

# SUMMARY BUDGET INFORMATION

## TABLE OF CONTENTS

### VOLUME 10

	<b>Page #</b>
<b>2008 Agency Fund Transfer</b> .....	1
<b>Agency Position Usage Report</b> .....	2
<b>Administrative Office of the Courts</b> .....	4
Action Required: ( 158 ) District Judges Continuing Education .....	19
( 1DA ) Special Advocate .....	21
( 1EF ) Distr Crt Judges/Clerks Continuing Educ .....	23
( 1JS ) AOC-Access/Visitation Mediation .....	24
( 330 ) Dependency Neglect Representation .....	25
( 343 ) Admin Office of the Courts .....	28
( 35N ) County Juror Reimbursement .....	30
( 36G ) Court Security Grants .....	32
( 474 ) Dispute Resolution Commission .....	34
( 58A ) Drug Court Coordination Program .....	36
( 816 ) Judicial Fine .....	38
( 817 ) Hearing & Visual Impairments .....	40
( 832 ) Alternative Dispute Resolution Commission .....	41
( 966 ) Court Improvement Program .....	43
<b>Attorney General, Office of the</b> .....	46
Action Required: ( 004 ) Attorney General - Administration .....	54
( 188 ) Medicaid Fraud - Federal .....	57
( 189 ) Medicaid Fraud - State .....	60
( 1PE ) Victims Reparations Program .....	63
( 1PF ) Medicaid Fraud - Indirect Costs .....	66
( 1PH ) Victims Reparations - Federal .....	69
( 2YK ) Spyware Monitoring .....	72
( 2YM ) Spyware Monitoring-State .....	74a
( 38U ) Internet Crime Child .....	76
<b>Auditor of State</b> .....	77
Action Required: ( 005 ) Operations .....	87
( 009 ) Constitutional Officers-Auditor .....	89
( 046 ) Bankhead Jones Grant .....	91
( 072 ) Federal Turnback for Roads .....	92
( 122 ) Unclaimed Property .....	93
( 123 ) CountyTreasurers Continuing Education .....	95
( 1EW ) Court Reporters-Circuit Court .....	97
( 1PD ) County Clerks Continuing Education .....	99
( 1UE ) Juvenile Probation & Intake Officers .....	100
( 1UG ) Deputy Prosecuting Attorneys .....	102
( 264 ) Payment of Claims-Revolving .....	104
( 305 ) Trial Court Admin Assistant .....	105
( 465 ) County Collectors Continuing Education .....	107
( A04 ) Unclaimed Property-Cash .....	109
( C50 ) Payment-Unclaimed Mineral Proceeds .....	110

	<b>Page #</b>
<b>Community Correction, Department of</b> .....	111
Action Required: ( 1BA ) Community Correction - Federal .....	121
( 1BR ) Residents Cash Treasury .....	123
( 2GH ) Community Correction-Special .....	125
( 2GK ) County Jail Reimbursement .....	128
( 510 ) Community Correction - State .....	134
<b>Correction, Department of</b> .....	137
Action Required: ( 1MJ ) County Jail Reimbursement .....	155
( 2ZV ) Work Release Cash .....	159
( 33K ) UAMS Juvenile Assessment .....	162
( 4HS ) Fire Station Treasury Cash .....	164
( 509 ) Inmate Care & Custody .....	169
( 511 ) Prison Industry .....	173
( 512 ) Farm Operations .....	176
( 847 ) Federal Programs .....	179
( 859 ) Inmate Welfare Treasury Cash .....	182
( 865 ) Non-Tax Revenue Receipts .....	185
( B01 ) Regional Facilities Oprs Cash .....	188
( B06 ) Prison Housing Contract Cash .....	190
( C02 ) Constr Fund Deficiency Cash .....	192
<b>County Aid</b> .....	193
Action Required: ( 073 ) General Revenue to Counties .....	201
( 074 ) Special Revenue to Counties .....	203
( 190 ) Mineral Lease .....	204
( 1CW ) Military Land Sale .....	205
( 1CX ) Military Land Taxing Unit Distribution .....	206
( 738 ) Real Property Tax Reduction-Counties .....	208
<b>Court of Appeals</b> .....	210
Action Required: ( 111 ) Court of Appeals .....	215
<b>Crime Information Center, Arkansas</b> .....	217
Action Required: ( 171 ) ACIC - Operations .....	225
( 35E ) Electronic Logbook .....	229
( 739 ) Sex/Child Offender Registration .....	231
( 927 ) Criminal History Imprv-Federal .....	233
( 944 ) Systems Conf-Cash in Treasury .....	236
<b>Election Commissioners, State Board of</b> .....	239
Action Required: ( 436 ) Nonpartisan Judicial General Elections .....	246
( 580 ) Election Commissioners - Operations .....	248
( 581 ) Election Expenses .....	251
<b>DOE - General Education</b> .....	254
Action Required: ( 1XJ ) School District Millage .....	269
( 1XY ) Fish/Wildlife Conservation .....	271
( 2DD ) Conference-Treasury .....	274
( 35V ) Vision Screening Program .....	276
( 435 ) Federal Grants Administration .....	278
( 4HF ) Medicaid Adm-Cash in Treasury .....	281
( 56P ) Professional Licensure Standards Board .....	283
( 56U ) Teacher Housing Dev Oprs .....	286

	<b>Page #</b>
Action Required: ( 620 ) State Operations .....	289
( 630 ) Building Maintenance .....	293
( 631 ) Revolving Loan Certification .....	295
( 637 ) Child Nutrition .....	297
( 639 ) Federal Turnback for School .....	300
( 650 ) Fed Elem & Sec Education .....	303
( 885 ) Multiple Grant Award Program .....	306
( 893 ) Medicaid Reimbursement .....	309
( 899 ) Alternative Certification Program .....	311
<b>DOE - Public School Fund</b> .....	<b>316</b>
Action Required: ( 2HY ) Education Renewal Zones .....	328
( 688 ) APSCN .....	330
( PSF ) Public School Fund .....	348
<b>DOE - Public School Academic Facilities &amp; Transportation</b> .....	<b>371</b>
Action Required: ( 2WB ) Public School Academic Facilities .....	378
( EFP ) Programs-Public School Academic Facilities&Transportation .....	381
<b>Ethics Commission</b> .....	<b>391</b>
Action Required: ( 192 ) Ethics Operations .....	397
<b>Governor, Office of the</b> .....	<b>399</b>
Action Required: ( 001 ) Governor's Office - Operations .....	403
( 181 ) Governor's Emergency Proclamation .....	406
<b>Governor's Mansion Commission</b> .....	<b>407</b>
Action Required: ( 532 ) Governor's Mansion - Operations .....	411
( 56V ) Grand Hall/Mansion/Grounds - Cash in Treasury .....	413
<b>Lands, Commissioner of State</b> .....	<b>415</b>
Action Required: ( 006 ) Operations .....	422
( 084 ) Natural Resources Leasing.....	423
( A14 ) Operating Expenses / Capital Outlay .....	425
( B28 ) Delinquent Tax-Cash .....	426
<b>Legislative Audit</b> .....	<b>428</b>
Action Required: ( 095 ) Legislative Audit - Operations .....	433
<b>Legislative Research, Bureau of</b> .....	<b>435</b>
Action Required: ( 015 ) Legislative Council - Operations .....	440
<b>Legislative Research - Disbursing Officer</b> .....	<b>443</b>
Action Required: ( 016 ) Interim Committee Study Expenses .....	445
( 017 ) Interim Committee Expenses .....	446
( 180 ) Energy Council .....	447
<b>Lieutenant Governor, Office of the</b> .....	<b>448</b>
Action Required: ( 002 ) Lieutenant Governor - Operations .....	451
<b>Municipal Aid</b> .....	<b>453</b>
Action Required: ( 034 ) General Revenue to Cities .....	458
( 035 ) Special Revenue to Cities .....	460
( 35X ) Property Tax Relief-Cities .....	462
<b>Parole Board</b> .....	<b>464</b>
Action Required: ( 306 ) Parole Board Operations .....	470
<b>Prosecutor Coordinator, Office of the</b> .....	<b>472</b>
Action Required: ( 065 ) Law Enforcement & Prosecutorial Programs .....	478
( 090 ) Prosecutor Coordinator Oprs .....	480

	<b>Page #</b>
<b>Secretary of State</b> .....	482
Action Required: ( 003 ) Secretary of State Operations .....	498
( 1NK ) HAVA Title 2 .....	500
( 2EK ) Election Assist for the Disabled .....	501
( 2MJ ) Cap Grnds Monument Perserv .....	502
( 378 ) Corporate Filing & Refund .....	504
( 4JC ) Firefighters' Memorial Monument .....	505
( 687 ) SOS-Support Operations .....	507
( 833 ) Treasury Cash .....	509
( B97 ) Parking/Cash .....	510
<b>State Library, Arkansas</b> .....	512
Action Required: ( 054 ) Library-State Operations .....	523
( 055 ) Library-Federal Operations .....	527
( 083 ) Aid to Public Library .....	530
( 1FM ) Center for the Book-Cash in Treasury .....	533
( 1XV ) Gates Grant .....	535
( 2ED ) Traveler Project .....	538
( 858 ) State Library-Revolving .....	541
( B42 ) Library Trustee Workshop .....	543
<b>Supreme Court</b> .....	545
Action Required: ( 008 ) Supreme Court - Operations .....	551
( 56S ) Appellate Mediation - Cash .....	553
<b>Treasurer of State</b> .....	555
Action Required: ( 007 ) State Treasurer-Operations .....	563
( 043 ) City-Co Tourist Facilities Assist .....	566
( 1TP ) Water, Waste Disposal & Pollution Abatement .....	568
( 2ME ) Local Sales & Use Tax-City .....	569
( 2MQ ) Local Sales & Use Tax-County .....	570
( 2MR ) Uniform Tax Rate-Amendment 74 .....	571
( 2ZC ) Emergency Medical .....	572
( 2ZD ) Local Law Enforcement .....	573
( 990 ) College Savings Bonds .....	574
<b>Board of Finance</b> .....	575
Action Required: ( 1CV ) Investments-Purchase of Securities .....	578
( 287 ) Operations - Tobacco Settlement Proceeds .....	580
( 2BM ) Investments-Premiums/Discounts .....	582
( 2BN ) Investments-Principal/Interest/Service Charges .....	583

## 2008 AGENCY FUND TRANSFERS

**For your information, the Office of Budget has  
enumerated the following fund transfers which were  
made from agency treasury fund accounts but do not appear on  
the Appropriation Summary as expenditures**

<u>Agency</u>	<u>Blanket Surety Bond Premiums ACA §21-2-710</u>	<u>Claims ACA §19-10-204</u>	<u>Workers' Compensation Administrative Cost Reimbursement ACA §11-9-307</u>
Administrative Office of the Courts	\$91	\$0	\$2,744
Attorney General, Office of the	\$306	\$0	\$0
Auditor of State	\$1,055	\$0	\$17
Community Correction, Department of	\$2,223	\$9,351	\$9,573
Correction, Department of	\$7,664	\$13,027	\$266,122
County Aid	\$33,272	\$0	\$2,898
Court of Appeals	\$97	\$0	\$0
Crime Information Center, Arkansas	\$130	\$0	\$0
Election Commissioners, State Board of	\$12	\$0	\$0
DOE - General Education	\$719	\$4,117	\$600
DOE - Public School Fund	\$65,081	\$0	\$37,481
DOE - Public School Academic Facilities & Transportation	\$1	\$0	\$36
Ethics Commission	\$18	\$0	\$0
Governor, Office of the	\$113	\$0	\$0
Governor's Mansion Commission	\$10	\$0	\$0
Lands, Commissioner of State	\$89	\$0	\$0
Legislative Audit	\$496	\$0	\$0
Legislative Research, Bureau of	\$201	\$150	\$0
Lieutenant Governor, Office of the	\$6	\$0	\$0
Municipal Aid	\$92,868	\$2,008	\$4,131
Parole Board	\$36	\$0	\$0
Prosecutor Coordinator, Office of the	\$24	\$0	\$0
Secretary of State	\$292	\$0	\$350
State Library, Arkansas	\$101	\$0	\$0
Supreme Court	\$87	\$0	\$0
Treasurer of State	\$53	\$2,795	\$0

## AGENCY POSITION USAGE REPORT

Agency	FY2008 - FY2009						3 YEAR AVERAGE(FY07,FY08,FY09)					
	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
		Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0023 - Administrative Office of the Courts	92	87	5	92	0	5.43 %	86	83	3	86	0	3.49 %
0053 - Attorney General, Office of the	161	157	4	161	0	2.48 %	157	155	2	157	0	1.27 %
0059 - Auditor of State	1,144	820	324	1,144	0	28.32 %	1,127	819	298	1,117	10	27.33 %
0485 - Community Correction, Department of	1,393	1,215	55	1,270	123	12.78 %	1,328	1,195	86	1,281	47	10.02 %
0480 - Correction, Department of	4,701	3,673	653	4,326	375	21.87 %	4,592	3,742	568	4,310	282	18.51 %
0074 - County Aid	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %
0018 - Court of Appeals	49	47	2	49	0	4.08 %	49	48	1	49	0	2.04 %
0990 - Crime Information Center, Arkansas	72	67	3	70	2	6.94 %	72	66	3	69	3	8.33 %
0232 - Election Commissioners, State Board of	6	6	0	6	0	0.00 %	6	5	0	5	1	16.67 %
0500 - DOE-General Education	358	278	70	348	10	22.35 %	359	284	67	351	8	20.89 %
0500 - DOE-Public School Fund	51	41	10	51	0	19.61 %	51	42	9	51	0	17.65 %
0500 - DOE-Public School Academic Facilities & Transportation	33	28	5	33	0	15.15 %	30	26	3	29	1	13.33 %
0238 - Ethics Commission	9	7	2	9	0	22.22 %	9	8	0	8	1	11.11 %
0034 - Governor, Office of the	59	57	2	59	0	3.39 %	59	57	2	59	0	3.39 %
0314 - Governor's Mansion Commission	10	9	1	10	0	10.00 %	9	8	0	8	1	11.11 %
0061 - Lands, Commissioner of State	45	40	5	45	0	11.11 %	46	39	6	45	1	15.22 %
0009 - Legislative Audit	263	249	13	262	1	5.32 %	260	248	12	260	0	4.62 %
0011 - Legislative Research, Bureau of	132	100	32	132	0	24.24 %	133	100	32	132	1	24.81 %
0012 - Legislative Research - Disbursing Officer	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %
0051 - Lieutenant Governor, Office of the	4	3	1	4	0	25.00 %	3	3	0	3	0	0.00 %
0076 - Municipal Aid	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %
0323 - Parole Board	22	21	1	22	0	4.55 %	21	19	1	20	1	9.52 %
0028 - Prosecutor Coordinator, Office of the	12	12	0	12	0	0.00 %	12	11	0	11	1	8.33 %
0063 - Secretary of State	160	153	7	160	0	4.38 %	160	150	9	159	1	6.25 %
0519 - State Library, Arkansas	56	43	13	56	0	23.21 %	56	46	9	55	1	17.86 %
0032 - Supreme Court	44	39	5	44	0	11.36 %	44	42	2	44	0	4.55 %

## AGENCY POSITION USAGE REPORT

Agency	FY2008 - FY2009						3 YEAR AVERAGE(FY07,FY08,FY09)					
	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
		Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0069 - Treasurer of State	34	30	4	34	0	11.76 %	33	29	4	33	0	12.12 %
0072 - Board of Finance	2	0	2	2	0	100.00 %	2	0	2	2	0	100.00 %

# ADMINISTRATIVE OFFICE OF THE COURTS

## Enabling Laws

Act 1238 of 2007  
Act 1264 of 2007  
Act 1219 of 2007  
A.C.A. §16-10-101 et seq.  
A.C.A. §16-10-102 et seq.

## History and Organization

The Administrative Office of the Courts (AOC, formerly known as the Arkansas Judicial Department) was created by the Arkansas General Assembly, by Act 496 of 1965, and the agency came into existence on July 1, 1965. Act 760 of 1989 provided substantial modification to the organization and structure of the agency, and these two acts are now codified in A.C.A. §16-10-101 and A.C.A. §16-10-102.

The Arkansas Supreme Court has general superintending control over the administration of justice in all courts of the state, and the Chief Justice is directly responsible for the efficient operation of the judicial branch and its constituent courts and for the expeditious dispatch of litigation therein and the proper conduct of the business of the courts. The Administrative Office of the Courts was created as the agency responsible for the administration of the non-judicial business of the judicial branch. The Director of the AOC is nominated by the Chief Justice, subject to the approval of the Supreme Court and the Arkansas Judicial Council. The Director of the AOC, subject to the direction of the Supreme Court, is responsible for performing the following functions:

- Examine the administrative methods of the courts and make recommendations to the Supreme Court for their improvement;
- Examine the state of the dockets of the courts, secure information as to their needs for assistance, if any, prepare statistical data and reports of the business of the courts, and advise the Supreme Court to the end, that proper action may be taken;
- Examine the estimates of the courts for the State for appropriations and present to the Supreme Court recommendations concerning them;
- Examine the statistical systems of the courts and make recommendations to the Supreme Court for a uniform system of judicial statistics;
- Collect, analyze, and report to the Supreme Court statistical and other data concerning the business of the courts;
- With the approval of the Supreme Court and at the request of the Judicial Council, the Director shall act as Secretary of the Judicial council;
- Examine the data processing needs of the courts and make recommendations to the Supreme Court as to the purchase and use of hardware and software for computer systems, telecommunications systems, and microfilming systems, and provide education to the courts on the use of such systems so as to improve the quality and efficiency of justice in the state;
- Assist the Supreme Court in the operation of the Supreme Court Library;
- Attend to the other non-judicial business of the judicial branch under such rules and regulations as the Supreme Court may by order adopt.



One of the main functions of the Agency is the maintenance of the statewide judicial information system. The agency monitors the uniformity of judicial statistics of the courts, and collects and compiles data and management oriented statistical reports regarding the Supreme Court, the Court of Appeals, circuit, chancery, probate, juvenile, county, municipal, and city courts. The department also assists courts at all levels in the evaluation and implementation of computer systems, and the development of software programs to assist in record keeping and management systems.

Acts 464 and 477 of 1981 vested the Agency with the responsibility of providing translating/interpreting services to the State Courts. Both acts provide that the agency prescribe the qualifications and certifications of persons who may serve as qualified translators/interpreters in all courts of the state in bilingual proceedings and proceedings involving the hearing impaired. As a part of this program, the agency has on its staff a fully qualified and certified interpreter, who not only serves as the supervisor for the program, but furnishes interpreting services for the deaf and hearing impaired in all levels of the courts.

Act 897 of 1995 provides that the agency shall provide and pay the cost of reasonable accommodations for hearing and visually impaired persons so they can serve as venire persons or jurors.

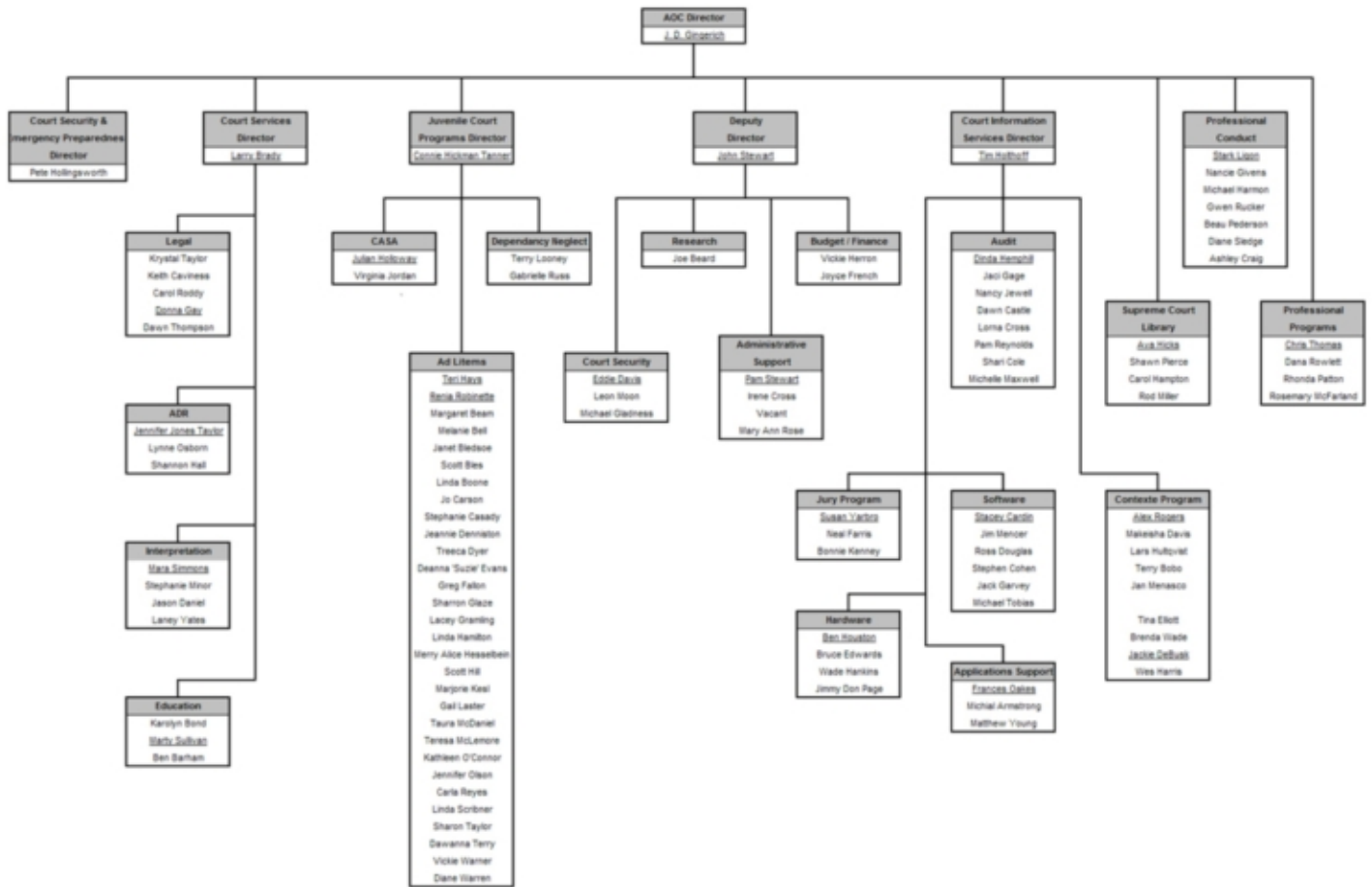
Act 334 of 1985 provides that "the State's responsibility for training and providing additional judicial education to circuit and chancery judges, municipal judges, city judges, circuit and chancery clerks, municipal clerks, case coordinators, court reporters, and all other personnel directly associated with the state courts, shall be administered by the Administrative Office of the courts."

Act 1355 of 1997 created a division of the Dependency/Neglect representation within the agency staffed by a Court Appointed Special Advocate (CASA) coordinator and an attorney coordinator. The agency is authorized to provide funding for representation of children and/or parents in dependency/neglect proceedings.

Act 674 of 1995 provides that the AOC will house and staff the Arkansas Alternative Dispute Resolution Commission (ADR). The Commission is responsible for the implementation of ADR programs, education, and the certification of ADR professionals.

Act 1438 of 1999 established the Division of Dependency Neglect Representation for the AOC. The Division is responsible for the representation of children in dependency-neglect, custody, and guardianship cases.

In addition to the legislation mentioned above, the following acts have been added to or amended the functions and responsibilities of the agency: Act 599 of 1971; Act 237 of 1973; Act 82 of 1979; Act 817 of 1979; Act 1 of 1980; Act 489 of 1981; Act 294 of 1989; Act 418 of 1989; Act 855 of 1995; Act 1262 of 1995; Act 1072 of 1997; Act 1171 of 1997; Act 1532 of 2001; Act 1507 of 2001, Act 1590 of 2001 and Act 1643 of 2001.



## Agency Commentary

### **Continuing Education District Court Judges (Funds Center 158)**

This appropriation funds education for District Court Judges in DWI and alcohol related issues. The Highway Safety section of the Arkansas State Police reimburses the AOC with federal highway safety dollars.

### Operating Expenses (5020002):

We are requesting an increase of \$20,000 in non-state personnel travel for each year of the biennium because of the increased cost of mileage reimbursement, hotel rates and other fixed costs.

Other Line Items:

No increase requested.

**Court Appointed Special Advocates (Funds Center 1DA)**

Regular Salaries (5010000):

The salary request reflects a reclassification of the current grades to the comparable grades described in the Office of Personnel Management's Classification Study and FY10 and FY11 Pay Plan Recommendations. Base level salaries for all positions include a merit increase adjustment for FY09 and adhere to the guidelines of the Pay Plan Study. A 2.3% cost of living allowance is reflected in the second year of the biennium.

Personal Services Matching (5010003):

We are requesting an increase in the amount in proportion to the increase in salaries for FY10 and FY11. This also includes a \$75.00 increase in the monthly contribution for state employee's health insurance for a total state match per budgeted position of \$425.00.

Operating Expenses (5020002):

CASA is asking for a \$5,000 increase for each year of the biennium in Operating Expenses due to increased funding from National CASA.

Other Line Items:

No increase requested.

**District Judges and Clerks Education Fund (Funds Center 1EF)**

No increase is being requested above past Authorized levels.

**Access and Visitation - Federal (Funds Center 1JS)**

Regular Salaries (5010000):

The salary request reflects a reclassification of the current grades to the comparable grades described in the Office of Personnel Management's Classification Study and FY10 and FY11 Pay Plan Recommendations. Base level salaries for all positions include a merit increase adjustment for FY09 and adhere to the guidelines of the Pay Plan Study. A 2.3% cost of living allowance is reflected in the second year of the biennium.

Personal Services Matching (5010003):

We are requesting an increase in the amount in proportion to the increase in salaries for FY10 and FY11. This also includes a \$75.00 increase in the monthly contribution for state employee's health insurance for a total state match per budgeted position of \$425.00.

Other Line Items:

No increase requested

## **Division of Dependency-Neglect Representation (Funds Center 330)**

### Regular Salaries (5010000):

AOC annually pays for attorneys who provide services to abused and neglected children through salaried positions and professional services contracts. Whether the attorney's relationship with the AOC is employment or contractual is determined by program administrators with input from the State's circuit judges. Salary requests reflect a reclassification of the current grades to the comparable grades described in the Office of Personnel Management's Classification Study and FY10 and FY11 Pay Plan Recommendations. Base level salaries for all positions include a merit increase adjustment for FY09 and adhere to the guidelines of the Pay Plan Study. A 2.3% cost of living allowance is reflected in the second year of the biennium.

### Personal Services Matching (5010003):

We are requesting an increase in the amount in proportion to the increase in salaries for FY10 and FY11. This also includes a \$75.00 increase in the monthly contribution for state employee's health insurance for a total state match per budgeted position of \$425.00.

### Operating Expenses (5020002):

AOC requests an Operating Expenses increase to support mileage expenses due to rising gas prices. Attorneys representing abused and neglected children are required to have ongoing contact with their clients.

### Professional Fees (5060010):

The AOC requests funding to continue representation of abused and neglected children through professional service contracts. Three year caseload averages are used to determine funding requirements and the funding need includes mileage to allow attorneys to fulfill their requirement of ongoing contact with their child clients.

### Grants and Aid (5100004):

AOC requests a \$300,000 increase in FY10 and a \$400,000 increase in FY11 to continue the current funding formula to provide grants to local CASA programs and to support the ongoing growth in the number of Court Appointed Special Advocates (CASA) programs and volunteers.

### Refunds and Reimbursements (5110014):

AOC requests an increase of \$1,225,652 for each year for payment of attorneys who represent indigent parents in cases involving termination of parental rights. Three year caseload averages are used to determine funding requirements to provide representation through contracts with local qualified attorneys.

### Attorney Ad Litem Fees/Reimbursements (5900040):

AOC requests an increase of \$50,000 for FY10 and \$75,000 for FY11. Domestic Relations/Probate Attorneys Ad Litem are trained to represent the best interests of children in cases involving custody, visitation, guardianship, adoption or domestic violence. Providing a voice for children, these attorneys assist judges in determining the best interests of the children. At the current level of funding, the funds have been depleted before the end of each fiscal year and the caseload is growing. Also, the number of

trained attorneys ad litem has increased, enabling them to represent more children in every geographic area of the state.

### **Admin Office of the Courts (AOC) - Operations (Funds Center 343)**

#### Regular Salaries (5010000):

Salary requests reflect a reclassification of the current grades to the comparable grades described in the Office of Personnel Management's Classification Study and FY10 and FY11 Pay Plan Recommendations. Base level salaries for all positions include a merit increase adjustment for FY09 and adhere to the guidelines of the Pay Plan Study. A 2.3% cost of living allowance is reflected in the second year of the biennium.

The AOC is requesting two new positions: a Computer Support Analyst - C117; and a Spanish Interpreter - C120.

#### Personal Services Matching (5010003):

We are requesting an increase in the amount in proportion to the increase in salaries for FY10 and FY11. This also includes a \$75.00 increase in the monthly contribution for state employee's health insurance for a total state match per budgeted position of \$425.00.

#### Operating Expenses (5020002):

We are requesting an increase of 3% in Operating Expenses in FY10 and FY11. Due to the state of the economy, postage, freight, mileage and reimbursement for travel have increased greatly. Due to a lack of space in the Justice Building and an increase in automation staff, funds are needed for rental of off-campus office space.

#### Capital Outlay (5120011):

We are requesting the FY09 Authorized level (\$164,500) be restored for FY10 and FY11. AOC will use the appropriation to replace two automobiles, software and database license renewal, re-wiring of offices for category 6 cabling for network, computers for staff, laptops for circuit judges, and other equipment needs.

#### Judicial Education (5900046):

We are requesting an increase of \$50,000 for FY10 and \$75,000 for FY11 due to the increase in court personnel and the increase in training costs such as travel, food and hotel expenses.

#### Court Interpreter Fees (5900047):

Change Level requests for the Foreign Language Interpreter Program totaling \$562,000 in FY10 and \$662,000 in FY11 are as follows:

- Operating Expenses:

We are requesting \$45,000 in Operating Expenses. This will cover in-state travel, supplies and other necessary office expenses for foreign language and deaf interpreters.

- Conference and Travel Expenses:

We are requesting \$17,000 in Conference and Travel Expenses. This will allow travel for certification testing and training for current certified interpreters and those preparing to become certified.

- **Professional Fees:**

We are requesting \$500,000 in FY10 and \$600,000 in FY11 in Professional Fees. The need for services of court certified interpreters continues to grow exponentially. The Agency is required by federal and state law to provide an interpreter whenever a non-English speaker appears in court. The new funding is far short of what is required, but will allow the state to move closer to filling the gap.

### **County Juror Reimbursement (Funds Center 35N)**

#### Refunds/Reimbursements (5110014):

We are requesting an increase of \$350,000 in FY10 and \$400,000 for FY11. Pursuant to Act 1033 of 2007, our agency is required to reimburse counties for their costs for the payment of jurors. The appropriation for the last biennium was less than needed to comply with the requirement, due to the lack of information about the need. This appropriation will allow payment at the current level for the next two years.

### **Court Security Grants (Funds Center 36G)**

#### Regular Salaries (5010000):

The AOC is requesting one new position, a Director of Security and Emergency Preparedness - C125. This position is currently paid by professional services contract. We are requesting to reallocate our Professional Fees allocation to Regular Salaries to make this position a regular state employee.

#### Personal Services Matching (5010003):

We are requesting an increase in the amount in proportion to the increase in salaries for FY10 and FY11. This also includes a \$75.00 increase in the monthly contribution for state employee's health insurance for a total state match per budgeted position of \$425.00.

#### Operating Expenses (5020002):

We are requesting \$30,000 in Operating Expenses in order to comply with the requirements of Act 576 of 2007 that we provide training for the certification of court security officers, which will go into effect during the next biennium.

#### Professional Fees (5060010):

These funds have been reallocated to help fund the salary expense of the new position request for this appropriation.

### **Alternative Dispute Resolution (Funds Center 474)**

#### Regular Salaries (5010000):

Salary requests reflect a reclassification of the current grades to the comparable grades described in the Office of Personnel Management's Classification Study and FY10 and FY11 Pay Plan Recommendations. Base level salaries for all positions include a merit increase adjustment for FY09 and adhere to the guidelines of the Pay Plan Study. A 2.3% cost of living allowance is reflected in the second year of the biennium. The ADR Commission is requesting a Training Coordinator - C118, due to the increased number of training programs being conducted statewide.

Personal Services Matching (5010003):

We are requesting an increase in the amount in proportion to the increase in salaries for FY10 and FY11. This also includes a \$75.00 increase in the monthly contribution for state employee's health insurance for a total state match per budgeted position of \$425.00.

Operating Expenses (5020002):

We are requesting \$6,000 in Operating Expenses. This request is offset by the reallocation of \$4,494 from Conference and Travel Expenses. This is due to the additional costs incurred from postage, fuel, hotel and other increases.

Conference and Travel Expenses (5050009):

We are reallocating \$4,494 in Conference and Travel Expenses to help cover the increase in Operating Expenses.

Professional Fees (5060010):

We are requesting an increase of \$24,870 for each year of the biennium in Professional Fees due to an increased request for mediation services for indigent citizens.

**Drug Court Coordination Program (Funds Center 58A)**

Operating Expenses (5020002):

We are requesting \$36,500 for each year of the biennium in Operating Expenses. This allows local in-state training and support for drug court personnel as required by Act 1022 of 2007, as well as day to day operation and support of the coordinator's office.

Grants and Aid (5100004):

This appropriation of \$20,000 will allow a \$500 grant to each of the 40 drug courts for office supplies, incentives and other operational costs.

Conference and Travel Expenses (5050009):

We are requesting \$3,000 for each year of the biennium in Conference and Travel Expenses. This will allow out-of-state travel for the training and certification of state drug court coordinators.

Professional Fees (5060010):

We are requesting \$25,000 for each year of the biennium in Professional Fees for the development of a statewide drug court evaluation plan required by Act 1022 of 2007.

**Judicial Fine Collections (Funds Center 816)**

Regular Salaries (5010000):

Existing position salary requests reflect a reclassification of the current grades to the comparable grades described in the Office of Personnel Management's Classification Study and FY10 and FY11 Pay Plan Recommendations. Base level salaries for all positions include a merit increase adjustment for FY09 and adhere to the guidelines of the Pay Plan Study. A 2.3% cost of living allowance is reflected in the second year of the biennium.

We are requesting 20 new positions to support the further roll out of the Arkansas Court Automation Project to the rest of the state in both district and circuit courts.

All technical positions were cross-walked to the new pay plan after conferring with the DIS and their private sector survey.

Personal Services Matching (5010003):

We are requesting an increase in the amount in proportion to the increase in salaries for FY10 and FY11. This also includes a \$75.00 increase in the monthly contribution for state employee's health insurance for a total state match per budgeted position of \$425.00.

Operating Expenses (5020002):

We are requesting an increase of \$432,500 for FY10 and \$586,500 for FY11 to allow rental of office space to host new employees and hire additional staff through the state's IT Staff Augmentation Program.

Conference and Travel Expenses (5050009):

We are requesting an increase of \$7,000 for each year of the biennium to allow out-of-state educational opportunities to create improved skill sets in database administration and other skills.

Professional Fees (5060010):

We are requesting an increase of \$50,000 for each year of the biennium to contract with the vendors for development efforts that the present staff is unable to undertake and to allow for modifications to software as needed.

Capital Outlay (5120011):

We are requesting \$600,000 for each year of the biennium (an increase of \$355,000 over the currently authorized level) in order to develop and maintain a remove hot site for disaster recovery (both for ACAP and the appellate courts). Database software and hardware purchases will be made over the two years. This technique was used in the current biennium to allow the upgrade of aging hardware from the initial pilot project purchase in order to move to a sustainable and expandable architecture for post-pilot project courts.

**Hearing and Visual Impairment (Funds Center 817)**

No increase is being requested above past authorized levels.

**Training and Education of Court Personnel (Funds Center 832)**

Funds have been reallocated for better usage but no overall increase is being requested above past authorized levels.

**Training and Representation - Federal (Funds Center 966)**

AOC has received a letter of notification of increased federal funding in the amount of approximately \$300,000.



Regular Salaries (5010000):

The salary request reflects a reclassification of the current grades to the comparable grades described in the Office of Personnel Management’s Classification Study and FY10 and FY11 Pay Plan Recommendations. Base level salaries for all positions include a merit increase adjustment for FY09 and adhere to the guidelines of the Pay Plan Study. A 2.3% cost of living allowance is reflected in the second year of the biennium.

Personal Services Matching (5010003):

We are requesting an increase in the amount in proportion to the increase in salaries for FY10 and FY11. This also includes a \$75.00 increase in the monthly contribution for state employee’s health insurance for a total state match per budgeted position of \$425.00.

Operating Expenses (5020002):

We are requesting an increase of \$87,159 each year of the biennium due to notification of an increase in federal funding.

Conference and Travel Expenses (5050009):

We are requesting an increase of \$10,520 for each year of the biennium due to notification of an increase in federal funding.

Professional Fees (5060010):

We are requesting an increase of \$110,000 each year of the biennium due to notification of an increase in federal funding.

Capital Outlay (5120011):

We are requesting that \$70,000 for each year of the biennium be placed in this line item for purchase of servers, switches and software to upgrade the information system to provide the necessary data concerning juveniles, foster care and dependency/neglect cases statewide.

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ADMINISTRATIVE OFFICE OF THE COURTS  
FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ADMINISTRATIVE OFFICE OF THE COURTS – CONTEXTE APPLICATION  
FOR THE PERIOD OCTOBER 26, 2007 THROUGH JANUARY 24, 2008  
FOR THE YEAR ENDED JUNE 30, 2008

Findings

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Recommendations

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**No Contingency Plan**

A Contingency Plan includes procedures for providing hardware, software, supplies, and personnel to operate the backup computer facilities or restore the primary computer facilities in the case of a major interruption or disaster. Additionally, the Plan should address both technical restoration needs and alternative end-user processing procedures both short-term and long-term. Once the contingency plan is written it will need to be tested periodically (databases as well as applications and operating system) especially after any equipment changes. AOC has not developed a contingency plan therefore no formal contingency testing has ever been performed. At present, the lack of a Plan could cause AOC to be without computer processing capabilities for an extended period of time in the event of a disaster or major interruption.

AOC personnel develop a Contingency Plan and that once completed, that it be tested periodically.

**Lack of password parameters**

The following password and security parameter weaknesses were identified:

- Minimum number of characters required in passwords is below industry best practices
- Passwords are not required to be changed on a periodic, recurring basis
- Passwords are not required to contain mixture of alpha and numeric characters
- Password history file is not maintained to prevent re-use of previous passwords
- Accounts are not locked for a period of time after repeated unsuccessful logon attempts.

Failure to establish proper password controls increases the likelihood that an unauthorized person could gain access to the system.

We recognize that Contexte runs as an Oracle front end application which does not enforce these password parameters. Users are encouraged to follow some sound but undocumented policies such as changing passwords on a periodic, recurring basis and changing passwords after the initial logon. That said, we recommend AOC look into the feasibility of implementing and enforcing strengthened password controls to decrease the likelihood of unauthorized access to the application.

**Vendor access**

Vendor access to network devices should be granted on an as needed basis and monitored by the data security administrator. Vendors have 24/7 access through the virtual private network (VPN) to some network devices. The current environment allows vendors the opportunity to have unauthorized access to network devices and the ability to make unauthorized changes.

Vendor access be granted only on an as needed basis and adequately monitored.

AOC's responsibility is to educate a court manager about user access security issues and solutions. A court manager's responsibility is to authorize users' access abilities and ensure these access abilities promote proper segregation of duties to the extent possible. Currently, policies and procedures are lacking to ensure segregation of duties conflicts are identified and court management is notified about the situation. Failure to maintain adequate segregation of duties increases the risk of fraud or errors.

AOC personnel develop policies and procedures to ensure that court management is informed of segregation of duties issues.

## Performance Audit Findings

Drug Court Programs – Arkansas Administrative Office of the Courts and  
Arkansas Department of Community Correction  
(July 1, 2007 – December 31, 2007) - Issued 05-09-2008

### Findings and Conclusions:

- Participant fees are not collected in a uniform manner.
- Remaining participant user fees are to be deposited in the MAGNUM Drug Court Fund. Because of a lack of clarity in the Arkansas Code, no such deposits have been made to date.
- Act 1022 of 2007 excludes defendants with pending charge or conviction for a violent felony offense from drug court programs. However, Arkansas Code does not provide a definition of a violent felony offense specific to the drug court statute.

### Recommendations:

- The General Assembly consider revising the Arkansas code to require all funds collected relating to drug court programs (excluding payments to the Department of Community Correction) be deposited in county treasury accounts and follow established county procedures for collecting, receipting, and expending funds.
- Define remaining funds and determine when deposits are required to be made into the MAGNUM Drug Court.
- The General Assembly consider revising Arkansas Code to define violent felony offense.

## Employment Summary

	Male	Female	Total	%
White Employees	22	57	79	91 %
Black Employees	1	4	5	6 %
Other Racial Minorities	0	3	3	3 %
	Total Minorities		8	9 %
	Total Employees		87	100 %

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Report of the Judiciary	Act 1497 of 2003	N	N	1,250	Demand for Court Statistics, Judges, clerks, legislators, Governor's Office, and Federal Agencies

**A.C.A. 25-1-204**

<b>Name</b>	<b>Statutory Authorization</b>	<b>Required for</b>		<b># of Copies</b>	<b>Reason(s) for Continued Publication and Distribution</b>
		<b>Governor</b>	<b>General Assembly</b>		
Friends of the Court	Act 1497 of 2003	N	N	1,250	Demand for Court Statistics, Judges, clerks, legislators, Governor's Office, and Federal Agencies

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
158 District Judges Continuing Education	45,692	0	60,000	0	60,000	0	60,000	0	80,000	0	0	0	60,000	0	80,000	0	0	0
1DA Special Advocate	53,235	1	56,691	1	56,051	1	60,202	1	65,202	1	0	0	61,208	1	66,208	1	0	0
1EF Distr Crt Judges/Clerks Continuing Educ	73,916	0	100,000	0	100,000	0	100,000	0	100,000	0	0	0	100,000	0	100,000	0	0	0
1JS AOC-Access/Visitation Mediation	72,990	1	134,600	1	135,026	1	142,042	1	142,042	1	0	0	142,892	1	142,892	1	0	0
330 Dependency Neglect Representation	6,724,229	31	7,506,883	35	7,552,056	35	7,845,848	35	9,611,319	35	0	0	7,903,085	35	9,916,423	35	0	0
343 Admin Office of the Courts	3,123,908	35	3,229,262	35	3,307,723	35	3,322,280	35	3,923,524	37	0	0	3,375,748	35	4,110,860	37	0	0
35N County Juror Reimbursement	375,674	0	500,000	0	500,000	0	500,000	0	850,000	0	0	0	500,000	0	900,000	0	0	0
36G Court Security Grants	293,679	0	310,480	0	310,480	0	310,480	0	361,043	1	0	0	310,480	0	362,791	1	0	0
474 Dispute Resolution Commission	204,710	2	221,061	2	221,832	2	236,373	2	309,490	3	0	0	239,105	2	313,178	3	0	0
58A Drug Court Coordination Program	0	0	0	0	0	0	0	0	84,500	0	0	0	0	0	84,500	0	0	0
816 Judicial Fine	1,942,078	16	2,146,478	16	2,156,088	16	2,017,357	16	4,285,453	36	0	0	2,041,855	16	4,488,698	36	0	0
817 Hearing & Visual Impairments	0	0	10,000	0	10,000	0	10,000	0	10,000	0	0	0	10,000	0	10,000	0	0	0
832 Alternative Dispute Resolution Commission	140,460	0	250,000	0	250,000	0	250,000	0	250,000	0	0	0	250,000	0	250,000	0	0	0
966 Court Improvement Program	259,632	2	613,170	2	609,681	2	623,420	2	951,099	2	0	0	626,659	2	954,338	2	0	0
<b>NOT REQUESTED FOR THE BIENNIUM</b>																		
177 District Court State Automation System	89,207	0	425,000	0	425,000	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>13,399,410</b>	<b>88</b>	<b>15,563,625</b>	<b>92</b>	<b>15,693,937</b>	<b>92</b>	<b>15,478,002</b>	<b>92</b>	<b>21,023,672</b>	<b>116</b>	<b>0</b>	<b>0</b>	<b>15,621,032</b>	<b>92</b>	<b>21,779,888</b>	<b>116</b>	<b>0</b>	<b>0</b>

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	1,746,705	11.2	2,212,540	12.9			1,611,670	9.5	1,611,670	8.0	0	0.0	1,448,961	8.6	196,664	1.0	0	0.0
Federal Revenue	4000020	475,064	3.0	1,229,461	7.2			825,664	4.9	1,158,343	5.7	0	0.0	830,759	4.9	1,163,438	6.0	0	0.0
Special Revenue	4000030	2,012,109	12.9	1,856,088	10.8			1,856,088	11.0	1,856,088	9.2	0	0.0	1,856,088	11.0	1,856,088	9.6	0	0.0
State Central Services	4000035	5,813,701	37.2	6,742,368	39.3			7,189,663	42.5	9,733,995	48.2	0	0.0	7,303,100	43.3	10,230,123	52.9	0	0.0
Cash Fund	4000045	147,878	0.9	250,000	1.5			250,000	1.5	250,000	1.2	0	0.0	250,000	1.5	250,000	1.3	0	0.0
Inter-agency Fund Transfer	4000316	37,901	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	5,378,592	34.5	4,884,838	28.4			5,193,878	30.7	5,581,960	27.6	0	0.0	5,193,878	30.8	5,647,629	29.2	0	0.0
<b>Total Funds</b>		<b>15,611,950</b>	<b>100.0</b>	<b>17,175,295</b>	<b>100.0</b>			<b>16,926,963</b>	<b>100.0</b>	<b>20,192,056</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>16,882,786</b>	<b>100.0</b>	<b>19,343,942</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
Excess Appropriation/(Funding)		(2,212,540)		(1,611,670)				(1,448,961)		831,616		0		(1,261,754)		2,435,946		0	
<b>Grand Total</b>		<b>13,399,410</b>		<b>15,563,625</b>				<b>15,478,002</b>		<b>21,023,672</b>		<b>0</b>		<b>15,621,032</b>		<b>21,779,888</b>		<b>0</b>	

No Executive Recommendation made on these appropriations.

The FY09 Budget amount exceeds the authorized amount for Special Advocate (Appropriation 1DA) and Court Improvement Program (Appropriation 966) due to salary adjustments during the 2007-2009 biennium.

Variance in fund balance is due to unfunded appropriation.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Total	Total	Total	Total			Total				
76	76	0	76	0	0.00 %	92	87	5	92	0	5.43 %	92	87	5	92	0	5.43 %

## Appropriation Summary

**Appropriation:** 158 - District Judges Continuing Education

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	34,139	40,000	40,000	40,000	60,000	0	40,000	60,000	0
Conference & Travel Expenses	5050009	9,970	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees	5060010	1,583	10,000	10,000	10,000	10,000	0	10,000	10,000	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
<b>Total</b>		<b>45,692</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>80,000</b>	<b>0</b>	<b>60,000</b>	<b>80,000</b>	<b>0</b>
<b>Funding Sources</b>										
State Central Services	4000035	45,692	60,000		60,000	80,000	0	60,000	80,000	0
<b>Total Funding</b>		<b>45,692</b>	<b>60,000</b>		<b>60,000</b>	<b>80,000</b>	<b>0</b>	<b>60,000</b>	<b>80,000</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>45,692</b>	<b>60,000</b>		<b>60,000</b>	<b>80,000</b>	<b>0</b>	<b>60,000</b>	<b>80,000</b>	<b>0</b>

No Executive Recommendation made on this appropriation.

## Change Level by Appropriation

**Appropriation:** 158 - District Judges Continuing Education

**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>60,000</b>	<b>0</b>	<b>60,000</b>	<b>100.0</b>	<b>60,000</b>	<b>0</b>	<b>60,000</b>	<b>100.0</b>
C01	Existing Program	20,000	0	80,000	133.3	20,000	0	80,000	133.3



## Appropriation Summary

**Appropriation:** 1DA - Special Advocate

**Funding Sources:** FJD - Judicial Department Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	33,576	34,680	33,670	36,784	36,784	0	37,630	37,630	0
<b>#Positions</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>
Personal Services Matching 5010003	11,003	10,671	11,041	12,078	12,078	0	12,238	12,238	0
Operating Expenses 5020002	6,267	8,867	8,867	8,867	13,867	0	8,867	13,867	0
Conference & Travel Expenses 5050009	2,389	2,473	2,473	2,473	2,473	0	2,473	2,473	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
<b>Total</b>	<b>53,235</b>	<b>56,691</b>	<b>56,051</b>	<b>60,202</b>	<b>65,202</b>	<b>0</b>	<b>61,208</b>	<b>66,208</b>	<b>0</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	53,235	56,691		60,202	65,202	0	61,208	66,208	0
Total Funding	53,235	56,691		60,202	65,202	0	61,208	66,208	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>53,235</b>	<b>56,691</b>		<b>60,202</b>	<b>65,202</b>	<b>0</b>	<b>61,208</b>	<b>66,208</b>	<b>0</b>

No Executive Recommendation made on this appropriation.

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

## Change Level by Appropriation

**Appropriation:** 1DA - Special Advocate  
**Funding Sources:** FJD - Judicial Department Federal

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>60,202</b>	<b>1</b>	<b>60,202</b>	<b>100.0</b>	<b>61,208</b>	<b>1</b>	<b>61,208</b>	<b>100.0</b>
C01	Existing Program	5,000	0	65,202	108.3	5,000	0	66,208	108.2

## Appropriation Summary

**Appropriation:** 1EF - Distr Crt Judges/Clerks Continuing Educ  
**Funding Sources:** MJC - Municipal Court Judge and Municipal Court Education Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	71,570	80,000	80,000	80,000	80,000	0	80,000	80,000	0
Conference & Travel Expenses	5050009	896	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees	5060010	1,450	10,000	10,000	10,000	10,000	0	10,000	10,000	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
<b>Total</b>		<b>73,916</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>
<b>Funding Sources</b>										
Fund Balance	4000005	44,231	108,216		108,216	108,216	0	108,216	108,216	0
Inter-agency Fund Transfer	4000316	37,901	0		0	0	0	0	0	0
State Administration of Justice	4000470	100,000	100,000		100,000	100,000	0	100,000	100,000	0
<b>Total Funding</b>		<b>182,132</b>	<b>208,216</b>		<b>208,216</b>	<b>208,216</b>	<b>0</b>	<b>208,216</b>	<b>208,216</b>	<b>0</b>
Excess Appropriation/(Funding)		(108,216)	(108,216)		(108,216)	(108,216)	0	(108,216)	(108,216)	0
<b>Grand Total</b>		<b>73,916</b>	<b>100,000</b>		<b>100,000</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>

No Executive Recommendation made on this appropriation.

Inter-agency Fund Transfer reflects a grant from the Department of Arkansas State Police Highway Safety Program - Federal.

## Appropriation Summary

**Appropriation:** 1JS - AOC-Access/Visitation Mediation

**Funding Sources:** FJD - Judicial Department Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	24,625	25,619	25,619	31,052	31,052	0	31,766	31,766	0
<b>#Positions</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>
Personal Services Matching 5010003	9,190	8,981	9,407	10,990	10,990	0	11,126	11,126	0
Operating Expenses 5020002	5,456	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	33,719	90,000	90,000	90,000	90,000	0	90,000	90,000	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
<b>Total</b>	<b>72,990</b>	<b>134,600</b>	<b>135,026</b>	<b>142,042</b>	<b>142,042</b>	<b>0</b>	<b>142,892</b>	<b>142,892</b>	<b>0</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	72,990	134,600		142,042	142,042	0	142,892	142,892	0
Total Funding	72,990	134,600		142,042	142,042	0	142,892	142,892	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>72,990</b>	<b>134,600</b>		<b>142,042</b>	<b>142,042</b>	<b>0</b>	<b>142,892</b>	<b>142,892</b>	<b>0</b>

No Executive Recommendation made on this appropriation.

## Appropriation Summary

**Appropriation:** 330 - Dependency Neglect Representation

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,498,661	1,828,222	1,840,542	2,081,897	2,081,897	0	2,130,007	2,130,007	0
<b>#Positions</b>		<b>31</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>0</b>	<b>35</b>	<b>35</b>	<b>0</b>
Personal Services Matching	5010003	439,621	488,146	520,999	573,436	573,436	0	582,563	582,563	0
Operating Expenses	5020002	306,239	311,909	311,909	311,909	485,586	0	311,909	509,865	0
Conference & Travel Expenses	5050009	2,616	4,000	4,000	4,000	4,000	0	4,000	4,000	0
Professional Fees	5060010	1,272,646	1,504,658	1,504,658	1,504,658	1,520,800	0	1,504,658	1,619,388	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,038,527	1,100,000	1,100,000	1,100,000	1,400,000	0	1,100,000	1,500,000	0
Refunds/Reimbursements	5110014	1,915,919	2,019,948	2,019,948	2,019,948	3,245,600	0	2,019,948	3,245,600	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Attorney AD Litem Fees/Reimb	5900040	250,000	250,000	250,000	250,000	300,000	0	250,000	325,000	0
<b>Total</b>		<b>6,724,229</b>	<b>7,506,883</b>	<b>7,552,056</b>	<b>7,845,848</b>	<b>9,611,319</b>	<b>0</b>	<b>7,903,085</b>	<b>9,916,423</b>	<b>0</b>

Funding Sources										
State Central Services	4000035	2,439,391	3,222,045		3,561,010	5,326,481	0	3,618,247	5,631,585	0
State Administration of Justice	4000470	4,284,838	4,284,838		4,284,838	4,284,838	0	4,284,838	4,284,838	0
<b>Total Funding</b>		<b>6,724,229</b>	<b>7,506,883</b>		<b>7,845,848</b>	<b>9,611,319</b>	<b>0</b>	<b>7,903,085</b>	<b>9,916,423</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>6,724,229</b>	<b>7,506,883</b>		<b>7,845,848</b>	<b>9,611,319</b>	<b>0</b>	<b>7,903,085</b>	<b>9,916,423</b>	<b>0</b>

No Executive Recommendation made on this appropriation.

Special Language provides carry forward of appropriation and funding. For FY09, the amount carried forward was \$636,539.

## Change Level by Appropriation

**Appropriation:** 330 - Dependency Neglect Representation

**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,845,848</b>	<b>35</b>	<b>7,845,848</b>	<b>100.0</b>	<b>7,903,085</b>	<b>35</b>	<b>7,903,085</b>	<b>100.0</b>
C01	Existing Program	1,765,471	0	9,611,319	122.5	2,013,338	0	9,916,423	125.5

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Administrative Office of the Courts

Program: Dependency Neglect Representation

Act #: 1238 of 2007 Section(s) #: 10 & 27

Estimated Carry Forward Amount \$ 438,500.00 Appropriation  Funds

Funding Source: State Central Services

**Accounting Information:**

Business Area: 0023 Funds Center: 330 Fund: HSC Functional Area: CNST

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Regular Salaries	5010000	200,000.00	237,001.17
Personal Services Matching	5010003	67,000.00	74,045.02
Operating Expenses	5020002	40,000.00	59,717.84
Conference & Travel Expenses	5050009	1,500.00	1,384.00
Professional Fees	5060010	40,000.00	160,362.02
Refunds/Reimbursements	5110014	90,000.00	104,029.23
<b>Total</b>		<b>\$ 438,500.00</b>	<b>\$ 636,539.28</b>

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

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

To ensure operations continue at the level required to provide services to indigent parents and children.

**Actual Funding Carry Forward Amount** \$ 636,539.28

**Current status of carry forward appropriation/funding:**

This additional appropriation is helping to ensure continued level of operations for services provided to indigent parent and children.

James D. Gingerich  
Director

08-22-2008  
Date

## Appropriation Summary

**Appropriation:** 343 - Admin Office of the Courts

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,717,480	1,794,503	1,819,014	1,965,154	2,034,735	0	2,010,097	2,081,277	0
<b>#Positions</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>37</b>	<b>0</b>	<b>35</b>	<b>37</b>	<b>0</b>
Extra Help 5010001	0	5,000	5,000	5,000	5,000	0	5,000	5,000	0
<b>#Extra Help</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>
Personal Services Matching 5010003	483,300	464,821	518,771	551,688	575,088	0	560,213	583,916	0
Operating Expenses 5020002	247,821	225,438	225,438	225,438	232,201	0	225,438	239,167	0
Conference & Travel Expenses 5050009	19,590	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees 5060010	6,700	45,000	45,000	45,000	45,000	0	45,000	45,000	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	12,015	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Capital Outlay 5120011	162,012	164,500	164,500	0	164,500	0	0	164,500	0
Judicial Education 5900046	199,990	200,000	200,000	200,000	250,000	0	200,000	275,000	0
Court Interpreter Fees 5900047	275,000	275,000	275,000	275,000	562,000	0	275,000	662,000	0
<b>Total</b>	<b>3,123,908</b>	<b>3,229,262</b>	<b>3,307,723</b>	<b>3,322,280</b>	<b>3,923,524</b>	<b>0</b>	<b>3,375,748</b>	<b>4,110,860</b>	<b>0</b>
<b>Funding Sources</b>									
State Central Services 4000035	3,123,908	3,229,262		3,322,280	3,923,524	0	3,375,748	4,110,860	0
Total Funding	3,123,908	3,229,262		3,322,280	3,923,524	0	3,375,748	4,110,860	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,123,908	3,229,262		3,322,280	3,923,524	0	3,375,748	4,110,860	0

No Executive Recommendation made on this appropriation.

Actual exceeds Authorized Appropriation in Operating Expenses by authority of Budget Classification Transfer.



## Change Level by Appropriation

**Appropriation:** 343 - Admin Office of the Courts

**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,322,280</b>	<b>35</b>	<b>3,322,280</b>	<b>100.0</b>	<b>3,375,748</b>	<b>35</b>	<b>3,375,748</b>	<b>100.0</b>
C01	Existing Program	601,244	2	3,923,524	118.1	735,112	2	4,110,860	121.8

**Appropriation Summary**

**Appropriation:** 35N - County Juror Reimbursement

**Funding Sources:** TAJ - Administration of Justice Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	375,674	500,000	500,000	500,000	850,000	0	500,000	900,000	0
<b>Total</b>	<b>375,674</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>850,000</b>	<b>0</b>	<b>500,000</b>	<b>900,000</b>	<b>0</b>
<b>Funding Sources</b>									
State Administration of Justice 4000470	375,674	500,000		500,000	850,000	0	500,000	900,000	0
<b>Total Funding</b>	<b>375,674</b>	<b>500,000</b>		<b>500,000</b>	<b>850,000</b>	<b>0</b>	<b>500,000</b>	<b>900,000</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>375,674</b>	<b>500,000</b>		<b>500,000</b>	<b>850,000</b>	<b>0</b>	<b>500,000</b>	<b>900,000</b>	<b>0</b>

No Executive Recommendation made on this appropriation.

## Change Level by Appropriation

**Appropriation:** 35N - County Juror Reimbursement  
**Funding Sources:** TAJ - Administration of Justice Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>100.0</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>100.0</b>
C01	Existing Program	350,000	0	850,000	170.0	400,000	0	900,000	180.0

## Appropriation Summary

**Appropriation:** 36G - Court Security Grants

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	0	0	63,834	0	0	65,302	0
<b>#Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
Personal Services Matching 5010003	0	0	0	0	17,209	0	0	17,489	0
Operating Expenses 5020002	0	0	0	0	30,000	0	0	30,000	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	43,679	60,480	60,480	60,480	0	0	60,480	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	250,000	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>293,679</b>	<b>310,480</b>	<b>310,480</b>	<b>310,480</b>	<b>361,043</b>	<b>0</b>	<b>310,480</b>	<b>362,791</b>	<b>0</b>
<b>Funding Sources</b>									
Fund Balance 4000005	0	324,401		13,921	13,921	0	12,481	0	0
State Administration of Justice 4000470	618,080	0		309,040	347,122	0	309,040	362,791	0
<b>Total Funding</b>	<b>618,080</b>	<b>324,401</b>		<b>322,961</b>	<b>361,043</b>	<b>0</b>	<b>321,521</b>	<b>362,791</b>	<b>0</b>
Excess Appropriation/(Funding)	(324,401)	(13,921)		(12,481)	0	0	(11,041)	0	0
<b>Grand Total</b>	<b>293,679</b>	<b>310,480</b>		<b>310,480</b>	<b>361,043</b>	<b>0</b>	<b>310,480</b>	<b>362,791</b>	<b>0</b>

No Executive Recommendation made on this appropriation.

## Change Level by Appropriation

**Appropriation:** 36G - Court Security Grants  
**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>310,480</b>	<b>0</b>	<b>310,480</b>	<b>100.0</b>	<b>310,480</b>	<b>0</b>	<b>310,480</b>	<b>100.0</b>
C01	Existing Program	111,043	1	421,523	135.8	112,791	1	423,271	136.3
C04	Reallocation	(60,480)	0	361,043	116.3	(60,480)	0	362,791	116.8

### Justification

C04	Reallocation of \$60,480 each year from Professional Fees to Regular Salaries to provide for an AOC Director of Security Preparedness that is currently compensated by Professional Services Contract.
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## Appropriation Summary

**Appropriation:** 474 - Dispute Resolution Commission

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	86,393	89,952	89,352	101,074	136,074	0	103,372	139,177	0
<b>#Positions</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>0</b>
Personal Services Matching	5010003	25,893	25,185	26,556	29,375	41,116	0	29,809	41,701	0
Operating Expenses	5020002	30,974	30,000	30,000	30,000	36,000	0	30,000	36,000	0
Conference & Travel Expenses	5050009	7,700	19,494	19,494	19,494	15,000	0	19,494	15,000	0
Professional Fees	5060010	2,450	5,130	5,130	5,130	30,000	0	5,130	30,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	51,300	51,300	51,300	51,300	51,300	0	51,300	51,300	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>204,710</b>	<b>221,061</b>	<b>221,832</b>	<b>236,373</b>	<b>309,490</b>	<b>0</b>	<b>239,105</b>	<b>313,178</b>	<b>0</b>
<b>Funding Sources</b>										
State Central Services	4000035	204,710	221,061		236,373	309,490	0	239,105	313,178	0
Total Funding		204,710	221,061		236,373	309,490	0	239,105	313,178	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		204,710	221,061		236,373	309,490	0	239,105	313,178	0

No Executive Recommendation made on this appropriation.

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

## Change Level by Appropriation

**Appropriation:** 474 - Dispute Resolution Commission

**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>236,373</b>	<b>2</b>	<b>236,373</b>	<b>100.0</b>	<b>239,105</b>	<b>2</b>	<b>239,105</b>	<b>100.0</b>
C01	Existing Program	73,117	1	309,490	130.9	74,073	1	313,178	131.0
C04	Reallocation	0	0	309,490	130.9	0	0	313,178	131.0

## Appropriation Summary

**Appropriation:** 58A - Drug Court Coordination Program

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	0	0	0	36,500	0	0	36,500	0
Conference & Travel Expenses 5050009	0	0	0	0	3,000	0	0	3,000	0
Professional Fees 5060010	0	0	0	0	25,000	0	0	25,000	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	0	0	0	0	20,000	0	0	20,000	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>84,500</b>	<b>0</b>	<b>0</b>	<b>84,500</b>	<b>0</b>
<b>Funding Sources</b>									
State Central Services 4000035	0	0		0	84,500	0	0	84,500	0
Total Funding	0	0		0	84,500	0	0	84,500	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	84,500	0	0	84,500	0

No Executive Recommendation made on this appropriation.



## Change Level by Appropriation

**Appropriation:** 58A - Drug Court Coordination Program

**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C02	New Program	84,500	0	84,500	100.0	84,500	0	84,500	100.0

## Appropriation Summary

**Appropriation:** 816 - Judicial Fine

**Funding Sources:** MJF - Judicial Fine Collection Enhancement Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Regular Salaries	5010000	760,534	815,168	811,908	898,342	1,803,273	0	918,933	1,844,665	0
<b>#Positions</b>		<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>36</b>	<b>0</b>	<b>16</b>	<b>36</b>	<b>0</b>
Personal Services Matching	5010003	220,007	219,310	232,180	252,015	525,680	0	255,922	533,533	0
Operating Expenses	5020002	695,000	600,000	600,000	600,000	1,032,500	0	600,000	1,186,500	0
Conference & Travel Expenses	5050009	17,000	17,000	17,000	17,000	24,000	0	17,000	24,000	0
Professional Fees	5060010	153,150	250,000	250,000	250,000	300,000	0	250,000	300,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	96,387	245,000	245,000	0	600,000	0	0	600,000	0
<b>Total</b>		<b>1,942,078</b>	<b>2,146,478</b>	<b>2,156,088</b>	<b>2,017,357</b>	<b>4,285,453</b>	<b>0</b>	<b>2,041,855</b>	<b>4,488,698</b>	<b>0</b>
<b>Funding Sources</b>										
Fund Balance	4000005	1,621,444	1,691,475		1,401,085	1,401,085	0	1,239,816	0	0
Special Revenue	4000030	2,012,109	1,856,088		1,856,088	1,856,088	0	1,856,088	1,856,088	0
<b>Total Funding</b>		<b>3,633,553</b>	<b>3,547,563</b>		<b>3,257,173</b>	<b>3,257,173</b>	<b>0</b>	<b>3,095,904</b>	<b>1,856,088</b>	<b>0</b>
Excess Appropriation/(Funding)		(1,691,475)	(1,401,085)		(1,239,816)	1,028,280	0	(1,054,049)	2,632,610	0
<b>Grand Total</b>		<b>1,942,078</b>	<b>2,146,478</b>		<b>2,017,357</b>	<b>4,285,453</b>	<b>0</b>	<b>2,041,855</b>	<b>4,488,698</b>	<b>0</b>

No Executive Recommendation made on this appropriation.

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Actual exceeds Authorized Appropriation in Operating Expenses by authority of Budget Classification Transfer.

## Change Level by Appropriation

**Appropriation:** 816 - Judicial Fine

**Funding Sources:** MJF - Judicial Fine Collection Enhancement Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,017,357</b>	<b>16</b>	<b>2,017,357</b>	<b>100.0</b>	<b>2,041,855</b>	<b>16</b>	<b>2,041,855</b>	<b>100.0</b>
C01	Existing Program	2,268,096	20	4,285,453	212.4	2,446,843	20	4,488,698	219.8
C04	Reallocation	0	0	4,285,453	212.4	0	0	4,488,698	219.8

**Appropriation Summary**

**Appropriation:** 817 - Hearing & Visual Impairments

**Funding Sources:** HSC - State Central Services

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Auxilliary Aids-Hearing & Visual 5900046	0	10,000	10,000	10,000	10,000	0	10,000	10,000	0
<b>Total</b>	0	10,000	10,000	10,000	10,000	0	10,000	10,000	0
<b>Funding Sources</b>									
State Central Services 4000035	0	10,000		10,000	10,000	0	10,000	10,000	0
<b>Total Funding</b>	0	10,000		10,000	10,000	0	10,000	10,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	0	10,000		10,000	10,000	0	10,000	10,000	0

No Executive Recommendation made on this appropriation.

## Appropriation Summary

**Appropriation:** 832 - Alternative Dispute Resolution Commission

**Funding Sources:** NAC - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	94,846	150,000	150,000	150,000	140,000	0	150,000	140,000	0
Conference & Travel Expenses	5050009	25,118	50,000	50,000	50,000	25,000	0	50,000	25,000	0
Professional Fees	5060010	20,496	50,000	50,000	50,000	85,000	0	50,000	85,000	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
<b>Total</b>		<b>140,460</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>0</b>	<b>250,000</b>	<b>250,000</b>	<b>0</b>
<b>Funding Sources</b>										
Fund Balance	4000005	81,030	88,448		88,448	88,448	0	88,448	88,448	0
Cash Fund	4000045	147,878	250,000		250,000	250,000	0	250,000	250,000	0
<b>Total Funding</b>		<b>228,908</b>	<b>338,448</b>		<b>338,448</b>	<b>338,448</b>	<b>0</b>	<b>338,448</b>	<b>338,448</b>	<b>0</b>
Excess Appropriation/(Funding)		(88,448)	(88,448)		(88,448)	(88,448)	0	(88,448)	(88,448)	0
<b>Grand Total</b>		<b>140,460</b>	<b>250,000</b>		<b>250,000</b>	<b>250,000</b>	<b>0</b>	<b>250,000</b>	<b>250,000</b>	<b>0</b>

No Executive Recommendation made on this appropriation.

## Change Level by Appropriation

**Appropriation:** 832 - Alternative Dispute Resolution Commission

**Funding Sources:** NAC - Cash in Treasury

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>250,000</b>	<b>0</b>	<b>250,000</b>	<b>100.0</b>	<b>250,000</b>	<b>0</b>	<b>250,000</b>	<b>100.0</b>
C04	Reallocation	0	0	250,000	100.0	0	0	250,000	100.0

## Appropriation Summary

**Appropriation:** 966 - Court Improvement Program

**Funding Sources:** FJD - Judicial Department Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	108,862	111,621	107,181	118,432	118,432	0	121,156	121,156	0
<b>#Positions</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>
Personal Services Matching 5010003	30,455	29,228	30,179	32,667	32,667	0	33,182	33,182	0
Operating Expenses 5020002	71,383	262,841	262,841	262,841	350,000	0	262,841	350,000	0
Conference & Travel Expenses 5050009	18,212	19,480	19,480	19,480	30,000	0	19,480	30,000	0
Professional Fees 5060010	30,720	90,000	90,000	90,000	200,000	0	90,000	200,000	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	0	100,000	100,000	100,000	150,000	0	100,000	150,000	0
Capital Outlay 5120011	0	0	0	0	70,000	0	0	70,000	0
<b>Total</b>	<b>259,632</b>	<b>613,170</b>	<b>609,681</b>	<b>623,420</b>	<b>951,099</b>	<b>0</b>	<b>626,659</b>	<b>954,338</b>	<b>0</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	259,632	613,170		623,420	951,099	0	626,659	954,338	0
Total Funding	259,632	613,170		623,420	951,099	0	626,659	954,338	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	259,632	613,170		623,420	951,099	0	626,659	954,338	0

No Executive Recommendation made on this appropriation.

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

## Change Level by Appropriation

**Appropriation:** 966 - Court Improvement Program

**Funding Sources:** FJD - Judicial Department Federal

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>623,420</b>	<b>2</b>	<b>623,420</b>	<b>100.0</b>	<b>626,659</b>	<b>2</b>	<b>626,659</b>	<b>100.0</b>
C01	Existing Program	327,679	0	951,099	152.6	327,679	0	954,338	152.3
C04	Reallocation	0	0	951,099	152.6	0	0	954,338	152.3



## Appropriation Summary

**Appropriation:** 177 - District Court State Automation System

**Funding Sources:** FJD - Judicial Department Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	55,210	300,000	300,000	0	0	0	0	0	0
Conference & Travel Expenses	5050009	10,957	100,000	100,000	0	0	0	0	0	0
Professional Fees	5060010	23,040	25,000	25,000	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
<b>Total</b>		<b>89,207</b>	<b>425,000</b>	<b>425,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	89,207	425,000		0	0	0	0	0	0
<b>Total Funding</b>		<b>89,207</b>	<b>425,000</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>89,207</b>	<b>425,000</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

THIS APPROPRIATION NOT REQUESTED FOR THE 2009-2011 BIENNIUM.

# ATTORNEY GENERAL

## **Enabling Laws**

Act 534 of 2007  
Act 933 of 2007  
A.C.A. §25-16-701 et seq.  
A.C.A. §04-88-101 et seq.  
A.C.A. §05-55-101 et seq.  
A.C.A. §16-90-706 et seq.  
A.C.A. §23-04-301 et seq.  
A.C.A. §04-111-101 et seq.  
Constitution of Arkansas, Article 6  
Constitution of Arkansas, Amendment 63

## **History and Organization**

The Office of Attorney General in Arkansas was established by Article 6, Section 1 of the Arkansas Constitution of 1874, which section has been likely superseded by Amendment 63, Section 1. It reads, in applicable part, as follows:

“The Executive Department of this state shall consist of a(n) ... Attorney General, . . . all of whom shall keep their offices at the seat of Government and hold their offices for the term of four years and until their successors are elected and qualified.”

Article 6, Section 3 of the Constitution provides that the Attorney General is elected by the qualified electors of the state at large at the general elections. The salary for the office is established by Amendment 70, Sections 1 and 3.

The only constitutional or statutory qualification for holding the office of Attorney General is that of Article 19, Section 3 and 4, Constitution of Arkansas, which requires all state officers to possess the qualifications of electors and requires officers for the state at large to reside within the state.

The statutory subchapter setting forth the fundamental duties for the Attorney General is found at A.C.A. §25-16-702 et seq. The primary responsibilities created therein are set forth below.

A.C.A. §25-16-702 provides as follows: “The Attorney General shall be the attorney for all state officials, departments, institutions, and agencies. Whenever any officer or department, institution, or agency of the state needs the services of an attorney, the matter shall be certified to the Attorney General for attention.”

Section 702 also provided that the Attorney General shall have the authority to initiate civil lawsuits under all environmental protection statutes.

A.C.A. §25-16-703 provides that the Attorney General shall maintain and defend the interest of the state in the federal courts and that he or she shall be the legal representative of all state parties in litigation where the interests of the state are involved.

A.C.A. §25-16-704 provides that the Attorney General will attend and defend the state before the Supreme Court.

A.C.A. §25-16-706 provides that the Attorney General will, upon request, give his opinion to the Governor and heads of executive departments on any constitutional or legal questions concerning the official actions of such officers. The Attorney General is also authorized to give his opinion on certain legal matters to prosecuting attorneys, members of the General Assembly, county commissions and all state boards and commissions.

A.C.A. §25-16-709 empowers the Attorney General to bring suit against state officials who have collected or received state monies and not accounted for them according to the law.

In addition to the fundamental duties of the Attorney General set forth at A.C.A. §25-16-701 et seq., additional statutory duties have been prescribed for the office over the years. The most significant of these are set forth below.

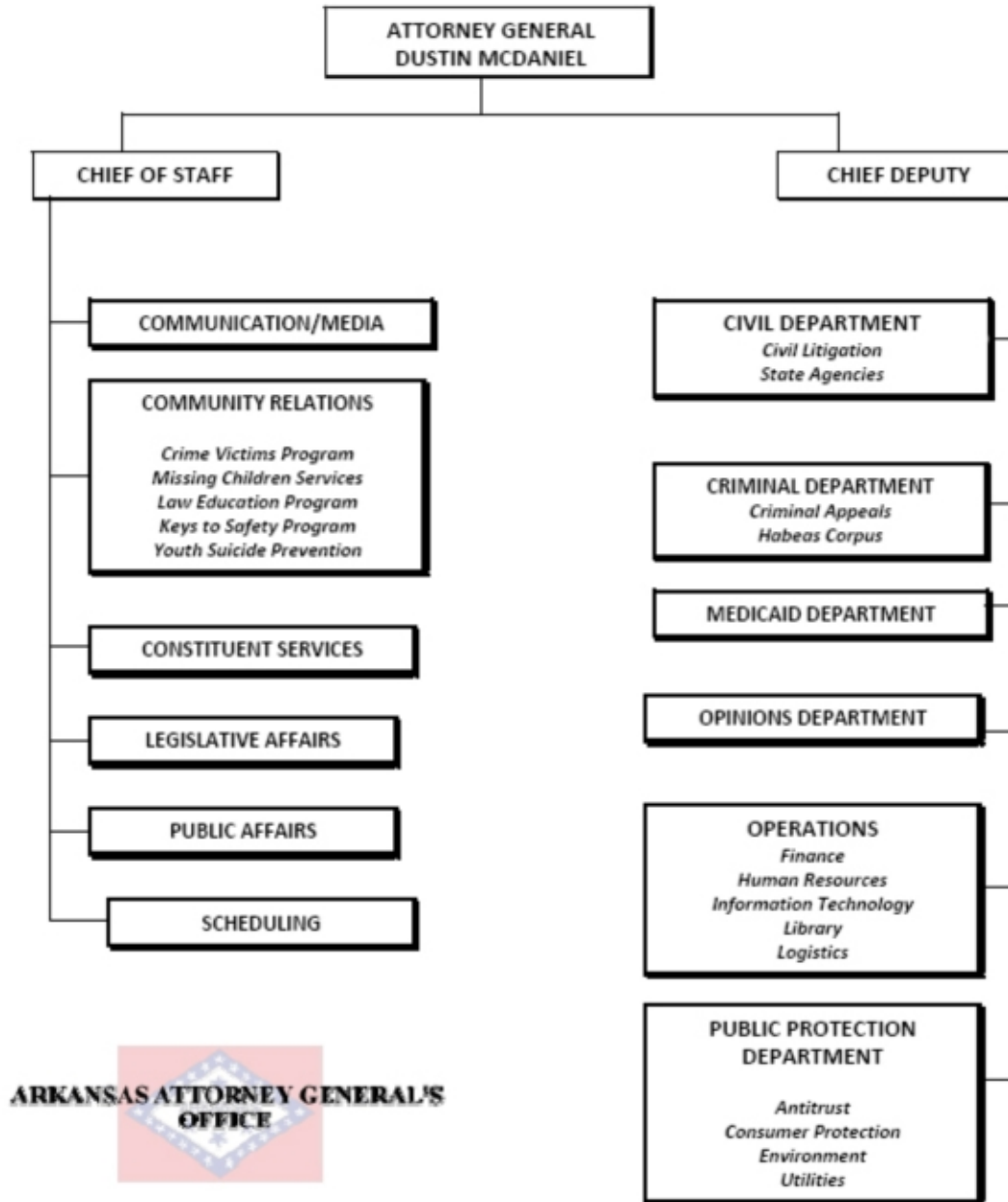
Consumer Protection. The Attorney General is charged with enforcing the "Deceptive Trade Practices Act," A.C.A. §4-88-101 et seq. This act creates the Consumer Protection Division, and authorizes that division to conduct investigation, promote consumer education, and bring lawsuits to enforce the provisions of the law. The division is also charged with registration of charities and professional fundraisers by A.C.A. §4-28-401 et seq.

Medicaid Fraud, A.C.A. §5-55-101 et seq. provides that the Office of Attorney General will investigate and bring cases regarding abuse, exploitation or neglect of nursing home residents and fraud against the Medicaid Program. The Office is also empowered under federal and state law to conduct criminal investigations and refer cases for prosecution. The Attorney General's staff may also deputized by a prosecuting attorney and conduct prosecutions.

Crime Victims Reparations. The Crime Victims Reparations Board was created by A.C.A. §16-90-710 et seq. A.C.A. §16-90-706 provides that the Attorney General provide necessary office space, support staff and secretarial services to the Board for the administration of their statutory responsibilities.

Public Utilities, A.C.A. §23-4-301 et seq. creates a division within the office called the Consumer Utilities Rate Advocacy Division. This division is charged with representing the state, its subdivisions and ratepayers in state and federal proceedings related to utility matters.

An organization chart which reflects the structure of the Office of Attorney General is attached hereto.



## Agency Commentary

The Office of the Attorney General is the statutory legal counsel for the State's officials, departments, institutions and agencies. This Office also has the responsibility to administer the Crime Victims Reparation Program and protect the environment as well as the consumers of Arkansas. Statutory obligations are carried out through the following functions:

- |                         |                        |                                  |
|-------------------------|------------------------|----------------------------------|
| 1) Communication/Media  | 5) Public Affairs      | 9) Medicaid Fraud Department     |
| 2) Community Relations  | 6) Scheduling          | 10) Opinions Department          |
| 3) Constituent Services | 7) Civil Department    | 11) Operations                   |
| 4) Legislative Affairs  | 8) Criminal Department | 12) Public Protection Department |

**BASE LEVEL:**

In the area of Personal Services, the Office of the Attorney General's Base Level request is for funding of authorized positions at FY09 levels including implementation of the 2009-2011 Pay Plan Recommendations. We are also requesting minimal upgrades to some existing positions.

The upgraded positions include the reclassification of four (4) Attorney General VIII positions to Attorney General VII positions to insure all attorney positions in the Office are classified as under the Professional and Executive Pay Plan. An upgrade to investigator positions is also respectfully requested. Our investigators positions have not been upgraded since 2000. The remaining position upgrades are requested to allow class codes and titles to remain minimized.

In FY11, a 2.3% cost of living increase and related Personal Service Matching costs is requested. Such funding will permit the Office to maintain normal operations. For all other line items in all appropriations for which continuation into the new biennium is requested, the Office of the Attorney General respectfully requests appropriations at the full FY09 level, with minor exceptions justified below under the change level requests.

**CHANGE LEVEL REQUESTS:**

The Office of the Attorney General (Appropriation 004), funded through State Central Services Fund, is utilized to operate Communication/Media, Community Relations, Constituent Services, Legislative Affairs, Public Affairs, Scheduling, Civil, Criminal, Opinions, Operations and Public Protection functions.

We are requesting the addition of ten (10) new positions for this appropriation in the 2009-2011 biennium to insure the office maintains our quality of performance. Three (3) positions (Investigator III) will be used to hire security guards in the Operations Department to insure the safety of staff. In the Criminal Department, four (4) new positions are requested including one position (Investigator I) to assist with criminal investigations and three (3) positions (Attorney General III, Attorney General IV and Paralegal I) to assist with the growing Federal Capital Habeas Corpus litigation. Three (3) positions (Secretary III, Attorney General IV and Attorney General III) will be housed in the Civil Department to assist with representation of State Agencies, Boards and Commissions.

The Operating Expenses line item has been modestly increased to reflect rising costs for items such as fuel purchases and office rent. We are also requesting minimal increases in the Conference & Travel Expenses line item due to the rising cost of transportation as well as Professional Fees line item to accommodate anticipated expenditures for expert witness fees that continue to rise.

The Office of the Attorney General is requesting \$100,940 of appropriation for our Capital Outlay Line item in FY10 and \$103,968 in FY11. These funds are needed to replace equipment as it becomes obsolete as well as replacement of vehicles in our fleet.

The Medicaid Department of the Office receives federal funds from the United States Department of Health and Human Services. Medicaid requirements are comprised of the Federal Program (Appropriation 188) and State Program (Appropriation 189). The Federal Program pays 75% of total costs and the State Program pays the remaining 25% of total costs as match on the Federal dollars.

The two (2) remaining new positions requested (Auditor and Attorney General V) will be located in the Medicaid department to assist with the Qui Tam Legislation.

The Office is requesting a minimal increase in Operating Expenses, as well as the Conference & Travel Expenses to reflect increases in the cost of fuel and supplies. The Office is also requesting minimal increases in the Professional Fees line item for expert witnesses and the Capital Outlay line item be restored to the FY09 level with minor increases to allow for the replacement of vehicles in the fleet as well as obsolete equipment.

The Medicaid Indirect Costs (Appropriation 1PF) receives funding from the United States Department of Health and Human Services. The Office is requesting that the FY09 appropriation be restored with minor increases to cover fuel costs. We also respectfully request to move the appropriation in Professional Fees as well as the Capital Outlay line items to the Operating Expenses line item. This change is needed to enable our office to fully utilize this appropriation.

The Crime Victims Reparation Program receives federal funds from the United States Department of Justice. The Federal Program (Appropriation 1PH) funds approximately 40% of the crime victim payments. The State Program (Appropriation 1PE), funded by the State Office of Administrative Justice, is responsible for the remaining 60% of the crime victim payments. A minimal increase is requested in the Operating Expenses, Conference & Travel Expenses, as well as Professional Fees due to the rising costs for items such as fuel, common carrier and legal fees.

In addition, we respectfully request an increase to the Professional Fees line item in FY10 of \$75,000 for the State Program (1PE) to provide sufficient appropriation to update the Crime Victims Reparation payment software, as it is obsolete. The update will provide a faster response time when payments are made to victims of crime.

