding Sources: SAD - Public Service Utility Safety Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	588,265	624,708	599,043	624,808	624,808	624,808	624,808	624,808	624,808
#Positions		10	10	10	10	10	10	10	10	10
Personal Services Matching	5010003	178,685	188,835	185,004	192,168	192,168	192,168	192,168	192,168	192,168
Operating Expenses	5020002	94,128	105,714	105,714	105,714	105,714	105,714	105,714	105,714	105,714
Conference & Travel Expenses	5050009	20,041	25,620	25,620	25,620	25,620	25,620	25,620	25,620	25,620
Professional Fees	5060010	0	2,229	2,229	2,229	2,229	2,229	2,229	2,229	2,229
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	24,590	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total		905,709	972,106	942,610	975,539	975,539	975,539	975,539	975,539	975,539
Funding Sources										
Fund Balance	4000005	1,540,858	1,249,399		1,049,399	1,049,399	1,049,399	1,005,724	1,005,724	1,005,724
Federal Revenue	4000020	362,708	486,053		465,932	465,932	465,932	465,932	465,932	465,932
Special Revenue	4000030	251,542	286,053		465,932	465,932	465,932	465,932	465,932	465,932
Total Funding		2,155,108	2,021,505		1,981,263	1,981,263	1,981,263	1,937,588	1,937,588	1,937,588
Excess Appropriation/(Funding)		(1,249,399)	(1,049,399)		(1,005,724)	(1,005,724)	(1,005,724)	(962,049)	(962,049)	(962,049)
Grand Total		905,709	972,106		975,539	975,539	975,539	975,539	975,539	975,539

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 257 - Tax Division-Operations

Funding Sources: HTD - Tax Division Fund

The Public Service Commission - Tax Division's appropriation is funded by special revenues transferred from the Public Service Commission Fund, the Division's share of ad valorem taxes, as authorized in Arkansas Code §19-5-1024, and general revenues, if needed.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level request for the Division is \$1,728,201 in FY18 and \$1,728,692 in FY19.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 257 - Tax Division-Operations

Funding Sources: HTD - Tax Division Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	661,417	735,746	733,632	725,663	725,663	725,663	726,063	726,063	726,063
#Positions		15	15	15	15	15	15	15	15	15
Extra Help	5010001	0	38,238	38,238	38,238	38,238	38,238	38,238	38,238	38,238
#Extra Help		0	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	222,938	242,678	244,519	244,328	244,328	244,328	244,419	244,419	244,419
Overtime	5010006	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	175,832	202,472	202,472	202,472	202,472	202,472	202,472	202,472	202,472
Conference & Travel Expenses	5050009	6,787	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Professional Fees	5060010	9,158	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Contingency	5130018	0	0	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Total		1,076,132	1,336,634	1,736,361	1,728,201	1,728,201	1,728,201	1,728,692	1,728,692	1,728,692

Funding Sources										
Fund Balance	4000005	1,875,387	1,794,059		1,150,110	1,150,110	1,150,110	138,614	138,614	138,614
Special Revenue	4000030	47	92,361		96,282	96,282	96,282	98,282	98,282	98,282
Ad Valorem Tax	4000060	994,757	600,324		620,423	620,423	620,423	620,423	620,423	620,423
Total Funding		2,870,191	2,486,744		1,866,815	1,866,815	1,866,815	857,319	857,319	857,319
Excess Appropriation/(Funding)		(1,794,059)	(1,150,110)		(138,614)	(138,614)	(138,614)	871,373	871,373	871,373
Grand Total		1,076,132	1,336,634		1,728,201	1,728,201	1,728,201	1,728,692	1,728,692	1,728,692

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 2KA - Contingency

Funding Sources: SJP - Public Service Commission Fund

The Public Service Commission - Utilities Division's Contingency appropriation provides additional spending authority that may be transferred to the Division's operating line items in emergency situations that would require additional resources. Funding for this appropriation is from Special Revenue balances held in the Public Service Commission Fund to support any transfers that may be made.

The Agency Request provides for Base Level of \$1,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2KA - Contingency

Funding Sources: SJP - Public Service Commission Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Overtime Salaries 5130018	0	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total	0	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Funding Sources									
Special Revenue 4000030	0	0		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Funding	0	0		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
027 State Operations	3,243,299	39	3,249,817	39	3,514,117	39	3,210,642	38	3,210,642	38	3,210,642	38	3,211,745	38	3,211,745	38	3,211,745	38
1MV Investor Education	77,715	0	113,500	0	113,500	0	168,500	0	168,500	0	168,500	0	168,500	0	168,500	0	168,500	0
C67 Refunds and Reimbursements	31,692	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
Total	3,352,706	39	3,863,317	39	4,127,617	39	3,879,142	38	3,879,142	38	3,879,142	38	3,880,245	38	3,880,245	38	3,880,245	38

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	4,413,460	52.0	5,132,836	52.5			5,919,519	65.3	5,919,519	65.3	5,919,519	65.3	5,190,377	62.2	5,190,377	62.2	5,190,377	62.2
Special Revenue 4000030	4,040,540	47.6	4,150,000	42.4			2,650,000	29.2	2,650,000	29.2	2,650,000	29.2	2,650,000	31.8	2,650,000	31.8	2,650,000	31.8
Cash Fund 4000045	31,542	0.4	500,000	5.1			500,000	5.5	500,000	5.5	500,000	5.5	500,000	6.0	500,000	6.0	500,000	6.0
Total Funds	8,485,542	100.0	9,782,836	100.0			9,069,519	100.0	9,069,519	100.0	9,069,519	100.0	8,340,377	100.0	8,340,377	100.0	8,340,377	100.0
Excess Appropriation/(Funding)	(5,132,836)		(5,919,519)				(5,190,377)		(5,190,377)		(5,190,377)		(4,460,132)		(4,460,132)		(4,460,132)	
Grand Total	3,352,706		3,863,317				3,879,142		3,879,142		3,879,142		3,880,245		3,880,245		3,880,245	

Analysis of Budget Request

Appropriation: 027 - State Operations

Funding Sources: SDH - Securities Department Fund

The State Operations appropriation is funded by special revenue fees that are authorized by A.C.A. §19-6-475. Administrative fines collected by the Agency are also designated as special revenues.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

Base Level for the biennium is \$3,224,746 in FY18 and \$3,225,849 in FY19.

The Agency's Change Level request totals (\$14,104) each year and includes:

- Reduction in Regular Salaries and Personal Services Matching due to elimination of one (1) Securities Examiner
- Reallocation of \$23,500 from Professional Fees to Operating Expenses to properly code what was once considered a professional service.
- Reallocation of \$15,700 between General Ledger codes within Operating Expenses to align with agency needs.
- Capital Outlay of \$35,000 each year for vehicle purchases.

The Executive Recommendation provides for the Agency Request.

The Executive Recommendation provides for the Agency Request for Capital Outlay to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 027 - State Operations

Funding Sources: SDH - Securities Department Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	2,004,925	2,010,552	2,051,884	1,976,402	1,976,402	1,976,402	1,977,302	1,977,302	1,977,302
#Positions		39	39	39	38	38	38	38	38	38
Extra Help	5010001	12,719	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
#Extra Help		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	731,965	643,121	666,089	641,596	641,596	641,596	641,799	641,799	641,799
Operating Expenses	5020002	437,214	447,160	447,160	470,660	470,660	470,660	470,660	470,660	470,660
Conference & Travel Expenses	5050009	23,033	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	0	44,484	44,484	20,984	20,984	20,984	20,984	20,984	20,984
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	29,127	38,500	38,500	35,000	35,000	35,000	35,000	35,000	35,000
Contingency	5130018	0	0	200,000	0	0	0	0	0	0
Examination Travel	5900046	4,316	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total		3,243,299	3,249,817	3,514,117	3,210,642	3,210,642	3,210,642	3,211,745	3,211,745	3,211,745

Funding Sources										
Fund Balance	4000005	3,565,178	4,258,684		5,008,867	5,008,867	5,008,867	4,298,225	4,298,225	4,298,225
Special Revenue	4000030	3,936,805	4,000,000		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Funding		7,501,983	8,258,684		7,508,867	7,508,867	7,508,867	6,798,225	6,798,225	6,798,225
Excess Appropriation/(Funding)		(4,258,684)	(5,008,867)		(4,298,225)	(4,298,225)	(4,298,225)	(3,586,480)	(3,586,480)	(3,586,480)
Grand Total		3,243,299	3,249,817		3,210,642	3,210,642	3,210,642	3,211,745	3,211,745	3,211,745

Analysis of Budget Request

Appropriation: 1MV - Investor Education

Funding Sources: SDH - Investor Education Fund

The Securities Department's Investor Education Program was established by Act 759 of 2003 (A.C.A. §23-42-213) and is funded by administrative fines levied by the Department. The Program is designed to work in conjunction with various non-profit economic education, religious, civic, and community groups to provide economic and financial education primarily to junior high through first year college students and senior citizen groups and to inform the investing public of investment schemes and unlawful, fraudulent conduct.

Base Level Request is \$113,500 each year of the biennium.

The Agency Change Level request of \$55,000 in Grants and Aid is to fulfill additional qualified grant requests from existing funds.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1MV - Investor Education

Funding Sources: SDH - Investor Education Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	1,286	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Promotional Items	5090028	7,098	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Grants and Aid	5100004	69,331	70,000	70,000	125,000	125,000	125,000	125,000	125,000	125,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		77,715	113,500	113,500	168,500	168,500	168,500	168,500	168,500	168,500
Funding Sources										
Fund Balance	4000005	845,132	871,152		907,652	907,652	907,652	889,152	889,152	889,152
Special Revenue	4000030	103,735	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding		948,867	1,021,152		1,057,652	1,057,652	1,057,652	1,039,152	1,039,152	1,039,152
Excess Appropriation/(Funding)		(871,152)	(907,652)		(889,152)	(889,152)	(889,152)	(870,652)	(870,652)	(870,652)
Grand Total		77,715	113,500		168,500	168,500	168,500	168,500	168,500	168,500

Analysis of Budget Request

Appropriation: C67 - Refunds and Reimbursements

Funding Sources: 153 - Securities Department - Cash in Bank

The Securities Department's Refunds and Reimbursements appropriation is a Cash in Bank account that is used for transfer of fee collections to State Treasury fund accounts after necessary refunds have been made. Transfers to the Treasury do not appear as expenditures.

The Agency Request provides for Base Level of \$500,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C67 - Refunds and Reimbursements
Funding Sources: 153 - Securities Department - Cash in Bank

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements 5110014	31,692	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	31,692	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

Funding Sources									
Fund Balance 4000005	3,150	3,000		3,000	3,000	3,000	3,000	3,000	3,000
Cash Fund 4000045	31,542	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	34,692	503,000		503,000	503,000	503,000	503,000	503,000	503,000
Excess Appropriation/(Funding)	(3,000)	(3,000)		(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Grand Total	31,692	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 806 - Sentencing Commission State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Arkansas Sentencing Commission was established by Acts 532 & 550 of 1993 as codified at Arkansas Code 16-90-801 - 16-90-804 for the purpose of instituting sentencing standards to ensure that sanctions imposed following conviction are proportional to the seriousness of the offense of conviction and the extent of the offender's criminal history. The Commission has developed the sentencing grid, the seriousness reference table and established transfer eligibility for all offenses. The Commission provides impact assessments of proposed legislation for the Governor and General Assembly through a professional service contract with the Institute on Crime, Justice and Correction. This contract also has provided training to the staff of the Sentencing Commission and the Department of Correction in the use of a software program that is utilized in data analysis of criminal justice laws, policies and procedures. The Commission consists of nine (9) Commissioners that are appointed by the Governor for a five-year term.

This is the operating appropriation of the Commission. It is funded entirely by general revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015. The Base Level request for Regular Salaries includes board member stipend payments.

For the 2017-2019 Biennium, the Board is requesting \$30,000 unfunded general revenue appropriation in Professional Fees in anticipation of changes potentially required to the Sentencing Order Program and Database due to changes in sentencing policy in the upcoming legislative session.

The Executive Recommendation provides for the Base Level each year.

The Legislative Recommendation concurs with Executive Recommendation.

Appropriation Summary

Appropriation: 806 - Sentencing Commission State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	239,015	235,816	250,904	235,816	235,816	235,816	235,816	235,816	235,816
#Positions		5	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	75,821	77,335	81,477	78,652	78,652	78,652	78,652	78,652	78,652
Operating Expenses	5020002	56,605	61,917	61,917	61,917	61,917	61,917	61,917	61,917	61,917
Conference & Travel Expenses	5050009	4,103	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550
Professional Fees	5060010	70,000	71,000	71,000	101,000	71,000	71,000	101,000	71,000	71,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		445,544	450,618	469,848	481,935	451,935	451,935	481,935	451,935	451,935
Funding Sources										
General Revenue	4000010	445,544	450,618		451,935	451,935	451,935	451,935	451,935	451,935
Total Funding		445,544	450,618		451,935	451,935	451,935	451,935	451,935	451,935
Excess Appropriation/(Funding)		0	0		30,000	0	0	30,000	0	0
Grand Total		445,544	450,618		481,935	451,935	451,935	481,935	451,935	451,935

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
096 State Operations	2,347,680	25	2,343,625	25	2,486,552	27	2,774,622	27	2,359,033	25	2,774,622	27	2,718,733	27	2,360,014	25	2,718,733	27
187 Federal Operations	3,105	0	34,500	0	34,500	0	34,500	0	34,500	0	34,500	0	34,500	0	34,500	0	34,500	0
864 Cash Operations	25,934	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
97G ASCC-TAC	402,079	3	500,000	3	503,999	3	498,779	3	498,779	3	498,779	3	498,779	3	498,779	3	498,779	3
Total	2,778,798	28	2,928,125	28	3,075,051	30	3,357,901	30	2,942,312	28	3,357,901	30	3,302,012	30	2,943,293	28	3,302,012	30

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	70,098	2.5	76,686	2.6	56,686	1.8	56,686	1.9	56,686	1.7	36,686	1.2	36,686	1.2	36,686	1.1
General Revenue	4000010	2,249,450	78.8	2,237,474	75.0	2,353,897	76.6	2,264,672	76.0	2,676,392	78.8	2,354,838	77.1	2,265,613	76.5	2,676,392	80.6
Federal Revenue	4000020	101,335	3.5	132,730	4.4	132,730	4.3	128,861	4.3	132,730	3.9	132,730	4.3	128,901	4.4	76,841	2.3
Cash Fund	4000045	32,522	1.1	30,000	1.0	30,000	1.0	30,000	1.0	30,000	0.9	30,000	1.0	30,000	1.0	30,000	0.9
Merit Adjustment Fund	4000055	0	0.0	7,921	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from Health Dept	4000511	402,079	14.1	500,000	16.8	498,779	16.2	498,779	16.7	498,779	14.7	498,779	16.3	498,779	16.9	498,779	15.0
Total Funds		2,855,484	100.0	2,984,811	100.0	3,072,092	100.0	2,978,998	100.0	3,394,587	100.0	3,053,033	100.0	2,959,979	100.0	3,318,698	100.0
Excess Appropriation/(Funding)		(76,686)		(56,686)		285,809		(36,686)		(36,686)		248,979		(16,686)		(16,686)	
Grand Total		2,778,798		2,928,125		3,357,901		2,942,312		3,357,901		3,302,012		2,943,293		3,302,012	

Variance in fund balance is due to unfunded appropriation in (FC 096) -State Operations.

Analysis of Budget Request

Appropriation: 096 - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

A.C.A. § 20-8-201 created the Arkansas Spinal Cord Commission for the establishment and integration of a statewide system of treatment, rehabilitation, counseling, and social services for persons with spinal cord injuries or spina bifida. The Commission serves an integral role in promoting and preserving the independent functioning of Arkansans with spinal cord disabilities, allowing them to contribute to our state. State General Revenue provides approximately 96% of the total funding for this appropriation. While a small portion of this appropriation is supported with Federal Social Services Block Grant funds allocated through the Department of Human Services, general revenue funding comprises the bulk of the revenue source.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Agency's Change Level request is \$415,589 in FY18 and \$358,719 in FY19 in appropriation and additional general revenue funding of \$89,225 each year, and reflects of the following:

- Regular Salaries and Personal Services Matching totaling \$89,225 in FY18 and FY19 for restoration of two (2) additional Rehabilitation Counselor (L051C) positions to meet the critical needs in serving some of Arkansas' most vulnerable citizens, those who live with spinal cord disabilities and paralysis. The additional Counselors are needed in Northwest and North Central Arkansas to meet the significant case load increase that follows the increased population trend.
- Operating Expenses decrease of (\$11,077) in FY18 and (\$15,447) in FY19 to reallocate several appropriation within several line items.
- Conference Fees and Travel increase of \$5,100 each year to provide training for the Rehabilitation Counselors to keep them updated on the latest medical information, medical equipment, technology, resources and services.
- Professional Fees decrease of (\$5,514) in FY18 and (\$58,014) in FY19 due to discontinuation of a portion of the services provided by the contract with Arkansas Rehabilitation Services for administrative support.
- Spinal Treatment Program increase of \$337,855 each year to restore the appropriation to previously authorized levels and to continue to assist Arkansas with spinal cord disabilities.

The Executive Recommendation provides for Base Level.

The Legislative Recommendation provides for the Agency Request with general revenue funding recommended at \$2,676,392 each year.

Appropriation Summary

Appropriation: 096 - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	955,017	972,192	1,074,111	1,044,777	980,279	1,044,777	1,045,577	981,079	1,045,577
#Positions		25	25	27	27	25	27	27	25	27
Personal Services Matching	5010003	336,063	339,823	380,831	371,871	347,144	371,871	372,052	347,325	372,052
Operating Expenses	5020002	235,472	235,335	235,335	224,258	235,335	224,258	219,888	235,335	219,888
Conference & Travel Expenses	5050009	7,871	10,520	10,520	15,620	10,520	15,620	15,620	10,520	15,620
Professional Fees	5060010	66,985	90,000	90,000	84,486	90,000	84,486	31,986	90,000	31,986
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	198,550	261,610	261,610	261,610	261,610	261,610	261,610	261,610	261,610
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Spinal Treatment Program	5900046	547,722	434,145	434,145	772,000	434,145	772,000	772,000	434,145	772,000
Total		2,347,680	2,343,625	2,486,552	2,774,622	2,359,033	2,774,622	2,718,733	2,360,014	2,718,733

Funding Sources										
General Revenue	4000010	2,249,450	2,237,474		2,353,897	2,264,672	2,676,392	2,354,838	2,265,613	2,676,392
Federal Revenue	4000020	98,230	98,230		98,230	94,361	98,230	98,230	94,401	42,341
Merit Adjustment Fund	4000055	0	7,921		0	0	0	0	0	0
Total Funding		2,347,680	2,343,625		2,452,127	2,359,033	2,774,622	2,453,068	2,360,014	2,718,733
Excess Appropriation/(Funding)		0	0		322,495	0	0	265,665	0	0
Grand Total		2,347,680	2,343,625		2,774,622	2,359,033	2,774,622	2,718,733	2,360,014	2,718,733

Analysis of Budget Request

Appropriation: 187 - Federal Operations

Funding Sources: FSK - Federal Funds

The Spinal Cord Commission's Federal Operations appropriation is utilized for various Research and Prevention Programs. This appropriation is 100% federally funded.

The Commission is requesting a total of \$34,500 each year of the 2017-2019 Biennium. The request also includes a reallocation in the Operating Expenses line items, decreasing low value equipment by \$10,000 and increasing printing and office supplies each by \$5,000.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 187 - Federal Operations

Funding Sources: FSK - Federal Funds

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	3,105	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500
Conference & Travel Expenses	5050009	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Professional Fees	5060010	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		3,105	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500
Funding Sources										
Federal Revenue	4000020	3,105	34,500		34,500	34,500	34,500	34,500	34,500	34,500
Total Funding		3,105	34,500		34,500	34,500	34,500	34,500	34,500	34,500
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,105	34,500		34,500	34,500	34,500	34,500	34,500	34,500

Analysis of Budget Request

Appropriation: 864 - Cash Operations

Funding Sources: NSC - Cash in Treasury

The Spinal Cord Commission's cash appropriation is utilized for contingency, miscellaneous, or emergency purchases and educational activities, which include conducting an annual conference. The funding sources of this cash appropriation include private donations, proceeds from educational activities and grants.

The Commission is requesting a total of \$50,000 each year of the 2017-2019 Biennium. The request includes a reallocation in the Operating Expenses line item, decreasing low value equipment, educational supplies, contractual food services, and subscriptions and publications by a total of \$25,468 and increasing binding copying, rent of facilities, mileage, lodging, common carrier, ground transportation, parking fees, food purchases, and other expenses by a total of \$25,468.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 864 - Cash Operations

Funding Sources: NSC - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	25,934	40,000	25,000	40,000	40,000	40,000	40,000	40,000	40,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	10,000	25,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		25,934	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources										
Fund Balance	4000005	70,098	76,686		56,686	56,686	56,686	36,686	36,686	36,686
Cash Fund	4000045	32,522	30,000		30,000	30,000	30,000	30,000	30,000	30,000
Total Funding		102,620	106,686		86,686	86,686	86,686	66,686	66,686	66,686
Excess Appropriation/(Funding)		(76,686)	(56,686)		(36,686)	(36,686)	(36,686)	(16,686)	(16,686)	(16,686)
Grand Total		25,934	50,000		50,000	50,000	50,000	50,000	50,000	50,000

Budget exceeds Authorized Appropriation in Operating Expenses by authority of a Budget Classification Transfer.

Analysis of Budget Request

Appropriation: 97G - ASCC-TAC

Funding Sources: NSC - Cash in Treasury

This program is to develop statewide trauma rehabilitation programs including developing outcome measures, professional training programs and a rehabilitation hospital designation. It is funded from Trauma System funds that are transferred from the Arkansas Department of Health.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Commission is requesting a total of \$498,779 each year of the 2017-2019 Biennium. The request includes a reallocation in the Operating Expenses line item, decreasing postage, binding copying, office supplies, educational supplies, and low value equipment by a total of \$8,412 and increasing rent of office equipment, board member expense, board travel, board lodging, and travel reimbursement by a total of \$8,412.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 97G - ASCC-TAC

Funding Sources: NSC - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	108,053	134,721	114,956	133,077	133,077	133,077	133,077	133,077	133,077
#Positions		3	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	39,461	46,480	37,650	46,903	46,903	46,903	46,903	46,903	46,903
Operating Expenses	5020002	20,973	63,326	37,062	63,326	63,326	63,326	63,326	63,326	63,326
Conference & Travel Expenses	5050009	46,272	43,903	75,994	43,903	43,903	43,903	43,903	43,903	43,903
Professional Fees	5060010	6,100	21,125	20,000	21,125	21,125	21,125	21,125	21,125	21,125
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	181,220	190,445	218,337	190,445	190,445	190,445	190,445	190,445	190,445
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		402,079	500,000	503,999	498,779	498,779	498,779	498,779	498,779	498,779
Funding Sources										
Transfer from Health Dept	4000511	402,079	500,000		498,779	498,779	498,779	498,779	498,779	498,779
Total Funding		402,079	500,000		498,779	498,779	498,779	498,779	498,779	498,779
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		402,079	500,000		498,779	498,779	498,779	498,779	498,779	498,779

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium. Budget exceeds Authorized Appropriation in Operating Expenses and Professional Fees by authority of a Budget Classification Transfer.