Each request in this budget is submitted in order that the Office of the Attorney General may continue to safeguard the interests of the citizens of Arkansas and to fulfill the statutory responsibilities of this Office by performing the legal actions of our state government.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
OFFICE OF THE ATTORNEY GENERAL  
  
FOR THE YEAR ENDED JUNE 30, 2006

Findings	Recommendations
None	None

## Employment Summary

	Male	Female	Total	%
White Employees	49	62	111	71 %
Black Employees	8	33	41	26 %
Other Racial Minorities	1	4	5	3 %
	Total Minorities		46	29 %
	Total Employees		157	100 %

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Lemon Law Books	Act 1313 of 2001	N	N	135,000	Required by Statutes to provide booklets to automobile dealers for every vehicle sold explaining the State's Lemon Law
Model Rules and Regulations for State Agencies	A.C.A. §25-15-215	N	N	250	Required by Statutes to provide model rules for each state agency

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
004 Attorney General - Administration	11,168,367	127	12,661,862	127	13,178,083	127	14,394,302	127	15,499,340	137	0	0	14,660,194	127	15,863,339	137	0	0
188 Medicaid Fraud - Federal	1,311,967	17	1,574,952	17	1,635,997	17	1,792,491	17	1,940,493	18	0	0	1,825,843	17	1,985,458	18	0	0
189 Medicaid Fraud - State	483,169	5	534,427	5	539,037	5	592,676	5	702,845	6	0	0	604,627	5	719,730	6	0	0
1PE Victims Reparations Program	2,775,226	11	3,821,032	11	3,837,815	11	4,008,023	11	4,182,748	11	0	0	4,026,891	11	4,225,280	11	0	0
1PF Medicaid Fraud - Indirect Costs	146,650	0	290,000	0	290,000	0	265,000	0	290,000	0	0	0	265,000	0	298,700	0	0	0
1PH Victims Reparations - Federal	1,325,672	1	1,480,138	1	1,479,579	1	1,489,232	1	1,531,646	1	0	0	1,490,204	1	1,576,304	1	0	0
2YK Spyware Monitoring	0	0	0	0	0	0	95,985	0	95,985	0	0	0	0	0	0	0	0	0
2YM Spyware Monitoring-State	4,015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38U Internet Crime Child	0	0	50,000	0	0	0	50,000	0	50,000	0	0	0	50,000	0	50,000	0	0	0
<b>Total</b>	<b>17,215,066</b>	<b>161</b>	<b>20,412,411</b>	<b>161</b>	<b>20,960,511</b>	<b>161</b>	<b>22,687,709</b>	<b>161</b>	<b>24,293,057</b>	<b>173</b>	<b>0</b>	<b>0</b>	<b>22,922,759</b>	<b>161</b>	<b>24,718,811</b>	<b>173</b>	<b>0</b>	<b>0</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	4,310,654	20.5	3,835,319	16.9		2,123,025	9.2	2,123,025	8.7	0	0.0	319,725	1.5	145,000	0.6	0	0.0
General Revenue	4000010	100,000	0.5	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Revenue	4000020	2,784,289	13.2	3,395,090	15.0		3,596,723	15.6	3,812,139	15.6	0	0.0	3,631,047	17.0	3,910,462	17.1	0	0.0
Special Revenue	4000030	114,183	0.5	115,000	0.5		210,985	0.9	210,985	0.9	0	0.0	115,000	0.5	115,000	0.5	0	0.0
State Central Services	4000035	11,651,536	55.4	13,196,289	58.3		14,986,978	65.1	16,202,185	66.3	0	0.0	15,264,821	71.3	16,583,069	72.6	0	0.0
State Administration of Justice	4000470	2,089,723	9.9	2,089,723	9.2		2,089,723	9.1	2,089,723	8.6	0	0.0	2,089,723	9.8	2,089,723	9.1	0	0.0
Total Funds		21,050,385	100.0	22,631,421	100.0		23,007,434	100.0	24,438,057	100.0	0	0.0	21,420,316	100.0	22,843,254	100.0	0	0.0
Excess Appropriation/(Funding)		(3,835,319)		(2,219,010)			(319,725)		(145,000)		0		1,502,443		1,875,557		0	
Grand Total		17,215,066		20,412,411			22,687,709		24,293,057		0		22,922,759		24,718,811		0	

No Executive Recommendations made on these appropriations except Spyware Monitoring - State (Appropriation 2YM).

The FY09 Budget amount in Victims Reparations - Federal (Appropriation 1PH) exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Budget exceeds Authorized Appropriation in Internet Crime Child (Appropriation 38U) due to a transfer from the Miscellaneous Federal Grant Holding Account.

Variance in fund balances due to a fund balance transfer request of \$95,985 from Spyware Monitoring - State (2YM) to Spyware Monitoring (2YK).



## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
151	151	0	151	0	0.00 %	161	158	3	161	0	1.86 %	161	157	4	161	0	2.48 %

## Appropriation Summary

**Appropriation:** 004 - Attorney General - Administration

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Regular Salaries	5010000	7,266,913	8,059,844	8,023,344	9,481,311	10,218,444	0	9,703,743	10,457,823	0
<b>#Positions</b>		<b>127</b>	<b>127</b>	<b>127</b>	<b>127</b>	<b>137</b>	<b>0</b>	<b>127</b>	<b>137</b>	<b>0</b>
Extra Help	5010001	26,100	36,000	36,000	36,000	40,000	0	36,000	41,200	0
<b>#Extra Help</b>		<b>4</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>0</b>
Personal Services Matching	5010003	1,979,466	2,012,432	2,565,153	2,421,405	2,610,703	0	2,464,865	2,657,428	0
Operating Expenses	5020002	1,515,493	1,801,104	1,801,104	1,801,104	1,855,137	0	1,801,104	1,909,170	0
Conference & Travel Expenses	5050009	76,767	96,873	96,873	96,873	99,779	0	96,873	102,685	0
Professional Fees	5060010	237,456	557,609	557,609	557,609	574,337	0	557,609	591,065	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	66,172	98,000	98,000	0	100,940	0	0	103,968	0
<b>Total</b>		<b>11,168,367</b>	<b>12,661,862</b>	<b>13,178,083</b>	<b>14,394,302</b>	<b>15,499,340</b>	<b>0</b>	<b>14,660,194</b>	<b>15,863,339</b>	<b>0</b>
<b>Funding Sources</b>										
State Central Services	4000035	11,168,367	12,661,862		14,394,302	15,499,340	0	14,660,194	15,863,339	0
<b>Total Funding</b>		<b>11,168,367</b>	<b>12,661,862</b>		<b>14,394,302</b>	<b>15,499,340</b>	<b>0</b>	<b>14,660,194</b>	<b>15,863,339</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>11,168,367</b>	<b>12,661,862</b>		<b>14,394,302</b>	<b>15,499,340</b>	<b>0</b>	<b>14,660,194</b>	<b>15,863,339</b>	<b>0</b>

No Executive Recommendation on this appropriation.

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Special Language provides for carry forward of appropriation. For FY09, the amount carried forward was \$1,127,641.

## Change Level by Appropriation

**Appropriation:** 004 - Attorney General - Administration

**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>14,394,302</b>	<b>127</b>	<b>14,394,302</b>	<b>100.0</b>	<b>14,660,194</b>	<b>127</b>	<b>14,660,194</b>	<b>100.0</b>
C01	Existing Program	1,105,038	10	15,499,340	107.7	1,203,145	10	15,863,339	108.2

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Attorney General

Program: Attorney General - Administration

Act #: 534 of 2007 Section(s) #: 3 & 18

Estimated Carry Forward Amount \$ 760,533.00 Appropriation  Funds

Funding Source: State Central Services

**Accounting Information:**

Business Area: 0053 Funds Center: 004 Fund: HSC Functional Area: CNST

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Extra Help	5010001	9,824.00	9,900.38
Personal Services Matching	5010003	100,406.00	535,407.63
Operating Expenses	5020002	241,322.00	232,969.25
Conference & Travel Expenses	5050009	27,568.00	17,762.83
Professional Fees	5060010	312,035.00	301,972.80
Capital Outlay	5120011	69,378.00	29,627.66
<b>Total</b>		\$ 760,533.00	\$ 1,127,640.55

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

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

The appropriation will be needed to ensure operations of the Attorney General's Office are continued.

**Actual Funding Carry Forward Amount** \$ 0.00

**Current status of carry forward appropriation/funding:**

The Office of the Attorney General does not project a current need for this appropriation and is requesting DFA – Office of Budget to block the appropriation at this time.

Honorable Dustin McDaniel  
Attorney General

08-25-2008  
Date

## Appropriation Summary

**Appropriation:** 188 - Medicaid Fraud - Federal  
**Funding Sources:** FAY - Medicaid Operations Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	962,974	1,018,023	1,011,823	1,204,070	1,291,950	0	1,232,164	1,322,065	0
<b>#Positions</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>18</b>	<b>0</b>	<b>17</b>	<b>18</b>	<b>0</b>
Extra Help 5010001	22,152	25,000	25,000	25,000	29,000	0	25,000	29,870	0
<b>#Extra Help</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>
Personal Services Matching 5010003	261,062	256,538	323,783	314,030	335,891	0	319,288	341,592	0
Operating Expenses 5020002	41,018	190,841	190,841	190,841	196,566	0	190,841	202,286	0
Conference & Travel Expenses 5050009	6,698	35,100	35,100	35,100	36,153	0	35,100	37,206	0
Professional Fees 5060010	5,343	23,450	23,450	23,450	24,153	0	23,450	24,856	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	12,720	26,000	26,000	0	26,780	0	0	27,583	0
<b>Total</b>	<b>1,311,967</b>	<b>1,574,952</b>	<b>1,635,997</b>	<b>1,792,491</b>	<b>1,940,493</b>	<b>0</b>	<b>1,825,843</b>	<b>1,985,458</b>	<b>0</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	1,311,967	1,574,952		1,792,491	1,940,493	0	1,825,843	1,985,458	0
Total Funding	1,311,967	1,574,952		1,792,491	1,940,493	0	1,825,843	1,985,458	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,311,967	1,574,952		1,792,491	1,940,493	0	1,825,843	1,985,458	0

No Executive Recommendation on this appropriation.

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Special Language provides for carry forward of appropriation. For FY09, the amount carried forward was \$261,034.

## Change Level by Appropriation

**Appropriation:** 188 - Medicaid Fraud - Federal  
**Funding Sources:** FAY - Medicaid Operations Federal

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,792,491</b>	<b>17</b>	<b>1,792,491</b>	<b>100.0</b>	<b>1,825,843</b>	<b>17</b>	<b>1,825,843</b>	<b>100.0</b>
C01	Existing Program	148,002	1	1,940,493	108.3	159,615	1	1,985,458	108.7

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Attorney General

Program: Medicaid Fraud - Federal

Act #: 534 of 2007 Section(s) #: 13 & 18

Estimated Carry Forward Amount \$ 184,219.00      Appropriation       Funds

Funding Source: Federal

**Accounting Information:**

Business Area: 0053      Funds Center: 188      Fund: FAY      Functional Area: CNST

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Extra Help	5010001	5,003.00	2,848.00
Personal Services Matching	5010003	8,331.00	56,373.64
Operating Expenses	5020002	120,172.00	144,273.31
Conference & Travel Expenses	5050009	30,704.00	27,301.84
Professional Fees	5060010	15,009.00	17,457.11
Capital Outlay	5120011	5,000.00	12,780.24
<b>Total</b>		<b>\$ 184,219.00</b>	<b>\$ 261,034.14</b>

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

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

This appropriation will be needed to allow the agency to continue investigating and prosecuting Medicaid fraud and abuse cases.

**Actual Funding Carry Forward Amount**      \$ 0.00

**Current status of carry forward appropriation/funding:**

The Office of the Attorney General does not plan to spend this appropriation and is requesting the DFA - Office of Budget block the appropriation at this time.

Honorable Dustin McDaniel  
Attorney General

08-22-2008  
Date

## Appropriation Summary

**Appropriation:** 189 - Medicaid Fraud - State

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	318,700	355,829	354,429	406,961	487,262	0	416,886	499,033	0
<b>#Positions</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>0</b>	<b>5</b>	<b>6</b>	<b>0</b>
Personal Services Matching 5010003	85,331	87,398	93,408	101,515	121,647	0	103,541	124,019	0
Operating Expenses 5020002	60,267	65,200	65,200	65,200	67,156	0	65,200	69,112	0
Conference & Travel Expenses 5050009	10,199	11,500	11,500	11,500	11,845	0	11,500	12,190	0
Professional Fees 5060010	3,344	7,500	7,500	7,500	7,725	0	7,500	7,950	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	5,328	7,000	7,000	0	7,210	0	0	7,426	0
<b>Total</b>	<b>483,169</b>	<b>534,427</b>	<b>539,037</b>	<b>592,676</b>	<b>702,845</b>	<b>0</b>	<b>604,627</b>	<b>719,730</b>	<b>0</b>
<b>Funding Sources</b>									
State Central Services 4000035	483,169	534,427		592,676	702,845	0	604,627	719,730	0
Total Funding	483,169	534,427		592,676	702,845	0	604,627	719,730	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	483,169	534,427		592,676	702,845	0	604,627	719,730	0

No Executive Recommendation on this appropriation.

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Special Language provides for carry forward of appropriation. For FY09, the amount carried forward was \$15,120.



## Change Level by Appropriation

**Appropriation:** 189 - Medicaid Fraud - State  
**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>592,676</b>	<b>5</b>	<b>592,676</b>	<b>100.0</b>	<b>604,627</b>	<b>5</b>	<b>604,627</b>	<b>100.0</b>
C01	Existing Program	110,169	1	702,845	118.6	115,103	1	719,730	119.0

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Attorney General

Program: Medicaid Fraud - State

Act #: 534 of 2007 Section(s) #: 10 & 18

Estimated Carry Forward Amount \$ 17,101.00      Appropriation       Funds

Funding Source: State Central Services

**Accounting Information:**

Business Area: 0053      Funds Center: 189      Fund: HSC      Functional Area: CNST

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Personal Services Matching	5010003	4,477.00	6,658.86
Operating Expenses	5020002	2,550.00	3,032.74
Professional Fees	5060010	3,374.00	4,056.30
Capital Outlay	5120011	6,700.00	1,372.16
Total		\$ 17,101.00	\$ 15,120.06

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

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

This appropriation is necessary for the agency to continue investigating and prosecuting Medicaid fraud and abuse cases.

Actual Funding Carry Forward Amount \$ 0.00

**Current status of carry forward appropriation/funding:**

We project that we may need to utilize some of this appropriation to meet the needs of the state matching portion for Medicaid Fraud investigations. We would use funding from current year salary savings to fund whatever shortfalls may arise.

Honorable Dustin McDaniel  
Attorney General

08-25-2008  
Date

## Appropriation Summary

**Appropriation:** 1PE - Victims Reparations Program  
**Funding Sources:** TCR - Crime Victims Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	345,876	491,726	490,326	640,640	640,640	0	656,532	656,532	0
<b>#Positions</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>11</b>	<b>11</b>	<b>0</b>
Extra Help 5010001	0	10,000	10,000	10,000	14,000	0	10,000	14,420	0
<b>#Extra Help</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>
Personal Services Matching 5010003	114,052	138,721	156,904	176,798	177,106	0	179,774	180,114	0
Operating Expenses 5020002	70,192	75,999	75,999	75,999	78,278	0	75,999	80,558	0
Conference & Travel Expenses 5050009	1,576	16,000	16,000	16,000	16,480	0	16,000	16,974	0
Professional Fees 5060010	5,264	10,600	10,600	10,600	85,918	0	10,600	11,246	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Claims 5110015	2,238,266	3,077,986	3,077,986	3,077,986	3,170,326	0	3,077,986	3,265,436	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>2,775,226</b>	<b>3,821,032</b>	<b>3,837,815</b>	<b>4,008,023</b>	<b>4,182,748</b>	<b>0</b>	<b>4,026,891</b>	<b>4,225,280</b>	<b>0</b>
<b>Funding Sources</b>									
Fund Balance 4000005	4,310,654	3,739,334		2,123,025	2,123,025	0	319,725	145,000	0
Special Revenue 4000030	114,183	115,000		115,000	115,000	0	115,000	115,000	0
State Administration of Justice 4000470	2,089,723	2,089,723		2,089,723	2,089,723	0	2,089,723	2,089,723	0
<b>Total Funding</b>	<b>6,514,560</b>	<b>5,944,057</b>		<b>4,327,748</b>	<b>4,327,748</b>	<b>0</b>	<b>2,524,448</b>	<b>2,349,723</b>	<b>0</b>
Excess Appropriation/(Funding)	(3,739,334)	(2,123,025)		(319,725)	(145,000)	0	1,502,443	1,875,557	0
<b>Grand Total</b>	<b>2,775,226</b>	<b>3,821,032</b>		<b>4,008,023</b>	<b>4,182,748</b>	<b>0</b>	<b>4,026,891</b>	<b>4,225,280</b>	<b>0</b>

No Executive Recommendation on this appropriation.

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Special Language provides for carry forward of appropriation. For FY09, the amount carried forward was \$916,929.

## Change Level by Appropriation

**Appropriation:** 1PE - Victims Reparations Program  
**Funding Sources:** TCR - Crime Victims Revolving Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>4,008,023</b>	<b>11</b>	<b>4,008,023</b>	<b>100.0</b>	<b>4,026,891</b>	<b>11</b>	<b>4,026,891</b>	<b>100.0</b>
C01	Existing Program	99,725	0	4,107,748	102.5	198,389	0	4,225,280	104.9
C08	Technology	75,000	0	4,182,748	104.4	0	0	4,225,280	104.9

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Attorney General

Program: Victims Reparations Program

Act #: 534 of 2007 Section(s) #: 6 & 18

Estimated Carry Forward Amount \$ 668,229.00 Appropriation  Funds

Funding Source: Administration of Justice

**Accounting Information:**

Business Area: 0053 Funds Center: 1PE Fund: TCR Functional Area: CNST

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Extra Help	5010001	10,000.00	10,000.00
Personal Services Matching	5010003	29,419.00	39,775.87
Operating Expenses	5020002	4,908.00	3,609.23
Conference & Travel Expenses	5050009	13,376.00	14,023.67
Professional Fees	5060010	7,010.00	5,036.50
Claims	5110015	603,516.00	844,483.85
<b>Total</b>		<b>\$ 668,229.00</b>	<b>\$ 916,929.12</b>

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

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

This appropriation is needed for the continued operations of the Crime Victims Unit.

**Actual Funding Carry Forward Amount** \$ 0.00

**Current status of carry forward appropriation/funding:**

The Office of the Attorney General is carrying forward this appropriation in the event the appropriation is needed for the continued operations of the Crime Victims Unit.

Honorable Dustin McDaniel  
Attorney General

08-21-2008  
Date

## Appropriation Summary

**Appropriation:** 1PF - Medicaid Fraud - Indirect Costs

**Funding Sources:** FAY - Medicaid Indirect Costs Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	146,650	215,000	215,000	215,000	290,000	0	215,000	298,700	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	50,000	50,000	50,000	0	0	50,000	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	25,000	25,000	0	0	0	0	0	0
<b>Total</b>		<b>146,650</b>	<b>290,000</b>	<b>290,000</b>	<b>265,000</b>	<b>290,000</b>	<b>0</b>	<b>265,000</b>	<b>298,700</b>	<b>0</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	146,650	290,000		265,000	290,000	0	265,000	298,700	0
<b>Total Funding</b>		<b>146,650</b>	<b>290,000</b>		<b>265,000</b>	<b>290,000</b>	<b>0</b>	<b>265,000</b>	<b>298,700</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>146,650</b>	<b>290,000</b>		<b>265,000</b>	<b>290,000</b>	<b>0</b>	<b>265,000</b>	<b>298,700</b>	<b>0</b>

No Executive Recommendation on this appropriation.

Special Language provides for carry forward of appropriation. For FY09, the amount carried forward was \$143,350.

## Change Level by Appropriation

**Appropriation:** 1PF - Medicaid Fraud - Indirect Costs

**Funding Sources:** FAY - Medicaid Indirect Costs Federal

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>265,000</b>	<b>0</b>	<b>265,000</b>	<b>100.0</b>	<b>265,000</b>	<b>0</b>	<b>265,000</b>	<b>100.0</b>
C01	Existing Program	25,000	0	290,000	109.4	33,700	0	298,700	112.7
C04	Reallocation	0	0	290,000	109.4	0	0	298,700	112.7

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Attorney General

Program: Medicaid Fraud - Indirect Costs

Act #: 534 of 2007 Section(s) #: 14 & 18

Estimated Carry Forward Amount \$ 132,780.00 Appropriation  Funds

Funding Source: Federal

**Accounting Information:**

Business Area: 0053 Funds Center: 1PF Fund: FAY Functional Area: CNST

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Operating Expenses	5020002	17,780.00	68,350.07
Professional Fees	5060010	90,000.00	50,000.00
Capital Outlay	5120011	25,000.00	25,000.00
<b>Total</b>		<b>\$ 132,780.00</b>	<b>\$ 143,350.07</b>

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

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

This appropriation is needed for the continued operations of the Attorney General's Office.

**Actual Funding Carry Forward Amount** \$ 0.00

**Current status of carry forward appropriation/funding:**

We project that we may need to utilize some of this appropriation to meet the needs of Medicaid Fraud – Indirect Costs. Expenditure of this appropriation would be contingent upon available federal funding.

Honorable Dustin McDaniel  
Attorney General

08-21-2008  
Date



## Appropriation Summary

**Appropriation:** 1PH - Victims Reparations - Federal

**Funding Sources:** FAY - Crime Victims Reparation Program Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	26,620	29,697	28,797	36,584	36,584	0	37,404	37,404	0
<b>#Positions</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>
Personal Services Matching 5010003	9,589	9,742	10,083	11,949	11,949	0	12,101	12,101	0
Operating Expenses 5020002	223	26,900	26,900	26,900	26,900	0	26,900	26,900	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
Claims 5110015	1,289,240	1,413,799	1,413,799	1,413,799	1,456,213	0	1,413,799	1,499,899	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1,325,672</b>	<b>1,480,138</b>	<b>1,479,579</b>	<b>1,489,232</b>	<b>1,531,646</b>	<b>0</b>	<b>1,490,204</b>	<b>1,576,304</b>	<b>0</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	1,325,672	1,480,138		1,489,232	1,531,646	0	1,490,204	1,576,304	0
Total Funding	1,325,672	1,480,138		1,489,232	1,531,646	0	1,490,204	1,576,304	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,325,672	1,480,138		1,489,232	1,531,646	0	1,490,204	1,576,304	0

No Executive Recommendation on this appropriation.

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Special Language provides for carry forward of appropriation. For FY09, the amount carried forward was \$151,614.

## Change Level by Appropriation

**Appropriation:** 1PH - Victims Reparations - Federal  
**Funding Sources:** FAY - Crime Victims Reparation Program Federal

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,489,232</b>	<b>1</b>	<b>1,489,232</b>	<b>100.0</b>	<b>1,490,204</b>	<b>1</b>	<b>1,490,204</b>	<b>100.0</b>
C01	Existing Program	42,414	0	1,531,646	102.8	86,100	0	1,576,304	105.8

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Attorney General

Program: Victims Reparations - Federal

Act #: 534 of 2007 Section(s) #: 8 & 18

Estimated Carry Forward Amount \$ 211,323.00 Appropriation  Funds

Funding Source: Federal

**Accounting Information:**

Business Area: 0053 Funds Center: 1PH Fund: FAY Functional Area: CNST

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Personal Services Matching	5010003	238.00	378.43
Operating Expenses	5020002	26,677.00	26,677.00
Claims	5110015	184,408.00	124,558.85
<b>Total</b>		\$ 211,323.00	\$ 151,614.28

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

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

This appropriation is needed to defray costs associated with the operation of the Crime Victims Program.

**Actual Funding Carry Forward Amount** \$ 0.00

**Current status of carry forward appropriation/funding:**

The Office of the Attorney General is carrying forward this appropriation in the event the appropriation is needed to pay Crime Victim payments.

Honorable Dustin McDaniel  
Attorney General

08-25-2008  
Date

**Appropriation Summary**

**Appropriation:** 2YK - Spyware Monitoring

**Funding Sources:** SSM - Spyware Monitoring Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Spyware Monitoring 5900046	0	0	0	95,985	95,985	0	0	0	0
Total	0	0	0	95,985	95,985	0	0	0	0
<b>Funding Sources</b>									
Special Revenue 4000030	0	0		95,985	95,985	0	0	0	0
Total Funding	0	0		95,985	95,985	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		95,985	95,985	0	0	0	0

No Executive Recommendation on this appropriation.

This is a biennial appropriation. For FY09, the amount carried forward was \$100,000.

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Attorney General

Program: Spyware Monitoring

Act #: 534 of 2007 Section(s) #: 15 & 18

Estimated Carry Forward Amount \$ 100,000.00      Appropriation       Funds

Funding Source: Special

**Accounting Information:**

Business Area: 0053      Funds Center: 2YK      Fund: SSM      Functional Area: CNST

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Spyware Monitoring	5900046	100,000.00	100,000.00
Total		\$ 100,000.00	\$ 100,000.00

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

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

This appropriation was not funded in FY2008 but in the event funding is provided in FY 2009, this appropriation will be needed to assist in the preparation of the Spyware Unit.

**Actual Funding Carry Forward Amount**      \$ 0.00

**Current status of carry forward appropriation/funding:**

The Office of the Attorney General does not anticipate the receipt of these funds and is requesting DFA - Office of Budget block the appropriation at this time.

Honorable Dustin McDaniel  
Attorney General

08-25-2008  
Date

## **Analysis of Budget Request**

**Appropriation:** 2YM - Spyware Monitoring-State

**Funding Sources:** HUA - Miscellaneous Agencies Fund

Act 2255 of 2005, The Consumer Protection Against Computer Spyware Act established the Spyware Monitoring Program to be enforced by the Attorney General's Office. This program safeguards Arkansas consumers from the unauthorized installation of spyware. Spyware is software that causes unwanted advertising pop-ups, collects personal information and changes the configurations of your computer without your consent.

The Agency Request provides to discontinue this appropriation and to transfer the remaining funds to Spyware Monitoring (Appropriation 2YK) to provide for continued enforcement of the Consumer Protection Against Computer Spyware Act (A.C.A. § 4-111-101 et seq.) The Agency has requested Special Language that would provide for this transfer.

The Executive Recommendation provides for the Agency Request.

**Appropriation Summary**

**Appropriation:** 2YM - Spyware Monitoring-State  
**Funding Sources:** HUA - Miscellaneous Agencies Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Spyware Monitoring-State 5900046	4,015	0	0	0	0	0	0	0	0
Total	4,015	0	0	0	0	0	0	0	0
<b>Funding Sources</b>									
Fund Balance 4000005	0	95,985		0	0	0	0	0	0
General Revenue 4000010	100,000	0		0	0	0	0	0	0
Total Funding	100,000	95,985		0	0	0	0	0	0
Excess Appropriation/(Funding)	(95,985)	(95,985)		0	0	0	0	0	0
Grand Total	4,015	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2009-2011 BIENNIUM.

This is a biennial appropriation. For FY09, the amount carried forward was \$95,985.

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Attorney General

Program: Spyware Monitoring-State

Act #: 534 of 2007 Section(s) #: 16 & 18

Estimated Carry Forward Amount \$ 96,000.00 Appropriation  Funds

Funding Source: Miscellaneous Agencies

**Accounting Information:**

Business Area: 0053 Funds Center: 2YM Fund: HUA Functional Area: CNST

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Spyware Monitoring-State	5900046	96,000.00	95,984.98
Total		\$ 96,000.00	\$ 95,984.98

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

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

This appropriation is needed to assist the agency as it continues preparation of the Spyware Unit.

**Actual Funding Carry Forward Amount** \$ 0.00

**Current status of carry forward appropriation/funding:**

This appropriation is needed to assist the agency as it continues preparation of the Spyware Unit as well as pay for the Internet line being utilized to monitor spyware.

Honorable Dustin McDaniel  
Attorney General

08-18-2008  
Date



**Appropriation Summary**

**Appropriation:** 38U - Internet Crime Child  
**Funding Sources:** FAY - Internet Crimes Federal

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	45,450	0	45,450	45,450	0	45,450	45,450	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	4,550	0	4,550	4,550	0	4,550	4,550	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
<b>Total</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>0</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	0	50,000		50,000	50,000	0	50,000	50,000	0
<b>Total Funding</b>	<b>0</b>	<b>50,000</b>		<b>50,000</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>0</b>	<b>50,000</b>		<b>50,000</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>0</b>

No Executive Recommendation on this appropriation.

Budget exceeds Authorized Appropriation in Operating Expenses and Professional Fees due to a transfer from the Miscellaneous Federal Grant Holding Account.

# AUDITOR OF STATE

## Enabling Laws

Act 228 of 2007  
Act 95 of 2007  
Act 767 of 2007  
Act 701 of 2007  
Act 481 of 2007  
Act 482 of 2007  
Act 408 of 2007  
Act 409 of 2007  
Act 253 of 2007  
Act 3 of 2007  
A.C.A. §25-16-5  
A.C.A. §18-28-101 et seq.  
Constitution of Arkansas, Article 6

## History and Organization

Arkansas Code, Title 25, chapter 16, Subchapter 5, provides that the Auditor of State shall be the general accountant of the state; and keep an account between the State and the Treasurer of the State, to audit, adjust and settle all claims against the state payable out of the State Treasury and to draw all warrants upon the State Treasury.

The Auditor of State maintains fund and appropriation balances for all state agencies.

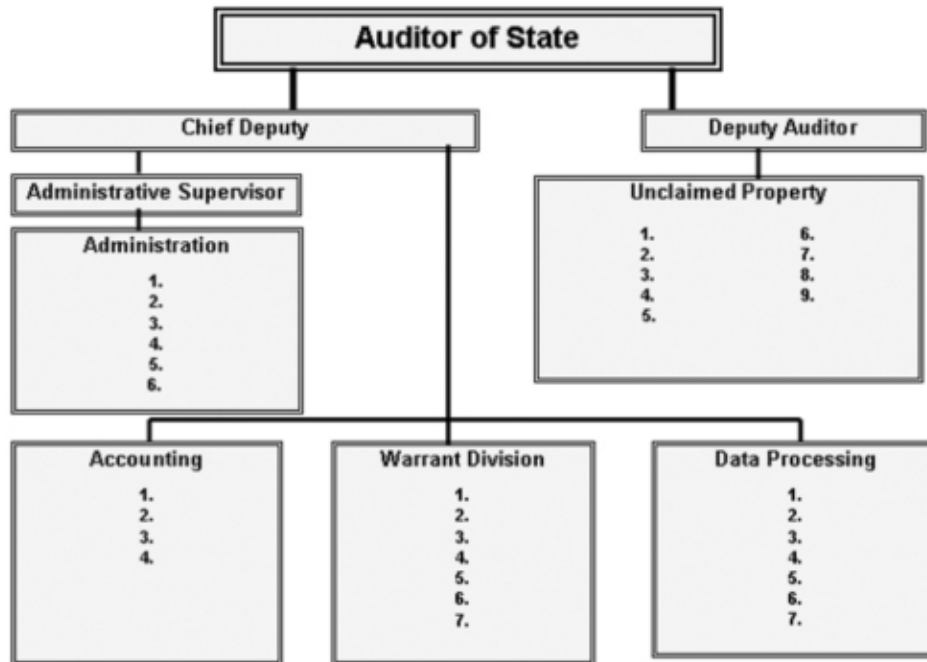
The Auditor of State is the administrator of Act 850 of 1999 (A.C.A. §18-28-201 et seq. as amended) known as the Unclaimed Property Act. During fiscal year ending June 30, 2007, the Auditor of State collected approximately \$16.5 million from holders, returned approximately \$5.5 million to the citizens of Arkansas. In March 2007, the Auditor transferred \$2,000,000 from the trust fund to the General Revenue Fund per Act 2315 of 2005; reimbursed the cost of administering the Act by depositing FY07 operating costs of \$784,548.99 into the State Central Services Fund; and \$76,766.03 to the counties pursuant to Code 18-28-213. In addition, the Auditor transferred \$937,500.00 from the Mineral Proceeds Trust Fund to the County Aid Fund for equal distribution to the counties.

In fiscal year 2007, the Auditor of State produced, audited and issued to State Agencies 2,865,790 state warrants totaling over \$13.8 billion dollars.

The Auditor of State is the disbursing officer for salaries and expenses for House of Representatives Members, Senate Members, Constitutional Officers, Supreme Court Justices, Appellate Court Justices, Circuit and Chancery Judges, Special and Recalled Judges, Prosecuting Attorneys, Deputy Prosecuting Attorneys, Special Deputy Prosecuting Attorney, Post Adjudicate Deputy Prosecuting Attorney, Court Reporters and Substitute Court Reporters, and the Trial Court Administrative Assistants and their Substitutes. Beginning January 2008, the Auditor of State added to their disbursing officer list the District Judges. The Auditor of State processes and maintains all payroll accounting, insurance, retirement, and expenses for those twelve departments which include over 950 individuals. This

disbursement is in excess of \$84 million per year.

The Auditor of State serves as a board member of the Arkansas Public Employees Retirement System; the Arkansas Teacher Retirement System; Arkansas Emergency Telephone Services Board; and the Continuing Education Boards of the Arkansas County and Circuit Clerks, County Treasurers, and County Collectors. The Auditor of State also serves as a member of the State Board of Finance.



## **Agency Commentary**

### **AUDITOR OF STATE (005)**

Listed below are the main points of our proposed budget for the biennium 2009-2011:

1. Base Level salaries for unclassified positions reflect Cost of Living Allowance adjustments of 5% in FY10 and a 2.3% in FY11. The Base Level request for Regular Salaries may include Career Service payments for eligible employees.
2. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.
3. In addition, we are requesting that our Administration Supervisor position be renamed DP Programmer, and that position be increased to equal the salary of our DP Mgr/Analyst position. This increase request will be offset by a request to downgrade one Clerical Tech III position to a Clerical Tech I position.
4. Extra Help positions and salaries are to remain constant.
5. We are requesting that our Operating Expenses, Conference and Travel Expenses, Professional Fees as well as Capital Outlay remain constant.
6. Bankhead-Jones federal grant is to remain constant. As in the past, if federal funding is not

- forthcoming the appropriation will be deferred (046).
7. We are requesting that the appropriation for Federal Turn Back for Roads remain constant and as unfunded appropriation (072). We will defer this amount until funding becomes available and appropriation is necessary to repay the counties for government usage.
  8. County and Circuit Continuing Education Board appropriation is to remain constant and split between County and Circuit Clerks (1PD).
  9. County Treasurers Continuing Education Board appropriation is to remain constant (123).
  10. County Collectors Continuing Education Board appropriation is to remain constant (465).

#### GENERAL APPROPRIATION REQUEST (009)

Listed below are the main points of our proposed budget for the 2009-2011 biennium:

1. We are requesting a 3.85% increase per position each year for the Supreme Court Chief Justice, Supreme Court Associate Justices, Court of Appeals Chief Judge, Court of Appeals Judges, Circuit Judges, and District Judges. Last August the Arkansas Supreme Court, at the request of the Arkansas Judicial Council, appointed the Arkansas Judicial Compensation Committee to provide an independent study and review of the current level of judicial compensation. The Committee met only once before the drastic down turn in the national and state economy. It is anticipated that the Committee will meet again before the end of the calendar year. The final recommendation and advice of the Committee will be forwarded to the General Assembly as soon as it is completed.
2. We are requesting a 15% salary increase for the elected Prosecuting Attorneys - Division A and Division B for the first year of the biennium and a 2.3% increase for the second year of the biennium.
3. In addition, we are requesting a 3.85% increase in salaries for the Members of the General Assembly and all Executive Department Officials for both years of the biennium pursuant to Amendment 70, Section 3 to the Arkansas Constitution.
4. We are requesting an increase in Personal Services Matching based on the salary increase request.
5. We are requesting an increase from \$350,000 to \$400,000 for on assignment expenses and travel expenses for the Circuit Judges and Special Judges due to the increase in State mileage reimbursement.
6. The appropriation for Special and Recalled Judges is to remain constant.

#### UNCLAIMED PROPERTY (122)

1. Base Level salaries for unclassified positions reflect Cost of Living Allowance adjustments of 5% in FY10 and a 2.3% in FY11. The Base Level request for Regular Salaries may include Career Service payments for eligible employees.
2. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.
3. We are requesting that Operating Expenses, Capital Outlay, Professional Fees and Conference and Travel Expenses remain constant.
4. The appropriation for Payment of Claims for both Unclaimed Property (C50) and Mineral Proceeds (A04) as well as Payment of Claims-Miscellaneous Revolving (264) are to remain constant.

## JUDICIAL COURT REPORTERS (1EW)

1. Base Level salaries for classified positions adhere to the guidelines of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include Career Service payments for eligible employees.
2. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.
3. We are requesting a \$50,000 increase in appropriation for indigent transcripts each year of the biennium.
4. We are requesting an increase of \$50,000 for Substitute Court Reporters due to the increase in the number of requests for substitutes.
5. We are requesting an increase of \$100,000 in our Expense Allowance line item for travel expenses due to the State mileage increases.

## JUVENILE PROBATION AND INTAKE OFFICERS (1UE)

The Arkansas Judicial Courts are proposing an increase in the number of Juvenile Probation and Intake Officers from 231 positions to 241 positions. Therefore, we are requesting a \$150,000 increase to the appropriation to cover the maximum allowance for reimbursement of the additional salaries.

## DEPUTY PROSECUTING ATTORNEYS (1UG)

1. Base Level salaries for classified positions adhere to the guidelines of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries and position titles. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include Career Service payments for eligible employees.
2. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.
3. We are requesting the following position increases:
  - A) Deputy Pros Atty-Attorney Part Time III from 14 to 15 positions
  - B) Deputy Pros Atty-Attorney Part Time II from 5 to 9 positions
  - C) Deputy Pros Atty-Attorney from 78 to 80 positionsThis would increase the total number of positions from 235 to 242.
4. The expense allowance of the Special Deputy Prosecuting Attorney is to remain constant.

## TRIAL COURT ADMINISTRATIVE ASSISTANTS (305)

1. Base Level salaries for classified positions adhere to the guidelines of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include Career Service payments for eligible employees.
2. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.
3. The appropriation for Substitute Trial Court Administrative Assistants will remain constant.
4. We are requesting that the appropriation for Operating Expenses remain constant.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

AUDITOR OF STATE

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

AUDITOR OF STATE – DISBURSING OFFICER

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

ARKANSAS TREASURER OF STATE

AUDITOR OF STATE

DEPARTMENT OF FINANCE AND ADMINISTRATION

FUND RECONCILIATION REPORT

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

## Employment Summary - Auditor's Office

	Male	Female	Total	%
White Employees	10	13	23	85 %
Black Employees	0	4	4	15 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	15 %
Total Employees			27	100 %

## **Employment Summary - Court Reporters**

---

	Male	Female	Total	%
White Employees	7	105	112	96 %
Black Employees	0	5	5	4 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			5	4 %
Total Employees			117	100 %

## **Employment Summary - Trial Court Administrative Assistants**

---

	Male	Female	Total	%
White Employees	0	105	105	88 %
Black Employees	0	13	13	11 %
Other Racial Minorities	0	1	1	1 %
Total Minorities			14	12 %
Total Employees			119	100 %

## **Employment Summary - Deputy Prosecuting Attorneys**

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	Male	Female	Total	%
White Employees	147	83	230	98 %
Black Employees	2	2	4	2 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	2 %
Total Employees			234	100 %

## Cash Fund Balance Description as of June 30, 2008

Fund Account	Balance	Type	Location
1100100	\$49,873,313	Checking/Certificates of Deposit	Multiple locations - see detail

### Statutory/Other Restrictions on use:

A.C.A. 18-28-213 states all funds shall be deposited by the administrator in a special trust fund - "Unclaimed Property Proceeds Trust Fund", from which he shall make prompt payment of claims duly allowed by him. Such funds shall be deposited in accounts of one (1) or more financial institutions authorized to do business in this State.

### Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 18-28-224 authorizes the collection of penalties and interest.

### Revenue Receipts Cycle:

Upon filing the report before November 1 of each year, the holder of property presumed abandoned shall pay, deliver, or cause to be paid or delivered to the administrator the property described.

### Fund Balance Utilization:

Once each fiscal year, the administrator shall transfer to general revenues all funds that have been collected and held for a full three (3) years, less the amount transferred to the State Central Services Fund.

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Fund Account	Balance	Type	Location
1100200	\$2,135,253	Checking/Certificates of Deposit	Multiple locations - see detail

### Statutory/Other Restrictions on use:

A.C.A. 18-28-403 states that all funds shall be deposited by the administrator in a special trust fund - "Abandoned Mineral Proceeds Trust Fund", from which he shall make prompt payment of claims duly allowed by him. Such funds shall be deposited into accounts of one (1) or more financial institutions authorized to do business in this state.

### Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 18-28-402 section (d) states any holder violating this section shall be guilty of a misdemeanor and shall be subject to a fine not to exceed \$1,000 each violation.

### Revenue Receipts Cycle:

Upon filing of the report before November 1 of each year, the holder of property presumed abandoned shall pay, deliver, or cause to be paid or delivered to the administrator the property described.

### Fund Balance Utilization:

Once each fiscal year, the administrator shall transfer to the County Aid Fund all funds that have been collected and held for a full three (3) years.



## Cash Fund Balance Description as of June 30, 2008

Fund Account	Balance	Type	Location
1100100	593,411.96	CD	Bank of Augusta
	1,584,103.22	CD	Bank of the Ozarks - Little Rock
	1,118,132.34	CD	Bank of Delight
	500,000.00	CD	Liberty Bank - Jonesboro
	1,108,859.78	CD	First State Bank - Lonoke
	1,050,061.46	CD	Farmers Bank & Trust - Magnolia
	1,050,154.44	CD	First National - Hot Springs
	1,524,568.30	CD	Bank of Trumann
	1,000,000.00	CD	Peoples Bank - Magnolia
	511,647.26	CD	Simmons - El Dorado
	3,025,001.35	CD	Twin City Bank - North Little Rock
	1,024,667.65	CD	Pinnacle Bank - Bentonville
	1,005,769.41	CD	First State Bank - Huntsville
	1,000,000.00	CD	Citizens Bank - Batesville
	1,012,228.49	CD	Chart Bank - Perryville
	1,000,000.00	CD	Bank of Fayetteville
	500,000.00	CD	First Security Bank - Conway
	2,000,000.00	CD	Simmons - Russellville
	1,000,000.00	CD	Horatio State Bank
	1,500,000.00	CD	1st National Bank - Walnut Ridge
	500,000.00	CD	The Peoples Bank - Magnolia
	1,000,000.00	CD	First Southern - Batesville
	1,000,000.00	CD	Bank of Bearden
	1,500,000.00	CD	Bank of England
	1,000,000.00	CD	Eudora Bank
	1,000,000.00	CD	First National Bank - Hope
	2,000,000.00	CD	Petit Jean - Morrilton
	500,000.00	CD	Piggott State Bank
	500,000.00	CD	Farmers & Merchants - Stuttgart
	500,000.00	CD	Bank of Eureka Springs

Fund Account	Balance	Type	Location
1100200	512,440.34	CD	First State Bank - Lonoke
	500,000.00	CD	First Community - Batesville

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
005 Operations	2,126,921	21	2,501,514	26	2,501,390	26	2,549,067	26	2,574,067	26	0	0	2,591,293	26	2,616,293	26	0	0
009 Constitutional Officers-Auditor	30,230,743	321	33,403,097	328	33,403,097	328	34,680,573	328	34,730,573	328	0	0	35,872,405	328	35,922,405	328	0	0
046 Bankhead Jones Grant	0	0	220,000	0	220,000	0	220,000	0	220,000	0	0	0	220,000	0	220,000	0	0	0
072 Federal Turnback for Roads	3,599,158	0	3,750,000	0	3,750,000	0	3,750,000	0	3,750,000	0	0	0	3,750,000	0	3,750,000	0	0	0
122 Unclaimed Property	868,900	8	1,101,301	9	1,098,301	9	1,102,392	9	1,172,632	9	0	0	1,116,050	9	1,186,290	9	0	0
123 CountyTreasurers Continuing Education	30,327	0	35,250	0	60,000	0	35,250	0	35,250	0	0	0	35,250	0	35,250	0	0	0
1EW Court Reporters-Circuit Court	8,126,230	118	9,086,881	121	9,086,881	121	9,252,526	121	9,452,526	121	0	0	9,411,882	121	9,611,882	121	0	0
1PD County Clerks Continuing Education	76,179	0	120,000	0	120,000	0	120,000	0	120,000	0	0	0	120,000	0	120,000	0	0	0
1UE Juvenile Probation & Intake Officers	2,784,846	0	3,465,000	0	3,465,000	0	3,465,000	0	3,615,000	0	0	0	3,465,000	0	3,615,000	0	0	0
1UG Deputy Prosecuting Attorneys	15,743,617	233	16,968,188	235	16,968,188	235	16,640,972	235	17,184,095	242	0	0	16,986,365	235	17,541,159	242	0	0
264 Payment of Claims-Revolving	758,812	0	775,000	0	775,000	0	775,000	0	775,000	0	0	0	775,000	0	775,000	0	0	0
305 Trial Court Admin Assistant	5,774,115	120	5,778,176	118	6,065,459	121	6,002,862	118	6,483,020	121	0	0	6,126,481	118	6,609,279	121	0	0
465 County Collectors Continuing Education	37,486	0	35,250	0	60,000	0	35,250	0	35,250	0	0	0	35,250	0	35,250	0	0	0
A04 Unclaimed Property-Cash	5,437,894	0	15,002,500	0	15,002,500	0	15,002,500	0	15,002,500	0	0	0	15,002,500	0	15,002,500	0	0	0
CS0 Payment-Unclaimed Mineral Proceeds	482,351	0	1,500,500	0	1,500,500	0	1,500,500	0	1,500,500	0	0	0	1,500,500	0	1,500,500	0	0	0
<b>Total</b>	<b>76,077,579</b>	<b>821</b>	<b>93,742,657</b>	<b>837</b>	<b>94,076,316</b>	<b>840</b>	<b>95,131,892</b>	<b>837</b>	<b>96,650,413</b>	<b>847</b>	<b>0</b>	<b>0</b>	<b>97,007,976</b>	<b>837</b>	<b>98,540,808</b>	<b>847</b>	<b>0</b>	<b>0</b>

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	33,395,849	25.6	54,567,445	37.4			52,298,062	35.5	52,298,062	35.2	0	0.0	52,027,173	34.9	52,027,173	34.6	0	0.0
Federal Revenue	4000020	3,599,158	2.8	3,970,000	2.7			3,970,000	2.7	3,970,000	2.7	0	0.0	3,970,000	2.7	3,970,000	2.6	0	0.0
Constitutional Officers Fund	4000025	30,230,743	23.1	33,403,097	22.9			34,680,573	23.6	34,730,573	23.4	0	0.0	35,872,405	24.1	35,922,405	23.9	0	0.0
State Central Services	4000035	21,524,284	16.5	24,036,003	16.5			23,757,431	16.1	24,545,794	16.5	0	0.0	24,158,708	16.2	24,958,742	16.6	0	0.0
Cash Fund	4000045	27,601,924	21.1	16,503,000	11.3			16,503,000	11.2	16,503,000	11.1	0	0.0	16,503,000	11.1	16,503,000	11.0	0	0.0
Fees	4000245	90,011	0.1	67,500	0.0			67,500	0.0	67,500	0.0	0	0.0	67,500	0.0	67,500	0.0	0	0.0
Miscellaneous Revolving	4000350	758,812	0.6	775,000	0.5			775,000	0.5	775,000	0.5	0	0.0	775,000	0.5	775,000	0.5	0	0.0
Real Estate Transfer Tax	4000403	4,108,195	3.1	3,638,937	2.5			3,518,804	2.4	3,718,804	2.5	0	0.0	3,946,049	2.6	4,146,049	2.8	0	0.0
State Administration of Justice	4000470	11,329,948	8.7	11,334,009	7.8			11,558,695	7.9	12,038,853	8.1	0	0.0	11,682,314	7.8	12,165,112	8.1	0	0.0
Transfer to County Aid	4000601	0	0.0	(2,270,014)	(1.6)			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

<b>Funding Sources</b>		<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>	
Transfer to Treasury	4000680	(1,993,900)	(1.5)	0	0.0												
		0	0.0	0	0.0												
Total Funds		130,645,024	100.0	146,024,977	100.0	147,129,065	100.0	148,647,586	100.0	0	0.0	149,002,149	100.0	150,534,981	100.0	0	0.0
Excess Appropriation/(Funding)		(54,567,445)		(52,282,320)		(51,997,173)		(51,997,173)		0		(51,994,173)		(51,994,173)		0	
Grand Total		76,077,579		93,742,657		95,131,892		96,650,413		0		97,007,976		98,540,808		0	

No Executive Recommendation made on these appropriations.

The FY09 Budget amounts for Operations (005) and Unclaimed Property (122) exceeds the authorized amounts due to salary adjustments during the 2007-2009 biennium.

Variances in fund balances are due to unfunded appropriation in County and Circuit Clerks Continuing Education (1PD)

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
1,095	779	316	1095	0	28.86 %	1,144	859	255	1114	30	24.91 %	1,144	820	324	1144	0	28.32 %

## Appropriation Summary

**Appropriation:** 005 - Operations

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,150,357	1,486,037	1,485,913	1,546,154	1,546,154	0	1,581,712	1,581,712	0
<b>#Positions</b>		<b>21</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>0</b>	<b>26</b>	<b>26</b>	<b>0</b>
Extra Help	5010001	1,380	12,713	12,713	12,713	12,713	0	12,713	12,713	0
<b>#Extra Help</b>		<b>2</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>0</b>
Personal Services Matching	5010003	336,784	411,077	411,077	423,513	423,513	0	430,181	430,181	0
Operating Expenses	5020002	516,699	534,187	534,187	534,187	534,187	0	534,187	534,187	0
Conference & Travel Expenses	5050009	5,369	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees	5060010	1,507	2,500	2,500	2,500	2,500	0	2,500	2,500	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	114,825	25,000	25,000	0	25,000	0	0	25,000	0
<b>Total</b>		<b>2,126,921</b>	<b>2,501,514</b>	<b>2,501,390</b>	<b>2,549,067</b>	<b>2,574,067</b>	<b>0</b>	<b>2,591,293</b>	<b>2,616,293</b>	<b>0</b>
<b>Funding Sources</b>										
State Central Services	4000035	2,126,921	2,501,514		2,549,067	2,574,067	0	2,591,293	2,616,293	0
<b>Total Funding</b>		<b>2,126,921</b>	<b>2,501,514</b>		<b>2,549,067</b>	<b>2,574,067</b>	<b>0</b>	<b>2,591,293</b>	<b>2,616,293</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>2,126,921</b>	<b>2,501,514</b>		<b>2,549,067</b>	<b>2,574,067</b>	<b>0</b>	<b>2,591,293</b>	<b>2,616,293</b>	<b>0</b>

No Executive Recommendation on this appropriation.

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

FY08 Actual exceeds Authorized in Capital Outlay due to a higher Authorized appropriation in FY08.

Special Language provides carry forward of appropriation for Capital Outlay. For FY09, the amount carried forward was \$35,174.

## Change Level by Appropriation

**Appropriation:** 005 - Operations  
**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,549,067</b>	<b>26</b>	<b>2,549,067</b>	<b>100.0</b>	<b>2,591,293</b>	<b>26</b>	<b>2,591,293</b>	<b>100.0</b>
C01	Existing Program	25,000	0	2,574,067	101.0	25,000	0	2,616,293	101.0
C04	Reallocation	0	0	2,574,067	101.0	0	0	2,616,293	101.0

## Appropriation Summary

**Appropriation:** 009 - Constitutional Officers-Auditor

**Funding Sources:** MCF - Constitutional Officers Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	23,945,018	26,159,874	26,159,874	27,509,936	27,509,936	0	28,513,956	28,513,956	0
<b>#Positions</b>		<b>321</b>	<b>328</b>	<b>328</b>	<b>328</b>	<b>328</b>	<b>0</b>	<b>328</b>	<b>328</b>	<b>0</b>
Personal Services Matching	5010003	5,747,363	6,543,223	6,543,223	6,470,637	6,470,637	0	6,658,449	6,658,449	0
Special/Recalled Circuit Judges	5900049	254,038	350,000	350,000	350,000	400,000	0	350,000	400,000	0
Trial Judges Expenses	5900050	284,324	350,000	350,000	350,000	350,000	0	350,000	350,000	0
<b>Total</b>		<b>30,230,743</b>	<b>33,403,097</b>	<b>33,403,097</b>	<b>34,680,573</b>	<b>34,730,573</b>	<b>0</b>	<b>35,872,405</b>	<b>35,922,405</b>	<b>0</b>
<b>Funding Sources</b>										
Constitutional Officers Fund	4000025	30,230,743	33,403,097		34,680,573	34,730,573	0	35,872,405	35,922,405	0
<b>Total Funding</b>		<b>30,230,743</b>	<b>33,403,097</b>		<b>34,680,573</b>	<b>34,730,573</b>	<b>0</b>	<b>35,872,405</b>	<b>35,922,405</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>30,230,743</b>	<b>33,403,097</b>		<b>34,680,573</b>	<b>34,730,573</b>	<b>0</b>	<b>35,872,405</b>	<b>35,922,405</b>	<b>0</b>

No Executive Recommendation on this appropriation.



## Change Level by Appropriation

**Appropriation:** 009 - Constitutional Officers-Auditor

**Funding Sources:** MCF - Constitutional Officers Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>34,680,573</b>	<b>328</b>	<b>34,680,573</b>	<b>100.0</b>	<b>35,872,405</b>	<b>328</b>	<b>35,872,405</b>	<b>100.0</b>
C01	Existing Program	50,000	0	34,730,573	100.1	50,000	0	35,922,405	100.1

**Appropriation Summary**

**Appropriation:** 046 - Bankhead Jones Grant

**Funding Sources:** FZB - Bankhead Jones Federal

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	220,000	220,000	220,000	220,000	0	220,000	220,000	0
Total	0	220,000	220,000	220,000	220,000	0	220,000	220,000	0
<b>Funding Sources</b>									
Federal Revenue 4000020	0	220,000		220,000	220,000	0	220,000	220,000	0
Total Funding	0	220,000		220,000	220,000	0	220,000	220,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	220,000		220,000	220,000	0	220,000	220,000	0

No Executive Recommendation on this appropriation.

**Appropriation Summary**

**Appropriation:** 072 - Federal Turnback for Roads

**Funding Sources:** FZF - Federal Turnback

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	3,599,158	3,750,000	3,750,000	3,750,000	3,750,000	0	3,750,000	3,750,000	0
Total		3,599,158	3,750,000	3,750,000	3,750,000	3,750,000	0	3,750,000	3,750,000	0
<b>Funding Sources</b>										
Federal Revenue	4000020	3,599,158	3,750,000		3,750,000	3,750,000	0	3,750,000	3,750,000	0
Total Funding		3,599,158	3,750,000		3,750,000	3,750,000	0	3,750,000	3,750,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,599,158	3,750,000		3,750,000	3,750,000	0	3,750,000	3,750,000	0

No Executive Recommendation on this appropriation.

## Appropriation Summary

**Appropriation:** 122 - Unclaimed Property

**Funding Sources:** HSC - State Central Services Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	388,699	479,386	476,386	500,207	500,207	0	511,711	511,711	0
<b>#Positions</b>		<b>8</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>9</b>	<b>9</b>	<b>0</b>
Personal Services Matching	5010003	116,448	134,269	134,269	139,539	139,539	0	141,693	141,693	0
Operating Expenses	5020002	332,569	431,146	431,146	431,146	476,386	0	431,146	476,386	0
Conference & Travel Expenses	5050009	5,916	11,500	11,500	11,500	11,500	0	11,500	11,500	0
Professional Fees	5060010	5,268	20,000	20,000	20,000	20,000	0	20,000	20,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	20,000	25,000	25,000	0	25,000	0	0	25,000	0
<b>Total</b>		<b>868,900</b>	<b>1,101,301</b>	<b>1,098,301</b>	<b>1,102,392</b>	<b>1,172,632</b>	<b>0</b>	<b>1,116,050</b>	<b>1,186,290</b>	<b>0</b>
<b>Funding Sources</b>										
State Central Services	4000035	868,900	1,101,301		1,102,392	1,172,632	0	1,116,050	1,186,290	0
Total Funding		868,900	1,101,301		1,102,392	1,172,632	0	1,116,050	1,186,290	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>868,900</b>	<b>1,101,301</b>		<b>1,102,392</b>	<b>1,172,632</b>	<b>0</b>	<b>1,116,050</b>	<b>1,186,290</b>	<b>0</b>

No Executive Recommendation on this appropriation.

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

## Change Level by Appropriation

**Appropriation:** 122 - Unclaimed Property  
**Funding Sources:** HSC - State Central Services Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,102,392</b>	<b>9</b>	<b>1,102,392</b>	<b>100.0</b>	<b>1,116,050</b>	<b>9</b>	<b>1,116,050</b>	<b>100.0</b>
C01	Existing Program	70,240	0	1,172,632	106.4	70,240	0	1,186,290	106.3
C04	Reallocation	0	0	1,172,632	106.4	0	0	1,186,290	106.3

**Appropriation Summary**

**Appropriation:** 123 - County Treasurers Continuing Education  
**Funding Sources:** TCE - County Treasurers Continuing Education Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	30,327	35,250	60,000	35,250	35,250	0	35,250	35,250	0
<b>Total</b>	<b>30,327</b>	<b>35,250</b>	<b>60,000</b>	<b>35,250</b>	<b>35,250</b>	<b>0</b>	<b>35,250</b>	<b>35,250</b>	<b>0</b>
<b>Funding Sources</b>									
Fund Balance 4000005	2,405	17,078		15,578	15,578	0	14,078	14,078	0
Fees 4000245	45,000	33,750		33,750	33,750	0	33,750	33,750	0
<b>Total Funding</b>	<b>47,405</b>	<b>50,828</b>		<b>49,328</b>	<b>49,328</b>	<b>0</b>	<b>47,828</b>	<b>47,828</b>	<b>0</b>
Excess Appropriation/(Funding)	(17,078)	(15,578)		(14,078)	(14,078)	0	(12,578)	(12,578)	0
<b>Grand Total</b>	<b>30,327</b>	<b>35,250</b>		<b>35,250</b>	<b>35,250</b>	<b>0</b>	<b>35,250</b>	<b>35,250</b>	<b>0</b>

No Executive Recommendation on this appropriation.

## Change Level by Appropriation

**Appropriation:** 123 - CountyTreasurers Continuing Education  
**Funding Sources:** TCE - County Treasurers Continuing Education Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>35,250</b>	<b>0</b>	<b>35,250</b>	<b>100.0</b>	<b>35,250</b>	<b>0</b>	<b>35,250</b>	<b>100.0</b>
C04	Reallocation	0	0	35,250	100.0	0	0	35,250	100.0

## Appropriation Summary

**Appropriation:** 1EW - Court Reporters-Circuit Court

**Funding Sources:** MCR - Court Reporters Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	5,466,770	6,197,397	6,197,397	6,326,167	6,326,167	0	6,460,396	6,460,396	0
<b>#Positions</b>		<b>118</b>	<b>121</b>	<b>121</b>	<b>121</b>	<b>121</b>	<b>0</b>	<b>121</b>	<b>121</b>	<b>0</b>
Personal Services Matching	5010003	1,586,308	1,764,484	1,764,484	1,801,359	1,801,359	0	1,826,486	1,826,486	0
Expense Allowance	5900046	280,925	300,000	300,000	300,000	400,000	0	300,000	400,000	0
Indigent Transcripts	5900047	502,514	550,000	550,000	550,000	600,000	0	550,000	600,000	0
Court Reporter Substitutes	5900048	289,713	275,000	275,000	275,000	325,000	0	275,000	325,000	0
<b>Total</b>		<b>8,126,230</b>	<b>9,086,881</b>	<b>9,086,881</b>	<b>9,252,526</b>	<b>9,452,526</b>	<b>0</b>	<b>9,411,882</b>	<b>9,611,882</b>	<b>0</b>
<b>Funding Sources</b>										
Fund Balance	4000005	1,072,216	2,520,014		267,889	267,889	0	0	0	0
Real Estate Transfer Tax	4000403	4,018,195	3,548,937		3,428,804	3,628,804	0	3,856,049	4,056,049	0
State Administration of Justice	4000470	5,555,833	5,555,833		5,555,833	5,555,833	0	5,555,833	5,555,833	0
Transfer to County Aid	4000601	0	(2,270,014)		0	0	0	0	0	0
<b>Total Funding</b>		<b>10,646,244</b>	<b>9,354,770</b>		<b>9,252,526</b>	<b>9,452,526</b>	<b>0</b>	<b>9,411,882</b>	<b>9,611,882</b>	<b>0</b>
Excess Appropriation/(Funding)		(2,520,014)	(267,889)		0	0	0	0	0	0
<b>Grand Total</b>		<b>8,126,230</b>	<b>9,086,881</b>		<b>9,252,526</b>	<b>9,452,526</b>	<b>0</b>	<b>9,411,882</b>	<b>9,611,882</b>	<b>0</b>

No Executive Recommendation on this appropriation.

The FY09 Budget amount in Court Reporter Substitutes exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

In FY09, a balance of \$2,270,014 was transferred from the Court Reporters Fund to the County Aid Fund due to an error resulting in a fund balance in excess of what was required to satisfy the obligations of the fund. (A.C.A. § 26-60-112(b)(2)(B)).



## Change Level by Appropriation

**Appropriation:** 1EW - Court Reporters-Circuit Court

**Funding Sources:** MCR - Court Reporters Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>9,252,526</b>	<b>121</b>	<b>9,252,526</b>	<b>100.0</b>	<b>9,411,882</b>	<b>121</b>	<b>9,411,882</b>	<b>100.0</b>
C01	Existing Program	200,000	0	9,452,526	102.2	200,000	0	9,611,882	102.1

## Appropriation Summary

**Appropriation:** 1PD - County Clerks Continuing Education

**Funding Sources:** SCC - County & Circuit Clerk Continuing Education Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Expenses for County Clerk 5900046	37,264	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Expenses for Circuit Clerks 5900047	38,915	60,000	60,000	60,000	60,000	0	60,000	60,000	0
<b>Total</b>	<b>76,179</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>0</b>	<b>120,000</b>	<b>120,000</b>	<b>0</b>
<b>Funding Sources</b>									
Fund Balance 4000005	437	14,258		0	0	0	0	0	0
Real Estate Transfer Tax 4000403	90,000	90,000		90,000	90,000	0	90,000	90,000	0
<b>Total Funding</b>	<b>90,437</b>	<b>104,258</b>		<b>90,000</b>	<b>90,000</b>	<b>0</b>	<b>90,000</b>	<b>90,000</b>	<b>0</b>
Excess Appropriation/(Funding)	(14,258)	15,742		30,000	30,000	0	30,000	30,000	0
<b>Grand Total</b>	<b>76,179</b>	<b>120,000</b>		<b>120,000</b>	<b>120,000</b>	<b>0</b>	<b>120,000</b>	<b>120,000</b>	<b>0</b>

No Executive Recommendation on this appropriation.

## Appropriation Summary

**Appropriation:** 1UE - Juvenile Probation & Intake Officers

**Funding Sources:** HSC - State Central Services Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Juvenile Prob & Intake Officers 5900046	2,784,846	3,465,000	3,465,000	3,465,000	3,615,000	0	3,465,000	3,615,000	0
<b>Total</b>	<b>2,784,846</b>	<b>3,465,000</b>	<b>3,465,000</b>	<b>3,465,000</b>	<b>3,615,000</b>	<b>0</b>	<b>3,465,000</b>	<b>3,615,000</b>	<b>0</b>
<b>Funding Sources</b>									
State Central Services 4000035	2,784,846	3,465,000		3,465,000	3,615,000	0	3,465,000	3,615,000	0
<b>Total Funding</b>	<b>2,784,846</b>	<b>3,465,000</b>		<b>3,465,000</b>	<b>3,615,000</b>	<b>0</b>	<b>3,465,000</b>	<b>3,615,000</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>2,784,846</b>	<b>3,465,000</b>		<b>3,465,000</b>	<b>3,615,000</b>	<b>0</b>	<b>3,465,000</b>	<b>3,615,000</b>	<b>0</b>

No Executive Recommendation on this appropriation.

## Change Level by Appropriation

**Appropriation:** 1UE - Juvenile Probation & Intake Officers

**Funding Sources:** HSC - State Central Services Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,465,000</b>	<b>0</b>	<b>3,465,000</b>	<b>100.0</b>	<b>3,465,000</b>	<b>0</b>	<b>3,465,000</b>	<b>100.0</b>
C01	Existing Program	150,000	0	3,615,000	104.3	150,000	0	3,615,000	104.3

## Appropriation Summary

**Appropriation:** 1UG - Deputy Prosecuting Attorneys

**Funding Sources:** HSC - State Central Services Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	12,296,786	13,025,683	13,025,683	13,003,430	13,430,842	0	13,294,361	13,731,604	0
<b>#Positions</b>		<b>233</b>	<b>235</b>	<b>235</b>	<b>235</b>	<b>242</b>	<b>0</b>	<b>235</b>	<b>242</b>	<b>0</b>
Personal Services Matching	5010003	3,442,031	3,937,705	3,937,705	3,632,742	3,748,453	0	3,687,204	3,804,755	0
Special Deputy Exp Allowance	5900046	4,800	4,800	4,800	4,800	4,800	0	4,800	4,800	0
<b>Total</b>		<b>15,743,617</b>	<b>16,968,188</b>	<b>16,968,188</b>	<b>16,640,972</b>	<b>17,184,095</b>	<b>0</b>	<b>16,986,365</b>	<b>17,541,159</b>	<b>0</b>
<b>Funding Sources</b>										
State Central Services	4000035	15,743,617	16,968,188		16,640,972	17,184,095	0	16,986,365	17,541,159	0
<b>Total Funding</b>		<b>15,743,617</b>	<b>16,968,188</b>		<b>16,640,972</b>	<b>17,184,095</b>	<b>0</b>	<b>16,986,365</b>	<b>17,541,159</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>15,743,617</b>	<b>16,968,188</b>		<b>16,640,972</b>	<b>17,184,095</b>	<b>0</b>	<b>16,986,365</b>	<b>17,541,159</b>	<b>0</b>

No Executive Recommendation on this appropriation.

## Change Level by Appropriation

**Appropriation:** 1UG - Deputy Prosecuting Attorneys  
**Funding Sources:** HSC - State Central Services Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>16,640,972</b>	<b>235</b>	<b>16,640,972</b>	<b>100.0</b>	<b>16,986,365</b>	<b>235</b>	<b>16,986,365</b>	<b>100.0</b>
C01	Existing Program	543,123	7	17,184,095	103.3	554,794	7	17,541,159	103.3

## Appropriation Summary

**Appropriation:** 264 - Payment of Claims-Revolving

**Funding Sources:** MTA - Miscellaneous Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Claims 5110015	758,812	775,000	775,000	775,000	775,000	0	775,000	775,000	0
<b>Total</b>	<b>758,812</b>	<b>775,000</b>	<b>775,000</b>	<b>775,000</b>	<b>775,000</b>	<b>0</b>	<b>775,000</b>	<b>775,000</b>	<b>0</b>
<b>Funding Sources</b>									
Miscellaneous Revolving 4000350	758,812	775,000		775,000	775,000	0	775,000	775,000	0
<b>Total Funding</b>	<b>758,812</b>	<b>775,000</b>		<b>775,000</b>	<b>775,000</b>	<b>0</b>	<b>775,000</b>	<b>775,000</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>758,812</b>	<b>775,000</b>		<b>775,000</b>	<b>775,000</b>	<b>0</b>	<b>775,000</b>	<b>775,000</b>	<b>0</b>

No Executive Recommendation on this appropriation.

## Appropriation Summary

**Appropriation:** 305 - Trial Court Admin Assistant  
**Funding Sources:** TAJ - State Administration of Justice Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	4,295,154	4,450,828	4,332,472	4,549,412	4,646,159	0	4,653,538	4,752,508	0
<b>#Positions</b>		<b>120</b>	<b>118</b>	<b>121</b>	<b>118</b>	<b>121</b>	<b>0</b>	<b>118</b>	<b>121</b>	<b>0</b>
Personal Services Matching	5010003	1,364,861	1,327,348	1,382,987	1,453,450	1,486,861	0	1,472,943	1,506,771	0
Operating Expenses	5020002	25,569	0	225,000	0	225,000	0	0	225,000	0
Trial Court Staff Substitutes	5900046	88,531	0	125,000	0	125,000	0	0	125,000	0
<b>Total</b>		<b>5,774,115</b>	<b>5,778,176</b>	<b>6,065,459</b>	<b>6,002,862</b>	<b>6,483,020</b>	<b>0</b>	<b>6,126,481</b>	<b>6,609,279</b>	<b>0</b>
<b>Funding Sources</b>										
State Administration of Justice	4000470	5,774,115	5,778,176		6,002,862	6,483,020	0	6,126,481	6,609,279	0
<b>Total Funding</b>		<b>5,774,115</b>	<b>5,778,176</b>		<b>6,002,862</b>	<b>6,483,020</b>	<b>0</b>	<b>6,126,481</b>	<b>6,609,279</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>5,774,115</b>	<b>5,778,176</b>		<b>6,002,862</b>	<b>6,483,020</b>	<b>0</b>	<b>6,126,481</b>	<b>6,609,279</b>	<b>0</b>

No Executive Recommendation on this appropriation.

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.



## Change Level by Appropriation

**Appropriation:** 305 - Trial Court Admin Assistant  
**Funding Sources:** TAJ - State Administration of Justice Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>6,002,862</b>	<b>118</b>	<b>6,002,862</b>	<b>100.0</b>	<b>6,126,481</b>	<b>118</b>	<b>6,126,481</b>	<b>100.0</b>
C01	Existing Program	350,000	0	6,352,862	105.8	350,000	0	6,476,481	105.7
C06	Restore Position/Approp	130,158	3	6,483,020	108.0	132,798	3	6,609,279	107.9

**Appropriation Summary**

**Appropriation:** 465 - County Collectors Continuing Education  
**Funding Sources:** TCC - County Collectors Continuing Education Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	37,486	35,250	60,000	35,250	35,250	0	35,250	35,250	0
Total	37,486	35,250	60,000	35,250	35,250	0	35,250	35,250	0
<b>Funding Sources</b>									
Fund Balance 4000005	4	7,529		6,029	6,029	0	4,529	4,529	0
Fees 4000245	45,011	33,750		33,750	33,750	0	33,750	33,750	0
Total Funding	45,015	41,279		39,779	39,779	0	38,279	38,279	0
Excess Appropriation/(Funding)	(7,529)	(6,029)		(4,529)	(4,529)	0	(3,029)	(3,029)	0
Grand Total	37,486	35,250		35,250	35,250	0	35,250	35,250	0

No Executive Recommendation on this appropriation.

## Change Level by Appropriation

**Appropriation:** 465 - County Collectors Continuing Education  
**Funding Sources:** TCC - County Collectors Continuing Education Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>35,250</b>	<b>0</b>	<b>35,250</b>	<b>100.0</b>	<b>35,250</b>	<b>0</b>	<b>35,250</b>	<b>100.0</b>
C04	Reallocation	0	0	35,250	100.0	0	0	35,250	100.0

## Appropriation Summary

**Appropriation:** A04 - Unclaimed Property-Cash

**Funding Sources:** 110 - State Auditor Cash

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,945	2,500	2,500	2,500	2,500	0	2,500	2,500	0
Claims	5110015	5,435,949	15,000,000	15,000,000	15,000,000	15,000,000	0	15,000,000	15,000,000	0
<b>Total</b>		<b>5,437,894</b>	<b>15,002,500</b>	<b>15,002,500</b>	<b>15,002,500</b>	<b>15,002,500</b>	<b>0</b>	<b>15,002,500</b>	<b>15,002,500</b>	<b>0</b>
<b>Funding Sources</b>										
Fund Balance	4000005	30,798,026	49,873,313		49,873,313	49,873,313	0	49,873,313	49,873,313	0
Cash Fund	4000045	25,382,081	15,002,500		15,002,500	15,002,500	0	15,002,500	15,002,500	0
Transfer to Treasury	4000680	(868,900)	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>55,311,207</b>	<b>64,875,813</b>		<b>64,875,813</b>	<b>64,875,813</b>	<b>0</b>	<b>64,875,813</b>	<b>64,875,813</b>	<b>0</b>
Excess Appropriation/(Funding)		(49,873,313)	(49,873,313)		(49,873,313)	(49,873,313)	0	(49,873,313)	(49,873,313)	0
<b>Grand Total</b>		<b>5,437,894</b>	<b>15,002,500</b>		<b>15,002,500</b>	<b>15,002,500</b>	<b>0</b>	<b>15,002,500</b>	<b>15,002,500</b>	<b>0</b>

No Executive Recommendation on this appropriation.

Ending fund balance for FY09 is overstated due to the fund transfer to Treasury for Unclaimed Property held for 3 years pursuant to A.C.A. §18-28-213.

## Appropriation Summary

**Appropriation:** C50 - Payment-Unclaimed Mineral Proceeds

**Funding Sources:** 110 - State Auditor Cash

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	500	500	500	500	0	500	500	0
Claims	5110015	482,351	1,500,000	1,500,000	1,500,000	1,500,000	0	1,500,000	1,500,000	0
<b>Total</b>		<b>482,351</b>	<b>1,500,500</b>	<b>1,500,500</b>	<b>1,500,500</b>	<b>1,500,500</b>	<b>0</b>	<b>1,500,500</b>	<b>1,500,500</b>	<b>0</b>
<b>Funding Sources</b>										
Fund Balance	4000005	1,522,761	2,135,253		2,135,253	2,135,253	0	2,135,253	2,135,253	0
Cash Fund	4000045	2,219,843	1,500,500		1,500,500	1,500,500	0	1,500,500	1,500,500	0
Transfer to Treasury	4000680	(1,125,000)	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>2,617,604</b>	<b>3,635,753</b>		<b>3,635,753</b>	<b>3,635,753</b>	<b>0</b>	<b>3,635,753</b>	<b>3,635,753</b>	<b>0</b>
Excess Appropriation/(Funding)		(2,135,253)	(2,135,253)		(2,135,253)	(2,135,253)	0	(2,135,253)	(2,135,253)	0
<b>Grand Total</b>		<b>482,351</b>	<b>1,500,500</b>		<b>1,500,500</b>	<b>1,500,500</b>	<b>0</b>	<b>1,500,500</b>	<b>1,500,500</b>	<b>0</b>

No Executive Recommendation on this appropriation.

Ending fund balance for FY09 is overstated due to the fund transfer to Treasury for Mineral Proceeds held pursuant to A.C.A. §18-28-403.

# DEPARTMENT OF COMMUNITY CORRECTION

## Enabling Laws

Act 1286 of 2007

Act 531 and 548 of 1993

A.C.A. §12-27-124 and A.C.A. §12-27-125

## History and Organization

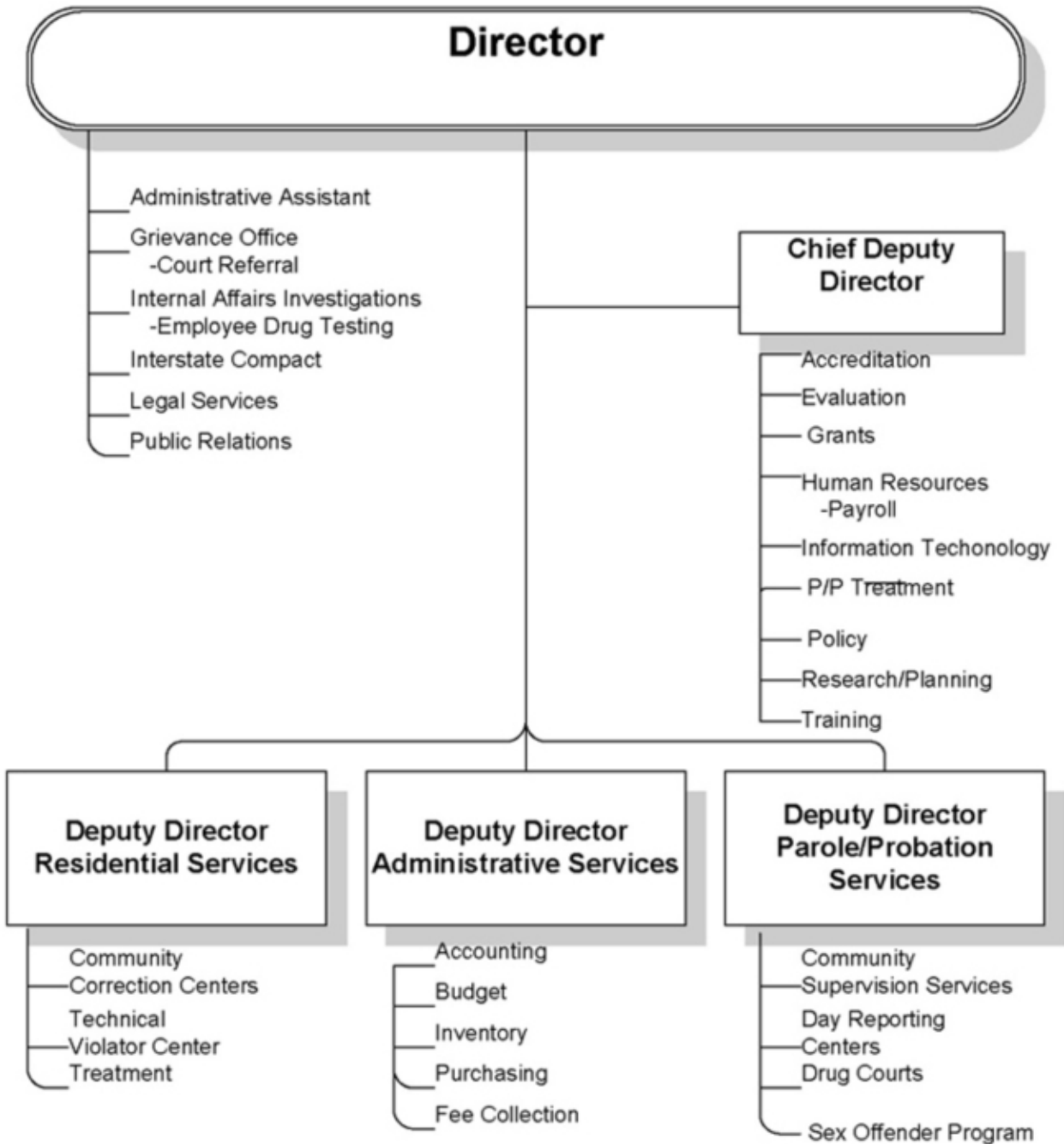
The Department of Community Punishment (DCP) was established during the 79th General Assembly by Act 549 of 1993. This combined the Board of Correction and the Adult Probation Commission into the Board of Correction and Community Punishment to oversee correctional facilities and programs in the State. The mission statement of the Board of Correction and Community Punishment is "Fulfill the mandates of the court through the use of confinement, treatment, and supervision in a safe and humane manner, while providing offenders the opportunity for positive change, thus contributing to public safety." Acts 531 and 548 of 1993 (Community Punishment Act) promote alternatives to traditional prisons by offering a well - rounded approach to community corrections through the use of supervision, facilities and programs for low-risk offenders. The Department of Community Punishment is now the state department responsible for adult probation and parole services and community residential facilities for non-violent offenders. In 2001, legislation passed that changed the name of the DCP to the Department of Community Correction (DCC) to better reflect the mission statement of the Department: "To promote public safety and a crime-free lifestyle by providing cost effective community-based sanctions, and enforcing State laws and court mandates in the supervision and treatment of adult offenders."

Some of the programs of the Department include community supervision and work programs, economic sanctions, electronic monitoring and tracking, community service, restitution, substance abuse treatment, educational and vocational programs, job skills, life skills training programs, day reporting, drug courts and technical violator programs. To be admitted to a community correction center, one must have either a suspended imposition of sentence, probation, judicial transfer or technical violation.

The Agency uses a modified therapeutic community in the residential centers. The concept incorporates a level system to resocialize residents using behavior modification, cognitive restructuring (including criminal thinking), resident education, an experimental environment 24 hours a day, seven days a week. Other components of this model include positive peer pressure, specialized programming, privileges, consequences, and staff role modeling. Residents are trained to handle specific functions, including food service, maintenance, laundry, and gardening at each facility.

The DCC has 1393 appropriated positions. The organizational structure of the Agency includes a Director, a Chief Deputy Director, a Deputy Director of Residential Services, a Deputy Director of Probation and Parole services, and a Deputy Director of Administrative Services. The Director oversees the agency operation and directly supervises the deputies, staff attorney, public relations officer, interstate compact, and internal investigations. The Chief Deputy Director is responsible for the training, information technology systems, payroll & personnel, research and evaluation, accreditation, grant administration, and probation/parole treatment programs. The Deputy Director of Residential Services oversees the operations of the five community correction centers and one technical violator facility.

These residential facilities have a total bed capacity of 1615. The Deputy Director of Probation and Parole Services supervises the statewide operation of probation and parole services. There are approximately 50,329 offenders supervised by Probation/Parole Services staff in 50 offices statewide. The Deputy Director of Administrative Services oversees budget, accounting, centralized fee collections, inventory, leasing, and purchasing.



## **Agency Commentary**

Arkansas Department of Community Correction (DCC) is responsible for the administration and operation of residential community correction facilities, and supervision of adult offenders placed on probation and parole. DCC also provides outpatient substance abuse counseling services and/or education referrals to aide offenders in the rehabilitation process and provide appropriate alternatives to transitional prison for criminal behavior.

**The Arkansas Department of Community Correction Mission Statement:** "To promote public safety and a crime-free lifestyle by providing cost-effective community-based sanctions, and enforcing State laws and court mandates in the supervision and treatment of adult offenders."

The DCC Director reports directly to the Board of Corrections and is responsible for the Agency's operation and mission. The Chief Deputy Director oversees and directs the activities of human resources, information technology, research/planning, policy development, probation/parole treatment, training, accreditation/evaluation, grant writing and administration, and management of the Agency in the Director's absence.

DCC has developed the following Agency goals and programs:

1. Residential Services;
2. Probation and Parole Community Supervision; and
3. Administration and Support

The budget request conforms to these goals:

Goal 1: To provide appropriate and effective supervision and treatment offenders in the community.

Goal 2: To provide for the confinement, care, control and treatment of offenders sentenced to or confined in community correction centers in an adequate, safe and secure environment.

Goal 3: To develop and implement sanctions, traditional and faith-based programs, and services needed to function within the scope of the mission.

Goal 4: To improve staff recruiting, retention and efforts.

The operating appropriations provide for administrative and executive staff, security staff, probation/parole officers, treatment programs, general maintenance, and replacement of aged equipment, inflationary operational costs of existing programs and facilities.

**Department of Community Correction State Operations - GENERAL REVENUE** -General Revenue funded Change Level requests total \$19,327,381 for FY10 and \$17,744,140 for FY11. These requests are summarized as follows:

### **RESIDENTIAL SERVICES PROGRAM:**

**Corrections Medical Service (CMS)** - The request includes the increased cost of the medical contract



for the biennium and risk pool funding for FY2010. Due to the escalating cost of maintaining the "risk pool" to cover offsite, and contracted health cost, the Board of Corrections instructed DCC and ADC to negotiate with CMS to produce a new pricing model, and for CMS to assume full financial responsibility for all offsite and contracted services. The FY10 per diem proposed is \$313.66 per day per inmates housed at a DCC Units and \$345.03 for FY11.

**Restore 29 positions** - In FY09, due to funding restrictions, several positions were not budgeted. The breakdown of these 29 security officers at all the centers is as follows: 3-Southeast Center-Pine Bluff; 2-Southwest Center-Texarkana; 1-Central Center-Little Rock; 3-Northeast Center-Osceola; 14-Northwest Center-Fayetteville; and 6-Omega Technical Violator-Malvern.

The staffing at each center was at the minimal level to ensure security and provision of required services to residents. The reduction of these positions has created a safety issue for the staff and residents. Restoring the staff for the Northwest Center would enable the Center to operate back at its full capacity of 172 beds.

**Maintenance and Operation** - Keeping within the Governor's directive, DCC request is for only the necessary inflationary cost of utilities, fuel, and food; all of the centers have seen significant increases in these areas. The agency request that the Northwest Center be brought up to capacity which will require funding for the operation of this center.

**New/Replacement Equipment** - The centers located in Texarkana and Pine Bluff are over 58 years old. Subsequently, they experience problems with roof repairs, waterlines, fire alarm systems, heating and air units, boilers, kitchen/laundry equipment, and general maintenance issues. The other facilities also are in need of an increase in their general maintenance to ensure the safety and security of the residents and employees, as well as, meet all required city and state codes. All of the centers are accredited and in order to keep the accreditation the building and grounds must be maintained within the guidelines specified by the American Correctional Association (ACA).

This request includes the replacement of vehicles that have high mileage, aged and/or require excessive maintenance. These vehicles are used at the centers for transportation, maintenance and community service.

## **PROBATION/PAROLE COMMUNITY SUPERVISION PROGRAMS**

**Restore 80 parole/probation officer positions** - These positions were not budgeted in FY09 due to funding. Parole/Probation caseloads have increased over 10,000 offenders in the past 5 years. Sixty parole/probation officer positions were recommended by the Governor in the previous biennium. These positions are critical to return caseloads to a manageable level, thus ensuring greater safety and security of the general public.

**Maintenance and Operation** - Fuel costs for the 2007-09 biennium were budgeted @ \$2.50 per gallon. The current fuel cost is approximately \$4.00 per gallon with a projected increase to \$5.00 per gallon. Also, utilities, rent of office space (annual % increases for existing offices and expansion of Drug Courts) continue to rise with the other inflationary cost. Vehicles are critical to parole/probation officers performing essential functions of their jobs, e.g. making arrests, home/community visits, locating absconders, monitoring offender activity, and transporting offenders. The request includes replacement of 68 vehicles that are aged, have high mileage and/or excessive maintenance.

**Drug Court** - Since 2004, drug court caseloads have more than doubled (to approximately 1,700.) The request is to accommodate the continued rapid growth rate. The Agency is requesting thirty-seven (37) new positions to staff expansion of existing drug courts that have exceeded capacity, and establish nine (9) additional drug courts. The new drug courts will be located in Mtn. View, Melbourne, Marshall, Clinton, Salem, Ash Flat, Osceola, Hamburg and McGhee. The request includes funding for maintenance/operation, and purchase of vehicles for the requested drug court positions.

The Agency is also requesting restoration of the \$3,000,000.00 (\$1,500,000.00 each fiscal year) that was reduced from the treatment funding due to FY09 funding reductions, and an increase of \$500,000.00 to accommodate the growth of the drug court population.

**Transitional Housing** - During the 85th General Assembly, legislation was passed requiring facilities that house one or more offenders to be licensed by DCC. In the 86th General Assembly, special language was added to the DCC appropriation Act 1286 of 2007, Section 15, requiring DCC to spend \$1,500,000.00 each year respectfully for transitional housing to relieve some of the prison overcrowding. Funding is requested in the amount stated in the special language for each year of the biennium to ensure compliance.

**Sex Offender Program** - Restore 13 positions that were not budgeted due to the FY09 budget reduction. The DCC is currently supervising over 2,250 sex offenders. Of that number, approximately 1,100 are level 3 and 4 (considered the most serious sex offenders). There are another 2,462 sex offenders in custody of Arkansas Department of Correction (ADC), subject to release to DCC. Of that number, 916 are past their parole or transfer eligibility dates. Act 4 of the First Extraordinary Session of 2006 requires global positioning satellite (GPS) of serious and violent sex offenders. This request includes \$500,000.00 for GPS monitoring and \$44,500.00 for maintenance of the sex offender victim notification system for each year of the biennium. The victim notification system is DCC's portion in cooperative development with ACIC and ADC.

## **ADMINISTRATION & SUPPORT PROGRAMS**

**TECHNOLOGY PROGRAM** - Request the restoration of the ADC/DCC Program Specialist position. DCC has approximately 1,100 computers with over 400 being 6-9 years old. The IT plan requires computer replacement on a 3 year cycle to ensure continuance of mission critical functions (electronic Offender Management Information System and AASIS). A senior program analyst position was blocked in the FY09 budget reduction, this position is needed to assist with the network administration, hardware maintenance, comply with state technology standards, project management, agency automation, and resolve user issues.

This request includes funding to restore the senior program analyst position, and to replace approximately 200 aged computers each year of the biennium.

**SPECIAL REVENUE 2GH** - The Agency is requesting \$549,462 appropriation for Capital Outlay each year of the biennium in order to purchase replacement vehicles and kitchen/laundry equipment.

**County Jail Reimbursement 2GK** - DCC paid approximately \$1.7 million to county jails for offenders waiting in local jails for bed space in a DCC correctional center. The Agency is requesting \$1 million in unfunded appropriation for the county jail reimbursement to provide reimbursement to the county jails at a rate determined by the Chief Fiscal Officer of the State. DCC and ADC share this fund. Use of this unfunded appropriation is contingent upon the availability of funds.

## SPECIAL LANGUAGE

Continuation of current special language is requested with appropriate date revisions and deletions/additions as follows:

- Deletion of Special Language in Act 1286, Section 8 - Appropriation for the Sixteenth Judicial District Drug Court in the amount of \$350,000.00 from the Drug Forfeiture Fund. This court expense is requested in the Operating Expenses request for the Drug Courts.
- New Special Language to assist in the recruitment and retention of Probation/Parole Officers, and Correctional Officers by allowing for payment of a bonus based upon years of service.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF COMMUNITY CORRECTION  
  
FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

## Performance Audit Findings

Drug Court Programs – Arkansas Administrative Office of the Courts and  
Arkansas Department of Community Correction  
(July 1, 2007 – December 31, 2007) - Issued 05-09-2008

### Findings and Conclusions:

- Participant fees are not collected in a uniform manner.
- Remaining participant user fees are to be deposited in the MAGNUM Drug Court Fund. Because of a lack of clarity in the Arkansas Code, no such deposits have been made to date.
- Act 1022 of 2007 excludes defendants with pending charge or conviction for a violent felony offense from drug court programs. However, Arkansas Code does not provide a definition of a violent felony offense specific to the drug court statute.

### Recommendations:

- The General Assembly consider revising the Arkansas code to require all funds collected relating to drug court programs (excluding payments to the Department of Community Correction) be deposited in county treasury accounts and follow established county procedures for collecting, receipting, and expending funds.
- Define remaining funds and determine when deposits are required to be made into the MAGNUM Drug Court.
- The General Assembly consider revising Arkansas Code to define violent felony offense.

## Employment Summary

	Male	Female	Total	%	
White Employees	338	417	755	62 %	
Black Employees	115	336	451	37 %	
Other Racial Minorities	1	8	9	1 %	
			Total Minorities	460	38 %
			Total Employees	1,215	100 %

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Administrative Regulations	ACA §25-15-204	N	Y	178	To comply with the Administrative Procedures Act; Provide guidance to staff and offenders under Agency jurisdiction; and to accommodate any public request.
DCC Annual Report	ACA §12-27-125 ACA § 12-27-126 ACA §13-2-212	N	N	178	To provide report of progress toward the agency mission; also to comply with statute governing State & Local Government Publications Clearinghouse to the State Library.

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1BA Community Correction - Federal	280,933	0	4,137,882	0	4,219,549	0	4,137,882	0	4,137,882	0	4,137,882	0	4,137,882	0	4,137,882	0	4,137,882	0
1BR Residents Cash Treasury	853,255	0	1,882,024	0	1,882,024	0	1,882,024	0	1,882,024	0	1,882,024	0	1,882,024	0	1,882,024	0	1,882,024	0
2GH Community Correction-Special	4,128,215	5	10,630,763	118	10,470,791	118	10,765,914	118	11,315,376	118	11,315,376	118	10,883,247	118	11,432,709	118	11,432,709	118
2GK County Jail Reimbursement	1,703,128	0	2,000,000	0	4,059,568	0	2,000,000	0	3,000,000	0	3,000,000	0	2,000,000	0	3,000,000	0	3,000,000	0
510 Community Correction - State	68,825,043	1,370	63,827,855	1,152	72,907,624	1,275	68,043,129	1,152	87,370,510	1,312	77,337,027	1,269	69,050,726	1,152	86,794,866	1,312	78,728,412	1,269
<b>Total</b>	<b>75,790,574</b>	<b>1,375</b>	<b>82,478,524</b>	<b>1,270</b>	<b>93,539,556</b>	<b>1,393</b>	<b>86,828,949</b>	<b>1,270</b>	<b>107,705,792</b>	<b>1,430</b>	<b>97,672,309</b>	<b>1,387</b>	<b>87,953,879</b>	<b>1,270</b>	<b>107,247,481</b>	<b>1,430</b>	<b>99,181,027</b>	<b>1,387</b>

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	9,779,803	10.8	14,492,689	15.6	10,429,395	11.2	10,429,395	9.3	10,429,395	10.4	6,003,650	6.7	6,003,650	5.6	6,003,650	6.1
General Revenue	4000010	70,300,648	77.9	65,065,004	70.0	69,541,483	74.9	88,868,864	78.8	76,141,483	76.2	70,549,080	78.7	88,293,220	81.8	79,349,080	80.1
Federal Revenue	4000020	280,933	0.3	4,137,882	4.5	4,137,882	4.5	4,137,882	3.7	4,137,882	4.1	4,137,882	4.6	4,137,882	3.8	4,137,882	4.2
Special Revenue	4000030	8,430,050	9.3	7,088,842	7.6	6,726,338	7.2	7,275,800	6.5	7,275,800	7.3	6,726,338	7.5	7,275,800	6.7	7,275,800	7.3
Cash Fund	4000045	1,469,086	1.6	1,862,297	2.0	1,997,501	2.2	1,997,501	1.8	1,997,501	2.0	2,270,286	2.5	2,270,286	2.1	2,270,286	2.3
Merit Adjustment Fund	4000055	0	0.0	261,205	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer 20% Asset Forfeiture	4000500	22,743	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Funds</b>		<b>90,283,263</b>	<b>100.0</b>	<b>92,907,919</b>	<b>100.0</b>	<b>92,832,599</b>	<b>100.0</b>	<b>112,709,442</b>	<b>100.0</b>	<b>99,982,061</b>	<b>100.0</b>	<b>89,687,236</b>	<b>100.0</b>	<b>107,980,838</b>	<b>100.0</b>	<b>99,036,698</b>	<b>100.0</b>
Excess Appropriation/(Funding)		(14,492,689)		(10,429,395)		(6,003,650)		(5,003,650)		(2,309,752)		(1,733,357)		(733,357)		144,329	
<b>Grand Total</b>		<b>75,790,574</b>		<b>82,478,524</b>		<b>86,828,949</b>		<b>107,705,792</b>		<b>97,672,309</b>		<b>87,953,879</b>		<b>107,247,481</b>		<b>99,181,027</b>	

The FY09 Budget amount in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium. Variance in fund balances are due to unfunded appropriation.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
1,200	1112	88	1200	0	7.33 %	1,393	1258	117	1375	18	9.69 %	1,393	1215	55	1270	123	12.78 %

## **Analysis of Budget Request**

**Appropriation:** 1BA - Community Correction - Federal

**Funding Sources:** FPF - Federal Fund

This appropriation is funded by federal funds and provides support for several Federal Grant Programs. The Programs are for Offender Substance Abuse Rehabilitation Treatment, Drug Court, Serious and Violent Offenders, Transitional Housing and preparation for release from incarceration with follow up.

The Base Level is \$4,137,882 each year and represents the Agency Request.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 1BA - Community Correction - Federal

**Funding Sources:** PPF - Federal Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	64,422	0	0	0	0	0	0
<b>#Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personal Services Matching 5010003	0	0	17,245	0	0	0	0	0	0
Operating Expenses 5020002	26,687	206,270	206,270	206,270	206,270	206,270	206,270	206,270	206,270
Conference & Travel Expenses 5050009	0	74,415	74,415	74,415	74,415	74,415	74,415	74,415	74,415
Professional Fees 5060010	254,246	3,210,386	3,210,386	3,210,386	3,210,386	3,210,386	3,210,386	3,210,386	3,210,386
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	0	646,811	646,811	646,811	646,811	646,811	646,811	646,811	646,811
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>280,933</b>	<b>4,137,882</b>	<b>4,219,549</b>	<b>4,137,882</b>	<b>4,137,882</b>	<b>4,137,882</b>	<b>4,137,882</b>	<b>4,137,882</b>	<b>4,137,882</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	280,933	4,137,882		4,137,882	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882
Total Funding	280,933	4,137,882		4,137,882	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>280,933</b>	<b>4,137,882</b>		<b>4,137,882</b>	<b>4,137,882</b>	<b>4,137,882</b>	<b>4,137,882</b>	<b>4,137,882</b>	<b>4,137,882</b>

No Authorized position reflected for Regular Salary and Personal Service Match due to a position previously budgeted for a grant that has ended.



## **Analysis of Budget Request**

**Appropriation:** 1BR - Residents Cash Treasury

**Funding Sources:** NCC - Cash in Treasury

The Residential Services appropriation provides for the operation of the Community Correction Facilities Commissaries. These are self-supporting operations in which residents can purchase various commissary supplies and snack foods in the Department's various centers. This appropriation also utilizes the proceeds from the coin-less telephone program in which the Agency receives partial reimbursement from the telephone company for phone calls made by the residents. The proceeds are used to purchase items of mutual benefit to all residents. The appropriation is also used for inmate assistance projects, security equipment, long term needs and general operations.

Base Level is \$1,882,024 each year and represents the Agency Request.

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

## Appropriation Summary

**Appropriation:** 1BR - Residents Cash Treasury

**Funding Sources:** NCC - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Operating Expenses	5020002	853,255	1,717,354	1,717,354	1,717,354	1,717,354	1,717,354	1,717,354	1,717,354	1,717,354
Conference & Travel Expenses	5050009	0	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870
Professional Fees	5060010	0	101,800	101,800	101,800	101,800	101,800	101,800	101,800	101,800
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>853,255</b>	<b>1,882,024</b>	<b>1,882,024</b>	<b>1,882,024</b>	<b>1,882,024</b>	<b>1,882,024</b>	<b>1,882,024</b>	<b>1,882,024</b>	<b>1,882,024</b>
<b>Funding Sources</b>										
Fund Balance	4000005	859,496	1,270,547		749,174	749,174	749,174	363,005	363,005	363,005
Cash Fund	4000045	1,264,306	1,360,651		1,495,855	1,495,855	1,495,855	1,768,640	1,768,640	1,768,640
<b>Total Funding</b>		<b>2,123,802</b>	<b>2,631,198</b>		<b>2,245,029</b>	<b>2,245,029</b>	<b>2,245,029</b>	<b>2,131,645</b>	<b>2,131,645</b>	<b>2,131,645</b>
Excess Appropriation/(Funding)		(1,270,547)	(749,174)		(363,005)	(363,005)	(363,005)	(249,621)	(249,621)	(249,621)
<b>Grand Total</b>		<b>853,255</b>	<b>1,882,024</b>		<b>1,882,024</b>	<b>1,882,024</b>	<b>1,882,024</b>	<b>1,882,024</b>	<b>1,882,024</b>	<b>1,882,024</b>

## **Analysis of Budget Request**

**Appropriation:** 2GH - Community Correction-Special

**Funding Sources:** SPF - Community Correction Revolving Fund

The Department of Community Correction is responsible for adult probation and parole services. This appropriation is utilized to support these services as well as special programs primarily for alcohol and drug and mental health treatment. The fees also provide for safety equipment, vehicles, and drug testing supplies. The special revenue supporting this appropriation includes fees and sanctions levied by the courts or authorized by the Board of Corrections and paid by offenders. The probation/parole fee is \$25 each month.

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

The Base Level is \$10,765,914 in FY10 and \$10,883,247 in FY11.

The Agency requests a Change Level of \$549,462 each year in Capital Outlay for the replacement of older high mileage vehicles and replaces some equipment. Vehicles are assigned to probation/parole supervision officers and counselors who are required to travel to conduct daily home and worksite visits. Several of the vehicles are used in transporting offenders.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 2GH - Community Correction-Special  
**Funding Sources:** SPF - Community Correction Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	148,418	3,869,782	3,714,743	4,203,052	4,203,052	4,203,052	4,301,249	4,301,249	4,301,249
<b>#Positions</b>		<b>5</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>
Personal Services Matching	5010003	36,018	1,244,364	1,239,431	1,420,976	1,420,976	1,420,976	1,440,112	1,440,112	1,440,112
Operating Expenses	5020002	150,695	153,417	153,417	153,417	153,417	153,417	153,417	153,417	153,417
Conference & Travel Expenses	5050009	0	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
Capital Outlay	5120011	680,719	374,731	374,731	0	549,462	549,462	0	549,462	549,462
War Memorial Stadium Comm	5900046	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Community Correction Prog	5900047	3,102,365	4,977,469	4,977,469	4,977,469	4,977,469	4,977,469	4,977,469	4,977,469	4,977,469
<b>Total</b>		<b>4,128,215</b>	<b>10,630,763</b>	<b>10,470,791</b>	<b>10,765,914</b>	<b>11,315,376</b>	<b>11,315,376</b>	<b>10,883,247</b>	<b>11,432,709</b>	<b>11,432,709</b>

Funding Sources										
Fund Balance	4000005	8,920,307	13,222,142		9,680,221	9,680,221	9,680,221	5,640,645	5,640,645	5,640,645
Special Revenue	4000030	8,430,050	7,088,842		6,726,338	7,275,800	7,275,800	6,726,338	7,275,800	7,275,800
Total Funding		17,350,357	20,310,984		16,406,559	16,956,021	16,956,021	12,366,983	12,916,445	12,916,445
Excess Appropriation/(Funding)		(13,222,142)	(9,680,221)		(5,640,645)	(5,640,645)	(5,640,645)	(1,483,736)	(1,483,736)	(1,483,736)
<b>Grand Total</b>		<b>4,128,215</b>	<b>10,630,763</b>		<b>10,765,914</b>	<b>11,315,376</b>	<b>11,315,376</b>	<b>10,883,247</b>	<b>11,432,709</b>	<b>11,432,709</b>

The FY09 Budget amount in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.

The FY08 Actual amount for Capital Outlay Expenses exceeds the Authorized amount due to a higher Authorized appropriation in FY08.

Actual Number of Positions is less than the Authorized Number due to the flexibility inherent in the authorization of all positions through one salary section in the Agency's appropriation act.

## Change Level by Appropriation

**Appropriation:** 2GH - Community Correction-Special  
**Funding Sources:** SPF - Community Correction Revolving Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>10,765,914</b>	<b>118</b>	<b>10,765,914</b>	<b>100.0</b>	<b>10,883,247</b>	<b>118</b>	<b>10,883,247</b>	<b>100.0</b>
C01	Existing Program	549,462	0	11,315,376	105.1	549,462	0	11,432,709	105.0

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>10,765,914</b>	<b>118</b>	<b>10,765,914</b>	<b>100.0</b>	<b>10,883,247</b>	<b>118</b>	<b>10,883,247</b>	<b>100.0</b>
C01	Existing Program	549,462	0	11,315,376	105.1	549,462	0	11,432,709	105.0

### Justification

C01	This request will allow for the replacement of older, high mileage vehicles in the Agency's fleet. These vehicles are assigned to probation/parole supervision offices and counselors. The officers and counselors are required to travel to conduct daily home and worksite visits. The special revenues are the supervision fees collected from the offenders who are on probation/parole, in drug court and interstate compact. The fees provide for safety equipment, vehicles, and drug testing supplies.
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## **Analysis of Budget Request**

**Appropriation:** 2GK - County Jail Reimbursement

**Funding Sources:** MCJ - County Jail Reimbursement Fund

Arkansas Code §19-5-1045 provided Jail Reimbursement to Counties by the Department of Community Correction. Prior to this legislation, only Department of Correction could provide Jail Reimbursements to the Counties. In the event that the Department of Correction or Department of Community Correction could not accept inmates from county jails due to insufficient bed space, each Agency would have to reimburse the counties for housing the inmates.

The Agency is requesting to continue the Base Level general revenue funding and appropriation of \$2 million each year as well as an additional \$1 million each year in unfunded appropriation.

The Executive Recommendation provides for Agency Request.

**Appropriation Summary**

**Appropriation:** 2GK - County Jail Reimbursement  
**Funding Sources:** MCJ - County Jail Reimbursement Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	1,703,128	2,000,000	4,059,568	2,000,000	3,000,000	3,000,000	2,000,000	3,000,000	3,000,000
<b>Total</b>	<b>1,703,128</b>	<b>2,000,000</b>	<b>4,059,568</b>	<b>2,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>2,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Funding Sources</b>									
General Revenue 4000010	1,703,128	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>Total Funding</b>	<b>1,703,128</b>	<b>2,000,000</b>		<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>
Excess Appropriation/(Funding)	0	0		0	1,000,000	1,000,000	0	1,000,000	1,000,000
<b>Grand Total</b>	<b>1,703,128</b>	<b>2,000,000</b>		<b>2,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>2,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>

## Change Level by Appropriation

**Appropriation:** 2GK - County Jail Reimbursement  
**Funding Sources:** MCJ - County Jail Reimbursement Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>	<b>100.0</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>	<b>100.0</b>
C05	Unfunded Appropriation	1,000,000	0	3,000,000	150.0	1,000,000	0	3,000,000	150.0

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>	<b>100.0</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>	<b>100.0</b>
C05	Unfunded Appropriation	1,000,000	0	3,000,000	150.0	1,000,000	0	3,000,000	150.0

### Justification

C05	Department of Community Correction (DCC) and Department of Correction (ADC) share the County Jail Reimbursement Fund. This appropriation is used to reimburse the counties for housing inmate when DCC cannot accept them due to insufficient bed space. The Agency is requesting \$1 million in unfunded appropriation in both FY10 and FY11. Use of this unfunded appropriation is contingent upon the availability of funds.
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## **Analysis of Budget Request**

**Appropriation:** 510 - Community Correction - State

**Funding Sources:** HCP - Department of Community Correction Fund

The Department of Community Punishment (DCP) was established during the 79th General Assembly by Act 549 of 1993, which combined the Board of Correction and the Adult Probation Commission into the Board of Correction and Community Punishment to oversee correctional facilities and programs in the State. The Department of Community Punishment is now the state agency responsible for adult probation, parole services, and the new community correctional facilities for non-violent offenders. In 2001, legislation passed that changed the name of the DCP to the Department of Community Correction (DCC) to better reflect the mission statement of the Department: "To promote a crime-free lifestyle by providing community-based sanctions in a cost-effective manner, and enforcing State laws and court mandates in the supervision of adult offenders remanded to the Department of Community Correction."

The Department is charged with providing an alternative to traditional prison incarceration for non-violent offenders. To be admitted to community correction facilities and/or programs, one must have a suspended imposition of sentence, probation, judicial transfer directly to a community correction facility, or post prison transfer to a facility or parole supervision.

The Department provides a foundation for enhancement of community correction programs, which includes strengthening and support of probation and parole services as well as implementation of non-traditional programs for offenders. The Department has the following six centers: the Central Arkansas Community Correction Center in Little Rock; the Southeast Arkansas Community Center in Pine Bluff; the Southwest Arkansas Community Center in Texarkana; the Northeast Arkansas Community Center in Osceola; the Technical Violator Center in Malvern; and the Northwest Arkansas Community Center in Fayetteville.

The Field Services Substance Abuse Program addresses not only chemical dependency but also many other issues through Day Reporting Centers, the Expanded Services Program and the substance abuse services offered in the area probation and parole offices.

The Department has successfully implemented a program that works within and through the Drug Court System. This program provides an alternative to incarceration to first time offenders and in addition provides a cost conscience system designed for the long term benefits by treating first time offenders in such a method as to change the norm since in addition to chemical dependency the majority of these offenders have multiple life control problems. There are currently 40 Drug Courts across the State.

To comply with Act 4 of the First Extraordinary Session of 2006, DCC is required to electronically monitor offenders that are sexually violent predators. The need of global positioning satellite (GPS) monitoring and electronic bracelets will be needed.

As Required by Act 678 of 2005, the Agency is responsible for the licensing and monitoring of transitional housing facilities in the State. The Transitional Housing Program was started to alleviate some of the overcrowding caused by those inmates that do not have a place to go upon release. A fee of \$24 per day will be paid to transitional housing facilities and allow placement of approximately 342 offenders. Act 1286 of 2007, Section 15, requires DCC to spend \$1.5 million on Transitional Housing Program to relieve some of the prison overcrowding.

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

The Base Level is \$68,043,129 in FY10 and \$69,050,726 in FY11.

The Change Level Request for the Department of Community Correction for appropriation and General Revenue Fund totals \$19,327,381 in FY10 and \$17,744,140 in FY11. The following is a summary of the major components of the Agency Request with amounts for each year of the biennium respectively separated into four (4) categories:

**1. Residential Services**

For each of the six centers, the Agency is asking for increases for cost of fuel, utilities, food, medical contracts and to replace equipment and several vehicles and requesting to restore 29 security officer positions. A Risk Pool increase of \$555,000 in FY10 is requested to cover off-site and/or contracted health care cost incurred by Correctional Medical Services (CMS) above an annual aggregated cap.

	FY10	FY11
Regular Salaries (29 restored positions)	\$ 799,064	\$ 817,419
Personal Service Matching	\$ 303,637	\$ 307,216
Operating Expenses	\$1,043,455	\$1,178,094
Professional Fees (medical contracts)	\$3,113,724	\$2,613,725
Capital Outlay	\$1,003,789	\$ 133,319
Total Residential Services Request	\$6,263,669	\$5,049,773

**2. Probation / Parole Field Office**

Each of the 13 Area Probation/Parole Offices is requesting an increase for utilities, rent, fuel, equipment and vehicles and to restore 80 Probation/Parole Officer positions. The request for the Existing Drug Courts is for drug testing supplies and additional professional fees. For the Sex Offender Program, the request includes restoration of 13 counselor positions, utilities, rent, fuel, drug testing supplies, and professional fees for DCC's part of the Victim Notification System with the Arkansas Crime Information Center (ACIC). Professional fees are requested for the Transitional Housing Program.

	FY10	FY11
Regular Salaries (93 restored positions)	\$3,124,555	\$3,196,252
Personal Service Matching	\$1,083,276	\$1,097,258
Operating Expenses	\$1,142,818	\$1,146,257
Professional Fees (medical contracts)	\$3,544,500	\$3,544,500
Capital Outlay	\$ 351,528	\$ 234,352
Total Probation/Parole Request	\$9,246,677	\$9,218,619

### 3. Administration and Support

Request to restore 1 ADC/DCC Program Specialist position. The Information Technology area request an increase in network services, data processing supplies, replace 100 computers, 200 software and license updates, and printers and a file server.

	FY10	FY11
Regular Salaries (1 restored position)	\$ 29,251	\$ 29,923
Personal Service Matching	\$ 10,802	\$ 10,933
Operating Expenses	\$ 350,500	\$ 350,500
Professional Fees	\$ 150,000	\$ 150,000
Capital Outlay	\$ 15,000	\$ 0
Total Residential Services Request	\$ 555,553	\$ 541,356

### 4. New or Expanding Programs

Expand 9 new Drug Courts - 37 new positions to staff expansion of existing drug courts that have exceeded capacity, and establish 9 additional drug courts. The new drug courts will be located in Mtn. View, Melbourne, Marshall, Clinton, Salem, Ash Flat, Osceola, Hamburg and McGhee. Request includes Operating Expenses for the additional drug courts, with drug testing supplies and 9 new vehicles. GPS Monitoring for the Sex Offender Program for \$500,000 each year.

	FY10	FY11
Regular Salaries (37 New positions)	\$1,199,986	\$1,227,563
Personal Service Matching	\$ 422,578	\$ 427,952
Operating Expenses	\$1,507,095	\$1,278,877
Capital Outlay	\$ 131,823	\$ 0
Total Residential Services Request	\$3,261,482	\$2,934,392

The Executive Recommendation provides appropriation and General Revenue Funding for the following:

### 1. Residential Services

Restore 13 positions in FY10 and 29 positions in FY11 and Operating Expenses and Capital Outlay for the six existing Centers.

	Appropriation		Funding	
	FY10	FY11	FY10	FY11
Regular Salaries	\$ 799,064	\$ 817,419	\$ 355,125	\$ 817,419
Personal Service Matching	\$ 303,637	\$ 307,216	\$ 136,436	\$ 307,215
Operating Expenses	\$ 517,136	\$ 984,693	\$ 517,136	\$ 984,693
Professional Fees (medical contracts)	\$2,558,724	\$2,613,725	\$2,288,292	\$2,613,725
Capital Outlay	\$ 216,121	\$ 0	\$ 216,121	\$ 0
Total Residential Services Request	\$6,263,669	\$5,049,773	\$3,513,110	\$4,723,053

## 2. Probation / Parole Field Office

Restoring 48 positions in FY10 and 69 positions in FY11 and Operating Expenses and Capital Outlay. Included in the Operating Expense is \$340,000 in FY10 and \$296,710 in FY11 for Drug Courts.

	Appropriation		Funding	
	FY10	FY11	FY10	FY11
Regular Salaries	\$2,975,376	\$3,043,636	\$1,630,156	\$2,390,220
Personal Service Matching	\$1,028,701	\$1,042,013	\$ 561,595	\$ 817,754
Operating Expenses	\$ 865,492	\$ 821,758	\$ 865,492	\$ 821,758
Capital Outlay	\$ 14,647	\$ 47,216	\$ 14,647	47,216
Total Probation/Parole Request	\$4,884,216	\$4,954,623	\$3,071,890	\$4,076,948

## 3. Administration and Support

Appropriation and General Revenue Funding for Capital Outlay for a file server for \$15,000 in FY10

## 4. Unfunded Appropriation

Total Unfunded Appropriation is \$2,693,898 in FY10 and \$877,678 in FY11 which is for 56 restored positions in FY10 and 19 positions in FY11 and Professional Service Expense of \$270,432 in FY10.

The Medical Risk Pool Request for the Department of Community Correction will be recommended from the General Improvement Fund.

## Appropriation Summary

**Appropriation:** 510 - Community Correction - State  
**Funding Sources:** HCP - Department of Community Correction Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	35,747,703	34,999,750	38,004,254	37,635,913	42,788,769	41,410,353	38,479,156	43,750,313	42,340,220
<b>#Positions</b>		<b>1,370</b>	<b>1,152</b>	<b>1,275</b>	<b>1,152</b>	<b>1,312</b>	<b>1,269</b>	<b>1,152</b>	<b>1,312</b>	<b>1,269</b>
Extra Help	5010001	15,542	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
<b>#Extra Help</b>		<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Personal Services Matching	5010003	13,036,454	11,633,448	13,059,798	13,212,559	15,032,852	14,544,897	13,376,913	15,220,272	14,726,143
Overtime	5010006	12	0	150,000	0	0	0	0	0	0
Operating Expenses	5020002	10,864,470	10,337,335	10,841,264	10,337,335	14,381,203	11,719,963	10,337,335	14,291,063	12,143,786
Conference & Travel Expenses	5050009	56,958	39,400	60,721	39,400	39,400	39,400	39,400	39,400	39,400
Professional Fees	5060010	9,103,904	6,792,922	10,766,587	6,792,922	13,601,146	9,351,646	6,792,922	13,101,147	9,406,647
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	1,502,140	245,768	0	367,671	47,216
<b>Total</b>		<b>68,825,043</b>	<b>63,827,855</b>	<b>72,907,624</b>	<b>68,043,129</b>	<b>87,370,510</b>	<b>77,337,027</b>	<b>69,050,726</b>	<b>86,794,866</b>	<b>78,728,412</b>

Funding Sources										
General Revenue	4000010	68,597,520	63,065,004		67,541,483	86,868,864	74,141,483	68,549,080	86,293,220	77,349,080
Cash Fund	4000045	204,780	501,646		501,646	501,646	501,646	501,646	501,646	501,646
Merit Adjustment Fund	4000055	0	261,205		0	0	0	0	0	0
Transfer 20% Asset Forfeiture	4000500	22,743	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>68,825,043</b>	<b>63,827,855</b>		<b>68,043,129</b>	<b>87,370,510</b>	<b>74,643,129</b>	<b>69,050,726</b>	<b>86,794,866</b>	<b>77,850,726</b>
Excess Appropriation/(Funding)		0	0		0	0	2,693,898	0	0	877,686
<b>Grand Total</b>		<b>68,825,043</b>	<b>63,827,855</b>		<b>68,043,129</b>	<b>87,370,510</b>	<b>77,337,027</b>	<b>69,050,726</b>	<b>86,794,866</b>	<b>78,728,412</b>

The FY08 Actual amount for Operating Expenses exceeds the Authorized amount due to a higher Authorized appropriation in FY08.  
 Actual Number of Positions may exceed the Authorized Number due to the flexibility inherent in the authorization of all positions through one salary section in the Agency's appropriation act.

## Change Level by Appropriation

**Appropriation:** 510 - Community Correction - State

**Funding Sources:** HCP - Department of Community Correction Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>68,043,129</b>	<b>1,152</b>	<b>68,043,129</b>	<b>100.0</b>	<b>69,050,726</b>	<b>1,152</b>	<b>69,050,726</b>	<b>100.0</b>
C01	Existing Program	10,199,814	0	78,242,943	115.0	8,850,247	0	77,900,973	112.8
C02	New Program	3,167,782	37	81,410,725	119.6	2,933,943	37	80,834,916	117.1
C06	Restore Position/Approp	5,350,585	123	86,761,310	127.5	5,459,000	123	86,293,916	125.0
C08	Technology	609,200	0	87,370,510	128.4	500,950	0	86,794,866	125.7

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>68,043,129</b>	<b>1,152</b>	<b>68,043,129</b>	<b>100.0</b>	<b>69,050,726</b>	<b>1,152</b>	<b>69,050,726</b>	<b>100.0</b>
C01	Existing Program	3,963,326	0	72,006,455	105.8	4,286,182	0	73,336,908	106.2
C02	New Program	202,365	0	72,208,820	106.1	180,760	0	73,517,668	106.5
C06	Restore Position/Approp	5,106,778	117	77,315,598	113.6	5,210,294	117	78,727,962	114.0
C08	Technology	21,429	0	77,337,027	113.7	450	0	78,728,412	114.0

### Justification

C01	<p>The request includes the increased cost of the medical contract for the biennium and risk pool funding for FY2010. Due to the escalating cost of maintaining the "risk pool" to cover offsite, and contracted health cost, the Board of Corrections instructed DCC and ADC to negotiate with Correctional Medical Services (CMS) to produce a new pricing model, and for CMS to assume full financial responsibility for all offsite and contracted services. The FY10 per diem proposed is \$313.66 per month per inmates housed at DCC Units. The FY11 per diem is \$345.03. Due to the increased cost of fuel, utilities, food, and the medical contract – the Agency is requesting the increase in each of these categories. The request for increase in fuel is to continue to allow Probation/Parole officers to make required home and job visits to ensure that offenders are abiding by their community supervision conditions, and to transport offenders to the technical violator center, jails and the Department of Correction. The increase requested for the office leases is to accommodate the 4% increase negotiated by the Arkansas Building Authority. DCC is requesting that the funding for Transitional Housing be restored. Act 1286 of 2007 Section 15, states that the agency will spend a minimum of \$1,500,000 dollars each fiscal year for transitional housing. This also allows DCC to be in compliance with Act 679 of 2005, which established an early release program for offenders to transitional housing facilities who are approved for release but do not have an approved release plan. At the end of FY08, there were 262 offenders that had no approved release plan and would be eligible for consideration for transitional housing.</p>
C02	<p>Currently, there are 40 existing drug courts located across the State. The judges have requested expansion of the capacity of existing drug courts to accommodate the growing caseloads and funds for the 10% of the population that need residential treatment. According to the recent statistics, 86% complete the program that would have been sentenced to prison system had the program not existed. The drug court program enables offenders to remain in the community and work to support their families, as well as pay taxes. DCC is requesting thirty-seven (37) new positions to staff expansion of existing drug courts that have exceeded capacity, and establish nine (9) additional drug courts. The new drug courts will be located in Mtn. View, Melbourne, Marshall, Clinton, Salem, Ash Flat, Osceola, Hamburg and McGhee. The request includes funding for maintenance/operation, and purchase of vehicles for the requested drug court positions. A recent study indicates that drug courts are highly successful with only a 5.7% recidivism rate of graduates from the treatment components of 21 drug courts that were operating prior to July 1, 2005. The sex offender program expansion is requested to comply with Act 4 of the First Extraordinary Session of 2006 and to electronically monitor level 3 and 4 (highest degrees of seriousness concerning community postings and neighbor notification) sex offenders. Level 4 offenders are sexually violent predators. This request includes \$500,000 each year respectfully for GPS monitoring.</p>

## Change Level by Appropriation

<b>Justification</b>	
C06	<p>The agency requests to restore 123 positions - 80 parole/probation officers, 29 security officers, 13 advisors and counselors in the sex offender program, and 1 administrative program specialist. Due to the budget reduction in FY09, the centers were staffed at a minimum to provide the needed security and treatment for offenders. With the reduction in staff, security is an issue for both employees and offenders. In order to address security issues and meet American Correctional Association (ACA) Standards for accreditation (continuing best practices), the agency must be fully staffed. Restoration of the 29 security officers for the centers will return the centers to full capacity, and allow DCC to continue to meet court sentencing mandates. The impact of the reduction of these positions will be increased jail backup, increased compensatory and overtime accruals and payments; increased or excessive workload on existing staff, adversely affecting the safety and security of both staff and residents; inability to provide required in-service training; loss of ACA accreditations and licensing; and inability to deal with the physical layout of the facilities which demand certain staffing levels which affect DCC's ability to comply with the Prison Rape Elimination Act. The restoration of 80 probation /parole officer positions is needed to ensure that the caseloads for each officer are at a manageable level. With the loss of these positions, the average officer caseload is at an unmanageable level of approximately 125 per officer. This reduces the level of supervision that can be provided and increases community risks. The 80 positions brought the caseload average to 85 for one year only, with a statewide caseload of 53,444. Without these positions, the public may be adversely affected by an increase in absconders and a decreased ability to locate them; economic sanctions will be more difficult to enforce; collections will be adversely affected; and there will be a significant decrease in drug testing for substance abuse. The restoration of the 13 counselors will help with monitoring and counseling offenders, to assist with compliance with their conditions of parole and probation. This is one of the most successful program tools in parole/probation. Since implementation of this program, recidivism rates have decreased. DCC has numerous IT systems projects that require daily attention to maintain costs at a reasonable level. Restoration of the IT position will assist with the network administration, hardware maintenance, comply with state technology standards, agency automation, and resolve user issues.</p>
C08	<p>DCC has approximately 1,100 computers with over 400 being 6-9 years old. The IT plan requires computer replacement on a 3 year cycle to ensure continuance of mission critical functions eOMIS (electronic Offender Management Information System and AASIS). The request is to replace approximately 100 aged computers each year of the biennium and upgrade approximately 200 software systems from Microsoft Office 2003 to Microsoft Office 2007. DCC systems are operated through networks, internal and external, for over 56 locations statewide. The Offender Tracking System is a state of the art system which continues to evolve as the IT needs grow and new legislation impacts information to be collected and retrieved from the system. It is a system shared by two other agencies which requires regular upgrade and general maintenance to maintain functionality and meet the needs of each. These items are include in the Agency's IT Plan in the IT Support Cost in sections Future Hardware for the computers, monitors, printers, and server; and Future Software Purchases for the Office Suites and Antivirus Software; and Major Application Information for the DIS –email/internet services.</p>

# DEPARTMENT OF CORRECTION

## Enabling Laws

Act 1291 of 2007  
A.C.A. §12-27-101 et seq.

## History and Organization

In 1838, Governor James S. Conway signed legislation establishing the State Penitentiary. Today, the Department of Correction is responsible for overall management of the State Penitentiary, executing the orders of the criminal courts of the State of Arkansas, and providing for treatment, rehabilitation and restoration of applicable adult offenders to return to the community as useful, law-abiding citizens. The Mission Statement for the Arkansas Department of Correction (ADC) is to:

- ◆ Provide public safety by carrying out the mandates of the courts;
- ◆ Provide a safe, humane environment for staff and inmates;
- ◆ Provide programs to strengthen the work ethic; and
- ◆ Provide opportunities for spiritual, mental, and physical growth.

The Board of Corrections has supervisory power and control over the ADC. The Board has seven voting members including the Chair of the Post Prison Transfer Board, five citizen members and one criminal justice faculty member employed at a four-year Arkansas university. Each member is appointed by the Governor and serves a seven-year term.

The ADC Director reports directly to the Board as the agency's chief executive, administrative and fiscal officer. The Director is responsible for the agency's philosophy, mission and operations. The ADC has five divisions and a Deputy or Assistant Director supervises each. The divisions and responsibilities are:

- **Administrative Services** provides procurement, accounting, human resources, research, and information technology support to all operational units of the ADC while ensuring agency compliance with state and federal accounting, budgetary and personnel procedures;
- **Institutional Services** oversees various Institutions, Inmate Grievances, Work Release Programs, Regional Jails, Transportation Services, Accreditation, Classification and Emergency Preparedness and also coordinates Vocational Education programs provided by Riverside Vocational School through the Department of Workforce Education;
- **Operations** oversees various institutions, directs the Agriculture and Industry Programs, the County Jail Contracts Program (Act 309) and inmate grievances;
- **Health and Correctional Programs** is responsible for Medical and Mental Health Services, Religious Services, Substance Abuse Treatment Program (SATP) and Reduction of Sexual Victimization Program (RSVP). The Health and Correctional Programs Division also coordinates educational programs provided through the Department of Correction School District, which is accredited and supervised by the Arkansas Department of Education. During the 1999 Legislative Session, responsibility for assessment of sex offenders in prison and living in communities in



Arkansas was assigned to ADC. A unit supervised by the Deputy Director of Health and Correctional Programs conducts the assessments as prescribed by the Sex Offender Assessment Committee whose members are appointed by the Governor and prescribed by law;

- **Construction and Maintenance** is responsible for ongoing and preventative maintenance programs at the various units and design and construction projects for the department. Construction of facilities is often completed with inmate labor, which costs substantially less than free-world labor.

### **Correction Facilities of the ADC include:**

**Benton Unit** - Capacity 325 - Special Operations include Work Release, Education, and Regional Maintenance.

**Cummins Unit** - Capacity 1,550 (also operating 26 temporary beds) - Special Operations include the execution chamber, SATP, Special Management Barracks for Mental Health, Education, Vocational Education, Canine Unit and Horse Operation. Farm and Agriculture Programs include Livestock, Field and Edible Crops, Feed Mill, Slaughterhouse, Poultry Operations and Milk Processing. Industry Programs include Vinyl Products/Silk Screening, Engraving, Garment Factory, and Furniture Refinishing.

**Delta Regional Unit** - Capacity 432 (also operating 128 temporary beds and 20 jail beds) - Special Operations include Regional Maintenance, Education, Jail Operations. Also includes Janitorial Products Industry Program.

**Diagnostic Unit** - Capacity 459 (also operating 20 temporary beds) - Special Operations include Male Inmate Intake and Classification, Special Program Unit for Mental Health, Hospital Facility, Canine Unit, Horse Operation and housing for inmates with special medical needs.

**East Arkansas Regional Unit** - Capacity 1,432 (also operating 192 temporary beds and 35 jail beds) - Special Operations include Regional Maintenance, Education, Maximum Security Unit, Jail Operation, Canine Unit, Intake Operation for Parole Violators, and SATP.

**Grimes Unit** - Capacity 1,000 - Special Operations include SATP, Life Skills, Education, Regional Maintenance, Principal/Application for Life (PAL) Program, Story Book Projects, Horse and Garden Operations, Vo-Tech, and College Courses.

**Randall L. William's Correctional Facility** - Capacity 498 (also operating 44 temporary beds). Special Operations include Expanded Intake, Regional Maintenance, SATP and Assisted Living Program (Geriatrics/Medical).

**Maximum Security Unit** - Capacity 532 - Special Operations include Education, G.E.D. Program, Principal/Application for Life (PAL) Program, Pre-Release Program, and U.N.I.T.Y. Program.

**McPherson Unit** - Capacity 800 (female inmates - also operating 85 temporary beds) - Special Operations include Female Inmate Intake, Substance Abuse Treatment Program, Education, Vo-Tech, Parenting, College, Principle Application Life Skills (PALS), Pre-Release, SPU (mental health), AA/NA programs, Anger Management, My Watch, Story Book Project, Quilts for Babies, Locks of Love, Gardening Program, and Industry Program.

**Mississippi County Work Release Center** - Capacity 121 - Special Operations include Work Release, Regional Maintenance, AA/NA, and Education.

**North Central Unit** - Capacity 500 (also operating 50 temporary beds) - Special Operations include Education, Regional Maintenance, Anger Management, Principles/Applications for Life (PALS) Program and Pre-Release Classes.

**Northwest Arkansas Work Release Center** - Capacity 42. Work Release Program.

**Ouachita River Correctional Facility** - Capacity 948. Special Operations include Regional Maintenance, Construction, Education, RSVP, Livestock and Hay operations.

**Pine Bluff Unit** - Capacity 430 - Special Operations include Work Release, Education, Mental Health Programs, Industry Garment Operation, Grounds Maintenance, Warehouse and Construction.

**Texarkana Regional Correctional Center** - Capacity 128 - Special Operations include Regional Maintenance, Work Release, Education, and Substance Abuse Treatment Program.

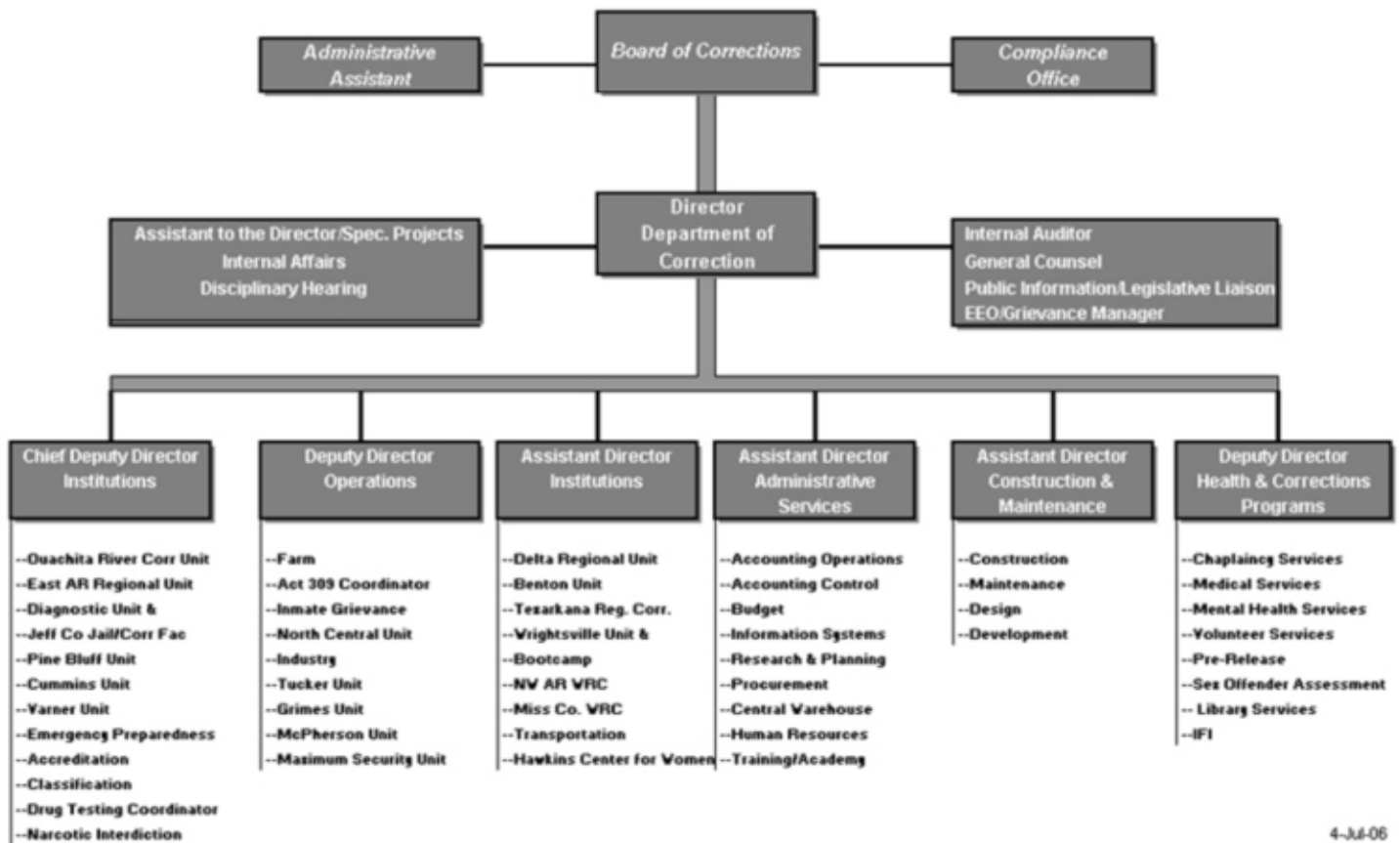
**Tucker Unit** - Capacity 796 (also operating 54 temporary beds) - Special Operations include Substance Abuse Treatment Program, Education, Vocational Education and an InnerChange Freedom Initiative program. Farm and Agriculture program includes Field and Edible Crops. Industry Programs include Mattress Manufacturing, Bus and Fire Truck Refurbishing, School Desk and Chair Repair, Athletic Equipment and Microfilming.

**Varner Unit** - Capacity 1,556 (also operating 50 temporary beds) - Special Operations include a 456-bed Super Max Unit that includes Death Row, Regional Maintenance, SATP, Education, Vocational Education and PASS Program (Prisoners of Arkansas Striving for Success). Agricultural Programs include a Vegetable Processing Plant and Field and Edible Crops. The Super Max addition was specially designed for enhanced security by restricting movement of the most violently classified inmates.

**Wrightsville Unit** - Capacity 850 - Special Operations include Regional Maintenance, SATP, Education, Therapeutic Community, Braille Program and Pre-Release programs. Also includes Beef Production Agricultural Program and Industry Programs: Graphic Arts, Data Imaging, and Furniture Manufacturing.

- Boot Camp Program - Capacity - 212 - Boot Camp (138 male/24 female) and 50 Work Release/Industry program beds for females - Military style boot camp for first time, non-violent Inmates, Education, and Work Release for female inmates.
- J. Aaron Hawkins, Sr. Center for Women - Capacity 212 - Special Operations include Education, Substance Abuse Treatment Program, Inner Change Freedom Initiative, Special Programs Unit, Event Start Family Literacy Program, and Parenting Classes.

The Arkansas Department of Correction is a vital part of the criminal justice system in this state. All department-owned facilities are accredited by tough, national standards of the American Correctional Association.



4-Jul-06

## Agency Commentary

Like many other successful organizations, the 2008-2013 Arkansas Department of Correction (ADC) Strategic Plan provides us with an operational framework and a systematic approach to addressing existing problems, making objective decisions about what is needed, and implementing strategies needed to accomplish Goals and Objectives. All Biennial Budget Requests submitted conform to our Agency Goals, which are:

- Goal 1:** To maintain cost effective care, custody, and control over all inmates in an appropriate, safe, humane, and secure environment
- Goal 2:** To provide appropriate facilities for inmates sentenced by the courts
- Goal 3:** To provide effective correctional and constructive opportunities for inmates to successfully return to the community
- Goal 4:** To optimize inmate participation in work programs
- Goal 5:** To attract and retain quality staff

Operating appropriations provide for administrative and executive staff, security staffing for all correctional programs, comprehensive health care and correctional programs, general and preventative maintenance on over \$700 million of buildings, grounds, and equipment, extensive farming, industry, and work release programs and ancillary activities such as operation of inmate commissaries. Keeping with the Governor's direction, the Agency request is for only necessary incremental and inflationary operating costs including health care services for existing facilities and programs and for operation of new beds opening in FY10 at the Ouachita River Special Needs Unit. In addition to extraordinary increases in operating costs as a result of increases in fuel costs, growth of the prison system can be attributed to growth in the inmate population. And the growth in the inmate population is contingent on numerous factors beyond our control. This assertion is supported by a recent study by ADC Research and Planning that looked at various factors having an impact on prison population growth including the number of cases filed in state circuit courts, admissions by judicial districts and counties, state population growth, recidivism rates, and sentence length versus time served. We found that while inmates on average are receiving shorter sentences (115 months in FY93 versus 106 months in FY07), they are serving more time in prison (28 months versus 33 months, respectively). The Pew Charitable Trust conducted a national study of incarceration trends for 2007 reflecting that Arkansas fell in the second highest group of states in prison growth with an incarceration growth rate of 4.3%. ADC has no control over who is sentenced to or released from incarceration.

Currently the inmate population growth is increasing at an alarming rate and the number of inmates backed up in the county jails has exceeded 1,100, a level that places a significant burden on county jail operations. During Calendar Year 2007, the inmate population increased by 587, an average growth of 49 inmates per month. Over the past ten years, the average inmate population growth has been 34 per month, or 408 inmates per year. A portion of the ADC Biennial Request is based on this projected growth rate of 34 inmates per month, even though through July 2008, the growth rate has doubled.

Change Level Requests for each Program Area of the Department are summarized as follows:

**INMATE CARE AND CUSTODY - GENERAL REVENUE** - General Revenue funded requests total \$44,106,375 for FY10 and \$51,034,774 for FY11. These requests are summarized as follows:

- ◆ **Incremental Increases - Health Care Services** - Increases in the Professional Fees and Services line item total \$13,768,803 for FY10 and \$12,936,914 for FY11. The request includes:
  - **Health Care Services** - Faced with an escalating cost of maintaining a "risk pool" to cover off-site and/or contracted health care costs incurred by Corrections Medical Services (CMS) based on an Aggregate Cap pricing model, the Board of Corrections appointed a committee to negotiate for a new blended rate for both ADC and DCC. Negotiations with CMS produced a new pricing model approved by the Board that requires CMS to assume full financial responsibility for all offsite and contracted services. The FY10 per diem proposed is \$313.66 per day per inmates housed at an ADC facility and \$106.04 for Act 309 contract inmates. The FY11 per diem is \$345.03 and \$115.64 respectively. The negotiations also require annual incremental increases based on the Milliman Health Cost Index computation, an independent report generally accepted to reflect healthcare cost changes. The computation projects the cost increase at 10% from FY10 to FY11.
  - **Medical Risk Pool Supplement** - Since FY04, ADC/DCC has maintained a "risk pool" to cover off-site and/or contracted health care costs incurred by CMS above an annual aggregate cap. The

risk pool was initially established as a means of reducing the initial contract bid rate. As explained above, ADC has negotiated a per diem rate for FY10 and FY11 that eliminates the need to maintain a risk pool and eliminate our being in a position of exceeding available funding/appropriation. However, for the first year of the biennium, costs above the aggregate cap incurred in FY09 will still be payable. Based on our costs for the past three years, we estimate ADC's portion of this cost to be \$6,000,000.

- ◆ **Restore Ouachita River Special Needs Unit Operations** - This project was initially authorized during the 2005 Legislative Session, and subsequently a bond issue was authorized in November of 2005 to provide funding to construct the Special Needs Unit addition to the Ouachita River Correctional Unit. This facility is scheduled to be completed during FY10 and the Biennial Request needed to operate this unit is summarized as follows:
  - **Phase I** - 448 Special Programs Unit Beds, 42 Hospital Beds, 40 Habilitation Beds, and 30 Hospice Beds are scheduled for completion in August 2009. The request includes 237 positions and related start-up and operating expenses totaling \$15,045,025 in FY10 and \$16,262,994 in FY11.
  - **Phase II** - An expanded 294 Bed Intake and Diagnostic Facility is scheduled for completion during February 2010. 70 positions and related start-up and operating expenses are needed for eight (8) months of FY10 and for twelve (12) months of FY11. The request totals \$4,441,187 in FY10 and \$6,750,243 in FY11.
  - **Equipment** - Equipment needed to open the above two phases totals \$950,955 in FY10 and \$555,405 in FY11.
- ◆ **Maintenance and Operational Adjustments** - The Agency Request for overall M&O increases total \$6,187,005 in FY10 and \$11,936,105 in FY11. Given the current economic times, ADC has experienced significant growth in utility and operational expenses for necessities such as fuel, natural gas, electricity, trash, telephone, postage, clothing, linens, vehicle maintenance, and food. We are requesting significant increases for these line items for all facilities to ensure we are able to meet cost requirements demonstrated as follows:
  - **Electricity** - The Biennial Budget Request is based on a 10% increase for electricity in FY10 and an additional 15% for FY11. The average rate of increase over the past four years has been 10%, but with the volatility of the market, higher inflationary increases are projected. Expenditures for electricity in FY04 totaled \$4.15 million and \$6.2 million for FY08 which is an increase of \$2.05 million over this period. Electric Utilities normally use natural gas fired generators to provide electricity for the peak demand periods on a temporary basis and with the cost for this fuel climbing to new levels along with oil prices, we believe that rates will rise accordingly to cover the increased cost of producing this commodity.
  - **Natural Gas** - A 25% increase in FY10 and an additional 15% in FY11 for natural gas expenditures is projected. Currently, the natural gas market has attached itself to the rise in oil prices and the current rate for this commodity is around \$12.00/Mmbtu (Million Metric British Thermal Unit). Prior to Hurricane Katrina, ADC was paying around \$8.00/Mmbtu after which the rate climbed up to \$18.00/Mmbtu prior to the price falling in the Spring of 2006. We have had contracts locking in the price for FY07 at \$8.00/Mmbtu plus transmission cost and \$6.94/Mmbtu plus transmission cost for FY08, but as stated above the market is currently around \$12.00/Mmbtu

and our request for the FY08/09 Biennium was for a rate of \$8.00/Mmbtu. This is a conservative request while attempting to ensure adequate resources for operations.

- **Fuel Purchases** - The FY08/09 Biennial Request assumed gasoline would be approximately \$2.50/gallon, and at the time of the request, the price was approximately \$2.00/gallon. The Biennial Request projects this commodity will increase to \$5.00/gallon by FY10 and \$5.75 by FY11. This is consistent with what we understand other agencies, including the State Police, are going to request for fuel increases.

The following chart reflects expenditures for prior years for the above commodities.

<b>Arkansas Department of Correction</b>					
<b>Utilities Analysis</b>					
<b>For Fiscal Years FY 2004-2007</b>					
	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>
	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
	<b>Expenditures</b>	<b>Expenditures</b>	<b>Expenditures</b>	<b>Expenditures</b>	<b>Expenditures</b>
<b>Electricity</b>	<b>4,149,140</b>	<b>4,947,990</b>	<b>5,646,781</b>	<b>6,196,772</b>	<b>6,272,941</b>
<b>Natural Gas</b>	<b>3,943,864</b>	<b>4,321,508</b>	<b>6,342,424</b>	<b>5,284,396</b>	<b>5,037,974</b>
<b>Fuel Purchases</b>	<b>644,783</b>	<b>838,084</b>	<b>1,374,098</b>	<b>1,429,481</b>	<b>2,046,600</b>

Other M&O increases include:

- Warehouse and food costs totaling \$2,815,000 in FY10 and \$5,630,000. These increases are needed for the increased costs of goods and food averaging 24% over the past two years. Part of the increase is due to the rising cost of fuel needed to transport these items to the units. Items are purchased in bulk at lower costs and distributed to the units by warehouse staff. Previous analysis of drop shipments to each unit direct from vendors versus the way we purchase and deliver is substantially higher.
- Maintenance of the Sex Offender Notification System - the Request is for \$44,500 each year for ADC's portion of maintaining the sex offender notification system under contract with Appriss in cooperative development with ACIC and DCC utilizing federal grant funding.
- M&O Software Licensing - \$200,000 each year. This Request is needed due to the increased number of desktop computers issued to employees. Over the past few years, we have greatly expanded our PC network for a wide range of needs to include the Chaplaincy program, AASIS, medical and mental health services personnel utilizing the eOMIS medical records systems, entrance monitoring, and the Construction and Maintenance Division Total Maintenance System (TMS). We have almost 2,800 users as compared to only around 1,000 just five years ago. These costs are mandatory to stay in compliance with Microsoft and in order to comply with State IT policies.
- Entrance Monitoring Project - \$165,000 in FY10 and \$181,500 in FY11. This Request will enable us to secure equipment and supplies to implement entrance monitoring of all ADC institutions.
- ◆ **Additional Priority Staffing** - A very conservative request for four (4) additional priority positions are requested for critical needs throughout the Agency. These are summarized as follows:

- **Internal Auditor** - The internal audit function is important to any organization. ADC currently only has one lower level Internal Auditor to provide financial, compliance, and operational audits in accordance with accepted professional standards. ADC has grown to the extent that it is impossible for one position to sufficiently audit/test Agency processes and accurately interpret results against defined criteria. Currently, each state agency is required to perform a risk assessment once every two years according to the DFA Management Guide (R1-19-4-505). ADC's Risk Assessment is currently prepared by the Administrative Services Division, and we believe this function should be handled by an Internal Auditor to provide an appropriate check and balance for the Agency. The lack of sufficient internal audit support has been noted by the Division of Legislative Audit in past audit reports. This Request is for an Internal Auditor, preferably a CPA that can coordinate all of the current audit functions of the agency and assume the Agency Risk Assessment Process to bring us in line with standard audit practices.
- **Records Retention Coordinator** - In 2007, The State Electronic Record Management Guidelines were adopted as required by statute. These guidelines require state agencies that use electronic mail to set up or modify email systems to facilitate electronic records management. They also require that all retained email should be organized and stored in such a way where it can be easily retrieved when needed. This Request would provide a records retention coordinator and funding for software and a server to accomplish this requirement.
- **Varner Supermax Chief Security Officer** - Currently the 1,606-bed Varner Unit including the Supermax facility only has one Chief of Security responsible for observing all activities of officers assigned to the building and ensuring they are enforcing unit rules and maintaining proper procedures. While the Supermax (456 beds) is attached to the original Varner Unit (1,150 beds), it is operated and managed according to different standards and procedures because of the more violent inmates housed there. This position is needed to ensure accountability for the Supermax and will help reduce the number of assaults against staff.
- **NW Arkansas Work Release COII** - An additional security officer was previously requested for this unit to provide sufficient staffing for existing posts and enable relief for existing officers. This biennium additional responsibilities were placed on this unit when our policy changed eliminating inmate van drivers, resulting in officers being pulled from shifts to assist with transportation at this unit. This position would enable us to routinely schedule two officers for each shift and eliminate inmates being left unsupervised.
- ◆ **Position Reauthorization/Flex** - We are requesting reauthorization of 104 existing flex positions for the FY2009-2011 Biennium to enable us to respond to unforeseen situations and to correct inequities within the system as may be required. We need the flexibility to quickly take care of security issues that may occur. In the past, we have utilized flex pool positions to meet federally imposed mandates. We have a significant number of staff on military and family medical leave and utilize flex positions to keep staffing at necessary levels. Flex positions also assist us in keeping more of our budgeted positions filled as they can be advertised prior to employee departures. No additional funding is requested for any of the flex positions.
- ◆ **New/Replacement Equipment** - The Agency Request combines both new and replacement institutional furnishings and equipment, medical equipment, and construction and maintenance equipment needs for the entire system. Aging buildings and equipment demand that we routinely replace essential equipment in operations such as kitchens, laundry, heating and ventilation systems, sewer plants, ground maintenance equipment, etc. Included within the request is \$600,000 each year

to meet obligations to Jefferson County for purchase of the jail facility attached to what is now the Randall L. Williams Correctional Facility. This Request totals \$3,126,578 in FY10 and \$2,130,152 in FY11.

### **County Jail Reimbursements - General Revenue**

In the event ADC cannot accept inmates from county jails due to insufficient bed space, ADC reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and ADC and upon approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in A.C.A. §12-27-114. ADC serves as disbursing officer for this separate Revenue Stabilization fund and currently pays county jails \$28 per day for housing inmates sentenced to ADC. Based on the average increase in the inmate population of 34 inmates per month over the past 15 years and assuming that beds will open at the Malvern Special Needs Unit as requested, ADC projects that an additional \$8.1 million in FY10 and \$5.4 million in FY11 will be needed to pay county jails for housing inmates.

### **WORK RELEASE**

Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 498 inmates in work release programs located in Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. Fees received from work release participants reduce the operational costs of the program. The Biennial Request for Work Release Operations includes additional operating costs increases for utilities, postage, vehicle fuel, maintenance, clothing, etc., additional operational appropriation for unforeseen needs, new and replacement equipment, and applicable costs to support one additional correctional officer position requested from the ICC appropriation.

### **FARM PROGRAM**

The agricultural operation of the ADC provides fresh and frozen vegetables, meat, milk and eggs which are consumed by the inmate population and generates revenue by selling products such as soybeans, rice, cotton and wheat. The primary goal of the Farm program is to provide useful and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock. A Vegetable Processing facility is located at the Varner Unit and annually sends approximately 1.2 million pounds of vegetables for inmate consumption. A Cold Storage facility located at the Cummins Unit provides beef and pork products to all units for consumption. A state of the art Creamery operation is also located at the Cummins Unit and provides milk and juice products. Inmate consumption totaled \$7.2 million in FY08. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY08 cash crop sales totaled just over \$8.8 million. The Farm Program provides jobs for approximately 400 inmates. The Biennial Request is for three additional positions for program expansions to include 1) Tucker Assistant Head Farm Manager to supervise all operations as well as to oversee the new farm irrigation project, 2) North Central Agriculture Unit Supervisor for a garden and apple orchard operation, and 3) Ouachita River Correctional Unit Agriculture Unit Supervisor for overall farm operations that include a tomato and other garden crops as well as for a purebred cattle program and additional operational appropriation for various needs.

### **INDUSTRY PROGRAM**

Correctional Industries exists as a self-supporting operation within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations. The primary goal of the Industries program is to administer and operate the various industry programs in an efficient and cost-effective manner that provides inmates with productive and significant training opportunities.



More than 500 inmates participate in the various work programs. Principal operations include printing and graphic arts, janitorial products, garment, mattress, school bus/fire truck repair, furniture manufacturing refinishing, vinyl products and athletic equipment. Prison Industry Enhancement (PIE) Programs at the McPherson and Pine Bluff Units are a partnership with private sector companies operating within prison fences and employing inmates at prevailing wages. FY08 sales totaled just over \$8.9 million. The Biennial Request for the Industries program provides for additional operational appropriation for the various existing industry programs.

### **INMATE WELFARE FUND**

Self-supported Pen Store operations within institutions provide the opportunity for inmates to purchase various commissary supplies such as hygiene items, paper, and stamps as well as various snack foods. A centralized banking system manages inmate funds, and the profits from the stores are used to purchase items that benefit inmates such as tables and chairs for visitation, televisions, and recreational equipment for inmate use. The Biennial Request for this cash fund operation includes inflationary operating costs increases and anticipated needs for unit expansions.

### **NON-REVENUE RECEIPTS**

Funds for this appropriation are derived from operation of an inmate collect calling system that began in the 1995-97 Biennium. The system allows inmates the opportunity to call family or friends and provides revenues that are used to fund inmate assistance, security equipment, long-term needs that enhance quality of life in the institutions, and general operations. The Biennial Request will provide various operational and construction appropriations needed to provide flexibility in funding priority projects.

### **CUMMINS FIRE STATION-CASH FUNDS**

Funds for this appropriation are derived from collections by Lincoln County from the Fire Protection Revolving Fund as authorized by Act 833 of 1991. These funds are currently being used to construct a Fire House at the Cummins Unit utilizing Inmate Labor.

### **UAMS JUVENILE ASSESSMENT-SPECIAL REVENUES**

Funds for this appropriation are derived from collections by the Arkansas Crime Information Center (ACIC) of a \$250.00 fee from each individual who is required by law to register as a Level III or Level IV Sex Offender as required by provisions of A.C.A. §12-12-910 and 12-12-911 et seq. The fees are split between ACIC and the Arkansas Department of Correction.

### **FEDERAL PROGRAMS**

Funding for this appropriation accommodates multiple Federal Program Grants. Currently, there is a grant pending with the Federal Bureau of Justice to be used for enhancement of the Statewide Automated Victim Information and Notification Program (SAVIN).

### **SPECIAL LANGUAGE**

The Agency Requests continuation of current Special Language with appropriate date revisions and changes/deletions/additions as follows:

- ◆ Continuation of Contingent Positions for Medical Services that would only be used in the event we must discontinue our current medical contract.
- ◆ Deletion of Special Language requiring a specified methodology for calculating an Inmate Cost Study as this effort requires a significant amount of staff time to complete, and we do not believe the report has been of value in terms of public policy decisions. Since 1988, ADC has completed and will continue to complete a cost study utilizing a preferred methodology, and this is valuable to us in

evaluating our cost increases from year to year. There is not a standard methodology that is utilized to calculate cost per day by other correctional jurisdictions and therefore is not useful in making comparisons with other entities. In addition, cost per day for each state is no longer collected and published by the Criminal Justice Institute for this reason.

- ◆ Deletion of Special Language restricting funding for new or additional positions. As written, this language has conflicting provisions that required interpretation by the Chief Fiscal Officer of the State and Arkansas Legislative Council. We believe the intent of this language was to prohibit ADC from spending funding provided for new positions for other purposes, but as interpreted, the set aside is simply the difference in salary budgets from one year to the next which also includes pay plan increases. And, any funding or appropriation reallocated for purposes other than provided must first have approval of the ADC Board, the Chief Fiscal Officer and Governor, and the Arkansas Legislative Council. We believe these checks and balances make this language duplicative and unnecessary. For several years now, ADC has utilized salary savings to pay straight time balances of officers which are not funded by the State, holiday banked balances as officers are unable to take off holidays because of our vacancy rates, and MIPS bonuses that are already authorized to be paid from salary savings.
- ◆ New Special Language to assist in recruitment and retention efforts by allowing ADC to make bonus payments of \$3,000 after three (3) years and \$5,000 after five (5) years to correctional officers. In 2007, a report reflected that 1,632 of 2,632 or 62% of employees classified as security (COI - Major) had less than 5 years of service. It also reflected that we lose most employees within the first year and it decreases after 5 years. This proposal is an attempt to entice new officers to stay though five years, and at that time, we believe we have a better chance of retaining them.
- ◆ New Special Language to assist in recruitment and retention efforts by allowing ADC to hire high school graduates who have completed a Correctional/Law Enforcement Officer Provisional Certification Program in conjunction with the Department of Workforce Education at the level of Officer First Class.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF CORRECTION  
  
FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
<p>A sample of 30 employees' compensated absence balances revealed eight employees, or 27%, with incorrect balances, as follows:</p> <ul style="list-style-type: none"> <li>• Compensated absences for two employees were overstated 40.5 hours resulting in overpayments totaling \$568;</li> <li>• Compensated absences for four employees were overstated 77 hours, or \$1,200; and</li> <li>• Compensated absences for two employees were understated 88 hours, or \$1,455.</li> </ul> <p>In addition, we could not determine if one of the employees sampled received all holiday time earned based on a review of the available records.</p>	<p>The Agency recover the \$568 in overpayments and maintain accurate and detailed compensated absence records for each employee. In addition, the Agency ensure that human resource personnel are adequately trained to account for compensated absences, and that the records are periodically reviewed on a test basis by an independent employee.</p>

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS DEPARTMENT OF CORRECTION

FOR THE YEAR ENDED JUNE 30, 2007

Findings

Although the exceptions noted are not considered monetarily material to the Agency, accurate leave records are necessary to ensure all employees are paid the appropriate amount upon termination. The Agency had 3,794 employees at June 30, 2007 with a turnover rate of approximately 26%. Failure to maintain accurate and detailed compensated absence records for each of these employees can result in incorrect amounts paid to employees upon termination.

Inventory records and controls were inadequate at the central warehouse. Eight exceptions were noted between the Agency's perpetual records and actual inventory on hand during a test count of 40 items. Central warehouse food purchases, per Agency records, totaled \$10,063,644 for fiscal year ended June 30, 2007. Inadequate inventory records and controls reduce the Agency's ability to properly safeguard and account for these assets for use in the care and custody of inmates.

Recommendations

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The Agency maintain accurate records for, and strengthen internal controls over, central warehouse inventories by reconciling perpetual inventory records to periodic physical counts performed during the year and at fiscal year-end.

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF CORRECTION  
REPORT ON CERTIFICATION OF CONSUMPTION OF FARM PRODUCE  
FOR THE YEAR ENDED JUNE 30, 2007

Findings

The Agency did not properly account for meat emoluments for the fiscal year ended June 30, 2007, as follows:

- Farm Administration meat emolument records were not reconciled to Administrative Services meat emolument records. The Farm Administration records are used for tax reporting and the Administrative Services records are used for reporting consumption.
- Farm Administration meat emolument consumption records were inaccurate due to the backdating of meat issues. The Agency backdated meat shipments in an attempt to make up for months when the processing facilities were unable to fulfill all emolument orders.
- Administrative Services meat emolument consumption records were adjusted \$33,182 for items discovered by auditors that were never consumed. The majority of these items were meat issues that spoiled prior to delivery and therefore were never shipped to employees for consumption.
- Review of meat emolument issues revealed that employees did not always sign the appropriate requisition form to verify receipt as required by the Agency's policy.
- Emolument income reported on employees' W-2 forms was not correct for the calendar years ended December 31, 2006 and 2007. The Agency uses estimates during the year for tax withholding purposes and did not adjust employee records or future estimates in a timely manner to ensure W-2 amounts were correct. Auditors noted various errors including 136 employees in calendar year 2006 and 31 employees in calendar year 2007 that received emoluments, but did not have any income reported on their W-2 forms related to these emoluments.

Improperly accounting for meat emoluments could lead to the misstatement of the Agency's schedules of consumption of farm produce, misuse of Agency produced assets and erroneous reporting of employee income.

The Agency did not follow Arkansas Code Annotated 12-27-116 or the Agency's Administrative Directive 98-09 in the issuance of meat emoluments during the fiscal year ended June 30, 2007. Both the Arkansas Code and Administrative Directive states that issuance of emoluments is determined by availability, is not assured, should be in reasonable quantities, and issued only when there is a surplus of farm produced meat. During the fiscal year, the Agency was unable to process farm produced meat at various times due to repairs and maintenance to the meat processing plant, and to comply with United States Department of Agriculture standards. When farm produced meat became available, the Agency attempted to make up for missed deliveries by backdating issues to the month the employees were scheduled to receive an allowance. Of the \$36,549 in meat emoluments processed and delivered in the 2007 fiscal year, \$33,349 of the

Recommendations

Implement controls in its accounting procedures for Farm Administration and Administrative Services to reconcile meat emolument records, prevent items from improperly being included in emolument consumption reports and correctly report employee income associated with emoluments. Recompute emolument income reported on employee W-2 forms and make all necessary adjustments for the 2006 and 2007 calendar years.

Comply with Ark. Code Ann. 12-27-116 and its own policies by delivering reasonable quantities of surplus meat produced by the Agency's farming operation only when it is available.

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 DEPARTMENT OF CORRECTION  
 REPORT ON CERTIFICATION OF CONSUMPTION OF FARM PRODUCE  
 FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
<p>deliveries were backdated by the Agency in an attempt to make up for missed deliveries. In addition, in February 2007 the Agency delivered a total of 2,500 pounds, or \$5,275, more than the total monthly meat allowance in an effort to make up for missed deliveries. This is not in compliance with Ark. Code Ann. 12-27-116 and the Agency's own policies regarding delivering only reasonable quantities of surplus meat produced by the Agency's farming operation.</p>	

**Performance Audit Findings**

Adequacy of Prison Inmate Custody/Care and Success in Assessing Registered Sex Offenders – Arkansas Department of Correction (ADC)  
 (July 1, 2005 – June 30, 2006) - Issued 12-14-2007

Findings and Conclusions:

- Housing ADC inmates at local facilities has an adverse trickledown effect on local communities with jail overcrowding potentially resulting in early release of many city/county prisoners.
- 3.2% of inmates and 1.2% of staff failed random drug tests in fiscal year 2006.
- The average time from registration to assessment for 30 sex offenders selected for review was approximately 9 months.

Recommendations:

- Enhance drug screening procedures for visitors, prisoners returning from visitation areas, and employees entering correctional facilities. Also, increase the number and frequency of drug tests for inmates and staff.
- Reevaluate procedures to decrease the amount of time it takes to assess registered sex offenders so citizens may be properly and more promptly notified of registered sex offenders in their neighborhoods.

**Employment Summary**

	Male	Female	Total	%
White Employees	1273	585	1858	51 %
Black Employees	774	1015	1789	49 %
Other Racial Minorities	20	6	26	0 %
Total Minorities			1,815	49 %
Total Employees			3,673	100 %

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Report	ACA §12-27-107	N	Y	500	Required by Statute
Inmate Handbook	ACA §12-27-106	N	Y	5,000	Required by Statute

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1MJ County Jail Reimbursement	8,652,320	0	7,500,035	0	7,500,035	0	7,500,035	0	15,641,650	0	7,500,035	0	7,500,035	0	12,919,866	0	7,500,035	0
2ZV Work Release Cash	2,113,504	0	5,580,232	0	6,580,232	0	5,006,232	0	7,502,054	0	7,502,054	0	5,006,232	0	7,761,272	0	7,761,272	0
33K UAMS Juvenile Assessment	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
4HS Fire Station Treasury Cash	1,771	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
509 Inmate Care & Custody	272,672,750	4,177	281,302,424	4,191	291,984,793	4,565	290,285,963	4,191	338,921,714	4,606	319,399,202	4,423	293,772,160	4,191	349,428,234	4,606	337,622,249	4,493
511 Prison Industry	8,041,091	52	9,836,236	52	9,921,432	52	9,560,068	52	10,282,236	52	10,282,236	52	9,611,653	52	11,074,002	52	11,074,002	52
512 Farm Operations	12,419,889	57	14,399,701	57	14,477,278	57	13,003,978	57	16,107,046	60	16,107,046	60	13,060,947	57	17,779,535	60	17,779,535	60
847 Federal Programs	299,908	1	420,833	1	686,028	1	0	1	253,205	1	253,205	1	0	1	122,560	1	122,560	1
859 Inmate Welfare Treasury Cash	8,762,626	0	11,409,399	25	11,315,845	26	10,970,339	25	12,570,183	27	12,570,183	27	10,989,050	25	13,151,588	27	13,151,588	27
865 Non-Tax Revenue Receipts	2,095,611	0	4,224,965	0	5,665,000	0	4,022,626	0	5,772,626	0	5,772,626	0	4,022,626	0	5,772,626	0	5,772,626	0
B01 Regional Facilities Oprs Cash	0	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0
B06 Prison Housing Contract Cash	0	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
C02 Constr Fund Deficiency Cash	0	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
<b>Total</b>	<b>315,059,470</b>	<b>4,287</b>	<b>336,248,825</b>	<b>4,326</b>	<b>349,705,643</b>	<b>4,701</b>	<b>341,924,241</b>	<b>4,326</b>	<b>408,625,714</b>	<b>4,746</b>	<b>380,961,587</b>	<b>4,563</b>	<b>345,537,703</b>	<b>4,326</b>	<b>419,584,683</b>	<b>4,746</b>	<b>402,358,867</b>	<b>4,633</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	19,241,521	5.7	21,428,899	6.2	11,558,237	3.3	11,558,237	2.8	11,558,237	3.0	9,229,496	2.6	6,645,308	1.6	9,229,496	2.3	
General Revenue	4000010	274,201,251	81.5	283,302,956	81.5	293,236,658	83.5	342,900,460	83.5	313,452,914	82.2	296,722,855	84.0	353,177,460	84.1	332,473,041	82.7	
Federal Revenue	4000020	299,908	0.1	420,833	0.1	0	0.0	253,205	0.1	253,205	0.1	0	0.0	122,560	0.0	122,560	0.0	
Special Revenue	4000030	18,364,215	5.5	16,508,764	4.7	18,567,475	5.3	21,392,711	5.2	21,392,711	5.6	18,807,714	5.3	23,988,651	5.7	23,988,651	6.0	
Cash Fund	4000045	20,585,201	6.1	21,570,447	6.2	24,166,367	6.9	30,012,033	7.3	30,012,033	7.9	24,723,012	7.0	31,390,590	7.5	31,390,590	7.8	
Merit Adjustment Fund	4000055	0	0.0	950,163	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Budget Stabilization Trust	4000130	3,600,000	1.1	3,600,000	1.0	3,600,000	1.0	4,600,000	1.1	4,600,000	1.2	3,600,000	1.0	4,600,000	1.1	4,600,000	1.1	
DFA Motor Vehicle Acquisition	4000184	140,086	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Insurance Fund Proceeds	4000299	48,848	0.0	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	7,339	0.0	25,000	0.0	25,000	0.0	25,000	0.0	25,000	0.0	25,000	0.0	25,000	0.0	25,000	0.0	
<b>Total Funds</b>		<b>336,488,369</b>	<b>100.0</b>	<b>347,807,062</b>	<b>100.0</b>	<b>351,153,737</b>	<b>100.0</b>	<b>410,741,646</b>	<b>100.0</b>	<b>381,294,100</b>	<b>100.0</b>	<b>353,108,077</b>	<b>100.0</b>	<b>419,949,569</b>	<b>100.0</b>	<b>401,829,338</b>	<b>100.0</b>	
Excess Appropriation/(Funding)		(21,428,899)		(11,558,237)		(9,229,496)		(2,115,932)		(332,513)		(7,570,374)		(364,886)		529,529		
<b>Grand Total</b>		<b>315,059,470</b>		<b>336,248,825</b>		<b>341,924,241</b>		<b>408,625,714</b>		<b>380,961,587</b>		<b>345,537,703</b>		<b>419,584,683</b>		<b>402,358,867</b>		

The FY08 Actual amount for appropriation 1MJ exceeds the Authorized amount due to special language allowing Carry Forward of appropriation and funding. Variance in fund balances are due to unfunded appropriation. Appropriation 2ZV Cash in Treasury replaces Appropriation D02 Cash in Bank. Appropriation 859 Cash in Treasury replaces Appropriation B02 Cash in Bank. Appropriation 865 Cash in Treasury replaces Appropriation A83 Cash in Bank. The FY09 Budgeted amount exceeds the Authorized amount due to salary and matching rate adjustments during the 2007-2009 biennium.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
4,375	3794	480	4274	101	13.28 %	4,701	3760	572	4332	369	20.02 %	4,701	3673	653	4326	375	21.87 %



## **Analysis of Budget Request**

**Appropriation:** 1MJ - County Jail Reimbursement

**Funding Sources:** MCJ - County Jail Reimbursement Fund

In the event the Arkansas Department of Correction cannot accept inmates from county jails due to insufficient bed space, the Agency reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and the Department of Correction and upon with approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in A.C.A. §12-27-114. ADC serves as disbursing officer for this separate Revenue Stabilization fund and currently pays county jails \$28 per day for housing inmates sentenced to ADC.

The Agency requests Base Level of \$7,500,035 for both years of the 2009-2011 Biennium and a Change Level Requests of \$8,141,615 in FY10 and \$5,419,831 in FY11 to reimburse the counties.

The Executive Recommendation provides for Base Level.

## Appropriation Summary

**Appropriation:** 1MJ - County Jail Reimbursement  
**Funding Sources:** MCJ - County Jail Reimbursement Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	8,652,320	7,500,035	7,500,035	7,500,035	15,641,650	7,500,035	7,500,035	12,919,866	7,500,035
<b>Total</b>		<b>8,652,320</b>	<b>7,500,035</b>	<b>7,500,035</b>	<b>7,500,035</b>	<b>15,641,650</b>	<b>7,500,035</b>	<b>7,500,035</b>	<b>12,919,866</b>	<b>7,500,035</b>
<b>Funding Sources</b>										
Fund Balance	4000005	3,736,473	2,584,188		2,584,188	2,584,188	2,584,188	2,584,188	0	2,584,188
General Revenue	4000010	7,500,035	7,500,035		7,500,035	13,057,462	7,500,035	7,500,035	12,919,866	7,500,035
<b>Total Funding</b>		<b>11,236,508</b>	<b>10,084,223</b>		<b>10,084,223</b>	<b>15,641,650</b>	<b>10,084,223</b>	<b>10,084,223</b>	<b>12,919,866</b>	<b>10,084,223</b>
Excess Appropriation/(Funding)		(2,584,188)	(2,584,188)		(2,584,188)	0	(2,584,188)	(2,584,188)	0	(2,584,188)
<b>Grand Total</b>		<b>8,652,320</b>	<b>7,500,035</b>		<b>7,500,035</b>	<b>15,641,650</b>	<b>7,500,035</b>	<b>7,500,035</b>	<b>12,919,866</b>	<b>7,500,035</b>

Actual exceeds Authorized Appropriation due to special language allowing Carry Forward of appropriation and funding.  
 The Carry Forward amount for FY09 is \$412,553.

## Change Level by Appropriation

**Appropriation:** 1MJ - County Jail Reimbursement  
**Funding Sources:** MCJ - County Jail Reimbursement Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,500,035</b>	<b>0</b>	<b>7,500,035</b>	<b>100.0</b>	<b>7,500,035</b>	<b>0</b>	<b>7,500,035</b>	<b>100.0</b>
C01	Existing Program	8,141,615	0	15,641,650	208.6	5,419,831	0	12,919,866	172.3

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,500,035</b>	<b>0</b>	<b>7,500,035</b>	<b>100.0</b>	<b>7,500,035</b>	<b>0</b>	<b>7,500,035</b>	<b>100.0</b>
C01	Existing Program	0	0	7,500,035	100.0	0	0	7,500,035	100.0

### Justification

C01	In the event the Department of Correction cannot accept inmates from county jails due to insufficient bed space, the Department of Correction reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and the Department of Correction and upon approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in §12-27-114. ADC serves as disbursing officer for this separate Revenue Stabilization fund and currently pays county jails \$28 per day for housing inmates sentenced to ADC. Based on the average increase in the inmate population of 34 inmates per month over the past 15 years and assuming that beds will open at the Malvern Special Needs Unit as requested, ADC projects that an additional \$8.1 million in FY10 and \$5.4 million in FY11 will be needed to pay county jails for housing inmates. The amount requested for FY10 includes a projected \$4.7 million deficiency in FY09 that will be also be included in a Supplemental Emergency Appropriation and Funding request. This request does not need to be duplicated. During Calendar Year 2007, the inmate population increased by 587, an average growth of 49 inmates per month. Over the past ten years, the average inmate population growth has been 34 per month, or 408 inmates per year. A portion of the ADC Biennial Request is based on this projected growth rate of 34 inmates per month, even though through July 2008, the growth rate has exceeded 60 inmates per month or 720 per year. This projection does not take into consideration any potential sentence law changes – increases or decreases – that might result from the Legislative Session.
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**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Correction Department

Program: County Jail Reimbursement

Act #: 1291 of 2007 Section(s) #: 15, 31 & 32

Estimated Carry Forward Amount \$ 1,586,516.00      Appropriation       Funds

Funding Source: General

**Accounting Information:**

Business Area: 0480      Funds Center: 1MJ      Fund: MCJ      Functional Area: SFTY

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Refunds/Reimbursements	5110014	1,586,516.00	412,553.00
<b>Total</b>		<b>\$ 1,586,516.00</b>	<b>\$ 412,553.00</b>

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

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

Carry forward of Appropriations and funding will be needed to provide adequate resources to pay County Jail Reimbursements for Fiscal Year 2009. Current base level amounts will not cover this due to increases in new commitments and returning offenders.

**Actual Funding Carry Forward Amount**      \$ 412,553.00

**Current status of carry forward appropriation/funding:**

The Department made a payment at the end of June in Fiscal Year 2008 to pay invoices that had been returned for the month of June in order to reduce the balance to be accrued for the end of year. Current carryforward balance will be utilized to pay prior year and current year billings.

Larry Norris  
Director

08-25-2008  
Date

## **Analysis of Budget Request**

**Appropriation:** 2ZV - Work Release Cash

**Funding Sources:** NDC - Cash in Treasury

The Work Release Program allows inmates to hold paid jobs in the community while being housed at a correctional facility. Work Release participants reimburse the Department of Correction \$17 per day to offset the cost for maintenance and operation of the centers. There are currently six Work Release Centers located at Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. This is a cash funded appropriation that is supported by each inmate who participates in the Work Release Program.

The Agency Base Level is \$5,006,232 each year of the 2009 - 2011 Biennium.

The Agency's Change Level Request totals \$2,495,822 in FY10 and \$2,755,040 in FY11 and is summarized as follows:

- Operating Expenses of \$275,680 in FY10 and \$558,660 in FY11 provides appropriation to pay for increases in the cost of maintaining and repairing Work Release buildings. These buildings are several years old. The request also includes increases for utilities, postage, vehicle fuel, clothing and food.
- Conference and Travel Expenses of \$15,790 in FY10 and \$16,880 in FY11 for training of employees/staff that operate the Work Release Centers.
- Capital Outlay appropriation of \$1,704,352 in FY10 and \$1,679,500 in FY11 for new and replacement equipment for the Work Release Centers and other department program areas as may be required.
- Professional Fees totaling \$500,000 each year respectively to give needed flexibility for payments of unforeseen medical contract costs.