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
054 Library-State Operations	3,561,881	37	3,608,262	41	3,635,198	41	3,618,678	41	3,514,711	38	3,514,711	38	3,619,539	41	3,515,572	38	3,515,572	38
055 Library-Federal Operations	1,528,540	10	3,184,154	15	3,282,520	15	3,162,744	15	3,133,349	14	3,133,349	14	3,162,744	15	3,133,349	14	3,133,349	14
083 Aid to Public Library	4,754,248	0	5,661,120	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0
1XV Grants Administration - Cash in Treasury	179,197	0	173,000	0	614,000	0	573,000	0	573,000	0	573,000	0	573,000	0	573,000	0	573,000	0
858 State Library-Revolving	85	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0
Total	10,023,951	47	12,633,158	56	13,238,340	56	13,061,044	56	12,927,682	52	12,927,682	52	13,061,905	56	12,928,543	52	12,928,543	52

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	142,265	1.4	31,200	0.2			11,999	0.1	11,999	0.1	11,999	0.1	11,999	0.1	11,999	0.1
General Revenue	4000010	3,561,699	35.4	3,591,373	28.4			3,618,678	27.7	3,514,711	27.2	3,514,711	27.2	3,619,539	27.7	3,515,572	27.2
Federal Revenue	4000020	1,528,540	15.2	3,184,154	25.2			3,162,744	24.2	3,133,349	24.3	3,133,349	24.3	3,162,744	24.2	3,133,349	24.3
Cash Fund	4000045	15,546	0.2	179,622	1.4			579,622	4.4	579,622	4.5	579,622	4.5	579,622	4.4	579,622	4.5
Merit Adjustment Fund	4000055	0	0.0	16,889	0.1			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Rainy Day Fund	4000267	0	0.0	1,000,000	7.9			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Inter-agency Fund Transfer	4000316	165,000	1.6	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	182	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
St Library Public School Fund	4000475	4,641,919	46.2	4,641,919	36.7			5,700,000	43.6	5,661,120	43.9	5,661,120	43.9	5,700,000	43.6	5,661,120	43.9
Total Funds		10,055,151	100.0	12,645,157	100.0			13,073,043	100.0	12,900,801	100.0	12,900,801	100.0	13,073,904	100.0	12,901,662	100.0
Excess Appropriation/(Funding)		(31,200)		(11,999)				(11,999)		26,881		26,881		(11,999)		26,881	
Grand Total		10,023,951		12,633,158				13,061,044		12,927,682		12,927,682		13,061,905		12,928,543	

Variance in fund balance is due to unfunded appropriation.

Analysis of Budget Request

Appropriation: 054 - Library-State Operations

Funding Sources: EPA - State Library Account

The Arkansas State Library serves as the information resource center for state agencies, legislators and legislative staff; to provide guidance and support for the development of local libraries and library services; and to provide the resources, services, and leadership necessary to meet the educational, informational, and cultural needs of Arkansas' citizens. This appropriation is funded by general revenue.

Base Level Regular Salaries and Personal Services Matching includes continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015. The Base Level request for Regular Salaries includes board member stipend payments.

The Agency Request is for Base Level of \$3,618,678 for FY18 and \$3,619,539 for FY19.

The Executive Recommendation provides for the Agency Request; and subsequent to the Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects three (3) position reductions based on the personnel evaluations.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 054 - Library-State Operations

Funding Sources: EPA - State Library Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,605,918	1,665,684	1,681,462	1,666,984	1,594,756	1,594,756	1,667,684	1,595,456	1,595,456
#Positions		37	41	41	41	38	38	41	38	38
Extra Help	5010001	3,755	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
#Extra Help		1	7	7	7	7	7	7	7	7
Personal Services Matching	5010003	577,925	581,166	574,627	590,282	558,543	558,543	590,443	558,704	558,704
Operating Expenses	5020002	1,128,591	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409
Conference & Travel Expenses	5050009	7,752	7,760	7,760	7,760	7,760	7,760	7,760	7,760	7,760
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Promotional Items	5090028	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Books and Subscriptions	5900046	237,940	220,243	237,940	220,243	220,243	220,243	220,243	220,243	220,243
Total		3,561,881	3,608,262	3,635,198	3,618,678	3,514,711	3,514,711	3,619,539	3,515,572	3,515,572

Funding Sources										
General Revenue	4000010	3,561,699	3,591,373		3,618,678	3,514,711	3,514,711	3,619,539	3,515,572	3,515,572
Merit Adjustment Fund	4000055	0	16,889		0	0	0	0	0	0
M & R Sales	4000340	182	0		0	0	0	0	0	0
Total Funding		3,561,881	3,608,262		3,618,678	3,514,711	3,514,711	3,619,539	3,515,572	3,515,572
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,561,881	3,608,262		3,618,678	3,514,711	3,514,711	3,619,539	3,515,572	3,515,572

Analysis of Budget Request

Appropriation: 055 - Library-Federal Operations

Funding Sources: FEL - State Library Fund-LSTA

Federal funds for the Arkansas State Library are provided by the U. S. Department of Education through the Institute of Museum and Library Services. The federal program - the Library Services and Technology Act (LSTA) - promotes access to information resources in all types of libraries, promotes access to library materials through electronic networks, and provides linkages between libraries.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$3,087,744 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level increase of \$75,000 each year as follows:

- Capital Outlay increase of \$75,000 that includes \$25,000 for purchase of resources for the library collection and \$25,000 to replace one (1) state vehicle each year; and \$25,000 to purchase network equipment. This is included in the agency's IT plan under IT Support Items.

The Executive Recommendation provides for the Agency Request; and subsequent to the Agency's Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects one (1) position reduction based on the personnel evaluations.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 055 - Library-Federal Operations

Funding Sources: FEL - State Library Fund-LSTA

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	253,116	397,911	470,066	399,111	379,313	379,313	399,111	379,313	379,313
#Positions		10	15	15	15	14	14	15	14	14
Extra Help	5010001	14,446	14,625	14,625	14,625	14,625	14,625	14,625	14,625	14,625
#Extra Help		2	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	126,866	166,218	192,429	168,608	159,011	159,011	168,608	159,011	159,011
Operating Expenses	5020002	1,101,215	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239
Conference & Travel Expenses	5050009	32,897	42,161	42,161	42,161	42,161	42,161	42,161	42,161	42,161
Professional Fees	5060010	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	100,000	100,000	75,000	75,000	75,000	75,000	75,000	75,000
Total		1,528,540	3,184,154	3,282,520	3,162,744	3,133,349	3,133,349	3,162,744	3,133,349	3,133,349
Funding Sources										
Federal Revenue	4000020	1,528,540	3,184,154		3,162,744	3,133,349	3,133,349	3,162,744	3,133,349	3,133,349
Total Funding		1,528,540	3,184,154		3,162,744	3,133,349	3,133,349	3,162,744	3,133,349	3,133,349
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,528,540	3,184,154		3,162,744	3,133,349	3,133,349	3,162,744	3,133,349	3,133,349

Analysis of Budget Request

Appropriation: 083 - Aid to Public Library

Funding Sources: JSL - State Library Public School Fund

Since 1937, the legislature has regularly appropriated funds for Aid to Public Libraries. These funds supplement local libraries resources. The purpose of Aid to Public Libraries is to encourage local library support, promote resource sharing, and improve local library resources. Aid to Public Libraries is funded by the State Library Public School Fund.

The Base Level Request is \$5,661,120 each year of the 2017-2019 Biennium.

The Agency Request is a Change Level increase of \$38,880 each year as follows:

- Grants and Aid increase of \$38,880 to restore appropriation to the FY17 authorized amount to continue uninterrupted support of local libraries.

The Executive Recommendation provides for the Agency Request, appropriation only, and continue general revenue funding of \$5,661,120 for each year.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 083 - Aid to Public Library

Funding Sources: JSL - State Library Public School Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	4,754,248	5,661,120	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Total		4,754,248	5,661,120	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000

Funding Sources										
Fund Balance	4000005	131,530	19,201		0	0	0	0	0	0
Rainy Day Fund	4000267	0	1,000,000		0	0	0	0	0	0
St Library Public School Fund	4000475	4,641,919	4,641,919		5,700,000	5,661,120	5,661,120	5,700,000	5,661,120	5,661,120
Total Funding		4,773,449	5,661,120		5,700,000	5,661,120	5,661,120	5,700,000	5,661,120	5,661,120
Excess Appropriation/(Funding)		(19,201)	0		0	38,880	38,880	0	38,880	38,880
Grand Total		4,754,248	5,661,120		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000

Analysis of Budget Request

Appropriation: 1XV - Grants Administration - Cash in Treasury

Funding Sources: NSL - Cash in Treasury

The Arkansas State Library receives grants from various sources throughout the year. This appropriation is a combination of grant programs including a grant from the Department of Education for the Traveler Database program. These databases are offered free to the academic, public, special and school libraries across the state. The Arkansas Department of Education provides additional funding each year to supplement the cost of the databases used by the schools. The Arkansas Center for the Book program coordinator actively seeks additional funds through various grant opportunities, including the Library of Congress, to encourage the study of books and book culture by publicizing and promoting Arkansas's rich literary heritage through stimulating public interest in books, reading, libraries, and bookstores.

Base Level Request is \$173,000 for each year of the 2017-2019 Biennium.

The Agency Request is for a Change Level increase of \$400,000 for each year as follows:

- Operating Expenses increase of \$200,000 of unfunded appropriation to maintain the current budget and have available appropriation for new grant opportunities.
- Grants and Aid increase of \$200,000 of unfunded appropriation to restore appropriation to the FY17 level and have available appropriation for new grant opportunities.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1XV - Grants Administration - Cash in Treasury

Funding Sources: NSL - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	179,197	173,000	414,000	373,000	373,000	373,000	373,000	373,000	373,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Promotional Items	5090028	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		179,197	173,000	614,000	573,000	573,000	573,000	573,000	573,000	573,000
Funding Sources										
Fund Balance	4000005	7,728	8,921		8,921	8,921	8,921	8,921	8,921	8,921
Cash Fund	4000045	15,390	173,000		573,000	573,000	573,000	573,000	573,000	573,000
Inter-agency Fund Transfer	4000316	165,000	0		0	0	0	0	0	0
Total Funding		188,118	181,921		581,921	581,921	581,921	581,921	581,921	581,921
Excess Appropriation/(Funding)		(8,921)	(8,921)		(8,921)	(8,921)	(8,921)	(8,921)	(8,921)	(8,921)
Grand Total		179,197	173,000		573,000	573,000	573,000	573,000	573,000	573,000

Analysis of Budget Request

Appropriation: 858 - State Library-Revolving

Funding Sources: TSL - State Library Revolving

The revolving fund receives and disburses payment of fines for lost books, interlibrary loan charges, and agency coin-operated copy machines.

The Agency Request is for Base Level of \$6,622 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 858 - State Library-Revolving

Funding Sources: TSL - State Library Revolving

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	85	6,622	6,622	6,622	6,622	6,622	6,622	6,622	6,622
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		85	6,622	6,622	6,622	6,622	6,622	6,622	6,622	6,622
Funding Sources										
Fund Balance	4000005	3,007	3,078		3,078	3,078	3,078	3,078	3,078	3,078
Cash Fund	4000045	156	6,622		6,622	6,622	6,622	6,622	6,622	6,622
Total Funding		3,163	9,700		9,700	9,700	9,700	9,700	9,700	9,700
Excess Appropriation/(Funding)		(3,078)	(3,078)		(3,078)	(3,078)	(3,078)	(3,078)	(3,078)	(3,078)
Grand Total		85	6,622		6,622	6,622	6,622	6,622	6,622	6,622

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
1FD Highway Safety Program - State	284,204	1	385,921	1	390,226	1	386,032	1	386,032	1	386,032	1	386,435	1	386,435	1	386,435	1
1FJ Highway Safety Program - Federal	11,302,865	10	37,964,681	13	42,293,521	13	43,536,442	13	43,536,442	13	43,536,442	13	43,541,378	13	43,541,378	13	43,541,378	13
2EG Homeland Security-Federal	219,134	0	176,839	0	1,042,472	0	891,721	0	891,721	0	891,721	0	500,000	0	500,000	0	500,000	0
345 Automated Fingerprint Identification System (AFIS)	1,829,942	0	3,175,520	0	3,593,922	0	2,699,480	0	2,699,480	0	2,699,480	0	2,746,568	0	2,746,568	0	2,746,568	0
519 ASP-Operations	86,566,851	1,011	82,994,623	983	96,918,515	1,056	89,924,332	1,051	87,800,740	1,015	87,800,740	1,038	91,324,371	1,051	89,187,256	1,015	89,187,256	1,038
521 Various Federal Programs	375,960	0	141,006	0	1,145,442	0	579,657	0	579,657	0	579,657	0	500,046	0	500,046	0	500,046	0
524 Confiscated Funds Transfer	0	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
526 Criminal Background Checks	1,913,895	9	3,330,637	9	3,413,315	10	5,174,719	13	5,140,917	12	5,140,917	12	4,934,805	13	4,900,631	12	4,900,631	12
9KA AR Wireless Information Network (AWIN)	6,189,088	0	6,269,921	0	7,254,247	0	7,319,385	0	7,319,385	0	7,319,385	0	7,357,888	0	7,357,888	0	7,357,888	0
F97 CHCL Cash Fund	47,616	0	51,665	0	0	0	55,766	0	55,766	0	55,766	0	55,766	0	55,766	0	55,766	0
U62 AWIN Operations Cash Fund	615,603	0	1,000,000	0	0	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
NOT REQUESTED FOR THE BIENNIUM																		
1AJ Methamphetamine Investigation - Federal	0	0	0	0	750,108	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	109,345,158	1,031	138,490,813	1,006	159,801,768	1,080	154,567,534	1,078	152,410,140	1,041	152,410,140	1,064	155,347,257	1,078	153,175,968	1,041	153,175,968	1,064

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	17,259,810	13.2	21,383,762	13.0	26,378,518	14.7	26,378,518	14.9	26,378,518	14.9	24,887,198	14.0	25,334,720	14.5	25,334,720	14.5	
General Revenue	4000010	66,294,744	50.7	66,375,577	40.3	69,134,913	38.5	66,375,577	37.6	66,375,577	37.6	69,690,121	39.1	66,375,577	37.9	66,375,577	37.9	
Federal Revenue	4000020	12,271,663	9.4	38,396,863	23.3	45,073,820	25.1	45,073,820	25.5	45,073,820	25.5	44,607,424	25.1	44,607,424	25.5	44,607,424	25.5	
Special Revenue	4000030	25,915,777	19.8	27,366,613	16.6	27,715,664	15.4	27,715,664	15.7	27,715,664	15.7	27,715,664	15.6	27,715,664	15.8	27,715,664	15.8	
Cash Fund	4000045	0	0.0	0	0.0	50,726	0.0	50,726	0.0	50,726	0.0	50,726	0.0	50,726	0.0	50,726	0.0	
Merit Adjustment Fund	4000055	0	0.0	390,465	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Grant/SubGrant Refunds	4000273	1,000,000	0.8	1,000,000	0.6	1,000,000	0.6	1,000,000	0.6	1,000,000	0.6	1,000,000	0.6	1,000,000	0.6	1,000,000	0.6	
Investments	4000315	1,320	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
M & R Sales	4000340	40,567	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Other	4000370	4,773,591	3.7	3,784,603	2.3	3,784,603	2.1	3,784,603	2.1	3,784,603	2.1	3,784,603	2.1	3,784,603	2.2	3,784,603	2.2	
Special State Asset Forfeiture	4000465	0	0.0	3,000,000	1.8	3,000,000	1.7	3,000,000	1.7	3,000,000	1.7	3,000,000	1.7	3,000,000	1.7	3,000,000	1.7	
Transfer from DHS	4000510	2,911,448	2.2	2,911,448	1.8	2,911,448	1.6	2,911,448	1.6	2,911,448	1.6	2,911,448	1.6	2,911,448	1.7	2,911,448	1.7	

Funding Sources		%		%		%		%		%		%		%		%
Transfer State Admn of Justice	4000570	260,000	0.2	260,000	0.2											
		400,000	0.2	400,000	0.2											
Total Funds		130,728,920	100.0	164,869,331	100.0											
		179,449,692	100.0	176,690,356	100.0											
Excess Appropriation/(Funding)		(21,383,762)		(26,378,518)												
		(24,882,158)		(24,280,216)												
Grand Total		109,345,158		138,490,813												
		154,567,534		152,410,140												
		152,410,140		152,410,140												
		155,347,257		153,175,968												

WITHOUT FEE INCREASE

Variance in fund balance due to unfunded appropriation in (9KA) AR Wireless Information Network (AWIN) and (F97) CHCL Cash Fund.

FY2016 Actual and FY2017 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 251 (60) of 2016.

Budget exceeds Authorized Appropriation in (F97) and (U62) due to a transfer from the Cash Fund Holding Account.

Analysis of Budget Request

Appropriation: 1FD - Highway Safety Program - State

Funding Sources: SCP - Arkansas Child Passenger Protection Fund

Arkansas State Police utilizes this program, through the Highway Safety Office, to purchase child safety seats and provide education/administration of the Child Passenger Protection Program. This appropriation is funded from special revenues collected through the Arkansas Child Passenger Protection Fund.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$37 increase in FY18 and an additional \$31 increase in FY17 in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$759 per month in FY18 and \$790 per month in FY19. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency's Request is for continuation of Base Level in both years of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1FD - Highway Safety Program - State
Funding Sources: SCP - Arkansas Child Passenger Protection Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	61,531	63,030	65,675	62,751	62,751	62,751	62,751	62,751	62,751
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	20,875	29,008	30,668	29,398	29,398	29,398	29,801	29,801	29,801
Operating Expenses	5020002	7,925	56,350	56,350	56,350	56,350	56,350	56,350	56,350	56,350
Conference & Travel Expenses	5050009	0	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	193,873	219,533	219,533	219,533	219,533	219,533	219,533	219,533	219,533
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		284,204	385,921	390,226	386,032	386,032	386,032	386,435	386,435	386,435
Funding Sources										
Fund Balance	4000005	330,756	216,461		200,000	200,000	200,000	199,889	199,889	199,889
Special Revenue	4000030	169,909	369,460		385,921	385,921	385,921	385,921	385,921	385,921
Total Funding		500,665	585,921		585,921	585,921	585,921	585,810	585,810	585,810
Excess Appropriation/(Funding)		(216,461)	(200,000)		(199,889)	(199,889)	(199,889)	(199,375)	(199,375)	(199,375)
Grand Total		284,204	385,921		386,032	386,032	386,032	386,435	386,435	386,435

Analysis of Budget Request

Appropriation: 1FJ - Highway Safety Program - Federal

Funding Sources: SMP - Department of Arkansas State Police Fund

This appropriation is utilized by Arkansas State Police Highway Safety Office for the administration of the State Highway Safety Program. This program is funded with federal funds from the National Highway Traffic Safety Administration (NHTSA).

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$37 increase in FY18 and an additional \$31 increase in FY17 in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$759 per month in FY18 and \$790 per month in FY19. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency's Change Level requests total \$5,570,014 in both years of the biennium and reflect the following:

- Extra Help of \$10,490 and Personal Services Matching of \$942 each year for MOVEAR;
- Overtime of \$629,355 and Personal Services Matching of \$194,911 each year for the Selective Traffic Enforcement Program (STEP);
- Operating Expenses of \$1,352,316 each year for anticipated future awards;
- Grants and Aid of \$3,000,000 each year for sub-grants for the MAP21 Program; and
- Capital Outlay of \$382,000 each year for servers, database and software licenses, mapping plotter, location tool, ESRI Mapping software, GIS Data Appliance software, CDL computer system, switches with IP licenses, and networking equipment. Details can be found in the Agency IT plan.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1FJ - Highway Safety Program - Federal

Funding Sources: SMP - Department of Arkansas State Police Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	439,355	547,261	534,283	544,979	544,979	544,979	545,079	545,079	545,079
#Positions		10	13	13	13	13	13	13	13	13
Extra Help	5010001	33,870	66,140	82,640	76,630	76,630	76,630	76,630	76,630	76,630
#Extra Help		3	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	294,123	343,783	523,796	543,665	543,665	543,665	548,501	548,501	548,501
Overtime	5010006	395,954	178,812	708,167	808,167	808,167	808,167	808,167	808,167	808,167
Operating Expenses	5020002	3,259,358	3,630,243	6,571,436	4,982,559	4,982,559	4,982,559	4,982,559	4,982,559	4,982,559
Conference & Travel Expenses	5050009	25,729	114,858	257,615	114,858	114,858	114,858	114,858	114,858	114,858
Professional Fees	5060010	1,743,457	3,442,750	3,442,750	3,442,750	3,442,750	3,442,750	3,442,750	3,442,750	3,442,750
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	5,105,574	29,640,834	29,640,834	32,640,834	32,640,834	32,640,834	32,640,834	32,640,834	32,640,834
Capital Outlay	5120011	5,445	0	532,000	382,000	382,000	382,000	382,000	382,000	382,000
Total		11,302,865	37,964,681	42,293,521	43,536,442	43,536,442	43,536,442	43,541,378	43,541,378	43,541,378

Funding Sources										
Federal Revenue	4000020	11,302,865	37,964,681		43,536,442	43,536,442	43,536,442	43,541,378	43,541,378	43,541,378
Total Funding		11,302,865	37,964,681		43,536,442	43,536,442	43,536,442	43,541,378	43,541,378	43,541,378
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		11,302,865	37,964,681		43,536,442	43,536,442	43,536,442	43,541,378	43,541,378	43,541,378

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 2EG - Homeland Security-Federal

Funding Sources: FLA - ASP Federal

This appropriation is utilized for Department of Homeland Security Grants. This program is funded with federal funds from the Arkansas Department of Emergency Management (ADEM).

The Agency's Change Level request totals \$794,264 in FY18 and \$402,543 in FY19 and reflects the following:

- Operating Expenses of \$218,631 in FY18 and \$159,317 in FY19, which includes reallocation to assist with Change Level requests, for public safety equipment maintenance, subscriptions, and software maintenance;
- Conference and Travel Expenses of \$82,219 in FY18 and \$33,226 in FY19 for increased training and conference needs;
- Capital Outlay of \$493,414 in FY18 and \$210,000 in FY19, which includes reallocation to assist with Change Level requests, for explosive mitigation/remediator bomb suits, carbon fire disrupter, and night vision optics.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2EG - Homeland Security-Federal

Funding Sources: FLA - ASP Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	75,717	40,683	402,461	259,314	259,314	259,314	200,000	200,000	200,000
Conference & Travel Expenses	5050009	67,100	56,774	153,857	138,993	138,993	138,993	90,000	90,000	90,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	76,317	79,382	486,154	493,414	493,414	493,414	210,000	210,000	210,000
Total		219,134	176,839	1,042,472	891,721	891,721	891,721	500,000	500,000	500,000
Funding Sources										
Federal Revenue	4000020	219,134	176,839		891,721	891,721	891,721	500,000	500,000	500,000
Total Funding		219,134	176,839		891,721	891,721	891,721	500,000	500,000	500,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		219,134	176,839		891,721	891,721	891,721	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 345 - Automated Fingerprint Identification System (AFIS)

Funding Sources: SEF - State Police Equipment Fund

The Automated Fingerprint Identification System (AFIS) provides state of the art computer filing, recording and matching of fingerprint records. It provides law enforcement agencies throughout the state with the technology to quickly and accurately process fingerprint records through twenty-two (22) remote live-scan stations located across the state. This appropriation is funded through special revenues collected from fees for Criminal History Background Checks.

The Agency Change Level request is for \$1,523,960 in FY18 and \$1,571,048 in FY19 for Capital Outlay for software and workflow redesign of the CBC system and new Live Scan machines in FY18 and upgrades to Face Detective/Face Expert System in FY19. Costs associated with these requests are documented in the department's Information Technology (IT) Plan.