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

## Appropriation Summary

**Appropriation:** 2ZV - Work Release Cash

**Funding Sources:** NDC - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,577,000	3,937,872	3,937,872	3,937,872	4,213,552	4,213,552	3,937,872	4,496,532	4,496,532
Conference & Travel Expenses	5050009	7,041	68,360	68,360	68,360	84,150	84,150	68,360	85,240	85,240
Professional Fees	5060010	8,964	500,000	1,500,000	500,000	1,000,000	1,000,000	500,000	1,000,000	1,000,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	520,499	574,000	574,000	0	1,704,352	1,704,352	0	1,679,500	1,679,500
Debt Service	5120019	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
<b>Total</b>		<b>2,113,504</b>	<b>5,580,232</b>	<b>6,580,232</b>	<b>5,006,232</b>	<b>7,502,054</b>	<b>7,502,054</b>	<b>5,006,232</b>	<b>7,761,272</b>	<b>7,761,272</b>
<b>Funding Sources</b>										
Fund Balance	4000005	4,988,567	7,158,609		4,886,978	4,886,978	4,886,978	3,189,347	3,189,347	3,189,347
Cash Fund	4000045	4,283,546	3,308,601		3,308,601	5,804,423	5,804,423	3,308,601	6,063,641	6,063,641
<b>Total Funding</b>		<b>9,272,113</b>	<b>10,467,210</b>		<b>8,195,579</b>	<b>10,691,401</b>	<b>10,691,401</b>	<b>6,497,948</b>	<b>9,252,988</b>	<b>9,252,988</b>
Excess Appropriation/(Funding)		(7,158,609)	(4,886,978)		(3,189,347)	(3,189,347)	(3,189,347)	(1,491,716)	(1,491,716)	(1,491,716)
<b>Grand Total</b>		<b>2,113,504</b>	<b>5,580,232</b>		<b>5,006,232</b>	<b>7,502,054</b>	<b>7,502,054</b>	<b>5,006,232</b>	<b>7,761,272</b>	<b>7,761,272</b>

Appropriation 2ZV Cash in Treasury replaces Appropriation D02 Cash in Bank.

## Change Level by Appropriation

**Appropriation:** 2ZV - Work Release Cash

**Funding Sources:** NDC - Cash in Treasury

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>5,006,232</b>	<b>0</b>	<b>5,006,232</b>	<b>100.0</b>	<b>5,006,232</b>	<b>0</b>	<b>5,006,232</b>	<b>100.0</b>
C01	Existing Program	2,495,822	0	7,502,054	149.9	2,755,040	0	7,761,272	155.0

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>5,006,232</b>	<b>0</b>	<b>5,006,232</b>	<b>100.0</b>	<b>5,006,232</b>	<b>0</b>	<b>5,006,232</b>	<b>100.0</b>
C01	Existing Program	2,495,822	0	7,502,054	149.9	2,755,040	0	7,761,272	155.0

### Justification

C01	Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 498 inmates in work release programs located in Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. Fees received from work release participants reduce the operational costs of the program. The biennial request for Work Release Operations includes additional operating costs increases for utilities, postage, vehicle fuel, maintenance, clothing, etc., additional operational appropriation for unforeseen needs, new and replacement equipment, and applicable costs to support one additional correctional officer position at the NW Arkansas Work Release Center requested from the Inmate Care and Custody appropriation.
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## **Analysis of Budget Request**

**Appropriation:** 33K - UAMS Juvenile Assessment

**Funding Sources:** SSC - Sex and Child Offender Registration Fund

This appropriation request is for UAMS Juvenile Assessment. Funds for this appropriation are derived from collections by Arkansas Crime Information Center (ACIC) by collecting a \$250.00 fee from each individual who is required by law to register as a Level III or Level IV Sex Offender as required by provisions of ACA §12-12-910 and 12-12-911 et seq. The fees are split between ACIC and the Department of Correction.

The Agency Request is for Base Level each year of the 2009-2011 biennium.

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



## Appropriation Summary

**Appropriation:** 33K - UAMS Juvenile Assessment  
**Funding Sources:** SSC - Sex and Child Offender Registration Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
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
<b>Total</b>		<b>0</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	17,821	25,160		25,160	25,160	25,160	25,160	25,160	25,160
State Administration of Justice	4000470	7,339	25,000		25,000	25,000	25,000	25,000	25,000	25,000
<b>Total Funding</b>		<b>25,160</b>	<b>50,160</b>		<b>50,160</b>	<b>50,160</b>	<b>50,160</b>	<b>50,160</b>	<b>50,160</b>	<b>50,160</b>
Excess Appropriation/(Funding)		(25,160)	(25,160)		(25,160)	(25,160)	(25,160)	(25,160)	(25,160)	(25,160)
<b>Grand Total</b>		<b>0</b>	<b>25,000</b>		<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>

## **Analysis of Budget Request**

**Appropriation:** 4HS - Fire Station Treasury Cash

**Funding Sources:** NDC - Cash in Treasury

This appropriation provides for the construction of a new Fire Station at the Cummins Unit. Cash funds are collected through the Fire Protection Revolving Fund as authorized by Act 833 of 1991. The construction of the new Fire Station will be completed by Department of Correction's in-house construction division utilizing inmate labor to lower the cost.

The Agency is requesting Base Level each year of the biennium.

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

**Appropriation Summary**

**Appropriation:** 4HS - Fire Station Treasury Cash

**Funding Sources:** NDC - Cash in Treasury

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Construction	5090005	1,771	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		1,771	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Funding Sources</b>										
Fund Balance	4000005	31,487	50,150		30,300	30,300	30,300	15,300	15,300	15,300
Cash Fund	4000045	20,434	30,150		35,000	35,000	35,000	42,000	42,000	42,000
Total Funding		51,921	80,300		65,300	65,300	65,300	57,300	57,300	57,300
Excess Appropriation/(Funding)		(50,150)	(30,300)		(15,300)	(15,300)	(15,300)	(7,300)	(7,300)	(7,300)
Grand Total		1,771	50,000		50,000	50,000	50,000	50,000	50,000	50,000

## **Analysis of Budget Request**

**Appropriation:** 509 - Inmate Care & Custody

**Funding Sources:** HCA - Department of Correction Inmate Care and Custody Fund

The Arkansas Department of Correction (ADC) is responsible for administration of an efficient and humane system of correction for individuals committed to the Department by the courts. In addition to providing for basic physiological and psychological needs of inmates, the Agency operates extensive farming, industry, work release programs, inmate welfare activities, pen stores, and maintenance and construction activities. Cash and special revenues produced by these and other auxiliary activities allow the Department wide discretion in planning and operating new and expanded inmate care and custody programs as well as construction projects.

The Board of Corrections is comprised of seven voting members: five citizen members, the chairperson of the Post Prison Transfer Board and one member of a criminal justice faculty. Each member is appointed by the Governor and serves a seven-year term.

The Agency has five divisions. The divisions and responsibilities are:

**Administrative Services** provides support to all operational units of the ADC while ensuring Agency compliance with state and federal accounting, budgetary and personnel procedures;

**Institutional Services** oversees the various Institutions, Work Release Programs, Regional Jails, Transportation Services, Accreditation, Classification and Emergency Preparedness;

**Operations** directs the Agriculture and Industry Programs, the 309 County Jail Contracts Program (A.C.A. §12-30-401) and also coordinates inmate grievances;

**Health and Correctional Programs** is responsible for Medical and Mental Health Services, Religious Services, Substance Abuse Treatment Program (SATP) and Reduction of Sexual Victimization Program (RSVP). The Health and Correctional Programs Division also coordinates educational programs provided through the Department of Correction School District, which is accredited and supervised by the Arkansas Department of Education. During the 1999 Legislative Session, responsibility for assessment of sex offenders in prison and living in communities in Arkansas was assigned to ADC. A unit supervised by the Deputy Director of Health and Correctional Programs conducts the assessments as prescribed by the Sex Offender Assessment Committee whose members are appointed by the Governor and prescribed by law;

**Construction and Maintenance** is responsible for ongoing and preventative maintenance programs at the various units and design and construction projects for the department. Construction of facilities is often completed with inmate labor, which costs substantially less than free-world labor.

Funding for Inmate Care and Custody (ICC) is primarily from general revenue. The opening of the Jefferson and Delta Regional Jail Units in FY92 provided a new fund source for the Department. Legislation specifies that fees collected from contracting with counties for an agreed upon number of beds is to be deposited in the "Regional Facilities Operation Account" and used for payment of debt service on, or operation of, regional facilities. The operation of these facilities is funded within Inmate Care and Custody appropriation with a portion of the cost defrayed by a transfer of the cash funds to the Inmate

Care and Custody Fund. Funding provided to the Inmate Care & Custody Fund from Cash Funds totals \$4,549,340 each year of the Biennium. The use of cash and special revenue income for Inmate Care & Custody Fund Operations allows the Agency to prepare fiscal year budgets to help meet the contingencies of population growth.

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

The Base Level Request is \$290,285,963 in FY10 and \$293,772,160 in FY11.

The Change Level Request for the Department of Correction for appropriation and General Revenue funding totals \$44,106,375 in FY10 and \$51,034,774 in FY11. In addition, the Agency is requesting to restore 104 Flex Positions as unfunded appropriation only for \$4,529,376 in FY10 and \$4,621,300 in FY11. The following is a summary of the major components of the Agency Request with amounts for each year of the biennium respectively separated into four (4) categories:

**1. Agency General Operations Request**

For each of the 18 facilities, the Agency is asking increases for cost of utilities, food, fuel, training, equipment and 4 new positions. Also the Agency is requesting Professional Fees for ADC's Part of the Sex Offender/Escape Notification Contract with Arkansas Information Center (ACIC) of \$44,500 each year. An additional request for equipment and software for a Gate Entrance Monitoring Implementation system that would verify everyone entering each facility is requested.

	<u>FY2010</u>	<u>FY2011</u>
Regular Salaries (4 new positions)	\$ 151,028	\$ 154,500
Personal Service Matching	\$ 51,134	\$ 51,841
Operating Expenses	\$6,295,845	\$11,961,085
Travel Expense (training)	\$ 2,820	\$ 5,640
Professional Fees	\$ 44,500	\$ 44,500
Capital Outlay	\$3,355,078	\$ 2,311,652
Total Residential Services Request	\$9,900,405	\$14,529,218

**2. Mandatory Health Services Increases**

- Medical Services Contract rate increase of \$7,768,803 and \$12,936,914 for existing programs
- Risk Pool increase of \$6,000,000 in FY10 to cover off-site and/or contracted health care cost incurred by Correctional Medical Services (CMS) above an annual aggregated cap.

	<u>FY2010</u>	<u>FY2011</u>
Professional Fees	\$13,768,803	\$12,936,914

### 3. New and Existing Program Expansions

Each includes positions, Operating Expenses, Conference and Travel Expenses for training, and Professional Fees for the medical contract.

- SNU Phase I - 488 beds in FY10 with 237 positions (232 restore and 5 new) for \$15,045,025 in FY10 and \$16,262,994 in FY11
- SNU Phase II - 294 beds for 8 months in FY10 with 70 positions (38 restored and 32 new) for \$4,441,187 in FY10 and \$6,750,243 in FY11
- SNU Equipment needs out of Operating Expense of \$476,955 in FY10 and \$543,405 in FY11
- SNU Equipment needs out of Capital Outlay of \$474,000 in FY10 and \$12,000 in FY11

	<u>FY2010</u>	<u>FY2011</u>
Regular Salaries (307 positions)	\$ 8,129,247	\$ 8,585,262
Personal Service Matching	\$ 3,220,003	\$ 3,312,802
Operating Expenses	\$ 3,346,955	\$ 5,178,405
Travel Expense (training)	\$ 38,500	\$ 77,000
Professional Fees (medical contract)	\$ 5,228,462	\$ 6,403,173
Capital Outlay	\$ 474,000	\$ 12,000
Total New and Existing Request	<u>\$20,437,167</u>	<u>\$23,568,642</u>

### 4. Unfunded Appropriation

104 unfunded restored positions to provide for administrative flexibility.

	<u>FY2010</u>	<u>FY2011</u>
Regular Salaries (104 restore positions)	\$3,322,790	\$3,399,169
Personal Service Matching	\$1,206,586	\$1,222,131
Total Unfunded Appropriation Request	<u>\$4,529,376</u>	<u>\$4,621,300</u>

The Executive Recommendation provides appropriation and General Revenue Funding for the following:

#### 1. Agency General Operations Request

Appropriation only for each year of the biennium for utilities, food, fuel, equipment and ADC's part of the Sex Offender/Escape Notification Contract with ACIC for \$5,544,500 in FY10 and \$7,544,500 in FY11

	<u>Appropriation</u>		<u>Funding</u>	
	<u>FY2010</u>	<u>FY2011</u>	<u>FY2010</u>	<u>FY2011</u>
Operating Expenses	\$3,500,000	\$5,500,000	\$ 0	\$ 0
Professional Fees	\$ 44,500	\$ 44,500	\$ 0	\$ 0
Capital Outlay	\$2,000,000	\$2,000,000	\$ 0	\$ 0
Total Residential Services Request	<u>\$5,544,500</u>	<u>\$7,544,500</u>	<u>\$ 0</u>	<u>\$ 0</u>

#### 2. Mandatory Health Services Requests

Appropriation and General Revenue funding for the Medical Contracts for \$7,768,803 in FY10 and \$12,936,914 in FY11

### 3. **New and Existing Initiative**

SNU Phase I 488 Beds with 232 positions and maintenance and operating expenses for \$12,447,453 in FY10 and \$16,063,029 in FY11

SNU Phase II of 294 beds with 70 positions and maintenance and operating expenses for \$6,750,243 in FY11

	<u>Appropriation</u>		<u>Funding</u>	
	<u>FY2010</u>	<u>FY2011</u>	<u>FY2010</u>	<u>FY2011</u>
Regular Salaries	\$ 6,345,191	\$ 8,440,298	\$ 5,287,659	\$ 8,440,298
Personal Service Matching	\$ 2,474,446	\$ 3,257,801	\$ 2,259,238	\$ 3,257,801
Operating Expenses	\$ 2,342,455	\$ 5,178,405	\$ 1,775,204	\$ 4,635,000
Travel Expense	\$ 29,625	\$ 77,000	\$ 24,688	\$ 77,000
Professional Fees	\$ 4,134,218	\$ 6,403,173	\$ 3,100,664	\$ 6,403,173
Capital Outlay	\$ 474,000	\$ 12,000	\$ 0	\$ 0
Total New and Existing Request	\$15,799,935	\$23,368,677	\$12,447,453	\$22,813,272

### 4. **Unfunded Appropriation**

The Executive Recommendation did not provide for the 104 unfunded flex positions.

The Medical Risk Pool Request for the Department of Correction will be recommended from the General Improvement Fund.

## Appropriation Summary

**Appropriation:** 509 - Inmate Care & Custody  
**Funding Sources:** HCA - Department of Correction Inmate Care and Custody Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	127,222,428	135,150,164	135,611,751	139,343,737	150,946,802	145,688,928	142,240,352	154,379,283	150,680,650
<b>#Positions</b>		<b>4,177</b>	<b>4,191</b>	<b>4,565</b>	<b>4,191</b>	<b>4,606</b>	<b>4,423</b>	<b>4,191</b>	<b>4,606</b>	<b>4,493</b>
Extra Help	5010001	135,917	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
<b>#Extra Help</b>		<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>
Personal Services Matching	5010003	44,830,756	45,272,666	48,121,847	50,062,632	54,540,355	52,537,079	50,652,214	55,238,988	53,910,013
Overtime	5010006	1,688,496	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Operating Expenses	5020002	48,067,424	52,235,724	55,249,892	52,235,724	61,878,524	58,078,179	52,235,724	69,375,214	62,914,129
Conference & Travel Expenses	5050009	212,590	336,141	336,141	336,141	377,461	365,766	336,141	418,781	413,141
Professional Fees	5060010	48,494,299	45,024,729	48,882,162	45,024,729	64,066,494	56,972,250	45,024,729	64,409,316	64,409,316
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	602,996	0	500,000	0	3,829,078	2,474,000	0	2,323,652	2,012,000
Jail Contracts	5900047	1,417,844	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000	1,533,000
<b>Total</b>		<b>272,672,750</b>	<b>281,302,424</b>	<b>291,984,793</b>	<b>290,285,963</b>	<b>338,921,714</b>	<b>319,399,202</b>	<b>293,772,160</b>	<b>349,428,234</b>	<b>337,622,249</b>
<b>Funding Sources</b>										
General Revenue	4000010	266,701,216	275,802,921		285,736,623	329,842,998	305,952,879	289,222,820	340,257,594	324,973,006
Cash Fund	4000045	5,865,921	4,549,340		4,549,340	4,549,340	4,549,340	4,549,340	4,549,340	4,549,340
Merit Adjustment Fund	4000055	0	950,163		0	0	0	0	0	0
DFA Motor Vehicle Acquisition	4000184	105,613	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>272,672,750</b>	<b>281,302,424</b>		<b>290,285,963</b>	<b>334,392,338</b>	<b>310,502,219</b>	<b>293,772,160</b>	<b>344,806,934</b>	<b>329,522,346</b>
Excess Appropriation/(Funding)		0	0		0	4,529,376	8,896,983	0	4,621,300	8,099,903
<b>Grand Total</b>		<b>272,672,750</b>	<b>281,302,424</b>		<b>290,285,963</b>	<b>338,921,714</b>	<b>319,399,202</b>	<b>293,772,160</b>	<b>349,428,234</b>	<b>337,622,249</b>

Actual Expenditures exceed Authorized in Overtime due to a transfer from the Overtime Holding Account.  
 Actual Expenditures exceed Authorized in Capital Outlay by authority of Budget Classification Transfer.



## Change Level by Appropriation

**Appropriation:** 509 - Inmate Care & Custody

**Funding Sources:** HCA - Department of Correction Inmate Care and Custody Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>290,285,963</b>	<b>4,191</b>	<b>290,285,963</b>	<b>100.0</b>	<b>293,772,160</b>	<b>4,191</b>	<b>293,772,160</b>	<b>100.0</b>
C01	Existing Program	23,060,524	3	313,346,487	107.9	26,987,659	3	320,759,819	109.2
C02	New Program	10,058,191	38	323,404,678	111.4	12,947,084	38	333,706,903	113.6
C05	Unfunded Appropriation	4,529,376	104	327,934,054	113.0	4,621,300	104	338,328,203	115.2
C06	Restore Position/Approp	10,313,720	270	338,247,774	116.5	10,519,151	270	348,847,354	118.7
C08	Technology	673,940	0	338,921,714	116.8	580,880	0	349,428,234	118.9

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>290,285,963</b>	<b>4,191</b>	<b>290,285,963</b>	<b>100.0</b>	<b>293,772,160</b>	<b>4,191</b>	<b>293,772,160</b>	<b>100.0</b>
C01	Existing Program	13,268,803	0	303,554,766	104.6	20,436,914	0	314,209,074	107.0
C02	New Program	6,906,848	0	310,461,614	107.0	12,697,526	32	326,906,600	111.3
C05	Unfunded Appropriation	0	0	310,461,614	107.0	0	0	326,906,600	111.3
C06	Restore Position/Approp	8,819,638	232	319,281,252	110.0	10,519,149	270	337,425,749	114.9
C08	Technology	117,950	0	319,399,202	110.0	196,500	0	337,622,249	114.9

### Justification

C01	This change level includes operating cost increases for existing facilities as a result of rising fuel prices, warehouse and food cost increases, costs for implementation of entrance monitoring and software license requirements, incremental increases in professional fees and services for the health care contract and medical risk pool supplemental costs, four priority positions needed to support existing operations, and agency-wide equipment needs.
C02	--This CL request includes one position needed to fully implement state guidelines that require state agencies that use electronic mail to set up or modify email systems to facilitate electronic records management. They also require that all retained email should be organized and stored in such a way where it can be easily retrieved when needed. This request would provide a position to serve as a records retention coordinator. Funding for software and a server to accomplish this requirement is included in C08 Technology request. --The majority of this CL request combined with CL06 Restored Positions provides for the opening of the Ouachita River Special Needs Unit (SNU) during 2010. While authorized last biennium for opening during FY09, delays in construction and the lower FY09 initial forecast revision prohibited us from budgeting any of the positions/appropriations for this unit. New opening dates are as follows: The Sheltered Living Unit (448 beds) are scheduled to be available by August 2009 requiring twelve (12) months of operating and start up costs; Intake (294 beds) and the Hospital (42 beds), Habilitation Unit (40 beds), and Hospice (32 beds) is scheduled for completion in February 2010 requiring eight months of operating and start up costs during FY09. Equipment costs for both units amounting to \$950,955 in FY10 and \$555,405 in FY11 is requested making the combined total request for operations of the SNU \$20,437,167 in FY10 and \$23,568,642 in FY11. While inmates housed in various special needs program beds throughout other units will be transferred to the SNU upon opening of this facility, we anticipate this will give us approximately 862 available beds. Intake will effectively double in size enabling ADC to process inmates from county jails more effectively. Current intake will be converted to additional bed space. July 2008 will end with approximately 1,100 inmates backed up in the county jails - a level that places a significant burden on county jail operations. During Calendar Year 2007, the inmate population increased by 587, an average growth of 49 inmates per month. Over the past ten years, the average inmate population growth has been 34 per month, or 408 inmates per year. A portion of the ADC Biennial Request is based on this projected growth rate of 34 inmates per month, even though through July 2008, the growth rate has exceeded 60 inmates per month or 720 per year.
C05	Position Reauthorization/Flex -- CL request will provide for the reauthorization of 104 existing flex positions for the FY10-11 Biennium to enable us to respond to unforeseen situations and to correct inequities within the system as may be required. We need the flexibility to quickly take care of security issues that may occur. In the past, we have utilized flex pool positions to meet federally imposed mandates. We have a significant number of staff on military and family medical leave and utilize flex positions to keep staffing at necessary levels. Flex positions also assist us in keeping more of our budgeted positions filled as they can be advertised prior to employee departures. No additional funding is requested for any of the flex positions.
C06	This CL request combined with CL02 New Programs provides for the opening of the Ouachita River Special Needs Unit (SNU) during 2010. See explanation above.

## Change Level by Appropriation

<b>Justification</b>	
C08	<p>--Included in the CL is an increase amounting to \$200,000 each year for Software Licensing. Over the past few years, we have greatly expanded our pc network for a wide range of needs to include the Chaplaincy program, AASIS, medical and mental health services personnel utilizing the eOMIS medical records systems, entrance monitoring, and the Construction and Maintenance Division Total Maintenance System (TMS). We have almost 2,800 users as compared to only around 1,000 just five years ago.</p> <p>--Also included in C08 is \$44,500 each year needed for maintenance of a Sex Offender Notification System. This new notification system was developed in a cooperative effort with ACIC and DCC and is an enhancement of our efforts to comply with federal eSORNA guidelines (Adam Walsh Act) for registering, monitoring, and tracking sex offenders. The system enables anyone to register via phone or internet to receive notification if a registered sex offender moves within a one mile radius of their home. The annual total maintenance cost of \$133,500 will be shared by ACIC and DCC and should be included in their budget request for FY10-11.</p> <p>--Entrance Monitoring Project - \$165,000 in FY10 and \$181,500 in FY11. This request will enable us to secure equipment and supplies to facilitate implementation for monitoring the entry/exit of all visitors, staff, and inmates in ADC institutions using an enhancement to eOMIS developed in FY08/09. This system verifies an individual biometrically and by a state identification card or driver's license with the goal being to prevent entry to an institution by felons or dangerous individuals and to prohibit escapes.</p> <p>-- Records Retention – combined with a position requested in C02 above, this request for \$150,000 in FY10 will provide funding for software and a server to fully implement state guidelines that require agencies to set up or modify email systems to facilitate electronic records management and to organize and store emails in such a way where it can be easily retrieved when needed.</p> <p>-The operating expense, the professional fee expense, and the capital outlay expense increases can each be found in the Agency's IT Plan on pages 2010-2011 under Record Retention Project, and Support Costs under the Software Section, and the Savin Project, and Entrance Monitoring Project section.</p>

## **Analysis of Budget Request**

**Appropriation:** 511 - Prison Industry

**Funding Sources:** SDD - Department of Correction Prison Industry Fund

The Prison Industry Program is a self-supporting operation funded by special revenues generated from the sale of goods produced and sold to other public tax-supported agencies, non-profit organizations, and employees of the State of Arkansas. Industry program provides opportunities for inmates to learn productive and marketable skills. Industry programs include: Graphic Arts and Duplicating, Mattress Manufacturing, Garment Manufacturing, Furniture Manufacturing, Vinyl Products, Janitorial Products, Athletic/Recreational Equipment Production, and the Fabrication Shop.

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

The Base Level Request is for \$9,560,068 in FY10 and \$9,611,653 in FY11.

The Agency Change Level Request is primarily for operating cost increases as a result of rising fuel prices and anticipated increases in raw materials used to manufacture finished goods produced by the various industry programs. A summary of these requests is as follows:

- Operating Expenses of \$278,382 in FY10 and \$787,039 in FY11
- Conference and Travel Expenses of \$15,000 in FY10 and \$25,000 in FY11
- Capital Outlay of \$428,786 in FY10 and \$650,310 in FY11

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 511 - Prison Industry  
**Funding Sources:** SDD - Department of Correction Prison Industry Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,761,569	1,935,586	1,960,788	2,008,044	2,008,044	2,008,044	2,050,904	2,050,904	2,050,904
<b>#Positions</b>		<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>#Extra Help</b>		<b>0</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
Personal Services Matching	5010003	592,996	597,694	656,088	674,768	674,768	674,768	683,493	683,493	683,493
Operating Expenses	5020002	5,586,455	6,862,256	6,863,856	6,862,256	7,140,638	7,140,638	6,862,256	7,649,295	7,649,295
Conference & Travel Expenses	5050009	4,932	5,000	5,000	5,000	20,000	20,000	5,000	30,000	30,000
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	95,139	425,700	425,700	0	428,786	428,786	0	650,310	650,310
<b>Total</b>		<b>8,041,091</b>	<b>9,836,236</b>	<b>9,921,432</b>	<b>9,560,068</b>	<b>10,282,236</b>	<b>10,282,236</b>	<b>9,611,653</b>	<b>11,074,002</b>	<b>11,074,002</b>
<b>Funding Sources</b>										
Fund Balance	4000005	2,780,760	3,723,490		1,887,254	1,887,254	1,887,254	1,490,683	1,490,683	1,490,683
Special Revenue	4000030	8,983,821	8,000,000		9,163,497	9,885,665	9,885,665	9,346,767	10,809,116	10,809,116
<b>Total Funding</b>		<b>11,764,581</b>	<b>11,723,490</b>		<b>11,050,751</b>	<b>11,772,919</b>	<b>11,772,919</b>	<b>10,837,450</b>	<b>12,299,799</b>	<b>12,299,799</b>
Excess Appropriation/(Funding)		(3,723,490)	(1,887,254)		(1,490,683)	(1,490,683)	(1,490,683)	(1,225,797)	(1,225,797)	(1,225,797)
<b>Grand Total</b>		<b>8,041,091</b>	<b>9,836,236</b>		<b>9,560,068</b>	<b>10,282,236</b>	<b>10,282,236</b>	<b>9,611,653</b>	<b>11,074,002</b>	<b>11,074,002</b>

## Change Level by Appropriation

**Appropriation:** 511 - Prison Industry

**Funding Sources:** SDD - Department of Correction Prison Industry Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>9,560,068</b>	<b>52</b>	<b>9,560,068</b>	<b>100.0</b>	<b>9,611,653</b>	<b>52</b>	<b>9,611,653</b>	<b>100.0</b>
C01	Existing Program	722,168	0	10,282,236	107.6	1,462,349	0	11,074,002	115.2

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>9,560,068</b>	<b>52</b>	<b>9,560,068</b>	<b>100.0</b>	<b>9,611,653</b>	<b>52</b>	<b>9,611,653</b>	<b>100.0</b>
C01	Existing Program	722,168	0	10,282,236	107.6	1,462,349	0	11,074,002	115.2

### Justification

C01	<p>Correctional Industries exists as a "self-supporting operation" within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations.</p> <p>--The biennial request is primarily for operating cost increases as a result of rising fuel prices and anticipated increases in all raw materials used to manufacture finished goods produced by the various industry programs.</p> <p>--Included is a request to increase appropriation for conference fees and travel expenses. Current authority is not sufficient and has required costs be covered by inmate care and custody appropriation authority. Authority from Industry special revenues is necessary to meet American Correctional Association (ACA) accreditation standards and training requirements for merit increase pay system.</p> <p>--Capital equipment authority is also needed to replace aging equipment in existing plants and to expand operational capabilities at existing plants thereby producing additional revenues.</p>
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## **Analysis of Budget Request**

**Appropriation:** 512 - Farm Operations

**Funding Sources:** SDC - Department of Correction Farm Fund

The Department of Correction's Farm Program is funded from special revenue derived from the sale of marketable agricultural and livestock products. In addition, the farm provides vegetables, meat, milk, and eggs for consumption by the inmate population. The primary goal of the Farm program is to provide useful and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock.

State funding for inmate consumables is provided in the form of a loan from the Budget Stabilization Trust Fund not to exceed \$3.6 million annually. This loan may be forgiven at the end of the year upon certification of an equivalent amount of farm-produced food consumed by inmates. The Agency would like to increase the loan amount to \$4.6 million annually.

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

The Base Level Request is \$13,003,978 in FY10 and \$13,060,947 in FY11.

The Agency Change Level Request is as follows:

- Regular Salaries and Personal Service Matching of \$135,714 in FY10 and \$138,480 in FY11 for three new positions are needed to help oversee farm operations at the Ouachita River Unit, irrigation project at the Tucker Unit and an apple orchard at the North Central Unit;
- Operating Expenses of \$1,086,682 in FY10 and \$2,817,566 in FY11 for utilities, fuel, seed, fertilizer, agricultural - horticultural supplies, inventory for resale, and maintenance of farm machinery. The increases will allow the Farm Program to continue to supplement the cost of producing food for inmates;
- Conference and Travel Expenses of \$7,770 in FY10 and \$15,640 in FY11 for increased travel and training requirements for Farm Employees;
- Professional Fees of \$57,902 in FY10 and \$63,902 in FY11 for increases in Architectural Fees associated with the expansion of the Vegetable Processing Facilities and Agricultural Flying Contract and for veterinarian expenses;
- Capital Outlay of \$1,815,000 in FY10 and \$1,683,000 in FY11 for equipment necessary to maintain and increase levels of consumption for an expanding inmate population.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 512 - Farm Operations  
**Funding Sources:** SDC - Department of Correction Farm Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Regular Salaries	5010000	2,040,625	2,193,495	2,218,961	2,293,451	2,393,503	2,393,503	2,340,789	2,443,140	2,443,140
<b>#Positions</b>		<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>60</b>	<b>60</b>	<b>57</b>	<b>60</b>	<b>60</b>
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>#Extra Help</b>		<b>0</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
Personal Services Matching	5010003	681,331	680,281	732,392	758,352	794,014	794,014	767,983	804,112	804,112
Operating Expenses	5020002	8,241,369	9,004,453	9,004,453	9,004,453	10,091,135	10,091,135	9,004,453	11,822,019	11,822,019
Conference & Travel Expenses	5050009	7,874	23,270	23,270	23,270	31,040	31,040	23,270	38,910	38,910
Professional Fees	5060010	64,078	264,452	264,452	264,452	322,354	322,354	264,452	328,354	328,354
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,110,909	1,573,750	1,573,750	0	1,815,000	1,815,000	0	1,683,000	1,683,000
Purchase Cattle/Meat	5900047	273,703	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
<b>Total</b>		<b>12,419,889</b>	<b>14,399,701</b>	<b>14,477,278</b>	<b>13,003,978</b>	<b>16,107,046</b>	<b>16,107,046</b>	<b>13,060,947</b>	<b>17,779,535</b>	<b>17,779,535</b>

Funding Sources										
Fund Balance	4000005	2,067,681	2,711,507		420,570	420,570	420,570	420,570	420,570	420,570
Special Revenue	4000030	9,380,394	8,508,764		9,403,978	11,507,046	11,507,046	9,460,947	13,179,535	13,179,535
Budget Stabilization Trust	4000130	3,600,000	3,600,000		3,600,000	4,600,000	4,600,000	3,600,000	4,600,000	4,600,000
DFA Motor Vehicle Acquisition	4000184	34,473	0		0	0	0	0	0	0
Insurance Fund Proceeds	4000299	48,848	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>15,131,396</b>	<b>14,820,271</b>		<b>13,424,548</b>	<b>16,527,616</b>	<b>16,527,616</b>	<b>13,481,517</b>	<b>18,200,105</b>	<b>18,200,105</b>
Excess Appropriation/(Funding)		(2,711,507)	(420,570)		(420,570)	(420,570)	(420,570)	(420,570)	(420,570)	(420,570)
<b>Grand Total</b>		<b>12,419,889</b>	<b>14,399,701</b>		<b>13,003,978</b>	<b>16,107,046</b>	<b>16,107,046</b>	<b>13,060,947</b>	<b>17,779,535</b>	<b>17,779,535</b>

## Change Level by Appropriation

**Appropriation:** 512 - Farm Operations  
**Funding Sources:** SDC - Department of Correction Farm Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>13,003,978</b>	<b>57</b>	<b>13,003,978</b>	<b>100.0</b>	<b>13,060,947</b>	<b>57</b>	<b>13,060,947</b>	<b>100.0</b>
C01	Existing Program	3,103,068	3	16,107,046	123.9	4,718,588	3	17,779,535	136.1

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>13,003,978</b>	<b>57</b>	<b>13,003,978</b>	<b>100.0</b>	<b>13,060,947</b>	<b>57</b>	<b>13,060,947</b>	<b>100.0</b>
C01	Existing Program	3,103,068	3	16,107,046	123.9	4,718,588	3	17,779,535	136.1

### Justification

C01	<p>The agricultural operation of the ADC provides fresh and frozen vegetables, meat, milk and eggs which are consumed by the inmate population and generates revenue by selling products such as soybeans, rice, cotton and wheat. The primary goal of the Farm program is to provide useful and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock. A Vegetable Processing facility is located at the Varner Unit and annually sends approximately 1.2 million pounds of vegetables for inmate consumption. A Cold Storage facility located at the Cummins Unit provides beef and pork products to all units for consumption. A state of the art Creamery operation is also located at the Cummins Unit and provides milk and juice products. Inmate consumption totaled \$7.2 million in FY08. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY08 cash crop sales totaled just over \$8.8 million. --The biennial request is for three additional positions and associated operating costs for program expansions to include 1) Tucker Assistant Head Farm Manager to supervise all operations as well as to oversee the new farm irrigation project, 2) North Central Agriculture Unit Supervisor for a garden and apple orchard operation, and 3) Ouachita River Correctional Unit Agriculture Unit Supervisor for overall farm operations that include a tomato and other garden crops as well as for a purebred cattle program and additional operational appropriation for various needs. --Additional appropriation is requested for operating cost increases as a result of rising fuel prices and anticipated increases in costs associated with aerial applications, hauling, crop scouting and insurance, and seed, fertilizer and chemicals. These increases are also needed for planned farming operation expansions at units. --Capital Equipment authority is also requested primarily to replace existing aging farm equipment replacement as well as in FY11 to purchase a new pivot irrigation system costing \$200,000 in order to increase irrigation capabilities which will enhance row crop operations at the East Arkansas Regional Unit.</p>
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## **Analysis of Budget Request**

**Appropriation:** 847 - Federal Programs

**Funding Sources:** FDC - Federal Programs

This federally funded appropriation provides for the operations for multiple Federal Program Grants. Currently, there is a grant with the Federal Bureau of Justice to be used for enhancement of the Statewide Automated Victim Information and Notification Program (SAVIN). This program ensures victims of crime receive accurate and timely information regarding the status of offenders and events related to their case. This information-sharing capability is also available to courts, corrections, and law enforcement officials.

The Agency Change Level Request is \$253,205 in FY10 and \$122,560 in FY11. The Agency is requesting appropriation for Regular Salaries and Personal Services Matching for a currently authorized position and Professional Fees for the SAVIN program.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 847 - Federal Programs

**Funding Sources:** FDC - Federal Programs

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	16,913	42,904	0	0	41,877	41,877	0	42,840	42,840
<b>#Positions</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching 5010003	3,630	12,929	0	0	13,623	13,623	0	13,818	13,818
Operating Expenses 5020002	49,082	0	500,000	0	0	0	0	0	0
Conference & Travel Expenses 5050009	843	0	0	0	0	0	0	0	0
Professional Fees 5060010	229,440	365,000	0	0	197,705	197,705	0	65,902	65,902
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	186,028	0	0	0	0	0	0
<b>Total</b>	<b>299,908</b>	<b>420,833</b>	<b>686,028</b>	<b>0</b>	<b>253,205</b>	<b>253,205</b>	<b>0</b>	<b>122,560</b>	<b>122,560</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	299,908	420,833		0	253,205	253,205	0	122,560	122,560
Total Funding	299,908	420,833		0	253,205	253,205	0	122,560	122,560
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>299,908</b>	<b>420,833</b>		<b>0</b>	<b>253,205</b>	<b>253,205</b>	<b>0</b>	<b>122,560</b>	<b>122,560</b>

Budget and Actual exceeds Authorized Appropriation in Regular Salaries, Personal Service Match, Conference and Travel, and Professional Fees due to a transfer from the Miscellaneous Federal Grant Holding Account; the position is a currently authorized position due the flexibility inherent in the authorization of all positions through one salary section in the Agency's appropriation act.

## Change Level by Appropriation

**Appropriation:** 847 - Federal Programs

**Funding Sources:** FDC - Federal Programs

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0.0</b>
C01	Existing Program	253,205	0	253,205	100.0	122,560	0	122,560	100.0

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0.0</b>
C01	Existing Program	253,205	0	253,205	100.0	122,560	0	122,560	100.0

### Justification

C01	The Agency is requesting appropriation for Regular Salaries and Personal Services Matching for a currently authorized position and Professional Fees for the Statewide Automated Victim Information and Notification Program (SAVIN). This program ensures victims of crime receive accurate and timely information regarding the status of offenders and events related to their case. This information-sharing capability is also available to courts, corrections, and law enforcement officials.
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## **Analysis of Budget Request**

**Appropriation:** 859 - Inmate Welfare Treasury Cash

**Funding Sources:** NDC - Cash in Treasury

The Inmate Welfare appropriation provides for the operation of Pen Stores, which are self-supporting operations in which inmates can purchase various commissary supplies, primarily snack foods, in the Department's various units. The sales from these stores are deposited as cash funds and used for operational costs. In addition, the funds are used to purchase such items as chairs, televisions, visitation tables, and recreational equipment for inmate use.

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

The Base Level Request is for \$10,970,339 in FY10 and \$10,989,050 FY11.

The Agency is requesting Regular Salaries and Personal Services Matching for one new position and one restored position to provide Commissary positions at the new Special Needs Unit Phase II that is scheduled to open November of FY10. These two positions will be responsible for the operations in the Pen Store. The Agency further requests Operating Expenses of \$933,960 in FY10 and \$1,490,120 in FY11; Capital Outlay of \$605,000 in FY10 and \$600,000 in FY11 for increases in resale merchandise and new equipment and replacement equipment for commissary operations and inmate benefits at new and expanded Units.

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

## Appropriation Summary

**Appropriation:** 859 - Inmate Welfare Treasury Cash

**Funding Sources:** NDC - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	677,285	590,809	709,226	751,339	751,339	724,780	776,478	776,478
<b>#Positions</b>		<b>0</b>	<b>25</b>	<b>26</b>	<b>25</b>	<b>27</b>	<b>27</b>	<b>25</b>	<b>27</b>	<b>27</b>
Personal Services Matching	5010003	0	242,834	235,756	271,833	290,604	290,604	274,990	295,710	295,710
Operating Expenses	5020002	8,262,626	9,989,280	9,989,280	9,989,280	10,923,240	10,923,240	9,989,280	11,479,400	11,479,400
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	500,000	500,000	500,000	0	605,000	605,000	0	600,000	600,000
<b>Total</b>		<b>8,762,626</b>	<b>11,409,399</b>	<b>11,315,845</b>	<b>10,970,339</b>	<b>12,570,183</b>	<b>12,570,183</b>	<b>10,989,050</b>	<b>13,151,588</b>	<b>13,151,588</b>
<b>Funding Sources</b>										
Fund Balance	4000005	3,922,976	3,332,644		1,723,787	1,723,787	1,723,787	1,504,248	1,504,248	1,504,248
Cash Fund	4000045	8,172,294	9,800,542		10,750,800	12,350,644	12,350,644	11,300,445	13,462,983	13,462,983
Total Funding		12,095,270	13,133,186		12,474,587	14,074,431	14,074,431	12,804,693	14,967,231	14,967,231
Excess Appropriation/(Funding)		(3,332,644)	(1,723,787)		(1,504,248)	(1,504,248)	(1,504,248)	(1,815,643)	(1,815,643)	(1,815,643)
<b>Grand Total</b>		<b>8,762,626</b>	<b>11,409,399</b>		<b>10,970,339</b>	<b>12,570,183</b>	<b>12,570,183</b>	<b>10,989,050</b>	<b>13,151,588</b>	<b>13,151,588</b>

Appropriation 859 Cash in Treasury replaces Appropriation B02 Cash in Bank.

The FY09 Budgeted amount in Regular Salaries and Personal Service Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2007-2009 biennium.

## Change Level by Appropriation

**Appropriation:** 859 - Inmate Welfare Treasury Cash

**Funding Sources:** NDC - Cash in Treasury

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>10,970,339</b>	<b>25</b>	<b>10,970,339</b>	<b>100.0</b>	<b>10,989,050</b>	<b>25</b>	<b>10,989,050</b>	<b>100.0</b>
C01	Existing Program	1,538,960	0	12,509,299	114.0	2,090,120	0	13,079,170	119.0
C02	New Program	25,374	1	12,534,673	114.3	36,209	1	13,115,379	119.3
C06	Restore Position/Approp	35,510	1	12,570,183	114.6	36,209	1	13,151,588	119.7

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>10,970,339</b>	<b>25</b>	<b>10,970,339</b>	<b>100.0</b>	<b>10,989,050</b>	<b>25</b>	<b>10,989,050</b>	<b>100.0</b>
C01	Existing Program	1,538,960	0	12,509,299	114.0	2,090,120	0	13,079,170	119.0
C02	New Program	25,374	1	12,534,673	114.3	36,209	1	13,115,379	119.3
C06	Restore Position/Approp	35,510	1	12,570,183	114.6	36,209	1	13,151,588	119.7

### Justification

C01	Self-supported Pen Store operations within institutions provide the opportunity for inmates to purchase various commissary supplies such as hygiene items, paper, and stamps as well as various snack foods. A centralized banking system manages inmate funds, and the profits from the stores are used to purchase items that benefit inmates such as tables and chairs for visitation, televisions, and recreational equipment for inmate use. The biennial request for this cash fund operation includes inflationary resale and operating cost increases and operating costs for the Ouachita River Special Needs Unit expansion. Capital Outlay is requested to provide authority for new and replacement equipment that might be needed.
C02	This request is for one additional commissary supervisor position for expanded operations as a result of the opening of the Ouachita River Special Needs Unit.
C06	This request restores one commissary supervisor position requested last biennium for the opening of the Ouachita River Special Needs Unit, but was not budgeted due to delays in opening the beds.

## **Analysis of Budget Request**

**Appropriation:** 865 - Non-Tax Revenue Receipts

**Funding Sources:** NDC - Cash in Treasury

This cash appropriation is funded by proceeds derived from contractual agreement with a telephone service provider for the operation of a coin-less telephone system that was implemented in the 1995-97 biennium. The program allows inmates to call family or friends collect with a portion of the receipts from such calls paid to the Department of Correction by the telephone company. The appropriation is used for inmate assistance projects, security equipment, long term needs, and general operations as annually approved by the Arkansas Board of Corrections.

The Base Level Request is \$4,022,626 each year of the biennium.

The Agency Request is \$1,750,000 each year as follows:

- Operating Expenses of \$250,000 each year for building and grounds maintenance, public safety and inmate assistance, security, long-term needs, general operations and other projects as may be allocated by the Board of Corrections;
- The Capital Outlay of \$400,000 each year for new/replacement equipment associated with priority Inmate assistance/operations needs, security equipment, long-term needs, and other projects as may be allocated by the Board of Corrections;
- Professional Fees of \$100,000 each year to provide appropriation for flexibility in allocating available funding for priority projects;
- Construction appropriation totaling \$1,000,000 each year to provide for various long-term needs projects.

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

## Appropriation Summary

**Appropriation:** 865 - Non-Tax Revenue Receipts

**Funding Sources:** NDC - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,743,079	2,653,750	2,867,000	2,653,750	2,903,750	2,903,750	2,653,750	2,903,750	2,903,750
Conference & Travel Expenses	5050009	0	0	20,000	0	0	0	0	0	0
Professional Fees	5060010	33,286	113,151	393,000	113,151	213,151	213,151	113,151	213,151	213,151
Construction	5090005	46,095	1,255,725	1,435,000	1,255,725	2,255,725	2,255,725	1,255,725	2,255,725	2,255,725
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	273,151	202,339	950,000	0	400,000	400,000	0	400,000	400,000
<b>Total</b>		<b>2,095,611</b>	<b>4,224,965</b>	<b>5,665,000</b>	<b>4,022,626</b>	<b>5,772,626</b>	<b>5,772,626</b>	<b>4,022,626</b>	<b>5,772,626</b>	<b>5,772,626</b>
<b>Funding Sources</b>										
Fund Balance	4000005	1,695,756	1,843,151		0	0	0	0	0	0
Cash Fund	4000045	2,243,006	2,381,814		4,022,626	5,772,626	5,772,626	4,022,626	5,772,626	5,772,626
<b>Total Funding</b>		<b>3,938,762</b>	<b>4,224,965</b>		<b>4,022,626</b>	<b>5,772,626</b>	<b>5,772,626</b>	<b>4,022,626</b>	<b>5,772,626</b>	<b>5,772,626</b>
Excess Appropriation/(Funding)		(1,843,151)	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>2,095,611</b>	<b>4,224,965</b>		<b>4,022,626</b>	<b>5,772,626</b>	<b>5,772,626</b>	<b>4,022,626</b>	<b>5,772,626</b>	<b>5,772,626</b>

Appropriation 865 Cash in Treasury replaces Appropriation A83 Cash in Bank.



## Change Level by Appropriation

**Appropriation:** 865 - Non-Tax Revenue Receipts

**Funding Sources:** NDC - Cash in Treasury

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>4,022,626</b>	<b>0</b>	<b>4,022,626</b>	<b>100.0</b>	<b>4,022,626</b>	<b>0</b>	<b>4,022,626</b>	<b>100.0</b>
C01	Existing Program	1,750,000	0	5,772,626	143.5	1,750,000	0	5,772,626	143.5

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>4,022,626</b>	<b>0</b>	<b>4,022,626</b>	<b>100.0</b>	<b>4,022,626</b>	<b>0</b>	<b>4,022,626</b>	<b>100.0</b>
C01	Existing Program	1,750,000	0	5,772,626	143.5	1,750,000	0	5,772,626	143.5

### Justification

C01	Funds for this appropriation are derived from operation of an inmate collect calling system that began in the 1995-97 biennium. The system allows inmates the opportunity to call family or friends and provides revenues that are used to fund inmate assistance, security equipment, long-term needs that enhance quality of life in the institutions, and general operations. The biennial request will provide various operational and construction appropriations needed to provide flexibility in funding priority projects that are approved by the Board of Corrections.
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## **Analysis of Budget Request**

**Appropriation:** B01 - Regional Facilities Oprs Cash

**Funding Sources:** 143 - Cash in Bank

This appropriation request is for Debt Service/Lease payments through the Arkansas Development Finance Authority for the bonded indebtedness or leases of regional correctional facilities. Receipts into this account are transfers from work release cash funds, payments to the Department of Correction for the housing of county and city prisoners in regional facilities, or such other sources as required.

The Agency Request is for Base Level of \$800,000 each year of the 2009-2011 biennium.

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

**Appropriation Summary**

**Appropriation:** B01 - Regional Facilities Oprs Cash

**Funding Sources:** 143 - Cash in Bank

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service 5120019	0	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Total	0	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
<b>Funding Sources</b>									
Cash Fund 4000045	0	800,000		800,000	800,000	800,000	800,000	800,000	800,000
Total Funding	0	800,000		800,000	800,000	800,000	800,000	800,000	800,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	800,000		800,000	800,000	800,000	800,000	800,000	800,000

## **Analysis of Budget Request**

**Appropriation:** B06 - Prison Housing Contract Cash

**Funding Sources:** 143 - Cash in Bank

This appropriation request is for Debt Service/Lease payments through the Arkansas Development Finance Authority for the bonded indebtedness or leases of regional correctional facilities. Receipts into this account are transfers from work release cash funds, payments to the Department of Correction for the housing of county and city prisoners in regional facilities, or such other sources as required.

The Agency Request is for Base Level of \$200,000 each year of the 2009-2011 biennium.

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

**Appropriation Summary**

**Appropriation:** B06 - Prison Housing Contract Cash

**Funding Sources:** 143 - Cash in Bank

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service 5120019	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
<b>Funding Sources</b>									
Cash Fund 4000045	0	200,000		200,000	200,000	200,000	200,000	200,000	200,000
Total Funding	0	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	0	200,000		200,000	200,000	200,000	200,000	200,000	200,000

## **Analysis of Budget Request**

**Appropriation:** C02 - Constr Fund Deficiency Cash

**Funding Sources:** 143 - Cash in Bank

This appropriation request is for Debt Service/Lease payments through the Arkansas Development Finance Authority for the bonded indebtedness or leases of regional correctional facilities. Receipts into this account are transfers from work release cash funds, payments to the Department of Correction for the housing of county and city prisoners in regional facilities, or such other sources as required.

The Agency Request is for Base Level of \$500,000 each year of the 2009-2011 biennium.

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

**Appropriation Summary**

**Appropriation:** C02 - Constr Fund Deficiency Cash

**Funding Sources:** 143 - Cash in Bank

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service 5120019	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
<b>Funding Sources</b>									
Cash Fund 4000045	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	0	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	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000

# COUNTY AID

## **Enabling Laws**

Acts 773 & 1268 of 2007  
A.C.A. §19-5-602

## **History and Organization**

Established by A.C.A. §19-5-602, the County Aid Fund consists of:

- General revenues provided under the Revenue Stabilization Law;
- Special revenues including:
  - Arkansas Highway Revenue Distribution Law - A.C.A. §27-70-201 et seq.
  - Special revenues specified in A.C.A. §19-6-301 subdivisions (74) and (117)
  - 34% of those special revenues as specified in subdivision (20) of A.C.A. §19-6-301
  - 25% of all severance taxes other than those imposed upon saw timber and timber products as set out in subdivision (18) of A.C.A. §19-6-301 of the Revenue Classification Law

All distributions of general and special revenues are to be made within ten (10) days after the close of each calendar month to the respective counties.

General revenue is distributed with seventy-five percent (75%) divided equally among the seventy-five (75) counties of the state and twenty-five percent (25%) distributed on the basis of population according to the most recent federal decennial or special census, with each county to receive the proportion that its population bears to the total population of the state. The funds are received by the County Treasurer and are to be credited to the County General Fund to be used for general county purposes, unless otherwise appropriated by the Quorum Court.

The biennial budget request for the County Aid Fund is prepared and submitted by the Director of the Arkansas Association of Counties.

## **Agency Commentary**

Developments in law over the years have established the need for adequate funding for counties in performing the mandates of the General Assembly. We sincerely appreciated the unprecedented commitment from Governor Beebe and the Legislature in the 2007 session to provide counties some additional funding. The additional funding was long overdue - but, still not sufficient to cover the mandates on county government. And, the additional funding was not from the state's general revenue. The additional \$4 million in county aid funding for each year of the current biennium was appropriated from the Property Tax Relief Fund. Additionally, counties of Arkansas were appropriated \$12 million in General Improvement Funds for infrastructure and capital needs.

It is well settled law in Arkansas that counties are political subdivisions of the state created for the public convenience in the administration of government. [See: Davis v. Wilson, 183 Ark. 271 (1931); Pruitt v. Sebastian County Coal and Mining Co., 215 Ark. 673 (1949); Sullivan, Admin. v. Pulaski County, 247



Ark. 259 (1969); Chandler v. Pulaski County, 247 Ark. 262 (1969)]

The General Assembly has proclaimed under Arkansas Code Annotated 14-14-102 that: "A county is a political subdivision of the state for the more convenient administration of justice and the exercise of local legislative authority related to county affairs." These are two separate and distinct functions: (1) the state function of justice conveniently administered in accordance with law by county government, a political subdivision of the state; and (2) the local function of legislative and administrative authority relating to county affairs.

The Arkansas Supreme Court has explained: "It must be remembered that counties are still civil divisions of the state for political and judicial purposes and are the state's auxiliaries and instrumentalities in the administration of its government. They are political subdivisions of the state for the administration of justice. The word "county" signifies a portion of a state resulting from a division of the state into such areas for the better government thereof and the easier administration of justice. In these respects we have clearly held that nothing in Amendment 55 changed the state of the county insofar as its primary purposes and functions (one of which is the administration of justice) are concerned." [See: Beaumont, Judge v. Adkisson, Judge, 267 Ark. 511 (1980); Mears v. Hall, 263 Ark. 827 (1978)]

In order to assist counties with the ever-increasing costs of providing mandated services, the General Assembly created and funded a County Aid Fund beginning with the 1953/54 biennium. Since that time turnback dollars have increased very gradually. But, the percentage of state general revenue the counties receive has declined sharply - while at the same time the costs of delivering state mandated services have risen dramatically.

Unlike highway revenue turnback, which has a built-in mechanism for revenue growth - general revenue aid to counties is an arbitrary appropriation. That appropriation, for all practical purposes, was flat for a quarter of a century - from 1981 to 2006. For example: If county government had received a simple 3% annual adjustment in their county aid appropriation since 1981 the appropriation for 2008 would have been \$40,802,307 instead of the current \$23,741,546 (\$19,741,546 from the state's General Revenue Fund and \$4,000,000 from the surplus of the Property Tax Relief Fund).

Another point of concern is the amount of per capita funding that county government receives in comparison to the per capita amount received by municipalities. Please know that we do not begrudge the amount of funding received by the municipalities of Arkansas. We are certain that each city and town can use every cent received and more. However, to emphasize this discrepancy, let us call your attention to the numbers outlined on the following page:

Municipal General Revenue Aid

• Annual Gross General Revenue	\$27,506,526.00
• Annual Additional Funding/Property Tax Relief Fund	\$ 4,000,000.00
• Less Property Reappraisal Deduction	<u>(\$ 1,140,000.00)</u>
• Net Available for Use by Municipalities	\$30,366,526.00

- Per Capita Funding (Net Available Divided by Municipal Population =  $\$30,366,526/1,761,430 = \$17.24$  per capita) **\$17.24**

County General Revenue Aid

- Annual Gross General Revenue \$19,741,546.00
- Annual Additional Funding/Property Tax Relief Fund \$ 4,000,000.00
- Less Property Reappraisal Deduction (\$ 2,280,000.00)
- Less Deputy Prosecutor Salary Deduction (\$ 5,459,621.28)
- Net Available for Use by Counties \$ 16,001,924.00
- Per Capita Funding (Net Available Divided by County Population =  $\$16,001,924.72/2,673,400 = \$5.99$  per capita) **\$5.99**

The numbers are what they are. We do not know why they are as they are - but, we do know they need to change. We cannot imagine that anyone could make a plausible argument as to why municipal per capita funding should be more than county per capita funding. In fact, it is county government that more often than municipalities, experiences the requisites of state government. We realize that this situation did not happen overnight - and will not be fixed overnight. But, we implore the Legislature to look at this situation and provide us with some help and relief. [A good start would be to relieve us of the almost \$5.5 million deduction for Deputy Prosecutor salaries...officers of the state court system.]

County government does not expect the State of Arkansas to pay for those things that are purely county responsibilities; but, we do expect the state to provide funding for those things that are state functions - simply being administered at the local level for the convenience of the state. We respectfully ask the State of Arkansas to provide adequate state funding to county government for the mandates we work under.

A partial list of the mandates on county government for which the State of Arkansas should bear responsibility include: (1) the administration of justice through the court system; (2) court records management; (3) responsibility for a portion of Deputy Prosecutors salaries (deduction from the General County Aid); (4) funding of the office operations for Deputy Prosecutors and to some degree Prosecutors; (5) funding of office operations for Public Defenders; (6) law enforcement as it relates to the court system; and (7) the cost of the General Election.

In light of these arguments on behalf of Arkansas County Government - but with the restraining thought of "taking one step at a time" the Association of Arkansas Counties request that county aid be funded for the 2009-2011 biennium as follows:

<b>2009-2010</b>	<b>\$19,741,546</b> <u><b>\$1,184,493</b></u> <b>\$20,926,039</b> <u><b>\$4,000,000</b></u> <b>\$24,926,039</b>	<b>General Revenue</b> <b>6% COLA</b>  <b>Property Tax Relief Fund</b>
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<b>2010-2011</b>	<b>\$20,926,039</b>	<b>General Revenue</b>
	<b>\$1,255,562</b>	<b>6% COLA</b>
	<b>\$22,181,601</b>	
	<b>\$4,000,000</b>	<b>Property Tax Relief Fund</b>
	<b>\$26,181,601</b>	

**We also request that the State of Arkansas relieve the counties of Arkansas of the current \$5,459,621.28 obligation for Deputy Prosecutor salaries that is deducted from our gross general revenue aid.** With the combination of the requested COLA each year of the biennium and the relief of the \$5.5 million current obligation for officers of the state court system our per capita funding would increase to **\$8.47** for the 2009-2010 fiscal year and **\$8.94** for the 2010-2011 fiscal year - still roughly **one-half** of the current general revenue per capita funding for municipalities.

One way to get our per capita funding closer to that of municipal government would be to give county government special consideration in the appropriation of "general improvement funds". The \$12 million in general improvement funds appropriated to the counties in the 2007 legislative session was a much needed boost to our capital and infrastructure needs. There is no doubt that county government deserves a portion of your general improvement funds each biennium. That is one way the state can help meet their obligation to fund the state mandates on county government - a very wise use of that money.

The Association of Arkansas Counties respectfully requests that the amounts so requested be fully funded and placed in Category A of the Revenue Stabilization Act. In light of our 26 year history from 1981 through 2006 of receiving larger cuts than increases in general revenue aid - we feel our request is more than fair. Please review with due diligence as you consider the granting of our request.

Thank you for the progress on that was made on the "county funding front" in the 2007 Legislative Session. Let's continue the progress!

The counties of Arkansas and the State of Arkansas are linked; solutions can be, too. We serve the same people. We share the same base. If we focus on results we can continue to build a meaningful state-county partnership.

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 COUNTY AID

FOR THE YEAR ENDED JUNE 30, 2007

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for the Agency.

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
073 General Revenue to Counties	12,662,764	0	19,741,546	0	19,741,546	0	19,741,546	0	20,926,039	0	19,741,546	0	19,741,546	0	22,181,601	0	19,741,546	0
074 Special Revenue to Counties	81,601,506	0	160,000,000	0	160,000,000	0	160,000,000	0	160,000,000	0	160,000,000	0	160,000,000	0	160,000,000	0	160,000,000	0
190 Mineral Lease	547,409	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	20,000,000	0
1CW Military Land Sale	90,145	0	1,409,855	0	0	0	1,500,000	0	1,500,000	0	1,500,000	0	0	0	0	0	0	0
1CX Military Land Taxing Unit Distribution	150,242	0	2,349,758	0	0	0	2,500,000	0	2,500,000	0	2,500,000	0	0	0	0	0	0	0
738 Real Property Tax Reduction-Counties	204,543,485	0	254,000,000	0	254,000,000	0	254,000,000	0	254,000,000	0	250,000,000	0	254,000,000	0	254,000,000	0	250,000,000	0
Total	299,595,551	0	457,501,159	0	453,741,546	0	457,741,546	0	458,926,039	0	453,741,546	0	453,741,546	0	456,181,601	0	449,741,546	0

Funding Sources		%		%		%		%		%		%		%		%
General Revenue 4000010	12,662,764	4.2	19,741,546	4.3	19,741,546	4.3	20,926,039	4.6	19,741,546	4.4	19,741,546	4.4	22,181,601	4.9	19,741,546	4.4
Federal Revenue 4000020	787,796	0.3	23,759,613	5.2	24,000,000	5.2	24,000,000	5.2	24,000,000	5.3	20,000,000	4.4	20,000,000	4.4	20,000,000	4.4
Special Revenue 4000030	286,144,991	95.5	414,000,000	90.5	414,000,000	90.4	414,000,000	90.2	410,000,000	90.4	414,000,000	91.2	414,000,000	90.8	410,000,000	91.2
Total Funds	299,595,551	100.0	457,501,159	100.0	457,741,546	100.0	458,926,039	100.0	453,741,546	100.0	453,741,546	100.0	456,181,601	100.0	449,741,546	100.0
Excess Appropriation/(Funding)	0		0		0		0		0		0		0		0	
Grand Total	299,595,551		457,501,159		457,741,546		458,926,039		453,741,546		453,741,546		456,181,601		449,741,546	

Military Land Sale (1CW) and Military Land Taxing Unit Distribution (1CX) are biennial appropriations authorized for \$1,500,000 and \$2,500,000 respectively. FY09 Budgeted amount has been adjusted to reflect the carry forward balance of appropriation between fiscal years.

Special Language authorizes carry forward of appropriation and funding for all County Aid appropriations.

Real Property Tax Reduction - Counties (738) includes a one-time appropriation of \$4 million each year of the biennium authorized by Act 1268 of 2007, contingent upon available surplus funding.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

## **Analysis of Budget Request**

**Appropriation:** 073 - General Revenue to Counties

**Funding Sources:** MLC - County Aid Fund

The following appropriations provide spending authority for the Treasurer's Office to distribute general, special and federal funds to counties:

- General Revenue to Counties (073)
- Special Revenue to Counties (074)
- Unanticipated Special Revenue - Mineral Lease (190)
- Military Land Sale (1CW)
- Military Land Taxing Unit Distribution (1CX)

The Association of Arkansas Counties is requesting a general revenue increase (073) in Grants and Aid of \$1,184,493 in FY10 and \$2,440,055 in FY11, representing a 6% Cost of Living Adjustment each year (compounded in the 2nd year) to provide for state-mandated administration of justice and election functions provided by the counties.

The Executive Recommendation provides for Base Level for General Revenue to Counties of \$19,741,546 each year of the biennium. Continued state support to offset a portion of all county expenses for statewide primary elections, expenses for court reporters and administrative assistants, significant amounts for the public defender and deputy prosecuting attorney systems, as well as a one-time General Revenue Allotment Reserve transfer of \$12 million last biennium does not allow increases in aid to counties. The Executive Recommendation also provides for Agency Request to continue Special and Federal Revenues received by the counties at the current appropriated levels.

## Appropriation Summary

**Appropriation:** 073 - General Revenue to Counties

**Funding Sources:** MLC - County Aid Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			Base Level	Agency	Executive
Grants and Aid	5100004	12,662,764	19,741,546	19,741,546	19,741,546	20,926,039	19,741,546	19,741,546	22,181,601	19,741,546
Total		12,662,764	19,741,546	19,741,546	19,741,546	20,926,039	19,741,546	19,741,546	22,181,601	19,741,546
<b>Funding Sources</b>										
General Revenue	4000010	12,662,764	19,741,546		19,741,546	20,926,039	19,741,546	19,741,546	22,181,601	19,741,546
Total Funding		12,662,764	19,741,546		19,741,546	20,926,039	19,741,546	19,741,546	22,181,601	19,741,546
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		12,662,764	19,741,546		19,741,546	20,926,039	19,741,546	19,741,546	22,181,601	19,741,546

Special Language provides for carry forward of appropriation and funding. The carry forward amount for FY09 was \$7,078,782.



## Change Level by Appropriation

**Appropriation:** 073 - General Revenue to Counties

**Funding Sources:** MLC - County Aid Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>19,741,546</b>	<b>0</b>	<b>19,741,546</b>	<b>100.0</b>	<b>19,741,546</b>	<b>0</b>	<b>19,741,546</b>	<b>100.0</b>
C01	Existing Program	1,184,493	0	20,926,039	106.0	2,440,055	0	22,181,601	112.4

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>19,741,546</b>	<b>0</b>	<b>19,741,546</b>	<b>100.0</b>	<b>19,741,546</b>	<b>0</b>	<b>19,741,546</b>	<b>100.0</b>
C01	Existing Program	0	0	19,741,546	100.0	0	0	19,741,546	100.0

### Justification

C01	The Association of Arkansas Counties is requesting a 6% Cost of Living Adjustment for the first year of the biennium and a 12% (1st year 6% + 2nd year 6% compounded) COLA in the second year for those things that are state functions simply being administered at the local level for the convenience of the state. We respectfully ask the State of Arkansas to provide adequate state funding to county government for the mandates we work under. A partial list of the mandates on county government for which the State of Arkansas should bear responsibility include: (1) the administration of justice through the court system; (2) court records management; (3) responsibility for a portion of Deputy Prosecutors salaries (deduction from the General County Aid); (4) funding of the office operations for Deputy Prosecutors and to some degree Prosecutors; (5) funding of office operations for Public Defenders; (6) law enforcement as it relates to the court system; and (7) the cost of the General Election.
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## Appropriation Summary

**Appropriation:** 074 - Special Revenue to Counties

**Funding Sources:** MLC - County Aid Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			Base Level	Agency	Executive
Grants and Aid	5100004	81,601,506	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000
Total		81,601,506	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000

Funding Sources										
Special Revenue	4000030	81,601,506	160,000,000		160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000
Total Funding		81,601,506	160,000,000		160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		81,601,506	160,000,000		160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000

Special Language provides for carry forward of appropriation and funding. The carry forward amount for FY09 was \$78,398,494.

## Appropriation Summary

**Appropriation:** 190 - Mineral Lease

**Funding Sources:** MLC - County Aid Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	547,409	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total		547,409	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
<b>Funding Sources</b>										
Federal Revenue	4000020	547,409	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total Funding		547,409	20,000,000		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		547,409	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000

Special Language provides for carry forward of appropriation and funding. The carry forward amount for FY09 was \$19,452,591.

**Appropriation Summary**

**Appropriation:** 1CW - Military Land Sale

**Funding Sources:** MLC - County Aid Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	90,145	1,409,855	0	1,500,000	1,500,000	1,500,000	0	0	0
<b>Total</b>	<b>90,145</b>	<b>1,409,855</b>	<b>0</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	90,145	1,409,855		1,500,000	1,500,000	1,500,000	0	0	0
<b>Total Funding</b>	<b>90,145</b>	<b>1,409,855</b>		<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>90,145</b>	<b>1,409,855</b>		<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

This is a biennial appropriation authorized for \$1,500,000. FY09 Budgeted amount has been adjusted to reflect the carryforward balance of appropriation between fiscal years of \$1,409,855.

## Appropriation Summary

**Appropriation:** 1CX - Military Land Taxing Unit Distribution

**Funding Sources:** MLC - County Aid Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	150,242	2,349,758	0	2,500,000	2,500,000	2,500,000	0	0	0
<b>Total</b>	150,242	2,349,758	0	2,500,000	2,500,000	2,500,000	0	0	0
<b>Funding Sources</b>									
Federal Revenue 4000020	150,242	2,349,758		2,500,000	2,500,000	2,500,000	0	0	0
<b>Total Funding</b>	150,242	2,349,758		2,500,000	2,500,000	2,500,000	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	150,242	2,349,758		2,500,000	2,500,000	2,500,000	0	0	0

This is a biennial appropriation authorized for \$2,500,000. FY09 Budgeted amount has been adjusted to reflect the carryforward balance of appropriation between fiscal years of \$2,349,758.

## **Analysis of Budget Request**

**Appropriation:** 738 - Real Property Tax Reduction-Counties

**Funding Sources:** TPR - Property Tax Relief Trust

Amendment 79 to the Arkansas Constitution proposed limiting the increase in the assessed value of a taxpayer's real property after a countywide reappraisal and a required property tax credit of at least three hundred dollars (\$300) on homestead property. This amendment was adopted at the November 2000 general election and became effective January 1, 2001.

This appropriation provides spending authority for the Treasurer's Office to distribute special revenue to counties based upon a property tax reduction. Act 1268 of 2007 provided an additional one-time distribution of \$4 million each year of the biennium, contingent upon available surplus funding.

The Association of Arkansas Counties requests the continuation of Base Level of \$254,000,000 for this appropriation each year of the biennium.

The Executive Recommendation provides for \$250,000,000 each year of the biennium. The \$4 million distribution each year of the previous biennium as authorized by Act 1268 of 2007 was intended to provide temporary assistance to the Counties from the Property Tax Relief Fund.

## Appropriation Summary

**Appropriation:** 738 - Real Property Tax Reduction-Counties

**Funding Sources:** TPR - Property Tax Relief Trust

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			Base Level	Agency	Executive
Refunds/Reimbursements	5110014	204,543,485	254,000,000	254,000,000	254,000,000	254,000,000	250,000,000	254,000,000	254,000,000	250,000,000
<b>Total</b>		<b>204,543,485</b>	<b>254,000,000</b>	<b>254,000,000</b>	<b>254,000,000</b>	<b>254,000,000</b>	<b>250,000,000</b>	<b>254,000,000</b>	<b>254,000,000</b>	<b>250,000,000</b>

Funding Sources		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			Base Level	Agency	Executive
Special Revenue	4000030	204,543,485	254,000,000		254,000,000	254,000,000	250,000,000	254,000,000	254,000,000	250,000,000
<b>Total Funding</b>		<b>204,543,485</b>	<b>254,000,000</b>		<b>254,000,000</b>	<b>254,000,000</b>	<b>250,000,000</b>	<b>254,000,000</b>	<b>254,000,000</b>	<b>250,000,000</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>204,543,485</b>	<b>254,000,000</b>		<b>254,000,000</b>	<b>254,000,000</b>	<b>250,000,000</b>	<b>254,000,000</b>	<b>254,000,000</b>	<b>250,000,000</b>

Special Language provides for carry forward of appropriation and funding. The carry forward amount for FY09 was \$49,456,515.

## Change Level by Appropriation

**Appropriation:** 738 - Real Property Tax Reduction-Counties

**Funding Sources:** TPR - Property Tax Relief Trust

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	254,000,000	0	254,000,000	100.0	254,000,000	0	254,000,000	100.0

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	254,000,000	0	254,000,000	100.0	254,000,000	0	254,000,000	100.0
C19	Executive Changes	(4,000,000)	0	250,000,000	98.4	(4,000,000)	0	250,000,000	98.4

### Justification

C19	The \$4 million distribution each year of the previous biennium as authorized by Act 1268 of 2007 was intended to provide temporary assistance to the counties from the Property Tax Relief Fund due to a projected surplus. Therefore, this appropriation amount is not recommended.								
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# ARKANSAS COURT OF APPEALS

## Enabling Laws

Act 781 of 2007  
A.C.A. §16-21-101 et seq.  
Constitution of Arkansas, Amendment 58

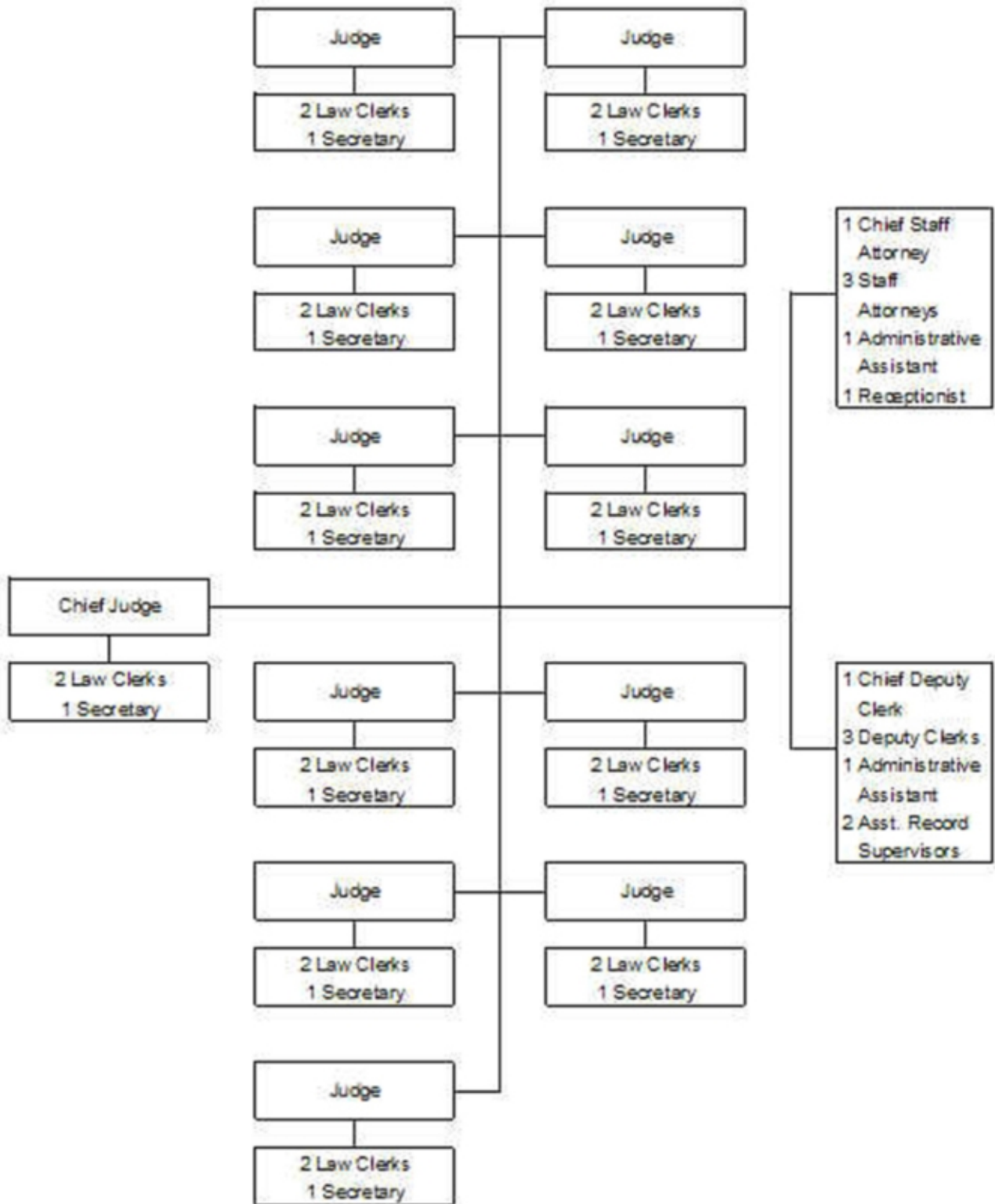
## History and Organization

The Arkansas Court of Appeals is a court of appellate jurisdiction that was established pursuant to the provisions of Amendment 58 to the Arkansas Constitution to help alleviate the tremendous caseload of the Arkansas Supreme Court.

Act 208 of 1979 (A.C.A. §16-12-101 et seq.) created the Court of Appeals pursuant to the provisions of Amendment 58 of the Arkansas Constitution. Act 1085 of 1993 provided for the increase of the number of sitting judges on the Court of Appeals from six to twelve; Act 11 of the First Extraordinary Session of 1995 repealed certain sections of Act 1085 and allowed for the appointment of the six additional judges. Act 889 of 1999 provided for the election of an additional judge from each of the existing Court of Appeal districts to replace the six judges appointed pursuant to Act 1085. Act 1812 of 2003 reapportioned the Court of Appeals into seven new electoral districts in recognition of population shifts that had occurred since 1979. Act 781 of 2007 established the Court of Appeals appropriation for the biennial years of 2008 and 2009.

With certain exceptions, all cases previously appealable to the Supreme Court are now appealed to the Court of Appeals. Jurisdiction of the Court of Appeals is established by the Supreme Court pursuant to its rule-making authority and is embodied in its per curiam In re Supreme Court Rule 1-2, 329 AR Appx. 657 (June 30, 1997), which requires that appeals be filed in the Court of Appeals except for specific exceptions. Such exceptions include, but are not necessarily limited to, cases involving interpretation or construction of the Constitution of the State of Arkansas; criminal cases where the death penalty or life imprisonment has been imposed; petitions for quo warranto, prohibition, injunction, or mandamus; election cases; cases involving discipline of attorneys; appeals involving the discipline and disability of judges; and subsequent appeals of a case that was decided by the Supreme Court. All other cases are appealed to the Court of Appeals for resolution; however, any case is subject to reassignment to the Supreme Court. No appeal as a right lies from the Court of Appeals to the Supreme Court, although the Supreme Court may exercise its discretion to review an appeal decided by the Court of Appeals in limited situations.

At its inception the Court of Appeals was made up of six sitting judges but through the above-referenced legislation the size of the court was increased to twelve sitting judges elected to eight year terms from seven districts. The Chief Justice of the Arkansas Supreme Court designated one of the twelve judges to serve as Chief Judge of the Court of Appeals. The Court of Appeals FY05-07 biennial appropriation authorized 49 regular employees. The court employs one chief deputy, two assistant record supervisors, one administrative assistant, and three deputy clerks to assist the Supreme Court Clerk in managing court records and AASIS data entry. In addition, the Court employs a chief staff attorney and three staff attorneys, all experienced lawyers, an administrative assistant, and a secretary/receptionist to assist the court in administration, research projects, and docket management. Each judge employs two law clerks and a secretary.



## **Agency Commentary**

Regular Salaries (Commitment Item 5010000): Salary requests for the Court's 49 positions reflect a reclassification of the current grades to the comparable grades described in the Office of Personnel Management's Classification Study and FY10 and FY11 Pay Plan Recommendations. Additionally, one upgrade is being requested from a Staff Attorney Position, presently grade 24, to that of Deputy Chief Staff Attorney at Grade C129. Base level salary for this upgraded classified position includes a merit increase adjustment for FY09 and a 6% upgrade increase. Base level salaries for the classified positions include a merit increase adjustment for FY09 and adhere to the guidelines of the Pay Plan Study. The unclassified position has been converted to the Pay Plan Study and also reflects an adjustment in line item salary. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base level request for Regular Salaries may include Career Service payments for eligible employees.

Extra Help (Commitment Item 5010001): The Court is asking that its 2009 authorized appropriation of \$25,000 be restored. These funds are necessary to allow the Court to hire temporary personnel if necessary because of employee illness or injury.

Personal Services Matching (Commitment Item 5010003): The Court is requesting this amount in proportion to the additional salary requests for FY10 and FY11. This amount includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Operating Expenses (Commitment Item 5020002): The Court is requesting that its 2009 authorized appropriation be increased by 3% to offset increased costs for library materials, postage, internet usage, maintenance fees, and supplies. The Court's last increase for this commitment item was 2004.

Conference and Travel Fees (Commitment Item 5050009): This request has not increased from FY07-09.

Capital Outlay (Commitment Item 5120011): The Court is requesting that its FY07-09 appropriation of \$10,500 be restored to allow the Court to replace high-valued equipment if necessary.

Legal Counsel (Commitment Item 5900040): The Court is requesting an \$115,000 increase in FY10 and a \$140,000 increase in FY11 above its FY09 authorized level for payment of attorneys who are appointed to represent indigent appellants in criminal and dependency/neglect appeals.

Special Judges (Commitment Item 5900046): The Court is requesting that its 2009 authorized appropriation of \$17,044 be restored as these funds are necessary to pay special judges that fill in for the Court's sitting judges who are temporarily absent because of illness or accident.

Fixed Housing and Travel Allowance (Commitment Item 5900047): The Court is requesting a \$120,000 housing and travel allowance for both years of the biennium to reimburse its judges whose official residence is outside of Pulaski County for their housing and travel expenses, as described in the special language.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS COURT OF APPEALS

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

## Employment Summary

	Male	Female	Total	%
White Employees	8	36	44	94 %
Black Employees	1	2	3	6 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			3	6 %
Total Employees			47	100 %

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Arkansas Reports	16-12-108(b) (Repl.1999) 16-11 -201/09 (Repl.1999)	N	N	600	All published opinions of the Court of Appeals are reported by the Reporter of the Supreme Court. See A.C.A. §16-11-201.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
49	49	0	49	0	0.00 %	49	48	1	49	0	2.04 %	49	47	2	49	0	4.08 %

## Appropriation Summary

**Appropriation:** 111 - Court of Appeals  
**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,431,651	2,497,234	2,506,131	2,713,159	2,713,159	0	2,776,967	2,776,967	0
<b>#Positions</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>0</b>	<b>49</b>	<b>49</b>	<b>0</b>
Extra Help 5010001	0	25,000	25,000	25,000	25,000	0	25,000	25,000	0
<b>#Extra Help</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>
Personal Services Matching 5010003	700,101	673,696	751,839	759,730	759,730	0	771,676	771,676	0
Operating Expenses 5020002	176,318	187,185	187,185	187,185	192,729	0	187,185	192,729	0
Conference & Travel Expenses 5050009	40,409	68,900	68,900	68,900	68,900	0	68,900	68,900	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	2,528	10,500	10,500	0	10,500	0	0	10,500	0
Miscellaneous CI 40 5900040	159,954	160,000	160,000	160,000	275,000	0	160,000	300,000	0
Miscellaneous CI 46 5900046	0	17,044	17,044	17,044	17,044	0	17,044	17,044	0
Miscellaneous CI 47 5900047	0	0	0	0	120,000	0	0	120,000	0
<b>Total</b>	<b>3,510,961</b>	<b>3,639,559</b>	<b>3,726,599</b>	<b>3,931,018</b>	<b>4,182,062</b>	<b>0</b>	<b>4,006,772</b>	<b>4,282,816</b>	<b>0</b>
<b>Funding Sources</b>									
State Central Services 4000035	3,510,961	3,639,559		3,931,018	4,182,062	0	4,006,772	4,282,816	0
Total Funding	3,510,961	3,639,559		3,931,018	4,182,062	0	4,006,772	4,282,816	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,510,961	3,639,559		3,931,018	4,182,062	0	4,006,772	4,282,816	0

No Executive Recommendation on this appropriation.

## Change Level by Appropriation

**Appropriation:** 111 - Court of Appeals  
**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,931,018</b>	<b>49</b>	<b>3,931,018</b>	<b>100.0</b>	<b>4,006,772</b>	<b>49</b>	<b>4,006,772</b>	<b>100.0</b>
C01	Existing Program	160,044	0	4,091,062	104.1	185,044	0	4,191,816	104.6
C02	New Program	120,000	0	4,211,062	107.1	120,000	0	4,311,816	107.6
C03	Discontinue Program	(29,000)	0	4,182,062	106.4	(29,000)	0	4,282,816	106.9

# ARKANSAS CRIME INFORMATION CENTER

## Enabling Laws

Act 1394 of 2005  
Act 286 of 1971 (A.C.A. §12-12-201 - §12-12-216)  
Act 1109 of 1993 (A.C.A. §12-12-1001 - §12-12-1015)  
Act 989 of 1997 (A.C.A. §12-12-901 - §12-12-920)  
Act 1250 of 1997 (A.C.A. §12-12-1201)

## History and Organization

The Arkansas Crime Information Center (ACIC) was created by Act 286 of 1971 with the name of Criminal Justice and Highway Safety Information Center. It was originally placed in the Department of Finance and Administration. Act 742 of 1975 transferred the agency to the Department of Public Safety. Act 375 of 1979 changed the name of the agency to the current Arkansas Crime Information Center. Act 45 of 1981 abolished the Department of Public Safety, leaving ACIC as a separate agency with all the same functions, powers and duties.

Act 1109 of 1993 expanded the authority of ACIC to administer the Computerized Criminal History Record System. This includes arrest records for all felony and Class A misdemeanor offenses, plus the judicial disposition of each record. This is the source file for all criminal history background checks.

Act 989 of 1997 expanded the authority of ACIC to administer the Sex and Child Offender Registry. This registry of sex offenders is accessible in Arkansas and by the other 49 states for authorized purposes.

Act 1250 of 1997 expanded the authority of ACIC to administer the Crime Victim Notification System. This system, commonly referred to as the VINE system, provides offender status information from all county jails and prosecuting attorneys to the victims of crime.

## Administration and Organization

Under the Director, the Agency operates with four divisions. The Operations Division is responsible for providing technical assistance and training, as well as quality control of the data in the system, collection and publication of crime statistics and managing the Crime Victim Notification system and the JusticeXchange system. The Criminal History Division is responsible for the state's Computerized Criminal History record system and the Sex Offender Registry. The Information Services Division is responsible for the technical development and management of the ACIC mainframe applications, telecommunications, microcomputer systems and interfaces with the national information systems. The Fiscal Management Division is responsible for budget, accounting, purchasing and the management of the agency.

## Mission:

The Mission of ACIC is to provide information services to criminal justice agencies in Arkansas. If these agencies are to be effective, there must be a sharing of information. Computer technology now makes data sharing a timely and efficient process. Providing this information technology is the role of ACIC.



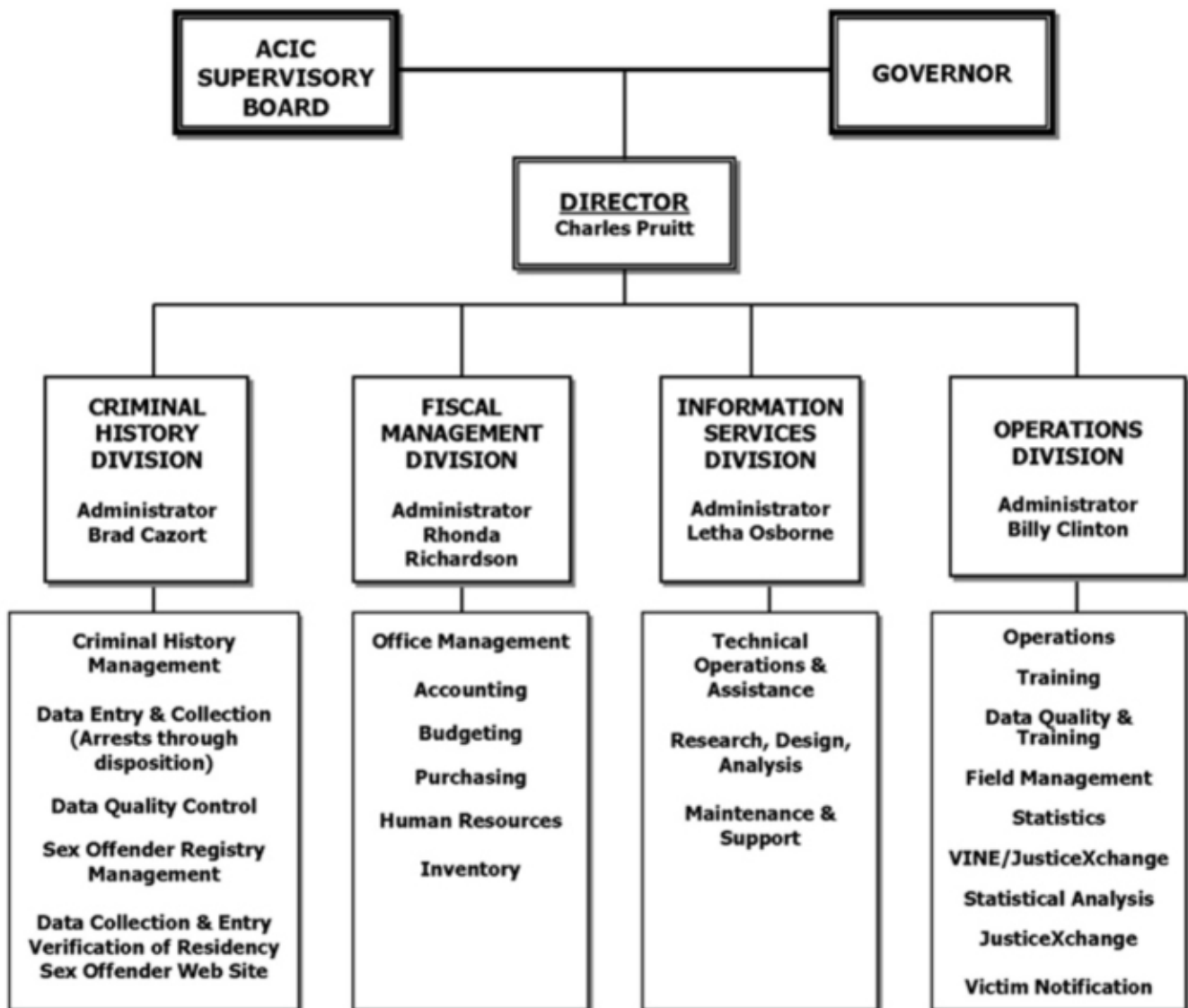
The ACIC system was developed to promote safety, the protection of property, and the equitable processing of individuals within the criminal justice system. ACIC furnishes information to governmental agencies that enforce or aid in enforcing local, state and federal laws.

**Scope:**

ACIC serves criminal justice agencies and officials at the local, county, state and federal levels in Arkansas. Access to information is provided through a network of over 2,000 terminals in over 260 locations statewide. ACIC also administers the state’s central repository of criminal history records, the sex offender registry, collects and publishes statistics on crime and manages the crime victim notification project.

**Public Benefit:**

The public benefit of ACIC is to enable effective government operations and public safety through appropriate, cost-effective, coordinated, innovative and useful application of information technologies.



## **Agency Commentary**

### **Appropriation 171 - Operations**

The Arkansas Crime Information Center is responsible for the state's law enforcement and criminal justice information management system. This appropriation is used for personal services and operating expenses of the Agency. Funding comes from General Revenue and Special Revenue. Special Revenue consists of background check fees and DWI court fines.

The Agency is requesting increases of \$79,080 in FY10 and \$94,080 in FY11 for Operating Expenses. These increases will be used for increased postage expenses, continuing education for the Agency's information technology staff, and increased fuel costs. Registered Sex Offenders are mailed Verification of Residency forms on a semi-annual basis which, by law, are sent by registered mail. As the Sex Offender Registry increases in number and the cost of registered mail increases, an increase in postage is needed. The request for Tuition and Course Materials is needed to keep the Agency's staff abreast of national trends/issues needed for the development and enhancement of information technology issues.

The Agency is requesting a Reallocation of Resources in the amount of \$2,000 from Operating Expenses to Conference and Travel Expenses to properly classify Conference and Seminar Fees expenditures.

The Agency is requesting increases of \$901,907 in FY10 and \$711,962 in FY11 for Professional Fees. These increases will be used for standard escalation cost associated with annual system maintenance for JusticeXchange, the Victim Notification Program and the NIBRS programs as well as the Agency's portion of the on-going cost of a new program established by the Department of Corrections, initially funded by a federal grant, enabling individuals to register for notification when a Level III or IV sex offender moves into their neighborhood. The Adam Walsh Act will require and mandate that the AR Sex Offender Registry make substantial upgrades and improvements to the Agency's existing system in order to become compliant with the Act's requirements. Failure to obtain compliance will result in the loss of future law enforcement grants to the State. The Agency must also develop interfaces which will enable the state's law enforcement agencies to participate in the FBI's Law Enforcement National Data Exchange (N-DEX). This will allow Arkansas agencies to provide their incident information to a national database for analysis and comparison with data from throughout the nation and greatly enhance the potential of solving crimes.

The Agency is requesting increases of \$268,850 in FY10 and \$384,035 in FY11 for Data Processing Expenses. These increases will be used for the annual maintenance costs for the Message Switch Processor and the Workstation software which provide access to the ACIC system by criminal justice agencies.

The Agency is requesting 132,500 in FY10 and \$77,500 in FY11 for Capital Outlay. These requests will be used for the purchase of hardware, firewalls, servers, routine replacement of PCs within the agency, security enhancements for the reception area and other furniture and equipment.

The Agency is requesting \$500,000 each year in Contingency appropriation. This request will be used to provide for the Criminal History Program, AR Sex Offender Registry, ACIC operating system, Victim Notification Program, NIBRS (online crime statistics) program, Law Enforcement National Data Exchange (N-DEX), JusticeXchange Program or the general operation of the Agency.

The Agency is requesting no General Revenue funding above Base Level. The Agency will fund

additional appropriation requests with available fund balances.

### **Appropriation 927 - Criminal History Improvement Program - Federal**

The National Criminal History Improvement Project (NCHIP) involves the entry and quality control of criminal arrest records into the ACIC automated criminal history file. Funding comes from grants from the U.S. Department of Justice.

The Agency is requesting increases of \$83,249 in FY10 and \$84,929 in FY11 for Regular Salaries and Personal Services Matching to cover the costs associated with the Agency's request to restore 2 positions.

The Agency is requesting an \$80,000 increase each year in Operating Expenses. This request will be used for increased mileage and meals and lodging reimbursements and office supplies.

The Agency is requesting a \$120,000 increase each year in Professional Fees. This request will be used to pay the Department of Information Systems for programming services.

### **Appropriation 944 - Systems Conference - Cash**

The Agency supports two state wide conferences from this fund: the Systems Conference and the NIBRS (National Incidence Based Reporting System) Conference. Funding is provided by registration fees charged to participants and fees paid by vendors for rental of booth space. Base Level for this appropriation is \$60,000 each year.

Agency Request is for a Reallocation of Resources in the amount of \$10,000 from Operating Expenses each year to Conference and Travel Expenses to properly classify Conference and Seminar Fees expenditures.

### **Appropriation 739 - Sex/Child Offender Registration Program**

The Sex and Child Offender Registration Fund was established in 1997 per A.C.A. §12-12-911. This appropriation is funded through fines received by those persons required to register as sex offenders. The funds are used by the Arkansas Crime Information Center for the administration of the Sex and Child Offender Registration program.

The Agency is requesting a continuation of Base Level.

### **Appropriation 2FG - Statistical Analysis**

This federal appropriation is for research projects which are required by the US Department of Justice, Bureau of Justice Statistics. The Department of Justice no longer funds this project. Therefore, THIS APPROPRIATION IS NOT REQUESTED FOR THE NEW BIENNIUM.

### **Appropriation 35E - Arkansas Real-Time Electronic Logbook**

This appropriation is used for operation of the Arkansas Real-Time Electronic Logbook program. Under this program, pharmacies log sales of over the counter medicines used in the manufacture of illegal drugs into a database. Law enforcement agencies use this database as an investigation tool. Funding for this appropriation in FY08 came from a \$250,000 payment from the State Attorney General's Office and

\$342,620 in General Revenue. Funding for FY09 came from the balance of the payment from the AG's office and \$150,000 in General Revenue.

The Agency is requesting a continuation of Base Level.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS CRIME INFORMATION CENTER  
FOR THE YEAR ENDED JUNE 30, 2006

Findings	Recommendations
None	None

## Employment Summary

	Male	Female	Total	%
White Employees	19	32	51	76 %
Black Employees	1	13	14	21 %
Other Racial Minorities	2	0	2	3 %
Total Minorities			16	24 %
Total Employees			67	100 %

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Crime in Arkansas	A.C.A. §12-12-207(d)	N	N	0	Posted on the Arkansas Crime Information Center website

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
171 ACIC - Operations	5,097,564	69	5,698,119	69	7,013,646	69	5,947,921	69	7,830,258	69	7,830,258	69	6,015,410	69	7,782,717	69	7,782,717	69
35E Electronic Logbook	350,000	0	392,918	1	392,387	1	393,406	1	393,406	1	393,406	1	393,406	1	393,406	1	393,406	1
739 Sex/Child Offender Registration	14,000	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
927 Criminal History Imprv-Federal	281,058	2	108,700	0	234,073	2	108,700	0	391,949	2	391,949	2	108,700	0	393,629	2	393,629	2
944 Systems Conf-Cash in Treasury	26,772	0	60,000	0	60,000	0	60,000	0	60,000	0	60,000	0	60,000	0	60,000	0	60,000	0
<b>NOT REQUESTED FOR THE BIENNIUM</b>																		
2FG Statistical Analysis	0	0	0	0	71,500	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>5,769,394</b>	<b>71</b>	<b>6,309,737</b>	<b>70</b>	<b>7,821,606</b>	<b>72</b>	<b>6,560,027</b>	<b>70</b>	<b>8,725,613</b>	<b>72</b>	<b>8,725,613</b>	<b>72</b>	<b>6,627,516</b>	<b>70</b>	<b>8,679,752</b>	<b>72</b>	<b>8,679,752</b>	<b>72</b>

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	4,219,396	40.7	4,598,321	44.4			3,506,840	36.0	3,506,840	34.9	3,506,840	34.9	3,192,672	33.3	1,310,335	16.4
General Revenue	4000010	3,704,664	35.7	3,586,122	34.6			3,980,165	40.8	3,980,165	39.7	3,980,165	39.7	4,020,863	42.0	4,020,863	50.4
Federal Revenue	4000020	281,058	2.7	108,700	1.0			108,700	1.1	391,949	3.9	391,949	3.9	108,700	1.1	393,629	4.9
Special Revenue	4000030	1,769,991	17.1	1,906,124	18.4			1,998,930	20.5	1,998,930	19.9	1,998,930	19.9	2,096,376	21.9	2,096,376	26.3
Cash Fund	4000045	277,679	2.7	60,000	0.6			60,000	0.6	60,000	0.6	60,000	0.6	60,000	0.6	60,000	0.8
Merit Adjustment Fund	4000055	0	0.0	298	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
DFA Motor Vehicle Acquisition	4000184	16,863	0.2	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
DWI Revenue	4000205	98,064	0.9	98,064	0.9			98,064	1.0	98,064	1.0	98,064	1.0	98,064	1.0	98,064	1.2
<b>Total Funds</b>		<b>10,367,715</b>	<b>100.0</b>	<b>10,357,629</b>	<b>100.0</b>			<b>9,752,699</b>	<b>100.0</b>	<b>10,035,948</b>	<b>100.0</b>	<b>10,035,948</b>	<b>100.0</b>	<b>9,576,675</b>	<b>100.0</b>	<b>7,979,267</b>	<b>100.0</b>
Excess Appropriation/(Funding)		(4,598,321)		(4,047,892)				(3,192,672)		(1,310,335)		(1,310,335)		(2,949,159)		700,485	
<b>Grand Total</b>		<b>5,769,394</b>		<b>6,309,737</b>				<b>6,560,027</b>		<b>8,725,613</b>		<b>8,725,613</b>		<b>6,627,516</b>		<b>8,679,752</b>	

The difference of \$541,052 between the FY09 ending fund balance and FY10 beginning fund balance is attributed to the Agency's use of funding from the Crime Information System Fund to pay for capital projects authorized by Act 270 of 2007.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
74	65	5	70	4	12.16 %	72	67	3	70	2	6.94 %	72	67	3	70	2	6.94 %

## **Analysis of Budget Request**

**Appropriation:** 171 - ACIC - Operations

**Funding Sources:** MJA - Crime Information System Fund

The Arkansas Crime Information Center is responsible for the state's law enforcement and criminal justice information management system. This appropriation is used for personal services and operating expenses of the Agency. Funding comes from General Revenue and Special Revenue. Special Revenue consists of background check fees and DWI court fines.

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

The Agency's requests total \$1,882,337 in FY10 and \$1,767,307 in FY11 and reflect the following:

- Operating Expenses in the amount of \$79,080 in FY10 and \$94,080 in FY11 for postage expenses, continuing education for the Agency's information technology staff, and fuel costs.
- Reallocation of Resources in the amount of \$2,000 each year from Operating Expenses to Conference and Travel Expenses to properly classify Conference and Seminar Fees expenditures.
- Professional Fees in the amount of \$901,907 in FY10 and \$711,692 in FY11 for standard escalation cost associated with annual system maintenance for JusticeXchange, the Victim Notification Program, NIBRS programs, the Agency's portion of the on-going cost of a new program established by the Department of Corrections enabling individuals to register for notification when a Level III or IV sex offender moves into their neighborhood, the AR Sex Offender Registry and the FBI's Law Enforcement National Data Exchange (N-DEX).
- Data Processing Expenses in the amount of \$268,850 in FY10 and \$384,035 in FY11 for the annual maintenance costs for the Message Switch Processor and the Workstation software which provide access to the ACIC system by criminal justice agencies.
- Capital Outlay requests in the amount of \$132,500 in FY10 and \$77,500 in FY11 for the purchase of hardware, firewalls, servers, routine replacement of PCs within the agency, security enhancements for the reception area and other furniture and equipment.
- The Agency is requesting a restoration of \$500,000 in Contingency appropriation in FY10 and FY11 to provide for the Criminal History Program, AR Sex Offender Registry, ACIC operating system, Victim Notification Program, NIBRS (online crime statistics) program, Law Enforcement National Data Exchange (N-DEX), JusticeXchange Program or the general operation of the Agency.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 171 - ACIC - Operations  
**Funding Sources:** MJA - Crime Information System Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,206,134	2,377,615	2,491,666	2,529,565	2,529,565	2,529,565	2,586,385	2,586,385	2,586,385
<b>#Positions</b>		<b>69</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>69</b>
Personal Services Matching	5010003	669,466	698,543	800,019	826,395	826,395	826,395	837,064	837,064	837,064
Operating Expenses	5020002	565,178	677,961	677,961	677,961	755,041	755,041	677,961	770,041	770,041
Conference & Travel Expenses	5050009	25,474	38,000	38,000	38,000	40,000	40,000	38,000	40,000	40,000
Professional Fees	5060010	920,363	939,000	939,000	939,000	1,840,907	1,840,907	939,000	1,650,692	1,650,692
Data Processing	5090012	515,133	817,000	817,000	817,000	1,085,850	1,085,850	817,000	1,201,035	1,201,035
Capital Outlay	5120011	56,562	30,000	30,000	0	132,500	132,500	0	77,500	77,500
Contingency	5130018	20,000	0	1,100,000	0	500,000	500,000	0	500,000	500,000
Update/Expand	5900046	119,254	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
<b>Total</b>		<b>5,097,564</b>	<b>5,698,119</b>	<b>7,013,646</b>	<b>5,947,921</b>	<b>7,830,258</b>	<b>7,830,258</b>	<b>6,015,410</b>	<b>7,782,717</b>	<b>7,782,717</b>

Funding Sources										
Fund Balance	4000005	4,189,433	4,330,646		3,481,785	3,481,785	3,481,785	3,167,617	1,285,280	1,285,280
General Revenue	4000010	3,362,044	3,436,122		3,586,759	3,586,759	3,586,759	3,627,457	3,627,457	3,627,457
Special Revenue	4000030	1,761,806	1,856,124		1,948,930	1,948,930	1,948,930	2,046,376	2,046,376	2,046,376
DFA Motor Vehicle Acquisition	4000184	16,863	0		0	0	0	0	0	0
DWI Revenue	4000205	98,064	98,064		98,064	98,064	98,064	98,064	98,064	98,064
<b>Total Funding</b>		<b>9,428,210</b>	<b>9,720,956</b>		<b>9,115,538</b>	<b>9,115,538</b>	<b>9,115,538</b>	<b>8,939,514</b>	<b>7,057,177</b>	<b>7,057,177</b>
Excess Appropriation/(Funding)		(4,330,646)	(4,022,837)		(3,167,617)	(1,285,280)	(1,285,280)	(2,924,104)	725,540	725,540
<b>Grand Total</b>		<b>5,097,564</b>	<b>5,698,119</b>		<b>5,947,921</b>	<b>7,830,258</b>	<b>7,830,258</b>	<b>6,015,410</b>	<b>7,782,717</b>	<b>7,782,717</b>

FY08 Actual amount for Capital Outlay exceeds Authorized amount due to a transfer of appropriation and funding from DFA Motor Vehicle Acquisition Fund.

The difference of \$541,052 between the FY09 ending fund balance and FY10 beginning fund balance is attributed to the Agency's use of funding from the Crime Information System Fund to pay for capital projects authorized by Act 270 of 2007.

Special Language provides for the carry forward of funding and appropriation for Data Processing. For FY09, the carry forward amount was \$452,375.



## Change Level by Appropriation

**Appropriation:** 171 - ACIC - Operations  
**Funding Sources:** MJA - Crime Information System Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>5,947,921</b>	<b>69</b>	<b>5,947,921</b>	<b>100.0</b>	<b>6,015,410</b>	<b>69</b>	<b>6,015,410</b>	<b>100.0</b>
C01	Existing Program	589,080	0	6,537,001	109.9	599,080	0	6,614,490	110.0
C04	Reallocation	0	0	6,537,001	109.9	0	0	6,614,490	110.0
C08	Technology	1,293,257	0	7,830,258	131.6	1,168,227	0	7,782,717	129.4

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>5,947,921</b>	<b>69</b>	<b>5,947,921</b>	<b>100.0</b>	<b>6,015,410</b>	<b>69</b>	<b>6,015,410</b>	<b>100.0</b>
C01	Existing Program	589,080	0	6,537,001	109.9	599,080	0	6,614,490	110.0
C04	Reallocation	0	0	6,537,001	109.9	0	0	6,614,490	110.0
C08	Technology	1,293,257	0	7,830,258	131.6	1,168,227	0	7,782,717	129.4

### Justification

C01	Operating Expenses in the amount of \$79,080 in FY10 and \$94,080 in FY11 for postage expenses, continuing education for the Agency's information technology staff, and fuel costs. The Agency is requesting \$10,000 in FY10 and \$5,000 in FY11 in Capital Outlay for security enhancements for the reception area and other furniture and equipment. The Agency is requesting a restoration of \$500,000 in Contingency appropriation each year to provide for the Criminal History Program, AR Sex Offender Registry, ACIC operating system, Victim Notification Program, NIBRS (online crime statistics) program, Law Enforcement National Data Exchange (N-DEX), JusticeXchange Program or the general operation of the agency.
C04	Reallocation of Resources in the amount of \$2,000 from Operating Expenses to Conference and Travel Expenses to properly classify Conference and Seminar Fees expenditures.
C08	The Agency is requesting a \$901,907 increase in FY10 and \$711,962 in FY11 in Professional Fees. These increases will be used for standard escalation cost associated with annual system maintenance for JusticeXchange (IT Plan - Major Applications-JusticeXchange), the Victim Notification Program (IT Plan - Major Application-VINE) and the NIBRS (IT Plan - Major Application-NIBRS) programs as well as the Agency's portion of the on-going cost of a new program established by the Department of Corrections, initially funded by a federal grant, enabling individuals to register for notification when a Level III or IV sex offender moves into their neighborhood. The Adam Walsh Act (IT Plan - Major Application-Sex Offender) will require and mandate that the AR Sex Offender Registry make substantial upgrades and improvements to the Agency's existing system in order to become compliant with the Act's requirements. Failure to obtain compliance will result in the loss of future law enforcement grants to the state. The Agency must also develop interfaces which will enable the state's law enforcement agencies to participate in the FBI's Law Enforcement National Data Exchange (N-DEX) (IT Plan - Project-N-Dex). This will allow Arkansas agencies to provide their incident information to a national database for analysis and comparison with data from throughout the nation and greatly enhance the potential of solving crimes. The Agency is requesting a \$268,850 increase in FY10 \$384,035 in FY11 (IT Plan - IT Support-State Network Connectivity) for Data Processing Expenses. These increases will be used for the annual maintenance costs for the Message Switch Processor and the Workstation software (IT Plan - Major Application-Workstation and Message Switch Processor Software Maintenance) which provide access to the ACIC system by criminal justice agencies. The Agency is requesting \$122,500 in Capital Outlay for FY10 and \$72,500 for FY11 (IT Plan - Agency Hardware). This request will be used for the purchase of hardware, firewalls, servers, and routine replacement of PCs within the Agency.

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Crime Information Center

Program: ACIC - Operations

Act #: 1287 of 2007 Section(s) #: 2 & 8

Estimated Carry Forward Amount \$ 200,000.00      Appropriation       Funds

Funding Source: Special

**Accounting Information:**

Business Area: 0990      Funds Center: 171      Fund: MJA      Functional Area: SFTY

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Data Processing	5090012	200,000.00	452,374.62
Total		\$ 200,000.00	\$ 452,374.62

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

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

Carry forward of Special Revenue and appropriation to ensure both are sufficient to pay monthly expenditures for system related maintenance, operation, improvement and other necessary charges paid to the Department of Information Systems.

**Actual Funding Carry Forward Amount**      \$ 176,297.01

**Current status of carry forward appropriation/funding:**

This appropriation & funding is being used for monthly services provided by DIS for our background check system.

Charles Pruitt  
Director

08-22-2008  
Date

## **Analysis of Budget Request**

**Appropriation:** 35E - Electronic Logbook

**Funding Sources:** MJA - Crime Information System Fund

This appropriation is used for operation of the Arkansas Real-Time Electronic Logbook program. Under this program, pharmacies log sales of over the counter medicines used in the manufacture of illegal drugs into a database. Law enforcement agencies use this database as an investigation tool. Funding for this appropriation in FY08 came from a \$250,000 payment from the State Attorney General's Office and \$342,620 in General Revenue. Funding for FY09 came from the fund balance of the payment from the Attorney General's office and \$150,000 in General Revenue.

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

The Agency Request is for Base Level.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 35E - Electronic Logbook  
**Funding Sources:** MJA - Crime Information System Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	32,605	32,605	32,249	32,249	32,249	32,249	32,249	32,249
<b>#Positions</b>		<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching	5010003	0	10,313	9,782	11,157	11,157	11,157	11,157	11,157	11,157
Operating Expenses	5020002	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	350,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>350,000</b>	<b>392,918</b>	<b>392,387</b>	<b>393,406</b>	<b>393,406</b>	<b>393,406</b>	<b>393,406</b>	<b>393,406</b>	<b>393,406</b>
<b>Funding Sources</b>										
Fund Balance	4000005	0	242,620		0	0	0	0	0	0
General Revenue	4000010	342,620	150,000		393,406	393,406	393,406	393,406	393,406	393,406
Cash Fund	4000045	250,000	0		0	0	0	0	0	0
Merit Adjustment Fund	4000055	0	298		0	0	0	0	0	0
<b>Total Funding</b>		<b>592,620</b>	<b>392,918</b>		<b>393,406</b>	<b>393,406</b>	<b>393,406</b>	<b>393,406</b>	<b>393,406</b>	<b>393,406</b>
Excess Appropriation/(Funding)		(242,620)	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>350,000</b>	<b>392,918</b>		<b>393,406</b>	<b>393,406</b>	<b>393,406</b>	<b>393,406</b>	<b>393,406</b>	<b>393,406</b>

The FY09 Budget amount in Personal Services Matching exceeds the Authorized amount due to matching rate adjustments during the 2007-2009 biennium.

The FY08 Actual amount for Professional Fees exceeds the FY09 Authorized amount due to a higher authorized appropriation in FY08.

## **Analysis of Budget Request**

**Appropriation:** 739 - Sex/Child Offender Registration

**Funding Sources:** SSC - Sex and Child Offenders Registration Fund

The Sex and Child Offender Registration Fund was established in 1997 per A.C.A. §12-12-911. This appropriation is funded through fines received by those persons required to register as sex offenders. The funds are used by the Arkansas Crime Information Center for the administration of the Sex and Child Offender Registration program.

The Agency Request is for Base Level.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 739 - Sex/Child Offender Registration  
**Funding Sources:** SSC - Sex and Child Offenders Registration Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	14,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
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
<b>Total</b>		<b>14,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	16,090	10,275		10,275	10,275	10,275	10,275	10,275	10,275
Special Revenue	4000030	8,185	50,000		50,000	50,000	50,000	50,000	50,000	50,000
<b>Total Funding</b>		<b>24,275</b>	<b>60,275</b>		<b>60,275</b>	<b>60,275</b>	<b>60,275</b>	<b>60,275</b>	<b>60,275</b>	<b>60,275</b>
Excess Appropriation/(Funding)		(10,275)	(10,275)		(10,275)	(10,275)	(10,275)	(10,275)	(10,275)	(10,275)
<b>Grand Total</b>		<b>14,000</b>	<b>50,000</b>		<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

## **Analysis of Budget Request**

**Appropriation:** 927 - Criminal History Imprv-Federal

**Funding Sources:** FAC - Crime Information Center Federal

The National Criminal History Improvement Project (NCHIP) involves the entry and quality control of criminal arrest records into the ACIC automated criminal history file. Funding comes from grants from the U.S. Department of Justice.

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

The Agency's Change Level requests total \$283,249 in FY10 and \$284,929 in FY11 and reflect the following:

- Regular Salaries and Personal Services Matching in the amount of \$83,249 in FY10 and \$84,929 in FY11 to cover the costs associated with the Agency's request to restore 2 positions (Computer Support Technician and Information Systems Security Specialist) to work on the NCHIP program.
- Operating Expenses in the amount of \$80,000 each year for mileage and meals and lodging reimbursements and office supplies.
- Professional Fees in the amount of \$120,000 each year to pay the Department of Information Systems for programming services.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 927 - Criminal History Imprv-Federal  
**Funding Sources:** FAC - Crime Information Center Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	18,128	0	0	0	61,500	61,500	0	62,913	62,913
<b>#Positions</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>
Personal Services Matching 5010003	7,512	0	0	0	21,749	21,749	0	22,016	22,016
Operating Expenses 5020002	98,630	0	0	0	80,000	80,000	0	80,000	80,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	115,421	108,700	234,073	108,700	228,700	228,700	108,700	228,700	228,700
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	41,367	0	0	0	0	0	0	0	0
<b>Total</b>	<b>281,058</b>	<b>108,700</b>	<b>234,073</b>	<b>108,700</b>	<b>391,949</b>	<b>391,949</b>	<b>108,700</b>	<b>393,629</b>	<b>393,629</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	281,058	108,700		108,700	391,949	391,949	108,700	393,629	393,629
Total Funding	281,058	108,700		108,700	391,949	391,949	108,700	393,629	393,629
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>281,058</b>	<b>108,700</b>		<b>108,700</b>	<b>391,949</b>	<b>391,949</b>	<b>108,700</b>	<b>393,629</b>	<b>393,629</b>

FY08 expenditures for Regular Salaries, Personal Services Matching, Operating Expenses and Capital Outlay exceed Authorized Appropriation due to a transfer from the Miscellaneous Federal Grant Holding Account.



## Change Level by Appropriation

**Appropriation:** 927 - Criminal History Imprv-Federal  
**Funding Sources:** FAC - Crime Information Center Federal

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>108,700</b>	<b>0</b>	<b>108,700</b>	<b>100.0</b>	<b>108,700</b>	<b>0</b>	<b>108,700</b>	<b>100.0</b>
C08	Technology	283,249	2	391,949	360.6	284,929	2	393,629	362.1

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>108,700</b>	<b>0</b>	<b>108,700</b>	<b>100.0</b>	<b>108,700</b>	<b>0</b>	<b>108,700</b>	<b>100.0</b>
C08	Technology	283,249	2	391,949	360.6	284,929	2	393,629	362.1

### Justification

C08	Regular Salaries and Personal Services Matching in the amount of \$83,249 in FY10 and \$84,929 in FY11 to cover the costs associated with the Agency's request to restore 2 positions (Computer Support Technician and Information Systems Security Specialist) to work on the NCHIP program. The Agency is requesting a \$80,000 increase in Operating Expenses each year for mileage and meals and lodging reimbursements and office supplies. The Agency is requesting a \$120,000 increase in Professional Fees each year to pay the Department of Information Systems for programming services. IT PLAN: NCHIP Tab.
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## **Analysis of Budget Request**

**Appropriation:** 944 - Systems Conf-Cash in Treasury

**Funding Sources:** NCD - ACIC Conference-Cash in Treasury

The Agency supports two state wide conferences from this fund: the Systems Conference and the NIBRS (National Incidence Based Reporting System) Conference. Funding is provided by registration fees charged to participants and fees paid by vendors for rental of booth space. Base Level for this appropriation is \$60,000 each year.

The Agency Request is for a Reallocation of Resources each year in the amount of \$10,000 from Operating Expenses to Conference and Travel Expenses to properly classify Conference and Seminar Fees expenditures.

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

## Appropriation Summary

**Appropriation:** 944 - Systems Conf-Cash in Treasury  
**Funding Sources:** NCD - ACIC Conference-Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	26,772	60,000	60,000	60,000	50,000	50,000	60,000	50,000	50,000
Conference & Travel Expenses	5050009	0	0	0	0	10,000	10,000	0	10,000	10,000
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
<b>Total</b>		<b>26,772</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	13,873	14,780		14,780	14,780	14,780	14,780	14,780	14,780
Cash Fund	4000045	27,679	60,000		60,000	60,000	60,000	60,000	60,000	60,000
<b>Total Funding</b>		<b>41,552</b>	<b>74,780</b>		<b>74,780</b>	<b>74,780</b>	<b>74,780</b>	<b>74,780</b>	<b>74,780</b>	<b>74,780</b>
Excess Appropriation/(Funding)		(14,780)	(14,780)		(14,780)	(14,780)	(14,780)	(14,780)	(14,780)	(14,780)
<b>Grand Total</b>		<b>26,772</b>	<b>60,000</b>		<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>

## Change Level by Appropriation

**Appropriation:** 944 - Systems Conf-Cash in Treasury  
**Funding Sources:** NCD - ACIC Conference-Cash in Treasury

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>60,000</b>	<b>0</b>	<b>60,000</b>	<b>100.0</b>	<b>60,000</b>	<b>0</b>	<b>60,000</b>	<b>100.0</b>
C04	Reallocation	0	0	60,000	100.0	0	0	60,000	100.0

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>60,000</b>	<b>0</b>	<b>60,000</b>	<b>100.0</b>	<b>60,000</b>	<b>0</b>	<b>60,000</b>	<b>100.0</b>
C04	Reallocation	0	0	60,000	100.0	0	0	60,000	100.0

### Justification

C04	The Agency Request is for a Reallocation of Resources each year in the amount of \$10,000 from Operating Expenses to Conference and Travel Expenses to properly classify Conference and Seminar Fees expenditures.
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**Appropriation Summary**

**Appropriation:** 2FG - Statistical Analysis  
**Funding Sources:** FAC - Crime Information Center Federal

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	0	20,000	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	10,000	0	0	0	0	0	0
Professional Fees 5060010	0	0	40,000	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
Audit 5900046	0	0	1,500	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>71,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

THIS APPROPRIATION IS NOT REQUESTED FOR THE NEW BIENNIUM.

# STATE BOARD OF ELECTION COMMISSIONERS

## Enabling Laws

Act 320 of 2007  
Act 1316 of 2007

A.C.A. §7-4-101, 7-4-103, 7-4-107, 7-4-109, 7-4-118  
A.C.A. §7-5-311, 7-5-503, 7-5-606, 7-5-707  
A.C.A. §7-7-201  
A.C.A. §7-8-201  
A.C.A. §7-10-103

## History and Organization

The State Board of Election Commissioners was created pursuant to Act 465 of 1969. Act 901 of 1995 amended various sections of Arkansas Code Title 7 to provide for joint political party primary elections funded by the State from an appropriation made to the Board. Act 741 of 1995 amended Arkansas Code Annotated §7-4-101 to reconstitute the Board, with Act 1217 of 1995 providing funding for operations and staff to implement the Board's expanded duties and responsibilities.

The Board consists of a six member staff serving a seven member board comprised of the Secretary of State as Chair, two members appointed by the Governor, and one member each appointed by the chair of the state Democratic party, the chair of the state Republican party, the President Pro Tempore of the Arkansas Senate, and the Speaker of the Arkansas House of Representatives.

The mission of the Board is to improve the orderly conduct of elections in the State by promoting fair and orderly election procedures through education, assistance, and monitoring. The Board develops resources to educate and assist candidates and county election administrators, distributes funds to the counties for state supported political party primary elections, nonpartisan judicial general elections, special primary elections, and statewide special elections, and monitors compliance with federal and state election laws.

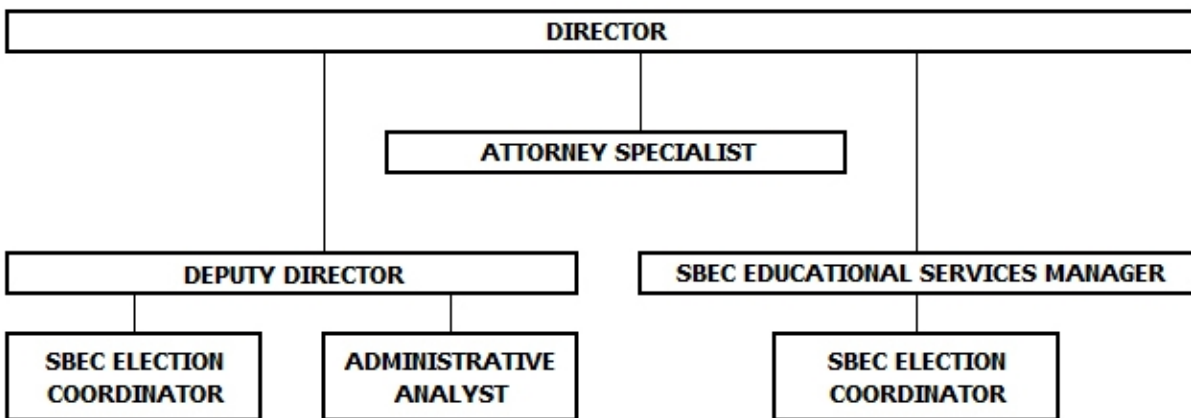
The Board publishes a handbook for candidates running for public office that outlines in a readable and understandable format the legal obligations of candidates in complying with state election laws.

The Board develops specialized training programs, rules, and procedures to assist and educate county election authorities in administering elections in compliance with federal and state election laws. The Board provides the counties with educational and training publications and conducts and coordinates statewide training of election officials and county election commissioners. The Board assists county election administrators with the administrative duties of conducting elections, when determined necessary and appropriate, and handles inquiries on election administration.

The Board implements a cost effective system of reimbursement to the counties that ensures statewide uniformity and consistency in distributing funds from the State to the counties for state supported elections. The Board promulgates rules for reimbursement, rules on training attendance and compensation, and rules establishing nonpartisan judicial filing fees for covering the cost of election

expenses. The Board provides each county with comprehensive reporting forms for requesting reimbursement for state supported elections, distributes funds statewide following extensive auditing and reconciliation of each individual county reimbursement request, and maintains election expense databases for fiscal accountability.

The Board monitors compliance by county election administrators with federal and state election laws, identifies problematic election laws, and drafts proposed legislation addressing potential or needed changes to existing election laws. The Board examines, approves, and certifies voting equipment for compliance with federal and state election laws. The Board implements a certified election monitor program for appointing monitors to observe and report to the Board on the conduct of elections. The Board provides comprehensive written directives to county election administrators for evaluating and reporting on polling site accessibility, for compiling reports of compliance with the Americans with Disabilities Act, and for addressing deficiencies. The Board develops and provides resources to county election administrators for gathering information for statutorily required reporting to the State on the conduct of elections, for reviewing and compiling statistical reports of county compliance, and for addressing deficiencies. The Board promulgates rules on administrative complaint procedures, handles complaints alleging election misconduct and violations of federal and state election and voter registration laws, conducts investigations, holds public hearings, renders reports of findings, and imposes disciplinary actions.



### **Agency Commentary**

The State Board of Election Commissioners requests a Change Level in Election Expenses of \$1,250,000 in appropriation and general revenue funding in FY 2010 for increased expenses of the Board and county boards of election commissioners to conduct state supported political party primary elections, nonpartisan judicial general elections, special primary elections, and statewide special elections for the biennial period ending June 30, 2011.

The Change Level request covers the expenses incurred in the first year of each biennium by the Board to compensate local election administrators for mandatory statewide training attendance, to publish a handbook for candidates running for public office, and to publish educational and training materials to aid county election authorities in administering elections in compliance with federal and state election laws, pursuant to Arkansas Code Annotated §§ 7-4-101, 7-4-107, and 7-4-109.

The State Board requests continuation of Base Level in Operations of \$500,766 for FY2010 and \$509,635

for FY2011. The Board requests additional appropriation and general revenue funding of \$82,653 for FY2010 and \$84,436 for FY2011 for a new Attorney Specialist position to serve as legal counsel to the Board, to conduct legal research, and to provide legal assistance to the agency in developing and implementing agency programs designed to improve the conduct of elections and promote public confidence in the election process. An in-house attorney will provide the additional personnel and legal expertise needed by the agency to address the increased complexity of election administration created by the implementation of the Federal Help America Vote Act and the resulting multitude of federal and state election law changes. The position will research, analyze, and interpret federal and state laws, case law, and attorney general opinions pertaining to the implementation of agency programs that provide educational resources and assistance to county election authorities in administering elections in compliance with federal and state election laws. The position will monitor election law-related legislation for impact on election processes and procedures and agency program implementation and assist with the statewide implementation of specialized training programs for county election administrators. The position will provide legal assistance to the agency in promulgating rules promoting uniform and orderly election procedures statewide, in implementing the agency's Board Certified Election Monitor Program to observe and report on the conduct of elections, in responding to verbal and written inquiries on election administration, in handling allegations of election misconduct and violations of election laws, in conducting investigations, in preparing reports of findings, in preparing written dispositions, and in making recommendations on disciplinary actions.

The State Board requests continuation of Base Level in the amount of \$1,600,000 for Nonpartisan Judicial General Elections for covering the cost of election expenses of the State Board.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 STATE BOARD OF ELECTION COMMISSIONERS  
 FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

## **Employment Summary**

	Male	Female	Total	%
White Employees	0	4	4	67 %
Black Employees	0	1	1	17 %
Other Racial Minorities	1	0	1	16 %
Total Minorities			2	33 %
Total Employees			6	100 %



## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
"County Boards of Election Commissioners Procedures Manual"	7-4-101(f)(2); 7-4-109(e)(1)	N	N	550	Statewide training of county election commissioners to assure fair and orderly election procedures
"Election Officials Training Guide for Certified County Trainers"	7-4-101(f)(2); 7-4-109(e)(1)	N	N	300	Statewide training, testing, and Board certification of trainers to train poll workers locally
"Poll Workers Training Guide"	7-4-101(f)(2); 7-4-107(b)(2); 7-4-109(e)(1)	N	N	12,000	Statewide training of poll workers to assist them in executing election day duties and responsibilities
"Running for Public Office: A 'Plain English' Handbook for Candidates"	7-4-101(f)(1)	N	N	7,200	Statutory Requirement - to outline in a readable and understandable format the legal obligations of candidates running for public office

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011							
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	
436 Nonpartisan Judicial General Elections	674	0	1,599,326	0	0	0	1,600,000	0	1,600,000	0	1,600,000	0	0	0	0	0	0	0	0
580 Election Commissioners - Operations	464,219	6	491,542	6	491,542	6	500,766	6	583,419	7	583,419	7	509,635	6	594,071	7	594,071	7	
581 Election Expenses	146,664	0	3,640,336	0	0	0	3,787,000	0	5,037,000	0	4,987,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>611,557</b>	<b>6</b>	<b>5,731,204</b>	<b>6</b>	<b>491,542</b>	<b>6</b>	<b>5,887,766</b>	<b>6</b>	<b>7,220,419</b>	<b>7</b>	<b>7,170,419</b>	<b>7</b>	<b>509,635</b>	<b>6</b>	<b>594,071</b>	<b>7</b>	<b>594,071</b>	<b>7</b>	

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	353,939	7.0	4,429,513	77.3		0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
General Revenue 4000010	4,251,209	84.3	491,542	8.6		72.8	5,620,419	77.8	4,370,419	73.2	509,635	100.0	594,071	100.0	594,071	100.0	594,071	100.0
Judicial Filing Fees 4000320	435,912	8.6	810,149	14.1		27.2	1,600,000	22.2	1,600,000	26.8	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales 4000340	10	0.0	0	0.0		0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Funds</b>	<b>5,041,070</b>	<b>100.0</b>	<b>5,731,204</b>	<b>100.0</b>		<b>100.0</b>	<b>7,220,419</b>	<b>100.0</b>	<b>5,970,419</b>	<b>100.0</b>	<b>509,635</b>	<b>100.0</b>	<b>594,071</b>	<b>100.0</b>	<b>594,071</b>	<b>100.0</b>	<b>594,071</b>	<b>100.0</b>
Excess Appropriation/(Funding)	(4,429,513)		0				0		1,200,000		0		0		0		0	
<b>Grand Total</b>	<b>611,557</b>		<b>5,731,204</b>				<b>5,887,766</b>		<b>7,220,419</b>		<b>7,170,419</b>		<b>509,635</b>		<b>594,071</b>		<b>594,071</b>	

Nonpartisan Judicial General Elections (436) is a biennial appropriation. Special Language authorizes carry forward of funding and appropriation. FY09 Budget amount has been adjusted to reflect the carry forward balance of appropriation between fiscal years of \$1,599,326.

Election Expenses (581) is a biennial appropriation. Special Language authorizes carry forward of funding and appropriation. FY09 Budget amount has been adjusted to reflect the carry forward balance of appropriation between fiscal years of \$3,640,336.

Base Level has been restored to the FY08 Authorized amount for Appropriations 436 & 581.

**Agency Position Usage Report**

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Total	Total	Filled	Unfilled			Total	Total	Filled	Unfilled	
6	6	0	6	0	0.00 %	6	5	1	6	0	16.67 %	6	6	0	6	0	0.00 %

## **Analysis of Budget Request**

**Appropriation:** 436 - Nonpartisan Judicial General Elections

**Funding Sources:** MFF - Judicial Filing Fee Fund

Amendment 80, §§17 and 18, to the Arkansas Constitution states that Circuit Judges, District Judges, Supreme Court Justices and Court of Appeals Judges be elected on a nonpartisan basis. This amendment went into effect July 2001. Act 1789 of 2001 established the guidelines for the nonpartisan judicial elections and charged the State Board of Election Commissioners with funding nonpartisan judicial general elections and establishing reasonable filing fees for nonpartisan judicial offices. The Board promulgates rules and regulations establishing nonpartisan judicial office filing fees for covering the cost of election expenses paid from this appropriation.

The Board is requesting Base Level for the 2009-2011 Biennium

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 436 - Nonpartisan Judicial General Elections

**Funding Sources:** MFF - Judicial Filing Fee Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	674	1,599,326	0	1,600,000	1,600,000	1,600,000	0	0	0
<b>Total</b>	<b>674</b>	<b>1,599,326</b>	<b>0</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>									
Fund Balance 4000005	353,939	789,177		0	0	0	0	0	0
Judicial Filing Fees 4000320	435,912	810,149		1,600,000	1,600,000	1,600,000	0	0	0
<b>Total Funding</b>	<b>789,851</b>	<b>1,599,326</b>		<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)	(789,177)	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>674</b>	<b>1,599,326</b>		<b>1,600,000</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

This is a biennial appropriation. Special Language authorizes carry forward of funding and appropriation. FY09 Budget amount has been adjusted to reflect the carry forward balance of appropriation between fiscal years of \$1,599,326.

Base Level has been restored to the FY08 Authorized amount of \$1,600,000.

## **Analysis of Budget Request**

**Appropriation:** 580 - Election Commissioners - Operations

**Funding Sources:** HUA - Miscellaneous Agencies Fund

The State Board of Election Commissioners is a general revenue funded Agency that administers state supported political party primary and special elections. The seven member Board is comprised of the Secretary of State as Chairperson, two members appointed by the Governor, and one member each appointed by the chair of the state Democratic party, the chair of the state Republican party, the President Pro Tempore of the Arkansas Senate, and the Speaker of the Arkansas House of Representatives. Legislation passed during the 1995 session redefined the duties of the Board and created for the first time a staff and an operating appropriation.

The Board develops resources to educate and assist candidates and county election administrators, develops specialized training programs, conducts and coordinates statewide training of county election commissioners and election officials, monitors compliance by local election authorities with federal and state election laws, investigates complaints of alleged election misconduct and election law violations, and distributes funds to the counties for state-supported political party primary elections, nonpartisan judicial general elections, special primary elections, and statewide special elections.

The responsibilities of the Board have increased each session as a result of legislation passed by the Arkansas General Assembly in an attempt to ensure public confidence in the election process.

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

The Board requests Base Level and additional appropriation and general revenue funding of \$82,653 for FY2010 and \$84,436 for FY2011 for an Attorney Specialist position and related Personal Services Matching to serve as legal counsel to the Board, to conduct legal research, and to provide legal assistance in developing and implementing Agency programs designed to improve the conduct of elections and promote public confidence in the election process.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 580 - Election Commissioners - Operations

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	283,222	291,514	291,514	298,465	363,789	363,789	305,937	372,763	372,763
<b>#Positions</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>7</b>	<b>7</b>
Personal Services Matching 5010003	82,048	83,968	83,968	86,241	103,570	103,570	87,638	105,248	105,248
Operating Expenses 5020002	98,949	108,060	108,060	108,060	108,060	108,060	108,060	108,060	108,060
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
<b>Total</b>	<b>464,219</b>	<b>491,542</b>	<b>491,542</b>	<b>500,766</b>	<b>583,419</b>	<b>583,419</b>	<b>509,635</b>	<b>594,071</b>	<b>594,071</b>
<b>Funding Sources</b>									
General Revenue 4000010	464,209	491,542		500,766	583,419	583,419	509,635	594,071	594,071
M & R Sales 4000340	10	0		0	0	0	0	0	0
<b>Total Funding</b>	<b>464,219</b>	<b>491,542</b>		<b>500,766</b>	<b>583,419</b>	<b>583,419</b>	<b>509,635</b>	<b>594,071</b>	<b>594,071</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>464,219</b>	<b>491,542</b>		<b>500,766</b>	<b>583,419</b>	<b>583,419</b>	<b>509,635</b>	<b>594,071</b>	<b>594,071</b>

## Change Level by Appropriation

**Appropriation:** 580 - Election Commissioners - Operations

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>500,766</b>	<b>6</b>	<b>500,766</b>	<b>100.0</b>	<b>509,635</b>	<b>6</b>	<b>509,635</b>	<b>100.0</b>
C01	Existing Program	82,653	1	583,419	116.5	84,436	1	594,071	116.6

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>500,766</b>	<b>6</b>	<b>500,766</b>	<b>100.0</b>	<b>509,635</b>	<b>6</b>	<b>509,635</b>	<b>100.0</b>
C01	Existing Program	82,653	1	583,419	116.5	84,436	1	594,071	116.6

### Justification

C01	<p>The State Board requests a Change Level in Operations of \$82,653 in appropriation and general revenue funding in FY2010 and \$84,436 for FY2011 for a new Attorney Specialist position to serve as legal counsel to the Board, to conduct legal research, and to provide legal assistance to the agency in developing and implementing agency programs designed to improve the conduct of elections and promote public confidence in the election process. An in-house attorney will provide the additional personnel and legal expertise needed by the agency to address the increased complexity of election administration created by the implementation of the Federal Help America Vote Act and the resulting multitude of federal and state election law changes. The position will research, analyze, and interpret federal and state laws, case law, and attorney general opinions pertaining to the implementation of agency programs that provide educational resources and assistance to county election authorities in administering elections in compliance with federal and state election laws. The position will monitor election law-related legislation for impact on election processes and procedures and agency program implementation and assist with the statewide implementation of specialized training programs for county election administrators. The position will provide legal assistance to the agency in promulgating rules promoting uniform and orderly election procedures statewide, in implementing the agency's Board Certified Election Monitor Program to observe and report on the conduct of elections, in responding to verbal and written inquiries on election administration, in handling allegations of election misconduct and violations of election laws, in conducting investigations, in preparing reports of findings, in preparing written dispositions, and in making recommendations on disciplinary actions.</p>
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## Analysis of Budget Request

**Appropriation:** 581 - Election Expenses

**Funding Sources:** HUA - Miscellaneous Agencies Fund

This general revenue funded appropriation provides reimbursement to the counties for the expenses of state supported political party primary elections, special primary elections, and statewide special elections. This appropriation also provides for County Election Commission training, certified trainer's pay and training publications. This is a biennial appropriation with carry forward provisions.

The State Board of Election Commissioners requests Base Level and a Change Level in Election Expenses of \$1,250,000 in appropriation and general revenue funding as follows:

	<u>BASE LEVEL</u>	<u>CHANGE LEVEL</u>	<u>TOTAL REQUEST</u>
Preferential Primary	2,204,000	250,000	2,454,000
Primary Runoff	1,454,000	(209,000)	1,245,000
Statewide Special Elections	0	1,200,000	1,200,000
County Election Commission Training	30,000	9,000	39,000
Certified Trainer's Pay	24,000	17,000	41,000
Training Publications	75,000	(17,000)	58,000
	<u>3,787,000</u>	<u>1,250,000</u>	<u>5,037,000</u>

The Change Level request covers increasing expenses of the Board and county boards of election commissioners to conduct state supported political party primary elections, special primary elections and statewide special elections. The request also covers an increase in the expenses incurred by the Board to compensate local election administrators for mandatory statewide training attendance, to publish a handbook for candidates running for public office, and to publish educational and training materials to aid county election authorities in administering elections in compliance with federal and state election laws, pursuant to Arkansas Code Annotated §§ 7-4-101, 7-4-107, and 7-4-109.

The Executive Recommendation provides for Base Level funding and additional appropriation of \$1,200,000 for statewide special elections. The Executive also adds Special Language to fund the \$1,200,000 for statewide special elections by a transfer from the Budget Stabilization Trust Fund to the Agency's Miscellaneous Agencies Fund if any Special Elections are required.

## Appropriation Summary

**Appropriation:** 581 - Election Expenses

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Election Expenses 5900046	146,664	3,640,336	0	3,787,000	5,037,000	4,987,000	0	0	0
<b>Total</b>	<b>146,664</b>	<b>3,640,336</b>	<b>0</b>	<b>3,787,000</b>	<b>5,037,000</b>	<b>4,987,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
Funding Sources									
Fund Balance 4000005	0	3,640,336		0	0	0	0	0	0
General Revenue 4000010	3,787,000	0		3,787,000	5,037,000	3,787,000	0	0	0
<b>Total Funding</b>	<b>3,787,000</b>	<b>3,640,336</b>		<b>3,787,000</b>	<b>5,037,000</b>	<b>3,787,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)	(3,640,336)	0		0	0	1,200,000	0	0	0
<b>Grand Total</b>	<b>146,664</b>	<b>3,640,336</b>		<b>3,787,000</b>	<b>5,037,000</b>	<b>4,987,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

This is a biennial appropriation. Special Language authorizes carry forward of funding and appropriation. FY09 Budget amount has been adjusted to reflect the carry forward balance of appropriation between fiscal years of \$3,640,336.

Base Level has been restored to the FY08 Authorized amount of \$3,787,000.

Executive Recommendation adds Special Language to fund the \$1,200,000 for Statewide Special Elections by a transfer from the Budget Stabilization Trust Fund to Miscellaneous Agencies Fund if any Special Elections are required.

## Change Level by Appropriation

**Appropriation:** 581 - Election Expenses  
**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,787,000</b>	<b>0</b>	<b>3,787,000</b>	<b>100.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
C01	Existing Program	1,250,000	0	5,037,000	133.0	0	0	0	

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,787,000</b>	<b>0</b>	<b>3,787,000</b>	<b>100.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
C01	Existing Program	1,200,000	0	4,987,000	131.7	0	0	0	

### Justification

C01	The State Board requests a Change Level in Election Expenses of \$1,250,000 in appropriation and general revenue funding in FY2010 for increased expenses of the Board and county boards of election commissioners to conduct state supported political party primary elections, nonpartisan judicial general elections, special primary elections, and statewide special elections, to compensate local election administrators for mandatory statewide training attendance, and to publish a candidates' handbook and educational and training materials.
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**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Election Commissioners Board

Program: Election Expenses

Act #: 320 of 2007 Section(s) #: 3, 5 & 6

Estimated Carry Forward Amount \$ 3,626,000.00      Appropriation       Funds

Funding Source: Miscellaneous Agencies

**Accounting Information:**

Business Area: 0232      Funds Center: 581      Fund: HUA      Functional Area: PROF

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Election Expenses	5900046	3,626,000.00	3,640,335.81
Total		\$ 3,626,000.00	\$ 3,640,335.81

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

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

To enable the State Board of Election Commissioners to reimburse counties for eligible state-funded election expenses associated with conducting the May Preferential Primary and Nonpartisan Judicial General Elections and the June Primary Runoff Election.

**Actual Funding Carry Forward Amount**      \$ 3,640,335.81

**Current status of carry forward appropriation/funding:**

To enable the State Board of Election Commissioners to reimburse counties for eligible state-funded election expenses associated with conducting the May Preferential Primary and Nonpartisan Judicial General Elections and the June Primary Runoff Election.

Susie Stormes  
Director

08-25-2008  
Date

# DOE - General Education

## Enabling Laws

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

## History and Organization

### HISTORY OF PUBLIC EDUCATION IN ARKANSAS

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

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

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

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

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

Act 38 of 1971 changed the title of the Commissioner of Education to the Director of Education but kept the duties and powers of the office the same. The Director of Education was to be confirmed by the Governor and served at the pleasure of the Governor.

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

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

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

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

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

In 1987-88, the Arkansas General Assembly provided the state education system with acts such as establishing residency requirements for persons attending public schools; providing waivers from the teacher salary requirement due to a one time increase in new current revenue; establishing guidelines for reporting data on students leaving high school prior to graduation; establishing the Commission on Teaching Excellence; and changing the date of the annual school election to the third Tuesday in September.

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

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

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

In 1995-96, the Arkansas General Assembly enacted a new funding formula for the public schools that provided more equity in school funding. Minimum Foundation Program Aid was replaced by Equalization Funding. The legislature also funded At-risk Programs, Growth Facilities Funding, Additional Base Funding, and Debt Service Funding Supplements to assist districts with the cost of facilities. Technology centers were appropriated for the Education Service Cooperative to assist local school districts. Fiscal Crisis Relief Funding also provided assistance to districts adversely affected by the implementation of the new funding formula. Other legislation passed in 1995 included: an act to require criminal background checks for all teachers and administrators seeking an Arkansas teaching license for the first time; an act to ensure that a fiscal or academic crisis will not interrupt educational services provided to students (Academic and Fiscal Distress); an act known as the School Bus Safety Act of 1995; an act to establish the Arkansas Advanced Placement Incentive Program; an act to expand the K-3 Initiative of 1993 to include grades K-5; and an act to increase the number of State Board of Education members from nine (9) to twelve (12).

In 1997-98, the Arkansas General Assembly passed legislation which provided for one core curriculum for all students in Arkansas public schools; required the Director to develop a plan to allow all school districts to utilize distance learning through a distance learning network; amended the laws concerning

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

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

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

In 2003-2004, the General Assembly addressed four major areas in the public education system of Arkansas: structure of the K-12 system, public school funding, public school facilities, and the structure of the Arkansas Department of Education. During the Regular Session, the legislature; enacted the Omnibus Quality Education Act, requiring all school districts to meet the Standards for Accreditation with sanctions for non-compliance; established requirements for school districts to create plans for more parental involvement in public schools; and created the Joint Committee on Educational Facilities to assess all of the State's K-12 facilities and equipment. During the 2nd Extraordinary Session, the General Assembly required administrative consolidation of public school districts serving less than 350 students into districts that would have in excess of 350 students; adopted the Arkansas Student Assessment and Educational Accountability Act of 2004; created the Public School Funding Act, which designated a base of \$5,400 per student as the amount necessary for students to receive an adequate education; enacted a variety of revenue measures to raise the necessary funds to implement the new Public School Funding Act. The legislature also provided for the division of the Arkansas Department of Education into three divisions: General Education, Accountability and Educational Facilities with each division having its own director who answers independently to the State Board of Education. Other significant actions taken by



the 84th General Assembly included the creation of a Teacher Housing Program; master's program for school principals; mandatory professional development for teachers and administrators and an appropriation to increase the number of early childhood programs offered in the State.

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

In 2007-2008, the work conducted by the 86th General Assembly successfully freed the state from litigation in the Lake View case. On May 31, 2007, the Arkansas Supreme Court ruled that "...our system of public-school financing is now in constitutional compliance..." It further stated in the conclusion of the opinion:

"What is especially meaningful to this court is the Maters' finding that the General Assembly has expressly shown that constitutional compliance in the field of education is an ongoing task requiring constant study, review, and adjustment. In this court's view, Act 57 of the Second Extraordinary Session of 2003 requiring annual adequacy review by legislative committees, and Act 108 of the Second Extraordinary Session of 2003, establishing education as the State's first funding priority, are the cornerstones for assuring future compliance."

The legislature expanded upon Act 57 requirements, passing Act 1204 of 2007. Act 1204 set forth an outline of the work to be performed in preparation for the 2009 legislative session. Among other things it required the review of fiscal, academic, and facilities distress programs; a comparison of Arkansas teacher salaries with surrounding states and Southern Regional Education Board member states; review of expenditures from isolated schools; national school lunch student funding; declining enrollment funding; student growth funding; special education funding. Act 1204 also required an expenditure analysis and resource allocation review each biennium. The Department of Education budget total was \$760.3 million in FY08 and \$764.7 million in FY09. The Public School Fund authorized

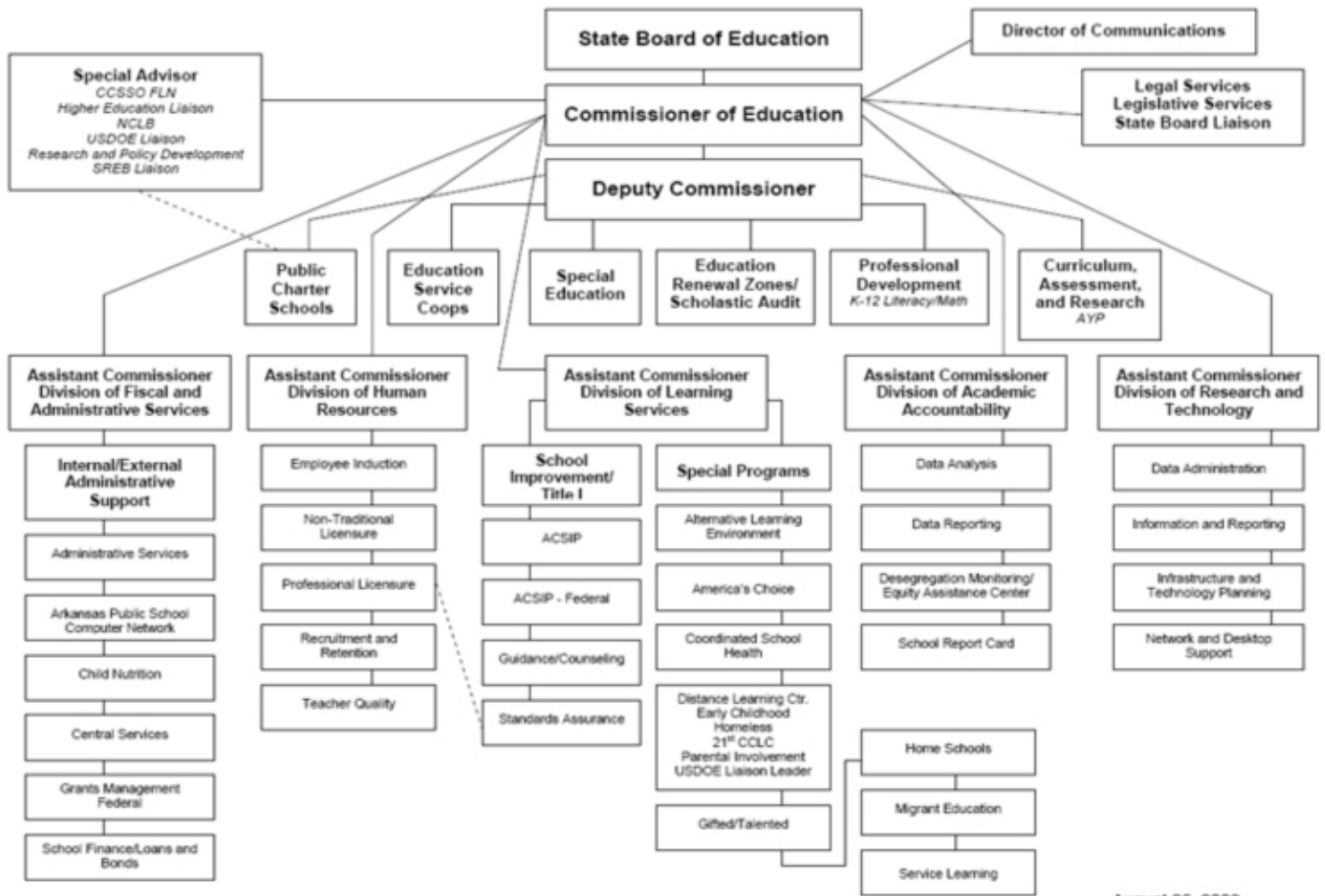
## STATE BOARD OF EDUCATION - OVERSIGHT AND AUTHORITY

Statutory authority for the Arkansas State Board of Education is found in Ark. Code Ann. §6-11-101

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

The State Board of Education's powers and duties are outlined in Ark. Code Ann. §6-11-105 (1999 Repl.). These powers and duties include such things as general supervision of the public schools of the State, recommending courses of study for the public schools, issuing licenses to qualified persons to teach in the public schools, and performing "all other functions which may now or hereafter be delegated to the State Board of Education by law."

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



August 26, 2008

## **Agency Commentary**

### **ARKANSAS DEPARTMENT OF EDUCATION - GENERAL DIVISION**

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

#### **Fish/Wildlife Conservation - 1XY**

A.C.A. §6-16-1101, redirects money from Game and Fish Commission fines to educational programs in the counties in which the fines were collected. It requires the ADE to be the pass through agency to get the funds from the Commission to the counties. The Base Level for the 2009-11 biennium is \$700,000 each year. The ADE is requesting a Change Level of \$100,000 each year for potential increases in fine collections that may occur in the 2009-11 biennium.

#### **Federal Grants Administration - 435**

This appropriation provides for 9 positions and operating support for the Administrative Support unit of the Department. It is funded by indirect cost charges levied on federal programs administered by the ADE. The Change Level request in the 2009-11 biennium for this appropriation is to restore the ADE Budget Manager Position. This position was created by the authority of Section 25 of Act 1420 of 2007. Section 25 also requires that positions created by this authority must be requested to continue into the next biennium. The position is budgeted in FY2009.

#### **Professional Licensure Standards Board - 56P**

Act 846 of 2007 created the Professional Licensure Standards Board (PLSB). Responsibilities of the PLSB include: 1) Development and recommendation for adoption by the State Board of Education of minimum college preparatory and grade point average requirements for all teachers applying for licensure, 2) Review of audits of teacher education programs at institutions of higher education to determine if they are properly aligned to allow graduates to become licensed, and 3) Establish a Code of Ethics for administrators and teachers. On June 9, 2008, the Arkansas State Board of Education accepted the recommendation of the PLSB and approved the Rules Governing the Code of Ethics for Arkansas Educators. The PLSB is also charged through this law and rule to investigate all violations which may lead to some action being taken upon the educator's professional teaching license.

The Change Level request for this appropriation is for 11 new positions and associated operating support. The total appropriation being requested is \$1,070,042 in FY10 and \$899,315 in FY11. Line item appropriation requests include: Regular Salaries (\$399,549/\$408,732), Personal Services Matching (\$142,763/\$144,753), Operating Expenses (\$508,225/\$326,325), Conference and Travel Expenses (\$10,000 each year), and Professional Fees (\$9,505 each year). Funding for the program would be from cash funds generated from license fees and fines.

#### **ADE - State Operations - 620**

The State Operations appropriation provides the state funded support for 260 positions and associated operating expenses of the various units of the Department of Education. The major units supported by this appropriation are: Central Administration, Division of Fiscal and Administrative Services, Division of Human Resources, Division of Learning Services, Division of Public School Accountability and Division of Research and Technology. The two Change Level requests for this appropriation are for \$100,000 of unfunded Capital Outlay appropriation in each year of the biennium for unforeseen needs that may occur in the biennium and a reallocation of appropriation from Data Processing to Operating Expenses to allow

for the proper expensing of data base support from the Department of Information Systems.

### **Child Nutrition - 637**

The appropriation for the Child Nutrition Program is funded by federal funds received from the US Department of Agriculture. The Change Level request for the Child Nutrition Program for the 2009-11 biennium is for \$40,000 of federally funded Capital Outlay appropriation for unforeseen needs that may occur in the biennium. Additionally, there is a change level for the reallocation of appropriation from Data Processing to Operating Expenses to allow for the proper expensing of data base support from the Department of Information Systems.

### **Federal Turnback Program - 639**

Federal turnback funds are monies collected by federal agencies on land they own within the State of Arkansas. These collections are "turned back" to the State of Arkansas to help cover the loss of property tax revenues that would otherwise be collected. Federal law dictates that these revenues be distributed to the State. As these funds are received, the Department of Education returns them to the counties in which the federal lands are located. The Change Level for this appropriation for the 2009-11 biennium is for \$2 million of Federal Turnback appropriation in anticipation of additional funds that may become available in the biennium.

### **Federal Elementary and Secondary Education - 650**

The appropriation for the Federal Elementary and Secondary Education appropriation is funded primarily by federal funds received from the U.S. Department of Education. There are two Change Level requests for this program for the 2009-11 biennium. One is for \$160,000 of federally funded Capital Outlay appropriation for unforeseen needs that may occur in the biennium. The other Change Level request is a reallocation of appropriation from Data Processing to Operating Expenses to allow for the agency to properly record expensing for data base support from the Department of Information Systems.

### **Multiple Grant Award Program - 885**

The Multiple Grant Award Program appropriation consists of cash funds received by the Department of Education from grants and awards from private foundations or individuals. The Change Level request for this program is for \$10,000 of cash funded Capital Outlay appropriation in each year of the biennium for unforeseen needs that may occur.

### **Alternative Certification Program - 899**

The Alternative Certification Program is cash funded from program participation fees of \$1,200 paid by participants who are seeking alternative teacher certifications to cover the cost of training.

The total Change Level request for the program is for additional Operating Expenses of \$200,000 each year for refunds of fees to participants. The request is also for an additional \$1,500 each year for Conference and Travel Expenses for costs associated with sending two program advisors to two national meetings for Alternative Certification.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF EDUCATION

FOR THE YEAR ENDED JUNE 30, 2006

### Findings

The Agency failed to establish adequate monitoring and review of reimbursement requests from school districts for the **Residential Centers/Juvenile Detention** program, which provided funding totaling \$8,668,086 to school districts for educational costs associated with students in approved residential treatment facilities. School districts submitted to the Agency the number of students and the number of days that students were served by treatment facilities through a web-based application. However, the Agency did not have a procedure in place to verify - either for eve payment or for districts selected for monitoring reviews - that the information supplied by the district was accurate. Prior to the implementation of the web-based application process, support documentation to verify the accuracy of the reimbursement request was required.

The Agency failed to properly record and track postage usage in the Elementary and Secondary Education Federal Fund (FEE) during the years ended June 30, 2004, 2005 and 2006. At June 30, 2006, a postage meter with a balance of \$35,319 was discovered in the offices of the **Special Education Division**. This balance consisted of \$7,000 purchased during fiscal year 2006, \$15,000 purchased during fiscal year 2005 and the remaining \$13,319 attributed to purchases made during fiscal year 2004. There were no formal policies or procedures in place to prevent misuse or misappropriation of this postage.

### Recommendations

Establish controls to ensure that reimbursement requests from the school districts are legitimate and accurate.

Establish and/or strengthen controls over all postage machines utilized by the various divisions of the Agency and record unused balances correctly so that expenditures can be reflected in the appropriate reporting period.

## Employment Summary (All Divisions)

	Male	Female	Total	%
White Employees	88	154	242	70 %
Black Employees	20	77	97	28 %
Other Racial Minorities	2	6	8	2 %
		Total Minorities	105	30 %
		Total Employees	347	100 %

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Academic Support Centers - Report regarding the Establishment of Academic Support Centers and their Effectiveness	Act 1575 of 2007 A.C.A. §6-13-1612	N	N	75	Required by Law to the House and Senate Interim Committees on Education
ADE & ADH shall jointly report progress in implementing nutrition and physical education standards	Act 317 of 2007 A.C.A. §20-7-135	N	N	4	Required by Law to the Chairs of the House & Senate Interim Committees on Public Health, Welfare, and Labor and the House and Senate Interim Committees on Education
Annual Results of Statewide Assessment Program	A.C.A. §6-15-1905	N	N	450,000	Required by Law
Annual Statistical Report	HCR 58 of 1961	Y	N	700	Required by Resolution
Arkansas Advisory Council for the Education of Gifted and Talented Children	A.C.A. §6-42-106	Y	Y	7	Governor, Legislators, Advisory Council members, Ken James, Woody Cummins, and Janinne Riggs
Arkansas Commission on Eye & Vision Care of School Age Children	Act 138 of 2007, not codified	Y	N	105	Required by Law to the Governor, Legislative Council, House and Senate Interim Committees on Public Health, Welfare and Labor
Arkansas Title II State Report	Title II Sec 207 & 208 Higher Education Act	Y	Y	5	Federal Mandate to Publish
Arkansas Youth at Risk Survey	CDC, DASH	N	N	1,500	School districts for prevention programming and writing grants
Average Teacher Salary	Act 229 of 2007 §26, Special Language	N	N	75	Required by Law to the House and Senate Interim Committees on Education
Coordinated School Health Program Pamphlet	CDC, DASH	N	N	3,000	Distributed to school districts, community organizations and used at exhibits
Free Textbook Act Compliance Report	Act 1199 of 2007 Act 1577 of 2007 A.C.A. §6-21-403	N	N	75	Required by Law to the House and Senate Interim Committees on Education
Individual Schools Annual Improvement & Performance Category Level Designations & Ratings	A.C.A. Act 1420 of 2007, §6-15-1905	N	N	450,000	Required by Law
Justification for the Need to Allocate Titles from Growth Pool Positions	Act 1420 of 2007, §23, Special Language	N	N	41	Required by Law to the Chief Fiscal Officer of the State and the Legislative Council
Lifetime Teaching License Compliance Report	Act 169 of 2007 A.C.A. §6-17-2606	N	Y	135	Required by Law to the General Assembly

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Medicaid Administration Claiming Program	Act 1420 of 2007, §29 (2), Special Language	N	N	40	Required by Law to the House and Senate Public Health, Welfare and Labor Committee
Results of Require Examination	A.C.A. §6-15-404	N	N	1,000	Required by Law
Rules Regarding Physical Education or Physical Activity Standards for Grades Kindergarten through Grade 12 (K-12) developed pursuant to this section	Act 317 of 2007 A.C.A. §6-16-132	N	N	75	Required by Law to the House and Senate Interim Committees on Education
School Choice Black-White Percentage of each county's public school students and acceptable range of variance report	A.C.A. §6-18-206	N	N	310	Required report for school districts within counties to use in determining school choice options for students
School Performance Reports	A.C.A. §6-15-1402	N	N	450,000	Legislation requiring individual school building performance reports to be compiled and mailed
Status of the Conversion Public Charter School Programs	Act 736 of 2007 A.C.A. §6-23-207	N	Y	135	Required by Law to the General Assembly and the House & Senate Interim Committees on Education
Status of the Open Enrollment Charter School Programs	Act 736 of 2007 A.C.A. §6-23-207	N	Y	135	Required by Law to the General Assembly and the House & Senate Interim Committees on Education
Student Services Report	A.C.A. §6-18-1007	Y	N	50	Required by Law
Teacher Recruitment Publications	A.C.A. §6-17-310	N	N	100	Required by law

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1XJ School District Millage	938,567	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0
1XY Fish/Wildlife Conservation	707,204	0	700,000	0	700,000	0	700,000	0	800,000	0	800,000	0	700,000	0	800,000	0	800,000	0
2DD Conference-Treasury	103,525	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0
35V Vision Screening Program	987	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
435 Federal Grants Administration	592,123	10	741,830	9	646,022	8	710,717	8	812,233	9	812,233	9	721,773	8	825,480	9	825,480	9
4HF Medicaid Adm-Cash in Treasury	8,015,426	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0
56P Professional Licensure Standards Board	0	0	0	0	0	0	0	0	1,070,042	11	1,070,042	11	0	0	899,315	11	899,315	11
56U Teacher Housing Dev Oprs	0	0	0	0	0	0	0	0	0	0	224,746	1	0	0	0	0	226,688	1
620 State Operations	20,417,358	248	22,126,975	260	22,797,477	270	23,132,931	260	23,232,931	260	23,232,931	260	23,443,169	260	23,543,169	260	23,543,169	260
630 Building Maintenance	80,331	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
631 Revolving Loan Certification	1,526,054	2	13,160,977	3	13,162,540	3	13,173,851	3	13,173,851	3	13,173,851	3	13,174,752	3	13,174,752	3	13,174,752	3
637 Child Nutrition	123,936,240	13	166,966,048	15	167,004,769	15	166,998,489	15	167,038,489	15	167,038,489	15	167,010,008	15	167,050,008	15	167,054,008	15
639 Federal Turnback for School	10,996,945	0	11,000,000	0	11,000,000	0	11,000,000	0	13,000,000	0	13,000,000	0	11,000,000	0	13,000,000	0	13,000,000	0
650 Fed Elem & Sec Education	315,883,584	56	523,572,585	62	523,744,832	62	523,617,555	62	523,777,555	62	523,777,555	62	523,686,595	62	523,846,595	62	523,846,595	62
885 Multiple Grant Award Program	178,772	0	2,626,375	0	2,626,375	0	2,626,375	0	2,636,375	0	2,636,375	0	2,626,375	0	2,636,375	0	2,636,375	0
893 Medicaid Reimbursement	0	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0
899 Alternative Certification Program	969,220	0	1,047,712	0	1,047,712	0	1,047,712	0	1,349,212	0	1,349,212	0	1,047,712	0	1,349,212	0	1,349,212	0
<b>NOT REQUESTED FOR THE BIENNIUM</b>																		
35U Pulaski County Deseg Case Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4GT NGA Honor - Cash in Treasury	754,455	0	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>485,100,791</b>	<b>330</b>	<b>764,978,002</b>	<b>349</b>	<b>765,665,227</b>	<b>358</b>	<b>765,943,130</b>	<b>348</b>	<b>769,826,188</b>	<b>360</b>	<b>770,050,934</b>	<b>361</b>	<b>766,345,884</b>	<b>348</b>	<b>770,060,406</b>	<b>360</b>	<b>770,291,094</b>	<b>361</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	11,036,941	2.2	15,532,623	2.0	15,448,471	2.0	15,448,471	2.0	15,596,762	2.0	15,448,471	2.0	15,448,471	2.0	15,472,016	2.0	
General Revenue	4000010	14,819,231	3.0	14,684,913	1.9	15,799,390	2.0	15,799,390	2.0	15,799,390	2.0	16,109,628	2.1	16,109,628	2.1	16,109,628	2.1	
Federal Revenue	4000020	450,816,769	90.0	701,538,633	89.9	701,616,044	89.8	703,816,044	89.6	703,816,044	89.6	701,696,603	89.8	703,896,603	89.6	703,900,603	89.6	
Special Revenue	4000030	0	0.0	1,000,000	0.1	1,000,000	0.1	1,000,000	0.1	1,000,000	0.1	1,000,000	0.1	1,000,000	0.1	1,000,000	0.1	
Cash Fund	4000045	14,205,512	2.8	24,875,435	3.2	24,859,587	3.2	26,341,129	3.4	26,441,129	3.4	24,859,587	3.2	26,170,402	3.3	26,270,402	3.3	
Trust Fund	4000050	3,143,842	0.6	13,660,977	1.8	13,673,851	1.7	13,673,851	1.7	13,673,851	1.7	13,674,752	1.7	13,674,752	1.7	13,674,752	1.7	
Merit Adjustment Fund	4000055	0	0.0	108,521	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Educational Adequacy Fund	4000210	5,526,870	1.1	6,391,870	0.8	6,391,870	0.8	6,391,870	0.8	6,391,870	0.8	6,391,870	0.8	6,391,870	0.8	6,391,870	0.8	
Educational Excellence Fund	4000220	981,901	0.2	941,671	0.1	941,671	0.1	941,671	0.1	941,671	0.1	941,671	0.1	941,671	0.1	941,671	0.1	
Federal Indirect Costs	4000240	592,123	0.1	741,830	0.1	710,717	0.1	812,233	0.1	812,233	0.1	721,773	0.1	825,480	0.1	825,480	0.1	



Funding Sources		%		%		%		%		%		%		%	
Interest	4000300	170,324	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	2,050	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Property Tax Relief Trust	4000390	950,000	0.2	950,000	0.1	950,000	0.1	950,000	0.1	950,000	0.1	950,000	0.1	950,000	0.1
Trnfr frm DOE Pub School Fund	4000525	1,615,000	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer frm General Education	4000535	(408,873)	(0.1)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from General Imprv	4000540	230,000	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Trnfr to DOE Public School Fund	4000625	(250,000)	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	(2,808,058)	(0.6)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfers / Adjustments	4000683	9,782	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Unfunded Appropriation	4000715	0	0.0	0	0.0	100,000	0.0	100,000	0.0	0	0.0	100,000	0.0	100,000	0.0
Total Funds		500,633,414	100.0	780,426,473	100.0	781,391,601	100.0	785,274,659	100.0	785,522,950	100.0	781,794,355	100.0	785,508,877	100.0
Excess Appropriation/(Funding)		(15,532,623)		(15,448,471)		(15,448,471)		(15,448,471)		(15,472,016)		(15,448,471)		(15,448,471)	
Grand Total		485,100,791		764,978,002		765,943,130		769,826,188		770,050,934		766,345,884		770,060,406	

Actual exceeds Authorized in appropriation 1XY - Fish/Wildlife Conservation due to transfer from Cash Fund Holding Account.

Budget exceeds Authorized in appropriation 435 - Federal Grants Administration due to salary adjustments made during the 2007-2009 Biennium.

Variance in Fund Balance for Executive Recommendation reflects recommendation of transfer of Teacher Housing Development Foundation to Department of Education.

The appropriation not requested for 35U - Pulaski County Desegregation Case Costs, found in Sections 19, 34 and 35 of Act 1420 of 2007, was added during the 2007-2009 Biennium. This appropriation is not part of the Desegregation payments received by the Little Rock, North Little Rock and Pulaski County Special School Districts. The appropriation and funding for those payments is part of the Public School Fund budget request.

## Agency Position Usage Report - General Education Division

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
361	284	71	355	6	21.33 %	358	290	60	350	8	18.99 %	358	278	70	348	10	22.35 %

## **Analysis of Budget Request**

**Appropriation:** 1XJ - School District Millage

**Funding Sources:** TPR - ADE Millage Rollback

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

The Agency is requesting Base Level of \$950,000 for both fiscal years of the 2009-2010 Biennium.

The Executive Recommendation provides for Agency Request.

**Appropriation Summary**

**Appropriation:** 1XJ - School District Millage

**Funding Sources:** TPR - ADE Millage Rollback

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	938,567	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Total		938,567	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
<b>Funding Sources</b>										
Fund Balance	4000005	45,735	57,168		57,168	57,168	57,168	57,168	57,168	57,168
Property Tax Relief Trust	4000390	950,000	950,000		950,000	950,000	950,000	950,000	950,000	950,000
Total Funding		995,735	1,007,168		1,007,168	1,007,168	1,007,168	1,007,168	1,007,168	1,007,168
Excess Appropriation/(Funding)		(57,168)	(57,168)		(57,168)	(57,168)	(57,168)	(57,168)	(57,168)	(57,168)
Grand Total		938,567	950,000		950,000	950,000	950,000	950,000	950,000	950,000

## **Analysis of Budget Request**

**Appropriation:** 1XY - Fish/Wildlife Conservation

**Funding Sources:** NED - Cash in Treasury

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

The Department of Education requests Base Level of \$700,000 plus additional appropriation in Grants and Aids of \$100,000 for each fiscal year of the 2009-2011 Biennium. The current Base Level is not sufficient to meet expected income.

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

## Appropriation Summary

**Appropriation:** 1XY - Fish/Wildlife Conservation

**Funding Sources:** NED - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	707,204	700,000	700,000	700,000	800,000	800,000	700,000	800,000	800,000
<b>Total</b>	<b>707,204</b>	<b>700,000</b>	<b>700,000</b>	<b>700,000</b>	<b>800,000</b>	<b>800,000</b>	<b>700,000</b>	<b>800,000</b>	<b>800,000</b>
<b>Funding Sources</b>									
Cash Fund 4000045	707,204	700,000		700,000	800,000	800,000	700,000	800,000	800,000
<b>Total Funding</b>	<b>707,204</b>	<b>700,000</b>		<b>700,000</b>	<b>800,000</b>	<b>800,000</b>	<b>700,000</b>	<b>800,000</b>	<b>800,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>707,204</b>	<b>700,000</b>		<b>700,000</b>	<b>800,000</b>	<b>800,000</b>	<b>700,000</b>	<b>800,000</b>	<b>800,000</b>

Actual exceeds Authorized Appropriation due to transfer from Cash Fund Holding Account.

## Change Level by Appropriation

**Appropriation:** 1XY - Fish/Wildlife Conservation

**Funding Sources:** NED - Cash in Treasury

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>700,000</b>	<b>0</b>	<b>700,000</b>	<b>100.0</b>	<b>700,000</b>	<b>0</b>	<b>700,000</b>	<b>100.0</b>
C01	Existing Program	100,000	0	800,000	114.3	100,000	0	800,000	114.3

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>700,000</b>	<b>0</b>	<b>700,000</b>	<b>100.0</b>	<b>700,000</b>	<b>0</b>	<b>700,000</b>	<b>100.0</b>
C01	Existing Program	100,000	0	800,000	114.3	100,000	0	800,000	114.3

### Justification

C01	ACA § 6-16-1101, redirects money from Game and Fish Commission fines to educational programs in the counties in which the fines were collected. It requires the ADE to be the pass through agency to get the funds from the Commission to the counties. This request is for any increases that may occur in fine collections in the 2009-11 biennium.
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## **Analysis of Budget Request**

**Appropriation:** 2DD - Conference-Treasury

**Funding Sources:** NED - Cash in Treasury

The Department of Education is requesting Base Level appropriation of \$475,000 each fiscal year to pay expenses of conferences sponsored by the Department. Funding is provided from registration fees charged to participants.

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



## Appropriation Summary

**Appropriation:** 2DD - Conference-Treasury

**Funding Sources:** NED - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	101,569	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Conference & Travel Expenses	5050009	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	1,956	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>103,525</b>	<b>475,000</b>	<b>475,000</b>	<b>475,000</b>	<b>475,000</b>	<b>475,000</b>	<b>475,000</b>	<b>475,000</b>	<b>475,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	393,062	447,206		447,206	447,206	447,206	447,206	447,206	447,206
Cash Fund	4000045	157,669	475,000		475,000	475,000	475,000	475,000	475,000	475,000
<b>Total Funding</b>		<b>550,731</b>	<b>922,206</b>		<b>922,206</b>	<b>922,206</b>	<b>922,206</b>	<b>922,206</b>	<b>922,206</b>	<b>922,206</b>
Excess Appropriation/(Funding)		(447,206)	(447,206)		(447,206)	(447,206)	(447,206)	(447,206)	(447,206)	(447,206)
<b>Grand Total</b>		<b>103,525</b>	<b>475,000</b>		<b>475,000</b>	<b>475,000</b>	<b>475,000</b>	<b>475,000</b>	<b>475,000</b>	<b>475,000</b>

## **Analysis of Budget Request**

**Appropriation:** 35V - Vision Screening Program

**Funding Sources:** SCV - School Age Child Eyecare

This appropriation for the Vision Screening Program provides operating expenses for the Arkansas Commission on Eye and Vision Care of School Age Children. The Commission was established for the Department of Health in Act 755 of 2003. However, during the 2007-2009 Biennium the operating appropriation for the Commission was transferred from the Department of Health to the Department of Education by Act 1243 of 2007. Additionally, the Commission was extended to exist through June 30, 2011 in Act 138 of 2007.

The duties of the Commission are to study the vision needs of children, evaluate screening programs in schools, determine whether children are receiving adequate vision care, and to study the effects of inadequate vision on classroom performance.

The special revenue funding for the Commission comes from donations, gifts, grants, and any other resources that become available.