The Executive Recommendation provides for Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 345 - Automated Fingerprint Identification System (AFIS)

Funding Sources: SEF - State Police Equipment Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	1,048,493	1,163,420	1,581,822	1,163,420	1,163,420	1,163,420	1,163,420	1,163,420	1,163,420
Conference & Travel Expenses	5050009	12,090	12,100	12,100	12,100	12,100	12,100	12,100	12,100	12,100
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	769,359	2,000,000	2,000,000	1,523,960	1,523,960	1,523,960	1,571,048	1,571,048	1,571,048
Total		1,829,942	3,175,520	3,593,922	2,699,480	2,699,480	2,699,480	2,746,568	2,746,568	2,746,568
Funding Sources										
Fund Balance	4000005	5,098,710	5,371,541		5,596,021	5,596,021	5,596,021	6,007,131	6,007,131	6,007,131
Special Revenue	4000030	2,102,773	3,400,000		3,110,590	3,110,590	3,110,590	3,110,590	3,110,590	3,110,590
Total Funding		7,201,483	8,771,541		8,706,611	8,706,611	8,706,611	9,117,721	9,117,721	9,117,721
Excess Appropriation/(Funding)		(5,371,541)	(5,596,021)		(6,007,131)	(6,007,131)	(6,007,131)	(6,371,153)	(6,371,153)	(6,371,153)
Grand Total		1,829,942	3,175,520		2,699,480	2,699,480	2,699,480	2,746,568	2,746,568	2,746,568

Analysis of Budget Request

Appropriation: 519 - ASP-Operations

Funding Sources: SMP - Department of Arkansas State Police Fund

This appropriation is the primary operating account for the Department of Arkansas State Police. Approximately 74% of the total funding comes from general revenue. The remaining 26% is derived from a variety of sources, including Federal reimbursement, DWI/Court Awards, transfer from Department of Human Services to support the Crimes Against Children Division (CACD), miscellaneous revenue sources and a broad spectrum of special revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$37 increase in FY18 and an additional \$31 increase in FY17 in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$759 per month in FY18 and \$790 per month in FY19. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Special revenue sources include Arkansas Drivers License Fees, Commercial Drivers License Fees, license fees for security guards and private investigators, permit fees for concealed weapons and used motor vehicle dealer license fees.

The Agency's Change Level requests total \$10,968,616 in FY18 and \$11,980,014 in FY19 including general revenue funding of \$1,709,872 in FY18 and \$2,226,577 in FY19 and reflect the following:

- Regular Salaries \$2,565,662 in FY18 and \$2,565,762 in FY19 and Personal Services Matching of \$6,932,146 in FY18 and \$6,958,217 in FY19 which reflect restoration of 48 positions and 22 new positions;
- Operating Expenses of \$789,570 in FY18 and \$1,469,020 in FY19 for increasing operating costs and vehicle maintenance, equipping, and repairs;
- Conference and Travel Expenses of \$38,000 in FY18 and \$27,000 in FY19 for increased costs of training and conference travel;
- Capital Outlay of \$643,238 in FY18 and \$960,015 in FY19 for one canine, one polygraph machine, night vision goggles, and an upgrade to the Fire Marshal Software.

The Agency is also proposing three (3) fee increases which include an increase in the Direct Lien Filing Fee from \$1.00 to \$3.50 and an increase in the Lien Filing for Title Lien Fee from \$0.50 to \$3.50 to support costs of the Uniformed Health Plan and an increase in the Drivers Record Request Fee from \$7.00 to \$9.00 to support the implementation of an increase in the entry level salary of commissioned personnel.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects a position reduction of two (2) Administrative Specialist I and

thirty-four (34) ASP Corporal positions based on the personnel evaluation.

The Executive Recommendation provides for Agency Request for appropriation with no additional general revenue.

The Legislative Recommendation concurs with the Executive Recommendation and provides for 22 additional restored positions and one growth pool position.

Appropriation Summary

Appropriation: 519 - ASP-Operations

Funding Sources: SMP - Department of Arkansas State Police Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	44,704,384	44,721,127	47,867,773	47,072,878	45,701,802	45,701,802	47,091,078	45,719,902	45,719,902
#Positions		1,011	983	1,056	1,051	1,015	1,038	1,051	1,015	1,038
Extra Help	5010001	73,391	100,000	150,000	100,000	100,000	100,000	100,000	100,000	100,000
#Extra Help		10	16	16	16	16	16	16	16	16
Personal Services Matching	5010003	25,137,269	25,475,567	30,725,703	29,677,271	28,924,755	28,924,755	30,073,883	29,307,944	29,307,944
Overtime	5010006	198,131	60,000	97,450	60,000	60,000	60,000	60,000	60,000	60,000
Operating Expenses	5020002	10,184,527	11,101,000	14,740,155	11,890,570	11,890,570	11,890,570	12,570,020	12,570,020	12,570,020
Conference & Travel Expenses	5050009	162,165	100,000	409,749	138,000	138,000	138,000	127,000	127,000	127,000
Professional Fees	5060010	116,698	217,375	415,685	217,375	217,375	217,375	217,375	217,375	217,375
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	5,865,286	1,094,554	2,387,000	643,238	643,238	643,238	960,015	960,015	960,015
Covert Ops	5900047	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Total		86,566,851	82,994,623	96,918,515	89,924,332	87,800,740	87,800,740	91,324,371	89,187,256	89,187,256

Funding Sources										
Fund Balance	4000005	6,633,550	9,988,034		16,407,073	16,407,073	16,407,073	17,307,473	17,721,193	17,721,193
General Revenue	4000010	60,105,656	60,105,656		61,815,528	60,105,656	60,105,656	62,332,233	60,105,656	60,105,656
Federal Revenue	4000020	373,704	114,337		66,000	66,000	66,000	66,000	66,000	66,000
Special Revenue	4000030	21,456,369	21,847,153		21,847,153	21,847,153	21,847,153	21,847,153	21,847,153	21,847,153
Merit Adjustment Fund	4000055	0	390,465		0	0	0	0	0	0
M & R Sales	4000340	40,567	0		0	0	0	0	0	0
Other	4000370	4,773,591	3,784,603		3,784,603	3,784,603	3,784,603	3,784,603	3,784,603	3,784,603
Transfer from DHS	4000510	2,911,448	2,911,448		2,911,448	2,911,448	2,911,448	2,911,448	2,911,448	2,911,448
Transfer State Admn of Justice	4000570	260,000	260,000		400,000	400,000	400,000	400,000	400,000	400,000
Total Funding		96,554,885	99,401,696		107,231,805	105,521,933	105,521,933	108,648,910	106,836,053	106,836,053
Excess Appropriation/(Funding)		(9,988,034)	(16,407,073)		(17,307,473)	(17,721,193)	(17,721,193)	(17,324,539)	(17,648,797)	(17,648,797)
Grand Total		86,566,851	82,994,623		89,924,332	87,800,740	87,800,740	91,324,371	89,187,256	89,187,256

WITHOUT FEE INCREASE

FY2016 Actual and FY2017 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 251 (60) of 2016. Other sources of funding includes transfers from the motor vehicle fund.

Analysis of Budget Request

Appropriation: 521 - Various Federal Programs

Funding Sources: FLA - ASP Federal

This federally funded appropriation is utilized by Arkansas State Police to support various programs received as grants from the United States Department of Justice. The Agency anticipates receiving federal funding from Internet Crimes Against Children (ICAC) grants.

The Agency's Change Level requests total \$455,304 in FY18 and \$375,693 in FY19 and reflect the following:

- Overtime of \$14,960 and Personal Services Matching of \$4,633 each year for increased expenses;
- Operating Expenses of \$125,003 in FY18 and \$55,297 in FY19 for software maintenance, subscriptions/licenses, and data processing supplies;
- Conference and Travel Expenses of \$31,197 in FY18 and a reduction of \$5,103 in FY19;
- Grants and Aid of \$133,853 in FY18 and \$125,000 in FY19 for sub-grants for ICAC affiliates;
- Capital Outlay of \$145,658 in FY18 and \$135,000 in FY19 for a chip off kit, servers, forensic work stations, analyzer, and recovery devices.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 521 - Various Federal Programs

Funding Sources: FLA - ASP Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Personal Services Matching	5010003	520	13	5,179	4,646	4,646	4,646	4,646	4,646	4,646
Overtime	5010006	1,607	40	16,500	15,000	15,000	15,000	15,000	15,000	15,000
Operating Expenses	5020002	78,728	55,297	310,995	180,300	180,300	180,300	156,500	156,500	156,500
Conference & Travel Expenses	5050009	114,904	69,003	144,605	100,200	100,200	100,200	63,900	63,900	63,900
Professional Fees	5060010	0	0	74,469	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	136,039	0	472,500	133,853	133,853	133,853	125,000	125,000	125,000
Capital Outlay	5120011	44,162	16,653	121,194	145,658	145,658	145,658	135,000	135,000	135,000
Total		375,960	141,006	1,145,442	579,657	579,657	579,657	500,046	500,046	500,046
Funding Sources										
Federal Revenue	4000020	375,960	141,006		579,657	579,657	579,657	500,046	500,046	500,046
Total Funding		375,960	141,006		579,657	579,657	579,657	500,046	500,046	500,046
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		375,960	141,006		579,657	579,657	579,657	500,046	500,046	500,046

Analysis of Budget Request

Appropriation: 524 - Confiscated Funds Transfer

Funding Sources: TPC - Court Awards Fund

The Department of Arkansas State Police is authorized, after seeking the approval of the Chief Fiscal Officer of the State, to request transfer from the appropriation made herein for "Confiscated Funds Transfer" to the Maintenance and General Operations classifications established in the operations appropriation (Appropriation 519) of the Department of Arkansas State Police, and may be used for motor vehicle purchases and associated taxes and/or motor vehicle equipping/renovation costs, overtime, personal services matching, agency operational needs and capital improvements for the Department of Arkansas State Police. Fund transfers may be requested from the Court Awards Fund to the Department of Arkansas State Police Fund in the same amount and for the same purposes as the appropriation transfer requested under the provisions of this section. The provisions of this section are subject to prior review and approval of the Arkansas Legislative Council or Joint Budget Committee.

The Agency requests continuation of Base Level for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 524 - Confiscated Funds Transfer

Funding Sources: TPC - Court Awards Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Investments/Transfers 5110020	0	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total	0	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Funding Sources									
Special State Asset Forfeiture 4000465	0	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total Funding	0	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Analysis of Budget Request

Appropriation: 526 - Criminal Background Checks

Funding Sources: SEF - State Police Equipment Fund

This appropriation is utilized by Arkansas State Police to conduct criminal history background checks. This appropriation is funded from special revenues collected from the fees for Criminal History Background Checks and the federal charge for FBI Background Checks.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$37 increase in FY18 and an additional \$31 increase in FY17 in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$759 per month in FY18 and \$790 per month in FY19. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency's Change Level requests total \$2,539,925 in FY18 and \$2,296,663 in FY19 and include the following:

- Regular Salaries of \$115,602 each year and Personal Services Matching of \$72,233 in FY18 and \$73,721 in FY19 which reflect the restoration of four (4) positions (three Computer Support Analyst positions - 22162935, 22162936, and 22162937 - and one Administrative Specialist I - 22089667);
- Operating Expenses of \$1,215,140 in FY18 and \$1,207,340 in FY19 for increased volume in FBI transactions, equipping mobile technicians for the Mobile Officer Virtual Environment - AR (MOVEAR), and providing mobile data and Arkansas Crime Information Center (ACIC) transactions in law enforcement vehicles;
- Capital Outlay of \$1,136,950 in FY18 and \$900,000 in FY19 for software and workflow redesign of the CBC system, fingerprint acquisition machines, and the purchase of three vehicles for MOVEAR mobile technicians.

The Executive Recommendation provides for the Agency Request for Operating Expenses and Capital Outlay for appropriation only. In addition, the Executive Recommendation provides to restore only three (3) Computer Support Analyst positions which is reflected by an increase of \$96,747 in Regular Salaries each year and Personal Services Matching of \$57,286 in FY18 and \$58,402 in FY19.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 526 - Criminal Background Checks

Funding Sources: SEF - State Police Equipment Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	151,388	189,811	219,615	306,113	287,258	287,258	306,113	287,258	287,258
#Positions		9	9	10	13	12	12	13	12	12
Personal Services Matching	5010003	79,959	137,826	161,680	213,516	198,569	198,569	218,352	203,033	203,033
Overtime	5010006	16	1,000	5,000	1,000	1,000	1,000	1,000	1,000	1,000
Operating Expenses	5020002	1,681,937	2,293,300	2,318,320	3,508,440	3,508,440	3,508,440	3,500,640	3,500,640	3,500,640
Conference & Travel Expenses	5050009	595	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	700,000	700,000	1,136,950	1,136,950	1,136,950	900,000	900,000	900,000
Total		1,913,895	3,330,637	3,413,315	5,174,719	5,140,917	5,140,917	4,934,805	4,900,631	4,900,631
Funding Sources										
Fund Balance	4000005	5,098,710	5,371,541		3,790,904	3,790,904	3,790,904	988,185	1,021,987	1,021,987
Special Revenue	4000030	2,186,726	1,750,000		2,372,000	2,372,000	2,372,000	2,372,000	2,372,000	2,372,000
Total Funding		7,285,436	7,121,541		6,162,904	6,162,904	6,162,904	3,360,185	3,393,987	3,393,987
Excess Appropriation/(Funding)		(5,371,541)	(3,790,904)		(988,185)	(1,021,987)	(1,021,987)	1,574,620	1,506,644	1,506,644
Grand Total		1,913,895	3,330,637		5,174,719	5,140,917	5,140,917	4,934,805	4,900,631	4,900,631

Analysis of Budget Request

Appropriation: 9KA - AR Wireless Information Network (AWIN)

Funding Sources: SMP - Department of Arkansas State Police Fund

This appropriation is used for the maintenance and operation of the Arkansas Wireless Information Network (AWIN) for the State of Arkansas. This appropriation is funded with general revenue.

The Agency's Change Level request totals \$1,049,464 in FY18 and \$1,087,967 in FY19 in operating expenses for increased utility costs, repair of aging equipment, increased overhead, and increase in tower releases.

The Executive Recommendation provides for the Agency Request for appropriation only.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 9KA - AR Wireless Information Network (AWIN)

Funding Sources: SMP - Department of Arkansas State Police Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	6,189,088	6,269,921	7,254,247	7,319,385	7,319,385	7,319,385	7,357,888	7,357,888	7,357,888
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		6,189,088	6,269,921	7,254,247	7,319,385	7,319,385	7,319,385	7,357,888	7,357,888	7,357,888
Funding Sources										
General Revenue	4000010	6,189,088	6,269,921		7,319,385	6,269,921	6,269,921	7,357,888	6,269,921	6,269,921
Total Funding		6,189,088	6,269,921		7,319,385	6,269,921	6,269,921	7,357,888	6,269,921	6,269,921
Excess Appropriation/(Funding)		0	0		0	1,049,464	1,049,464	0	1,087,967	1,087,967
Grand Total		6,189,088	6,269,921		7,319,385	7,319,385	7,319,385	7,357,888	7,357,888	7,357,888

Analysis of Budget Request

Appropriation: F97 - CHCL Cash Fund

Funding Sources: NSP - Cash in Treasury

Arkansas State Police utilizes this appropriation to provide extra help, salary, and fringe benefits for the Concealed Handgun Licensing Program. Funding for this appropriation is one-time funds received from the Attorney General's Office.

The Agency requests to continue this cash appropriation of \$55,766 approved through PEER to support the continued operation of Concealed Handgun Carry Licensing (CHCL) each year.

The Executive Recommendation provides for Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: F97 - CHCL Cash Fund

Funding Sources: NSP - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Extra Help	5010001	38,686	43,665	0	46,550	46,550	46,550	46,550	46,550	46,550
#Extra Help		7	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	8,930	8,000	0	9,216	9,216	9,216	9,216	9,216	9,216
Total		47,616	51,665	0	55,766	55,766	55,766	55,766	55,766	55,766
Funding Sources										
Fund Balance	4000005	98,084	51,665		0	0	0	0	0	0
Cash Fund	4000045	0	0		50,726	50,726	50,726	50,726	50,726	50,726
Investments	4000315	1,197	0		0	0	0	0	0	0
Total Funding		99,281	51,665		50,726	50,726	50,726	50,726	50,726	50,726
Excess Appropriation/(Funding)		(51,665)	0		5,040	5,040	5,040	5,040	5,040	5,040
Grand Total		47,616	51,665		55,766	55,766	55,766	55,766	55,766	55,766

Budget exceeds Authorized Appropriation in Extra Help and Personal Services Matching due to a transfer from the Cash Fund Holding Account.

Analysis of Budget Request

Appropriation: U62 - AWIN Operations Cash Fund

Funding Sources: NSP - Cash in Treasury

Arkansas State Police utilizes this appropriation to help with the operations of the Arkansas Wireless Information Network (AWIN). Funding for this appropriation is one-time funds received from the Attorney General's Office.

The Agency requests to continue cash appropriation of \$1,000,000 approved through PEER to assist with AWIN operations each year.

The Executive Recommendation provides for Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: U62 - AWIN Operations Cash Fund

Funding Sources: NSP - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	615,603	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total		615,603	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Funding Sources										
Fund Balance	4000005	0	384,520		384,520	384,520	384,520	384,520	384,520	384,520
Grant/SubGrant Refunds	4000273	1,000,000	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Investments	4000315	123	0		0	0	0	0	0	0
Total Funding		1,000,123	1,384,520		1,384,520	1,384,520	1,384,520	1,384,520	1,384,520	1,384,520
Excess Appropriation/(Funding)		(384,520)	(384,520)		(384,520)	(384,520)	(384,520)	(384,520)	(384,520)	(384,520)
Grand Total		615,603	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Budget exceeds Authorized Appropriation in Operating Expenses due to a transfer from the Cash Fund Holding Account.

Analysis of Budget Request

Appropriation: A51 - Student Loan Authority - Cash Operations

Funding Sources: 157 - Student Loan Authority - Cash

The Arkansas Student Loan Authority was created for the purpose of originating and acquiring student loans and support Arkansas' student financial assistance by purchasing loans made by local lenders to higher education students. The process provides liquidity to banks so additional loans may be made to students in need. Funding is based upon Trust Indentures which allow the Authority to draw the cost of loan servicing plus 80 basis points or 0.8% of the outstanding loan balance on a monthly basis for loan servicing, program administration, and general and administrative costs.

Funding for the Agency is derived from bond issues and participation in loan administration under the Health Care and Education Reconciliation Act of 2010.

The Arkansas Student Loan Authority (ASLA, Authority) was created to provide an enduring source of affordable higher education funding to Arkansas citizens and non-citizens who attend an Arkansas higher education institution. All funding to support ASLA programs is provided by cash funds generated from loan program operations. ASLA is a self-sufficient agency which does not receive any state revenue dollars.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Agency requests Base Level appropriation of \$3,819,765 in FY18 and \$3,819,887 in FY19.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions based on the personnel evaluation. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: A51 - Student Loan Authority - Cash Operations

Funding Sources: 157 - Student Loan Authority - Cash

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	353,100	369,187	365,877	369,187	339,936	339,936	369,287	340,036	340,036
	#Positions	4	5	5	5	4	4	5	4	4
Personal Services Matching	5010003	103,350	106,581	107,010	108,633	96,949	96,949	108,655	96,971	96,971
Operating Expenses	5020002	103,705	205,717	205,717	205,717	205,717	205,717	205,717	205,717	205,717
Conference & Travel Expenses	5050009	13,282	22,839	22,839	22,839	22,839	22,839	22,839	22,839	22,839
Professional Fees	5060010	1,842,945	3,113,389	3,113,389	3,113,389	3,113,389	3,113,389	3,113,389	3,113,389	3,113,389
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,416,382	3,817,713	3,814,832	3,819,765	3,778,830	3,778,830	3,819,887	3,778,952	3,778,952
Funding Sources										
Fund Balance	4000005	220,650	190,923		270,000	270,000	270,000	285,000	325,935	325,935
Federal Revenue	4000020	0	220,000		220,000	220,000	220,000	220,000	220,000	220,000
Cash Fund	4000045	2,386,655	3,676,790		3,614,765	3,614,765	3,614,765	3,428,265	3,428,265	3,428,265
Total Funding		2,607,305	4,087,713		4,104,765	4,104,765	4,104,765	3,933,265	3,974,200	3,974,200
Excess Appropriation/(Funding)		(190,923)	(270,000)		(285,000)	(325,935)	(325,935)	(113,378)	(195,248)	(195,248)
Grand Total		2,416,382	3,817,713		3,819,765	3,778,830	3,778,830	3,819,887	3,778,952	3,778,952

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
2QV Property Management	8,481	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2QW Teacher Retirement System-Operations	137,476,272	93	453,630,285	100	453,598,953	101	453,747,546	96	453,747,546	96	453,012,657	96	453,752,968	96	453,752,968	96	453,018,079	96
C26 Teacher Retirement System-Cash	913,449,336	0	996,000,000	0	996,000,000	0	1,206,000,000	0	1,206,000,000	0	1,206,000,000	0	1,406,000,000	0	1,406,000,000	0	1,406,000,000	0
Total	1,050,934,089	93	1,450,130,285	100	1,450,098,953	101	1,660,247,546	96	1,660,247,546	96	1,659,512,657	96	1,860,252,968	96	1,860,252,968	96	1,859,518,079	96

Funding Sources		%		%		%		%		%		%		%		%		%
Cash Fund 4000045	913,449,336	86.9	996,000,000	68.7			1,206,000,000	72.6	1,206,000,000	72.6	1,206,000,000	72.7	1,406,000,000	75.6	1,406,000,000	75.6	1,406,000,000	75.6
Trust Fund 4000050	137,484,753	13.1	454,130,285	31.3			454,247,546	27.4	454,247,546	27.4	453,512,657	27.3	454,252,968	24.4	454,252,968	24.4	453,518,079	24.4
Total Funds	1,050,934,089	100.0	1,450,130,285	100.0			1,660,247,546	100.0	1,660,247,546	100.0	1,659,512,657	100.0	1,860,252,968	100.0	1,860,252,968	100.0	1,859,518,079	100.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
Grand Total	1,050,934,089		1,450,130,285				1,660,247,546		1,660,247,546		1,659,512,657		1,860,252,968		1,860,252,968		1,859,518,079	

FY17 Budget amount in (2QW) Teacher Retirement System-Operations exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 2QV - Property Management

Funding Sources: TER - Teacher Retirement Fund

The Property Management Program of the Arkansas Teacher Retirement System pays for the necessary expenses to maintain properties that the System holds as investments. These expenses include, but are not limited to, attorney fees, foreclosure expenses, selling expenses, audit costs, appraisal expenses, property management fees, property rehabilitation costs, travel expenses related to property management, property repairs, property maintenance, advertising expenses, and property operating expenses.

The Agency Request provides for Base Level of \$500,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2QV - Property Management

Funding Sources: TER - Teacher Retirement Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Property Management	5900046	8,481	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		8,481	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

Funding Sources										
Trust Fund	4000050	8,481	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding		8,481	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		8,481	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 2QW - Teacher Retirement System-Operations

Funding Sources: TER - Teacher Retirement Fund

The Arkansas Teacher Retirement System provides age, service, survivor, and disability benefits for public school teachers and other covered employees. This appropriation is funded by trust funds of the Teacher Retirement System.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

Base Level is \$453,722,955 in FY18 and \$453,728,377 in FY19.

The Agency's Change level request is for \$24,591 each year and includes the following:

- Extra Help and Personal Services Matching of \$215,420 for four (4) additional Extra Help positions to provide flexible coverage and allow ATRS to rely upon experienced staff during peak times.
- Regular Salaries and Personal Services Matching reduction of (\$190,829) due to the elimination of one (1) Fiscal Support Specialist (C112), one (1) Computer Support Specialist (C117), one (1) Attorney (C124), and one (1) Public Information Coordinator (C120).
- Reallocation of \$1,000,000 from Data Processing to Investment Counsel to provide consulting services for enhanced due diligence on more Arkansas related investments.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation with the exception of the Operating Expenses line item, which is recommended at \$2,200,000.