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

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 35V - Vision Screening Program

**Funding Sources:** SCV - School Age Child Eyecare

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Vision Screening and Care 5900046	987	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Total</b>	987	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									
Fund Balance 4000005	6,525	5,538		5,538	5,538	5,538	5,538	5,538	5,538
Special Revenue 4000030	0	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Total Funding</b>	6,525	1,005,538		1,005,538	1,005,538	1,005,538	1,005,538	1,005,538	1,005,538
Excess Appropriation/(Funding)	(5,538)	(5,538)		(5,538)	(5,538)	(5,538)	(5,538)	(5,538)	(5,538)
<b>Grand Total</b>	987	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:** 435 - Federal Grants Administration

**Funding Sources:** FHA - Federal Indirect Costs

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

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

The Agency is requesting Base Level plus a change level request of \$101,516 for FY10 and \$103,707 for FY11 for continuation of an Arkansas Department of Education Budget Manager pool position as a regular authorized position. The position was established from the Agency's position pool language, Section 25 of Act 1420 of 2007, and requires the position to be requested as a new position in the Agency's Biennial Budget Request. This position is budgeted for FY2009 and will be used for fiscal and administration services.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 435 - Federal Grants Administration

**Funding Sources:** FHA - Federal Indirect Costs

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	437,279	502,221	396,664	443,976	523,207	523,207	453,062	534,094	534,094
<b>#Positions</b>	<b>10</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>8</b>	<b>9</b>	<b>9</b>
Personal Services Matching 5010003	113,272	109,967	119,716	137,099	159,384	159,384	139,069	161,744	161,744
Operating Expenses 5020002	20,540	49,970	49,970	49,970	49,970	49,970	49,970	49,970	49,970
Conference & Travel Expenses 5050009	4,869	19,672	19,672	19,672	19,672	19,672	19,672	19,672	19,672
Professional Fees 5060010	16,163	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>592,123</b>	<b>741,830</b>	<b>646,022</b>	<b>710,717</b>	<b>812,233</b>	<b>812,233</b>	<b>721,773</b>	<b>825,480</b>	<b>825,480</b>
<b>Funding Sources</b>									
Federal Indirect Costs 4000240	592,123	741,830		710,717	812,233	812,233	721,773	825,480	825,480
Total Funding	592,123	741,830		710,717	812,233	812,233	721,773	825,480	825,480
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>592,123</b>	<b>741,830</b>		<b>710,717</b>	<b>812,233</b>	<b>812,233</b>	<b>721,773</b>	<b>825,480</b>	<b>825,480</b>

Actuals and FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments made during the 2007-2009 Biennium.

Actual number of positions exceeded the Authorized Number due to flexibility inherent in the authorization of all positions through one salary section in the appropriation act and Agency usage of growth pool position special language in Section 25 of Act 1420 of 2007.

Budgeted number of positions exceeds Authorized due to Agency usage of growth pool position special language in Section 25 of Act 1420 of 2007.

## Change Level by Appropriation

**Appropriation:** 435 - Federal Grants Administration

**Funding Sources:** FHA - Federal Indirect Costs

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>710,717</b>	<b>8</b>	<b>710,717</b>	<b>100.0</b>	<b>721,773</b>	<b>8</b>	<b>721,773</b>	<b>100.0</b>
C06	Restore Position/Approp	101,516	1	812,233	114.3	103,707	1	825,480	114.4

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>710,717</b>	<b>8</b>	<b>710,717</b>	<b>100.0</b>	<b>721,773</b>	<b>8</b>	<b>721,773</b>	<b>100.0</b>
C06	Restore Position/Approp	101,516	1	812,233	114.3	103,707	1	825,480	114.4

### Justification

C06	This ADE Budget Manager position was established from the Position Pool authorized by Section 25 of Act 1420 of 2007. This Section also requires that positions being requested to continue into the next biennium must be requested as new positions in the agency's biennial budget request. This position is budgeted in FY2009.
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## **Analysis of Budget Request**

**Appropriation:** 4HF - Medicaid Adm-Cash in Treasury

**Funding Sources:** NED - Cash in Treasury

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

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

The Agency Request is for Base Level of \$15,000,000 for each year of the 2009-2011 Biennium.

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

## Appropriation Summary

**Appropriation:** 4HF - Medicaid Adm-Cash in Treasury

**Funding Sources:** NED - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
AR Medicaid Admin Claims	5900046	8,015,426	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total		8,015,426	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
<b>Funding Sources</b>										
Fund Balance	4000005	48,929	76,128		76,128	76,128	76,128	76,128	76,128	76,128
Cash Fund	4000045	8,042,625	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total Funding		8,091,554	15,076,128		15,076,128	15,076,128	15,076,128	15,076,128	15,076,128	15,076,128
Excess Appropriation/(Funding)		(76,128)	(76,128)		(76,128)	(76,128)	(76,128)	(76,128)	(76,128)	(76,128)
Grand Total		8,015,426	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000



## **Analysis of Budget Request**

**Appropriation:** 56P - Professional Licensure Standards Board

**Funding Sources:** NED - Cash in Treasury

Act 846 of 2007 created the Professional Licensure Standards Board (PLSB). As part of the legislation, the PLSB was charged with creating a code of ethics for Arkansas Educators and developing and recommend for adoption by the Arkansas State Board of Education minimum college level preparatory and grade point average requirements for all teacher apply for initial or additional licensure after July 1, 2007. In June of 2008, the Arkansas State Board of Education accepted the recommendation of the PLSB and approved the Rules Governing the Code of Ethics for Arkansas Educators. Through this act, the PLSB is also in charge of investigating violations of the ethics code and to conduct audits of licensure programs of study in all Arkansas institutions of higher education.

The Agency is requesting 11 new positions and maintenance and operations appropriations for the staff necessary to carry out the charge of the PLSB. These change levels are \$1,070,042 for FY10 and \$899,315 for FY11. The breakdown of the change level requests are as follows:

- 11 new positions: 1-Chief Investigator, 1-Attorney, 4-Investigators, 2-Legal Services Specialists, 1-Accountant I, 1-Administrative Analyst, and 1-Administrative Specialist III; Regular Salaries and Personal Services Matching for FY10 are \$399,549 & \$142,763; FY11 \$408,732 and \$144,753
- Operating Expenses of \$508,225 for FY10 and \$326,325 for FY11.
- Conference and Travel Expenses of \$10,000 for each fiscal year
- Professional Fees of \$9,505 for each fiscal year

The funding for these change levels will come from license fees and fines generated by the PLSB.

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

## Appropriation Summary

**Appropriation:** 56P - Professional Licensure Standards Board

**Funding Sources:** NED - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	0	0	399,549	399,549	0	408,732	408,732
<b>#Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>11</b>	<b>11</b>
Personal Services Matching 5010003	0	0	0	0	142,763	142,763	0	144,753	144,753
Operating Expenses 5020002	0	0	0	0	508,225	508,225	0	326,325	326,325
Conference & Travel Expenses 5050009	0	0	0	0	10,000	10,000	0	10,000	10,000
Professional Fees 5060010	0	0	0	0	9,505	9,505	0	9,505	9,505
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,070,042</b>	<b>1,070,042</b>	<b>0</b>	<b>899,315</b>	<b>899,315</b>
<b>Funding Sources</b>									
Cash Fund 4000045	0	0		0	1,070,042	1,070,042	0	899,315	899,315
Total Funding	0	0		0	1,070,042	1,070,042	0	899,315	899,315
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>1,070,042</b>	<b>1,070,042</b>	<b>0</b>	<b>899,315</b>	<b>899,315</b>

## Change Level by Appropriation

**Appropriation:** 56P - Professional Licensure Standards Board

**Funding Sources:** NED - Cash in Treasury

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C02	New Program	1,070,042	11	1,070,042	100.0	899,315	11	899,315	100.0

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C02	New Program	1,070,042	11	1,070,042	100.0	899,315	11	899,315	100.0

### Justification

C02	Act 846 of 2007 created the Professional Licensure Standards Board (PLSB). As part of that legislation the PLSB was charged with creating a code of ethics for Arkansas Educators. On June 9, 2008, the Arkansas State Board of Education accepted the recommendation of the PLSB and approved the Rules Governing the Code of Ethics for Arkansas Educators. The PLSB is also charged through this law to investigate all violations which may lead to some action being taken upon the educators professional teaching license. This request is for 11 new positions and associated operating support for the program which would be authorized from a cash fund appropriation. Funding for the program would be from license fees and fines generated by the board.
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## **Analysis of Budget Request**

**Appropriation:** 56U - Teacher Housing Development Operations

**Funding Sources:** NED - Cash in Treasury

The Arkansas Teacher Housing Development Foundation was established by Act 39 of the Second Extraordinary Session 2003, Arkansas Code § 6-26-101 et seq. The Agency has a board of nine members. The board members consist of 3 members chosen by the President Pro Tempore of the Senate, 3 members chosen by the Speaker of the House of Representatives, the President of the Arkansas Chapter of the National Association of Minority Contractors, The President of the Arkansas Development Finance Authority, and the Executive Director of the Arkansas Teacher Retirement System. The term of each board member shall be four years.

The Foundation was established to implement and administer housing incentive programs to recruit and retain high performing teachers in high priority school districts. Those incentives may include down payment assistance, low-interest rate mortgages, rental assistance and multifamily housing developments. For FY2008 the agency paid out \$24,100 of incentive grants to qualifying teachers.

Current funding for the foundation comes from a \$100,000 grant from the Department of Education Public School fund for each fiscal year of the biennium. Additionally, the Foundation is charged with soliciting private and public donations and grants from the local communities to pay for the housing incentive programs.

Salary for the classified position reflects the recommendations of the Pay Plan Study. A 2.3 % Cost of Living Allowance is reflected in the second year of the biennium. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Executive Recommendation is to transfer this program from the Teacher Housing Development Foundation to the Department of Education. It allows for Base Level of all maintenance and operations line items and the Director position. The Administrative Assistant position will be discontinued. Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** 56U - Teacher Housing Development Operations

**Funding Sources:** NED - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	0	0	0	71,298	0	0	72,937
<b>#Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
Personal Services Matching 5010003	0	0	0	0	0	18,448	0	0	18,751
Operating Expenses 5020002	0	0	0	0	0	25,000	0	0	25,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	10,000	0	0	10,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	0	0	0	0	0	100,000	0	0	100,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>224,746</b>	<b>0</b>	<b>0</b>	<b>226,688</b>
<b>Funding Sources</b>									
Fund Balance 4000005	0	0		0	0	148,291	0	0	23,545
Cash Fund 4000045	0	0		0	0	100,000	0	0	100,000
Total Funding	0	0		0	0	248,291	0	0	123,545
Excess Appropriation/(Funding)	0	0		0	0	(23,545)	0	0	103,143
<b>Grand Total</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>224,746</b>	<b>0</b>	<b>0</b>	<b>226,688</b>

The Executive Recommendation transferred this appropriation (Base Level minus 1 Administrative Assistant position) from the Teacher Housing Development Foundation to the Department of Education.

## Change Level by Appropriation

**Appropriation:** 56U - Teacher Housing Development Operations

**Funding Sources:** NED - Cash in Treasury

### Executive Recommendation

Change Level	2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C07 Agency Transfer	224,746	1	224,746	100.0	226,688	1	226,688	100.0

### Justification

C07	The Executive Recommendation transferred this appropriation (Base Level minus 1 Administrative Assistant position) from the Teacher Housing Development Foundation to the Department of Education.
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## **Analysis of Budget Request**

**Appropriation:** 620 - State Operations

**Funding Sources:** EGA - Department of Education-State Operations

This appropriation provides state funded resources for the operations of the Department of Education and assistance to Arkansas' public schools. Operational activities include legal services, information technology, public relations and fiscal management. Assistance to school districts includes the "School Report Card," fiscal and administrative support, curriculum and instruction, and special education assistance and compliance monitoring. To provide the operations of the Department and assistance to schools, the Department is separated into 6 units. These units are: (1) Central Administration, (2) Division of Fiscal and Administrative Services, (3) Division of Human Resources, (4) Division of Learning Services, (5) Division of Public School Accountability and (6) Division of Research and Technology.

The Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. Also, fourteen (14) positions have been transitioned from unclassified to classified positions. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency has two change level requests. First, is a request for \$100,000 each fiscal year of the 2009-2011 biennium of unfunded Capital Outlay appropriation. This request is to handle any unforeseen needs that may occur during the biennium. Secondly, the Agency is requesting a reallocation of \$380,597 each year from Data Processing to Operating Expenses to allow for the proper classification of data base support expenses paid to the Department of Information Systems.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 620 - State Operations  
**Funding Sources:** EGA - Department of Education-State Operations

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	11,216,982	12,684,385	11,857,258	13,155,565	13,155,565	13,155,565	13,410,115	13,410,115	13,410,115
	<b>#Positions</b>	<b>248</b>	<b>260</b>	<b>270</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>260</b>
Extra Help	5010001	6,079	14,998	64,998	14,998	14,998	14,998	14,998	14,998	14,998
	<b>#Extra Help</b>	<b>2</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Personal Services Matching	5010003	3,384,613	3,632,589	3,680,426	4,167,365	4,167,365	4,167,365	4,223,053	4,223,053	4,223,053
Operating Expenses	5020002	3,092,554	3,381,613	4,090,770	3,381,613	3,762,210	3,762,210	3,381,613	3,762,210	3,762,210
Conference & Travel Expenses	5050009	158,904	206,530	209,030	206,530	206,530	206,530	206,530	206,530	206,530
Professional Fees	5060010	771,900	811,263	1,061,263	811,263	811,263	811,263	811,263	811,263	811,263
Data Processing	5090012	718,732	380,597	718,732	380,597	0	0	380,597	0	0
Capital Outlay	5120011	67,594	0	100,000	0	100,000	100,000	0	100,000	100,000
Reading Recovery	5900046	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
AR Leadership Academy	5900049	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Compact Educ Resrch & Dev	5900050	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
<b>Total</b>		<b>20,417,358</b>	<b>22,126,975</b>	<b>22,797,477</b>	<b>23,132,931</b>	<b>23,232,931</b>	<b>23,232,931</b>	<b>23,443,169</b>	<b>23,543,169</b>	<b>23,543,169</b>

Funding Sources										
Fund Balance	4000005	1,711,266	2,839,869		3,819,869	3,819,869	3,819,869	3,819,869	3,819,869	3,819,869
General Revenue	4000010	14,819,231	14,684,913		15,799,390	15,799,390	15,799,390	16,109,628	16,109,628	16,109,628
Merit Adjustment Fund	4000055	0	108,521		0	0	0	0	0	0
Educational Adequacy Fund	4000210	5,526,870	6,391,870		6,391,870	6,391,870	6,391,870	6,391,870	6,391,870	6,391,870
Educational Excellence Fund	4000220	981,901	941,671		941,671	941,671	941,671	941,671	941,671	941,671
M & R Sales	4000340	2,050	0		0	0	0	0	0	0
Trnfr frm DOE Pub School Fund	4000525	865,000	0		0	0	0	0	0	0
Transfer frm General Education	4000535	(408,873)	0		0	0	0	0	0	0
Trnfr to DOE Public School Fund	4000625	(250,000)	0		0	0	0	0	0	0
Transfers / Adjustments	4000683	9,782	0		0	0	0	0	0	0
Unfunded Appropriation	4000715	0	0		0	100,000	100,000	0	100,000	100,000
<b>Total Funding</b>		<b>23,257,227</b>	<b>24,966,844</b>		<b>26,952,800</b>	<b>27,052,800</b>	<b>27,052,800</b>	<b>27,263,038</b>	<b>27,363,038</b>	<b>27,363,038</b>
Excess Appropriation/(Funding)		(2,839,869)	(2,839,869)		(3,819,869)	(3,819,869)	(3,819,869)	(3,819,869)	(3,819,869)	(3,819,869)
<b>Grand Total</b>		<b>20,417,358</b>	<b>22,126,975</b>		<b>23,132,931</b>	<b>23,232,931</b>	<b>23,232,931</b>	<b>23,443,169</b>	<b>23,543,169</b>	<b>23,543,169</b>

The FY09 Budget Amount in Regular Salaries exceeds the Authorized Amount due to salary adjustments during the 2007-2009 Biennium.  
Fund Balance for 2009-2011 Biennium includes fund balance from Pulaski County Desegregation Case Costs appropriation (Appropriation 35U) of \$980,000.



## Change Level by Appropriation

**Appropriation:** 620 - State Operations

**Funding Sources:** EGA - Department of Education-State Operations

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>23,132,931</b>	<b>260</b>	<b>23,132,931</b>	<b>100.0</b>	<b>23,443,169</b>	<b>260</b>	<b>23,443,169</b>	<b>100.0</b>
C04	Reallocation	0	0	23,132,931	100.0	0	0	23,443,169	100.0
C05	Unfunded Appropriation	100,000	0	23,232,931	100.4	100,000	0	23,543,169	100.4

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>23,132,931</b>	<b>260</b>	<b>23,132,931</b>	<b>100.0</b>	<b>23,443,169</b>	<b>260</b>	<b>23,443,169</b>	<b>100.0</b>
C04	Reallocation	0	0	23,132,931	100.0	0	0	23,443,169	100.0
C05	Unfunded Appropriation	100,000	0	23,232,931	100.4	100,000	0	23,543,169	100.4

### Justification

C04	This request is to reallocate \$380,597 of currently authorized appropriation from Data Processing Services to Operating Expense. The Department of Information Systems expenditures are for database support and should be expensed from Operating Expense rather than Data Processing.
C05	The Department of Education is requesting unfunded appropriation of \$100,000 each year for unforeseen Capital Outlay needs that may occur in the 2009-11 biennium.

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Education Department-General Education

Program: State Operations

Act #: 1420 of 2007

Section(s) #: 3 & 23

Estimated Carry Forward Amount \$ 3,298,008.00

Appropriation

Funds

Funding Source: General

**Accounting Information:**

Business Area: 0500

Funds Center: 620

Fund: EGA

Functional Area: EDUC

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

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

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

The Department of Education plans to utilize the carry forward balance to phase out Maintenance and General Operations reductions that are being affected in the FY2009 budget due to funding constraints. The program areas involved are Internal Reporting and Management System Development, Enhanced Professional Development, and Staff Development. The ADE will also continue the Memorandum of Understanding with the Department of Workforce Education to provide for the use of the KUDER Career Planning System (KCPS)

**Actual Funding Carry Forward Amount** \$ 2,870,019.00

**Current status of carry forward appropriation/funding:**

The Department of Education will utilize the carry forward balance in FY2009 as stated in the justification for the unexpended balance. Also, the Department is considering utilization of a portion of this fund balance to reduce the amount of Educational Adequacy funding needed in FY2009.

Dr. Ken James  
Commissioner of Education

08-25-2008  
Date

## **Analysis of Budget Request**

**Appropriation:** 630 - Building Maintenance

**Funding Sources:** TEB - Education Building Revolving Bond

The Building Maintenance program provides financing for building and grounds maintenance, equipment maintenance contracts, insurance and janitorial services for the various buildings in the Education complex. This appropriation is funded from rent charged to the various non-federal units at the Department. The Department of Education is requesting Base Level of \$500,000 for each year of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 630 - Building Maintenance

**Funding Sources:** TEB - Education Building Revolving Bond

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	80,331	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
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
<b>Total</b>		<b>80,331</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	3,190,087	3,846,083		3,846,083	3,846,083	3,846,083	3,846,083	3,846,083	3,846,083
Trust Fund	4000050	566,003	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Interest	4000300	170,324	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>3,926,414</b>	<b>4,346,083</b>		<b>4,346,083</b>	<b>4,346,083</b>	<b>4,346,083</b>	<b>4,346,083</b>	<b>4,346,083</b>	<b>4,346,083</b>
<b>Excess Appropriation/(Funding)</b>		<b>(3,846,083)</b>	<b>(3,846,083)</b>		<b>(3,846,083)</b>	<b>(3,846,083)</b>	<b>(3,846,083)</b>	<b>(3,846,083)</b>	<b>(3,846,083)</b>	<b>(3,846,083)</b>
<b>Grand Total</b>		<b>80,331</b>	<b>500,000</b>		<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>

## **Analysis of Budget Request**

**Appropriation:** 631 - Revolving Loan Certification

**Funding Sources:** TEM - Education Revolving Loan Certificates Fund

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

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

The Agency is requesting Base Level for the 2007-2009 Biennium.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	31,269	89,082	90,330	97,421	97,421	97,421	98,162	98,162	98,162
<b>#Positions</b>		<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Personal Services Matching	5010003	19,389	31,895	32,210	36,430	36,430	36,430	36,590	36,590	36,590
Operating Expenses	5020002	2,888	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500
Conference & Travel Expenses	5050009	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Professional Fees	5060010	0	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	0	0	0	0	0	0	0	0	0
Loans	5120029	1,472,508	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
<b>Total</b>		<b>1,526,054</b>	<b>13,160,977</b>	<b>13,162,540</b>	<b>13,173,851</b>	<b>13,173,851</b>	<b>13,173,851</b>	<b>13,174,752</b>	<b>13,174,752</b>	<b>13,174,752</b>
<b>Funding Sources</b>										
Fund Balance	4000005	2,833,936	3,885,721		3,885,721	3,885,721	3,885,721	3,885,721	3,885,721	3,885,721
Trust Fund	4000050	2,577,839	13,160,977		13,173,851	13,173,851	13,173,851	13,174,752	13,174,752	13,174,752
Total Funding		5,411,775	17,046,698		17,059,572	17,059,572	17,059,572	17,060,473	17,060,473	17,060,473
Excess Appropriation/(Funding)		(3,885,721)	(3,885,721)		(3,885,721)	(3,885,721)	(3,885,721)	(3,885,721)	(3,885,721)	(3,885,721)
Grand Total		1,526,054	13,160,977		13,173,851	13,173,851	13,173,851	13,174,752	13,174,752	13,174,752

## **Analysis of Budget Request**

**Appropriation:** 637 - Child Nutrition

**Funding Sources:** FHB - DOE Food Service Federal Fund

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

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

The Agency Request includes 2 change levels. A reallocation of \$28,000 each year of the 2009-2011 Biennium from Data Processing Services to Operating Expenses for proper classifying of database support expenses paid to the Department of Information Systems. Additionally, the Agency is requesting \$40,000 each year for Capital Outlay for any unforeseen needs than may arise during the biennium.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 637 - Child Nutrition

**Funding Sources:** FHB - DOE Food Service Federal Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	473,399	554,182	578,480	595,191	595,191	595,191	607,944	607,944	607,944
<b>#Positions</b>		<b>13</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
Personal Services Matching	5010003	156,647	174,166	188,589	205,598	205,598	205,598	208,364	208,364	208,364
Operating Expenses	5020002	216,099	393,100	393,100	393,100	421,100	421,100	389,100	417,100	421,100
Conference & Travel Expenses	5050009	17,166	52,600	52,600	52,600	52,600	52,600	52,600	52,600	52,600
Professional Fees	5060010	0	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400
Data Processing	5090012	12,211	28,000	28,000	28,000	0	0	28,000	0	0
Grants and Aid	5100004	123,009,612	165,168,000	165,168,000	165,168,000	165,168,000	165,168,000	165,168,000	165,168,000	165,168,000
Refunds/Reimbursements	5110014	42,319	399,600	399,600	399,600	399,600	399,600	399,600	399,600	399,600
Capital Outlay	5120011	8,787	40,000	40,000	0	40,000	40,000	0	40,000	40,000
<b>Total</b>		<b>123,936,240</b>	<b>166,966,048</b>	<b>167,004,769</b>	<b>166,998,489</b>	<b>167,038,489</b>	<b>167,038,489</b>	<b>167,010,008</b>	<b>167,050,008</b>	<b>167,054,008</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	123,936,240	166,966,048		166,998,489	167,038,489	167,038,489	167,010,008	167,050,008	167,054,008
Total Funding		123,936,240	166,966,048		166,998,489	167,038,489	167,038,489	167,010,008	167,050,008	167,054,008
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>123,936,240</b>	<b>166,966,048</b>		<b>166,998,489</b>	<b>167,038,489</b>	<b>167,038,489</b>	<b>167,010,008</b>	<b>167,050,008</b>	<b>167,054,008</b>



## Change Level by Appropriation

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

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>166,998,489</b>	<b>15</b>	<b>166,998,489</b>	<b>100.0</b>	<b>167,010,008</b>	<b>15</b>	<b>167,010,008</b>	<b>100.0</b>
C01	Existing Program	40,000	0	167,038,489	100.0	40,000	0	167,050,008	100.0
C04	Reallocation	0	0	167,038,489	100.0	0	0	167,050,008	100.0

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>166,998,489</b>	<b>15</b>	<b>166,998,489</b>	<b>100.0</b>	<b>167,014,008</b>	<b>15</b>	<b>167,014,008</b>	<b>100.0</b>
C01	Existing Program	40,000	0	167,038,489	100.0	40,000	0	167,054,008	100.0
C04	Reallocation	0	0	167,038,489	100.0	0	0	167,054,008	100.0

### Justification

C01	The Department of Education is requesting federally funded appropriation of \$40,000 each year for unforeseen Capital Outlay needs that may occur in the 2009-11 biennium.
C04	This request is to reallocate \$28,000 of currently authorized appropriation from Data Processing Services to Operating Expense. The Department of Information Systems expenditures are for database support and should be expensed from Operating Expense rather than Data Processing.

## **Analysis of Budget Request**

**Appropriation:** 639 - Federal Turnback for School

**Funding Sources:** FZF - Federal Forest Reserve-DOE

The appropriation for the Federal Turnback for Schools program is funded from Federal turnback funds collected by federal agencies on land they own within the State of Arkansas. These collections are sent to the State of Arkansas to help cover the loss of property tax revenues that would otherwise be collected. Federal law dictates that these revenues be distributed to the State. As these funds are received, the Department of Education returns them to the counties in which the federal lands are located.

The Agency Request includes Base Level and a change level of \$2,000,000 each year. This increase is in anticipation of additional funds that may become available in the biennium.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 639 - Federal Turnback for School

**Funding Sources:** FZF - Federal Forest Reserve-DOE

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	10,996,945	11,000,000	11,000,000	11,000,000	13,000,000	13,000,000	11,000,000	13,000,000	13,000,000
<b>Total</b>	10,996,945	11,000,000	11,000,000	11,000,000	13,000,000	13,000,000	11,000,000	13,000,000	13,000,000
<b>Funding Sources</b>									
Federal Revenue 4000020	10,996,945	11,000,000		11,000,000	13,000,000	13,000,000	11,000,000	13,000,000	13,000,000
<b>Total Funding</b>	10,996,945	11,000,000		11,000,000	13,000,000	13,000,000	11,000,000	13,000,000	13,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	10,996,945	11,000,000		11,000,000	13,000,000	13,000,000	11,000,000	13,000,000	13,000,000

## Change Level by Appropriation

**Appropriation:** 639 - Federal Turnback for School

**Funding Sources:** FZF - Federal Forest Reserve-DOE

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>11,000,000</b>	<b>0</b>	<b>11,000,000</b>	<b>100.0</b>	<b>11,000,000</b>	<b>0</b>	<b>11,000,000</b>	<b>100.0</b>
C01	Existing Program	2,000,000	0	13,000,000	118.2	2,000,000	0	13,000,000	118.2

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>11,000,000</b>	<b>0</b>	<b>11,000,000</b>	<b>100.0</b>	<b>11,000,000</b>	<b>0</b>	<b>11,000,000</b>	<b>100.0</b>
C01	Existing Program	2,000,000	0	13,000,000	118.2	2,000,000	0	13,000,000	118.2

### Justification

C01	Federal Turnback funds are monies collected by Federal agencies on land they own within the State of Arkansas. These collections are "turned back" to the State of Arkansas to help cover the loss of property tax revenues we would otherwise collect. Federal law dictates that these revenues be distributed to the State. As these funds are received, the Department of Education returns them to the counties in which the federal lands are located. This request is for an additional \$2 million of federally funded appropriation each year in anticipation of additional funds that may become available in the 2009-11 biennium.
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## **Analysis of Budget Request**

**Appropriation:** 650 - Fed Elem & Sec Education

**Funding Sources:** FEE - Dept of Education Federal Fund

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

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

The Agency has two change level requests. First, is a request for \$160,000 each fiscal year of the 2009-2011 biennium of unfunded Capital Outlay appropriation to handle any unforeseen needs that may occur during the biennium. Secondly, the Agency is requesting a reallocation of \$20,000 each year from Data Processing to Operating Expenses to allow for the proper classification of data base support expenses paid to the Department of Information Systems.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

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

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,295,644	2,831,926	2,858,916	2,915,368	2,915,368	2,915,368	2,972,103	2,972,103	2,972,103
<b>#Positions</b>	<b>56</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>
Extra Help 5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>#Extra Help</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Personal Services Matching 5010003	737,727	827,786	907,043	949,314	949,314	949,314	961,619	961,619	961,619
Operating Expenses 5020002	2,250,920	3,455,900	3,455,900	3,455,900	3,475,900	3,475,900	3,455,900	3,475,900	3,475,900
Conference & Travel Expenses 5050009	111,639	710,500	710,500	710,500	710,500	710,500	710,500	710,500	710,500
Professional Fees 5060010	11,780,839	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105
Data Processing 5090012	0	20,000	86,000	20,000	0	0	20,000	0	0
Grants and Aid 5100004	297,919,072	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368
Refunds/Reimbursements 5110014	747,676	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000
Capital Outlay 5120011	40,067	160,000	160,000	0	160,000	160,000	0	160,000	160,000
<b>Total</b>	<b>315,883,584</b>	<b>523,572,585</b>	<b>523,744,832</b>	<b>523,617,555</b>	<b>523,777,555</b>	<b>523,777,555</b>	<b>523,686,595</b>	<b>523,846,595</b>	<b>523,846,595</b>
<b>Funding Sources</b>									
Federal Revenue 4000020	315,883,584	523,572,585		523,617,555	523,777,555	523,777,555	523,686,595	523,846,595	523,846,595
Total Funding	315,883,584	523,572,585		523,617,555	523,777,555	523,777,555	523,686,595	523,846,595	523,846,595
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	315,883,584	523,572,585		523,617,555	523,777,555	523,777,555	523,686,595	523,846,595	523,846,595

## Change Level by Appropriation

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

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>523,617,555</b>	<b>62</b>	<b>523,617,555</b>	<b>100.0</b>	<b>523,686,595</b>	<b>62</b>	<b>523,686,595</b>	<b>100.0</b>
C01	Existing Program	160,000	0	523,777,555	100.0	160,000	0	523,846,595	100.0
C04	Reallocation	0	0	523,777,555	100.0	0	0	523,846,595	100.0

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>523,617,555</b>	<b>62</b>	<b>523,617,555</b>	<b>100.0</b>	<b>523,686,595</b>	<b>62</b>	<b>523,686,595</b>	<b>100.0</b>
C01	Existing Program	160,000	0	523,777,555	100.0	160,000	0	523,846,595	100.0
C04	Reallocation	0	0	523,777,555	100.0	0	0	523,846,595	100.0

### Justification

C01	The Department of Education is requesting federally funded appropriation of \$160,000 each year for unforeseen Capital Outlay needs that may occur in the 2009-11 biennium.
C04	This request is to reallocate \$20,000 of currently authorized appropriation from Data Processing Services to Operating Expense. The Department of Information Systems expenditures are for database support and should be expensed from Operating Expense rather than Data Processing.

## **Analysis of Budget Request**

**Appropriation:** 885 - Multiple Grant Award Program

**Funding Sources:** NED - Cash in Treasury

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

The Agency Request is for Base Level and a request of \$10,000 in Capital Outlay for each year of the 2009-2011 Biennium.

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



## Appropriation Summary

**Appropriation:** 885 - Multiple Grant Award Program

**Funding Sources:** NED - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	56,905	122,000	122,000	122,000	122,000	122,000	122,000	122,000	122,000
Conference & Travel Expenses	5050009	1,915	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500
Professional Fees	5060010	20,777	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	99,175	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875
Capital Outlay	5120011	0	0	0	0	10,000	10,000	0	10,000	10,000
<b>Total</b>		<b>178,772</b>	<b>2,626,375</b>	<b>2,626,375</b>	<b>2,626,375</b>	<b>2,636,375</b>	<b>2,636,375</b>	<b>2,626,375</b>	<b>2,636,375</b>	<b>2,636,375</b>
<b>Funding Sources</b>										
Fund Balance	4000005	1,344,783	1,745,257		1,745,257	1,745,257	1,745,257	1,745,257	1,745,257	1,745,257
Cash Fund	4000045	579,246	2,626,375		2,626,375	2,636,375	2,636,375	2,626,375	2,636,375	2,636,375
<b>Total Funding</b>		<b>1,924,029</b>	<b>4,371,632</b>		<b>4,371,632</b>	<b>4,381,632</b>	<b>4,381,632</b>	<b>4,371,632</b>	<b>4,381,632</b>	<b>4,381,632</b>
Excess Appropriation/(Funding)		(1,745,257)	(1,745,257)		(1,745,257)	(1,745,257)	(1,745,257)	(1,745,257)	(1,745,257)	(1,745,257)
<b>Grand Total</b>		<b>178,772</b>	<b>2,626,375</b>		<b>2,626,375</b>	<b>2,636,375</b>	<b>2,636,375</b>	<b>2,626,375</b>	<b>2,636,375</b>	<b>2,636,375</b>

## Change Level by Appropriation

**Appropriation:** 885 - Multiple Grant Award Program

**Funding Sources:** NED - Cash in Treasury

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,626,375</b>	<b>0</b>	<b>2,626,375</b>	<b>100.0</b>	<b>2,626,375</b>	<b>0</b>	<b>2,626,375</b>	<b>100.0</b>
C01	Existing Program	10,000	0	2,636,375	100.4	10,000	0	2,636,375	100.4

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,626,375</b>	<b>0</b>	<b>2,626,375</b>	<b>100.0</b>	<b>2,626,375</b>	<b>0</b>	<b>2,626,375</b>	<b>100.0</b>
C01	Existing Program	10,000	0	2,636,375	100.4	10,000	0	2,636,375	100.4

### Justification

C01	The Department of Education is requesting cash fund appropriation of \$10,000 each year for unforeseen Capital Outlay needs that may occur in the 2009-11 biennium.
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## **Analysis of Budget Request**

**Appropriation:** 893 - Medicaid Reimbursement

**Funding Sources:** NED - Cash in Treasury

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

The Agency is requesting Base Level of \$5,010,500 for each fiscal year of the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 893 - Medicaid Reimbursement

**Funding Sources:** NED - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	0	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Medicaid Admin	5900046	0	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
<b>Total</b>		<b>0</b>	<b>5,010,500</b>	<b>5,010,500</b>	<b>5,010,500</b>	<b>5,010,500</b>	<b>5,010,500</b>	<b>5,010,500</b>	<b>5,010,500</b>	<b>5,010,500</b>
<b>Funding Sources</b>										
Fund Balance	4000005	11,549	27,743		27,743	27,743	27,743	27,743	27,743	27,743
Cash Fund	4000045	2,824,252	5,010,500		5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500
Transfer to Medicaid Match	4000660	(2,808,058)	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>27,743</b>	<b>5,038,243</b>		<b>5,038,243</b>	<b>5,038,243</b>	<b>5,038,243</b>	<b>5,038,243</b>	<b>5,038,243</b>	<b>5,038,243</b>
Excess Appropriation/(Funding)		(27,743)	(27,743)		(27,743)	(27,743)	(27,743)	(27,743)	(27,743)	(27,743)
<b>Grand Total</b>		<b>0</b>	<b>5,010,500</b>		<b>5,010,500</b>	<b>5,010,500</b>	<b>5,010,500</b>	<b>5,010,500</b>	<b>5,010,500</b>	<b>5,010,500</b>

For FY2008 Funds transfer was made in lieu of actual warrant expenditure.

## **Analysis of Budget Request**

**Appropriation:** 899 - Alternative Certification Program

**Funding Sources:** NED - Cash in Treasury

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

The Agency is requesting Base Level and Change Levels totaling \$301,500 for both fiscal years which includes: \$200,000 in Operating Expenses, \$1,500 in Conference and Travel Expenses and \$100,000 for Grants and Aids due to continued growth in the alternative certification program.

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

## Appropriation Summary

**Appropriation:** 899 - Alternative Certification Program

**Funding Sources:** NED - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	305,786	315,292	802,092	315,292	515,292	515,292	315,292	515,292	515,292
Conference & Travel Expenses	5050009	4,407	7,000	0	7,000	8,500	8,500	7,000	8,500	8,500
Professional Fees	5060010	53,820	125,420	45,620	125,420	125,420	125,420	125,420	125,420	125,420
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	605,207	600,000	200,000	600,000	700,000	700,000	600,000	700,000	700,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>969,220</b>	<b>1,047,712</b>	<b>1,047,712</b>	<b>1,047,712</b>	<b>1,349,212</b>	<b>1,349,212</b>	<b>1,047,712</b>	<b>1,349,212</b>	<b>1,349,212</b>
<b>Funding Sources</b>										
Fund Balance	4000005	1,339,856	1,537,758		1,537,758	1,537,758	1,537,758	1,537,758	1,537,758	1,537,758
Cash Fund	4000045	1,167,122	1,047,712		1,047,712	1,349,212	1,349,212	1,047,712	1,349,212	1,349,212
<b>Total Funding</b>		<b>2,506,978</b>	<b>2,585,470</b>		<b>2,585,470</b>	<b>2,886,970</b>	<b>2,886,970</b>	<b>2,585,470</b>	<b>2,886,970</b>	<b>2,886,970</b>
Excess Appropriation/(Funding)		(1,537,758)	(1,537,758)		(1,537,758)	(1,537,758)	(1,537,758)	(1,537,758)	(1,537,758)	(1,537,758)
<b>Grand Total</b>		<b>969,220</b>	<b>1,047,712</b>		<b>1,047,712</b>	<b>1,349,212</b>	<b>1,349,212</b>	<b>1,047,712</b>	<b>1,349,212</b>	<b>1,349,212</b>

Actuals and Budget exceeds Authorized Appropriation due to Reallocation of Resources authorized in Section 13 of Act 229 of 2007.

## Change Level by Appropriation

**Appropriation:** 899 - Alternative Certification Program

**Funding Sources:** NED - Cash in Treasury

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,047,712</b>	<b>0</b>	<b>1,047,712</b>	<b>100.0</b>	<b>1,047,712</b>	<b>0</b>	<b>1,047,712</b>	<b>100.0</b>
C01	Existing Program	301,500	0	1,349,212	128.8	301,500	0	1,349,212	128.8

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,047,712</b>	<b>0</b>	<b>1,047,712</b>	<b>100.0</b>	<b>1,047,712</b>	<b>0</b>	<b>1,047,712</b>	<b>100.0</b>
C01	Existing Program	301,500	0	1,349,212	128.8	301,500	0	1,349,212	128.8

### Justification

C01	The Alternative Certification Program is cash funded from fees paid by participants who are seeking alternative teacher certification. The fees paid are to cover the cost of training. This request is for additional Operating Expenses of \$200,000 each year for refunds of fees to participants. The request is also for an additional \$1,500 each year for Conference Fees and Travel for costs associated with sending two program advisors to two national meetings for Alternative Certification. Additionally, there is a request for \$100,000 in Grants and Aid as program continues to grow in participants.
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## Appropriation Summary

**Appropriation:** 35U - Pulaski County Deseg Case Costs

**Funding Sources:** EGA - Department of Education-State Operations

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Pulaski County Deseg. Case Costs 5900046	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Funding Sources									
Fund Balance 4000005	0	980,000		0	0	0	0	0	0
Trnfr frm DOE Pub School Fund 4000525	750,000	0		0	0	0	0	0	0
Transfer from General Imprv 4000540	230,000	0		0	0	0	0	0	0
Total Funding	980,000	980,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	(980,000)	(980,000)		0	0	0	0	0	0
Grand Total	0	0		0	0	0	0	0	0

The Authorized Amount for this Biennial Appropriation is \$1,500,000 for the 2007-2009 Biennium.(Section 19 of Act 1420 of 2007)

The carry forward balance has been reflected in DOE-State Operations (appro. 620).

THIS BIENNIAL APPROPRIATION IS NOT REQUESTED FOR THE 2009 - 2011 BIENNIUM.



**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Education Department-General Education

Program: Pulaski County Deseg Case Costs

Act #: 1290 & 1420 of 2007 Section(s) #: 91 and 19 & 23

Estimated Carry Forward Amount \$ 980,000.00      Appropriation       Funds

Funding Source: General

**Accounting Information:**

Business Area: 0500      Funds Center: 35U      Fund: EGA      Functional Area: EDUC

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

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

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

Carry forward of these funds is to ensure the designated general revenue is available for use in expenses for Pulaski County Desegregation Case costs.

**Actual Funding Carry Forward Amount**      \$ 980,000.00

**Current status of carry forward appropriation/funding:**

The carry forward balance remains available for Pulaski County Desegregation Case costs.

Dr. Ken James  
Commissioner of Education

08-25-2008  
Date

## Appropriation Summary

**Appropriation:** 4GT - NGA Honor - Cash in Treasury

**Funding Sources:** NED - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
NGA Honor States Grant	5900046	754,455	100,000	0	0	0	0	0	0	0
Total		754,455	100,000	0	0	0	0	0	0	0
<b>Funding Sources</b>										
Fund Balance	4000005	111,213	84,152		0	0	0	0	0	0
Cash Fund	4000045	727,394	15,848		0	0	0	0	0	0
Total Funding		838,607	100,000		0	0	0	0	0	0
Excess Appropriation/(Funding)		(84,152)	0		0	0	0	0	0	0
Grand Total		754,455	100,000		0	0	0	0	0	0

Actuals and Budget exceeds Authorized appropriation due to transfer from Cash Fund Holding Account.  
THIS APPROPRIATION IS NOT REQUESTED FOR THE 2009-2011 BIENNIUM.

# DOE - Public School Fund

## Enabling Laws

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

## History and Organization

See General Education Division page 254.

## Agency Commentary

### **ARKANSAS DEPARTMENT OF EDUCATION - PUBLIC SCHOOL FUND**

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

#### **SMART START/SMART STEP (057)**

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

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

#### **ENGLISH LANGUAGE LEARNERS (082)**

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

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

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

### **AT RISK (088)**

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

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

### **STATE FOUNDATION FUNDING (2HP)**

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

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

### **NATIONAL SCHOOL LUNCH (2HR)**

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

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

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

### **PROFESSIONAL DEVELOPMENT FUNDING (2HS)**

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

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

### **DISTANCE LEARNING OPERATIONS (2HX)**

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

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

### **SCHOOL FUNDING CONTINGENCY (2ZH)**

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

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

### **98% URT ACTUAL COLLECTION ADJUSTMENT**

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

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

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

### **DEPARTMENT OF CORRECTION (380)**

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

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

### **RESIDENTIAL CENTERS / JUVENILE DETENTION (394)**

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

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

### **TEACHER RETIREMENT MATCHING (437)**

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

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

### **NATIONAL BOARD OF PROFESSIONAL TEACHING STANDARDS (438)**

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

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

### **SURPLUS COMMODITIES (450)**

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

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

### **SCHOOL FUND - LEGISLATIVE AUDIT (454)**

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

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

### **GIFTED AND TALENTED (457)**

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

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

### **BETTER CHANGE PROGRAM (652)**

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

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

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

### **ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK (APSCN) (688)**

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

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

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

### **EARLY CHILDHOOD SPECIAL EDUCATION (697)**

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



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

## **Performance Audit Findings**

Teacher Recruitment and Retention – Arkansas Department of Education

UPDATE to Report Issued April 11, 2002

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

Findings and Conclusions:

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

Recommendations:

N/A

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
057 Smart Start/Smart Step	10,502,118	0	10,252,118	0	10,252,118	0	10,252,118	0	10,457,160	0	10,457,160	0	10,252,118	0	10,666,303	0	10,666,303	0
082 English Language Learners	8,535,656	0	10,231,111	0	10,231,111	0	10,231,111	0	10,750,600	0	10,231,111	0	10,231,111	0	12,157,000	0	10,231,111	0
088 At Risk	1,423,354	0	1,490,500	0	1,490,500	0	1,490,500	0	1,618,030	0	1,618,030	0	1,490,500	0	1,688,530	0	1,688,530	0
091 Special Ed-Catastrophic	11,342,606	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0
094 Youth Shelters	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0
108 Tech Improvements	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	1,000,000	0
119 Tech Grants	3,566,884	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0
136 Distressed District	13,442	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
150 Home School Test	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
1PS Non-Traditional Licensure	46,650	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
1QV Content & Curriculum	17,393	0	0	0	0	0	100,000	0	100,000	0	100,000	0	0	0	0	0	0	0
1XE Economic Education	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0
2HP State Foundation Funding	1,830,406,323	0	1,830,396,728	0	1,849,348,996	0	1,830,396,728	0	1,839,037,782	0	1,833,770,949	0	1,830,396,728	0	1,887,533,111	0	1,843,181,242	0
2HR National School Lunch	154,167,328	0	157,142,907	0	157,416,512	0	157,142,907	0	161,071,480	0	158,642,907	0	157,142,907	0	165,098,267	0	158,642,907	0
2HS Prof Development Fund	20,067,298	0	23,079,074	0	23,160,000	0	23,079,074	0	23,279,850	0	23,079,074	0	23,079,074	0	23,380,750	0	23,079,074	0
2HT Teacher Housing Development	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
2HU Supplemental Millage	7,976,872	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	10,000,000	0
2HX Distance Learning Operations	8,831,400	0	5,831,400	0	5,831,400	0	5,831,400	0	10,331,400	0	10,331,400	0	5,831,400	0	10,331,400	0	10,331,400	0
2HY Education Renewal Zones	1,752,383	5	2,074,142	5	2,031,740	5	2,085,784	5	2,085,784	5	2,085,784	5	2,093,782	5	2,093,782	5	2,093,782	5
2HZ Academic Improvement Training	500,000	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
2JA Content Standards	153,296	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0
2JB Intensive School Support	0	0	320,000	0	320,000	0	320,000	0	320,000	0	320,000	0	320,000	0	320,000	0	320,000	0
2JC Teacher Recruitment	1,415,052	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
2ZH School Funding Contingency	0	0	0	0	25,000,000	0	0	0	25,000,000	0	25,000,000	0	0	0	25,000,000	0	25,000,000	0
2ZK Leadership Acadmy-Mstr Principal	500,000	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
2ZM Master Principal Bonus	45,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0
2ZS Special Needs Isolated Funding	2,999,998	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
311 Alternative Learning	19,968,837	0	19,968,837	0	18,500,000	0	19,968,837	0	19,968,837	0	19,968,837	0	19,968,837	0	19,968,837	0	19,968,837	0
326 General Facilities Funding	6,471,391	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0
331 Isolated Funding	7,895,996	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0
332 Student Growth	29,311,747	0	54,851,000	0	54,851,000	0	54,851,000	0	54,851,000	0	54,851,000	0	54,851,000	0	54,851,000	0	54,851,000	0
336 Debt Service Funding	22,544,443	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0
34K Alternative Pay	812,830	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

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
34M Traveling Teachers	6,504	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
34N 98% URT Actual Collection Adj	23,446,227	0	14,268,625	0	14,268,625	0	14,268,625	0	25,367,101	0	25,367,101	0	14,268,625	0	26,508,621	0	26,508,621	0
380 Dept of Correction	5,027,675	0	5,147,675	0	5,147,675	0	5,147,675	0	5,447,675	0	5,447,675	0	5,147,675	0	5,597,675	0	5,597,675	0
394 Residential Ctrs/Juv Detention	13,352,733	0	13,516,231	0	13,516,231	0	13,516,231	0	14,867,854	0	13,516,231	0	13,516,231	0	15,016,533	0	13,516,231	0
421 Consolidation Incentive	4,835,377	0	5,210,100	0	12,550,000	0	5,210,100	0	5,210,100	0	5,210,100	0	5,210,100	0	5,210,100	0	5,210,100	0
425 Pygmalion Commission	40,000	0	40,000	0	40,000	0	40,000	0	40,000	0	40,000	0	40,000	0	40,000	0	40,000	0
434 Coop Education Tech Centers	1,200,000	0	1,200,000	0	1,200,000	0	1,200,000	0	1,200,000	0	1,200,000	0	1,200,000	0	1,200,000	0	1,200,000	0
437 Teacher Retirement Matching	5,373,498	0	6,655,000	0	6,655,000	0	6,655,000	0	6,987,750	0	6,655,000	0	6,655,000	0	7,337,138	0	6,655,000	0
438 Ntl Bd Prof Teaching Standards	4,840,833	0	6,093,500	0	6,093,500	0	6,093,500	0	7,475,840	0	6,093,500	0	6,093,500	0	9,106,160	0	6,093,500	0
440 Advanced Placement Incentive	824,509	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0
444 Criminal Background Checks	8,571	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
445 AR Easter Seals	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0
446 Public School Employee Ins	36,318,636	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0
447 School Food Services	1,650,000	0	1,650,000	0	1,650,000	0	1,650,000	0	1,650,000	0	1,650,000	0	1,650,000	0	1,650,000	0	1,650,000	0
450 Surplus Commodities	0	0	630,000	0	630,000	0	630,000	0	1,027,858	0	780,000	0	630,000	0	1,127,858	0	780,000	0
451 Grants to School Districts	44,274	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
452 Workers' Compensation	0	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
454 School Food-Legislative Audit	75,000	0	75,000	0	75,000	0	75,000	0	100,000	0	75,000	0	75,000	0	100,000	0	75,000	0
457 Gifted & Talented	1,421,600	0	1,422,896	0	1,422,896	0	1,422,896	0	1,451,354	0	1,451,354	0	1,422,896	0	1,480,381	0	1,480,381	0
458 School Worker Defense	203,269	0	390,000	0	390,000	0	390,000	0	390,000	0	390,000	0	390,000	0	390,000	0	390,000	0
459 Assessment/End Course Testing	14,628,237	0	23,887,747	0	23,887,747	0	23,887,747	0	23,887,747	0	23,887,747	0	23,887,747	0	23,887,747	0	23,887,747	0
460 Court Ordered Desegregation	59,224,701	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0
4HM Teacher of the Year	69,250	0	125,000	0	125,000	0	125,000	0	125,000	0	125,000	0	125,000	0	125,000	0	125,000	0
4HN Declining Enrollment	13,051,344	0	13,963,389	0	10,000,000	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0
565 Intervention Block Grants	137,000	0	137,000	0	132,000	0	137,000	0	137,000	0	137,000	0	137,000	0	137,000	0	137,000	0
566 Serious Offender	1,120,358	0	1,050,946	0	1,050,946	0	1,050,946	0	1,050,946	0	1,050,946	0	1,050,946	0	1,050,946	0	1,050,946	0
652 Better Chance Program	108,280,663	0	111,000,000	0	111,000,000	0	111,000,000	0	113,775,000	0	113,775,000	0	111,000,000	0	116,619,375	0	116,619,375	0
668 Special Education Services	3,797,320	0	4,145,285	0	4,145,285	0	4,145,285	0	4,145,285	0	4,145,285	0	4,145,285	0	4,145,285	0	4,145,285	0
669 Human Dev Ctr Education Aid	0	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0
670 Education Service Cooperatives	5,529,270	0	6,129,270	0	5,529,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0
688 APSCN	19,181,391	43	16,112,704	46	16,081,068	46	16,288,496	46	24,896,059	46	24,896,059	46	16,340,027	46	26,775,910	46	26,775,910	46
697 Early Childhood Special Educ	14,642,062	0	15,316,744	0	15,316,744	0	15,316,744	0	15,623,079	0	15,316,744	0	15,316,744	0	15,935,541	0	15,316,744	0
698 Distance Learning	6,224,603	0	6,500,000	0	6,500,000	0	6,500,000	0	6,500,000	0	6,500,000	0	6,500,000	0	6,500,000	0	6,500,000	0

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
699 Teacher Licensing/Mentoring	7,788,909	0	7,508,758	0	7,508,758	0	7,508,758	0	7,508,758	0	7,508,758	0	7,508,758	0	7,508,758	0	7,508,758	0
<b>Total</b>	<b>2,505,570,224</b>	<b>48</b>	<b>2,567,765,984</b>	<b>51</b>	<b>2,613,301,419</b>	<b>51</b>	<b>2,568,053,418</b>	<b>51</b>	<b>2,637,781,285</b>	<b>51</b>	<b>2,625,719,708</b>	<b>51</b>	<b>2,568,012,947</b>	<b>51</b>	<b>2,700,583,964</b>	<b>51</b>	<b>2,641,362,415</b>	<b>51</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	29,838,893	1.2	55,514,617	2.1	55,514,617	2.1	55,514,617	2.1	55,514,617	2.1	44,245,992	1.7	55,514,617	2.0	55,514,617	2.1	
Court Ordered Desegregation	4000180	59,224,701	2.3	69,814,372	2.7	69,814,372	2.6	69,814,372	2.6	69,814,372	2.6	69,814,372	2.7	69,814,372	2.5	69,814,372	2.6	
DOE Public School Fund	4000195	1,818,647,072	70.7	1,857,415,212	70.8	1,857,702,646	71.1	1,907,024,138	70.8	1,885,549,956	70.3	1,857,662,175	71.4	1,966,982,442	71.4	1,896,310,825	70.3	
E-Rate Credit	4000207	0	0.0	0	0.0	0	0.0	11,200,000	0.4	11,200,000	0.4	0	0.0	11,200,000	0.4	11,200,000	0.4	
Educational Adequacy Fund	4000210	458,839,987	17.8	439,761,621	16.8	439,761,621	16.8	439,761,621	16.3	439,761,621	16.4	439,761,621	16.9	439,761,621	16.0	439,761,621	16.3	
Educational Excellence Fund	4000220	200,422,877	7.8	192,211,154	7.3	192,211,154	7.4	192,211,154	7.1	192,211,154	7.2	192,211,154	7.4	192,211,154	7.0	192,211,154	7.1	
Excise Tax on Beer	4000230	1,929,809	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Miscellaneous Adjustments	4000345	1,981,613	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
TANF Transfer	4000478	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	0	0.0	7,500,000	0.3	7,500,000	0.3	0	0.0	7,500,000	0.3	
Trnfr frm DOE Pub School Fund	4000525	(28,569,430)	(1.1)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	
Transfer frm GR Allotment Rrsv	4000544	22,003,790	0.9	11,268,625	0.4	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Trnfr to DOE Public School Fund	4000625	250,000	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Transfer to General Education	4000630	(865,000)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Transit Tax	4000700	1,149,154	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0	
Unfunded Appropriation	4000715	0	0.0	0	0.0	0	0.0	27,975,000	1.0	29,887,605	1.1	0	0.0	30,819,375	1.1	34,769,443	1.3	
<b>Total Funds</b>		<b>2,572,353,466</b>	<b>100.0</b>	<b>2,623,280,601</b>	<b>100.0</b>	<b>2,612,299,410</b>	<b>100.0</b>	<b>2,693,295,902</b>	<b>100.0</b>	<b>2,681,234,325</b>	<b>100.0</b>	<b>2,600,990,314</b>	<b>100.0</b>	<b>2,756,098,581</b>	<b>100.0</b>	<b>2,696,877,032</b>	<b>100.0</b>	
Excess Appropriation/(Funding)		(66,783,242)		(55,514,617)		(44,245,992)		(55,514,617)		(55,514,617)		(32,977,367)		(55,514,617)		(55,514,617)		
<b>Grand Total</b>		<b>2,505,570,224</b>		<b>2,567,765,984</b>		<b>2,568,053,418</b>		<b>2,637,781,285</b>		<b>2,625,719,708</b>		<b>2,568,012,947</b>		<b>2,700,583,964</b>		<b>2,641,362,415</b>		

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

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

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

APSCN has biennial appropriation for End to End Security Review (Sec.20 of Act 1420 of 2007) of \$300,000.

**Agency Position Usage Report - Public School Fund**

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
51	42	9	51	0	17.65 %	51	43	8	51	0	15.69 %	51	41	10	51	0	19.61 %

## **Analysis of Budget Request**

**Appropriation:** 2HY - Education Renewal Zones

**Funding Sources:** JAA - Department of Education Public School Fund

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

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

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

The Executive Recommendation provides for Agency Request.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

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

### Historical Data

### Agency Request and Executive Recommendation

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

The FY08 Actual and FY09 Budgeted amounts in Regular Salaries exceed authorized amount due to salary adjustments made during the 2007-2009 Biennium.  
The FY09 Budgeted amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2007-2009 Biennium.  
The FY09 Budgeted amounts in Operating Expenses, Conference and Travel Expenses and Grants and Aid exceed authorized amount by authority of Reallocation of Resources in Section 13 of Act 229 of 2007.

## **Analysis of Budget Request**

**Appropriation:** 688 - APSCN

**Funding Sources:** JAA - Department of Education Public School Fund

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

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

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

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

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

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



## Appropriation Summary

**Appropriation:** 688 - APSCN

**Funding Sources:** JAA - Department of Education Public School Fund

### Historical Data

### Agency Request and Executive Recommendation

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

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

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

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

## Change Level by Appropriation

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

### Agency Request

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

### Executive Recommendation

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

### Justification

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

## **Analysis of Budget Request**

**Appropriation:** PSF - Public School Fund

**Funding Sources:** JAA - Department of Education Public School Fund

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

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

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

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

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

The Executive Recommendation provides for appropriation and no additional funding.

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

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

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

The Executive Recommendation provides for Base Level.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

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

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

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

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

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

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

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

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

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

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

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

The Executive Recommendation provides for Base Level.

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

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

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

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

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

The Executive Recommendation provides for Agency Request

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

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

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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



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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

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

The Executive Recommendation provides for Agency Request.

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

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

collection rate of 95.3% experienced in FY08.

The Executive Recommendation provides Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Base Level.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Base Level.

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

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

The Executive Recommendation provides for Base Level.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

available to further reduce the cost to local school districts.

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

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

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Base Level.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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



The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Agency Request.

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

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

The Executive Recommendation provides for Base Level.

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

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

The Executive Recommendation provides for Base Level.

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

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

The Executive Recommendation provides for Agency Request.

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

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

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

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

## Appropriation Summary

**Appropriation:** PSF - Public School Fund  
**Funding Sources:** JAA - Department of Education Public School Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Non-Traditional Licensure	5100004	46,650	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Intervention Block Grants	5100004	137,000	137,000	132,000	137,000	137,000	137,000	137,000	137,000	137,000
Tech Grants	5100004	3,566,884	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678
Teacher Housing Development	5100004	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Grants to School Districts	5100004	44,274	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Declining Enrollment	5100004	13,051,344	13,963,389	10,000,000	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389
Better Chance Program	5100004	108,280,663	111,000,000	111,000,000	111,000,000	113,775,000	113,775,000	111,000,000	116,619,375	116,619,375
Economic Education	5100004	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Distance Learning Operations	5100004	8,831,400	5,831,400	5,831,400	5,831,400	10,331,400	10,331,400	5,831,400	10,331,400	10,331,400
School Funding Contingency	5900046	0	0	25,000,000	0	25,000,000	25,000,000	0	25,000,000	25,000,000
School Food-Legislative Audit	5900046	75,000	75,000	75,000	75,000	100,000	75,000	75,000	100,000	75,000
School Food Services	5900046	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000
School Worker Defense	5900046	203,269	390,000	390,000	390,000	390,000	390,000	390,000	390,000	390,000
Special Ed-Catastrophic	5900046	11,342,606	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Smart Start/Smart Step	5900046	10,502,118	10,252,118	10,252,118	10,252,118	10,457,160	10,457,160	10,252,118	10,666,303	10,666,303
Serious Offender	5900046	1,120,358	1,050,946	1,050,946	1,050,946	1,050,946	1,050,946	1,050,946	1,050,946	1,050,946
Ntl Bd Prof Teaching Standards	5900046	4,840,833	6,093,500	6,093,500	6,093,500	7,475,840	6,093,500	6,093,500	9,106,160	6,093,500
National School Lunch	5900046	154,167,328	157,142,907	157,416,512	157,142,907	161,071,480	158,642,907	157,142,907	165,098,267	158,642,907
Master Principal Bonus	5900046	45,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Prof Development Fund	5900046	20,067,298	23,079,074	23,160,000	23,079,074	23,279,850	23,079,074	23,079,074	23,380,750	23,079,074
Residential Ctrs/Juv Detention	5900046	13,352,733	13,516,231	13,516,231	13,516,231	14,867,854	13,516,231	13,516,231	15,016,533	13,516,231
Pygmalion Commission	5900046	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Public School Employee Ins	5900046	36,318,636	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600
Teacher Retirement Matching	5900046	5,373,498	6,655,000	6,655,000	6,655,000	6,987,750	6,655,000	6,655,000	7,337,138	6,655,000
Teacher Recruitment	5900046	1,415,052	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Teacher of the Year	5900046	69,250	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Tech Improvements	5900046	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Youth Shelters	5900046	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Workers' Compensation	5900046	0	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Traveling Teachers	5900046	6,504	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
State Foundation Funding	5900046	1,830,406,323	1,830,396,728	1,849,348,996	1,830,396,728	1,839,037,782	1,833,770,949	1,830,396,728	1,887,533,111	1,843,181,242
Special Needs Isolated Funding	5900046	2,999,998	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Special Education Services	5900046	3,797,320	4,145,285	4,145,285	4,145,285	4,145,285	4,145,285	4,145,285	4,145,285	4,145,285
Student Growth	5900046	29,311,747	54,851,000	54,851,000	54,851,000	54,851,000	54,851,000	54,851,000	54,851,000	54,851,000

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Teacher Licensing/Mentoring	5900046	7,788,909	7,508,758	7,508,758	7,508,758	7,508,758	7,508,758	7,508,758	7,508,758	7,508,758
Surplus Commodities	5900046	0	630,000	630,000	630,000	1,027,858	780,000	630,000	1,127,858	780,000
Supplemental Millage	5900046	7,976,872	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Content & Curriculum	5900046	17,393	0	0	100,000	100,000	100,000	0	0	0
Consolidation Incentive	5900046	4,835,377	5,210,100	12,550,000	5,210,100	5,210,100	5,210,100	5,210,100	5,210,100	5,210,100
At Risk	5900046	1,423,354	1,490,500	1,490,500	1,490,500	1,618,030	1,618,030	1,490,500	1,688,530	1,688,530
Content Standards	5900046	153,296	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000
Criminal Background Checks	5900046	8,571	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Court Ordered Desegregation	5900046	59,224,701	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372
Coop Education Tech Centers	5900046	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Advanced Placement Incentive	5900046	824,509	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000
Academic Improvement Training	5900046	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
98% URT Actual Collection Adj	5900046	23,446,227	14,268,625	14,268,625	14,268,625	25,367,101	25,367,101	14,268,625	26,508,621	26,508,621
Alternative Learning	5900046	19,968,837	19,968,837	18,500,000	19,968,837	19,968,837	19,968,837	19,968,837	19,968,837	19,968,837
Assessment/End Course Testing	5900046	14,628,237	23,887,747	23,887,747	23,887,747	23,887,747	23,887,747	23,887,747	23,887,747	23,887,747
AR Easter Seals	5900046	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113
Alternative Pay	5900046	812,830	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Home School Test	5900046	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Gifted & Talented	5900046	1,421,600	1,422,896	1,422,896	1,422,896	1,451,354	1,451,354	1,422,896	1,480,381	1,480,381
General Facilities Funding	5900046	6,471,391	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
Human Dev Ctr Education Aid	5900046	0	526,150	526,150	526,150	526,150	526,150	526,150	526,150	526,150
Leadership Acdmy-Mstr Principal	5900046	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Isolated Funding	5900046	7,895,996	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000
Intensive School Support	5900046	0	320,000	320,000	320,000	320,000	320,000	320,000	320,000	320,000
Distance Learning	5900046	6,224,603	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
Dept of Correction	5900046	5,027,675	5,147,675	5,147,675	5,147,675	5,447,675	5,447,675	5,147,675	5,597,675	5,597,675
Debt Service Funding	5900046	22,544,443	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384
Distressed District	5900046	13,442	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
English Language Learners	5900046	8,535,656	10,231,111	10,231,111	10,231,111	10,750,600	10,231,111	10,231,111	12,157,000	10,231,111
Education Service Cooperatives	5900046	5,529,270	6,129,270	5,529,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270
Early Childhood Special Educ	5900046	14,642,062	15,316,744	15,316,744	15,316,744	15,623,079	15,316,744	15,316,744	15,935,541	15,316,744
<b>Total</b>		<b>2,484,636,450</b>	<b>2,549,579,138</b>	<b>2,595,188,611</b>	<b>2,549,679,138</b>	<b>2,610,799,442</b>	<b>2,598,737,865</b>	<b>2,549,579,138</b>	<b>2,671,714,272</b>	<b>2,612,492,723</b>

Funding Sources										
Fund Balance	4000005	29,838,893	55,514,617		55,514,617	55,514,617	55,514,617	44,245,992	55,514,617	55,514,617
Court Ordered Desegregation	4000180	59,224,701	69,814,372		69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372
DOE Public School Fund	4000195	1,797,713,298	1,839,228,366		1,839,328,366	1,886,942,295	1,867,175,676	1,839,228,366	1,945,012,750	1,877,877,016
E-Rate Credit	4000207	0	0		0	4,500,000	4,500,000	0	4,500,000	4,500,000
Educational Adequacy Fund	4000210	458,839,987	439,761,621		439,761,621	439,761,621	439,761,621	439,761,621	439,761,621	439,761,621
Educational Excellence Fund	4000220	200,422,877	192,211,154		192,211,154	192,211,154	192,211,154	192,211,154	192,211,154	192,211,154
Excise Tax on Beer	4000230	1,929,809	0		0	0	0	0	0	0
Miscellaneous Adjustments	4000345	1,981,613	0		0	0	0	0	0	0
TANF Transfer	4000478	7,500,000	7,500,000		7,500,000	0	7,500,000	7,500,000	0	7,500,000

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

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

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

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

## Change Level by Appropriation

**Appropriation:** 057 - Smart Start/Smart Step

**Funding Sources:** JAA - Department of Education Public School Fund

### Agency Request

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

### Executive Recommendation

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

### Justification

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

**Appropriation:** 082 - English Language Learners

**Funding Sources:** JAA - Department of Education Public School Fund

### Agency Request

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

### Executive Recommendation

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

### Justification

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

**Appropriation:** 088 - At Risk  
**Funding Sources:** JAA - Department of Education Public School Fund

### Agency Request

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

### Executive Recommendation

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

### Justification

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

Agency: Education Department-Public School Fund

Program: Content & Curriculum

Act #: 229 of 2007

Section(s) #: 1 & 20

Estimated Carry Forward Amount \$ 82,760.00

Appropriation

Funds

Funding Source: Public School

**Accounting Information:**

Business Area: 0500

Funds Center: 1QV

Fund: JAA

Functional Area: EDUC

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

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

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

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

**Actual Funding Carry Forward Amount** \$ 0.00

**Current status of carry forward appropriation/funding:**

Carry forward appropriation has been budgeted for FY2009.

Dr. Ken James  
Commissioner of Education

08-15-2008  
Date

## Change Level by Appropriation

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

### Agency Request

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

### Executive Recommendation

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

### Justification

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

**Appropriation:** 2HR - National School Lunch

**Funding Sources:** JAA - Department of Education Public School Fund

### Agency Request

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

### Executive Recommendation

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

### Justification

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

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

### Agency Request

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

### Executive Recommendation

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

### Justification

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

**Appropriation:** 2HX - Distance Learning Operations

**Funding Sources:** JAA - Department of Education Public School Fund

### Agency Request

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

### Executive Recommendation

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

### Justification

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

**Appropriation:** 2ZH - School Funding Contingency

**Funding Sources:** JAA - Department of Education Public School Fund

### Agency Request

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

### Executive Recommendation

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

### Justification

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

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

### Agency Request

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

### Executive Recommendation

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

### Justification

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

**Appropriation:** 380 - Dept of Correction

**Funding Sources:** JAA - Department of Education Public School Fund

### Agency Request

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

### Executive Recommendation

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

### Justification

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

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

### Agency Request

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

### Executive Recommendation

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

### Justification

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

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

### Agency Request

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

### Executive Recommendation

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

### Justification

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

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

### Agency Request

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

### Executive Recommendation

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

### Justification

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

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

### Agency Request

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

### Executive Recommendation

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

### Justification

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

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

### Agency Request

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

### Executive Recommendation

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

### Justification

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

**Appropriation:** 457 - Gifted & Talented

**Funding Sources:** JAA - Department of Education Public School Fund

### Agency Request

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

### Executive Recommendation

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

### Justification

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

**Appropriation:** 652 - Better Chance Program

**Funding Sources:** JAA - Department of Education Public School Fund

### Agency Request

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

### Executive Recommendation

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

### Justification

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

Agency: Education Department-Public School Fund

Program: Better Chance Program

Act #: 229 of 2007

Section(s) #: 1 & 27

Estimated Carry Forward Amount \$ 6,335,467.00

Appropriation

Funds

Funding Source: Public School

**Accounting Information:**

Business Area: 0500

Funds Center: 652

Fund: JAA

Functional Area: EDUC

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

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

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

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

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

**Current status of carry forward appropriation/funding:**

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

Dr. Ken James  
Commissioner of Education

08-15-2008  
Date



## Change Level by Appropriation

**Appropriation:** 697 - Early Childhood Special Educ

**Funding Sources:** JAA - Department of Education Public School Fund

### Agency Request

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

### Executive Recommendation

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

### Justification

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

## Enabling Laws

Act 1237 of 2007  
Act 1031 of 2007  
A.C.A. § 10-3-2201  
A.C.A. § 6-19-101 et seq.  
A.C.A. § 6-20-2501 et seq.  
A.C.A. § 6-20-2601 et seq.  
A.C.A. § 6 21-112 et seq.

## History and Organization

### **STATUTORY AUTHORITY:**

The Division of Public School Academic Facilities and Transportation (Division) was enabled under Act 90 of 2003 which constituted the Division of Public School Academic Facilities and Transportation under the Arkansas Department of Education (ADE). The Division was realigned under Act 1327 of 2005 which realigned the Division during the forming of the Commission for Public School Academic Facilities and Transportation (Commission). The responsibilities of the Division were further defined in Act 1426 and Act 2206, which sets out the programs for which the Division is responsible. The Division activities are detailed in Ark. Code Ann. §§ 6-20-2501 (Arkansas Public School Academic Facilities Funding Act); 6-21-112 (Division of Public School Academic Facilities and Transportation); 6-21-801 (Arkansas Public School Academic Facilities Program Act); 6-19-101 (Transportation).

### **MISSION STATEMENT:**

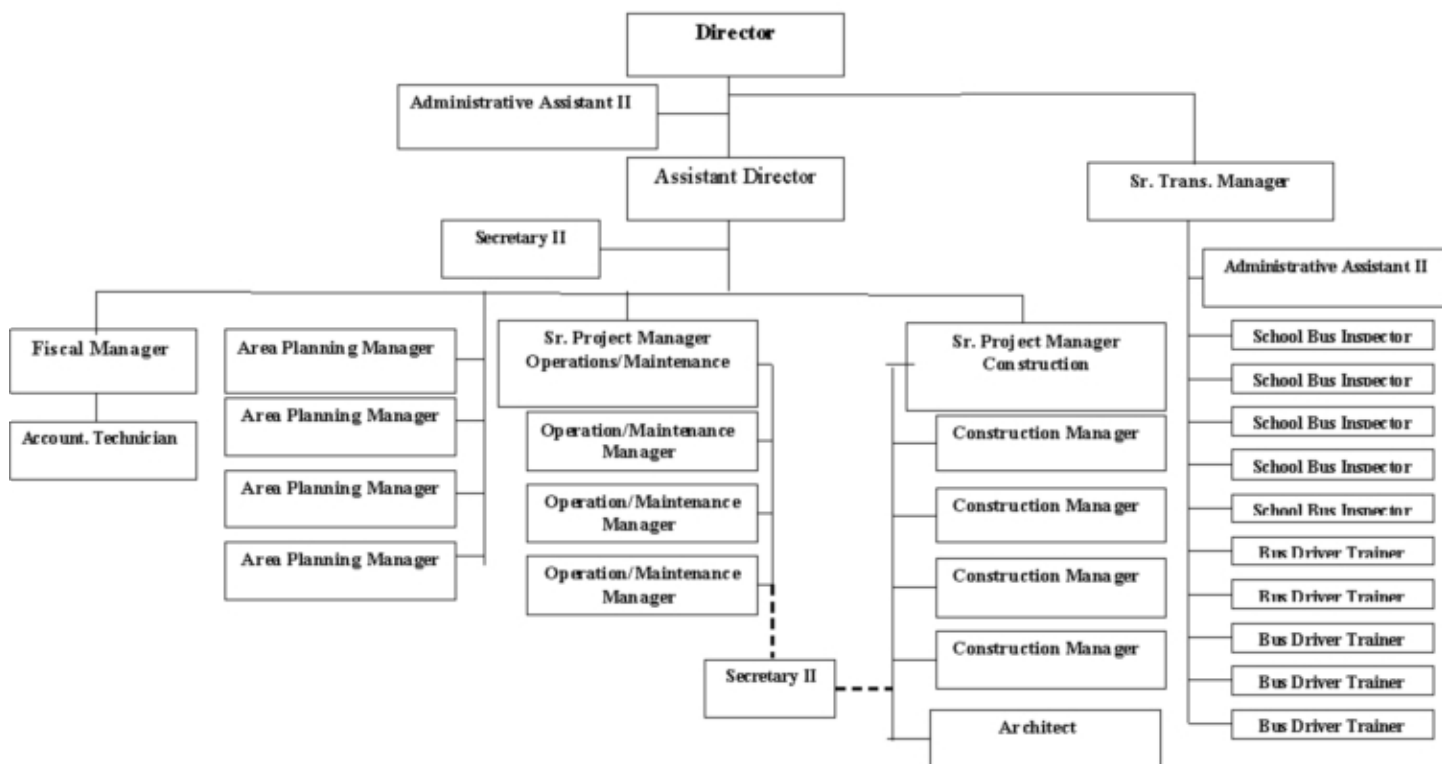
The Division's mission is to direct those activities, under the authorities given to it by law, to assist in ensuring that substantially equal access to adequate educational facilities and educational equipment is provided for all public school students in Arkansas. The Division performs the following functions:

1. Provides information/assistance to Legislative Academic Facilities Oversight Committee;
2. Establishes policies and procedures based on guidance from Academic Facilities Oversight Committee and the General Assembly;
3. Develops and implements the Arkansas Public School Academic Facilities Program Act to include, but is not limited to: development of a statewide Master Plan and legislative reporting requirements; assist school districts in developing school district Master Plans; establish and maintain an Arkansas School Facility Manual school facility standards; establish and maintain an a Public School Facilities Custodial, Maintenance, Repair and Renovation Manual; a Public School Academic Equipment Manual; administration of the Facilities Distress Program; provide onsite inspection to ensure the adherence to Arkansas laws governing school construction and operations; administer and conduct school bus safety inspections and driver training programs;
4. Administers the programs of state financial participation in support of local academic facilities to include, but is not limited to: the bonded debt assistance program; Academic Facilities Immediate Repair Program; Academic Equipment Program; Transitional Academic Facilities Program;

Academic Facilities Partnership Program; Academic Facilities Catastrophic Program; High Growth Loan Program;

5. Develops and implements an ongoing process to track the condition of all public school facilities in the state;
6. Develops a cost index methodology to compare the cost of repairing the condition of school facilities to the replacement of school facilities;
7. Conduct unannounced inspections of public school academic facilities;
8. Enforces, through planning, minimum standards for accessibility to public school academic facilities and programs for individual with disabilities;
9. Develops guidelines for competitive bidding, negotiation and other methods of procurement for public school academic facilities projects;
10. Develops incentive programs to reward school districts for innovative, effective, efficient use of local and state resources with regard to public school academic facilities;
11. Review applicable statutes, rules and regulations for conflicts with or omissions of energy related content;
12. Administers the school transportation program in the various school districts in Arkansas including without limitation, the training of school bus drivers and inspections of school buses;
13. Keeps records showing a description of each school district in the state, maps showing the school districts with current and accurate boundaries, the location of the academic facilities, and the electoral zones into which the school district has been divided;
14. Files reports to the Governor, Legislative committees on the state of condition of academic facilities statewide and the state academic facilities master plan;
15. Maintain a public access website dedicated to academic facilities;
16. Develop and implement a statewide needs priority list.

**DIVISION OF PUBLIC SCHOOL ACADEMIC FACILITIES AND TRANSPORTATION**



**Agency Commentary**

The Division of Public School Academic Facilities and Transportation has the responsibility to assist the 245 Arkansas school districts with general facilities support to include but not limited to construction advice, standards, monitoring funding programs, and assisting in school district transportation programs. To accomplish the construction element of its mission, the Division administers funding programs for new construction, renovation, conversion and projects to ensure that school facilities remaining safe, dry and healthy. These programs include the Transitional Academic Facilities Program, Partnership Program, Academic Equipment Program, Catastrophic Program and High-Growth Program.

The Transitional Academic Facilities Program, for which funds were appropriated in the 2005-2007 biennium, will be completed in June 2009. Sufficient funding is available to meet all commitments for construction projects approved by the Commission under this program.

The Catastrophic Program is being administered with funding generated by cancelled projects in the Partnership Program. It is extremely difficult to forecast financial needs of the Catastrophic Program as the program is only enacted in the event of Catastrophic losses of facilities to school districts. Appropriation in the amount of \$10 million will be requested to sustain this program.

The Division is requesting appropriation in the amount of \$15 million to fund the Academic Equipment Program. This program specified by Act 1426 has yet to begin. It is intended to assist school districts with the acquisition of academic equipment to support the state’s academic programs.

The Division is requesting appropriation of \$10 million to fund the Academic facilities high-growth program. This program would be used to supplement construction in school districts meeting the definition of high-growth whose projects have been approved under the partnership program.

**Publications**

**A.C.A. 25-1-204**

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
State Academic Facilities Master Plan	Act 1327 of 2005 Section 1(f)(14)	Y	Y	4	Statutory
Statewide State of Condition of Academic Facilities	Act 1327 of 2005 Section 1(f)(13)	Y	Y	4	Statutory

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2WB Public School Academic Facilities	2,073,346	30	2,445,193	33	2,445,193	33	2,546,361	33	2,585,978	33	2,585,978	33	2,580,595	33	2,620,212	33	2,620,212	33
2WC Immediate Repair	1,866,847	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2ZN Transitional Academic Facilities	12,532,629	0	3,641,105	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2ZP Academic Facilities Partnership	90,460,859	0	470,073,567	0	75,000,000	0	470,073,567	0	470,073,567	0	470,073,567	0	75,000,000	0	75,000,000	0	75,000,000	0
4HQ Academic Facilities Catastrophic	135,326	0	5,364,674	0	0	0	5,364,674	0	15,364,674	0	15,364,674	0	0	0	0	0	0	0
4HR Academic Facilities ECP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4KT Academic Equipment	0	0	0	0	0	0	0	0	15,000,000	0	15,000,000	0	0	0	0	0	0	0
54Y Academic Facilities High Growth	0	0	0	0	0	0	0	0	10,000,000	0	10,000,000	0	0	0	0	0	0	0
<b>Total</b>	<b>107,069,007</b>	<b>30</b>	<b>481,524,539</b>	<b>33</b>	<b>77,445,193</b>	<b>33</b>	<b>477,984,602</b>	<b>33</b>	<b>513,024,219</b>	<b>33</b>	<b>513,024,219</b>	<b>33</b>	<b>77,580,595</b>	<b>33</b>	<b>77,620,212</b>	<b>33</b>	<b>77,620,212</b>	<b>33</b>

Funding Sources		%		%		%		%		%		%		%		%		%					
Fund Balance	4000005	48,840,140	8.9	444,079,346	92.2		0	0.0		0	0.0		0	0.0		0	0.0		0	0.0			
Ed Fac Prtnrsh Fund Trnsfr	4000057	0	0.0	0	0.0		0	0.0		0	0.0		0	0.0		0	0.0		0	0.0			
Div of Acad Fac & Trnsp Fund	4000193	2,076,288	0.4	2,445,193	0.5		2,546,361	6.8		2,585,978	6.9		2,546,361	6.8		2,580,595	6.9		2,620,212	7.0		2,580,595	6.9
Educ Fac Partnership Fund	4000217	35,000,000	6.4	35,000,000	7.3		35,000,000	93.2		35,000,000	93.1		35,000,000	93.2		35,000,000	93.1		35,000,000	93.0		35,000,000	93.1
Trnfr frm DOE Pub School Fund	4000525	9,634,873	1.7	0	0.0		0	0.0		0	0.0		0	0.0		0	0.0		0	0.0		0	0.0
Transfer from General Imprv	4000540	455,597,052	82.7	0	0.0		0	0.0		0	0.0		0	0.0		0	0.0		0	0.0		0	0.0
<b>Total Funds</b>		<b>551,148,353</b>	<b>100.0</b>	<b>481,524,539</b>	<b>100.0</b>		<b>37,546,361</b>	<b>100.0</b>		<b>37,585,978</b>	<b>100.0</b>		<b>37,546,361</b>	<b>100.0</b>		<b>37,580,595</b>	<b>100.0</b>		<b>37,620,212</b>	<b>100.0</b>		<b>37,580,595</b>	<b>100.0</b>
Excess Appropriation/(Funding)		(444,079,346)		0			440,438,241			475,438,241			475,477,858			40,000,000			40,000,000			40,039,617	
<b>Grand Total</b>		<b>107,069,007</b>		<b>481,524,539</b>			<b>477,984,602</b>			<b>513,024,219</b>			<b>513,024,219</b>			<b>77,580,595</b>			<b>77,620,212</b>			<b>77,620,212</b>	

Budget amount exceeds authorized (Fund Centers 2ZN, 2ZP and 4HQ) due to special language in current appropriations act that allows for carry forward of unused appropriation. Actual expenditures and cash flow will result in carry forward of fund balance to address projects in FY10 and FY11.

**Agency Position Usage Report - Public School Academic Facilities & Transportation**

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
26	23	2	25	1	11.54 %	33	29	4	33	0	12.12 %	33	28	5	33	0	15.15 %

## **Analysis of Budget Request**

**Appropriation:** 2WB - Public School Academic Facilities

**Funding Sources:** EFT - Division of Academic Facilities and Transportation Fund

This appropriation provides resources for the operation of the Division of Public School Academic Facilities and Equipment. Act 1327 of 2005 revised the powers and duties of the Division of Public School Academic Facilities and Transportation to include developing and implementing the Arkansas Public School Academic Facilities Partnership Program and overseeing school transportation programs. The Commission for Public School Academic Facilities and Transportation is charged with overseeing the division during the implementation and operation of the Arkansas Public School Academic Facilities Program.

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

Agency Requests includes:

- 1) An increase in the Operating Expenses line item of \$39,617 for both fiscal years of the 2009-2011 Biennium. This increase is for anticipated increases in rent, utilities and additional field work of the Division.
- 2) Reallocating \$2,500 each fiscal year of currently authorized appropriation from the Data Processing Services line item to the Operating Expenses line item. This request is to properly classify the expenditures for data base support.

The Executive Recommendation provides for appropriation only of \$39,617 and the reallocation of appropriation from Data Processing Services line item to Operating Expenses line item in each fiscal year of the 2009-2011 Biennium.



## Appropriation Summary

**Appropriation:** 2WB - Public School Academic Facilities

**Funding Sources:** EFT - Division of Academic Facilities and Transportation Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,174,314	1,403,520	1,402,785	1,461,717	1,461,717	1,461,717	1,489,709	1,489,709	1,489,709
<b>#Positions</b>		<b>30</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>
Extra Help	5010001	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
<b>#Extra Help</b>		<b>0</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Personal Services Matching	5010003	391,943	441,996	442,731	484,967	484,967	484,967	491,209	491,209	491,209
Operating Expenses	5020002	248,250	295,054	295,054	295,054	337,171	337,171	295,054	337,171	337,171
Conference & Travel Expenses	5050009	5,854	28,650	28,650	28,650	28,650	28,650	28,650	28,650	28,650
Professional Fees	5060010	0	20,973	20,973	20,973	20,973	20,973	20,973	20,973	20,973
Data Processing	5090012	0	2,500	2,500	2,500	0	0	2,500	0	0
Capital Outlay	5120011	3,626	0	0	0	0	0	0	0	0
Safety Training	5900046	249,359	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
<b>Total</b>		<b>2,073,346</b>	<b>2,445,193</b>	<b>2,445,193</b>	<b>2,546,361</b>	<b>2,585,978</b>	<b>2,585,978</b>	<b>2,580,595</b>	<b>2,620,212</b>	<b>2,620,212</b>
<b>Funding Sources</b>										
Fund Balance	4000005	897,058	0		0	0	0	0	0	0
Ed Fac Prtnrshp Fund Trnsfr	4000057	(900,000)	0		0	0	0	0	0	0
Div of Acad Fac & Trnsp Fund	4000193	2,076,288	2,445,193		2,546,361	2,585,978	2,546,361	2,580,595	2,620,212	2,580,595
<b>Total Funding</b>		<b>2,073,346</b>	<b>2,445,193</b>		<b>2,546,361</b>	<b>2,585,978</b>	<b>2,546,361</b>	<b>2,580,595</b>	<b>2,620,212</b>	<b>2,580,595</b>
Excess Appropriation/(Funding)		0	0		0	0	39,617	0	0	39,617
<b>Grand Total</b>		<b>2,073,346</b>	<b>2,445,193</b>		<b>2,546,361</b>	<b>2,585,978</b>	<b>2,585,978</b>	<b>2,580,595</b>	<b>2,620,212</b>	<b>2,620,212</b>

Actual Expenditures for FY08 exceed Authorized Amount in Capital Outlay due to special language which provides Appropriation Transfer authority.  
The FY09 Budgeted amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 Biennium.

## Change Level by Appropriation

**Appropriation:** 2WB - Public School Academic Facilities

**Funding Sources:** EFT - Division of Academic Facilities and Transportation Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,546,361</b>	<b>33</b>	<b>2,546,361</b>	<b>100.0</b>	<b>2,580,595</b>	<b>33</b>	<b>2,580,595</b>	<b>100.0</b>
C01	Existing Program	39,617	0	2,585,978	101.6	39,617	0	2,620,212	101.5
C04	Reallocation	0	0	2,585,978	101.6	0	0	2,620,212	101.5

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,546,361</b>	<b>33</b>	<b>2,546,361</b>	<b>100.0</b>	<b>2,580,595</b>	<b>33</b>	<b>2,580,595</b>	<b>100.0</b>
C01	Existing Program	39,617	0	2,585,978	101.6	39,617	0	2,620,212	101.5
C04	Reallocation	0	0	2,585,978	101.6	0	0	2,620,212	101.5

### Justification

C01	The Division of Public School Academic Facilities and Transportation seeks a slight increase in its operational budget over the base level by \$39,617 or 1.5%. This increase is based on anticipated increase in facilities rent and utilities. Additionally, this request takes into consideration expenses for additional field work to allow the Division to meet its operation mission of school district inspections required by law.
C04	This request is to reallocate \$2,500 of currently authorized appropriation from Data Processing Services to Operating Expense. The Department of Information Systems expenditures are for database support and should be expensed from Operating Expense rather than Data Processing.

## **Analysis of Budget Request**

**Appropriation:** EFP - Programs of the Public School Academic Facilities & Transportation

**Funding Sources:** EFP - Educational Facilities Partnership Fund

This appropriation provides resources for The Arkansas Public School Academic Facilities Funding Act, which established the programs for the state financial participation in local projects relating to academic facilities and equipment and assisting school districts with transportation programs. The programs are the Academic Facilities Immediate Repair Program, the Transitional Academic Facilities Program, the Academic Facilities Partnership Program, the Academic Equipment Program, Academic Facilities Catastrophic Program and the Academic Facilities Extraordinary Circumstances Program.

The Immediate Repair Program was completed during FY08 and the Transitional Program is on schedule to be complete in FY09.

State participation under any program will be based on an academic facilities wealth index. The Division of Public School Academic Facilities and Transportation establishes the formulas used for determining basic project costs on a per student basis.

The funding sources for these programs comes from Fund Balance, General Revenue and through A.C.A. § 6-20-2503, which authorizes the transfer of savings in the Public School Fund for Debt Service Funding, General Facilities Funding and Supplemental Millage Incentive line item appropriations to the Partnership Fund.

The fund balance amount in FY09 is due to a transfer in Act 1031 of 2007 that authorized the transfer of \$455,597,052 from the General Improvement Fund.

The Agency Change Level Request is for a total of \$35,000,000 of unfunded appropriation in FY10. The requested appropriation is for:

- The Academic Equipment program of \$15,000,000. This request is intended to assist school districts with the acquisition of academic equipment to support the state's academic programs.
- A request in Academic Facilities Catastrophic program of \$10,000,000, the program is only enacted in the event of catastrophic losses of facilities to school districts.
- Also, a new program for the 2009-2011 Biennium, Academic Facilities High Growth in the amount of \$10,000,000 is requested for school districts meeting the definition of high-growth whose projects have been approved under the partnership program.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** EFP - Programs of the Public School Academic Facilities & Transportation

**Funding Sources:** EFP - Educational Facilities Partnership Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Academic Facilities Partnership	5100004	90,460,859	470,073,567	75,000,000	470,073,567	470,073,567	470,073,567	75,000,000	75,000,000	75,000,000
Academic Facilities ECP	5100004	0	0	0	0	0	0	0	0	0
Immediate Repair	5900046	1,866,847	0	0	0	0	0	0	0	0
Transitional Academic Facilities	5900046	12,532,629	3,641,105	0	0	0	0	0	0	0
Academic Facilities High Growth	5900046	0	0	0	0	10,000,000	10,000,000	0	0	0
Academic Equipment	5900046	0	0	0	0	15,000,000	15,000,000	0	0	0
Academic Facilities Catastrophic	5900046	135,326	5,364,674	0	5,364,674	15,364,674	15,364,674	0	0	0
<b>Total</b>		<b>104,995,661</b>	<b>479,079,346</b>	<b>75,000,000</b>	<b>475,438,241</b>	<b>510,438,241</b>	<b>510,438,241</b>	<b>75,000,000</b>	<b>75,000,000</b>	<b>75,000,000</b>

Funding Sources										
Fund Balance	4000005	47,943,082	444,079,346		0	0	0	0	0	0
Ed Fac Prtnrshp Fund Trnsfr	4000057	900,000	0		0	0	0	0	0	0
Educ Fac Partnership Fund	4000217	35,000,000	35,000,000		35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Trnfr frm DOE Pub School Fund	4000525	9,634,873	0		0	0	0	0	0	0
Transfer from General Imprv	4000540	455,597,052	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>549,075,007</b>	<b>479,079,346</b>		<b>35,000,000</b>	<b>35,000,000</b>	<b>35,000,000</b>	<b>35,000,000</b>	<b>35,000,000</b>	<b>35,000,000</b>
<b>Excess Appropriation/(Funding)</b>		<b>(444,079,346)</b>	<b>0</b>		<b>440,438,241</b>	<b>475,438,241</b>	<b>475,438,241</b>	<b>40,000,000</b>	<b>40,000,000</b>	<b>40,000,000</b>
<b>Grand Total</b>		<b>104,995,661</b>	<b>479,079,346</b>		<b>475,438,241</b>	<b>510,438,241</b>	<b>510,438,241</b>	<b>75,000,000</b>	<b>75,000,000</b>	<b>75,000,000</b>

Budget amount exceeds authorized due to special language in current appropriations act that allows for carry forward of unused appropriation.

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Education Department-Public School Academic Facilities & Transportation

Program: Immediate Repair

Act #: 1237 of 2007 Section(s) #: 4 & 6

Estimated Carry Forward Amount \$ 0.00 Appropriation  Funds

Funding Source: Educ Facilities Partnership

**Accounting Information:**

Business Area: 0500 Funds Center: 2WC Fund: EFP Functional Area: EDUC

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

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

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

No carry forward is expected in this Funds Center.

**Actual Funding Carry Forward Amount** \$ 0.00

**Current status of carry forward appropriation/funding:**

All the appropriation was exhausted in FY2008. There is no carry forward of appropriation in FY2009.

Dr. Ken James  
Commissioner of Education

08-14-2008  
Date

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Education Department-Public School Academic Facilities & Transportation

Program: Transitional Academic Facilities

Act #: 1237 of 2007 Section(s) #: 4 & 6

Estimated Carry Forward Amount \$ 16,616,196.00      Appropriation       Funds

Funding Source: Educ Facilities Partnership

**Accounting Information:**

Business Area: 0500      Funds Center: 2ZN      Fund: EFP      Functional Area: EDUC

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Transitional Academic Facilities	5900046	16,616,196.00	18,079,201.64
<b>Total</b>		<b>\$ 16,616,196.00</b>	<b>\$ 18,079,201.64</b>

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

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

This appropriation will be used for expenditures for the completion of approved Transitional Academic Facilities projects in the public schools.

**Actual Funding Carry Forward Amount**      \$ 0.00

**Current status of carry forward appropriation/funding:**

The carry forward balance will enable the Division of Public School Academic Facilities to complete the approved projects in the Transitional Program during FY2009.

Dr. Ken James  
Commissioner of Education

08-21-2008  
Date

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Education Department-Public School Academic Facilities & Transportation

Program: Academic Facilities Partnership

Act #: 1237 of 2007 Section(s) #: 4 & 6

Estimated Carry Forward Amount \$ 583,085,998.00 Appropriation  Funds

Funding Source: Educ Facilities Partnership

**Accounting Information:**

Business Area: 0500 Funds Center: 2ZP Fund: EFP Functional Area: EDUC

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Grants and Aid	5100004	583,085,998.00	581,597,773.64
Total		\$ 583,085,998.00	\$ 581,597,773.64

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

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

This appropriation will be used for continuing the completion of approved Academic Facilities Partnership projects in the public schools.

**Actual Funding Carry Forward Amount** \$ 0.00

**Current status of carry forward appropriation/funding:**

Of the actual carry forward amount, \$470,073,556 is budgeted for approved Partnership Program projects.

Dr. Ken James  
Commissioner of Education

08-21-2008  
Date

## Change Level by Appropriation

**Appropriation:** 4HQ - Academic Facilities Catastrophic  
**Funding Sources:** EFP - Educational Facilities Partnership Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>5,364,674</b>	<b>0</b>	<b>5,364,674</b>	<b>100.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
C01	Existing Program	10,000,000	0	15,364,674	286.4	0	0	0	

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>5,364,674</b>	<b>0</b>	<b>5,364,674</b>	<b>100.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
C01	Existing Program	10,000,000	0	15,364,674	286.4	0	0	0	

### Justification

C01	The Catastrophic Program is being administered with funding generated by cancelled projects in the Partnership Program. It is extremely difficult to forecast financial needs of the Catastrophic Program as the program is only enacted in the event of Catastrophic losses of facilities to school districts. Funds in the amount of \$10 million will be requested to sustain this program but should these funds not be needed to assist in catastrophic losses the moneys would be moved into the Partnership Program to sustain new construction.
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**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Education Department-Public School Academic Facilities & Transportation

Program: Academic Facilities Catastrophic

Act #: 1237 of 2007 Section(s) #: 4 & 6

Estimated Carry Forward Amount \$ 10,000,000.00      Appropriation       Funds

Funding Source: Educ Facilities Partnership

**Accounting Information:**

Business Area: 0500      Funds Center: 4HQ      Fund: EFP      Functional Area: EDUC

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Academic Facilities Catastrophic	5900046	10,000,000.00	9,864,674.00
Total		\$ 10,000,000.00	\$ 9,864,674.00

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

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

Of the total appropriated amount, \$5.5 million has been budgeted for Catastrophic projects in the public schools and will be progressing toward completion in the 2009 fiscal year. The remaining \$4.4 million of carry forward appropriation is unfunded at this time.

**Actual Funding Carry Forward Amount**      \$ 0.00

**Current status of carry forward appropriation/funding:**

Of the actual amount carried forward, only \$5.3 million has been budgeted. The additional \$4.5 million remains unfunded at this time.

Dr. Ken James  
Commissioner of Education

08-15-2008  
Date

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Education Department-Public School Academic Facilities & Transportation

Program: Academic Facilities ECP

Act #: 1237 of 2007 Section(s) #: 4 & 6

Estimated Carry Forward Amount \$ 0.00 Appropriation  Funds

Funding Source: Educ Facilities Partnership

**Accounting Information:**

Business Area: 0500 Funds Center: 4HR Fund: EFP Functional Area: EDUC

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

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

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

No carry forward is expected in this Funds Center.

**Actual Funding Carry Forward Amount** \$ 0.00

**Current status of carry forward appropriation/funding:**

There is no budget associated with this program at this time.

Dr. Ken James  
Commissioner of Education

08-15-2008  
Date

## Change Level by Appropriation

**Appropriation:** 4KT - Academic Equipment  
**Funding Sources:** EFP - Educational Facilities Partnership Fund

### Agency Request

Change Level	2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C01 Existing Program	15,000,000	0	15,000,000	100.0	0	0	0	0.0

### Executive Recommendation

Change Level	2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C01 Existing Program	15,000,000	0	15,000,000	100.0	0	0	0	0.0

### Justification

C01	The Division is requesting funds in the amount of \$15 million to fund the Academic Equipment Program. This program specified by Act 1426 has yet to begin. It is intended to assist school districts with the acquisition of academic equipment to support the state's academic programs.
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**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Education Department-Public School Academic Facilities & Transportation

Program: Academic Equipment

Act #: 1237 of 2007 Section(s) #: 4 & 6

Estimated Carry Forward Amount \$ 15,000,000.00      Appropriation       Funds

Funding Source: Educ Facilities Partnership

**Accounting Information:**

Business Area: 0500      Funds Center: 4KT      Fund: EFP      Functional Area: EDUC

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Academic Equipment	5900046	15,000,000.00	15,000,000.00
Total		\$ 15,000,000.00	\$ 15,000,000.00

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

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

There is currently no plan to utilize this appropriation in the 2009 fiscal year.

**Actual Funding Carry Forward Amount**      \$ 0.00

**Current status of carry forward appropriation/funding:**

The carry forward appropriation in this program remains unfunded at this time.

Dr. Ken James  
Commissioner of Education

08-15-2008  
Date

## Change Level by Appropriation

**Appropriation:** 54Y - Academic Facilities High Growth  
**Funding Sources:** EFP - Educational Facilities Partnership Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C02	New Program	10,000,000	0	10,000,000	100.0	0	0	0	0.0

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C02	New Program	10,000,000	0	10,000,000	100.0	0	0	0	0.0

### Justification

C02	The Division is requesting funds in the amount of \$10 million to fund the Academic Facilities High-Growth program. These funds would be used to supplement construction in school districts meeting the definition of high-growth whose projects have been approved under the partnership program.
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# ARKANSAS ETHICS COMMISSION

## Enabling Laws

Act 1212 of 2007

Initiated Act 1 of 1990, as amended.

See A.C.A. §7-6-217

## History and Organization

The Arkansas Ethics Commission was created as a result of the passage of Initiated Act 1 of 1990. Its purpose is to serve as the compliance and enforcement agency with respect to various ethics and public disclosure laws applicable to candidates for public office, state and local public officials, public servants, lobbyists, political parties, political committees, and persons involved with initiatives, referenda, and other matters referred to voters within the State of Arkansas.

Initiated Act 1 of 1990, popularly known as "The Standards of Conduct and Disclosure Act for Candidates and Political Campaigns", charged the Commission with the responsibility of governing the campaign finance activities of candidates for public office, candidate committees, and political action committees. It also set new limits on the amount individual citizens could contribute to parties, candidates, and political action committees. In addition to its authority to administer the laws governing campaign finance, the Commission was given authority to administer Initiated Act 1 of 1988 and Act No. 34 of 1999. The first Act, popularly known as "The Disclosure Act for Lobbyists and State and Local Officials", governs the relationship between elected and appointed state, county, and municipal public officials and possible non-government or otherwise conflicting financial interests. In addition, this Act governs the registration and activities of lobbyists. The second Act, which concerns "Constitutional Officers and Their Spouses", places certain restrictions on the entering into of employment, lease agreements, contracts or grants with any state agency. Each of these Acts requires significant disclosure by the persons within its scope.

The Commission itself is composed of five (5) members appointed to five-year staggered terms by the Governor, the Lieutenant Governor, the Attorney General, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives, respectively. Members of the Commission serve without compensation, but may receive reimbursement for expenses incurred in the performance of their official duties. During its existence, the Commission has grown from three (3) employees and a total budget appropriation of \$89,205.00 (FY91) to nine (9) employees and a total budget appropriation of \$674,099.00 (FY09). The Commission's current staff is comprised of a Director, two (2) Attorney Specialists, two (2) Compliance Specialists, an Information Technology Manager, a Business Operations Specialist, and two (2) Administrative Specialists.

The Commission, with the assistance of its staff, performs the following specific duties and responsibilities in accordance with the requirements of the law: (1 ) investigates alleged violations of ethics and public disclosure laws and determines whether a violation has occurred; (2) issues sanctions for violations of ethics and public disclosure laws and/or makes referrals for criminal prosecution; (3) conducts review exercises to determine whether required disclosure documents are being filed; (4) prepares and distributes educational materials and conducts training sessions for candidates, elected and appointed officials, lobbyists, political committees, and ballot and legislative question committees; (5) issues advisory opinions concerning ethics and public disclosure laws; (6) promulgates rules to

implement and administer ethics and public disclosure laws; (7) holds monthly public meetings and conducts public hearings; (8) answers questions regarding ethics and public disclosure laws and rules on a daily, informal basis; (9) prepares and updates disclosure forms, instructions, and calendars used by public officials, lobbyists, political parties, political committees, candidates for public office, and ballot and legislative question committees; (10) administers a reminder notice program for candidates for public office, public officials, lobbyists, political parties, and political committees; (11) maintains report files on all ballot and legislative question committees registered in accordance with the Disclosure Act for Public Initiatives, Referenda, and Measures Referred to Voters; (12) makes information publicly accessible in an electronic form via the internet; (13) responds to requests for public records under the Freedom of Information Act; and (14) brings civil actions in circuit court to enforce orders entered in proceedings before the Commission.

The Commission promotes openness and accountability in government through a balanced approach of (i) interpreting, investigating compliance with, and issuing sanctions for proven violations of the laws under its jurisdiction, and (ii) providing assistance in the form of education, training, and reminder notices to persons required to comply with those laws.



**Agency Commentary**

The Arkansas Ethics Commission (AEC) serves as the compliance and enforcement agency with respect to a wide variety of ethics and public disclosure laws applicable to candidates for public office, state and local public officials, public servants, lobbyists, political parties, political committees, and persons involved with initiatives, referenda, and other matters referred to voters within the State of Arkansas. The AEC consists of a five (5) member board and a nine (9) member staff. For the 2009-2011 biennial budget period, the AEC is seeking to restore its appropriation levels in Operating Expenses and to increase Conference and Travel Expenses by \$2,000. In addition, the AEC is seeking Capital Outlay in the amounts of \$6,200 for the purchase of a main computer server and \$9,000 for the purchase of desktop computers.

Like other agencies of state government, the AEC has tightened its budget significantly over the past two biennia in order to work within the State’s funding constraints. The total requested appropriation of

\$91,380 for Operating Expenses is to restore the AEC's current level of appropriation. The AEC is not seeking additional operating expenses, merely the reinstatement of the appropriation necessary for an agency of its size and responsibilities. The total requested appropriation of \$5,000 for Conference and Travel Expenses is the minimum amount necessary to provide sufficient education and training for the AEC's staff. The requested appropriations of \$6,200 and \$9,000 for Capital Outlay in FY10 and FY11, respectively, are for the replacement of a main computer server and desktops pursuant to the AEC's IT Plan for the corresponding fiscal years.

For each of the past five (5) fiscal years, the amount which the AEC has received from the Miscellaneous Agencies Fund has been significantly less than its appropriation. As a result, the AEC has been required to block appropriation as follows: FY05 - \$34,068; FY06 - \$17,724; FY07 - \$17,886; FY08 - \$12,903; and FY09 - \$31,994. These blocks were initially applied to Operating Expenses, as required. Because salary savings were accrued during FY05, FY06, and FY07, those blocks were later moved to Regular Salaries. Cutting the AEC's appropriation for Operating Expenses will hinder its efforts to provide adequate levels of service.

In summary, the AEC is an extremely small agency working on a tight budget. The AEC seeks Operating Expenses in the amount of \$91,380, Conference and Travel Fees in the amount of \$5,000, and Capital Outlay in the amounts of \$6,200 and \$9,000. These amounts are both reasonable and necessary to ensure the Commission's objective to promote openness and accountability in government.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS ETHICS COMMISSION

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

## Employment Summary

	Male	Female	Total	%
White Employees	2	3	5	71 %
Black Employees	0	2	2	29 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	29 %
Total Employees			7	100 %



## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
9	9	0	9	0	0.00 %	9	9	0	9	0	0.00 %	9	7	2	9	0	22.22 %

## **Analysis of Budget Request**

**Appropriation:** 192 - Ethics Operations

**Funding Sources:** HUA - Miscellaneous Agencies Fund

The Arkansas Ethics Commission enforces Arkansas' standards of conduct and disclosure laws concerning candidates for public office, state and local public officials, lobbyists and committees, individuals involved with initiatives, referendums and other matters referred to the voters. The Commission is composed of a five (5) member board and a nine (9) member staff.

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

The Commission's Change Level requests total \$10,682 in FY10 and \$13,482 in FY11 and reflects the following:

Operating Expenses increase of \$2,482 each year for increased mileage reimbursements and conference fees for Board Members.

Conference and Travel Expenses in the amount of \$2,000 each year to educate/train a nine-member staff and for travel expenses associated with continuing the legal education required for the four staff attorneys to maintain their law licenses.

Capital Outlay of \$6,200 in FY10 and \$9,000 in FY11 for the replacement of a main computer server and desktop computers in accordance with the Commission's IT Plan.

The Executive Recommendation provides for Base Level.

## Appropriation Summary

**Appropriation:** 192 - Ethics Operations

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	436,481	427,322	444,784	445,211	445,211	445,211	455,979	455,979	455,979
<b>#Positions</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
Extra Help 5010001	0	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<b>#Extra Help</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching 5010003	125,497	121,385	133,435	129,359	129,359	129,359	131,374	131,374	131,374
Operating Expenses 5020002	80,120	88,898	91,380	88,898	91,380	88,898	88,898	91,380	88,898
Conference & Travel Expenses 5050009	2,347	3,000	3,000	3,000	5,000	3,000	3,000	5,000	3,000
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	6,200	0	0	9,000	0
<b>Total</b>	<b>644,445</b>	<b>642,105</b>	<b>674,099</b>	<b>667,968</b>	<b>678,650</b>	<b>667,968</b>	<b>680,751</b>	<b>694,233</b>	<b>680,751</b>
<b>Funding Sources</b>									
General Revenue 4000010	644,445	642,105		667,968	678,650	667,968	680,751	694,233	680,751
Total Funding	644,445	642,105		667,968	678,650	667,968	680,751	694,233	680,751
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	644,445	642,105		667,968	678,650	667,968	680,751	694,233	680,751

## Change Level by Appropriation

**Appropriation:** 192 - Ethics Operations  
**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>667,968</b>	<b>9</b>	<b>667,968</b>	<b>100.0</b>	<b>680,751</b>	<b>9</b>	<b>680,751</b>	<b>100.0</b>
C01	Existing Program	4,482	0	672,450	100.7	4,482	0	685,233	100.7
C08	Technology	6,200	0	678,650	101.6	9,000	0	694,233	102.0

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>667,968</b>	<b>9</b>	<b>667,968</b>	<b>100.0</b>	<b>680,751</b>	<b>9</b>	<b>680,751</b>	<b>100.0</b>
C01	Existing Program	0	0	667,968	100.0	0	0	680,751	100.0
C08	Technology	0	0	667,968	100.0	0	0	680,751	100.0

### Justification

C01	With regard to Operating Expenses, the increase includes a request of \$2,482 each year to restore the appropriation back to the FY07 authorized level. For several years, the Commission has had to block operating expenses to cover reduced funding levels and cannot maintain an adequate level of service at the proposed appropriation level. With regard to Conference and Travel Fees, the increase includes a request of \$2,000 each year and is necessary to continue legal education required for the attorneys and to educate and train a 9-person staff.
C08	With regard to Capital Outlay, the request is for additional appropriation during FY10 for a main computer server and FY11 for desktop computers in the amounts of \$6,200 and \$9,000 respectively. Replacement of these items is scheduled pursuant to the Commission's IT Plan under IT Support Costs - Hardware.

# OFFICE OF THE GOVERNOR

## Enabling Laws

Act 1241 of 2007

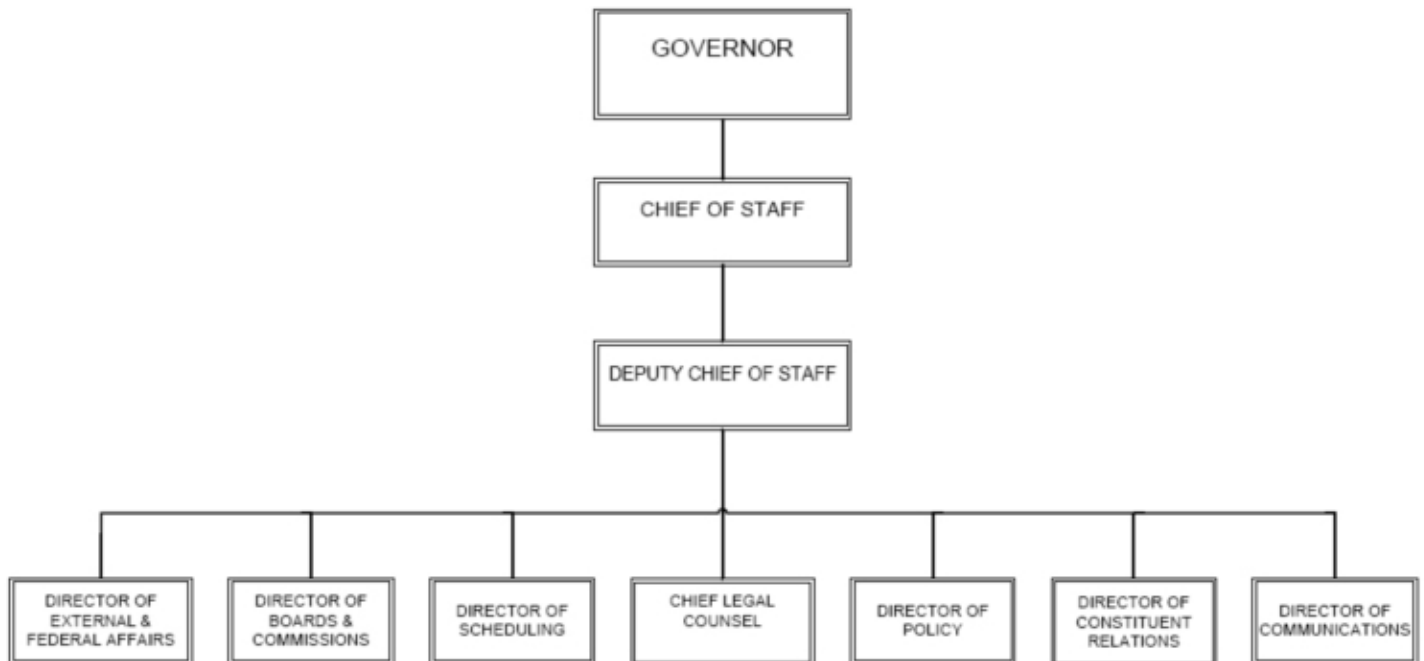
Act 406 of 2007

Constitution of Arkansas, Article 6

## History and Organization

In accordance with Article 6 of the Arkansas Constitution, the Governor, as elected by the people shall be vested with the executive power of the State. The Governor must be a U.S. citizen, a resident of the State for seven (7) years and be thirty (30) years of age. As Chief Executive of the State, the Governor may require written reports from Executive Department Directors. The Governor shall see that Arkansas laws are faithfully executed.

From time to time, the Governor shall inform the General Assembly on the condition of state government. He shall also make recommendations for their consideration on such measures as he may deem appropriate. Every bill that has passed both houses of the General Assembly shall be presented to the Governor for his signature. The Governor has veto power of line items in appropriation bills authorizing the expenditure of state funds.



**Agency Commentary**

The Governor’s Office is currently authorized fifty-nine (59) full time positions and seven (7) Extra Help positions. Salaries reflect a 5% increase in FY2010 and 2.3% in FY2011. Additional Extra Help appropriation and related Personal Services Matching is requested to better provide for the College Intern Program; \$23,796 each year of the biennium. All maintenance and operations line items are requested at the 2007-2009 authorized level with a reallocation of \$35,000 from Data Processing to Operating Expenses to properly classify data processing equipment maintenance expenditures. This authorized level includes restoring Capital Outlay in the amount of \$8,000 each year of the biennium for any unforeseen replacement of equipment/furniture.

The Governor’s Emergency Fund is requested to continue at the Base Level of \$500,000 each year of the biennium.

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 OFFICE OF THE GOVERNOR

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

**Employment Summary**

	Male	Female	Total	%
White Employees	18	22	40	70 %
Black Employees	7	8	15	26 %
Other Racial Minorities	1	1	2	4 %
Total Minorities			17	30 %
Total Employees			57	100 %

**Publications**

**A.C.A. 25-1-204**

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
001 Governor's Office - Operations	4,675,277	59	5,151,299	59	5,102,972	59	5,412,506	59	5,444,302	59	0	0	5,515,052	59	5,546,848	59	0	0
181 Governor's Emergency Proclamation	0	0	500,000	0	500,000	0	500,000	0	500,000	0	0	0	500,000	0	500,000	0	0	0
<b>Total</b>	<b>4,675,277</b>	<b>59</b>	<b>5,651,299</b>	<b>59</b>	<b>5,602,972</b>	<b>59</b>	<b>5,912,506</b>	<b>59</b>	<b>5,944,302</b>	<b>59</b>	<b>0</b>	<b>0</b>	<b>6,015,052</b>	<b>59</b>	<b>6,046,848</b>	<b>59</b>	<b>0</b>	<b>0</b>

Funding Sources		%		%		%		%		%		%		%		%		%
State Central Services 4000035	4,675,277	100.0	5,151,299	91.2			5,412,506	91.5	5,444,302	91.6	0	0.0	5,515,052	91.7	5,546,848	91.7	0	0.0
Governor's Emergency Fund 4000275	0	0.0	500,000	8.8			500,000	8.5	500,000	8.4	0	0.0	500,000	8.3	500,000	8.3	0	0.0
<b>Total Funds</b>	<b>4,675,277</b>	<b>100.0</b>	<b>5,651,299</b>	<b>100.0</b>			<b>5,912,506</b>	<b>100.0</b>	<b>5,944,302</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>6,015,052</b>	<b>100.0</b>	<b>6,046,848</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
<b>Grand Total</b>	<b>4,675,277</b>		<b>5,651,299</b>				<b>5,912,506</b>		<b>5,944,302</b>		<b>0</b>		<b>6,015,052</b>		<b>6,046,848</b>		<b>0</b>	

No Executive Recommendation made on these appropriations.



## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
59	56	3	59	0	5.08 %	59	58	1	59	0	1.69 %	59	57	2	59	0	3.39 %

## Appropriation Summary

**Appropriation:** 001 - Governor's Office - Operations

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,957,312	3,385,728	3,378,928	3,556,397	3,556,397	0	3,640,441	3,640,441	0
<b>#Positions</b>		<b>59</b>	<b>59</b>	<b>59</b>	<b>59</b>	<b>59</b>	<b>0</b>	<b>59</b>	<b>59</b>	<b>0</b>
Extra Help	5010001	8,215	8,500	8,500	8,500	30,000	0	8,500	30,000	0
<b>#Extra Help</b>		<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>0</b>
Personal Services Matching	5010003	834,704	973,165	931,638	1,071,703	1,073,999	0	1,090,205	1,092,501	0
Operating Expenses	5020002	781,669	661,906	661,906	661,906	696,906	0	661,906	696,906	0
Conference & Travel Expenses	5050009	37,157	65,000	65,000	65,000	65,000	0	65,000	65,000	0
Professional Fees	5060010	1,000	14,000	14,000	14,000	14,000	0	14,000	14,000	0
Data Processing	5090012	33,027	35,000	35,000	35,000	0	0	35,000	0	0
Capital Outlay	5120011	22,193	8,000	8,000	0	8,000	0	0	8,000	0
<b>Total</b>		<b>4,675,277</b>	<b>5,151,299</b>	<b>5,102,972</b>	<b>5,412,506</b>	<b>5,444,302</b>	<b>0</b>	<b>5,515,052</b>	<b>5,546,848</b>	<b>0</b>
<b>Funding Sources</b>										
State Central Services	4000035	4,675,277	5,151,299		5,412,506	5,444,302	0	5,515,052	5,546,848	0
<b>Total Funding</b>		<b>4,675,277</b>	<b>5,151,299</b>		<b>5,412,506</b>	<b>5,444,302</b>	<b>0</b>	<b>5,515,052</b>	<b>5,546,848</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>4,675,277</b>	<b>5,151,299</b>		<b>5,412,506</b>	<b>5,444,302</b>	<b>0</b>	<b>5,515,052</b>	<b>5,546,848</b>	<b>0</b>

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

Actuals for Operating Expenses and Capital Outlay exceeds Authorized due to Special Language that allows a transfer of appropriation from any line item to any other line item authorized in this appropriation.

Special Language authorizes carry forward of appropriation. The amount of appropriation carried forward for FY09 was \$203,903.

No Executive Recommendation made on this appropriation.

## Change Level by Appropriation

**Appropriation:** 001 - Governor's Office - Operations

**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>5,412,506</b>	<b>59</b>	<b>5,412,506</b>	<b>100.0</b>	<b>5,515,052</b>	<b>59</b>	<b>5,515,052</b>	<b>100.0</b>
C01	Existing Program	8,000	0	5,420,506	100.1	8,000	0	5,523,052	100.1
C02	New Program	23,796	0	5,444,302	100.6	23,796	0	5,546,848	100.6
C04	Reallocation	0	0	5,444,302	100.6	0	0	5,546,848	100.6

### Justification

C01	Requested increase is to restore Capital Outlay to the 2007-2009 authorized level for unforeseen replacement of equipment/furniture.
C02	Request for additional Extra Help appropriation and corresponding Personal Services Matching for College Intern Program.
C04	Reallocation of \$35,000 from Data Processing to Operating Expenses to properly classify data processing equipment maintenance expenditures.

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Office of the Governor

Program: Governor's Office - Operations

Act #: 1241 of 2007 Section(s) #: 3 & 4

Estimated Carry Forward Amount \$ 375,760.00 Appropriation  Funds

Funding Source: State Central Services

**Accounting Information:**

Business Area: 0034 Funds Center: 001 Fund: HSC Functional Area: CNST

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Personal Services Matching	5010003	100,000.00	83,324.83
Operating Expenses	5020002	200,000.00	77,395.93
Conference & Travel Expenses	5050009	28,000.00	27,842.77
Professional Fees	5060010	12,393.00	13,000.00
Data Processing	5090012	35,000.00	367.07
Capital Outlay	5120011	367.00	1,972.76
<b>Total</b>		<b>\$ 375,760.00</b>	<b>\$ 203,903.36</b>

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

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

To ensure adequate appropriation for any unforeseen or unanticipated expenses that may occur, including but not limited to the possible future purchase of IT equipment.

**Actual Funding Carry Forward Amount** \$ 0.00

**Current status of carry forward appropriation/funding:**

To ensure adequate appropriation for any unforeseen or unanticipated expenses that may occur, including but not limited to the possible future purchase of IT equipment.

Honorable Mike Beebe  
Governor

08-18-2008  
Date

## Appropriation Summary

**Appropriation:** 181 - Governor's Emergency Proclamation

**Funding Sources:** MTA - Miscellaneous Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	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
<b>Funding Sources</b>									
Governor's Emergency Fund 4000275	0	500,000		500,000	500,000	0	500,000	500,000	0
Total Funding	0	500,000		500,000	500,000	0	500,000	500,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	500,000		500,000	500,000	0	500,000	500,000	0

Expenditure for Emergency Proclamations are reflected in the Department of Finance and Administration - Disbursing Officer appropriation (777).

No Executive Recommendation made on this appropriation.

# GOVERNOR'S MANSION COMMISSION

## Enabling Laws

Act 1060 of 2007

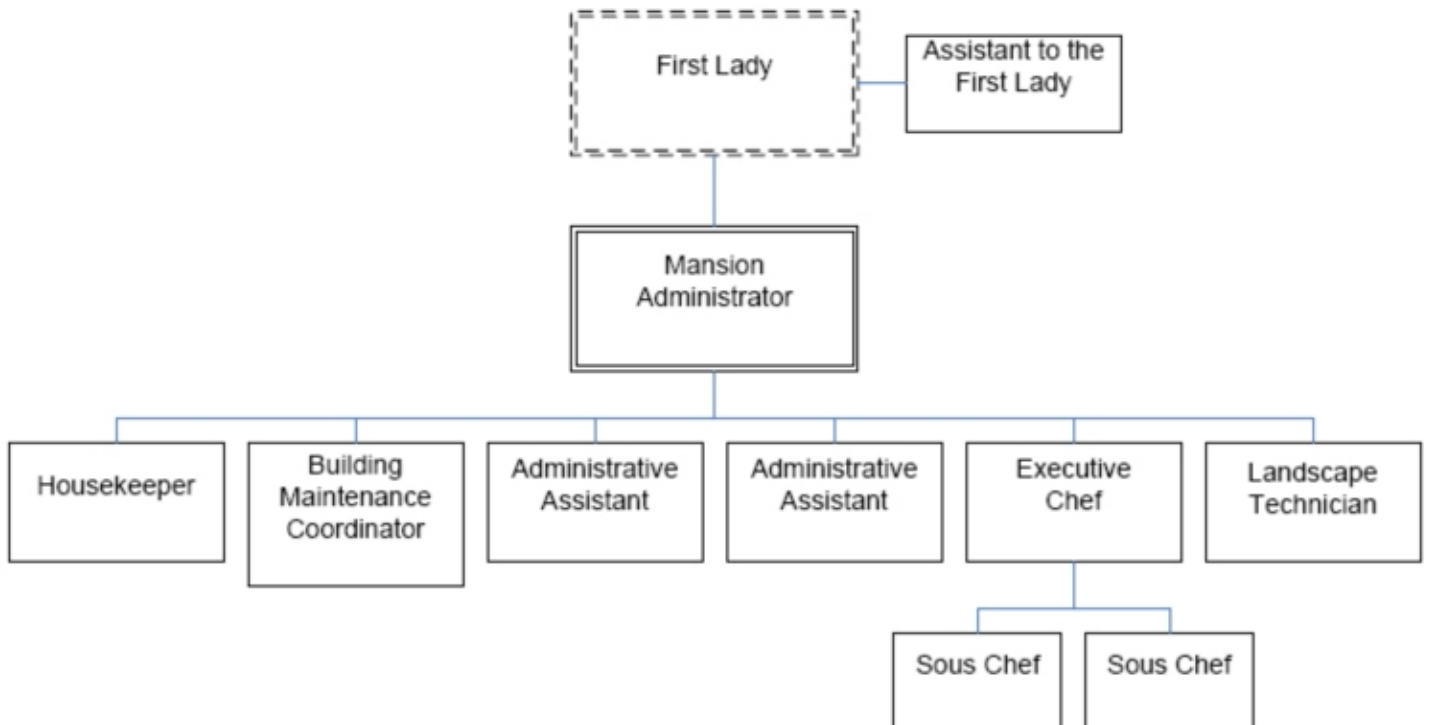
Act 416 of 2007

ACA §22-3-801

## History and Organization

In accordance with ACA §22-3-801, the State of Arkansas shall furnish its Governor a mansion to live in during the term of office. The Governor's Mansion Commission is composed of eight members appointed by the Governor and is assisted by the Mansion Advisory Council. The Advisory Council is composed of three members of the Senate and House of Representatives. The duties and powers of the Commission are:

- To survey the condition of the Mansion, grounds and contents;
- To establish rules and regulations governing improvements, repairs, etc for the Mansion, grounds and contents;
- To prepare an annual report each November for the Governor and Legislative Council summarizing its findings and recommendations of necessary repairs, improvements, etc.
- To solicit and accept gifts, grants and donations for use in purchasing furnishings, plantings and artwork, etc. All gifts must be approved by the Governor and the Commission.



**Agency Commentary**

The Governor’s Mansion Commission is currently authorized ten (10) full time positions and four (4) Extra Help positions. Salaries reflect a 5% increase in FY2010 and 2.3% in FY2011. The Extra Help, Uniform Allowance, Mansion Allowance, and Mansion Expense line items are requested at Base Level for the 2009-2011 biennium.

The Commission is requesting a new Cash in Treasury appropriation for Grand Hall, Governor's Mansion, and Mansion Grounds expenses in the amount of \$500,000 each year. During the 2007-2009 biennium Special Language provided for proceeds generated in the rental of the Grand Hall be deposited in the State Treasury as a "Refund to Expenditure" against Grand Hall expenses paid from the Mansion's operating appropriation. This cash appropriation will allow the Commission to properly reflect the proceeds generated in the rental of the Grand Hall as well as expenditures.

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
GOVERNOR'S MANSION AND MANSION COMMISSION

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

**Employment Summary**

	Male	Female	Total	%
White Employees	5	4	9	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			9	100 %

**Publications**

**A.C.A. 25-1-204**

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
532 Governor's Mansion - Operations	774,497	9	1,024,347	10	1,016,955	10	1,064,596	10	1,064,596	10	0	0	1,079,260	10	1,079,260	10	0	0
56V Grand Hall/Mansion/Grounds - Cash in Treasury	0	0	0	0	0	0	0	0	500,000	0	0	0	0	0	500,000	0	0	0
<b>Total</b>	<b>774,497</b>	<b>9</b>	<b>1,024,347</b>	<b>10</b>	<b>1,016,955</b>	<b>10</b>	<b>1,064,596</b>	<b>10</b>	<b>1,564,596</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>1,079,260</b>	<b>10</b>	<b>1,579,260</b>	<b>10</b>	<b>0</b>	<b>0</b>

Funding Sources		%		%		%		%		%		%		%		%		%
State Central Services 4000035	774,497	100.0	1,024,347	100.0			1,064,596	100.0	1,064,596	68.0	0	0.0	1,079,260	100.0	1,079,260	68.3	0	0.0
Cash Fund 4000045	0	0.0	0	0.0			0	0.0	500,000	32.0	0	0.0	0	0.0	500,000	31.7	0	0.0
<b>Total Funds</b>	<b>774,497</b>	<b>100.0</b>	<b>1,024,347</b>	<b>100.0</b>			<b>1,064,596</b>	<b>100.0</b>	<b>1,564,596</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>1,079,260</b>	<b>100.0</b>	<b>1,579,260</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
<b>Grand Total</b>	<b>774,497</b>		<b>1,024,347</b>				<b>1,064,596</b>		<b>1,564,596</b>		<b>0</b>		<b>1,079,260</b>		<b>1,579,260</b>		<b>0</b>	

Budget amount exceeds Authorized amount due to salary adjustments during the 2007-2009 biennium.

No Executive Recommendation made on these appropriations.



## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
7	7	0	7	0	0.00 %	10	9	1	10	0	10.00 %	10	9	1	10	0	10.00 %

## Appropriation Summary

**Appropriation:** 532 - Governor's Mansion - Operations

**Funding Sources:** HSC - State Central Services Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	382,222	499,128	499,128	524,682	524,682	0	536,731	536,731	0
<b>#Positions</b>		<b>9</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>10</b>	<b>0</b>
Extra Help	5010001	1,494	12,000	12,000	12,000	12,000	0	12,000	12,000	0
<b>#Extra Help</b>		<b>2</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>0</b>
Personal Services Matching	5010003	118,210	151,389	143,997	166,084	166,084	0	168,699	168,699	0
Uniform Allowance	5010016	500	500	500	500	500	0	500	500	0
Gov Mansion Allowance	5900046	60,000	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Mansion Expense	5900047	212,071	301,330	301,330	301,330	301,330	0	301,330	301,330	0
<b>Total</b>		<b>774,497</b>	<b>1,024,347</b>	<b>1,016,955</b>	<b>1,064,596</b>	<b>1,064,596</b>	<b>0</b>	<b>1,079,260</b>	<b>1,079,260</b>	<b>0</b>
<b>Funding Sources</b>										
State Central Services	4000035	774,497	1,024,347		1,064,596	1,064,596	0	1,079,260	1,079,260	0
<b>Total Funding</b>		<b>774,497</b>	<b>1,024,347</b>		<b>1,064,596</b>	<b>1,064,596</b>	<b>0</b>	<b>1,079,260</b>	<b>1,079,260</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>774,497</b>	<b>1,024,347</b>		<b>1,064,596</b>	<b>1,064,596</b>	<b>0</b>	<b>1,079,260</b>	<b>1,079,260</b>	<b>0</b>

Budget amount in Personal Services Matching exceeds authorized amount due to salary adjustments during the 2007-2009 biennium.

Mansion Expense includes M&R expenditures in the amount of \$3003.

Special Language authorizes carry forward of appropriation. The amount of appropriation carried forward for FY09 was \$251,423.

No Executive Recommendation made on this appropriation.

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Governor's Mansion Commission

Program: Governor's Mansion - Operations

Act #: 1060 of 2007 Section(s) #: 3 & 4

Estimated Carry Forward Amount \$ 222,856.00 Appropriation  Funds

Funding Source: State Central Services

**Accounting Information:**

Business Area: 0314 Funds Center: 532 Fund: HSC Functional Area: PROF

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Regular Salaries	5010000	109,000.00	107,121.88
Extra Help	5010001	11,856.00	10,506.00
Personal Services Matching	5010003	27,000.00	23,810.46
Mansion Expense	5900047	75,000.00	109,985.12
Total		\$ 222,856.00	\$ 251,423.46

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

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

To ensure adequate appropriation for any unforeseen or unanticipated expenses that may occur at the Governor's Mansion.

Actual Funding Carry Forward Amount \$ 0.00

**Current status of carry forward appropriation/funding:**

To ensure adequate appropriation for any unforeseen or unanticipated expenses that may occur at the Governor's Mansion.

Wayne Cranford  
Chairman

08-18-2008  
Date

**Appropriation Summary**

**Appropriation:** 56V - Grand Hall/Mansion/Grounds - Cash in Treasury

**Funding Sources:** NGM - Grand Hall/Mansion/Grounds - Cash in Treasury

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grand Hall/Mansion/Grounds Exp 5900046	0	0	0	0	500,000	0	0	500,000	0
Total	0	0	0	0	500,000	0	0	500,000	0
<b>Funding Sources</b>									
Cash Fund 4000045	0	0		0	500,000	0	0	500,000	0
Total Funding	0	0		0	500,000	0	0	500,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	500,000	0	0	500,000	0

No Executive Recommendation made on this appropriation.

## Change Level by Appropriation

**Appropriation:** 56V - Grand Hall/Mansion/Grounds - Cash in Treasury  
**Funding Sources:** NGM - Grand Hall/Mansion/Grounds - Cash in Treasury

### Agency Request

Change Level	2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C02   New Program	500,000	0	500,000	100.0	500,000	0	500,000	100.0

### Justification

C02	Appropriation requested will be used for the expenses of the Arkansas Governor's Mansion, Grand Hall and grounds. Proceeds are generated from the rental of the Grand Hall.
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# COMMISSIONER OF STATE LANDS

## Enabling Laws

Act 529 of 2007

Constitution of Arkansas, Article 6

Constitution of Arkansas, Amendment 37 (repealed) Amendment 56

## History and Organization

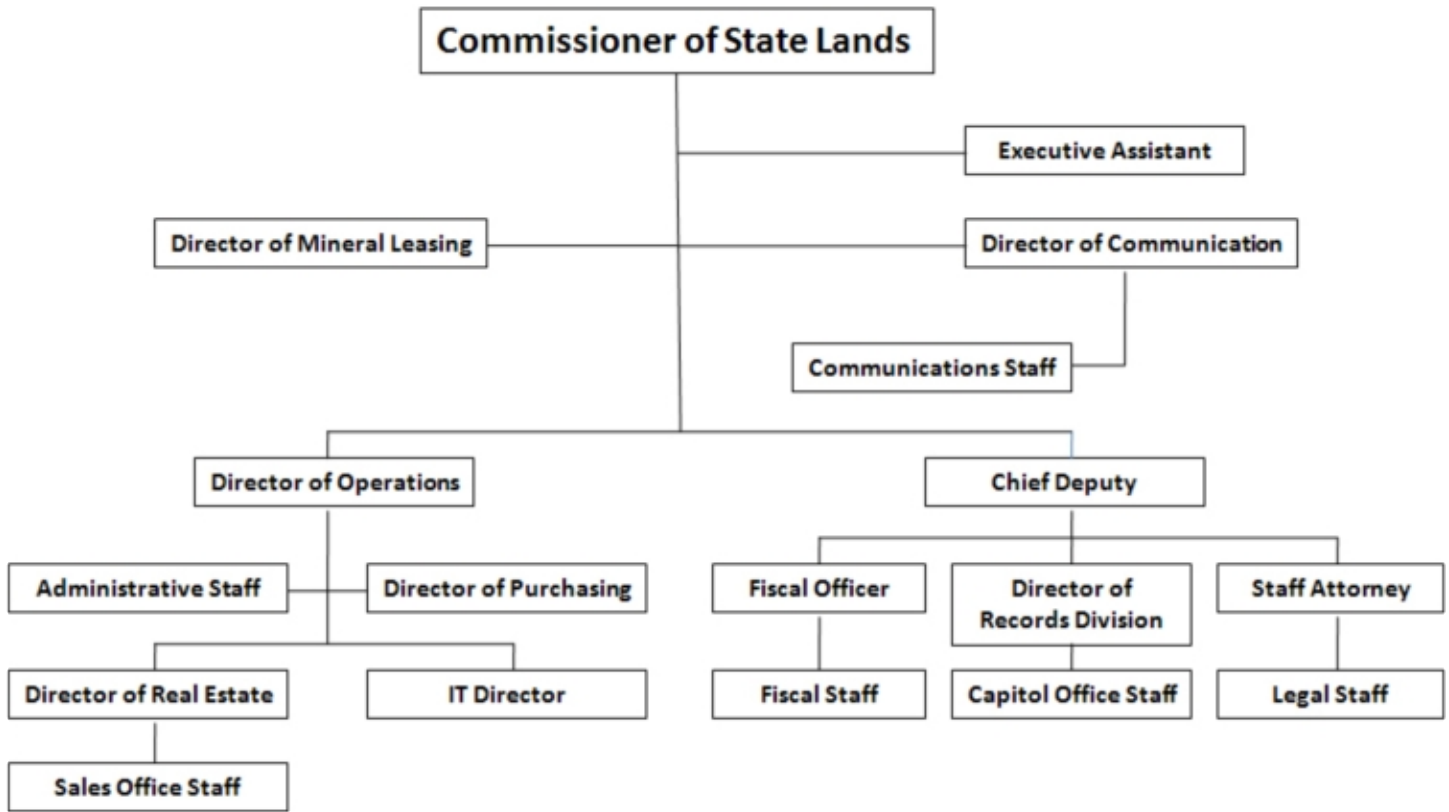
The Commissioner of State Lands is an elected official serving a four-year term of office. Constitutional Amendment 37, approved by the voters in 1946, established the Commissioner of State Lands as one of Arkansas' seven popularly elected constitutional officers.

One of the major responsibilities of the Commissioner of State Lands is to return to private ownership those lands that have been certified to the state for non-payment of ad valorem real estate taxes. The procedure used is outlined in Act 626 of 1983, as amended. Essentially, this is accomplished either by the owner of record redeeming the land by paying the taxes, or by selling the property at a public sale.

The Commissioner of State Lands retains forfeited lands for two years, during which time owners may redeem their property by paying all taxes, penalties, interest and costs due. During this period diligent efforts are made to make the owner aware that his taxes are delinquent, including a notice by certified mail. If the owner does not redeem his land during this time period, the office offers the parcel for sale at a public auction. These sales are held throughout the state in the county in which the property is located. This process guarantees that the lands will continue to generate the revenues required to provide essential public services.

The Commissioner of State Lands office leases the minerals on all state owned lands, including the beds of the navigable waterways in the state with the exception of those lands held by the Arkansas Game and Fish Commission. The office currently supervises the payments on 107 leases for oil and gas rights, as well as 35 sand and gravel permits and 3 brine leases within the state.

This office is directed to maintain a file of the deeds to all lands owned by the State of Arkansas or its agencies and institutions with the exception of the Arkansas Highway and Transportation Department. The information is published in booklet form and is available to the public.



## **Agency Commentary**

The Commissioner of State Lands is responsible for the disposition of tax delinquent real property forfeited to the State from Arkansas counties following the timetable prescribed in the statutes. Once the tax delinquent land is forfeited to the State, the Commissioner of State Lands is charged with the responsibility of contacting the delinquent owner, as well as any known interested parties, by certified mail or actual notice by process service, giving notice that the property is delinquent and that unless redeemed, it will be offered for sale at public auction. However, the mission of this office is to collect the delinquent taxes prior to offering parcels for public auction. Approximately 88% of all parcels forfeited are redeemed prior to the sale or during the 30-day redemption period following the sale. Since the implementation of Act 626 of 1983, the Commissioner of State Lands office has collected over \$184 million from the redemption and sale of tax delinquent property, with less than 12% of those dollars derived from the actual sale of the property.

The Commissioner of State Lands proposes the following budget changes for the 2009-2011 biennium:

### **Operations (Appropriation 006)**

Base Level salaries for unclassified positions reflect Cost of Living Allowance adjustments of 5% in FY10 and 2.3% in FY11. The Base Level request for Regular Salaries may include Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Commissioner of State Lands requests Base Level for this appropriation.

**Delinquent Tax (Appropriation B28)**

The Commissioner of State Lands is requesting a 5% increase in Maintenance and Operations to fund cost of living increases in daily operations such as rent of facilities, fuel and publication costs. An increase in this appropriation has not been requested since FY03. A second increase is requested for the Professional Fees (Legal) appropriation. As a result of the United States Supreme Court Case, Jones v. Flowers, the Commissioner of State Lands has been exposed to an increased risk of litigation liability. In order to mitigate this liability, the Commissioner’s office has expanded the number of properties being served with actual notice or with posting. A third increase is requested for the Refunds/Reimbursement appropriation which funds the reimbursement of recording fees to the county circuit clerks for recording redemption deeds and sale deeds. Act 1299 of the 86<sup>th</sup> General Assembly, now Act 615 of 2007, increased the recording fee for the recording of documents from eight dollars (\$8) per page to fifteen dollars (\$15) per page. A final increase is requested for the Delinquent Tax Remittal appropriation as a result of House Bill 2759 of the 85<sup>th</sup> General Assembly, now Act 1880 of 2005. This Act reduced the turnback period on excess proceeds from seven to five years. As a result, the Commissioner’s office will be required to return to the counties two turnback years, instead of one, during fiscal years 2011 and 2012. All of these requested increases would be funded by revenues generated by the Commissioner of State Lands Office and not general revenue funds.

**Natural Resources Leasing (Appropriation 084)**

The Commissioner of State Lands is requesting a reallocation of resources from the Natural Resources Leasing and Permit Program to the Delinquent Tax appropriation. The Severed Resources Fund has not been sufficient to fully support this appropriation. Therefore, the Commissioner is requesting to combine these appropriations to adequately provide for this program. The Commissioner has also requested special language to redirect these revenues to the existing cash fund.

**Operating Expenses/Capital Outlay (Appropriation A14)**

The Commissioner of State Lands requests Base Level for this appropriation.

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS STATE LAND DEPARTMENT  
FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None



## Employment Summary

	Male	Female	Total	%	
White Employees	12	24	36	90 %	
Black Employees	1	3	4	10 %	
Other Racial Minorities	0	0	0	0 %	
			Total Minorities	4	10 %
			Total Employees	40	100 %

## Cash Fund Balance Description as of June 30, 2008

Fund Account	Balance	Type	Location
1170000	\$24,500,000	CD	Various Banks

### Statutory/Other Restrictions on use:

A.C.A 26-37-205 Funds are collected through redemption and sale of tax delinquent lands. Tax amounts are returned to counties where properties are located, along with interest money collected and county costs. Penalty and costs are retained by the Commissioner of State Lands to fund on-going operations of his office.

### Statutory Provisions for Fees, Fines, Penalties:

A.C.A 21-6-203 Commissioner of State Lands deposits fees, penalties, etc. into cash funds, retained by the Commissioner of State Lands to fund on-going operations of his office.

### Revenue Receipts Cycle:

N/A

### Fund Balance Utilization:

Fund balances are maintained to utilize as pass-through mechanist to return taxes to counties, payment of recording fees, return excess proceeds of land sales to former owners, ongoing expenses of the office, etc.

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Fund Account	Balance	Type	Location
1170000	\$10,454,665	Checking	First Security Bank Searcy

### Statutory/Other Restrictions on use:

A.C.A 26-37-205 Funds are collected through redemption and sale of tax delinquent lands. Tax amounts are returned to counties where properties are located, along with interest money collected and county costs. Penalty and costs are retained by the Commissioner of State Lands to fund on-going operations of his office.

### Statutory Provisions for Fees, Fines, Penalties:

A.C.A 21-6-203 Commissioner of State Lands deposits fees, penalties, etc. into cash funds, retained by the Commissioner of State Lands to fund on-going operations of his office.

Revenue Receipts Cycle:  
N/A

Fund Balance Utilization:

Fund balances are maintained to utilize as pass-through mechanist to return taxes to counties, payment of recording fees, return excess proceeds of land sales to former owners, ongoing expenses of the office, etc.

Fund Account	Balance	Type	Location
1170100-1000	500,000	CD	Amity Chambers Bank
	500,000	CD	Arkadelphia, Summit Bank of
	500,000	CD	Augusta, Bank of
	500,000	CD	Bank of Brinkley
	1,000,000	CD	Bank of Fayetteville
	2,000,000	CD	Centennial Bank
	500,000	CD	Chambers Bank Danville
	1,000,000	CD	Chart Bank of Perryville
	1,000,000	CD	Conway First State Bank
	500,000	CD	El Dorado First Financial Bank
	500,000	CD	Farmers & Merchants Bank Stuttgart
	500,000	CD	Farmers Bank Greenwood
	1,000,000	CD	First National Bank Hot Springs
	1,000,000	CD	First National Bank of Paragould
	1,000,000	CD	First National Bank of Wynne
	500,000	CD	First Security Bank, Conway
	500,000	CD	First Service Bank Greenbrier
	1,000,000	CD	Liberty Bank Jonesboro
	1,000,000	CD	Little Rock Metropolitan Bank
	500,000	CD	Little Rock One Bank & Trust
	500,000	CD	Magnolia Farmer's Bank & Trust
	1,000,000	CD	National Bank of Arkansas
	2,000,000	CD	North Little Rock Twin City Bank
	500,000	CD	Petit Jean State Bank
	1,000,000	CD	Pine Bluff National Bank
	500,000	CD	Sheridan Peoples Bank
	1,000,000	CD	Summit Bank of Hope
	500,000	CD	The Bank of Rogers
	1,000,000	CD	The Bank of Salem
	500,000	CD	Union Bank Benton
	500,000	CD	US Bank of Little Rock

**Publications**

**A.C.A. 25-1-204**

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
006 Operations	2,449,193	38	3,101,399	45	3,138,856	45	3,283,060	45	3,283,060	45	0	0	3,350,531	45	3,350,531	45	0	0
084 Natural Resources Leasing	14,982	0	15,000	0	15,000	0	15,000	0	0	0	0	0	15,000	0	0	0	0	0
A14 Operating Expenses / Capital Outlay	140,908	0	267,800	0	267,800	0	267,800	0	267,800	0	0	0	267,800	0	267,800	0	0	0
B28 Delinquent Tax-Cash	16,699,053	0	20,291,000	0	20,291,000	0	20,291,000	0	21,665,304	0	0	0	20,291,000	0	22,717,068	0	0	0
<b>Total</b>	<b>19,304,136</b>	<b>38</b>	<b>23,675,199</b>	<b>45</b>	<b>23,712,656</b>	<b>45</b>	<b>23,856,860</b>	<b>45</b>	<b>25,216,164</b>	<b>45</b>	<b>0</b>	<b>0</b>	<b>23,924,331</b>	<b>45</b>	<b>26,335,399</b>	<b>45</b>	<b>0</b>	<b>0</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	33,117,734	61.0	34,954,665	59.6	34,954,665	59.4	34,954,665	58.1	0	0.0	34,954,665	59.4	34,954,665	57.0	0	0.0	0.0
Special Revenue	4000030	14,982	0.0	15,000	0.0	15,000	0.0	0	0.0	0	0.0	15,000	0.0	0	0.0	0	0.0	0.0
State Central Services	4000035	2,449,193	4.5	3,101,399	5.3	3,283,060	5.6	3,283,060	5.5	0	0.0	3,350,531	5.7	3,350,531	5.5	0	0.0	0.0
Cash Fund	4000045	18,676,892	34.4	20,558,800	35.1	20,558,800	35.0	21,933,104	36.5	0	0.0	20,558,800	34.9	22,984,868	37.5	0	0.0	0.0
<b>Total Funds</b>		<b>54,258,801</b>	<b>100.0</b>	<b>58,629,864</b>	<b>100.0</b>	<b>58,811,525</b>	<b>100.0</b>	<b>60,170,829</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>58,878,996</b>	<b>100.0</b>	<b>61,290,064</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
Excess Appropriation/(Funding)		(34,954,665)		(34,954,665)		(34,954,665)		(34,954,665)		0		(34,954,665)		(34,954,665)		0		
<b>Grand Total</b>		<b>19,304,136</b>		<b>23,675,199</b>		<b>23,856,860</b>		<b>25,216,164</b>		<b>0</b>		<b>23,924,331</b>		<b>26,335,399</b>		<b>0</b>		

No Executive Recommendation made on these appropriations.

Natural Resources Leasing (Appropriation 084) is not requested for the new biennium. The Land Department has requested to reallocate this appropriation to Delinquent Tax - Cash (Appropriation B28).

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Total	Total	Total	Total			Total				
48	41	7	48	0	14.58 %	45	38	7	45	0	15.56 %	45	40	5	45	0	11.11 %

## Appropriation Summary

**Appropriation:** 006 - Operations

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,816,772	2,354,070	2,354,070	2,471,763	2,471,763	0	2,528,594	2,528,594	0
<b>#Positions</b>		<b>38</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>0</b>	<b>45</b>	<b>45</b>	<b>0</b>
Extra Help	5010001	10,395	40,000	40,000	40,000	40,000	0	40,000	40,000	0
<b>#Extra Help</b>		<b>1</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>0</b>
Personal Services Matching	5010003	547,863	631,329	668,786	695,297	695,297	0	705,937	705,937	0
Operating Expenses	5020002	65,815	66,000	66,000	66,000	66,000	0	66,000	66,000	0
Conference & Travel Expenses	5050009	8,348	10,000	10,000	10,000	10,000	0	10,000	10,000	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
<b>Total</b>		<b>2,449,193</b>	<b>3,101,399</b>	<b>3,138,856</b>	<b>3,283,060</b>	<b>3,283,060</b>	<b>0</b>	<b>3,350,531</b>	<b>3,350,531</b>	<b>0</b>
<b>Funding Sources</b>										
State Central Services	4000035	2,449,193	3,101,399		3,283,060	3,283,060	0	3,350,531	3,350,531	0
<b>Total Funding</b>		<b>2,449,193</b>	<b>3,101,399</b>		<b>3,283,060</b>	<b>3,283,060</b>	<b>0</b>	<b>3,350,531</b>	<b>3,350,531</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>2,449,193</b>	<b>3,101,399</b>		<b>3,283,060</b>	<b>3,283,060</b>	<b>0</b>	<b>3,350,531</b>	<b>3,350,531</b>	<b>0</b>

No Executive Recommendation on this appropriation.

**Appropriation Summary**

**Appropriation:** 084 - Natural Resources Leasing

**Funding Sources:** SSR - Severed Resources Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	14,982	15,000	15,000	15,000	0	0	15,000	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
<b>Total</b>	<b>14,982</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>									
Special Revenue 4000030	14,982	15,000		15,000	0	0	15,000	0	0
<b>Total Funding</b>	<b>14,982</b>	<b>15,000</b>		<b>15,000</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>14,982</b>	<b>15,000</b>		<b>15,000</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>0</b>	<b>0</b>

No Executive Recommendation on this appropriation.

APPROPRIATION NOT REQUESTED FOR THE 2009-2011 BIENNIUM. The Land Department has requested to reallocate this appropriation to Delinquent Tax - Cash (Appropriation B28).

## Change Level by Appropriation

**Appropriation:** 084 - Natural Resources Leasing

**Funding Sources:** SSR - Severed Resources Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>100.0</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>100.0</b>
C04	Reallocation	(15,000)	0	0	0.0	(15,000)	0	0	0.0

**Appropriation Summary**

**Appropriation:** A14 - Operating Expenses / Capital Outlay

**Funding Sources:** 117 - Commissioner of State Lands - Cash

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Capital Outlay/Operating Exp 5900046	140,908	267,800	267,800	267,800	267,800	0	267,800	267,800	0
<b>Total</b>	<b>140,908</b>	<b>267,800</b>	<b>267,800</b>	<b>267,800</b>	<b>267,800</b>	<b>0</b>	<b>267,800</b>	<b>267,800</b>	<b>0</b>
<b>Funding Sources</b>									
Fund Balance 4000005	56,400	115,990		115,990	115,990	0	115,990	115,990	0
Cash Fund 4000045	200,498	267,800		267,800	267,800	0	267,800	267,800	0
<b>Total Funding</b>	<b>256,898</b>	<b>383,790</b>		<b>383,790</b>	<b>383,790</b>	<b>0</b>	<b>383,790</b>	<b>383,790</b>	<b>0</b>
Excess Appropriation/(Funding)	(115,990)	(115,990)		(115,990)	(115,990)	0	(115,990)	(115,990)	0
<b>Grand Total</b>	<b>140,908</b>	<b>267,800</b>		<b>267,800</b>	<b>267,800</b>	<b>0</b>	<b>267,800</b>	<b>267,800</b>	<b>0</b>

No Executive Recommendation on this appropriation.



## Appropriation Summary

**Appropriation:** B28 - Delinquent Tax-Cash

**Funding Sources:** 117 - Commissioner of State Lands - Cash

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	831,083	986,000	986,000	986,000	1,035,304	0	986,000	1,087,068	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	329,476	530,000	530,000	530,000	780,000	0	530,000	780,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	194,018	275,000	275,000	275,000	350,000	0	275,000	350,000	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Deliquent Tax Remittal/Sale Refu	5900046	15,344,476	18,500,000	18,500,000	18,500,000	19,500,000	0	18,500,000	20,500,000	0
<b>Total</b>		<b>16,699,053</b>	<b>20,291,000</b>	<b>20,291,000</b>	<b>20,291,000</b>	<b>21,665,304</b>	<b>0</b>	<b>20,291,000</b>	<b>22,717,068</b>	<b>0</b>
<b>Funding Sources</b>										
Fund Balance	4000005	33,061,334	34,838,675		34,838,675	34,838,675	0	34,838,675	34,838,675	0
Cash Fund	4000045	18,476,394	20,291,000		20,291,000	21,665,304	0	20,291,000	22,717,068	0
<b>Total Funding</b>		<b>51,537,728</b>	<b>55,129,675</b>		<b>55,129,675</b>	<b>56,503,979</b>	<b>0</b>	<b>55,129,675</b>	<b>57,555,743</b>	<b>0</b>
Excess Appropriation/(Funding)		(34,838,675)	(34,838,675)		(34,838,675)	(34,838,675)	0	(34,838,675)	(34,838,675)	0
<b>Grand Total</b>		<b>16,699,053</b>	<b>20,291,000</b>		<b>20,291,000</b>	<b>21,665,304</b>	<b>0</b>	<b>20,291,000</b>	<b>22,717,068</b>	<b>0</b>

No Executive Recommendation on this appropriation.

## Change Level by Appropriation

**Appropriation:** B28 - Delinquent Tax-Cash  
**Funding Sources:** 117 - Commissioner of State Lands - Cash

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>20,291,000</b>	<b>0</b>	<b>20,291,000</b>	<b>100.0</b>	<b>20,291,000</b>	<b>0</b>	<b>20,291,000</b>	<b>100.0</b>
C01	Existing Program	1,359,304	0	21,650,304	106.7	2,411,068	0	22,702,068	111.9
C04	Reallocation	15,000	0	21,665,304	106.8	15,000	0	22,717,068	112.0

# LEGISLATIVE AUDIT

## **Enabling Laws**

Act 443 of 2007  
A.C.A. §10-3-401 et seq.  
A.C.A. §10-4-401 et seq.

## **History and Organization**

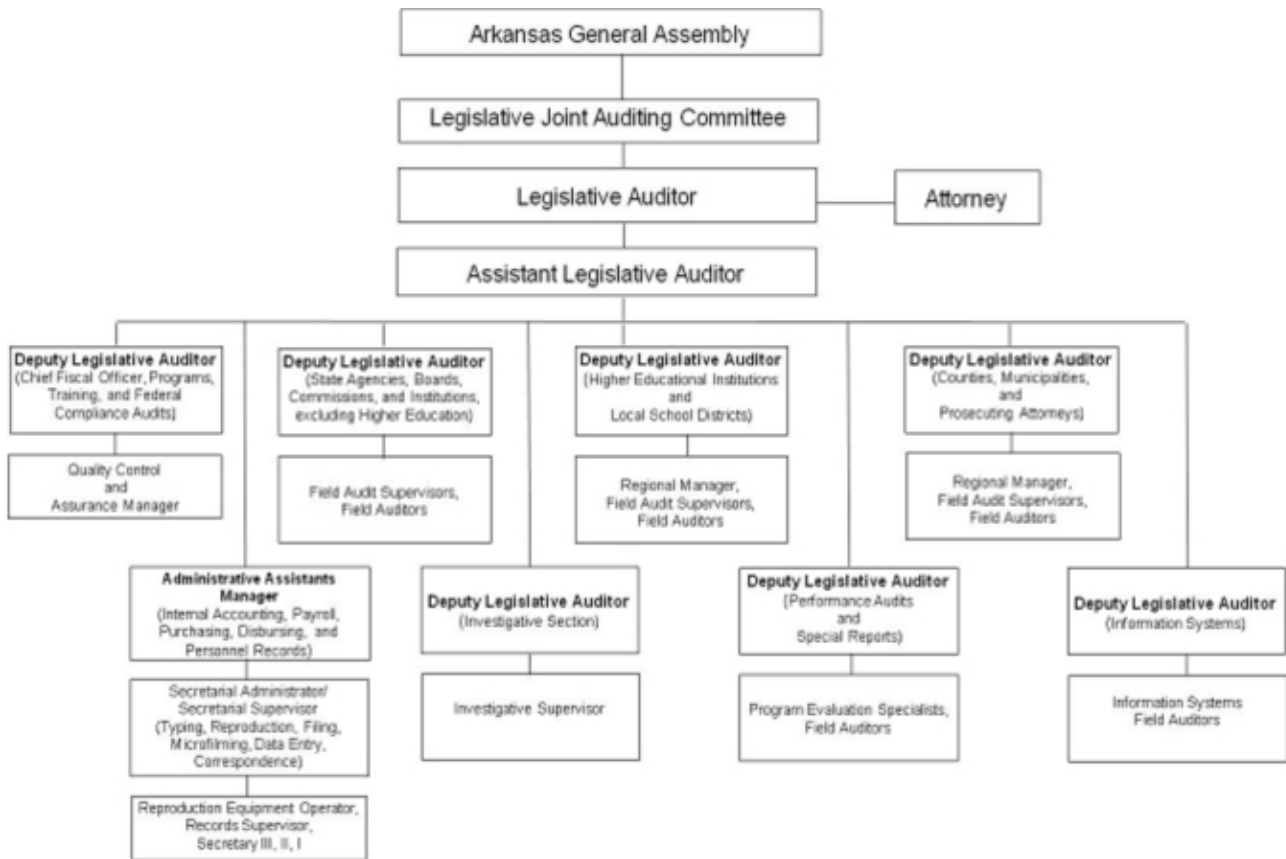
The Legislative Joint Auditing Committee and the Division of Legislative Audit were created by Acts 41 and 268 of 1953. These acts were subsequently repealed, and the Committee and Division recreated under Act 105 of 1955. Act 2201 of 2005 amended certain provisions of A.C.A. §10-3-401 et seq. regarding the Legislative Joint Auditing Committee, repealed A.C.A. §10-4-101 et seq., and established revised enabling legislation for the Division of Legislative Audit at A.C.A. §10-4-401 et seq.

The Legislative Joint Auditing Committee consists of up to forty-four (44) voting members: twenty (20) from the House of Representatives, sixteen (16) from the Senate, and eight (8) Ex Officio members.

The Division of Legislative Audit strives to serve the citizens of Arkansas by encouraging sound management, continuous improved performance, and accountability for all governmental entities. The Division serves the General Assembly as the proper agency to provide for the impartial auditing, independent of the executive branch of state government, of various entities of the state and political subdivisions of the state. The Division provides information that improves public accountability and assists in decision-making processes by those who oversee public funds. Our goal is to effectively and efficiently communicate audit and review results to both government officials and the citizens of Arkansas, thereby promoting accountability, fiscal integrity, and professionalism.

As prescribed by the American Institute of Certified Public Accountants, the Governmental Accounting Standards Board, the United States Government Accountability Office and other authoritative bodies, our audits and reviews provide independent, impartial and timely reporting of Arkansas' various governmental fiscal and financial activities.

Under the direction of the Legislative Joint Auditing Committee and the Legislative Auditor, the staff of the Division of Legislative Audit conducts all engagements in a nonpartisan, unbiased manner. We establish an objective basis for our findings, conclusions, and recommendations, derived solely from reliable evidence. To provide this basis, we strictly adhere to the standards of the auditing profession, striving to exhibit the highest level of ethics, integrity, independence, objectivity and professionalism.



## Agency Commentary

The Legislative Joint Auditing Committee, through the Division of Legislative Audit, is responsible for the independent auditing of state entities and political subdivisions of the state. The Division performs the audit of the state's financial statements (Comprehensive Annual Financial Report) and the state's federal single audit, as well as audits and internal control and compliance reviews of individual state agencies. In addition, the Division conducts audits of the financial statements of counties, prosecuting attorneys, municipalities, school districts, and institutions of higher education. During the performance of routine audit procedures misappropriation of public funds is often discovered. These instances are investigated in coordination with the respective prosecuting attorney and appropriate law enforcement officials, reported to the Legislative Joint Auditing Committee and the entity's governing body, and formally referred to the prosecuting attorney as required by law. Through performance audits and special reports the Division provides information of interest to the members of the General Assembly. The Division also performs audits of computer systems of applicable governmental entities in coordination with the financial and performance audits. All work is performed in accordance with applicable professional standards.

Funding for the operations of the Division consists of a combination of sources, including the State Central Services Fund (HSC), ad valorem tax distribution, reimbursements from agencies for the costs of performing the federal compliance audits, and reimbursements for the costs of investigative reports and services. The Division is appropriated 263 positions in Fiscal Year 2009.

The Division's budget request includes the deletion of one position, the addition of 25 new positions, reclassification of positions to better describe the job responsibilities, increases in salaries for Division employees to be competitive in the market place, and an increase in operating costs due to inflation.

Additional positions are required due to a number of events that are occurring simultaneously which affect how the Division meets its legal and professional responsibility to perform the required audits in a timely manner:

- New audit standards have increased the time required to perform an audit by 10% to 25% and also require extra supervision of the audit field work. Further revisions in audit standards are in progress that will also increase the time to complete an audit. Additionally, these new standards necessitate more training time, which decreases available hours to perform audits.
- The new audit standards also require the Division to enhance its internal quality monitoring function of the audit practice to provide assurance that audits are performed in accordance with applicable standards. Three senior auditors are needed to perform this internal quality monitoring function.
- Although these new audit standards result in increased time to complete an audit, the deadlines for completing the annual audit of the State's Comprehensive Annual Financial Report and federal compliance audits have not changed, but are more stringently enforced. The Division performs federal compliance audits for the state's federal programs, including institutions of higher education, and about 190 of the state's school districts.
- Increased emphasis on internal controls at governmental entities and the complexity of these entities' computer systems require more auditors specially trained to audit these computer systems and to perform forensic analysis of computers that may have been used as part of a fraud scheme under investigation.
- Experience indicates that times of downturn in economic conditions result in more instances of fraud to investigate as part of our audit responsibility. Additional time to conduct the fraud portion of the audit delays completion of the remaining audits.
- The Division is experiencing a significant number of retirements of management and senior audit staff. The Division expects 30 retirements, or about 12% of its staff, before the close of the 2010-2011 Biennium. Due to the complex nature of governmental accounting and auditing, new employees encounter a significant learning curve before assuming most of the responsibility and productivity of the retiring auditors. Therefore a training period for new employees before the experienced staff retires is paramount to minimize delay in completion of the audits.

Salary increases are necessary to allow the Division to be competitive with the salaries paid by CPA firms and institutions of higher education with which we compete for new employees and for retention of our existing highly qualified employees. Depending upon the job market research publication one uses, accountants are generally the first or second most-demanded profession in the market place today, with salaries at a premium. The Division requires all new auditors to be eligible to take the CPA examination, which means that the applicant has completed at least 150 hours of college education (the equivalent of 5 years training) with a major in accounting. The Division currently employs 150 CPAs, or approximately 64% of its professional staff. Of the number of experienced audit staff leaving the Division in the last ten years to take jobs with institutions of higher education in the state, one half left in the past two years. These institutions were able to pay salaries significantly higher than the Division. The Division will set the actual salary for each of its employees based upon the amount of responsibility and the experience within the job title.

The Division's non-payroll budget request reflects projected cost increases due to inflation and replacement of capitalized and non-capitalized equipment and computer software that have become obsolete or inoperable. Much of the equipment scheduled for replacement is computer-related equipment. The non-payroll budget request includes Capital Outlay of \$435,000 and \$250,000 for Fiscal Years 2010 and 2011, respectively.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 THE DIVISION OF LEGISLATIVE AUDIT  
 FOR THE YEAR ENDED JUNE 30, 2007

### Findings

The Division of Legislative Audit does not perform an audit for the Agency.

### Recommendations

## Employment Summary

	Male	Female	Total	%
White Employees	121	122	243	98 %
Black Employees	1	3	4	2 %
Other Racial Minorities	2	0	2	0 %
Total Minorities			6	2 %
Total Employees			249	100 %

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Audit Reports	A.C.A. §10-4-403	N	Y	1,000	All our publications are audit reports and related matters required by law. Number of copies published and distributed varies between fiscal years. Engagement reports contain multiple copies issued.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
256	244	12	256	0	4.69 %	263	252	11	263	0	4.18 %	263	249	13	262	1	5.32 %

## Appropriation Summary

**Appropriation:** 095 - Legislative Audit - Operations

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	18,102,702	19,588,341	19,588,341	22,000,106	24,191,092	0	23,834,506	26,265,862	0
<b>#Positions</b>		<b>256</b>	<b>262</b>	<b>263</b>	<b>262</b>	<b>287</b>	<b>0</b>	<b>262</b>	<b>287</b>	<b>0</b>
Personal Services Matching	5010003	4,427,894	5,065,464	5,065,464	5,434,142	5,969,683	0	5,765,484	6,344,943	0
Operating Expenses	5020002	2,613,548	3,152,800	3,152,800	3,152,800	3,203,300	0	3,152,800	3,847,100	0
Conference & Travel Expenses	5050009	220,484	315,500	315,500	315,500	338,000	0	315,500	363,500	0
Professional Fees	5060010	210,520	1,017,700	1,017,700	1,017,700	1,017,700	0	1,017,700	1,017,700	0
Data Processing	5090012	0	75,000	75,000	75,000	75,000	0	75,000	75,000	0
Capital Outlay	5120011	47,188	260,000	260,000	0	435,000	0	0	250,000	0
<b>Total</b>		<b>25,622,336</b>	<b>29,474,805</b>	<b>29,474,805</b>	<b>31,995,248</b>	<b>35,229,775</b>	<b>0</b>	<b>34,160,990</b>	<b>38,164,105</b>	<b>0</b>
<b>Funding Sources</b>										
State Central Services	4000035	12,074,000	17,574,805		20,095,248	23,329,775	0	22,260,990	26,264,105	0
Ad Valorem Tax	4000060	12,648,694	11,000,000		11,000,000	11,000,000	0	11,000,000	11,000,000	0
Federal Audit Reimbursement	4000242	899,642	900,000		900,000	900,000	0	900,000	900,000	0
<b>Total Funding</b>		<b>25,622,336</b>	<b>29,474,805</b>		<b>31,995,248</b>	<b>35,229,775</b>	<b>0</b>	<b>34,160,990</b>	<b>38,164,105</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>25,622,336</b>	<b>29,474,805</b>		<b>31,995,248</b>	<b>35,229,775</b>	<b>0</b>	<b>34,160,990</b>	<b>38,164,105</b>	<b>0</b>

No Executive Recommendation made on this appropriation.



## Change Level by Appropriation

**Appropriation:** 095 - Legislative Audit - Operations  
**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>31,995,248</b>	<b>262</b>	<b>31,995,248</b>	<b>100.0</b>	<b>34,160,990</b>	<b>262</b>	<b>34,160,990</b>	<b>100.0</b>
C01	Existing Program	4,058,027	25	36,053,275	112.7	4,821,115	25	38,982,105	114.1
C03	Discontinue Program	(823,500)	0	35,229,775	110.1	(818,000)	0	38,164,105	111.7

# BUREAU OF LEGISLATIVE RESEARCH

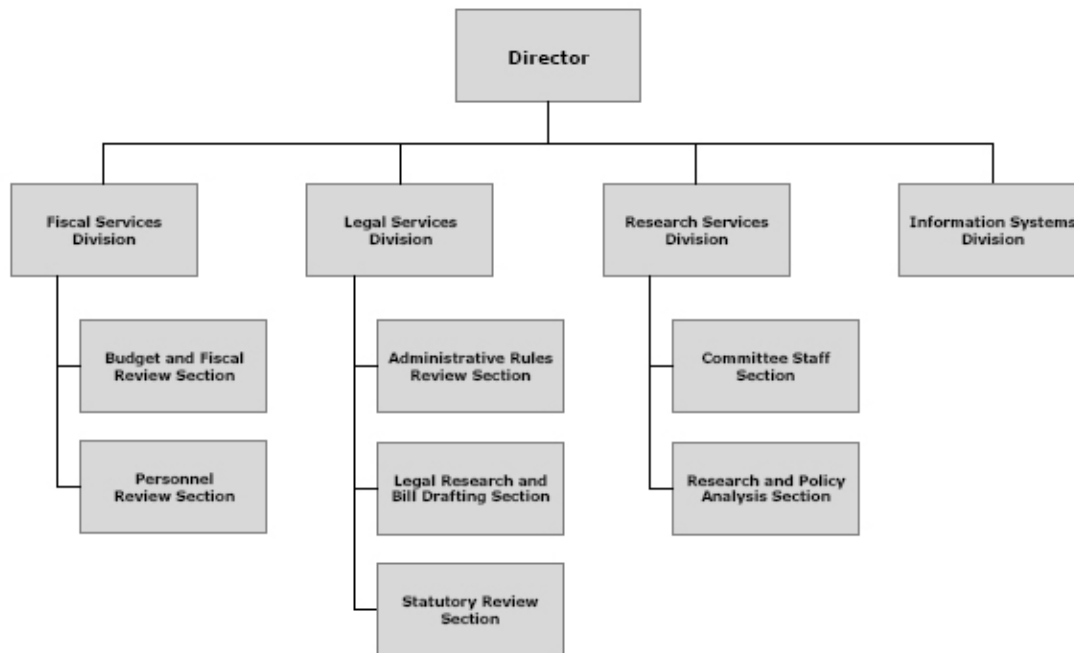
## Enabling Laws

Act 578 of 2007  
A.C.A. §10-3-301 et seq.

## History and Organization

The Bureau of Legislative Research was first established in 1947 (Act 192 of 1947), as a service agency within the legislative department of government and its employees are employees of the Arkansas General Assembly. The Bureau of Legislative Research receives its funding from the State Central Services Fund. The Bureau of Legislative Research, under the control and direction of the Arkansas Legislative Council is charged with the following duties:

- 1) Assist all members of the General Assembly in drafting bills and resolutions, and making studies, preparing factual information, and by performing other services for members of the General Assembly as may be reasonably requested and which are in aid of the performance of the legislative duties of the members of the General Assembly;
- 2) Provide staff for legislative committees both during session and in the interim between sessions;
- 3) Maintain a limited legislative reference library, including current publications and data from other states and those publications and data from agencies in this state, exchange publications with comparable legislative agencies in other states, in order that the General Assembly might be fully advised of current developments in the legislatures of the various states and retain copies of bills introduced at the various legislative sessions which may or may not have been enacted by the General Assembly;
- 4) Prepare research reports and provide other staff services to the various legislative committees or subcommittees with respect to studies conducted at the direction of the General Assembly, or either house thereof, or upon request of any member of the General Assembly;
- 5) Assist the Legislative Council and Joint Budget Committee in the study of the budgetary and fiscal needs of the various state agencies and cooperate with the Department of Finance and Administration and other agencies of this state, upon direction of the Council and Joint Budget Committee, in the preparation of a budget manual reflecting the budgetary recommendations of the Legislative Council and the Joint Budget Committee to each session of the General Assembly;
- 6) Cooperate with comparable legislative service agencies in other states by exchanging information of legislative interest and participate in conferences or workshops on a regional or national basis organized for the purpose of exchanging information or discussing means and methods of improving services to legislatures and legislators in connection with the performance of their official duties;
- 7) Assist in the codification of general and permanent Acts of the General Assembly into the Arkansas Code of 1987 Annotated. This function is performed through the Statutory and Regulatory Review Section which was created when Act 1260 of 2005 transferred the staff of the Arkansas Code Revision Commission to the Bureau of Legislative Research. The Statutory and Regulatory Review Section also provides proofing and editorial services to the Bureau, particularly in the Bureau's bill drafting operation;
- 8) Perform any other duties and assignments as may be directed by the Legislative Council or by the General Assembly.



## Agency Commentary

### Bureau of Legislative Research - Operations

The Bureau of Legislative Research requests a total of \$15,863,619 for Fiscal Year 2009-10 and \$16,131,903 for Fiscal Year 2010-11 for salaries and operating expenses. Operating Expenses, Travel-Conference Fees and Professional Fees and Services were based on Fiscal Year 2007-08 actual expenditures. Capital Outlay is requested to be continued at the current budgeted level for both fiscal years to provide appropriation flexibility for replacement and upgrading of various equipment when necessary. All other operating expense commitment items are requested to be continued at the FY 2008-09 budgeted level.

### Personnel

The Bureau of Legislative Research (BLR) requests a total of 132 positions which is the current authorized level. The Regular Salaries and Personal Services Matching appropriations include a 2.3% increase each year of the 2009-11 biennium. This request includes the Chief Information Officer position being classified at the N912 pay grade, the BLR Administrator positions being classified at the N910 pay grade and the Applications Manager and Network Manager positions being classified as a N907 pay grade in the new Professional and Executive Pay Plan. The request establishes a career ladder for the Legislative Attorney, Legislative Analyst, PC Support Specialist and Legislative Administrative Assistant positions. The career ladder and pay grade for the Legislative Attorney positions are C124 for Legislative Attorney and C129 for Legislative Attorney II. The career ladder and pay grade for the Legislative Analyst positions are C120 for Legislative Analyst, C122 for Legislative Analyst II, C126 for Senior Legislative Analyst and C129 for Senior Legislative Analyst II. The career ladder and pay grade for PC Support positions are C120 for PC Support Specialist, C122 for PC Support Specialist II and C127 for PC Support Manager. The career ladder and pay grade for the Legislative Administrative Assistant positions are C114 for Legislative Administrative Assistant and C117 for Legislative Administrative Assistant II. All other classified positions have been assigned a job title and pay grade in the new Career Service Pay Plan. Non-classified positions not included in the new pay plan reflect a 5% for FY2010 and 2.3% for FY2011 increase over the current line item maximum, as we understand is consistent with other agencies.