Appropriation Summary

Appropriation: 2QW - Teacher Retirement System-Operations

Funding Sources: TER - Teacher Retirement Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	4,068,299	4,524,390	4,483,589	4,449,464	4,449,464	4,449,464	4,453,564	4,453,564	4,453,564
#Positions		93	100	101	96	96	96	96	96	96
Extra Help	5010001	174,057	200,000	200,000	400,000	400,000	400,000	400,000	400,000	400,000
#Extra Help		14	16	16	20	20	20	20	20	20
Personal Services Matching	5010003	1,412,239	1,495,351	1,504,820	1,487,538	1,487,538	1,487,538	1,488,860	1,488,860	1,488,860
Overtime	5010006	2,479	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Operating Expenses	5020002	1,662,907	2,934,889	2,934,889	2,934,889	2,934,889	2,200,000	2,934,889	2,934,889	2,200,000
Conference & Travel Expenses	5050009	10,434	30,759	30,759	30,759	30,759	30,759	30,759	30,759	30,759
Professional Fees	5060010	83,985	558,115	558,115	558,115	558,115	558,115	558,115	558,115	558,115
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Benefits-Non Employee	5100023	119,384,037	344,000,000	344,000,000	344,000,000	344,000,000	344,000,000	344,000,000	344,000,000	344,000,000
Refunds/Reimbursements	5110014	8,207,201	20,086,781	20,086,781	20,086,781	20,086,781	20,086,781	20,086,781	20,086,781	20,086,781
Capital Outlay	5120011	20,925	0	0	0	0	0	0	0	0
Professional Sevices	5900043	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Data Processing Services	5900044	0	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Investment Counsel	5900046	2,449,709	2,500,000	2,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Discount Buyout Plan	5900047	0	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
Total		137,476,272	453,630,285	453,598,953	453,747,546	453,747,546	453,012,657	453,752,968	453,752,968	453,018,079

Funding Sources										
Trust Fund	4000050	137,476,272	453,630,285		453,747,546	453,747,546	453,012,657	453,752,968	453,752,968	453,018,079
Total Funding		137,476,272	453,630,285		453,747,546	453,747,546	453,012,657	453,752,968	453,752,968	453,018,079
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		137,476,272	453,630,285		453,747,546	453,747,546	453,012,657	453,752,968	453,752,968	453,018,079

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: C26 - Teacher Retirement System-Cash

Funding Sources: 375 - Arkansas Teacher Retirement Fund-Cash

The Arkansas Teacher Retirement System cash fund allows the Agency to make payments to beneficiaries by check or direct deposit.

Base Level is \$996,000,000 for each year of the biennium.

The Agency Request provides for an additional \$210,000,000 in FY18 and \$410,000,000 in FY19 to keep the pace with retiree growth and demand for direct deposit of benefits.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C26 - Teacher Retirement System-Cash

Funding Sources: 375 - Arkansas Teacher Retirement Fund-Cash

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Benefits-Non Employee	5100023	911,505,724	990,000,000	990,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,400,000,000	1,400,000,000	1,400,000,000
Refunds/Reimbursements	5110014	1,943,612	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Total		913,449,336	996,000,000	996,000,000	1,206,000,000	1,206,000,000	1,206,000,000	1,406,000,000	1,406,000,000	1,406,000,000
Funding Sources										
Cash Fund	4000045	913,449,336	996,000,000		1,206,000,000	1,206,000,000	1,206,000,000	1,406,000,000	1,406,000,000	1,406,000,000
Total Funding		913,449,336	996,000,000		1,206,000,000	1,206,000,000	1,206,000,000	1,406,000,000	1,406,000,000	1,406,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		913,449,336	996,000,000		1,206,000,000	1,206,000,000	1,206,000,000	1,406,000,000	1,406,000,000	1,406,000,000

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
709 Crowley's Ridge - State	3,513,769	53	3,735,293	53	3,835,474	53	3,717,916	53	3,584,782	50	3,584,782	50	3,720,227	53	3,587,093	50	3,587,093	50
710 Crowley's Ridge - Federal	94,145	2	108,680	2	108,740	2	108,680	2	108,680	2	108,680	2	108,680	2	108,680	2	108,680	2
B54 Crowley's Ridge - Cash	555,157	0	1,246,624	2	1,267,961	2	1,236,692	2	1,236,692	2	1,036,692	2	1,236,692	2	1,236,692	2	1,036,692	2
Total	4,163,071	55	5,090,597	57	5,212,175	57	5,063,288	57	4,930,154	54	4,730,154	54	5,065,599	57	4,932,465	54	4,732,465	54

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	1,182,446	22.5	1,099,082	20.5	261,611	6.2	261,611	6.4	261,611	6.4	0	0.0	0	0.0	0	0.0	
General Revenue	4000010	2,644,401	50.3	2,644,401	49.4	2,652,430	62.5	2,519,296	61.3	2,519,296	61.3	2,654,741	66.6	2,521,607	67.2	2,521,607	67.2	
Federal Revenue	4000020	94,145	1.8	108,680	2.0	108,680	2.6	108,680	2.6	108,680	2.6	108,680	2.7	10,680	0.3	10,680	0.3	
Cash Fund	4000045	471,793	9.0	409,153	7.6	156,668	3.7	156,668	3.8	156,668	3.8	156,668	3.9	156,668	4.2	156,668	4.2	
Merit Adjustment Fund	4000055	0	0.0	25,406	0.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Adult Basic/General	4000065	86,147	1.6	282,265	5.3	282,265	6.6	282,265	6.9	282,265	6.9	282,265	7.1	282,265	7.5	282,265	7.5	
Workforce 2000	4000740	783,221	14.9	783,221	14.6	783,221	18.5	783,221	19.0	783,221	19.0	783,221	19.7	783,221	20.9	783,221	20.9	
Total Funds		5,262,153	100.0	5,352,208	100.0	4,244,875	100.0	4,111,741	100.0	4,111,741	100.0	3,985,575	100.0	3,754,441	100.0	3,754,441	100.0	
Excess Appropriation/(Funding)		(1,099,082)		(261,611)		818,413		818,413		618,413		1,080,024		1,178,024		978,024		
Grand Total		4,163,071		5,090,597		5,063,288		4,930,154		4,730,154		5,065,599		4,932,465		4,732,465		

Variance in fund balance is due to unfunded appropriation.

Analysis of Budget Request

Appropriation: 709 - Crowley's Ridge - State

Funding Sources: ETC - General Revenue - Crowley's Ridge Technical Institute

A major focus of Crowley's Ridge Technical Institute (CRTI) is the enhancement of capabilities to respond to the business and industry needs in Forrest City, West Memphis and surrounding areas within Arkansas. Program objectives of CRTI focus on providing a competently trained, educated, and retrainable workforce to support agriculture, business, industry, health services, etc. Funding for this appropriation is provided by General Revenue, Adult Education funds received from the Department of Workforce Education, and funds transferred from the Work Force 2000 Development Fund.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$3,717,916 for FY18 and \$3,720,227 for FY19.

The Executive Recommendation provides for the Agency request and in addition the elimination of three position resulting in a reduction of appropriation and funding of \$133,134 in Salaries and Personal Services Matching. The reduction is based upon the Office of Personnel Management and Agency personnel evaluation of the Agency's position usage and ongoing staffing needs.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 709 - Crowley's Ridge - State

Funding Sources: ETC - General Revenue - Crowley's Ridge Technical Institute

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,919,906	2,075,203	2,175,384	2,077,403	1,980,439	1,980,439	2,079,303	1,982,339	1,982,339
#Positions		53	53	53	53	50	50	53	50	50
Extra Help	5010001	147,054	216,379	216,379	216,379	216,379	216,379	216,379	216,379	216,379
#Extra Help		19	31	33	33	33	33	33	33	33
Personal Services Matching	5010003	691,298	754,388	754,388	734,811	698,641	698,641	735,222	699,052	699,052
Operating Expenses	5020002	754,791	684,323	684,323	684,323	684,323	684,323	684,323	684,323	684,323
Conference & Travel Expenses	5050009	720	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		3,513,769	3,735,293	3,835,474	3,717,916	3,584,782	3,584,782	3,720,227	3,587,093	3,587,093

Funding Sources										
General Revenue	4000010	2,644,401	2,644,401		2,652,430	2,519,296	2,519,296	2,654,741	2,521,607	2,521,607
Merit Adjustment Fund	4000055	0	25,406		0	0	0	0	0	0
Adult Basic/General	4000065	86,147	282,265		282,265	282,265	282,265	282,265	282,265	282,265
Workforce 2000	4000740	783,221	783,221		783,221	783,221	783,221	783,221	783,221	783,221
Total Funding		3,513,769	3,735,293		3,717,916	3,584,782	3,584,782	3,720,227	3,587,093	3,587,093
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,513,769	3,735,293		3,717,916	3,584,782	3,584,782	3,720,227	3,587,093	3,587,093

Analysis of Budget Request

Appropriation: 710 - Crowley's Ridge - Federal

Funding Sources: FTC - Federal Operations - CRTI

This federally funded appropriation receives primary funding from the U.S. Department of Education (Carl D. Perkins Vocational and Applied Technology Education Act, P.L. 101-392) and such reimbursement programs as the Jobs Training Partnership Act. A major emphasis of this program is to provide competent training programs for business and industry.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level Request is \$108,860 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 710 - Crowley's Ridge - Federal

Funding Sources: FTC - Federal Operations - CRTI

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	67,186	77,626	77,686	77,726	77,726	77,726	77,726	77,726	77,726
#Positions		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	23,395	27,054	27,054	26,954	26,954	26,954	26,954	26,954	26,954
Operating Expenses	5020002	3,564	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		94,145	108,680	108,740	108,680	108,680	108,680	108,680	108,680	108,680
Funding Sources										
Federal Revenue	4000020	94,145	108,680		108,680	108,680	108,680	108,680	10,680	10,680
Total Funding		94,145	108,680		108,680	108,680	108,680	108,680	10,680	10,680
Excess Appropriation/(Funding)		0	0		0	0	0	0	98,000	98,000
Grand Total		94,145	108,680		108,680	108,680	108,680	108,680	108,680	108,680

Analysis of Budget Request

Appropriation: B54 - Crowley's Ridge - Cash

Funding Sources: 183 - Cash Operations - CRTI

Funds for this appropriation are received from tuition, resale from the bookstore, contracted programs such as Apprenticeship and classes contracted with the federal prison. Cash funds are used to supplement the operations of the Agency.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$936,692 for each year of the 2017-2019 Biennium.

The Change Level Requests submitted are \$300,000 in FY18 and \$300,000 in FY19 are summarized as follows:

Restoration of Capital Outlay for each year of the 2017-2019 Biennium in the amount of \$300,000 for the purchase of equipment.

The Executive Recommendation provides for the Agency Request. Expenditures are contingent on available funding.

The Legislative Recommendation concurs with the Executive Recommendation with the exception of Capital Outlay which was recommended at \$100,000.

Appropriation Summary

Appropriation: B54 - Crowley's Ridge - Cash

Funding Sources: 183 - Cash Operations - CRTI

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	0	88,998	110,335	89,098	89,098	89,098	89,098	89,098	89,098
#Positions		0	2	2	2	2	2	2	2	2
Extra Help	5010001	146,860	162,631	162,631	162,631	162,631	162,631	162,631	162,631	162,631
#Extra Help		30	43	43	43	43	43	43	43	43
Personal Services Matching	5010003	21,361	51,995	51,995	41,963	41,963	41,963	41,963	41,963	41,963
Operating Expenses	5020002	184,662	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Conference & Travel Expenses	5050009	16,344	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Professional Fees	5060010	9,665	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Resale (COGS)	5090017	133,979	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000
Promotional Items	5090028	24,946	0	0	0	0	0	0	0	0
Capital Outlay	5120011	17,340	300,000	300,000	300,000	300,000	100,000	300,000	300,000	100,000
Debt Service	5120019	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total		555,157	1,246,624	1,267,961	1,236,692	1,236,692	1,036,692	1,236,692	1,236,692	1,036,692
Funding Sources										
Fund Balance	4000005	1,182,446	1,099,082		261,611	261,611	261,611	0	0	0
Cash Fund	4000045	471,793	409,153		156,668	156,668	156,668	156,668	156,668	156,668
Total Funding		1,654,239	1,508,235		418,279	418,279	418,279	156,668	156,668	156,668
Excess Appropriation/(Funding)		(1,099,082)	(261,611)		818,413	818,413	618,413	1,080,024	1,080,024	880,024
Grand Total		555,157	1,246,624		1,236,692	1,236,692	1,036,692	1,236,692	1,236,692	1,036,692

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
721 Northwest TI-State	4,659,201	57	4,727,977	55	4,730,915	55	5,153,351	59	5,153,351	59	5,153,351	59	5,156,638	59	5,156,638	59	5,156,638	59
722 Northwest TI-Federal	178,248	1	269,854	1	294,054	1	270,096	1	270,096	1	270,096	1	270,096	1	270,096	1	270,096	1
B60 Northwest TI-Cash	1,989,276	11	3,340,741	13	3,361,914	13	3,391,937	14	3,391,937	14	3,391,937	14	3,392,788	14	3,392,788	14	3,392,788	14
Total	6,826,725	69	8,338,572	69	8,386,883	69	8,815,384	74	8,815,384	74	8,815,384	74	8,819,522	74	8,819,522	74	8,819,522	74

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	1,120,208	14.2	1,048,425	12.6		0	0.0		0	0.0		199,280	2.2	199,280	2.3	199,280	2.3
General Revenue	4000010	3,075,886	39.1	3,075,886	36.9		3,132,951	36.4	3,062,951	35.8	3,062,951	35.8	3,136,238	35.4	3,066,238	34.9	3,066,238	34.9
Federal Revenue	4000020	178,248	2.3	269,854	3.2		270,096	3.1	270,096	3.2	270,096	3.2	270,096	3.0	270,096	3.1	270,096	3.1
Cash Fund	4000045	1,917,493	24.3	2,292,316	27.5		3,591,217	41.7	3,591,217	42.0	3,591,217	42.0	3,630,120	41.0	3,630,120	41.3	3,630,120	41.3
Merit Adjustment Fund	4000055	44,812	0.6	29,874	0.4		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Adult Basic/General	4000065	735,277	9.3	855,953	10.3		855,953	9.9	855,953	10.0	855,953	10.0	855,953	9.7	855,953	9.7	855,953	9.7
Workforce 2000	4000740	803,226	10.2	766,264	9.2		766,264	8.9	766,264	9.0	766,264	9.0	766,264	8.7	766,264	8.7	766,264	8.7
Total Funds		7,875,150	100.0	8,338,572	100.0		8,616,481	100.0	8,546,481	100.0	8,546,481	100.0	8,857,951	100.0	8,787,951	100.0	8,787,951	100.0
Excess Appropriation/(Funding)		(1,048,425)		0			198,903		268,903		268,903		(38,429)		31,571		31,571	
Grand Total		6,826,725		8,338,572			8,815,384		8,815,384		8,815,384		8,819,522		8,819,522		8,819,522	

Variance in fund balance due to unfunded appropriation.

Analysis of Budget Request

Appropriation: 721 - Northwest TI-State

Funding Sources: ETN - General Revenue - Northwest Technical Institute

Northwest Technical Institute (NTI), in partnership with the community, provides educational programs to serve the training/re-training needs of students who wish to enter a recognized occupation or improve their occupational skills and knowledge so that they may achieve stability or advancement in a technological society. NTI also responds to business and industry needs and initiatives. This appropriation is funded by general revenue, Adult Education grants received from the Department of Workforce Education and transfers from the Work Force 2000 Development Fund.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level request is \$4,685,168 for FY18 and \$4,688,455 for FY19.

The Agency's Change Level Request is for appropriation of \$468,183 in FY18 and FY19 with new general revenue funding of \$70,000 in FY18 and FY19, and includes the following:

- Regular Salaries and Personal Services Matching of \$207,341 each year for two (2) Career and Technical Faculty, one (1) Education and Instruction Manager and one (1) Computer Support Specialist to allow NTI to expand its Adult Education Department.
- Extra Help and Personal Service Matching of \$80,842 each year for part-time instructors
- Operating Expenses of \$130,000 each year for \$70,000 of this request also includes new general revenue funding.
- Conference and Travel of \$25,000 each year for NTI's Adult Education faculty to attend in and out of state conferences.
- Capital Outlay of \$25,000 each year for the purchase of instructional equipment such as smart boards, copies and servers. \$15,000 of the Capital Outlay request is to restore the previous authorized amount.

The Executive Recommendation provides for the Agency Request , appropriation only, General Revenue to remain at Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 721 - Northwest TI-State

Funding Sources: ETN - General Revenue - Northwest Technical Institute

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	2,583,363	2,581,704	2,582,266	2,706,778	2,706,778	2,706,778	2,709,478	2,709,478	2,709,478
#Positions		57	55	55	59	59	59	59	59	59
Extra Help	5010001	364,465	447,271	447,271	527,271	527,271	527,271	527,271	527,271	527,271
#Extra Help		27	31	33	33	33	33	33	33	33
Personal Services Matching	5010003	870,212	870,355	872,731	925,655	925,655	925,655	926,242	926,242	926,242
Operating Expenses	5020002	796,994	799,147	799,147	929,147	929,147	929,147	929,147	929,147	929,147
Conference & Travel Expenses	5050009	44,167	14,500	14,500	39,500	39,500	39,500	39,500	39,500	39,500
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	15,000	15,000	25,000	25,000	25,000	25,000	25,000	25,000
Total		4,659,201	4,727,977	4,730,915	5,153,351	5,153,351	5,153,351	5,156,638	5,156,638	5,156,638

Funding Sources										
General Revenue	4000010	3,075,886	3,075,886		3,132,951	3,062,951	3,062,951	3,136,238	3,066,238	3,066,238
Merit Adjustment Fund	4000055	44,812	29,874		0	0	0	0	0	0
Adult Basic/General	4000065	735,277	855,953		855,953	855,953	855,953	855,953	855,953	855,953
Workforce 2000	4000740	803,226	766,264		766,264	766,264	766,264	766,264	766,264	766,264
Total Funding		4,659,201	4,727,977		4,755,168	4,685,168	4,685,168	4,758,455	4,688,455	4,688,455
Excess Appropriation/(Funding)		0	0		398,183	468,183	468,183	398,183	468,183	468,183
Grand Total		4,659,201	4,727,977		5,153,351	5,153,351	5,153,351	5,156,638	5,156,638	5,156,638

Analysis of Budget Request

Appropriation: 722 - Northwest TI-Federal

Funding Sources: FTN - Federal Operations - NTI

This federal appropriation is administered by Northwest Technical Institute (NTI) and federal funds for its support are received from the Carl D. Perkins Vocational & Applied Technology Education Act (P.L. 101-392), and reimbursement programs such as the Jobs Training Partnership Act.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$270,396 for each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 722 - Northwest TI-Federal

Funding Sources: FTN - Federal Operations - NTI

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	37,459	41,017	37,114	41,117	41,117	41,117	41,117	41,117	41,117
#Positions		1	1	1	1	1	1	1	1	1
Extra Help	5010001	118,954	160,396	187,542	160,396	160,396	160,396	160,396	160,396	160,396
#Extra Help		10	19	19	19	19	19	19	19	19
Personal Services Matching	5010003	21,829	26,190	27,147	26,332	26,332	26,332	26,332	26,332	26,332
Operating Expenses	5020002	6	42,251	42,251	42,251	42,251	42,251	42,251	42,251	42,251
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		178,248	269,854	294,054	270,096	270,096	270,096	270,096	270,096	270,096
Funding Sources										
Federal Revenue	4000020	178,248	269,854		270,096	270,096	270,096	270,096	270,096	270,096
Total Funding		178,248	269,854		270,096	270,096	270,096	270,096	270,096	270,096
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		178,248	269,854		270,096	270,096	270,096	270,096	270,096	270,096

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: B60 - Northwest TI-Cash

Funding Sources: 173 - Cash Operations - NTI

Funding for this cash appropriation is received from tuition (\$36 to \$100 per hour), resale from the bookstore, and reimbursement programs such as Apprenticeship. These funds supplement and enhance general revenue funding.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$270,096 for each year of the 2017-2019 Biennium

The Agency's Change Level request is appropriation of \$250,476 in FY18 and FY19, and includes the following:

- Regular Salaries and Personal Services Matching of \$50,476 each year to restore a Career and Technical Faculty position. This position is for a satellite welding program housed in Gravette High School.
- Capital Outlay of \$200,000 each year to restore appropriation to its authorized level. This will be used for purchasing equipment for Northwest Technical Institute's instructional programs.

The Executive Recommendation provides for the Agency Request. Expenditures are contingent on available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: B60 - Northwest TI-Cash

Funding Sources: 173 - Cash Operations - NTI

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	345,750	439,279	459,887	476,711	476,711	476,711	477,411	477,411	477,411
#Positions		11	13	13	14	14	14	14	14	14
Extra Help	5010001	189,171	556,450	556,450	556,450	556,450	556,450	556,450	556,450	556,450
#Extra Help		27	55	55	55	55	55	55	55	55
Personal Services Matching	5010003	150,055	203,192	203,757	216,956	216,956	216,956	217,107	217,107	217,107
Operating Expenses	5020002	730,446	1,226,820	1,226,820	1,226,820	1,226,820	1,226,820	1,226,820	1,226,820	1,226,820
Conference & Travel Expenses	5050009	11,152	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Professional Fees	5060010	296,049	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Resale (COGS)	5090017	211,463	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Promotional Items	5090028	34,451	0	0	0	0	0	0	0	0
Capital Outlay	5120011	20,739	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total		1,989,276	3,340,741	3,361,914	3,391,937	3,391,937	3,391,937	3,392,788	3,392,788	3,392,788

Funding Sources										
Fund Balance	4000005	1,120,208	1,048,425		0	0	0	199,280	199,280	199,280
Cash Fund	4000045	1,917,493	2,292,316		3,591,217	3,591,217	3,591,217	3,630,120	3,630,120	3,630,120
Total Funding		3,037,701	3,340,741		3,591,217	3,591,217	3,591,217	3,829,400	3,829,400	3,829,400
Excess Appropriation/(Funding)		(1,048,425)	0		(199,280)	(199,280)	(199,280)	(436,612)	(436,612)	(436,612)
Grand Total		1,989,276	3,340,741		3,391,937	3,391,937	3,391,937	3,392,788	3,392,788	3,392,788

Expenditures are contingent on available funding.

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
732 Riverside VT-State Operations	2,076,898	34	2,224,611	35	2,249,183	35	2,219,990	35	2,219,990	35	2,219,990	35	2,222,544	35	2,222,544	35	2,222,544	35
750 Plumbing Apprenticeship Program	80,496	1	76,588	1	77,006	1	76,624	1	76,624	1	76,624	1	76,624	1	76,624	1	76,624	1
Total	2,157,394	35	2,301,199	36	2,326,189	36	2,296,614	36	2,296,614	36	2,296,614	36	2,299,168	36	2,299,168	36	2,299,168	36

Funding Sources		%		%		%		%		%		%		%		%
General Revenue 4000010	2,157,394	100.0	2,301,199	100.0			2,296,614	100.0	2,296,614	100.0	2,296,614	100.0	2,299,168	100.0	2,299,168	100.0
Total Funds	2,157,394	100.0	2,301,199	100.0			2,296,614	100.0	2,296,614	100.0	2,296,614	100.0	2,299,168	100.0	2,299,168	100.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0	
Grand Total	2,157,394		2,301,199				2,296,614		2,296,614		2,296,614		2,299,168		2,299,168	

Analysis of Budget Request

Appropriation: 732 - Riverside VT-State Operations

Funding Sources: ETR - Riverside Vocational Technical School Fund

Riverside Vocational Technical School operates five (5) campuses within the Department of Community Correction. These are the Varner Unit, Tucker Unit, Wrightsville Unit, Grimes Unit, and the McPherson Unit for female offenders. Short term or part-time programs are available at the Little Rock, Pine Bluff, and Osceola facilities of the Department of Community Corrections. Emphasis is placed on education and skill development which will result in lower recidivism rate and employment upon release. This appropriation is funded by general revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$2,219,900 in FY18 and \$2,222,544 in FY19.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 732 - Riverside VT-State Operations

Funding Sources: ETR - Riverside Vocational Technical School Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,425,801	1,527,916	1,528,186	1,523,692	1,523,692	1,523,692	1,525,792	1,525,792	1,525,792
#Positions		34	35	35	35	35	35	35	35	35
Personal Services Matching	5010003	481,827	507,591	531,893	507,194	507,194	507,194	507,648	507,648	507,648
Operating Expenses	5020002	165,385	183,604	183,604	183,604	183,604	183,604	183,604	183,604	183,604
Conference & Travel Expenses	5050009	3,885	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Professional Fees	5060010	0	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,076,898	2,224,611	2,249,183	2,219,990	2,219,990	2,219,990	2,222,544	2,222,544	2,222,544
Funding Sources										
General Revenue	4000010	2,076,898	2,224,611		2,219,990	2,219,990	2,219,990	2,222,544	2,222,544	2,222,544
Total Funding		2,076,898	2,224,611		2,219,990	2,219,990	2,219,990	2,222,544	2,222,544	2,222,544
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,076,898	2,224,611		2,219,990	2,219,990	2,219,990	2,222,544	2,222,544	2,222,544

Analysis of Budget Request

Appropriation: 750 - Plumbing Apprenticeship Program

Funding Sources: ETR - Riverside Vocational Technical School Fund

The Plumbing Apprenticeship Program is administered by Riverside Vocational Technical School. Program costs consists of personal services for one (1) faculty member and provides technical training in the area of plumbing to qualified persons incarcerated in facilities of the Department of Community Correction. The goal is to provide individuals with marketable skills to re-enter the workplace upon release from prison. This appropriation is funded by general revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$76,624 for both years of the 2017-2019 Biennium.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 750 - Plumbing Apprenticeship Program

Funding Sources: ETR - Riverside Vocational Technical School Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries 5010000	62,027	58,815	58,815	58,815	58,815	58,815	58,815	58,815	58,815
#Positions	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	18,469	17,773	18,191	17,809	17,809	17,809	17,809	17,809	17,809
Total	80,496	76,588	77,006	76,624	76,624	76,624	76,624	76,624	76,624
Funding Sources									
General Revenue 4000010	80,496	76,588		76,624	76,624	76,624	76,624	76,624	76,624
Total Funding	80,496	76,588		76,624	76,624	76,624	76,624	76,624	76,624
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	80,496	76,588		76,624	76,624	76,624	76,624	76,624	76,624

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
2EH Sales to Minors Enforcement - Cash	1,468,458	12	969,735	13	896,618	13	997,630	13	992,630	13	992,630	13	997,998	13	992,998	13	992,998	13
85C ATC Cigarette Fire Safety	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
85N Tobacco Insp Prog	568,188	7	866,588	8	940,750	8	868,516	8	868,516	8	868,516	8	868,639	8	868,639	8	868,639	8
983 Tobacco Control Board Operations	782,036	9	839,791	10	898,920	10	804,647	10	804,647	10	804,647	10	804,770	10	804,770	10	804,770	10
U68 ATC Revenue Enforcement	0	0	16,270	0	74,384	0	92,384	0	16,270	0	16,270	0	92,384	0	16,270	0	16,270	0
Total	2,818,682	28	2,742,384	31	2,860,672	31	2,813,177	31	2,732,063	31	2,732,063	31	2,813,791	31	2,732,677	31	2,732,677	31

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	455,281	11.7	1,071,948	27.0			1,224,641	30.0	1,224,641	30.0	1,224,641	30.0	1,273,325	30.4	1,354,439	31.7
General Revenue	4000010	782,036	20.1	839,791	21.2			804,647	19.7	804,647	19.7	804,647	19.7	804,770	19.2	804,770	18.9
Federal Revenue	4000020	568,188	14.6	866,588	21.8			868,516	21.3	868,516	21.3	868,516	21.3	868,639	20.8	868,639	20.4
Special Revenue	4000030	529,170	13.6	295,000	7.4			295,000	7.2	295,000	7.2	295,000	7.2	345,000	8.2	345,000	8.1
Cash Fund	4000045	1,555,955	40.0	893,698	22.5			893,698	21.9	893,698	21.9	893,698	21.9	893,698	21.4	893,698	20.9
Total Funds		3,890,630	100.0	3,967,025	100.0			4,086,502	100.0	4,086,502	100.0	4,086,502	100.0	4,185,432	100.0	4,266,546	100.0
Excess Appropriation/(Funding)		(1,071,948)		(1,224,641)				(1,273,325)		(1,354,439)		(1,354,439)		(1,371,641)		(1,533,869)	
Grand Total		2,818,682		2,742,384				2,813,177		2,732,063		2,732,063		2,813,791		2,732,677	

FY17 Budget amount in appropriation 2EH exceeds the authorized amount due to Regular Salaries and Personal Services Matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 2EH - Sales to Minors Enforcement - Cash

Funding Sources: NTC - Cash in Treasury

Arkansas Tobacco Control administers the Sales to Minors program. This program is responsible for executing the sales to minors checks and enforcing any violations that result from these checks. Funding for this program is made available through a grant from the Arkansas Department of Health using Master Tobacco Settlement funds.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level request is \$972,830 in FY18 and \$973,198 in FY19.

For the 2017-2019 Biennium, the Agency is requesting the following:

- Operating Expenses of \$1,800 each year for the cost of conducting compliance checks due to the minimum wage increase.
- Operating Expenses of \$18,000 each year to cover half of the increased cost for the Department of Information Systems to host the new database.
- Conference & Travel Expenses of \$5,000 to cover the cost of attending annual conferences and training.

The Technology related requests are documented in the Agency's Information Technology (IT) Plan (pages 10-11).

The Executive Recommendation provides for the Agency Request, with the exception of the Conference & Travel Expenses request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2EH - Sales to Minors Enforcement - Cash

Funding Sources: NTC - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	517,105	560,802	502,824	560,902	560,902	560,902	561,202	561,202	561,202
	#Positions	12	13	13	13	13	13	13	13	13
Personal Services Matching	5010003	182,505	189,961	174,822	192,956	192,956	192,956	193,024	193,024	193,024
Operating Expenses	5020002	521,146	212,272	212,272	232,072	232,072	232,072	232,072	232,072	232,072
Conference & Travel Expenses	5050009	0	0	0	5,000	0	0	5,000	0	0
Professional Fees	5060010	235	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Promotional Items	5090028	1,259	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital Outlay	5120011	246,208	0	0	0	0	0	0	0	0
Total		1,468,458	969,735	896,618	997,630	992,630	992,630	997,998	992,998	992,998
Funding Sources										
Fund Balance	4000005	286,916	374,413		298,376	298,376	298,376	194,444	199,444	199,444
Cash Fund	4000045	1,555,955	893,698		893,698	893,698	893,698	893,698	893,698	893,698
Total Funding		1,842,871	1,268,111		1,192,074	1,192,074	1,192,074	1,088,142	1,093,142	1,093,142
Excess Appropriation/(Funding)		(374,413)	(298,376)		(194,444)	(199,444)	(199,444)	(90,144)	(100,144)	(100,144)
Grand Total		1,468,458	969,735		997,630	992,630	992,630	997,998	992,998	992,998

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 85C - ATC Cigarette Fire Safety

Funding Sources: SFS - Cigarette Fire Safety Standard Fund

The Arkansas Cigarette Fire Safety Standard Act (A.C.A. 20-27-2101) was established by Act 697 of 2009 to set ignition propensity standards for cigarettes sold in Arkansas to be uniform with other states with enacted reduced cigarette ignition propensity laws. This appropriation is funded by special revenues from cigarette certification fees and civil penalties.

The Agency's Base Level and total request is for appropriation of \$50,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 85C - ATC Cigarette Fire Safety

Funding Sources: SFS - Cigarette Fire Safety Standard Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Fire Safety & Prevention	5900046	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

Funding Sources										
Fund Balance	4000005	168,365	246,100		206,100	206,100	206,100	166,100	166,100	166,100
Special Revenue	4000030	77,735	10,000		10,000	10,000	10,000	60,000	60,000	60,000
Total Funding		246,100	256,100		216,100	216,100	216,100	226,100	226,100	226,100
Excess Appropriation/(Funding)		(246,100)	(206,100)		(166,100)	(166,100)	(166,100)	(176,100)	(176,100)	(176,100)
Grand Total		0	50,000		50,000	50,000	50,000	50,000	50,000	50,000

Analysis of Budget Request

Appropriation: 85N - Tobacco Insp Prog

Funding Sources: FCT - Tobacco Inspection Program - Federal

Arkansas Tobacco Control was awarded a grant in FY10 which allowed ATC to assist the U.S. Food and Drug Administration (FDA) in inspecting retail establishments that sell cigarettes and/or smokeless tobacco products and in surveillance of other entities that fall under the scope of the FDA.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Base Level and total request is for appropriation of \$868,516 in FY18 and \$868,639 in FY19.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 85N - Tobacco Insp Prog

Funding Sources: FCT - Tobacco Inspection Program - Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	325,444	346,690	401,376	346,690	346,690	346,690	346,790	346,790	346,790
#Positions		7	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	117,064	121,032	140,508	122,960	122,960	122,960	122,983	122,983	122,983
Overtime	5010006	0	17,041	17,041	17,041	17,041	17,041	17,041	17,041	17,041
Operating Expenses	5020002	125,680	345,583	345,583	345,583	345,583	345,583	345,583	345,583	345,583
Conference & Travel Expenses	5050009	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees	5060010	0	31,242	31,242	31,242	31,242	31,242	31,242	31,242	31,242
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		568,188	866,588	940,750	868,516	868,516	868,516	868,639	868,639	868,639
Funding Sources										
Federal Revenue	4000020	568,188	866,588		868,516	868,516	868,516	868,639	868,639	868,639
Total Funding		568,188	866,588		868,516	868,516	868,516	868,639	868,639	868,639
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		568,188	866,588		868,516	868,516	868,516	868,639	868,639	868,639

Analysis of Budget Request

Appropriation: 983 - Tobacco Control Board Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Arkansas Tobacco Control was established by Act 1337 of 1997 to regulate and issue permits and licenses to any person (except manufacturers) handling, receiving, processing, storing, distributing, taking orders for, soliciting orders of, selling, offering for sale or dealing in, through sale, barter or exchange, any cigarettes or other tobacco products in the State of Arkansas. This appropriation is funded by general revenues.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Base Level request is for appropriation of \$804,647 for FY18 and \$804,770 for FY19.

The Agency's Change level request is for Base Level appropriation each year of the biennium, and includes the following:

- Conference & Travel Expenses decrease of (\$5,000) due to a reallocation to Operating Expenses.
- Professional Fees decrease of (\$5,000) due to a reallocation to Operating Expenses.
- Operating Expenses increase of \$10,000 due to reallocations from Conference & Travel Expenses and Professional Fees.

These requests are to cover additional enforcement costs brought on by recent legislation.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 983 - Tobacco Control Board Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	405,373	445,752	457,745	445,852	445,852	445,852	445,952	445,952	445,952
#Positions		9	10	10	10	10	10	10	10	10
Personal Services Matching	5010003	145,201	148,475	152,907	150,830	150,830	150,830	150,853	150,853	150,853
Operating Expenses	5020002	188,718	187,965	268,268	197,965	197,965	197,965	197,965	197,965	197,965
Conference & Travel Expenses	5050009	4,845	10,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees	5060010	300	10,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	37,599	37,599	0	0	0	0	0	0	0
Total		782,036	839,791	898,920	804,647	804,647	804,647	804,770	804,770	804,770
Funding Sources										
General Revenue	4000010	782,036	839,791		804,647	804,647	804,647	804,770	804,770	804,770
Total Funding		782,036	839,791		804,647	804,647	804,647	804,770	804,770	804,770
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		782,036	839,791		804,647	804,647	804,647	804,770	804,770	804,770

Budget exceeds Authorized Appropriation in Capital Outlay by authority of a Budget Classification Transfer.

Analysis of Budget Request

Appropriation: U68 - ATC Revenue Enforcement

Funding Sources: STR - ATC Revenue Fund

This appropriation covers personal services and operating expenses of the Arkansas Tobacco Control Board Enforcement. The Arkansas Tobacco Control Revenue Fund was established by A.C.A. §19-6-831.

The Base Level request is for appropriation of \$16,270 in each year of the 2017-2019 Biennium.

The Agency's Change level request is for appropriation of \$76,114 each year of the biennium, and includes the following:

- Regular Salaries and Personal Services Matching of \$42,386 each year for one ATC Enforcement Agent C116 position to be used to combat tobacco smuggling. This position is an existing one that has been vacated through attrition.
- Operating Expenses of \$18,000 to cover half of the estimated cost for the Department of Information Systems to host the new agency database.

The Technology related requests are documented in the Agency's Information Technology (IT) Plan (pages 10-11).

The Executive Recommendation provides for Base Level.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: U68 - ATC Revenue Enforcement

Funding Sources: STR - ATC Revenue Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	0	0	42,386	42,386	0	0	42,386	0	0
#Positions		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	0	0	15,728	15,728	0	0	15,728	0	0
Overtime	5010006	0	0	0	0	0	0	0	0	0
Operating Expenses	5020002	0	15,770	15,770	33,770	15,770	15,770	33,770	15,770	15,770
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	500	500	500	500	500	500	500	500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	16,270	74,384	92,384	16,270	16,270	92,384	16,270	16,270
Funding Sources										
Fund Balance	4000005	0	451,435		720,165	720,165	720,165	912,781	988,895	988,895
Special Revenue	4000030	451,435	285,000		285,000	285,000	285,000	285,000	285,000	285,000
Total Funding		451,435	736,435		1,005,165	1,005,165	1,005,165	1,197,781	1,273,895	1,273,895
Excess Appropriation/(Funding)		(451,435)	(720,165)		(912,781)	(988,895)	(988,895)	(1,105,397)	(1,257,625)	(1,257,625)
Grand Total		0	16,270		92,384	16,270	16,270	92,384	16,270	16,270

There is no authorized number of positions due to single salary section in appropriation act.

Analysis of Budget Request

Appropriation: 468 - Operations

Funding Sources: TSC - Tobacco Settlement Commission

The Tobacco Settlement Proceeds Act (Initiated Act 1 of 2000) established funds and accounts for the deposit, investment and management of the State of Arkansas' portion of the Master Settlement Agreement with certain tobacco manufacturers. The Arkansas Tobacco Settlement Commission (ATSC) was created pursuant to Section 17 of this act to monitor and evaluate expenditures made from the four program accounts. Those program accounts are the Prevention and Cessation Program Account, the Targeted State Needs Program Account, the Arkansas Biosciences Institute Program Account and the Medicaid Expansion Program Account.

The Commission is funded from the investment earnings of the Tobacco Settlement Program Fund and Program Accounts, which are deposited as trust funds into the Arkansas Tobacco Settlement Commission Fund. The Commission is authorized to hire an independent third-party to monitor and evaluate program account expenditures and prepare a biennial report for the General Assembly and Governor by each August 1 preceding a regular session of the General Assembly. As funding permits, the Commission is also authorized to make grants in amounts not to exceed \$50,000 to non-profit and community-based organizations.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level request is for appropriation of \$2,400,163 each year of the 2017-2019 Biennium.

The Agency's Change Level request is for decrease in appropriation by (\$1,437,000) each year of the biennium, and includes the following:

- Professional Fees decrease of (\$500,000) each year to more accurately reflect the operations of the Agency.
- Grants and Aid decrease of (\$937,000) each year to more accurately reflect the operations of the Agency.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 468 - Operations

Funding Sources: TSC - Tobacco Settlement Commission

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	98,368	94,131	95,017	94,131	94,131	94,131	94,131	94,131	94,131
	#Positions	2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	31,906	30,930	31,432	31,457	31,457	31,457	31,457	31,457	31,457
Operating Expenses	5020002	32,070	84,575	84,575	84,575	84,575	84,575	84,575	84,575	84,575
Conference & Travel Expenses	5050009	158	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Professional Fees	5060010	175,000	1,000,000	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	1,187,000	1,187,000	250,000	250,000	250,000	250,000	250,000	250,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		337,502	2,399,636	2,401,024	963,163	963,163	963,163	963,163	963,163	963,163
Funding Sources										
Fund Balance	4000005	3,789,882	3,659,553		1,386,403	1,386,403	1,386,403	549,698	549,698	549,698
Transfer from Tobacco Settlmnt	4000590	207,173	126,486		126,458	126,458	126,458	126,486	126,486	126,486
Total Funding		3,997,055	3,786,039		1,512,861	1,512,861	1,512,861	676,184	676,184	676,184
Excess Appropriation/(Funding)		(3,659,553)	(1,386,403)		(549,698)	(549,698)	(549,698)	286,979	286,979	286,979
Grand Total		337,502	2,399,636		963,163	963,163	963,163	963,163	963,163	963,163

Expenditure of appropriation is contingent upon available funding.

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
224 State Operations	2,139,008	31	2,165,489	26	6,791,587	28	2,024,703	26	2,024,703	26	2,024,703	26	2,026,859	26	2,026,859	26	2,026,859	26
2QD Veterans' Homes	8,408,689	93	13,145,139	186	15,793,516	232	15,716,281	241	15,716,281	241	15,716,281	249	16,570,036	241	16,570,036	241	16,570,036	249
38S Veterans' Cemeteries - Cash In Treasury	344,501	8	697,175	9	838,175	9	355,064	9	355,064	9	355,064	9	355,064	9	355,064	9	355,064	9
490 Veterans' Cemeteries - State	387,132	6	340,082	6	555,784	6	341,095	6	341,095	6	341,095	6	341,095	6	341,095	6	341,095	6
81H Military Funeral Honor	16,300	0	100,000	0	100,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
F50 NLR Cemetery - Federal	907,651	0	4,419,797	0	1,139,062	0	0	0	0	0	0	0	0	0	0	0	0	0
M49 Veterans' Home Cash	2,958	0	242,471	0	635,727	0	46,280	0	46,280	0	46,280	0	0	0	0	0	0	0
Total	12,206,239	138	21,110,153	226	25,853,851	275	18,558,423	282	18,558,423	282	18,558,423	290	19,368,054	282	19,368,054	282	19,368,054	290

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	1,541,572	11.1	1,654,251	6.8			3,183,851	14.3	3,183,851	14.3	3,183,851	14.3	3,685,803	14.0	3,685,803	14.0
General Revenue	4000010	2,376,140	17.1	2,363,071	9.7			2,365,798	10.6	2,314,491	10.4	2,314,491	10.4	2,367,954	9.0	2,316,647	8.8
Federal Revenue	4000020	5,910,525	42.6	12,870,297	53.0			8,450,500	38.0	8,450,500	38.1	8,450,500	38.1	10,310,000	39.1	10,310,000	39.2
Special Revenue	4000030	39,742	0.3	75,000	0.3			40,000	0.2	40,000	0.2	40,000	0.2	40,000	0.2	40,000	0.2
Cash Fund	4000045	2,076,845	15.0	5,449,000	22.4			5,450,000	24.5	5,450,000	24.6	5,450,000	24.6	6,740,000	25.6	6,740,000	25.6
Merit Adjustment Fund	4000055	150,000	1.1	142,500	0.6			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from Medicaid	4000545	1,765,666	12.7	1,739,885	7.2			2,754,000	12.4	2,754,000	12.4	2,754,000	12.4	3,235,000	12.3	3,235,000	12.3
Total Funds		13,860,490	100.0	24,294,004	100.0			22,244,149	100.0	22,192,842	100.0	22,192,842	100.0	26,378,757	100.0	26,327,450	100.0
Excess Appropriation/(Funding)		(1,654,251)		(3,183,851)				(3,685,726)		(3,634,419)		(3,634,419)		(7,010,703)		(6,959,396)	
Grand Total		12,206,239		21,110,153				18,558,423		18,558,423		18,558,423		19,368,054		19,368,054	

Variances in fund balance due to unfunded appropriation in (224) State Operations and (M49) Veterans' Home Cash.

Analysis of Budget Request

Appropriation: 224 - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Department of Veterans Affairs assists Arkansas veterans, their dependents and survivors in securing their rights and benefits under Federal and State laws. The Department supervises the activities, training, and testing of County Veterans Service Officers and provides financial assistance to Counties to defray their salaries and expenses. This appropriation provides for the administrative costs of the Department and is funded by general revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Base Level request is for appropriation of \$1,973,396 for FY18 and \$1,975,552 for FY19.

The Agency's Change Level request is for appropriation and new general revenue funding of \$51,307 each year of the biennium. This includes increases in Regular Salaries and Personal Services Matching to reflect the restoration of one (1) Public Information Coordinator C120 position which was approved and received through the OPM pool.

The Executive Recommendation provides for the Agency Request for appropriation only.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 224 - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,273,412	1,208,684	2,783,856	1,203,467	1,203,467	1,203,467	1,205,205	1,205,205	1,205,205
#Positions		31	26	28	26	26	26	26	26	26
Extra Help	5010001	0	0	6,544	0	0	0	0	0	0
#Extra Help		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	473,055	396,238	1,249,904	403,169	403,169	403,169	403,587	403,587	403,587
Overtime	5010006	0	0	20,380	0	0	0	0	0	0
Operating Expenses	5020002	126,760	127,200	1,849,320	127,200	127,200	127,200	127,200	127,200	127,200
Conference & Travel Expenses	5050009	4,040	7,367	30,750	7,367	7,367	7,367	7,367	7,367	7,367
Professional Fees	5060010	0	0	83,333	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	261,741	283,500	375,000	283,500	283,500	283,500	283,500	283,500	283,500
Capital Outlay	5120011	0	142,500	142,500	0	0	0	0	0	0
Contingency	5130018	0	0	250,000	0	0	0	0	0	0
Total		2,139,008	2,165,489	6,791,587	2,024,703	2,024,703	2,024,703	2,026,859	2,026,859	2,026,859
Funding Sources										
General Revenue	4000010	1,989,008	2,022,989		2,024,703	1,973,396	1,973,396	2,026,859	1,975,552	1,975,552
Merit Adjustment Fund	4000055	150,000	142,500		0	0	0	0	0	0
Total Funding		2,139,008	2,165,489		2,024,703	1,973,396	1,973,396	2,026,859	1,975,552	1,975,552
Excess Appropriation/(Funding)		0	0		0	51,307	51,307	0	51,307	51,307
Grand Total		2,139,008	2,165,489		2,024,703	2,024,703	2,024,703	2,026,859	2,026,859	2,026,859

Analysis of Budget Request

Appropriation: 2QD - Veterans' Homes

Funding Sources: NVA - ADVA Cash in Treasury

This appropriation is for care of residents at two State Veterans Homes located at Fayetteville and at North Little Rock. These are long-term skilled nursing care facilities primarily funded by private room and board payments, private insurance payments, Medicaid and Medicare reimbursements, and reimbursements from the United States Department of Veterans Affairs State Home Per Diem program.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Base Level request is for appropriation of \$12,453,028 in FY18 and \$12,456,783 in FY19.

The Agency's Change level request is for appropriation of \$3,263,253 in FY18 and \$4,113,253 in FY19 and includes the following:

- Regular Salaries and Personal Services Matching of \$2,383,244 each year for the restoration of seventy (70) positions, detailed as follows:

Fifteen (15) positions which approved through the OPM pool which include:

- One (1) State Veterans Home Administrator (N903)
- One (1) Nurse Manager (C125)
- One (1) Accountant II (C117)
- Two (2) Food & Beverage Directors (C122)
- One (1) Food Preparation Manager (C114)
- One (1) Food Preparation Supervisor (C111)
- Eight (8) Food Preparation Specialists (C104)

Fifty-five (55) positions which were authorized but unbudgeted in FY17 and include:

- Forty-eight (48) Certified Nursing Assistants (C109)
- Seven (7) Licensed Practical Nurses (C113)

- Overtime and Personal Services Matching of \$204,584 each year for nursing staff. Supplemental contract nursing was eliminated in FY14, resulting in annual cost savings of \$200,000 in favor of paying overtime to agency nursing staff at a lower overall cost.
- Operating Expenses of \$563,425 in FY18 and \$1,413,425 in FY19 based on projections for the operations of the new North Little Rock Home.
- Conference & Travel Expenses of \$20,000 each year for training of the nursing staff at the Fayetteville Veterans' Home.
- Professional Fees of \$44,000 each year to cover the cost of outsourced housekeeping and maintenance services.
- Capital Outlay of \$48,000 each year to replace kitchen equipment and cover other needs that may arise.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation with the addition of eight (8) Certified Nursing Assistant C109 positions.

Appropriation Summary

Appropriation: 2QD - Veterans' Homes
Funding Sources: NVA - ADVA Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	3,373,330	4,999,564	6,459,529	6,768,715	6,768,715	6,768,715	6,771,753	6,771,753	6,771,753
#Positions		93	186	232	241	241	249	241	241	249
Extra Help	5010001	20,521	40,000	52,612	40,000	40,000	40,000	40,000	40,000	40,000
#Extra Help		3	15	15	15	15	15	15	15	15
Personal Services Matching	5010003	1,547,261	2,073,837	3,052,137	2,811,681	2,811,681	2,811,681	2,812,398	2,812,398	2,812,398
Overtime	5010006	105,889	149,278	79,278	246,000	246,000	246,000	246,000	246,000	246,000
Operating Expenses	5020002	2,816,860	5,504,575	4,834,575	5,398,000	5,398,000	5,398,000	6,248,000	6,248,000	6,248,000
Conference & Travel Expenses	5050009	6,755	50,885	30,885	50,885	50,885	50,885	50,885	50,885	50,885
Professional Fees	5060010	118,250	297,000	485,000	341,000	341,000	341,000	341,000	341,000	341,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	0	0	475,000	0	0	0	0	0	0
Claims	5110015	408,175	0	0	0	0	0	0	0	0
Capital Outlay	5120011	11,648	30,000	74,500	60,000	60,000	60,000	60,000	60,000	60,000
Contingency	5130018	0	0	250,000	0	0	0	0	0	0
Total		8,408,689	13,145,139	15,793,516	15,716,281	15,716,281	15,716,281	16,570,036	16,570,036	16,570,036

Funding Sources										
Fund Balance	4000005	438,374	554,577		2,649,823	2,649,823	2,649,823	3,188,042	3,188,042	3,188,042
Federal Revenue	4000020	4,740,177	8,100,500		8,100,500	8,100,500	8,100,500	9,960,000	9,960,000	9,960,000
Cash Fund	4000045	2,019,049	5,400,000		5,400,000	5,400,000	5,400,000	6,690,000	6,690,000	6,690,000
Transfer from Medicaid	4000545	1,765,666	1,739,885		2,754,000	2,754,000	2,754,000	3,235,000	3,235,000	3,235,000
Total Funding		8,963,266	15,794,962		18,904,323	18,904,323	18,904,323	23,073,042	23,073,042	23,073,042
Excess Appropriation/(Funding)		(554,577)	(2,649,823)		(3,188,042)	(3,188,042)	(3,188,042)	(6,503,006)	(6,503,006)	(6,503,006)
Grand Total		8,408,689	13,145,139		15,716,281	15,716,281	15,716,281	16,570,036	16,570,036	16,570,036

Budget exceeds Authorized Appropriation in several line items due to a transfer from the Cash Fund Holding Account.

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 38S - Veterans' Cemeteries - Cash In Treasury

Funding Sources: NVA - ADVA Cash in Treasury

This appropriation is cash funded by burial fees that the Agency has accumulated specifically for use at the State Veterans' Cemetery located in North Little Rock, AR. This appropriation is utilized to support the operations of, and to provide land improvements for, the Arkansas State Veterans' Cemetery.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Base Level and total request is for appropriation of \$355,064 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 38S - Veterans' Cemeteries - Cash In Treasury

Funding Sources: NVA - ADVA Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	226,734	271,596	161,596	143,792	143,792	143,792	143,792	143,792	143,792
#Positions		8	9	9	9	9	9	9	9	9
Extra Help	5010001	0	0	0	0	0	0	0	0	0
#Extra Help		0	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	98,540	117,579	71,579	71,272	71,272	71,272	71,272	71,272	71,272
Operating Expenses	5020002	18,184	223,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Conference & Travel Expenses	5050009	1,043	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	80,000	215,000	0	0	0	0	0	0
Contingency	5130018	0	0	250,000	0	0	0	0	0	0
Total		344,501	697,175	838,175	355,064	355,064	355,064	355,064	355,064	355,064

Funding Sources										
Fund Balance	4000005	673,801	645,270		347,095	347,095	347,095	392,031	392,031	392,031
Federal Revenue	4000020	262,697	350,000		350,000	350,000	350,000	350,000	350,000	350,000
Cash Fund	4000045	53,273	49,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding		989,771	1,044,270		747,095	747,095	747,095	792,031	792,031	792,031
Excess Appropriation/(Funding)		(645,270)	(347,095)		(392,031)	(392,031)	(392,031)	(436,967)	(436,967)	(436,967)
Grand Total		344,501	697,175		355,064	355,064	355,064	355,064	355,064	355,064

Budget exceeds Authorized Appropriation in several line items due to a transfer from the Cash Fund Holding Account.

Analysis of Budget Request

Appropriation: 490 - Veterans' Cemeteries - State

Funding Sources: HUA - Miscellaneous Agencies Fund

Act 270 of 1999 authorized appropriation for the construction of a State Veterans' Cemetery. This appropriation is used to provide for the daily operations and grounds maintenance for the Cemetery and is funded from general revenue.

Act 913 of 2007 established the appropriation for purchase and construction of a National Veterans' Affairs Cemetery in Cross, St. Francis, or Poinsett County. One hundred (100) acres of land was purchased in Birdeye, Arkansas (Cross County) for the future site of the cemetery. Archeological, boundary/topographical, and geotech/geological surveys were completed to ensure the site is appropriate for the construction and development of a the cemetery.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Base Level and total request is for appropriation of \$341,095 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 490 - Veterans' Cemeteries - State

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	172,145	180,837	285,402	180,837	180,837	180,837	180,837	180,837	180,837
#Positions		6	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	79,655	70,295	132,312	71,308	71,308	71,308	71,308	71,308	71,308
Operating Expenses	5020002	134,177	88,950	135,070	88,950	88,950	88,950	88,950	88,950	88,950
Conference & Travel Expenses	5050009	1,155	0	3,000	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		387,132	340,082	555,784	341,095	341,095	341,095	341,095	341,095	341,095
Funding Sources										
General Revenue	4000010	387,132	340,082		341,095	341,095	341,095	341,095	341,095	341,095
Total Funding		387,132	340,082		341,095	341,095	341,095	341,095	341,095	341,095
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		387,132	340,082		341,095	341,095	341,095	341,095	341,095	341,095

Analysis of Budget Request

Appropriation: 81H - Military Funeral Honor

Funding Sources: SMF - Funeral Honor

This appropriation is utilized to pay for the costs of providing military funeral honors at veterans' funerals. Funding is through the sale of special military license plates.

The Base Level request is for appropriation of \$100,000 for each year of the 2017-2019 Biennium.

The Agency's Change Level request is for a decrease in Military Honors appropriation of (\$25,000) each year of the biennium to more accurately reflect expenditures.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 81H - Military Funeral Honor

Funding Sources: SMF - Funeral Honor

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Military Honors	5900046	16,300	100,000	100,000	75,000	75,000	75,000	75,000	75,000	75,000
Total		16,300	100,000	100,000	75,000	75,000	75,000	75,000	75,000	75,000

Funding Sources										
Fund Balance	4000005	142,288	165,730		140,730	140,730	140,730	105,730	105,730	105,730
Special Revenue	4000030	39,742	75,000		40,000	40,000	40,000	40,000	40,000	40,000
Total Funding		182,030	240,730		180,730	180,730	180,730	145,730	145,730	145,730
Excess Appropriation/(Funding)		(165,730)	(140,730)		(105,730)	(105,730)	(105,730)	(70,730)	(70,730)	(70,730)
Grand Total		16,300	100,000		75,000	75,000	75,000	75,000	75,000	75,000

Analysis of Budget Request

Appropriation: F50 - NLR Cemetery - Federal

Funding Sources: FVV - NLR Cemetery - Federal

This appropriation is utilized to support expansion of the State Veterans Cemetery located in North Little Rock, Arkansas. This project is 100% financed by federal grant AR-12-05 from the Veterans Cemetery Grants Service of the U.S. Department of Veterans Affairs.

The Base Level request is for \$1,139,062 for each year of the 2017-2019 Biennium.

The Agency is requesting to reduce its appropriation to \$0 each year now that the expansion and maintenance projects at the State Veterans Cemetery at North Little Rock are complete.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: F50 - NLR Cemetery - Federal

Funding Sources: FVV - NLR Cemetery - Federal

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	381,903	502,147	408,494	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	25,748	200,000	41,039	0	0	0	0	0	0
Construction	5090005	500,000	3,617,650	689,529	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	100,000	0	0	0	0	0	0	0
Total		907,651	4,419,797	1,139,062	0	0	0	0	0	0
Funding Sources										
Federal Revenue	4000020	907,651	4,419,797		0	0	0	0	0	0
Total Funding		907,651	4,419,797		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		907,651	4,419,797		0	0	0	0	0	0

Budget exceeds Authorized Appropriation in all line items due to a transfer from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: M49 - Veterans' Home Cash

Funding Sources: NVA - ADVA Treasury Cash

This appropriation is cash funded and is utilized to support the design and construction of a Veterans Home long-term care facility in North Little Rock.

The Base Level request is for appropriation of \$242,471 each year of the 2017-2019 Biennium.

The Agency's Change Level request is for a decrease in Operating Expenses appropriation of (\$196,191) in FY18 and (\$242,471) in FY19 in order to match the appropriation to the current level of funding.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: M49 - Veterans' Home Cash

Funding Sources: NVA - ADVA Treasury Cash

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	2,850	242,471	635,727	46,280	46,280	46,280	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	108	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,958	242,471	635,727	46,280	46,280	46,280	0	0	0
Funding Sources										
Fund Balance	4000005	287,109	288,674		46,203	46,203	46,203	0	0	0
Cash Fund	4000045	4,523	0		0	0	0	0	0	0
Total Funding		291,632	288,674		46,203	46,203	46,203	0	0	0
Excess Appropriation/(Funding)		(288,674)	(46,203)		77	77	77	0	0	0
Grand Total		2,958	242,471		46,280	46,280	46,280	0	0	0

FY16 Actual amount in Professional Fees was authorized by a Budget Classification Transfer.
Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 064 - Vet Child Welfare Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Veterans Child Welfare Service offers temporary financial assistance to the minor children of recently deceased, hospitalized or medically incapacitated veterans with limited or no income, until a more permanent source of income is established. Veterans and their families are eligible for assistance for up to three months with rent or house payments and utilities. Additional assistance will be at the Director's discretion. The Staff also counsels with families and refers them to other agencies for further assistance. The program is also subsidized by the American Legion and its Auxiliary. This appropriation is funded from general revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Agency's Base Level and total request is for appropriation of \$160,409 for FY18 and \$160,532 for FY19.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 064 - Vet Child Welfare Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	89,260	85,467	84,631	85,467	85,467	85,467	85,567	85,567	85,567
	#Positions	2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	29,889	29,011	29,096	29,490	29,490	29,490	29,513	29,513	29,513
Operating Expenses	5020002	2,481	3,432	3,432	3,432	3,432	3,432	3,432	3,432	3,432
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	40,768	42,020	44,360	42,020	42,020	42,020	42,020	42,020	42,020
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		162,398	159,930	161,519	160,409	160,409	160,409	160,532	160,532	160,532
Funding Sources										
General Revenue	4000010	162,398	159,930		160,409	160,409	160,409	160,532	160,532	160,532
Total Funding		162,398	159,930		160,409	160,409	160,409	160,532	160,532	160,532
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		162,398	159,930		160,409	160,409	160,409	160,532	160,532	160,532

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
2VZ State Operations	836,583	6	893,093	6	898,238	6	895,171	6	895,171	6	895,171	6	895,294	6	895,294	6	895,294	6
A24 War Memorial Operations	2,419,723	0	2,516,441	0	2,557,396	1	2,891,550	0	2,891,550	0	2,891,550	0	2,891,550	0	3,339,197	0	3,339,197	0
Total	3,256,306	6	3,409,534	6	3,455,634	7	3,786,721	6	3,786,721	6	3,786,721	6	3,786,844	6	4,234,491	6	4,234,491	6

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	816,815	19.3	972,988	21.5	1,122,878	24.0	1,122,878	24.0	1,122,878	24.0	897,659	20.1	897,659	22.4	897,659	22.4
General Revenue	4000010	836,583	19.8	889,085	19.6	895,171	19.1	895,171	19.1	895,171	19.1	895,294	20.1	447,647	11.2	447,647	11.2
Cash Fund	4000045	2,575,896	60.9	2,666,331	58.8	2,666,331	56.9	2,666,331	56.9	2,666,331	56.9	2,666,331	59.8	2,666,331	66.5	2,666,331	66.5
Merit Adjustment Fund	4000055	0	0.0	4,008	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		4,229,294	100.0	4,532,412	100.0	4,684,380	100.0	4,684,380	100.0	4,684,380	100.0	4,459,284	100.0	4,011,637	100.0	4,011,637	100.0
Excess Appropriation/(Funding)		(972,988)		(1,122,878)		(897,659)		(897,659)		(897,659)		(672,440)		222,854		222,854	
Grand Total		3,256,306		3,409,534		3,786,721		3,786,721		3,786,721		3,786,844		4,234,491		4,234,491	

Analysis of Budget Request

Appropriation: 2VZ - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The State Operations appropriation funded by general revenue provides for operations and maintenance of War Memorial Stadium. This appropriation in part replaced the general revenue the Stadium was receiving through the City and County Tourist Meeting and Entertainment Facilities Assistance Law, A.C.A. §14-171-215, from fiscal years 1996 to 2004.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency is requesting Base Level of \$895,171 for FY18 and \$895,294 for FY19.

The Executive Recommendation provides for Base Level and a reduction in general revenue funding of \$447,467 for FY19 only. The Executive recommends that a feasibility study be conducted to provide a comprehensive assessment of the future uses of the stadium and a roadmap for financial sustainability.

The Legislative Recommendation concurs with the Executive Recommendation for FY18 only, and FY19 will be referred to the JBC Fiscal Session Budget Hearings.

Appropriation Summary

Appropriation: 2VZ - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	360,685	365,393	342,138	365,393	365,393	365,393	365,493	365,493	365,493
#Positions		6	6	6	6	6	6	6	6	6
Extra Help	5010001	7,473	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
#Extra Help		3	103	103	103	103	103	103	103	103
Personal Services Matching	5010003	113,391	114,567	110,539	116,645	116,645	116,645	116,668	116,668	116,668
Overtime	5010006	0	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Operating Expenses	5020002	355,034	371,633	404,061	371,633	371,633	371,633	371,633	371,633	371,633
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		836,583	893,093	898,238	895,171	895,171	895,171	895,294	895,294	895,294

Funding Sources										
General Revenue	4000010	836,583	889,085		895,171	895,171	895,171	895,294	447,647	447,647
Merit Adjustment Fund	4000055	0	4,008		0	0	0	0	0	0
Total Funding		836,583	893,093		895,171	895,171	895,171	895,294	447,647	447,647
Excess Appropriation/(Funding)		0	0		0	0	0	0	447,647	447,647
Grand Total		836,583	893,093		895,171	895,171	895,171	895,294	895,294	895,294

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: A24 - War Memorial Operations

Funding Sources: 326 - War Memorial Stadium - Cash

Created by Act 232 of 1967, the War Memorial Stadium Commission strives to keep the facility in the best possible condition for athletics, entertainment, events and community service events, which are all for the enjoyment of the citizens and visitors of our State. Funding for the cash operations of the Stadium is generated from rental of the Stadium and profits from concession/novelty sales charged pursuant to Arkansas Code Annotated §22-3-1002.

The Base Level Request is \$2,516,550 each year of the 2017-2019 Biennium.

The Agency Change Level request totals \$375,000 each year to provide for additional events being held and consists of the following:

- Operating Expenses increase of \$75,000 each year,
- Resale increase of \$200,000 each year, and
- Refunds/Reimbursements increase of \$100,000 each year.

The Executive Recommendation provides for the Agency Request and provides for an additional increase in the Operating Expenses line item of \$447,647 in FY19 only to offset the general revenue funding reduction. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation for FY18 only, and FY19 will be referred to the JBC Fiscal Session Budget Hearings.

Appropriation Summary

Appropriation: A24 - War Memorial Operations

Funding Sources: 326 - War Memorial Stadium - Cash

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	0	0	29,251	0	0	0	0	0	0
#Positions		0	0	1	0	0	0	0	0	0
Extra Help	5010001	25,711	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
#Extra Help		2	47	47	47	47	47	47	47	47
Personal Services Matching	5010003	1,967	10,348	22,052	10,457	10,457	10,457	10,457	10,457	10,457
Overtime	5010006	0	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Operating Expenses	5020002	607,452	572,555	572,555	647,555	647,555	647,555	647,555	1,095,202	1,095,202
Conference & Travel Expenses	5050009	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Professional Fees	5060010	19,229	54,538	54,538	54,538	54,538	54,538	54,538	54,538	54,538
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Resale (COGS)	5090017	1,042,360	1,025,000	1,025,000	1,225,000	1,225,000	1,225,000	1,225,000	1,225,000	1,225,000
Refunds/Reimbursements	5110014	173,460	130,000	130,000	230,000	230,000	230,000	230,000	230,000	230,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Debt Service	5120019	549,544	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total		2,419,723	2,516,441	2,557,396	2,891,550	2,891,550	2,891,550	2,891,550	3,339,197	3,339,197
Funding Sources										
Fund Balance	4000005	816,815	972,988		1,122,878	1,122,878	1,122,878	897,659	897,659	897,659
Cash Fund	4000045	2,575,896	2,666,331		2,666,331	2,666,331	2,666,331	2,666,331	2,666,331	2,666,331
Total Funding		3,392,711	3,639,319		3,789,209	3,789,209	3,789,209	3,563,990	3,563,990	3,563,990
Excess Appropriation/(Funding)		(972,988)	(1,122,878)		(897,659)	(897,659)	(897,659)	(672,440)	(224,793)	(224,793)
Grand Total		2,419,723	2,516,441		2,891,550	2,891,550	2,891,550	2,891,550	3,339,197	3,339,197

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
085 Arkansas Waterways Commission	238,099	3	245,689	3	255,791	3	246,508	3	246,508	3	246,508	3	246,508	3	246,508	3	246,508	3
M63 Waterway Development Grants	450,644	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
N49 Three Rivers Study	430,000	0	1,500,000	0	1,500,000	0	270,000	0	270,000	0	270,000	0	0	0	0	0	0	0
Total	1,118,743	3	2,745,689	3	2,755,791	3	1,516,508	3	1,516,508	3	1,516,508	3	1,246,508	3	1,246,508	3	1,246,508	3

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	0	0.0	275,062	10.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
General Revenue 4000010	238,099	17.1	245,689	8.9			246,508	16.3	246,508	16.3	246,508	16.3	246,508	19.8	246,508	19.8	246,508	19.8
Cash Fund 4000045	705,062	50.6	1,224,938	44.6			270,000	17.8	270,000	17.8	270,000	17.8	0	0.0	0	0.0	0	0.0
Ad Valorem Tax 4000060	450,644	32.3	1,000,000	36.4			1,000,000	65.9	1,000,000	65.9	1,000,000	65.9	1,000,000	80.2	1,000,000	80.2	1,000,000	80.2
Total Funds	1,393,805	100.0	2,745,689	100.0			1,516,508	100.0	1,516,508	100.0	1,516,508	100.0	1,246,508	100.0	1,246,508	100.0	1,246,508	100.0
Excess Appropriation/(Funding)	(275,062)		0				0		0		0		0		0		0	
Grand Total	1,118,743		2,745,689				1,516,508		1,516,508		1,516,508		1,246,508		1,246,508		1,246,508	

Analysis of Budget Request

Appropriation: 085 - Arkansas Waterways Commission

Funding Sources: HUA - Miscellaneous Agencies Fund

The Arkansas Waterways Commission supports the development of the navigable waterways of Arkansas. The seven (7) member, Governor-appointed Commission was created by Act 242 of 1967. The Commission, which is funded by general revenues, is supported by a three (3) member staff and offers services and advice to the water transportation industry by means of correspondence, participation in seminars, serving on advisory committee and boards, and providing research on specialty subjects. The Commission also supports the efforts of the Red River Valley, Arkansas Basin and White River Valley Associations through the State's Contributions line item.

This appropriation is funded by General Revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Commission is requesting Base Level appropriation of \$246,508 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 085 - Arkansas Waterways Commission

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	146,545	148,422	156,289	148,422	148,422	148,422	148,422	148,422	148,422
#Positions		3	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	47,300	47,682	49,917	48,501	48,501	48,501	48,501	48,501	48,501
Operating Expenses	5020002	38,636	43,879	43,879	43,879	43,879	43,879	43,879	43,879	43,879
Conference & Travel Expenses	5050009	3,118	3,151	3,151	3,151	3,151	3,151	3,151	3,151	3,151
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
State's Contributions	5900021	2,500	2,555	2,555	2,555	2,555	2,555	2,555	2,555	2,555
Total		238,099	245,689	255,791	246,508	246,508	246,508	246,508	246,508	246,508
Funding Sources										
General Revenue	4000010	238,099	245,689		246,508	246,508	246,508	246,508	246,508	246,508
Total Funding		238,099	245,689		246,508	246,508	246,508	246,508	246,508	246,508
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		238,099	245,689		246,508	246,508	246,508	246,508	246,508	246,508

Analysis of Budget Request

Appropriation: M63 - Waterway Development Grants

Funding Sources: MPW - Ad Valorem Tax Fund

Through the Arkansas Port, Intermodal, and Waterway Development Grant Program, the Arkansas Waterways Commission can provide financial assistance to port authorities and intermodal authorities for port development projects. These projects include without limitation, construction, improvement, facility rehabilitation, expansion of a public port facility, and a maritime-related industrial park infrastructure development.

Taxes and penalties collected from water transportation companies under §26-26-1614 in excess of two million five hundred thousand dollars (\$2,500,000) provides funding for the grant program.

The Commission is requesting Base Level appropriation of \$1,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: M63 - Waterway Development Grants

Funding Sources: MPW - Ad Valorem Tax Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid 5100004	450,644	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total	450,644	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Funding Sources									
Ad Valorem Tax 4000060	450,644	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Funding	450,644	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	450,644	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Analysis of Budget Request

Appropriation: N49 - Three Rivers Study

Funding Sources: NSF - Three Rivers Study Fund

The Three Rivers Study has been the top priority issue of the Arkansas Waterways Commission for the last three years. The area is where White River is in close proximity to the lower Arkansas River and the Mississippi River. The White River during high water events moves across Big Island to the lower Arkansas River. A back cut has formed as the White River creates a new path to the lower Arkansas. If this were to occur the navigation pool would be lost on the White River and navigation would not be possible to the Mississippi River. The result of a failure would be loss of navigation on the system for close to one year and have a serious economic impact on the state. The US Army Corp of Engineers has spent 20 million dollars in the last five years to prevent this from happening and estimates that there is a seven to ten percent chance of failure each year. The Three Rivers Study would seek a permanent fix for a flood-prone area of the lower Arkansas River and protect the navigation on the McClellan-Kerr Arkansas River Navigation System by making it more reliable.

The Commission is requesting that the Three Rivers Study appropriation reflect the actual funding needed to conclude the Three Rivers Study at the end of FY18. The Commission Change Level Request provides for a decrease of \$1,230,000 in FY18 and a decrease of \$1,500,000 in FY19.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: N49 - Three Rivers Study

Funding Sources: NSF - Three Rivers Study Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Three Rivers Study 5900046	430,000	1,500,000	1,500,000	270,000	270,000	270,000	0	0	0
Total	430,000	1,500,000	1,500,000	270,000	270,000	270,000	0	0	0

Funding Sources									
Fund Balance 4000005	0	275,062		0	0	0	0	0	0
Cash Fund 4000045	705,062	1,224,938		270,000	270,000	270,000	0	0	0
Total Funding	705,062	1,500,000		270,000	270,000	270,000	0	0	0
Excess Appropriation/(Funding)	(275,062)	0		0	0	0	0	0	0
Grand Total	430,000	1,500,000		270,000	270,000	270,000	0	0	0

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
203 Refunds and Claims	14,570,139	0	21,750,000	0	151,750,000	0	21,550,000	0	21,550,000	0	21,550,000	0	21,550,000	0	21,550,000	0	21,550,000	0
355 Administration	8,781,974	103	11,454,293	115	25,505,057	115	11,142,389	115	11,142,389	115	11,142,389	115	11,106,093	115	11,106,093	115	11,106,093	115
356 Second Injury Claims	24,407	0	1,250,000	0	4,250,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
866 Seminar-Cash in Treasury	15,966	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0
99T Building Repair	5,578	0	105,450	0	105,450	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0
Total	23,398,064	103	34,699,743	115	181,750,507	115	33,482,389	115	33,482,389	115	33,482,389	115	33,446,093	115	33,446,093	115	33,446,093	115

Funding Sources		%		%		%		%		%		%		%		%
Fund Balance 4000005	123,025,919	86.9	118,171,490	86.4			102,148,917	84.5	102,148,917	84.5	102,148,917	84.5	87,782,882	82.4	87,782,882	82.4
Cash Fund 4000045	5,419	0.0	50,000	0.0			50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0
Trust Fund 4000050	18,538,216	13.1	18,627,170	13.6			18,671,720	15.4	18,671,720	15.4	18,671,720	15.4	18,671,720	17.5	18,671,720	17.5
Total Funds	141,569,554	100.0	136,848,660	100.0			120,870,637	100.0	120,870,637	100.0	120,870,637	100.0	106,504,602	100.0	106,504,602	100.0
Excess Appropriation/(Funding)	(118,171,490)		(102,148,917)				(87,388,248)		(87,388,248)		(87,388,248)		(73,058,509)		(73,058,509)	
Grand Total	23,398,064		34,699,743				33,482,389		33,482,389		33,482,389		33,446,093		33,446,093	

Variance in fund balance is due to unfunded appropriation in FC 355, FC 356, and FC 866.

Analysis of Budget Request

Appropriation: 203 - Refunds and Claims

Funding Sources: TDP - Death & Permanent Total Disability Trust

The Workers' Compensation Commission administers the Death and Permanent Disability Claims Program as established by Act 221 of 1973 (ACA §11-9-301 et seq.) An employee or dependent that has received the maximum benefit of \$75,000 from his/her employer under the provisions of Act 221 of 1973 is then eligible to receive benefits payable by the Commission from this appropriation. Funding is derived from the premium taxing authority authorized in Act 393 of 1983.

The Agency's Base Level is \$21,750,000 each year of the 2017-2019 Biennium which includes Refunds/Reimbursements and Claims.

The Commission is requesting a Change Level decrease of (\$200,000) each year of the biennium in the Refunds/Reimbursements line item for efficient use of funds.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 203 - Refunds and Claims

Funding Sources: TDP - Death & Permanent Total Disability Trust

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements	5110014	1,013	750,000	750,000	550,000	550,000	550,000	550,000	550,000	550,000
Claims	5110015	14,569,126	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Investments	5120013	0	0	130,000,000	0	0	0	0	0	0
Total		14,570,139	21,750,000	151,750,000	21,550,000	21,550,000	21,550,000	21,550,000	21,550,000	21,550,000
Funding Sources										
Fund Balance	4000005	111,613,651	107,294,935		95,804,935	95,804,935	95,804,935	84,514,935	84,514,935	84,514,935
Trust Fund	4000050	10,251,423	10,260,000		10,260,000	10,260,000	10,260,000	10,260,000	10,260,000	10,260,000
Total Funding		121,865,074	117,554,935		106,064,935	106,064,935	106,064,935	94,774,935	94,774,935	94,774,935
Excess Appropriation/(Funding)		(107,294,935)	(95,804,935)		(84,514,935)	(84,514,935)	(84,514,935)	(73,224,935)	(73,224,935)	(73,224,935)
Grand Total		14,570,139	21,750,000		21,550,000	21,550,000	21,550,000	21,550,000	21,550,000	21,550,000

Analysis of Budget Request

Appropriation: 355 - Administration

Funding Sources: TJW - Workers' Compensation Trust

The Workers' Compensation Commission (WCC) Administration appropriation is comprised of all administrative and judicial functions within the Commission. Funding is derived from a premium tax (limited by law to 3%) on workers' compensation insurance premiums.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Agency's Base Level request is \$11,456,392 in FY18 and \$11,461,596 in FY19 with one hundred fifteen (115) budgeted base level positions.

The Agency's Change Level requests is a decrease of (\$314,003) in FY18 and (\$355,503) in FY19. The changes are as follows:

- Operating Expenses decrease of (\$173,054) each year which is a 10% reduction to Base Level for utilities, minor building repairs and maintenance, debt service, and fuel cost.
- Conference and Travel decrease of (19,485) each year which is a 20% reduction to Base Level.
- Professional Fees decrease of (\$27,464) each year which is a 20% reduction to Base Level.
- Refunds/Reimbursements decrease of (185,500) which is for efficient use of funds.
- Capital Outlay increase of \$50,000 each year for the purchase of a replacement vehicle and Library Holdings.
- Computer Software/Hardware increase of \$41,500 in FY18 only for a new telephone system, servers, and desktop computers. This request is located on page 20 of the Commission's IT Plan.

The Executive Recommendation provides for the Agency Request. The Executive Recommendation provides for the Agency Request for Capital Outlay to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 355 - Administration

Funding Sources: TJW - Workers' Compensation Trust

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	5,820,556	6,306,865	6,328,966	6,311,648	6,311,648	6,311,648	6,314,948	6,314,948	6,314,948
#Positions		103	115	115	115	115	115	115	115	115
Extra Help	5010001	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
#Extra Help		0	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	2,016,385	1,984,484	2,013,147	2,021,800	2,021,800	2,021,800	2,023,704	2,023,704	2,023,704
Overtime	5010006	10	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	883,578	1,719,084	1,719,084	1,546,030	1,546,030	1,546,030	1,546,030	1,546,030	1,546,030
Conference & Travel Expenses	5050009	11,966	96,096	96,096	76,611	76,611	76,611	76,611	76,611	76,611
Professional Fees	5060010	20,410	268,464	268,464	241,000	241,000	241,000	241,000	241,000	241,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	829	685,500	685,500	500,000	500,000	500,000	500,000	500,000	500,000
Capital Outlay	5120011	2,091	40,000	40,000	50,000	50,000	50,000	50,000	50,000	50,000
Investments	5120013	0	0	14,000,000	0	0	0	0	0	0
Computer Software/Hardware	5900044	26,149	243,800	243,800	285,300	285,300	285,300	243,800	243,800	243,800
Total		8,781,974	11,454,293	25,505,057	11,142,389	11,142,389	11,142,389	11,106,093	11,106,093	11,106,093
Funding Sources										
Fund Balance	4000005	9,859,497	9,351,989		6,154,016	6,154,016	6,154,016	3,267,947	3,267,947	3,267,947
Trust Fund	4000050	8,274,466	8,256,320		8,256,320	8,256,320	8,256,320	8,256,320	8,256,320	8,256,320
Total Funding		18,133,963	17,608,309		14,410,336	14,410,336	14,410,336	11,524,267	11,524,267	11,524,267
Excess Appropriation/(Funding)		(9,351,989)	(6,154,016)		(3,267,947)	(3,267,947)	(3,267,947)	(418,174)	(418,174)	(418,174)
Grand Total		8,781,974	11,454,293		11,142,389	11,142,389	11,142,389	11,106,093	11,106,093	11,106,093

Analysis of Budget Request

Appropriation: 356 - Second Injury Claims

Funding Sources: TSW - Second Injury Trust Fund

The Workers' Compensation Commission administers a Second Injury Claims Fund A.C.A. 19-5-911 for the purpose of paying claims of permanently disabled persons in accordance with Act 253 of 1979. Funding is derived from the premium taxing authority authorized by Act 393 of 1983. Act 1415 of 200 provided that no claims shall be made against the Second Injury Trust Fund on or after January 1, 2008. The Commission appropriation need for this program is due to claims prior to January 1, 2008.

Base Level is \$1,250,000 each year of the 2017-2019 Biennium which includes Refunds/Reimbursements and Claims.

The Agency's Change Level request is for the following:

- Refunds/Reimbursements line item decrease each year of (\$250,000) due to the fund not receiving taxes.
- Claims line item decrease each year of (\$500,000) due to the Commission no longer taking new recipients for this program. The Agency is currently working with 42 claimants with cases in litigation and one (1) receiving bi-weekly payments.

The total request for this appropriation is \$500,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 356 - Second Injury Claims

Funding Sources: TSW - Second Injury Trust Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements	5110014	0	250,000	250,000	0	0	0	0	0	0
Claims	5110015	24,407	1,000,000	4,000,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		24,407	1,250,000	4,250,000	500,000	500,000	500,000	500,000	500,000	500,000

Funding Sources										
Fund Balance	4000005	1,450,569	1,432,911		188,311	188,311	188,311	0	0	0
Trust Fund	4000050	6,749	5,400		5,400	5,400	5,400	5,400	5,400	5,400
Total Funding		1,457,318	1,438,311		193,711	193,711	193,711	5,400	5,400	5,400
Excess Appropriation/(Funding)		(1,432,911)	(188,311)		306,289	306,289	306,289	494,600	494,600	494,600
Grand Total		24,407	1,250,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 866 - Seminar-Cash in Treasury

Funding Sources: NWC - Cash in Treasury

The Workers' Compensation Commission (WCC) annually hosts the Arkansas WCC Education Conference for interested companies, attorneys, and individuals. Registration and exhibit booth fees collected pay the expenses of the conference and contribute to "Kids Chance" scholarships. This scholarship program assists the children of employees who died as a result of a job-related accident or children of employees who were permanently and totally disabled in a compensable accident under the state workers' compensation laws. The scholarships allow students to continue their education at a vocational/technical school, college, or a university.

The Commission requests Base Level of \$140,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 866 - Seminar-Cash in Treasury

Funding Sources: NWC - Cash in Treasury

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	7,466	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Scholarships	5100030	8,500	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		15,966	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000

Funding Sources										
Fund Balance	4000005	102,202	91,655		1,655	1,655	1,655	0	0	0
Cash Fund	4000045	5,419	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding		107,621	141,655		51,655	51,655	51,655	50,000	50,000	50,000
Excess Appropriation/(Funding)		(91,655)	(1,655)		88,345	88,345	88,345	90,000	90,000	90,000
Grand Total		15,966	140,000		140,000	140,000	140,000	140,000	140,000	140,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 99T - Building Repair

Funding Sources: TJW - Workers' Compensation Trust

This appropriation is for maintenance, renovation, equipping, construction, improvement, upgrade and repair projects for the Workers' Compensation Commission. It is funded from the Workers' Compensation Fund.

The Agency's Base Level request is \$105,450 each year of the 2017-2019 Biennium which includes Building Repairs and Maintenance.

The Agency's Change Level request is an increase of \$44,550 each year of the biennium. This request is to purchase a new HVAC system and for other major building repairs.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 99T - Building Repair

Funding Sources: TJW - Workers' Compensation Trust

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Building Repairs and Maintenance 5090005	5,578	105,450	105,450	150,000	150,000	150,000	150,000	150,000	150,000
Total	5,578	105,450	105,450	150,000	150,000	150,000	150,000	150,000	150,000

Funding Sources									
Trust Fund 4000050	5,578	105,450		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding	5,578	105,450		150,000	150,000	150,000	150,000	150,000	150,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	5,578	105,450		150,000	150,000	150,000	150,000	150,000	150,000

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
2RF Annual Assessments	22,000	0	26,000	0	26,000	0	26,000	0	26,000	0	26,000	0	26,000	0	26,000	0	26,000	0
25C Excess Unemploy Benefits/Expenses	3,595,978	0	11,151,677	0	11,304,389	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
25D Operations	51,069,783	805	60,054,615	904	78,224,398	924	76,671,069	922	75,965,869	903	75,965,869	904	76,700,306	922	75,995,106	903	75,995,106	904
25E Workforce Innovation and Opportunity Act	20,569,993	0	27,949,842	0	60,000,000	0	50,000,000	0	50,000,000	0	50,000,000	0	50,000,000	0	50,000,000	0	50,000,000	0
25F UI Trust Fund Loan Interest	6,748,712	0	3,000,000	0	3,000,001	0	3,000,001	0	3,000,001	0	3,000,001	0	3,000,001	0	3,000,001	0	3,000,001	0
35Q DWS Training Trust Fund	815,126	0	3,256,577	0	5,000,000	0	5,000,000	0	3,256,577	0	3,256,577	0	5,000,000	0	3,256,577	0	3,256,577	0
35R DWS Unemployment Insurance Fund	1,719,113	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
4KP TANF-IDA	352,304	0	504,375	0	1,700,000	0	0	0	0	0	0	0	0	0	0	0	0	0
4KQ TANF Block Grant Paying/New Hire Registry	6,530,923	52	40,000,000	54	40,000,000	54	40,007,608	54	40,007,608	54	40,007,608	54	40,009,700	54	40,009,700	54	40,009,700	54
C27 Unemployment Benefits & Expenses - Cash	4,507,760	0	20,000,000	0	20,000,001	0	20,000,001	0	20,000,001	0	20,000,001	0	20,000,001	0	20,000,001	0	20,000,001	0
C28 Federal Employees Benefit-Cash	9,169,241	0	175,000,000	0	175,000,000	0	75,000,000	0	75,000,000	0	75,000,000	0	75,000,000	0	75,000,000	0	75,000,000	0
C29 U I Benefits - Taxable Employers - Cash	190,990,295	0	600,000,000	0	600,000,000	0	500,000,000	0	500,000,000	0	500,000,000	0	500,000,000	0	500,000,000	0	500,000,000	0
C30 U I Benefits-Reimb Employers - Cash	8,358,983	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0
C31 Bldg Improvmt/Land-Reed Act	0	0	0	0	38,500,000	0	1	0	1	0	1	0	1	0	1	0	1	0
C56 Loans to Local WDBs	409,997	0	500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
N48 DWS Federal Grants	952,242	0	3,501,590	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
Total	305,812,450	857	979,944,676	958	1,079,254,789	978	826,204,680	976	823,756,057	957	823,756,057	958	826,236,009	976	823,787,386	957	823,787,386	958

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	30,769,272	9.4	21,907,840	2.2	8,495,276	1.1	8,495,276	1.1	8,495,276	1.1	0	0.0	0	0.0	0	0.0	
General Revenue	4000010	3,364,840	1.0	3,864,840	0.4	3,864,840	0.5	3,864,840	0.5	3,864,840	0.5	3,864,840	0.5	3,864,840	0.5	3,864,840	0.5	
Federal Revenue	4000020	321,983,179	98.2	990,442,034	100.2	779,328,633	101.8	779,328,633	102.1	779,328,633	102.1	778,539,238	103.0	778,539,238	103.3	778,539,238	103.3	
Stabilization Tax	4000033	5,074,609	1.5	3,928,811	0.4	5,000,000	0.7	5,000,000	0.7	5,000,000	0.7	5,000,000	0.7	5,000,000	0.7	5,000,000	0.7	
Advance Interest Funds	4000070	93,825	0.0	0	0.0	1	0.0	1	0.0	1	0.0	1	0.0	1	0.0	1	0.0	
Employer Penalties & Interest	4000225	1,232,609	0.4	4,015,527	0.4	4,015,527	0.5	4,015,527	0.5	4,015,527	0.5	4,015,527	0.5	4,015,527	0.5	4,015,527	0.5	
Inter-agency Fund Transfer	4000316	(37,355,394)	(11.4)	(34,564,725)	(3.5)	(34,598,506)	(4.5)	(37,098,506)	(4.9)	(37,098,506)	(4.9)	(34,598,506)	(4.6)	(37,098,506)	(4.9)	(37,098,506)	(4.9)	
Intra-agency Fund Transfer	4000317	2,555,045	0.8	(504,375)	(0.1)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Miscellaneous Adjustments	4000345	2,305	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	

Funding Sources		%		%		%		%		%		%		%		%	
Transfer to DHS-DCO	4000612	0	0.0	(650,000)	(0.1)	(650,000)	(0.1)	(650,000)	(0.1)	(650,000)	(0.1)	(650,000)	(0.1)	(650,000)	(0.1)	(650,000)	(0.1)
Total Funds		327,720,290	100.0	988,439,952	100.0	765,455,771	100.0	762,955,771	100.0	762,955,771	100.0	756,171,100	100.0	753,671,100	100.0	753,671,100	100.0
Excess Appropriation/(Funding)		(21,907,840)		(8,495,276)		60,748,909		60,800,286		60,800,286		70,064,909		70,116,286		70,116,286	
Grand Total		305,812,450		979,944,676		826,204,680		823,756,057		823,756,057		826,236,009		823,787,386		823,787,386	

Variations in fund balance due to unfunded appropriation in (2SC) Excess Unemploy Benefits/Expenses, (2SD) Operations, (2SF) UI Trust Fund Loan Interest, (35Q) DWS Training Trust Fund, (35R) DWS Unemployment Insurance Fund, (4KP) TANF-IDA, (4KQ) TANF Block Grant Paying/New Hire Registry, and (C27) Unemployment Benefits & Expenses - Cash.

Analysis of Budget Request

Appropriation: 2RF - Annual Assessments

Funding Sources: TZS - DWS Special Fund

The Annual Assessments appropriation pays the annual assessment to maintain voting member rights in the National Association of Workforce Agencies. This appropriation is funded from the Department of Workforce Services Special Fund derived from penalties and interest assessed to Arkansas employers and delinquent tax contributions.

The Agency's Base Level and total request is for appropriation of \$26,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2RF - Annual Assessments

Funding Sources: TZS - DWS Special Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Annual Assessment	5900046	22,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total		22,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000

Funding Sources										
Employer Penalties & Interest	4000225	22,000	26,000		26,000	26,000	26,000	26,000	26,000	26,000
Total Funding		22,000	26,000		26,000	26,000	26,000	26,000	26,000	26,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		22,000	26,000		26,000	26,000	26,000	26,000	26,000	26,000

Analysis of Budget Request

Appropriation: 2SC - Excess Unemploy Benefits/Expenses

Funding Sources: TZS - DWS Special Fund

The Excess Unemployment Benefits and Expenses appropriation is utilized by the Department of Workforce Services for payment of administrative expenditures in excess of other funding sources due to reductions in federal funds. This appropriation is funded from the Department of Workforce Services Special Fund derived from penalties and interest assessed to Arkansas employers and delinquent tax contributions.

The Base Level request is for appropriation of \$11,151,677 each year of the 2017-2019 Biennium.

The Agency's Change Level request is for a decrease in Payments/Expenses appropriation of (\$1,151,677) due to reduced revenue and inter-agency transfers.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2SC - Excess Unemploy Benefits/Expenses

Funding Sources: TZS - DWS Special Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Construction	5090005	0	0	0	0	0	0	0	0	0
Rent of Buildings	5900022	0	0	0	0	0	0	0	0	0
Payment/Expenses	5900046	3,595,978	11,151,677	11,304,389	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total		3,595,978	11,151,677	11,304,389	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Funding Sources										
Fund Balance	4000005	9,693,430	7,308,061		145,911	145,911	145,911	0	0	0
Employer Penalties & Interest	4000225	1,210,609	3,989,527		3,989,527	3,989,527	3,989,527	3,989,527	3,989,527	3,989,527
Total Funding		10,904,039	11,297,588		4,135,438	4,135,438	4,135,438	3,989,527	3,989,527	3,989,527
Excess Appropriation/(Funding)		(7,308,061)	(145,911)		5,864,562	5,864,562	5,864,562	6,010,473	6,010,473	6,010,473
Grand Total		3,595,978	11,151,677		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000

Analysis of Budget Request

Appropriation: 2SD - Operations

Funding Sources: TES - DWS Trust Fund

The Department of Workforce Services Trust Fund (A.C.A. §19-5-912) provides operational support for the various programs of the Department. Funding for this appropriation is derived from revenues authorized by the federal government for support of various programs, any interest earned on these revenues, and any other funds made available by the Arkansas General Assembly.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015. The Base Level request for Regular Salaries includes board member stipend payments.

The Base Level request is for appropriation of \$59,952,935 in FY18 and \$59,982,172 in FY19.

The Agency's Change Level request is \$16,718,134 each year of the biennium, and reflects the following:

- Regular Salaries and related Personal Services Matching increases in the amount of \$705,200 each year of the biennium due to 19 restored positions.
- Overtime and related Personal Services Matching increase in the amount of \$68,960 each year of the biennium.
- Operating Expenses increase in the amount of \$10,760,432 each year of the biennium.
- Conference & Travel Expenses increase in the amount of \$415,235 each year of the biennium.
- Professional Fees increase in the amount of \$2,349,306 each year of the biennium.
- Capital Outlay appropriation in the amount of \$2,419,001 each year of the biennium.

These appropriation requests are to ensure sufficient authority in the event the economy should take a turn for the worst. When the economy is sluggish, ADWS receives more funding than during robust times in order to pay increased Unemployment Insurance benefits to promote training for the unemployed individuals. This will increase skill levels and additional administrative funds for the increased workload.

The Executive Recommendation provides for the Agency's requests with the exception of the 19 restored positions and corresponding Regular Salaries and Personal Services Matching. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation with the addition of one (1) DWS Workforce Specialist C114 position.

Appropriation Summary

Appropriation: 2SD - Operations

Funding Sources: TES - DWS Trust Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	27,586,876	32,003,152	33,679,388	32,439,006	31,943,852	31,943,852	32,462,406	31,967,252	31,967,252
#Positions		805	904	924	922	903	904	922	903	904
Extra Help	5010001	1,950,624	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
#Extra Help		177	365	380	365	365	365	365	365	365
Personal Services Matching	5010003	11,500,203	12,063,305	12,724,828	12,411,881	12,201,835	12,201,835	12,417,718	12,207,672	12,207,672
Overtime	5010006	181	3,971	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Operating Expenses	5020002	8,885,310	10,575,309	21,335,741	21,335,741	21,335,741	21,335,741	21,335,741	21,335,741	21,335,741
Conference & Travel Expenses	5050009	130,013	290,205	705,440	705,440	705,440	705,440	705,440	705,440	705,440
Professional Fees	5060010	975,513	1,650,694	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	41,063	167,979	2,419,001	2,419,001	2,419,001	2,419,001	2,419,001	2,419,001	2,419,001
Total		51,069,783	60,054,615	78,224,398	76,671,069	75,965,869	75,965,869	76,700,306	75,995,106	75,995,106

Funding Sources										
Federal Revenue	4000020	48,514,738	37,357,296		35,553,104	35,553,104	35,553,104	34,763,709	34,763,709	34,763,709
Intra-agency Fund Transfer	4000317	2,555,045	22,697,319		22,697,319	22,697,319	22,697,319	22,697,319	22,697,319	22,697,319
Total Funding		51,069,783	60,054,615		58,250,423	58,250,423	58,250,423	57,461,028	57,461,028	57,461,028
Excess Appropriation/(Funding)		0	0		18,420,646	17,715,446	17,715,446	19,239,278	18,534,078	18,534,078
Grand Total		51,069,783	60,054,615		76,671,069	75,965,869	75,965,869	76,700,306	75,995,106	75,995,106

Budget Number of Positions may exceed the Base Level Number due to transfers from the OPM Pool during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 2SE - Workforce Innovation and Opportunity Act

Funding Sources: FCG - Federal Funds

The Workforce Innovation and Opportunity Act appropriation provides for payment of federal funds to agencies in the ten local workforce investment areas (LWIAs). These programs provide needed employment and employment preparation services for adults, youth, and dislocated workers. Funding for this appropriation is provided by federal funds derived from the Workforce Investment Act of 2014.

The Base Level request is for appropriation of \$27,949,842 each year of the biennium.

The Agency's Change Level request is for an appropriation increase of \$22,050,158 in Grants and Aid each year in case additional WIOA grants are received.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2SE - Workforce Innovation and Opportunity Act

Funding Sources: FCG - Federal Funds

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	20,569,993	27,949,842	60,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Total		20,569,993	27,949,842	60,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000

Funding Sources										
Federal Revenue	4000020	20,569,993	27,949,842		50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Total Funding		20,569,993	27,949,842		50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		20,569,993	27,949,842		50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000

Analysis of Budget Request

Appropriation: 2SF - UI Trust Fund Loan Interest

Funding Sources: TZR - Employment Security Advance Interest Trust Fund

A.C.A. §11-10-708 created an Advance Interest Tax in addition to the contributions and any stabilization and extended benefits taxes levied under other provisions of A.C.A. §11-10-703 - §11-10-708. Each employer, except employers that have made an election to reimburse the Unemployment Compensation Fund under A.C.A. §11-10-713(c), shall pay a separate and additional tax known as the advance interest tax on wages paid by that employer with respect to employment.

For rate years beginning on and after January 1, 1993, the advance interest tax shall be two-tenths of one percent (0.2%) when the state has an outstanding interest-bearing advance under Title XII of the Social Security Act. The Advance Interest Tax is only triggered "on" when such outstanding interest-bearing advance loan status is in effect. At all other times there is no assessment of the Advance Interest Tax.

When triggered "on", the tax is effective the first month of the quarter following the state's obtaining an interest-bearing advance and shall remain until the quarter immediately following the repayment of the advancement and the Employment Security Advance Interest Trust Fund (A.C.A. §19-5-935) attains a balance of five million dollars (\$5,000,000).

This Advance Interest Tax shall be levied and collected in the same manner as contributions and shall be subject to the same penalty and interest, collection, impoundment, priority, lien, certificate of assessment, and assessment provisions and procedures set forth in A.C.A. §11-10-716 - §11-10-722. When in effect, at least once each month, deposits which have been established as Advance Interest Tax payments and any interest and penalty payments applicable to the advance interest payments shall be paid over to the Treasurer of State and credited by the Treasurer of State to the Employment Security Advance Interest Trust Fund created and established in the State Treasury. In addition, all income from investment of the Employment Security Advance Interest Trust Fund shall be deposited and credited to that Employment Security Advance Interest Trust Fund.

All withdrawals shall be upon voucher warrants issued, or caused to be issued, by the Director of the Arkansas Department of Workforce Services as authorized by legislative appropriation and, shall be used only for the purposes of:

- A. Paying interest incurred by the state on advances obtained from the federal Unemployment Trust Fund under Title XII of the Social Security Act;
- B. Making refunds of the aforementioned advance interest tax and interest and penalty payments attributed to the advance interest tax which were erroneously paid; and
- C. Returning moneys to the Unemployment Compensation Fund Clearing Account which may have been incorrectly identified and erroneously transferred to the Employment Security Advance Interest Trust Fund in the State Treasury.

In November of each calendar year, the director shall transfer all assets of the Employment Security Advance Interest Trust Fund, which

exceed five million dollars (\$5,000,000) to the Unemployment Compensation Fund, A.C.A. §11-10-801, provided that the state has no interest-bearing advances obtained from the federal Unemployment Fund under Title XII of the Social Security Act outstanding.

Any interest required to be paid on advances obtained by the state under Title XII of the Social Security Act shall be paid in a timely manner and shall not be paid directly or indirectly by an equivalent reduction in unemployment contributions or taxes imposed under other provisions of §11-10-701 - §11-10-715 or otherwise from amounts in the Unemployment Compensation Fund established under A.C.A. §11-10-801 -- § 11-10-804.

The UI Trust Fund Transfer line item was established for transferring from the Advance Interest Trust Fund as was required by law when the Advanced Interest Tax Fund exceeds \$5 million. Excess funds over the \$5 million in FY2010 totaled \$81,354 and were transferred to the Unemployment Insurance Trust Fund as required.

The Base Level request is for appropriation of \$3,000,000 each year of the 2017-2019 Biennium.

The Agency's Change level request is for appropriation of \$1 in Loan Interest as a holding amount in case the Agency is to require another Advance Loan due to our state's economic conditions.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2SF - UI Trust Fund Loan Interest

Funding Sources: TZR - Employment Security Advance Interest Trust Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Investments/Transfers 5110020	6,748,712	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Loan Interest 5900046	0	0	1	1	1	1	1	1	1
Total	6,748,712	3,000,000	3,000,001	3,000,001	3,000,001	3,000,001	3,000,001	3,000,001	3,000,001
Funding Sources									
Fund Balance 4000005	11,721,813	5,066,926		2,066,926	2,066,926	2,066,926	0	0	0
Advance Interest Funds 4000070	93,825	0		1	1	1	1	1	1
Total Funding	11,815,638	5,066,926		2,066,927	2,066,927	2,066,927	1	1	1
Excess Appropriation/(Funding)	(5,066,926)	(2,066,926)		933,074	933,074	933,074	3,000,000	3,000,000	3,000,000
Grand Total	6,748,712	3,000,000		3,000,001	3,000,001	3,000,001	3,000,001	3,000,001	3,000,001

Analysis of Budget Request

Appropriation: 35Q - DWS Training Trust Fund

Funding Sources: TWT - DWS Training Trust Fund

The Department of Workforce Services Training Trust Fund was established in A.C.A. §19-5-1131 to be used for worker training by providing a state funding source under certain conditions for benefits to Arkansas employers and employees. Funding for this appropriation consists of the proceeds of the Stabilization Tax, any interest accruing on these revenues, and any other funds made available by the General Assembly.

The Base Level request is for appropriation of \$3,256,577 each year of the 2017-2019 Biennium.

The Agency's Change Level request is for appropriation of \$1,743,423 each year in Personal Services, Operating Expenses, and Grants in order to restore appropriation to the FY17 authorized amount.

The Executive Recommendation provides for Base Level. The Executive Recommendation also provides for the continuation of the \$2,500,000 transfer to the Skills Development Fund, per the Agency's Special Language (Act 244, Section 24).

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 35Q - DWS Training Trust Fund

Funding Sources: TWT - DWS Training Trust Fund

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Personal Services, Operating Expen:5900046	815,126	3,256,577	5,000,000	5,000,000	3,256,577	3,256,577	5,000,000	3,256,577	3,256,577
Total	815,126	3,256,577	5,000,000	5,000,000	3,256,577	3,256,577	5,000,000	3,256,577	3,256,577

Funding Sources										
Fund Balance	4000005	5,233,145	4,463,137		680,294	680,294	680,294	0	0	0
Stabilization Tax	4000033	2,545,118	1,973,734		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Inter-agency Fund Transfer	4000316	(2,500,000)	(2,500,000)		0	(2,500,000)	(2,500,000)	0	(2,500,000)	(2,500,000)
Total Funding		5,278,263	3,936,871		3,180,294	680,294	680,294	2,500,000	0	0
Excess Appropriation/(Funding)		(4,463,137)	(680,294)		1,819,706	2,576,283	2,576,283	2,500,000	3,256,577	3,256,577
Grand Total		815,126	3,256,577		5,000,000	3,256,577	3,256,577	5,000,000	3,256,577	3,256,577

Analysis of Budget Request

Appropriation: 35R - DWS Unemployment Insurance Fund

Funding Sources: MUI - DWS Unemployment Insurance Administration Fund

The Department of Workforce Services Unemployment Insurance Administration Fund was established in A.C.A. §19-5-1232 to be used for operating expenses of the unemployment insurance program necessary for the proper administration of the Arkansas Employment Security Law. This appropriation is used to maintain current programs during federal funding shortfalls to avoid reducing services to the state. Funding for this appropriation consists of the proceeds of the Stabilization Tax, any interest accruing on these revenues, and any other funds made available by the General Assembly.

A.C.A. 11-10-106 (f)(2)(A) provides 0.025% of taxable wages from the Stabilization Tax to support this program, which includes a sunset clause of June 30, 2017. The Agency will request to continue this funding during the 91st Legislative Session. If the funding is not continued, the Agency will still require this appropriation in order to spend the balance remaining in the fund.

The Agency's Base Level and total request is for appropriation of \$5,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 35R - DWS Unemployment Insurance Fund
Funding Sources: MUI - DWS Unemployment Insurance Administration Fund

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5900046	1,719,113	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total		1,719,113	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Funding Sources										
Fund Balance	4000005	3,625,647	4,436,025		1,391,102	1,391,102	1,391,102	0	0	0
Stabilization Tax	4000033	2,529,491	1,955,077		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Funding		6,155,138	6,391,102		3,891,102	3,891,102	3,891,102	2,500,000	2,500,000	2,500,000
Excess Appropriation/(Funding)		(4,436,025)	(1,391,102)		1,108,898	1,108,898	1,108,898	2,500,000	2,500,000	2,500,000
Grand Total		1,719,113	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

Analysis of Budget Request

Appropriation: 4KP - TANF-IDA

Funding Sources: TID - Individual Development Account

The Individual Development Account (IDA) appropriation was created by Act 1217 of 1999 to assist in the Welfare Reform effort by providing low income families with an opportunity to accumulate assets, facilitate good savings habits, promote home ownership, micro enterprise development, education, saving for retirement, and stabilize and build communities. Program participants must participate in mandatory training and establish a savings goal. For each \$1 contributed by program participants to their IDA savings account, the state agency matches their deposits by \$3. Funds are only available once the savings goal has been met or for qualified emergency withdrawals as specified by the Agency. The Department of Workforce Services provides IDA program services by contracting with fiduciary organizations that are non-profit organizations.

Funding for this appropriation is 100% federally funded with Transitional Employment Assistance Program funds (TANF Block Grant).

The Base Level request is for appropriation of \$504,375 each year of the 2017-2019 Biennium.

The Agency is requesting to reduce appropriation to \$0. The Agency has sufficient appropriation and funding in the TANF Block Grant Paying/New Hire Registry appropriation to fund this program.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 4KP - TANF-IDA

Funding Sources: TID - Individual Development Account

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	352,304	504,375	1,700,000	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		352,304	504,375	1,700,000	0	0	0	0	0	0
Funding Sources										
Federal Revenue	4000020	352,304	504,375		0	0	0	0	0	0
Total Funding		352,304	504,375		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		352,304	504,375		0	0	0	0	0	0

Analysis of Budget Request

Appropriation: 4KQ - TANF Block Grant Paying/New Hire Registry

Funding Sources: PWS - TANF Block Grant Paying

With the enactment of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and the Arkansas Personal Responsibility and Public Assistance Reform Act of 1997, open-ended entitlement for Aid to Families with Dependent Children (AFDC) was replaced with Temporary Assistance to Needy Families federal block grant funding to states. The Arkansas program is entitled Transitional Employment Assistance (TEA). The Arkansas 81st General Assembly passed Act 1058 of 1997 and in so doing, declared that "welfare reform is one of the major human service priorities of state government and establishes the goals of achieving a significant reduction in the number of citizens who are enrolled in such programs, transforming a "one size fits all" welfare system that fosters dependence, low self-esteem, and irresponsible behavior to one that rewards work and fosters self-reliance, responsibility and family stability. Act 1567 of 1999 amended Act 1058 of 1997 by establishing the Arkansas Transitional Employment Board. Act 1264 of 2001 and Act 1306 of 2003 enacted other provisions to strengthen the Arkansas TEA Program. Arkansas Act 1705 of 2005 transferred responsibility for the program to the Department of Workforce Services (DWS). Under this Act, responsibility for determining eligibility for the program and delivering cash assistance benefits remained with the Division of County Operations (DCO) while DWS was responsible for the provision of case management services and overall administration of the program. Special Language in Act 1289 of 2007 allows for the transfer of general revenue to DCO of up to \$3,640,650 each fiscal year in support of Arkansas' Temporary Assistance for Needy Families (TANF) programs or any related State programs. Act 1705 of 2005 also created the Work Pays program, which is an extension of the TEA program for former TEA recipients who are working. DWS has overall responsibility for the Work Pays program with eligibility determination and benefit delivery remaining with DCO.

TEA Program eligibility is limited to economically needy families with children under the age of 18 who are U.S. citizens or aliens lawfully admitted to the United States under specific criteria and are residing in Arkansas. The parent(s) living with the children must cooperate in child support enforcement activities, if applicable to the family, and must sign and comply with a Personal Responsibility Agreement, which includes ensuring that their children are immunized and that they attend school. All able-bodied parent(s) must actively engage in work related activities as a condition of the family's on-going eligibility. TEA cash assistance is limited to a maximum of twenty-four (24) months in an adult's lifetime. For those former TEA recipients who are employed at least 24 hours per week and meet the minimum federal work participation rates, an additional twenty-four (24) months of Work Pays benefits are available.

Assistance under the TEA and Work Pays Programs may include: monthly cash assistance payments to help meet the family's basic needs; employment services such as work experience, job search, and job readiness activities; assistance with basic and vocational education; assistance with supportive services such as childcare, transportation and other expenses related to work activity; case management services; and eligibility for extended support services to help the parent retain a job after the cash assistance case closes due to employment.

Congress reauthorized the TANF program through the Deficit Reduction Act of 2005. Although the Act requires States to meet higher rates of work participation, no significant changes were made in the program design beyond the State initiatives and organizational changes

prescribed by Act 1705 of 2005.

Funding for this appropriation is derived from the federal TANF Block Grant and General Revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Base Level and total request is for appropriation of \$40,007,608 in FY18 and \$40,009,700 in FY19.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 4KQ - TANF Block Grant Paying/New Hire Registry

Funding Sources: PWS - TANF Block Grant Paying

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
TANF/New Hire Registry	5900046	6,530,923	40,000,000	40,000,000	40,007,608	40,007,608	40,007,608	40,009,700	40,009,700	40,009,700
Total		6,530,923	40,000,000	40,000,000	40,007,608	40,007,608	40,007,608	40,009,700	40,009,700	40,009,700

Funding Sources										
Fund Balance	4000005	495,237	633,691		4,211,043	4,211,043	4,211,043	0	0	0
General Revenue	4000010	3,364,840	3,864,840		3,864,840	3,864,840	3,864,840	3,864,840	3,864,840	3,864,840
Federal Revenue	4000020	38,157,626	95,628,931		57,275,527	57,275,527	57,275,527	57,275,527	57,275,527	57,275,527
Inter-agency Fund Transfer	4000316	(34,855,394)	(32,064,725)		(34,598,506)	(34,598,506)	(34,598,506)	(34,598,506)	(34,598,506)	(34,598,506)
Intra-agency Fund Transfer	4000317	0	(23,201,694)		(22,697,319)	(22,697,319)	(22,697,319)	(22,697,319)	(22,697,319)	(22,697,319)
Miscellaneous Adjustments	4000345	2,305	0		0	0	0	0	0	0
Transfer to DHS-DCO	4000612	0	(650,000)		(650,000)	(650,000)	(650,000)	(650,000)	(650,000)	(650,000)
Total Funding		7,164,614	44,211,043		7,405,585	7,405,585	7,405,585	3,194,542	3,194,542	3,194,542
Excess Appropriation/(Funding)		(633,691)	(4,211,043)		32,602,023	32,602,023	32,602,023	36,815,158	36,815,158	36,815,158
Grand Total		6,530,923	40,000,000		40,007,608	40,007,608	40,007,608	40,009,700	40,009,700	40,009,700

Analysis of Budget Request

Appropriation: C27 - Unemployment Benefits & Expenses - Cash

Funding Sources: 177 - DWS Cash

The Department of Workforce Services Unemployment Benefits & Expenses - Cash appropriation currently provides for the operational costs of the Agency as well as Unemployment Insurance (UI) programs. This appropriation is funded by federal dollars deposited into a cash account. An explanation of the line items other than those for normal departmental operations is listed below:

- Training Allowances - federal funding is provided to pay allowances to economically disadvantaged, unemployed, and underemployed individuals so that they can attend training to maximize their employment opportunities and enhance self-sufficiency.
- Payments to Participant Contractors - federal funding is provided to reimburse private and nonprofit employers for costs incurred to train individuals who are economically disadvantaged, unemployed, and underemployed.
- UI Loan Repayments - to repay loans taken by the State from the federal Unemployment Insurance Trust Fund during times of high unemployment.
- Department of Workforce Services Special Fund - for repayment to the Special Fund for building construction costs from the federally funded operating budget.

The Base Level request is for appropriation of \$20,000,000 each year of the biennium.

The Agency's Change Level request is for appropriation of \$1 in UI Advance Repayment as a holding marker in case our economy takes a downturn.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C27 - Unemployment Benefits & Expenses - Cash

Funding Sources: 177 - DWS Cash

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Grants and Aid	5100004	13,777	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Training Allowances	5900046	1,051,886	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Payments to Part Contractors	5900047	3,442,097	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
UI Advance Repayment	5900048	0	0	1	1	1	1	1	1	1
Total		4,507,760	20,000,000	20,000,001	20,000,001	20,000,001	20,000,001	20,000,001	20,000,001	20,000,001
Funding Sources										
Federal Revenue	4000020	4,507,760	20,000,000		20,000,001	20,000,001	20,000,001	20,000,001	20,000,001	20,000,001
Total Funding		4,507,760	20,000,000		20,000,001	20,000,001	20,000,001	20,000,001	20,000,001	20,000,001
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,507,760	20,000,000		20,000,001	20,000,001	20,000,001	20,000,001	20,000,001	20,000,001

Analysis of Budget Request

Appropriation: C28 - Federal Employees Benefit-Cash

Funding Sources: 177 - DWS Cash

The Federal Employees Benefit Payments appropriation is funded by federal dollars deposited into a cash account. These funds are provided to pay unemployment benefits to unemployed federal civilian employees, ex-servicemen, and public service employees.

The Base Level request is for appropriation of \$175,000,000 each year of the 2017-2019 Biennium.

The Agency's Change Level request is for a decrease in Benefits-Non Employee appropriation of (\$100,000,000) in order to more accurately reflect pre-recession levels.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C28 - Federal Employees Benefit-Cash

Funding Sources: 177 - DWS Cash

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Benefits-Non Employee	5100023	9,169,241	175,000,000	175,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
Total		9,169,241	175,000,000	175,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000

Funding Sources										
Federal Revenue	4000020	9,169,241	175,000,000		75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
Total Funding		9,169,241	175,000,000		75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		9,169,241	175,000,000		75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000

Analysis of Budget Request

Appropriation: C29 - U I Benefits - Taxable Employers - Cash

Funding Sources: 177 - DWS Cash

The Unemployment Insurance (UI) Benefits - Taxable Employers appropriation allows for payment of Unemployment Insurance benefits to unemployed individuals. The individuals receive payments based on wages paid by Arkansas employers. The employer must be a for-profit organization and pay contributions to the Unemployment Compensation Fund.

The Base Level request is for appropriation of \$600,000,000 each year of the 2017-2019 Biennium.

The Agency's Change Level request is for a decrease in Benefits-Non Employee appropriation of (\$100,000,000) in order to more accurately reflect pre-recession levels.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C29 - U I Benefits - Taxable Employers - Cash

Funding Sources: 177 - DWS Cash

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Benefits-Non Employee 5100023	190,990,295	600,000,000	600,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Total	190,990,295	600,000,000	600,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000

Funding Sources									
Federal Revenue 4000020	190,990,295	600,000,000		500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Total Funding	190,990,295	600,000,000		500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	190,990,295	600,000,000		500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000

Analysis of Budget Request

Appropriation: C30 - U I Benefits-Reimb Employers - Cash

Funding Sources: 177 - DWS Cash

The Unemployment Insurance (UI) Benefits - Reimbursable Employers appropriation allows for payments for Unemployment Insurance benefits to unemployed individuals. The individuals receive payments based on wages paid by any Arkansas non-profit organization or government employing unit which elects to reimburse the Unemployment Compensation Fund rather than pay contributions.

The Agency's Base Level and total request is for appropriation of \$30,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C30 - U I Benefits-Reimb Employers - Cash

Funding Sources: 177 - DWS Cash

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Benefits-Non Employee 5100023	8,358,983	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total	8,358,983	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000

Funding Sources									
Federal Revenue 4000020	8,358,983	30,000,000		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total Funding	8,358,983	30,000,000		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	8,358,983	30,000,000		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000

Analysis of Budget Request

Appropriation: C31 - Bldg Improvmnt/Land–Reed Act

Funding Sources: 167 - DWS Cash - Reed Act

A provision of Title IX of the Social Security Act makes excess funds collected under the Federal Unemployment Tax Act (FUTA) available for administration of the Employment Security Program. These funds are often referred to as "Reed Act" Funds.

The appropriation authorizing the use of Reed Act Funds must be specific and must:

1. Limit the use of funds appropriated exclusively for Employment Security purposes, and;
2. Must specify the purpose of the funds being appropriated.

Reed Act funds become a part of a State's unemployment fund as defined in Section 3306(f) of the Federal Unemployment Tax Act as of the date they are transferred to the account of the State in the Unemployment Trust Fund. The funds must retain legal status as part of the State's unemployment fund until expended for the payment benefits or expenses of Employment Security Administration. Reed Act funds may be withdrawn from the State Unemployment Fund and deposited in another State account for use for Employment Security Administration only pending payment of obligations which have become due or the maturity of which is imminent. Since any amount withdrawn remains legally part of the State's Unemployment Fund until expended, it must be accounted for as part of the State's Unemployment Fund.

This appropriation is funded by Reed Act Funds for the purpose of construction and improvement of buildings, rent/lease costs, acquisition of data processing equipment and/or land, and for the payment of salaries and related benefits of local office staff.

The Base Level request is for appropriation of \$0 each year of the 2017-2019 Biennium.

The Agency's Change Level request is for appropriation of \$1 in Reed Act Funds as a placeholder in the event that funding becomes available. The Agency does not anticipate any funding for this program during 2017-2019.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C31 - Bldg Improvmt/Land-Reed Act

Funding Sources: 167 - DWS Cash - Reed Act

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Reed Act Funds 5900046	0	0	38,500,000	1	1	1	1	1	1
Total	0	0	38,500,000	1	1	1	1	1	1

Funding Sources									
Federal Revenue 4000020	0	0		1	1	1	1	1	1
Total Funding	0	0		1	1	1	1	1	1
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		1	1	1	1	1	1

Analysis of Budget Request

Appropriation: C56 - Loans to Local WDBs

Funding Sources: 177 - DWS - Cash

Local Workforce Development Boards (WDBs) request funding for payroll and other operating expenses from Arkansas Department of Workforce Services (DWS) as needed. Upon receiving the request, DWS orders funds from the US Department of Labor (DOL). These funds are then deposited into the state treasury overnight and an Automated Clearing House transaction is processed to send the funds overnight the following night to the WDB. The entire process normally takes three days. The timing of the requests is controlled to comply with the federal Cash Management Improvement Act (Public Law 101-453).

The Base Level request is for appropriation of \$500,000 each year of the 2017-2019 Biennium.

The Agency's Change Level request provides for an increase in Loans appropriation of \$1,000,000 each year in order to assist in the process of making loans to local workforce development boards.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C56 - Loans to Local WDBs

Funding Sources: 177 - DWS - Cash

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Loans 5120029	409,997	500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total	409,997	500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000

Funding Sources									
Federal Revenue 4000020	409,997	500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total Funding	409,997	500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	409,997	500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000

Analysis of Budget Request

Appropriation: N48 - DWS Federal Grants

Funding Sources: FWS - Federal Funds

The Workforce Development Grant appropriation was first authorized in Fiscal Year 2016. Its purpose is for unanticipated federal workforce development grants.

The Base Level request is for appropriation of \$3,501,590 each year of the 2017-2019 Biennium.

The Agency's Change Level request is for Workforce Development Grant appropriation of \$6,498,410 each year in the event that ADWS receives discretionary grants from the Department of Labor.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: N48 - DWS Federal Grants

Funding Sources: FWS - Federal Funds

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Workforce Development Grant 5900046	952,242	3,501,590	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total	952,242	3,501,590	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000

Funding Sources									
Federal Revenue 4000020	952,242	3,501,590		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total Funding	952,242	3,501,590		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	952,242	3,501,590		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000