## Legislative Council Disbursing Officer

The 2009-11 biennial request for the Joint Ad Interim Committee Study Expenses, Joint AD Interim Committee Expenses and the Energy Council appropriation are all requested to be continued at the Fiscal Year 2008-09 budgeted amounts.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
BUREAU OF LEGISLATIVE RESEARCH  
FOR THE YEAR ENDED JUNE 30, 2007

### Findings

The Division of Legislative Audit does not perform an audit for the Agency.

### Recommendations

## Employment Summary

	Male	Female	Total	%
White Employees	32	53	85	85 %
Black Employees	1	11	12	12 %
Other Racial Minorities	1	2	3	3 %
Total Minorities			15	15 %
Total Employees			100	100 %

## Publications

### **A.C.A. 25-1-204**

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
10 Year Summary of Expenditures (A Book) (Biennially)	A.C.A. §10-3-303	Y	Y	150	Only Compilation of History of State Agency Expenditures for Research.
Monthly and Annual Revenue Report	A.C.A. §10-3-1403	Y	Y	150	Sole Source of Information on a timely basis.
Selected Statistical Financial Data for Arkansas (B Book) (Biennially)	A.C.A. §10-3-303	Y	Y	250	State Finance Resource for Legislators, Schools, and Libraries.
Summary of Legislative Action (Produced after each Legislative Session)	A.C.A. §10-3-303	Y	Y	300	Compilation of Legislation Enacted by the General Assembly.

**A.C.A. 25-1-204**

<b>Name</b>	<b>Statutory Authorization</b>	<b>Required for</b>		<b># of Copies</b>	<b>Reason(s) for Continued Publication and Distribution</b>
		<b>Governor</b>	<b>General Assembly</b>		
Tax Handbook (Biennially)	A.C.A. §10-3-1403(a) (6)	Y	Y	250	Only Compilations of Arkansas Taxes Available to Legislators, Schools, and Libraries.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
136	100	36	136	0	26.47 %	132	102	30	132	0	22.73 %	132	100	32	132	0	24.24 %

## Appropriation Summary

**Appropriation:** 015 - Legislative Council - Operations

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	5,778,552	8,978,148	8,978,148	9,184,645	9,184,645	0	9,395,892	9,395,892	0
<b>#Positions</b>		<b>113</b>	<b>132</b>	<b>132</b>	<b>132</b>	<b>132</b>	<b>0</b>	<b>132</b>	<b>132</b>	<b>0</b>
Extra Help	5010001	10,485	80,000	80,000	80,000	80,000	0	80,000	80,000	0
<b>#Extra Help</b>		<b>5</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>0</b>	<b>31</b>	<b>31</b>	<b>0</b>
Personal Services Matching	5010003	1,607,152	2,369,378	2,369,378	2,479,854	2,479,854	0	2,536,891	2,536,891	0
Operating Expenses	5020002	967,874	773,115	773,115	773,115	967,874	0	773,115	967,874	0
Conference & Travel Expenses	5050009	218,002	198,190	198,190	198,190	218,002	0	198,190	218,002	0
Professional Fees	5060010	602,689	429,495	429,495	429,495	602,689	0	429,495	602,689	0
Data Processing	5090012	394	262,012	262,012	262,012	262,012	0	262,012	262,012	0
Capital Outlay	5120011	387,325	400,000	400,000	0	400,000	0	0	400,000	0
Contingency	5130018	0	1,563,480	1,563,480	1,563,480	1,563,480	0	1,563,480	1,563,480	0
Committee Rooms	5900046	27,037	105,063	105,063	105,063	105,063	0	105,063	105,063	0
<b>Total</b>		<b>9,599,510</b>	<b>15,158,881</b>	<b>15,158,881</b>	<b>15,075,854</b>	<b>15,863,619</b>	<b>0</b>	<b>15,344,138</b>	<b>16,131,903</b>	<b>0</b>
<b>Funding Sources</b>										
State Central Services	4000035	9,599,510	15,158,881		15,075,854	15,863,619	0	15,344,138	16,131,903	0
Total Funding		9,599,510	15,158,881		15,075,854	15,863,619	0	15,344,138	16,131,903	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		9,599,510	15,158,881		15,075,854	15,863,619	0	15,344,138	16,131,903	0

No Executive Recommendation made on this appropriation.

Actual Expenditures for FY08 exceed Authorized in Operating Expenses, Conference & Travel Expenses and Professional Fees due to special language which provides Appropriation Transfer authority.

## Change Level by Appropriation

**Appropriation:** 015 - Legislative Council - Operations  
**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>15,075,854</b>	<b>132</b>	<b>15,075,854</b>	<b>100.0</b>	<b>15,344,138</b>	<b>132</b>	<b>15,344,138</b>	<b>100.0</b>
C01	Existing Program	787,765	0	15,863,619	105.2	787,765	0	16,131,903	105.1



# LEGISLATIVE RESEARCH - DISBURSING OFFICER

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
BUREAU OF LEGISLATIVE RESEARCH - DISBURSING OFFICER  
FOR THE YEAR ENDED JUNE 30, 2007

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for the Agency.

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
016 Interim Committee Study Expenses	0	0	271,060	0	271,060	0	271,060	0	271,060	0	0	0	271,060	0	271,060	0	0	0
017 Interim Committee Expenses	762,955	0	1,696,396	0	1,696,396	0	1,696,396	0	1,696,396	0	0	0	1,696,396	0	1,696,396	0	0	0
180 Energy Council	39,922	0	65,806	0	65,806	0	65,806	0	65,806	0	0	0	65,806	0	65,806	0	0	0
<b>Total</b>	<b>802,877</b>	<b>0</b>	<b>2,033,262</b>	<b>0</b>	<b>2,033,262</b>	<b>0</b>	<b>2,033,262</b>	<b>0</b>	<b>2,033,262</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,033,262</b>	<b>0</b>	<b>2,033,262</b>	<b>0</b>	<b>0</b>	<b>0</b>

Funding Sources		%		%		%		%		%		%		%		%		
State Central Services 4000035	802,877	100.0	2,033,262	100.0			2,033,262	100.0	2,033,262	100.0	0	100.0	2,033,262	100.0	2,033,262	100.0	0	100.0
Total Funds	802,877	100.0	2,033,262	100.0			2,033,262	100.0	2,033,262	100.0	0	100.0	2,033,262	100.0	2,033,262	100.0	0	100.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
Grand Total	802,877		2,033,262				2,033,262		2,033,262		0		2,033,262		2,033,262		0	

No Executive Recommendation made on these appropriations.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

**Appropriation Summary**

**Appropriation:** 016 - Interim Committee Study Expenses

**Funding Sources:** HSC - State Central Services

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Interim Committee Study Exp 5900041	0	271,060	271,060	271,060	271,060	0	271,060	271,060	0
<b>Total</b>	<b>0</b>	<b>271,060</b>	<b>271,060</b>	<b>271,060</b>	<b>271,060</b>	<b>0</b>	<b>271,060</b>	<b>271,060</b>	<b>0</b>
<b>Funding Sources</b>									
State Central Services 4000035	0	271,060		271,060	271,060	0	271,060	271,060	0
<b>Total Funding</b>	<b>0</b>	<b>271,060</b>		<b>271,060</b>	<b>271,060</b>	<b>0</b>	<b>271,060</b>	<b>271,060</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>0</b>	<b>271,060</b>		<b>271,060</b>	<b>271,060</b>	<b>0</b>	<b>271,060</b>	<b>271,060</b>	<b>0</b>

No Executive Recommendation made on this appropriation.

**Appropriation Summary**

**Appropriation:** 017 - Interim Committee Expenses

**Funding Sources:** HSC - State Central Services

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Per Diem, Exp and Mileage 5900046	730,107	1,419,199	1,419,199	1,419,199	1,419,199	0	1,419,199	1,419,199	0
Out of State Travel 5900047	32,848	277,197	277,197	277,197	277,197	0	277,197	277,197	0
<b>Total</b>	<b>762,955</b>	<b>1,696,396</b>	<b>1,696,396</b>	<b>1,696,396</b>	<b>1,696,396</b>	<b>0</b>	<b>1,696,396</b>	<b>1,696,396</b>	<b>0</b>
<b>Funding Sources</b>									
State Central Services 4000035	762,955	1,696,396		1,696,396	1,696,396	0	1,696,396	1,696,396	0
<b>Total Funding</b>	<b>762,955</b>	<b>1,696,396</b>		<b>1,696,396</b>	<b>1,696,396</b>	<b>0</b>	<b>1,696,396</b>	<b>1,696,396</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>762,955</b>	<b>1,696,396</b>		<b>1,696,396</b>	<b>1,696,396</b>	<b>0</b>	<b>1,696,396</b>	<b>1,696,396</b>	<b>0</b>

No Executive Recommendation made on this appropriation.

**Appropriation Summary**

**Appropriation:** 180 - Energy Council

**Funding Sources:** HSC - State Central Services

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
St Contrib/Member Exp 5900021	39,922	65,806	65,806	65,806	65,806	0	65,806	65,806	0
<b>Total</b>	<b>39,922</b>	<b>65,806</b>	<b>65,806</b>	<b>65,806</b>	<b>65,806</b>	<b>0</b>	<b>65,806</b>	<b>65,806</b>	<b>0</b>
<b>Funding Sources</b>									
State Central Services 4000035	39,922	65,806		65,806	65,806	0	65,806	65,806	0
<b>Total Funding</b>	<b>39,922</b>	<b>65,806</b>		<b>65,806</b>	<b>65,806</b>	<b>0</b>	<b>65,806</b>	<b>65,806</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>39,922</b>	<b>65,806</b>		<b>65,806</b>	<b>65,806</b>	<b>0</b>	<b>65,806</b>	<b>65,806</b>	<b>0</b>

No Executive Recommendation made on this appropriation.

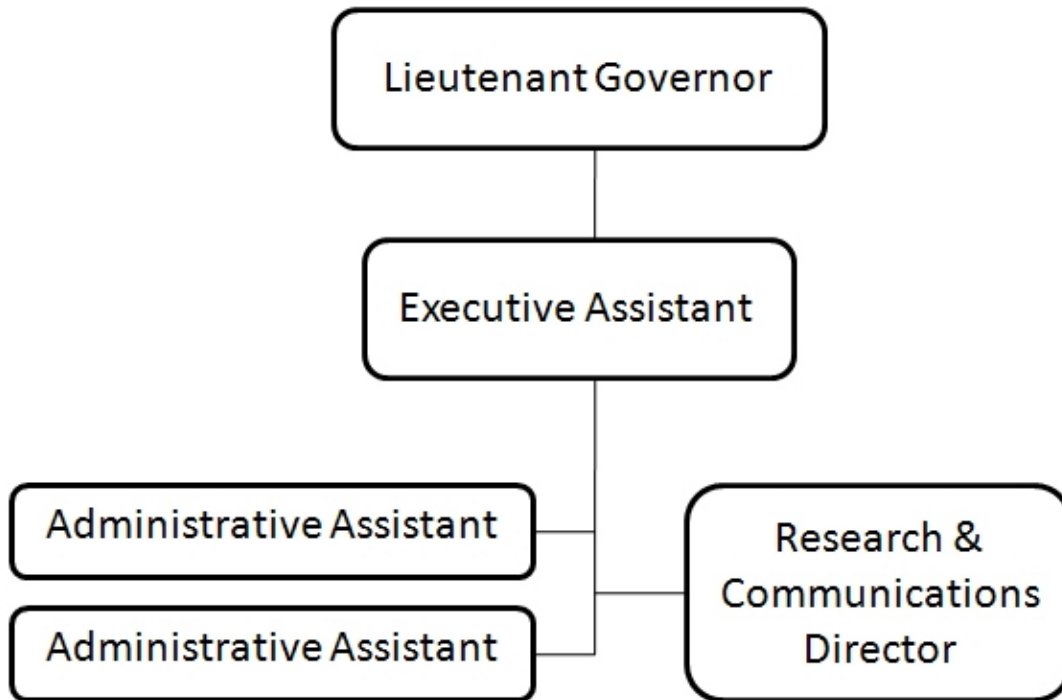
# OFFICE OF THE LIEUTENANT GOVERNOR

## Enabling Laws

Act 519 of 2007  
Constitution of Arkansas, Article 6

## History and Organization

The Office of the Lieutenant Governor purposes to fulfill the duties designated by the Arkansas Constitution, preside over the Senate when the Legislature is in session and act as Governor when the Governor is absent from the State or incapacitated and unable to complete the duties of the Office of the Governor. In addition, by initiative of the Lieutenant Governor, the Office serves as a facilitator and spokesman for economic development for our State. The Office also serves as an ex-officio Ombudsman office assisting Arkansas citizens accessing proper authorities for possible resolutions to state agency issues.



## Agency Commentary

Base Level salaries for unclassified positions reflect Cost of Living Allowance adjustments of 5% in FY10 and a 2.3% in FY11. The Base Level request for Regular Salaries may include Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

After consultation with DFA - Office of Personnel Management, the Office of the Lieutenant Governor requests to change its one classified position (Management Project Analyst - Grade 18) to unclassified, and to change the title of this position to "Research and Communications Director" to properly reflect the work performed, based on the guidelines of the Pay Plan Study. The new line item maximum salary

reflects the current salary plus the Cost of Living Allowances described above.

The Office of the Lieutenant Governor's Change level request reflects a 5% increase in maintenance and operations each year of the biennium (compounded in the second year) to address inflationary increases, including increased transportation costs to promote higher education and economic development within our State.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
OFFICE OF LIEUTENANT GOVERNOR  
  
FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

## Employment Summary

	Male	Female	Total	%
White Employees	3	0	3	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			3	100 %

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A



## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
3	3	0	3	0	0.00 %	4	3	1	4	0	25.00 %	4	3	1	4	0	25.00 %

## Appropriation Summary

**Appropriation:** 002 - Lieutenant Governor - Operations

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	157,810	193,167	193,167	221,876	221,876	0	226,980	226,980	0
<b>#Positions</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>0</b>
Extra Help 5010001	3,486	10,000	10,000	10,000	10,000	0	10,000	10,000	0
<b>#Extra Help</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>
Personal Services Matching 5010003	50,818	53,610	57,950	62,708	62,708	0	63,661	63,661	0
Operating Expenses 5020002	28,133	47,736	47,736	47,736	50,124	0	47,736	52,510	0
Conference & Travel Expenses 5050009	5,329	16,146	16,146	16,146	16,953	0	16,146	17,761	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
<b>Total</b>	<b>245,576</b>	<b>320,659</b>	<b>324,999</b>	<b>358,466</b>	<b>361,661</b>	<b>0</b>	<b>364,523</b>	<b>370,912</b>	<b>0</b>
<b>Funding Sources</b>									
State Central Services 4000035	245,576	320,659		358,466	361,661	0	364,523	370,912	0
<b>Total Funding</b>	<b>245,576</b>	<b>320,659</b>		<b>358,466</b>	<b>361,661</b>	<b>0</b>	<b>364,523</b>	<b>370,912</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>245,576</b>	<b>320,659</b>		<b>358,466</b>	<b>361,661</b>	<b>0</b>	<b>364,523</b>	<b>370,912</b>	<b>0</b>

No Executive Recommendation on this appropriation.

## Change Level by Appropriation

**Appropriation:** 002 - Lieutenant Governor - Operations

**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>358,466</b>	<b>4</b>	<b>358,466</b>	<b>100.0</b>	<b>364,523</b>	<b>4</b>	<b>364,523</b>	<b>100.0</b>
C01	Existing Program	3,195	0	361,661	100.9	6,389	0	370,912	101.8

# MUNICIPAL AID

## **Enabling Laws**

Acts 773 & 1268 of 2007  
A.C.A. §19-5-601

## **History and Organization**

Established by A.C.A. §19-5-601, the Municipal Aid Fund consists of:

- General revenues provided under the Revenue Stabilization Law;
- Special revenues including:
  - Arkansas Highway Revenue Distribution Law - A.C.A. §27-70-201 et seq.
  - Special revenues specified in A.C.A. §19-6-301 subdivision (135)

All distributions of general and special revenues are to be made within ten (10) days after the close of each calendar month to the respective cities of the first and second class and incorporated towns on the basis of population according to the most recent federal decennial or special census. The amount to be apportioned to each city or incorporated town is to be in the proportion that each population bears to the total population of all such cities and incorporated towns.

Of the moneys received by the respective cities and incorporated towns, the general revenues shall be used for general purposes of municipal government, and the special revenues derived from highway revenues shall be used as provided by the Arkansas Highway Revenue Distribution Law, A.C.A. §27-70-201 et seq.

The biennial budget request for the Municipal Aid Fund is prepared and submitted by the Arkansas Municipal League.

## **Agency Commentary**

Revenue to fund municipal operations comes primarily from three (3) sources: Local Sales Tax, Utility Franchise Fees and State Turnback Funds. Local sales taxes are subject to voter approval and have been used by numerous municipalities over the last twenty-seven years to sustain local services, particularly after the loss of federal revenue sharing which occurred in the mid-80s. The legislature was very wise to have authorized this authority which has enabled cities and towns to take care of their basic needs, primarily the protection of public health and safety. In some municipalities the use of local sales taxes as a funding vehicle has pretty well reached the saturation point, particularly with the state sales tax having gone to 6%, a 100% increase since the local sales tax authority was originally granted.

Utility franchise fees, once a stable, reliable and growing source of municipal revenue have begun to decline due primarily to the reduction of revenue in the telecommunications area due to increased usage of cell phones. Property taxes are available but are limited constitutionally for municipalities and are more properly and generally used as a funding vehicle for schools.

Based on these facts and circumstances the most important source of revenues for municipalities is

municipal aid, i.e. state turnback funds. These funds provide a minimum level of revenue for local needs of municipalities and the funds are used primarily in the area of public safety. In addition they are used for public health purposes and for local infrastructure needs.

Municipal Aid was basically frozen for over two decades until the last biennium, when additional and much needed funding was allocated from the Property Tax Relief Trust Fund (\$4 million) and from the state surplus (General Revenue Allotment Reserve Transfer of \$12 million per Act 1100 of 2007). This increased municipal aid to \$21.86 per capita in FY08 and \$17 projected for FY09. Municipalities were receiving approximately \$21.35 per capita in 1986 for general turnback. The Executive Committee of the Arkansas Municipal League has respectfully requested an increase the underlying general turnback by 10%, and to again request equal appropriation/funding from the state surplus, which we will officially request through the Capital Projects/General Improvement budget process. The street appropriation for 15% of highway revenues should remain the same and hopefully those revenues will reverse the recent decline and return to the amounts of previous years. We believe allocations of the requested amounts would be a very wise expenditure of state general revenues and one which will assist the cities and towns in providing the basic services the citizens of Arkansas utilize every day.

We respectfully submit our budget request for the following amounts, which include our request for a 10% increase in general revenue and the continuation of funds from the Property Tax Relief Fund:

FY 2010	\$34,257,000
FY 2011	\$37,283,000

Thank you for your consideration of our request.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 MUNICIPAL AID

FOR THE YEAR ENDED JUNE 30, 2007

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for the Agency.

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
034 General Revenue to Cities	24,323,780	0	27,506,526	0	27,506,526	0	27,506,526	0	30,257,000	0	27,506,526	0	27,506,526	0	33,283,000	0	27,506,526	0
035 Special Revenue to Cities	75,187,908	0	120,000,000	0	120,000,000	0	120,000,000	0	120,000,000	0	120,000,000	0	120,000,000	0	120,000,000	0	120,000,000	0
35X Property Tax Relief-Cities	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	0	0	4,000,000	0	4,000,000	0	0	0
<b>Total</b>	<b>103,511,688</b>	<b>0</b>	<b>151,506,526</b>	<b>0</b>	<b>151,506,526</b>	<b>0</b>	<b>151,506,526</b>	<b>0</b>	<b>154,257,000</b>	<b>0</b>	<b>147,506,526</b>	<b>0</b>	<b>151,506,526</b>	<b>0</b>	<b>157,283,000</b>	<b>0</b>	<b>147,506,526</b>	<b>0</b>

Funding Sources		%		%		%		%		%		%		%		%
General Revenue 4000010	24,323,780	23.5	27,506,526	18.2	27,506,526	18.2	30,257,000	19.6	27,506,526	18.6	27,506,526	18.2	33,283,000	21.2	27,506,526	18.6
Special Revenue 4000030	79,187,908	76.5	124,000,000	81.8	124,000,000	81.8	124,000,000	80.4	120,000,000	81.4	124,000,000	81.8	124,000,000	78.8	120,000,000	81.4
Total Funds	103,511,688	100.0	151,506,526	100.0	151,506,526	100.0	154,257,000	100.0	147,506,526	100.0	151,506,526	100.0	157,283,000	100.0	147,506,526	100.0
Excess Appropriation/(Funding)	0		0		0		0		0		0		0		0	
Grand Total	103,511,688		151,506,526		151,506,526		154,257,000		147,506,526		151,506,526		157,283,000		147,506,526	

Special Language authorizes carry forward of appropriation and funds for General Revenue to Cities (034) and Special Revenue to Cities (035) appropriations.

The amount of appropriation carried forward for FY09 in General Revenue to Cities (034) was \$3,182,746.

The amount of appropriation carried forward for FY09 in Special Revenue to Cities (035) was \$44,812,092.

Property Tax Relief - Cities (35X) was provided as a one-time appropriation of \$4 million each year of the biennium authorized by Act 1268 of 2007, contingent upon available surplus funding. The Executive Recommendation is to discontinue this appropriation.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

## **Analysis of Budget Request**

**Appropriation:** 034 - General Revenue to Cities

**Funding Sources:** MLM - Municipal Aid Fund

Two appropriations, General Revenue to Cities (034) and Special Revenue to Cities (035), provide spending authority for the Treasurer's Office to distribute general and special revenues designated for the cities.

The Base Level for General Revenue to Cities (034) is \$27,506,526 each year of the biennium.

The Municipal League of Arkansas is requesting an increase over Base Level for its general revenue appropriation (034) of \$2,750,474 for FY10 and \$5,776,474 for FY11. This request reflects a 10% increase each year (compounded in the 2nd year) of the biennium.

The Municipal League of Arkansas is also requesting that Special Revenue to Cities (035) be continued at the Base Level amounts of \$120,000,000 for each year of the biennium.

The Executive Recommendation provides for Base Level for General Revenue to Cities of \$27,506,526 each year of the biennium. Additional funds of \$4 million was provided on a one-time basis each year of the previous biennium from the Property Tax Relief Trust Fund along with a one-time General Revenue Allotment Reserve transfer of \$12 million. The Executive Recommendation also provides for Agency Request to continue Special Revenue to Cities at the current level of appropriation.



## Appropriation Summary

**Appropriation:** 034 - General Revenue to Cities

**Funding Sources:** MLM - Municipal Aid Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	24,323,780	27,506,526	27,506,526	27,506,526	30,257,000	27,506,526	27,506,526	33,283,000	27,506,526
Total		24,323,780	27,506,526	27,506,526	27,506,526	30,257,000	27,506,526	27,506,526	33,283,000	27,506,526

Funding Sources		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
General Revenue	4000010	24,323,780	27,506,526		27,506,526	30,257,000	27,506,526	27,506,526	33,283,000	27,506,526
Total Funding		24,323,780	27,506,526		27,506,526	30,257,000	27,506,526	27,506,526	33,283,000	27,506,526
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		24,323,780	27,506,526		27,506,526	30,257,000	27,506,526	27,506,526	33,283,000	27,506,526

Special Language provides for carry forward of appropriation and funding. The carry forward amount for FY09 was \$3,182,746.

## Change Level by Appropriation

**Appropriation:** 034 - General Revenue to Cities

**Funding Sources:** MLM - Municipal Aid Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>27,506,526</b>	<b>0</b>	<b>27,506,526</b>	<b>100.0</b>	<b>27,506,526</b>	<b>0</b>	<b>27,506,526</b>	<b>100.0</b>
C01	Existing Program	2,750,474	0	30,257,000	110.0	5,776,474	0	33,283,000	121.0

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>27,506,526</b>	<b>0</b>	<b>27,506,526</b>	<b>100.0</b>	<b>27,506,526</b>	<b>0</b>	<b>27,506,526</b>	<b>100.0</b>
C01	Existing Program	0	0	27,506,526	100.0	0	0	27,506,526	100.0

### Justification

C01	Municipal Aid was basically frozen for over two decades until the last biennium, when additional and much needed funding was allocated from the Property Tax Relief Trust Fund (\$4 million) and the General Improvement Fund (\$12 million). This increased municipal aid to \$21.86 per capita in FY08 and \$17 projected for FY09. Municipalities were receiving approximately \$21.35 per capita in 1986 for general turnback. The Executive Committee of the Arkansas Municipal League has respectfully requested an increase the underlying general turnback by 10%, and to again request equal appropriation/funding from the General Improvement Fund, which we will officially request through the Capital Projects budget process. The street appropriation for 15% of highway revenues should remain the same and hopefully those revenues will reverse the recent decline and return to the amounts of previous years. We believe allocations of the requested amounts would be a very wise expenditure of state general revenues and one which will assist the cities and towns in providing the basic services the citizens of Arkansas utilize everyday.
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## Appropriation Summary

**Appropriation:** 035 - Special Revenue to Cities

**Funding Sources:** MLM - Municipal Aid Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Grants and Aid	5100004	75,187,908	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Total		75,187,908	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
<b>Funding Sources</b>										
Special Revenue	4000030	75,187,908	120,000,000		120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Total Funding		75,187,908	120,000,000		120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		75,187,908	120,000,000		120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000

Special Language provides for carry forward of appropriation and funding. The carry forward amount for FY09 was \$44,812,092.

## **Analysis of Budget Request**

**Appropriation:** 35X - Property Tax Relief-Cities

**Funding Sources:** TPR - Property Tax Relief Trust Fund

Amendment 79 to the Arkansas Constitution proposed limiting the increase in the assessed value of a taxpayer's real property after a countywide reappraisal and a required property tax credit of at least three hundred dollars (\$300) on homestead property. This amendment was adopted at the November 2000 general election and became effective January 1, 2001.

This appropriation provides spending authority for the Treasurer's Office to distribute special revenue to counties based upon a property tax reduction. Act 1268 of 2007 provided a one-time distribution of \$4 million each year of the biennium for the cities, contingent upon available surplus funding.

The Municipal League of Arkansas requests the continuation of Base Level of \$4,000,000 for this appropriation each year of the biennium.

The Executive Recommendation provides for discontinuing this appropriation. The \$4 million distribution each year of the previous biennium as authorized by Act 1268 of 2007 was intended to provide temporary assistance to the cities from the Property Tax Relief Fund.

## Appropriation Summary

**Appropriation:** 35X - Property Tax Relief-Cities

**Funding Sources:** TPR - Property Tax Relief Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	0	4,000,000	4,000,000	0
<b>Total</b>		<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>0</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>0</b>
<b>Funding Sources</b>										
Special Revenue	4000030	4,000,000	4,000,000		4,000,000	4,000,000	0	4,000,000	4,000,000	0
<b>Total Funding</b>		<b>4,000,000</b>	<b>4,000,000</b>		<b>4,000,000</b>	<b>4,000,000</b>	<b>0</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>4,000,000</b>	<b>4,000,000</b>		<b>4,000,000</b>	<b>4,000,000</b>	<b>0</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>0</b>

Property Tax Relief - Cities (35X) was provided as a one-time appropriation of \$4 million each year of the biennium authorized by Act 1268 of 2007, contingent upon available surplus funding.

The Executive Recommendation is to discontinue this appropriation.

## Change Level by Appropriation

**Appropriation:** 35X - Property Tax Relief-Cities  
**Funding Sources:** TPR - Property Tax Relief Trust Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	4,000,000	0	4,000,000	100.0	4,000,000	0	4,000,000	100.0

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	4,000,000	0	4,000,000	100.0	4,000,000	0	4,000,000	100.0
C19	Executive Changes	(4,000,000)	0	0	0.0	(4,000,000)	0	0	0.0

### Justification

C19	The \$4 million distribution each year of the previous biennium as authorized by Act 1268 of 2007 was intended to provide temporary assistance to the cities from the Property Tax Relief Fund due to a projected surplus. Therefore, this appropriation amount is not recommended.
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# PAROLE BOARD

## Enabling Laws

Act 697 of 2007  
A.C.A. §16-93-201, et seq.

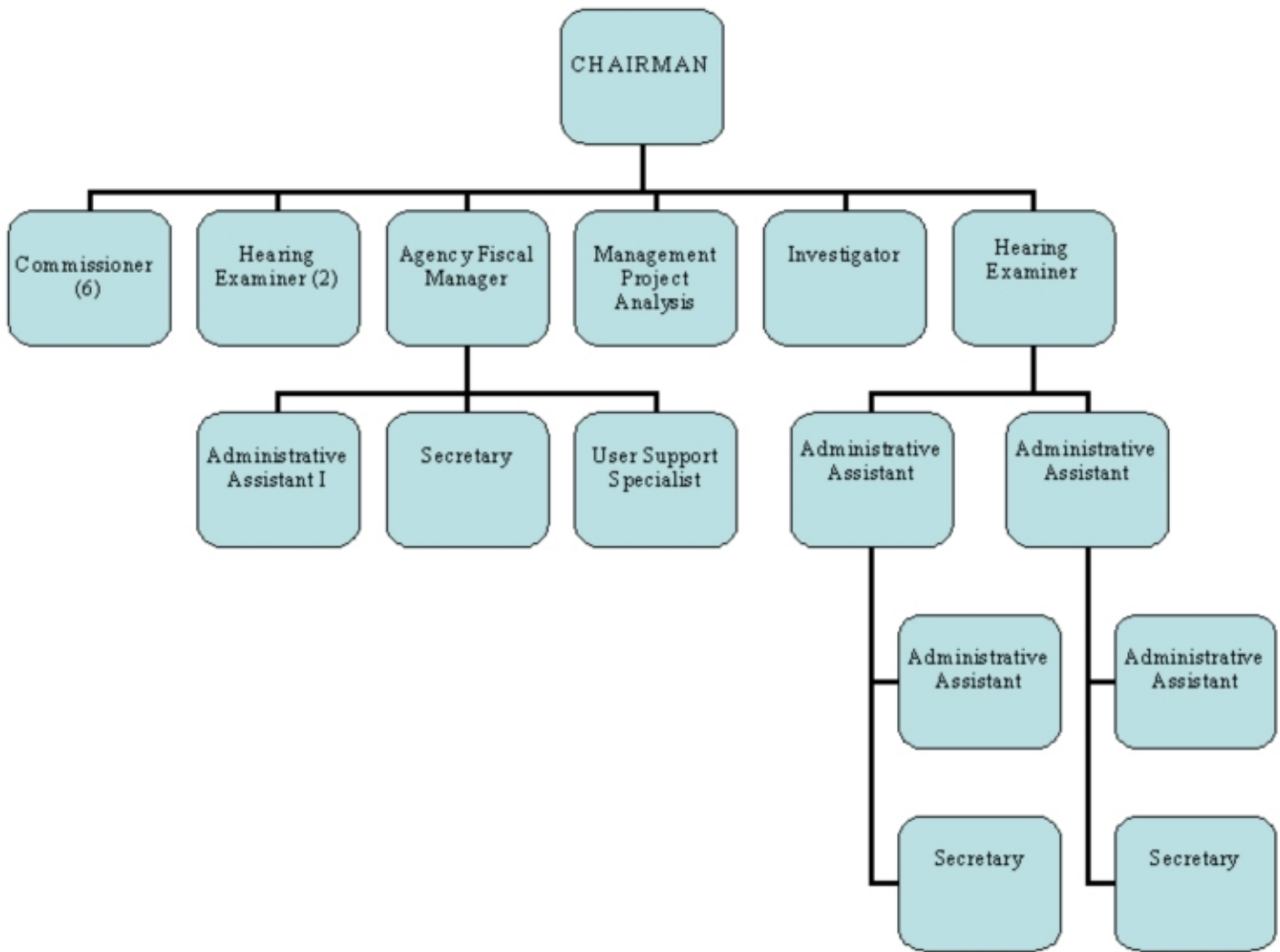
## History and Organization

The Post Prison Transfer Board is dedicated to the process of promoting public safety by the return of offenders into the community through supervised, conditional release. The goal is to guide and monitor the transition from confinement to the successful completion of supervision within the community. The State Board of Parole and Community Rehabilitation was created by Act 937 of 1989, with three (3) full-time members and four (4) part-time members.

During the 79<sup>th</sup> General Assembly Regular Session, 1993, an act to change the name of the State Board of Parole and Community Rehabilitation to the Post Prison Transfer Board was introduced and became law. This was followed by Act 285/361 of 1995, to provide that the Post Prison Transfer Board be comprised of five (5) full-time members and two (2) part-time members. Act 979 of 1999, authorized a change to six (6) full-time members and one (1) part-time member. The staff consists of three (3) Revocation Hearing Examiners and seven (7) Clerks for a total of 16 authorized positions.

During the 85<sup>th</sup> General Assembly Regular Session, Act 1033 of 2005 changed the name of the Post Prison Transfer Board to the Parole Board and authorized three (3) additional clerical staff. The staff consists of three (3) Revocation Hearing Examiners, five (5) Administrative Assistants, three (3) Secretaries, one (1) Management Project Analyst and one (1) Agency Manager for a total of 19 authorized positions.

During the 86<sup>th</sup> General Assembly Regular Session, Act 697 of 2007 authorized two (2) additional support staff members and changed the composition of the Board to seven (7) full-time members to be appointed from the state at large by the Governor and confirmed by the Senate. The support staff consists of three (3) Revocation Hearing Examiners, five (5) Administrative Assistants, three (3) Secretaries, one (1) Fiscal Agency Manager, one (1) Management Project Analyst, one (1) User Support Specialist, and one (1) Investigator for a total of 22 authorized positions.



**Agency Commentary**

The Arkansas Parole Board (APB) is responsible for conducting parole hearings throughout the State, make decisions on conditional release of inmates for correctional facilities, and review all pardon and executive clemency applications and make non-binding recommendations to the Governor. They are responsible to grant, deny, suspend, and revoke parole in accordance with legislative criteria: the risk posed to the community by the offender’s potential to re-offend and the rehabilitation and reintegration of the offender back into the community. The Chairman of the Parole Board also serves as an ex-officio member of the Board of Corrections.

Over the last 10 years, the parole caseload has grown 223%. Arkansas’ parole system is challenged by the continued increased in the number offenders released under parole supervision. During the past five (5) years, the number of supervised parolees has increased by 48.5%. According to Arkansas Department of Correction (ADC), the prison population on June 30, 2008 was 14,700. During FY08, 12,178 individuals were given parole consideration by means of a hearing or file review by the Board, with 5,603 being face-to-face interviews.

The Department of Community Correction (DCC) Institutional Release staff prepare case records for us which helps APB members in conducting Arkansas Department of Correction inmate case reviews and



hearings to determine parole, as required by Arkansas Code Annotated § 16-93-203. Depending on the date of a crime or sentence, some inmates are transfer eligible (TE) and other are parole eligible (PE). Some inmates are not eligible for parole, but may be considered for release under clemency laws.

The Board requests an increase in Operating Expenses for network services, telephone, data processing and software maintenance, rent/leases, computers, printers, software license upgrades, fuel and mileage reimbursements.

In the last Biennium, the Board was able to establish a video conferencing center. Currently there are secure video conferencing network centers between Parole Board and Department of Correction and Department of Community Correction. Video conferencing allows the Board members and Hearing Examiners to conduct some hearings and inmate case reviews without transporting the inmates. Using video conferencing would ensure the safety of the Board members and hearing examiners along with preserving the security of the units.

Due to budget reductions in FY09, video conferencing was suspended. There is an unprecedented growth of Arkansas Department of Corrections (ADC) and Department of Community Corrections (DCC), because of that, we are requesting that the network connectivity provided by Department of Information Systems and AT&T be re-established.

There will be several state agencies that will have the ability to utilize the video conferencing system. Opportunities for use by the Governor's Office and the DCC are also available. Future uses will include training opportunities for Parole Board staff. As ADC brings more units online we will be able to expand our use of video conference capability for parole hearings. Currently the Department of Correction has video conferencing capability at nine of their eighteen units/offices.

Included in network service expense is the Arkansas Crime Information Center/National Crime Information Center (ACIC/NCIC) capability to enter and withdrawn parole warrants. This will reduce the number of warrants not being entered and not being withdrawn in a timely manner.

We are requesting data processing equipment maintenance and software maintenance. The data processing maintenance includes warranty for four Tandberg® units and data communications service provided by Department of Information Services. The software maintenance includes an upgrade to a database called e-Omis. E-Omis is a database that is utilized by DCC and the ADC to track inmates, parolees, and probationers. The upgrade will be for Parole Board events and will allow hearing examiner's schedules to be entered. With the schedules being entered the database will automatically e-mail a parole officer of a hearing scheduled for the parolees under their supervision.

The Agency's information technology plan includes a request to upgrade software and licenses from microsoft office suites 2003 to microsoft office suites 2007 for all our computers in FY10. In FY11 we would like to replace five (5) aged computers and ten (10) laptops. The equipment would have reached its end of life which is five years. Also we would like to replace several Board members' printers.

The Parole Board has ten vehicles in their fleet and in FY08 the total miles traveled were 142,780 costing over \$19,000 in fuel costs. With the number of miles traveled by Board members and Hearing Examiners, we are requesting an increase for fuel.

We are requesting an increase in mileage for our investigator and user support analyst. The investigator assists board members, as they gather and investigate information with regard to pardon requests,

clemency applications and other parole issues. The information gathering is relevant before going to the Governor. The user support analyst assists board members in setting up laptops for use during hearings. These positions require traveling across the State using their own personal vehicles.

In FY08, we obtained re-accreditation from the Accreditation Correctional Association (ACA) with a score of 99%. To maintain our accreditation, our staff must complete a minimum number of training hours. Therefore, we request an increase of \$1,000 in both years of the biennium for Conference and Travel Expenses. ACA requires between sixteen to forty hours of training hours be met for each employee.

Capitol Outlay Expense for sales and use tax to replace two vehicles in FY10 and one vehicle in FY11 is requested.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

POST PRISON TRANSFER BOARD

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

## Employment Summary

	Male	Female	Total	%
White Employees	4	5	9	43 %
Black Employees	5	7	12	57 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			12	57 %
Total Employees			21	100 %

## Publications

### **A.C.A. 25-1-204**

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Report	ACA §16-93-202	Y	Y	22	Information Purposes

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
19	17	2	19	0	10.53 %	22	21	1	22	0	4.55 %	22	21	1	22	0	4.55 %

## **Analysis of Budget Request**

**Appropriation:** 306 - Parole Board Operations

**Funding Sources:** HUA - Miscellaneous Agency Fund

The Parole Board, formerly the Post Prison Transfer Board (PPBT), consists of seven members. The Governor appoints each board member for a seven-year term. Board members regularly interview eligible inmates to determine who should be placed on parole or in an alternative service program. They also prescribe conditions of parole or release for inmates. The Chairman of the Parole Board also serves as an ex-officio member of the Board of Corrections.

The 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 4 of Act 697 of 2007. This language was last utilized in FY2005.

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

The Change Level requests submitted are \$67,350 in FY10 and \$78,120 in FY11 and are summarized as follows:

1. \$64,590 in FY10 and \$76,240 in FY11 for Operating Expenses. This includes lease space, telephone expense, video conferencing, computers, software, data processing supplies, parking, mileage and fuel.
2. Requesting \$1,000 each year for Conference and Travel Expenses. To maintain accreditation with the American Correctional Association, the Board must attend several seminars and training classes.
3. Capital Outlay Expense of \$1,760 in FY10 and \$880 in FY11 for sales and use tax to replace two vehicles in FY10 and one vehicle in FY11 is request.

The Executive Recommendation provides for Agency Request with the exception of the \$1,000 each year in Travel Expenses. The Executive provides for General Revenue funding of \$20,000 each year above Base Level.

## Appropriation Summary

**Appropriation:** 306 - Parole Board Operations

**Funding Sources:** HUA - Miscellaneous Agency Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,105,247	1,154,484	1,148,575	1,200,818	1,200,818	1,200,818	1,228,405	1,228,405	1,228,405
<b>#Positions</b>		<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>
Personal Services Matching	5010003	303,616	297,799	332,810	336,996	336,996	336,996	342,156	342,156	342,156
Operating Expenses	5020002	283,028	224,607	288,294	224,607	289,197	289,197	224,607	300,847	300,847
Conference & Travel Expenses	5050009	620	3,000	3,000	3,000	4,000	3,000	3,000	4,000	3,000
Professional Fees	5060010	4,900	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	22,160	0	0	0	1,760	1,760	0	880	880
<b>Total</b>		<b>1,719,571</b>	<b>1,679,890</b>	<b>1,772,679</b>	<b>1,765,421</b>	<b>1,832,771</b>	<b>1,831,771</b>	<b>1,798,168</b>	<b>1,876,288</b>	<b>1,875,288</b>
<b>Funding Sources</b>										
General Revenue	4000010	1,701,153	1,670,160		1,765,421	1,832,771	1,785,421	1,798,168	1,876,288	1,818,168
Merit Adjustment Fund	4000055	18,418	9,730		0	0	0	0	0	0
<b>Total Funding</b>		<b>1,719,571</b>	<b>1,679,890</b>		<b>1,765,421</b>	<b>1,832,771</b>	<b>1,785,421</b>	<b>1,798,168</b>	<b>1,876,288</b>	<b>1,818,168</b>
Excess Appropriation/(Funding)		0	0		0	0	46,350	0	0	57,120
<b>Grand Total</b>		<b>1,719,571</b>	<b>1,679,890</b>		<b>1,765,421</b>	<b>1,832,771</b>	<b>1,831,771</b>	<b>1,798,168</b>	<b>1,876,288</b>	<b>1,875,288</b>

The FY09 Budget amount in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.

## Change Level by Appropriation

**Appropriation:** 306 - Parole Board Operations  
**Funding Sources:** HUA - Miscellaneous Agency Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,765,421</b>	<b>22</b>	<b>1,765,421</b>	<b>100.0</b>	<b>1,798,168</b>	<b>22</b>	<b>1,798,168</b>	<b>100.0</b>
C01	Existing Program	22,060	0	1,787,481	101.2	22,780	0	1,820,948	101.3
C08	Technology	45,290	0	1,832,771	103.8	55,340	0	1,876,288	104.3

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,765,421</b>	<b>22</b>	<b>1,765,421</b>	<b>100.0</b>	<b>1,798,168</b>	<b>22</b>	<b>1,798,168</b>	<b>100.0</b>
C01	Existing Program	21,060	0	1,786,481	101.2	21,780	0	1,819,948	101.2
C08	Technology	45,290	0	1,831,771	103.8	55,340	0	1,875,288	104.3

### Justification

C01	The Board is asking for additional Operating Expenses of \$19,300 in FY10 and \$20,900 in FY11. These increases are to cover telephone, rent, mileage reimbursements and fuel purchases. The Board has ten vehicles in their fleet which is used to visit each of the Department of Correction and Department of Community Correction Units. The increase in fuel is needed to cover the growing cost of fuel. In order to maintain accreditation with the American Correctional Association, the Board is requesting additional \$1,000 each year respectively for travel appropriation for staff training. Capital Outlay expense of \$1,760 in FY10 and \$880 in FY11 is requested for sales and use tax to replace two vehicles in FY10 and one vehicle in FY11.
C08	The Board wants to restore funding for four secure video conferencing network centers between them and Department of Correction and Department of Community Correction. This will allow the Board Members and Hearing Examiners to conduct screenings and reviews on inmates more efficiently. Inmates will not have to be transported for their reviews or parole hearings. The maintenance and software updates for the video conferencing is requested. Replacement of several printers each year and 10 laptop, 5 desktop computers, and upgrade software licenses from Microsoft Office 2003 to Microsoft Office 2007 are requested in FY11. The Board request to maintain a terminal that connects to the Arkansas Crime Information Center and the National Crime Information Center that gives them the capability to enter and withdraw parole warrants. These items can be found in the Board's IT Plan in the following pages and sections: software – Future Software Purchases, computers and printer – in the IT Support Hardware section, network services – in the Major Application Info IT Services and software maintenance of eOmis – in the IT Support Item.

# OFFICE OF THE PROSECUTOR COORDINATOR

## Enabling Laws

Act 574 of 2007  
Act 925 of 1975  
A.C.A. §16-21-201

## History and Organization

The Office of the Prosecutor Coordinator (PCO) was created under Act 925 of 1975. The Prosecution Coordination Commission, a seven-member board chosen by all elected prosecuting attorneys, sets the overall policy of the Coordinator's office. The mission statement for PCO is to improve the criminal justice system by promoting professionalism in the offices of Arkansas Prosecuting Attorneys and Victim Service Providers through education, information, liaison, and advocacy. The Office provides a broad range of technical assistance and support services for prosecuting attorneys, their deputies, and crime victim service providers. The support services include:

**LEGAL RESEARCH** - Upon request, the staff prepares extensive trial briefs, legal memoranda, county government opinions, sample ordinances, and basic litigation forms. Emergency assistance during a trial is a special service. The research center is especially important to deputies in rural areas who do not have ready access to a law library. In addition, PCO staff attorneys may serve as special deputy prosecuting attorneys' as needed.

**CONTINUING LEGAL EDUCATION** - PCO sponsors continuing legal education seminars for prosecutors, deputies, victim/witness coordinators, hot check coordinators, law enforcement, and other support staff.

**LENDING LIBRARY** - A lending library of educational materials, e.g., books, videotapes, and audiocassettes is maintained.

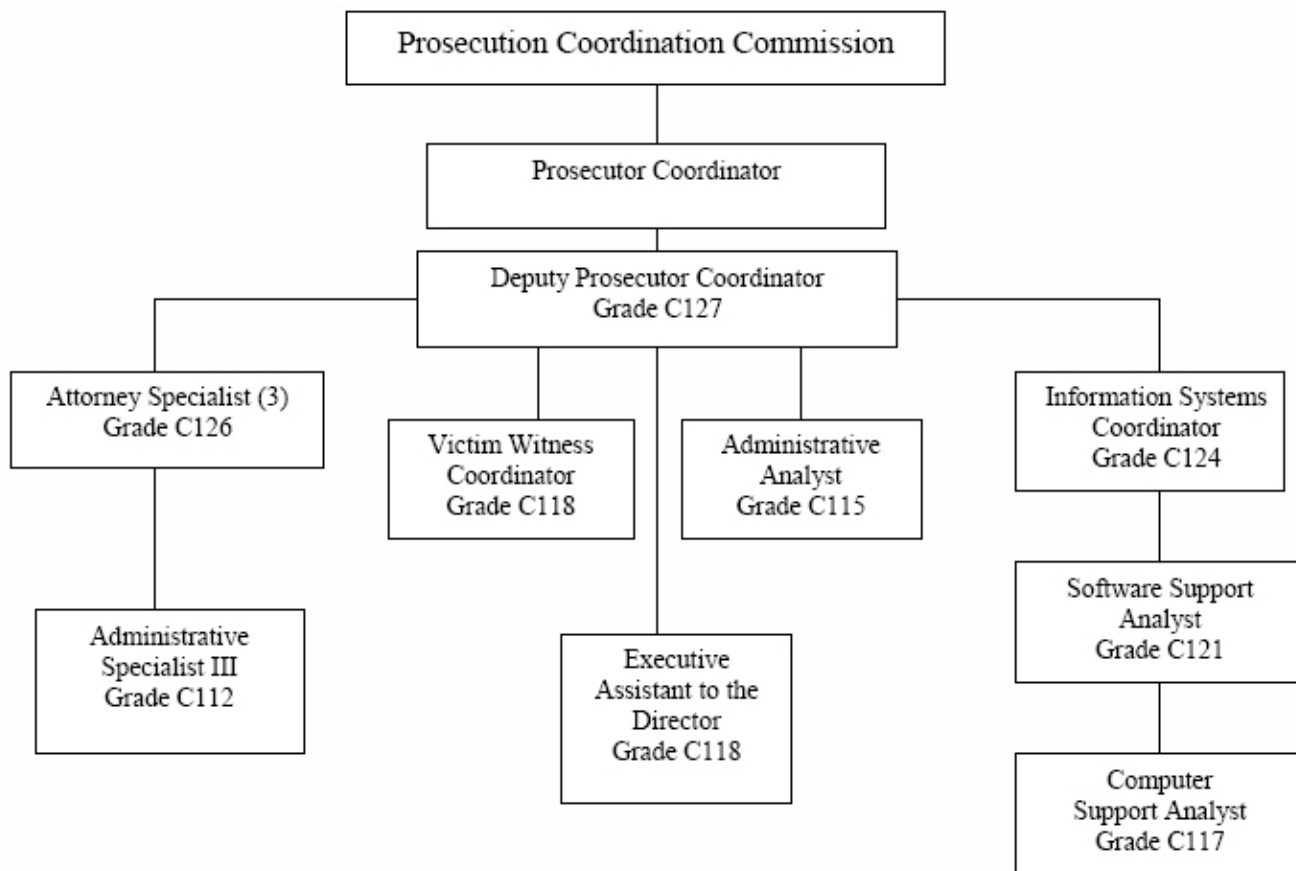
**PUBLICATIONS** - Newsletters capsizing the latest appellate court opinions and other information are distributed as follows: APAA Newsletter to members of the Prosecuting Attorneys' Association; Crackdown to drug prosecutors and narcotics officers; and Advocates in Action to victim services providers. Training manuals on a variety of subject matters have been developed and supplemented on an as needed basis.

**CIVIL COMMITMENTS** - Pursuant to Act 861 of 1989, Act 10 of the Third Extraordinary Session of 1989, and Act 911 of 1989, PCO is responsible for representing the State in all civil and criminal commitment hearings held on the State Hospital grounds. PCO participated in approximately 2,221 hearings during 2006-2008.

**VICTIM/WITNESS SUPPORT** - A victim/witness coordinator position at PCO was established by Act 408 of 1985 to provide training and technical assistance to victim service providers and crime victims. There are currently victim assistance programs in all 28 judicial districts. Some of these districts have programs in multiple counties.

**COMPUTERS** - The Office of the Prosecutor Coordinator has developed programs to automate functions

within the Prosecuting Attorneys' Offices. The Hot Check System handles hot check offenses which have resulted in millions of dollars in collected restitution for merchants. PCO has implemented a new case management system for tracking defendants, victims, witnesses and trial information to aid prosecutors, case coordinators and victim witness coordinators in handling cases.



## **Agency Commentary**

**One New Position** - Additional appropriation and funding is requested by the Office of the Prosecutor Coordinator to provide for salary and matching cost for a grade C121 Software Support Analyst position. This position is essential in assisting in the continued development, maintenance, training and support of the agency's "in-house" computer systems. Since the last time a new position was added to the IT department, an additional 30 prosecuting attorney's offices have begun using our Case Management system which comprises 150 users statewide. This program provides an automated system of tracking defendants, victims, witnesses and trial information to aid prosecutors, case coordinators and victim witness coordinators in handling cases and document generation. This position will also provide technical support to 27 of the 28 Judicial Districts which use our Hot Check Collection system. This program provides an automated system for the prosecuting attorneys offices to track down bad check writers, collect restitution on the bad checks and return the money to the victims. It creates a partnership between the prosecuting attorneys office and the business community; provides new avenues to obtain restitution, protects the public, and ensures that offenders are punished. This position will also provide training for Office of the Prosecutor Coordinator staff and prosecuting attorney support staff.

**Rent Increase** - The Office of the Prosecutor Coordinator is requesting \$1,452 for the first year of the biennium to provide for a 3% increase in rent charged by the Catlet-Prien Firm, bringing the rate up from



\$11.46 to \$11.80 per square foot, and \$1,512 for the second year of the biennium to provide for an anticipated 3% annual escalator, bringing the rate up from \$11.80 per square foot to \$12.15.

**Additional Office Space** - The Office of the Prosecutor Coordinator is requesting an additional \$3,972 for office space for the first year of the biennium and \$4,092 for the second year of the biennium to provide for office space for the requested Software Support Analyst position.

**Travel** - The Office of the Prosecutor Coordinator is requesting \$3,000 additional appropriation and funding for each year of the biennium for out of state travel. This request is being made to cover the increased cost of registration, airfare, meals and lodging to attend the National Association of Prosecutor Coordinator's (NAPC), National District Attorneys Association (NDAA), National Association for Justice Information Systems (NAJIS) and the National Office for Victim Assistance (NOVA) meetings. These meetings and trainings are necessary to keep staff informed of current prosecution practices, legislation, and victim services.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
OFFICE OF PROSECUTOR COORDINATOR  
  
FOR THE YEAR ENDED JUNE 30, 2006

Findings	Recommendations
None	None

## Employment Summary

	Male	Female	Total	%
White Employees	4	8	12	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			12	100 %

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
065 Law Enforcement & Prosecutorial Programs	72,000	0	72,000	0	72,000	0	72,000	0	72,000	0	72,000	0	72,000	0	72,000	0	72,000	0
090 Prosecutor Coordinator Oprs	862,603	12	877,416	12	857,517	12	926,955	12	987,017	13	926,955	12	944,662	12	1,005,973	13	944,662	12
<b>Total</b>	<b>934,603</b>	<b>12</b>	<b>949,416</b>	<b>12</b>	<b>929,517</b>	<b>12</b>	<b>998,955</b>	<b>12</b>	<b>1,059,017</b>	<b>13</b>	<b>998,955</b>	<b>12</b>	<b>1,016,662</b>	<b>12</b>	<b>1,077,973</b>	<b>13</b>	<b>1,016,662</b>	<b>12</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Special Revenue 4000030	72,000	7.7	72,000	7.6			72,000	7.2	72,000	6.8	72,000	7.2	72,000	7.1	72,000	6.7	72,000	7.1
State Central Services 4000035	804,411	86.1	818,060	86.2			855,444	85.6	915,506	86.4	855,444	85.6	871,624	85.7	932,935	86.5	871,624	85.7
Special State Asset Forfeiture 4000465	58,192	6.2	59,356	6.3			71,511	7.2	71,511	6.8	71,511	7.2	73,038	7.2	73,038	6.8	73,038	7.2
<b>Total Funds</b>	<b>934,603</b>	<b>100.0</b>	<b>949,416</b>	<b>100.0</b>			<b>998,955</b>	<b>100.0</b>	<b>1,059,017</b>	<b>100.0</b>	<b>998,955</b>	<b>100.0</b>	<b>1,016,662</b>	<b>100.0</b>	<b>1,077,973</b>	<b>100.0</b>	<b>1,016,662</b>	<b>100.0</b>
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
<b>Grand Total</b>	<b>934,603</b>		<b>949,416</b>				<b>998,955</b>		<b>1,059,017</b>		<b>998,955</b>		<b>1,016,662</b>		<b>1,077,973</b>		<b>1,016,662</b>	

The Actual / Budget amounts exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
12	11	1	12	0	8.33 %	12	12	0	12	0	0.00 %	12	12	0	12	0	0.00 %

## **Analysis of Budget Request**

**Appropriation:** 065 - Law Enforcement & Prosecutorial Programs

**Funding Sources:** MDT - Law Enforcement & Prosecutor Drug Enforcement Training Fund

This program is funded from a portion 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 share of those funds collected is then allocated to the Office of Prosecutor Coordinator for deposit in the Law Enforcement and Prosecutor Drug Enforcement Training Fund per Arkansas Code Annotated §16-10-310. Funds are used solely for law enforcement and prosecutorial purposes.

The Office of Prosecutor Coordinator requests Base Level of \$72,000 each year of the 2009-2011 biennium for the Law Enforcement and Prosecutorial Programs appropriation.

The Executive Recommendation provides for the Agency Request.

**Appropriation Summary**

**Appropriation:** 065 - Law Enforcement & Prosecutorial Programs

**Funding Sources:** MDT - Law Enforcement & Prosecutor Drug Enforcement Training Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Law Enforcement/Prosecutorial 5900046	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000
<b>Total</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>
<b>Funding Sources</b>									
Special Revenue 4000030	72,000	72,000		72,000	72,000	72,000	72,000	72,000	72,000
<b>Total Funding</b>	<b>72,000</b>	<b>72,000</b>		<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>72,000</b>	<b>72,000</b>		<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>

## **Analysis of Budget Request**

**Appropriation:** 090 - Prosecutor Coordinator Oprs

**Funding Sources:** HSC - State Central Services Fund

This appropriation represents the main operating appropriation used by the Office of Prosecutor Coordinator in meeting costs associated with fulfilling the essential mission of the Agency and is funded from the State Central Services Fund. Base Level for this appropriation is \$926,955 in FY10 and \$944,662 in FY11.

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

The Agency Request is \$ 60,062 for FY10 and \$ 61,311 for FY11 as follows:

- Regular Salaries and Personal Services Matching cost for one new position, a Software Support Analyst, to provide technical support to all judicial districts which operate the automated Hot Check Collection system. The position will also assist in the development, training, maintenance, and support of the Agency's Case Management system.
- Operating Expenses, \$ 5,424 for FY10 and \$5,604 in FY11, for an anticipated increase in office rent expense and leasing additional office space for the new position.
- Conference and Travel Expenses, \$3,000 in each year, for training expenses and cost associated with attending several conferences. The Prosecutor Coordinator is a Board member of both the National Association of Prosecutor Coordinators' and the National District Attorneys Association.

The Executive Recommendation provides for Base Level.

## Appropriation Summary

**Appropriation:** 090 - Prosecutor Coordinator Oprs

**Funding Sources:** HSC - State Central Services Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	566,363	590,325	552,733	622,657	661,856	622,657	637,573	677,673	637,573
<b>#Positions</b>		<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>12</b>
Personal Services Matching	5010003	174,030	160,555	178,248	177,762	190,201	177,762	180,553	193,160	180,553
Operating Expenses	5020002	117,518	121,844	121,844	121,844	127,268	121,844	121,844	127,448	121,844
Conference & Travel Expenses	5050009	4,692	4,692	4,692	4,692	7,692	4,692	4,692	7,692	4,692
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
<b>Total</b>		<b>862,603</b>	<b>877,416</b>	<b>857,517</b>	<b>926,955</b>	<b>987,017</b>	<b>926,955</b>	<b>944,662</b>	<b>1,005,973</b>	<b>944,662</b>
<b>Funding Sources</b>										
State Central Services	4000035	804,411	818,060		855,444	915,506	855,444	871,624	932,935	871,624
Special State Asset Forfeiture	4000465	58,192	59,356		71,511	71,511	71,511	73,038	73,038	73,038
<b>Total Funding</b>		<b>862,603</b>	<b>877,416</b>		<b>926,955</b>	<b>987,017</b>	<b>926,955</b>	<b>944,662</b>	<b>1,005,973</b>	<b>944,662</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>862,603</b>	<b>877,416</b>		<b>926,955</b>	<b>987,017</b>	<b>926,955</b>	<b>944,662</b>	<b>1,005,973</b>	<b>944,662</b>

The Actual / Budget amounts exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.

## Change Level by Appropriation

**Appropriation:** 090 - Prosecutor Coordinator Oprs

**Funding Sources:** HSC - State Central Services Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>926,955</b>	<b>12</b>	<b>926,955</b>	<b>100.0</b>	<b>944,662</b>	<b>12</b>	<b>944,662</b>	<b>100.0</b>
C01	Existing Program	60,062	1	987,017	106.5	61,311	1	1,005,973	106.5

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>926,955</b>	<b>12</b>	<b>926,955</b>	<b>100.0</b>	<b>944,662</b>	<b>12</b>	<b>944,662</b>	<b>100.0</b>
C01	Existing Program	0	0	926,955	100.0	0	0	944,662	100.0

### Justification

C01	One additional new position, a software support analyst position is being requested. This position will provide technological support in all judicial districts in operating the Hot Check Collection System, Case Management System, and develop, maintain, train, and support the agency's computer systems and agency's staff. The Agency is requesting an increase in Operating Expenses for rent and additional office space from Catlet-Prien Firm in the Tower Building. The Agency is requesting an increase in Travel Expenses to allow the Agency to attend training and meeting at the National Association of Prosecutor Coordinators (NASPC), National District Attorneys Association (NDAA), and the National Office for Victim Assistance (NOVA).
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# SECRETARY OF STATE

## Enabling Laws

Act 3 of 2007  
Act 2451 of 2007  
Act 417 of 2007  
Act 756 of 2007  
Act 765 of 2007  
Constitution of Arkansas, Article 6

## History and Organization

The primary mission of the Office of the Secretary of State is to maintain official records of the State of Arkansas as authorized and required by State law. The Secretary of State's Office was established upon the adoption of the Constitution of the State of Arkansas September 7, 1874. The Office is a branch of the Executive Department as set forth in Article Six of the Constitution. The duties of the Secretary of State include:

- Legal custodian of the State Capitol Building, the Capitol grounds and all the furniture and fixtures therein and thereon belonging to the State (Section 22-3-202 of the Arkansas Code of 1998 annotated, Act 150 of 1917).
- Maintain a centralized filing system for secured transactions (Revised article 9 of the Uniform Commercial Code). Act 1439 of 2001 made the Secretary of State the sole filing officer except for transactions involving agricultural liens
- Registration of trademarks in Arkansas. (Act 81 of 1967).
- Recording of various filings of candidates in connection with primary, general and presidential elections as provided by Section 7-1-101 et seq., of the Arkansas codes of 1987 Annotated (Act 465 of 1969, as amended); certification of candidates for presidential, state and district positions, and constitutional amendments and issues to County Boards of Elections. Issuance of commissions to all elected officials.
- Distribution of individual copies of the official Acts of the General Assembly. (Act 81 of 1973)
- Collection of Corporate Franchise Tax, including the maintenance of the yearly tax reports. (Act 94 of 2003, 2<sup>nd</sup> Extraordinary Session).
- Accept filing of financial disclosure statements by committees formed or individuals who work to either promote or defeat any statewide initiative, referendum or measure. (Act 261 of 1989)
- Annual registration of persons operating health spas. (Act 264 of 1989)
- Registration of athlete agents and administration of remedies for violations committed by athlete agents. (Act 544 of 1989)
- Registration of and reporting of expenditures by, lobbyists. (Act 719 of 1989)
- Filing of Federal tax liens and notices on corporations, trusts and estates. (Act 835 of 1989)
- Maintain a registry of all qualified community development corporations in the state. (Act 989 of 1993)

- Establish a signature imaging system in the Secretary of State's office. (Act 1285 of 1993)
- Administer the planning, development, implementation, training and maintenance of a computerized voter registration system. (Act 691 of 1995)

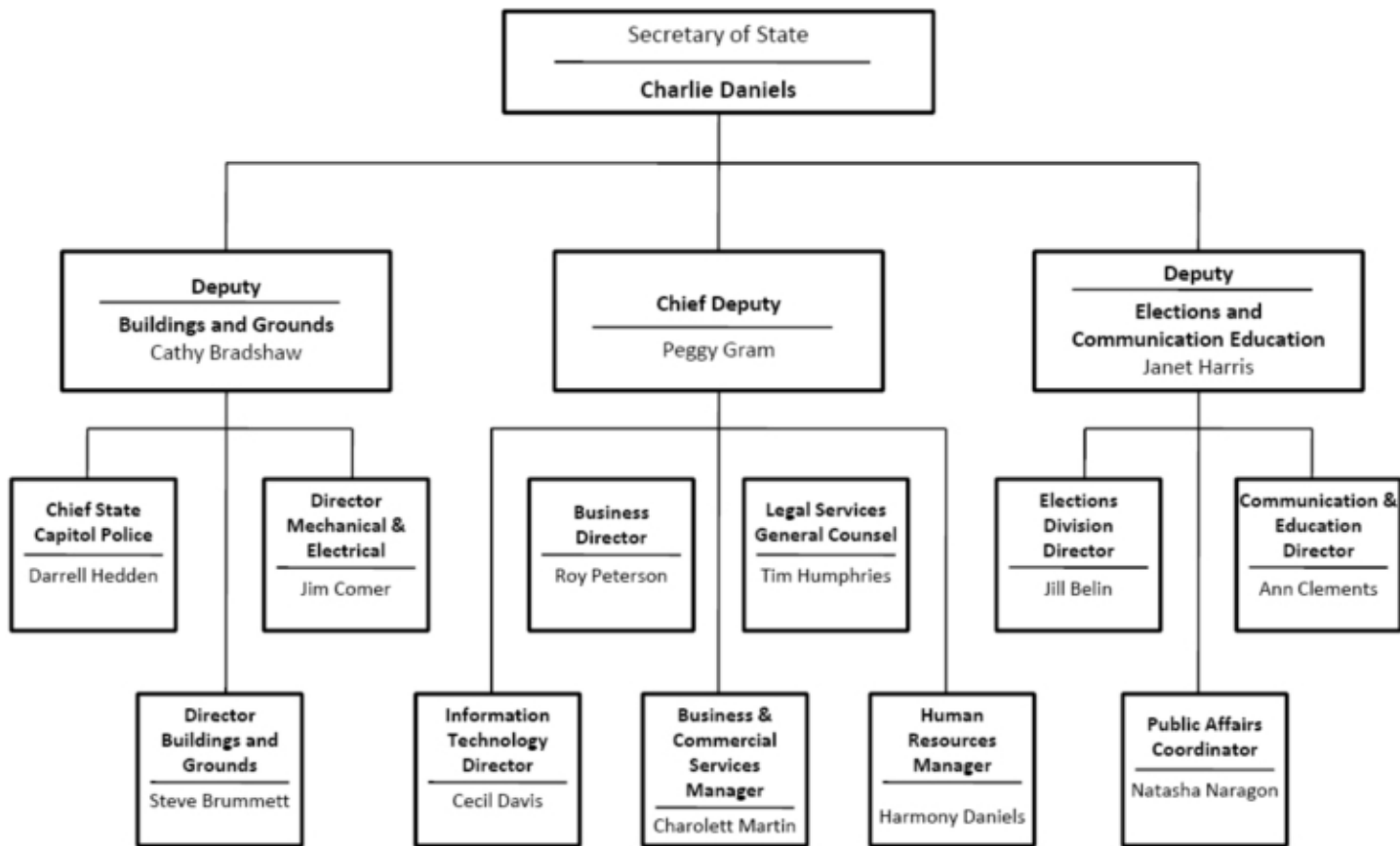
The Secretary of State is designated the Chief Election official of the State of Arkansas, responsible for the coordination of state responsibilities under the National Voter Registration Act of 1993, as required by Federal law. (Identical Acts 947 and 964 of 1995)

Implement Help America Vote Act -Act 2233 of 2005

Commission Notaries Public Act -Act 2274 of 2005 (amendment to earlier law)

Principal functions of the Office of Secretary of State are to:

- Maintain records of the official acts and proclamations of the Governor.
- Affix the Official Seal and attest commissions and other official acts made by the Governor.
- Record Acts of the General Assembly and certify copies thereof; Custodian of official records of the General Assembly, including journals, bills, resolutions and proposed Constitutional Amendments.
- Maintain initial filings, amendments, dissolution and annual reports of all domestic and foreign for-profit and non-profit corporations, limited liability companies, limited partnerships and other entities.
- Accept service of process on unregistered foreign entities and non-residents.
- Issue and record commissions of state, district and county officials, members of boards and commissions, notaries public and Justices of the Peace.
- Perform the duties of Chief Election Official as provided for by federal and state law.
- Maintain complete records of all cash receipts collected from authorized charges for fees and from the sale of legal volumes.
- Keep a complete record of all legal volumes and Acts of the Legislature disbursed by the Secretary of State, either by sales or by free issue as provided by law.
- Responsible for the maintenance and upkeep of the State Capitol Building and Grounds.



## **Agency Commentary**

### **Personnel**

Agency is requesting to increase the authorized line item maximum per each budgeted position by 9.8% for the first year of the biennium and 2.3% for the second year of the biennium. Additionally, the Agency is requesting to add three (3) new positions to the regular budgeted positions for Central Operations and two (2) new positions to the regular budgeted positions for Support Operations. Furthermore, there are seven (7) positions that the Agency is requesting to elevate the line item maximum beyond the flat 9.8%. Justification for these extraordinary increases can be found in the personnel commentary for Central Operations. Overall, the Agency is requesting to increase line item maximums to \$7,855,754 for the first year of the biennium and to \$8,036,439 for the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible

employees. Personal Services Matching includes a \$75 increase in the monthly contribution for state employees' health insurance for a total state match per budgeted employee of \$425. Within that budget, the Agency would allocate approximately 86.6% of the total authorized amount, with few positions being compensated at the line item maximum. Historically, the Agency has allocated roughly 90 percent of the available authorized funds.

Agency is proposing an implementation recommendation for the first year of the biennium of a flat 3% for all employees plus an additional tenure increase varying between 1% and 5%, depending upon the number of years of cumulative service. The Agency would grant tenure increases in accordance with pay plan guidelines established by the Office of Personnel Management. At most, employees of the Agency who receive a flat 3% and have more than 36 years of cumulative state service would receive a total salary increase of 8% versus state employees classified under the state pay plan who could potentially receive an increase of up to 11% (6% for transition from entry to Base Level plus 5% for tenure). Given that 69.5% of agency employees have tenure of 2 to 15 years; the majority of employees would only receive a maximum increase between 4.5% and 5.5% under the Agency's implementation recommendation.

Agency is requesting this change in an effort to eliminate potential salary inequities that currently exist. For example, during fiscal years 2008 & 2009, the Agency compensated 16.25% of staff at a salary level at or below \$28,000. This raises some concern when weighing lower level salaries against rising fuel costs, cost of living expenses, and insurance costs. Additionally, the increased salary levels should aid in reducing overall turnover and facilitate the Agency's mission to attract and retain qualified staff in all areas. Furthermore, the changes would allow the Agency to recognize the service contributions of staff by granting a tenure increase for FY2010 salaries. Most positions within the Agency have been increased each year of the biennium to compensate only for increases in cost of living expenses, which generally offset the rise in insurance costs. Lastly, the increase in personnel appropriation will more closely align the authorized line item maximums with a level more commensurate of current labor market rates as outlined in the state's proposed pay plan.

In preparation of this request, two questions were of immediate importance to the Agency: (1) how much will proposed changes cost the state and (2) how can the Agency best serve employees and citizens while continuing to protect state interests? In response to these questions, the Agency began first by researching both the Career Service (C/S) and Professional/Executive (P/E) pay plans. Each authorized agency budgeted position was matched to a position comparable in both position title and scope of responsibilities. For example, the Agency's authorized position of Accountant was matched to an Accountant position (Grade C116) on the C/S pay plan. The current budgeted authorized maximum is \$44,598. According to the C/S pay plan, the maximum should be \$52,167, an increase of 16.97%. However, under the Agency's request, the new line item maximum would be \$48,969, a difference of \$3,198. Even though the requested amount is substantially less than the C/S pay plan, an increase to \$48,969 would still enable the Agency, over time, to compensate the employee up to \$6,583 beyond the midpoint level assigned to grade C116. In order to align agency line item maximums with a level commensurate of the C/S and P/E pay plans maximums, it would require an increase of approximately \$1,483,389 for FY2010. The Agency's request of 9.8% nets an overall savings of \$809,948 for the state.

## **Appropriation 003 - Central Operations**

### Personnel (5010000)

Agency is requesting to increase the authorized line item maximum per each budgeted position by 9.8% for the first year of the biennium and 2.3% for the second year of the biennium. Under this request, the Agency would receive additional funding of \$409,947 for the first year and \$105,642 for the second year of the biennium. Additionally, the Agency is requesting to add three (3) new positions to the regular budgeted positions for Central Operations, which would result in additional salaries of \$172,530 for the first year of the biennium and \$176,499 for the second year of the biennium. Furthermore, there are seven (7) positions that the Agency is requesting to elevate the line item maximum beyond the flat 9.8% resulting in an increase of \$40,926 for the first year of the biennium and \$41,869 for the second year of the biennium. Overall, the Agency is requesting to increase line item maximums for Central Operations by \$623,403 for the first year and by \$324,010 for the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees.

### 130105 - Legal- General Counsel

Agency is requesting to add the emergency supplemental position of General Counsel to the regular, authorized budgeted positions at a line item maximum of \$88,030 for the first year of the biennium and \$90,055 for the second year of the biennium. The addition of this position is necessary to handle the increased workload within the legal division. The Agency's Chief Counsel has maintained a full workload, which includes, but has not been limited to, election lawsuits, petitions, and other election-related issues. The additional senior staff member would provide relief in these areas and would authenticate foreign apostilles; review corporation and notary public complaints, and advise on personnel issues. Additionally, the 2010 census will precipitate reapportionment with preparation beginning during the 2011 legislative session and continuing into the next biennium. Given the current and expected increased workload within the division, this position is crucial to the Agency's ability to continue to function in all these areas and to protect state interests.

### 130201 - Business Office

Agency is requesting to change the title of Human Resource Assistant to Payroll Officer. The scope of responsibilities for this position has vastly changed and encompasses much more than routine administrative and clerical tasks. The Payroll Officer will primarily be responsible for compensation, bi-weekly, quarterly, and annual payroll reporting. Additionally, the Payroll Officer will serve as the first point of contact for human resource services regarding payroll issues and will serve as the primary back-up in the absence of the Human Resource Manager. As a result, the Agency is reclassifying this position.

Additionally, the Agency is requesting to change the title of Accounting Technician II to Accountant and is requesting to elevate the line item maximum to \$48,969 for the first year of the biennium, and \$50,095 for the second year of the biennium, to a level commensurate of the Agency's current Accountant positions. The scope of responsibilities of this position has expanded beyond general bookkeeping duties, to encompass a broad scope of responsibilities supporting staff in the areas of accounting, accounts payable, and human resources. Furthermore, this employee has been cross-trained and presently serves as a back-up in the short-term absence of the Business Assistant and Accountants. Additionally, many of the job duties for the Accountants have been restructured to allow more

specialization in the areas of fixed assets and grant writing. As a result, more general accounting and accounts payable tasks have been re-assigned to the Accounting Technician II. Given the level of job tasks and scope of responsibility, this position is severely underpaid at a line item maximum of \$27,713.

#### 130301 - Communications and Education

Agency is requesting (1) additional position of Capitol Historian Assistant at a line item maximum of \$35,000 for the first year of the biennium and \$35,805 for the second year of the biennium. The addition of this position is necessary to handle the increased workload within the department. The Agency's Historian maintains a full workload with development, fabrication, and installation of exhibits; conservation of documentary, art, and photographic collections; research, and compilation of historical topics for publications and web material. The assistant position would provide relief in the areas of exhibit installation; conserving documentary, art, and photographic collections; maintaining the departmental reference collection; and conducting historical research. The position would require knowledge of history with regard to state government, political history and the Arkansas State Capitol. Furthermore, it would require strong communication and presentation skills. The additional position is necessary to preserve Arkansas heritage and to promote continued education of our state by showcasing historical exhibits and providing historical information to students, visitors and state employees of the State Capitol.

#### 130302 - Photography

Agency is requesting to elevate the line item maximum of the Photographers to \$41,500 for the first year of the biennium and \$42,455 for the second year of the biennium, to a level more commensurate of the photographers classified on the state C/S pay plan. This request is being made in an effort to retain and attract qualified personnel within a competitive market. The overall workload within the department has increased, as the photographers also cover assignments for other elected officials which include Constitutional Officers, Legislators, and Supreme Court Justices. Additionally, the skill level needed within this department requires expertise in print design and photo archival, as well as professional knowledge of studio lighting, photo design, and layout. Furthermore, staff is required to produce photographs that meet technical specifications for brochures, newsletters, and public displays. Given that the photographers typically cover press conferences and historical events in and around the State Capitol, it is necessary to produce photos that are of top quality. Lastly, the position requires extensive knowledge of digital camera equipment and photo enhancement and design software.

Agency is also requesting to elevate the line item maximum for the position of Photography Manager to \$45,000 for the first year and \$46,035 for the second year of the biennium, consistent with the supervisory duties of this position and in keeping with the hierarchy within the department.

#### 130501 - Information Technology

Agency is requesting (1) additional position of Business Continuity Administrator at a line item maximum of \$49,500 for the first year of the biennium, and \$50,639 for the second year of the biennium. The primary responsibility of this position will be to design, test, implement, and manage the Agency's disaster recovery plan. This position is crucial to the department's ability to restore operating systems at any level of disaster. The addition of this position will allow the department to better utilize its available resources and allow for staff specialization in the areas of software maintenance, networking, database

design, security, and support. Furthermore, in the absence of key personnel, the administrator position will help facilitate better continuity within the department.

Agency is also requesting to elevate the salaries of the Network Administrator, Security Administrator, and Programmer Analyst. For the Network Administrator and Security Administrator positions, this request would raise line item maximums to \$52,500 for the first year of the biennium and \$53,708 for the second year of the biennium. For the Programmer Analyst position, there would be a slight increase to \$57,500 for the first year of the biennium and \$58,823 for the second year of the biennium. This request is necessary to bring the salaries for these positions up to a competitive level in order to recruit and retain qualified candidates. In response to increased reports across the nation of security breaches and virus/spyware outbreaks, as well as rising public awareness, the Agency is requesting these changes in an effort to better safeguard and protect against breaches within the network infrastructure of the State Capitol complex.

#### Extra Help (5010001)

Through utilization of Extra Help employees in the Business/Commercial Services Division, we have been able to better meet demands of the Franchise Tax filing season by re-hiring employees from previous seasons, thereby saving training costs and run-up time. Employees are hired at a lower pay scale with lower benefit costs while generally maintaining a higher level of working knowledge of the processes and systems. All of this is accomplished without the need of authorized budgeted positions while also allowing more flexibility in the placement of the employees wherever the needs are greatest. In an effort to retain or re-attract those qualified, trained, personnel during franchise tax season, our agency is requesting an increase of \$15,000 in extra help salaries for each year of the biennium.

#### Operating Expenses (5020002)

In maintenance and operations costs we are requesting an increase of \$451,294 for the first year of the biennium, and \$445,824 for the second year of the biennium. Within this requested increase, \$339,236 in the first year of the biennium and \$344,513 in the second year of the biennium are replacing dollars which, in previous years, were paid from an un-appropriated cash fund, the money from which is now being deposited into the State Treasury. The remaining portion of these requested amounts is necessary to cover continued increases in fuel costs and hotel costs, upgrades in equipment and software in order to enhance security within the Agency's computer network, redesign of several brochures and ads, revamping the Distinguished Arkansans Gallery, and for the development of a CD-Rom creating a Grades 9 thru 12 curriculum of Arkansas history and utilizing the State Capitol as a learning lab.

#### Conference and Travel Fees (5050009)

Agency is requesting an increase of \$7,500 in travel expenses for both years of the biennium. These requests are made in response to recent increases in fuel costs and associate increases in common carrier fees and surcharges, vehicle rental rates, and hired transportation rates.

#### Professional Fees (5060010)

We are requesting an increase of \$16,500 the first year of the biennium and \$6,500 the second year of the biennium in professional fees to be expended throughout the biennium to cover costs relating to technical maintenance on the informational touch screen located on the first floor lobby of the Capitol building; AETN CIV course development/broadcasts; studio lighting setup, and camera upgrades.

### Data Processing (5090012)

Agency is requesting an increase in Data Processing of \$15,000 for each year of the biennium. A portion of these costs represent increases in fees charged by a developer, Information Network of Arkansas (INA) for utilization of the current system of online filing for franchise taxes and for increases in lockbox fees. The Agency has succeeded in increasing usage of the online franchise tax filing option each year and has utilized a lockbox system to improve internal controls over franchise tax filing receipts and to substantially reduce the time it has historically taken to deposit those receipts into the State Treasury. The remaining increase represents Information Tech employee training costs and outsourcing technical assistance.

### Capital Outlay (5120011)

We are requesting a total of \$195,000 for each year of the biennium. This will enable us to upgrade our Informational Technology Division by purchasing new software, servers, and security software packages, and replace existing equipment which has been damaged or excessively used. Shown below is an itemized listing of Capital Outlay needs:

- \$30,000 each year of the biennium - Equipment replacement - Business/Commercial Services Division
- \$25,000 each year of the biennium - Equipment replacement and upgrades - Informational Technical Division.
- \$30,000 first year of the biennium - Photography Equipment
- \$20,000 first year of the biennium - New Software - Informational Technical Division
- \$90,000 first year of the biennium - Secondary Business/Commercial Services Division Site Equipment
- \$25,000 second year of the biennium - Furniture, 4 new workstations, Design workspace - Photography
- \$20,000 second year of the biennium - SAN Expansion - Information Technical Division
- \$10,000 second year of the biennium - Server replacement - Information Technical Division
- \$25,000 second year of the biennium - New software in the Information Technical Division
- \$35,000 second year of the biennium - Vehicle Replacement (2) - Executive Department
- \$25,000 second year of the biennium - Furniture and Equipment - various departments

### Mandatory Publications (5900034)

We are requesting an addition of \$20,000 to the funding level equivalent of the FY2008-2009 biennium, which was \$345,000, for a total of \$365,000. This increase is due to continued increases in print costs, set up fees and delivery costs. This fund has carry forward language. Therefore, the total appropriation covers both years of this budget cycle.

### Petition Verification (5900035)

We are requesting a funding level equivalent to the FY2008-2009 biennium, which was \$475,000. These expenditures are seasonal in that they fluctuate during election years and costs vary with volume. They consist of hiring temporary workers to process petitions and an outside CPA firm to audit the findings. These costs are also increasing; however, the level of funding at this time seems to be adequate. This fund has carry forward language. Therefore, the total appropriation covers both years of this budget cycle.



#### Publish Legal Notices (5900036)

Agency is requesting a funding level equivalent to the FY2008-2009 biennium, which was \$950,000. These expenditures are seasonal in that they fluctuate during election years. They consist of public announcements in the form of ads in most print media outlets statewide. These costs increase each year. However, the current level of funding is adequate at this time. This fund also has carry forward language. Therefore, the total appropriation covers both years of this budget cycle.

#### Records Management (5900037)

Agency is requesting an increase of \$684,472 for the biennium. This increase is due to continued production costs necessary to upgrade the UCC and Corporation areas of the Business/Commercial Services Division in order to keep abreast of constant changes within the banking community regarding check imaging, lockbox enhancements, and electronic file maintenance. Standard costs consist of ongoing software development and maintenance within the finance, personnel and Commercial Services Divisions, monthly banking fees associated with the lockbox operation, and web fees associated with the web filing program. This fund has carry forward language. Therefore, the total appropriation covers both years of this budget cycle.

#### Elections (5900047)

Agency is requesting the creation of an Elections Division commitment item to allow Agency to better segregate Election Division expenditures during election years. These expenditures are seasonal and fluctuate with election activity. Agency is requesting \$146,821 for the first year of the biennium and \$190,922 for the second year of the biennium for maintenance and operational costs, professional fees, and travel costs associated with operating the Election Division.

#### Motor Voter (5900046) "Statewide Voter Registration System"

We wish to change the title of this fund from "Motor Voter" to "Statewide Voter Registration System". We are requesting additional funding totaling \$371,748 for the first year of the biennium and \$326,748 for the second year of the biennium. These increases consist of the following:

Within the area of the Statewide Voter Registration System, where most of the States' activity associated with the Federal Help America Vote Act (HAVA) are monitored and maintained, we are requesting an additional \$56,848 for the first year of the biennium, and \$11,848 for the second year of the biennium for costs related to software maintenance and upgrades located at the county level. These systems were installed during the last biennium in accordance with HAVA requirements and are required to be maintained. Included within this request are increased maintenance fees associated with Interagency database "hits" to and from the Department of Motor Vehicles, the Department of Health, and the Department of Community Punishment. Cross-referencing costs to Voter Registration lists are estimated to increase about \$800 per year for each agency for a total of \$2,400 for each year of the biennium. This cross-referencing system is a requirement of HAVA to keep Voter Registration data as up-to-date as possible.

We are requesting \$312,500 for each year of the biennium for the ongoing upkeep of county equipment necessary to operate the Statewide Voter Registration System in accordance with HAVA requirements.

Each of these costs represents expenditures associated with the States' ongoing maintenance of effort as mandated under HAVA. Federal funding provided the initial development and/or purchase of these systems and does not cover ongoing maintenance, repair and replacement costs at the county level for the hardware necessary to implement the Statewide Voter Registration System.

## **Appropriation 687 - Support Operations**

### Personnel (5010000)

Agency is requesting to increase the authorized line item maximum per each budgeted position by 9.8% for the first year of the biennium and 2.3% for the second year of the biennium. Under the request, the Agency would receive additional funding of \$263,494 for the first year of the biennium and \$67,902 for the second year of the biennium. Additionally, the Agency is requesting to add two (2) new positions to the regular budgeted positions for Support Operations, which would result in additional salaries of \$96,964 for the first year of the biennium and \$99,194 for the second year of the biennium. Overall, the Agency is requesting to increase line item maximums for Support Operations by \$360,458 for the first year of the biennium and by \$167,096 for the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees and certification payments for State Capitol Police.

### 130701-State Capitol Police

Agency is requesting to add (2) Corporal positions at a line item maximum for each position of \$48,482 for the first year of the biennium and \$49,597 for the second year of the biennium, in order to maximize security measures and provide a safe environment for citizens, visitors, state employees, and elected officials. Responsibilities for the State Capitol Police encompass several areas which include, but are not limited to the following: Investigation and apprehension; traffic control and accident response; Capitol building access key-card system; preventative patrol; emergency response; disaster and event security; communication services for police staff; crime prevention and dispute mediation, with security dispatch and patrol services being provided on a 24 hour/7 day-a-week basis. While the current level of staffing has been able to effectively operate and maintain security of the State Capitol complex and grounds, our agency takes very seriously concerns raised by the public and elected officials over recent acts of violence occurring near the State Capitol complex, as well as incidents in the national news. Increased staffing within the State Capitol Police Department is crucial to security efforts aimed at effectively planning for and mitigating emergency response efforts for catastrophic events, hazards, and disasters, natural or otherwise.

### Maintenance & Operations (5020002)

We are requesting an increase of \$179,769 for the first year of the biennium, and \$182,115 for the second year of the biennium. Inclusive within this request are the following:

- Expected utility cost increases for the ongoing operations at the Capitol campus. We have experienced continued increases in electric, water, and gas utility rates since the beginning of the current biennium. Electricity is expected to rise 13% during the first year of the biennium and 10% during the second year. Natural gas and propane have risen substantially since the beginning of the last biennium.
- An increase of \$6,154 for each year of the biennium for anticipated increases in vehicle insurance, according to interviews with the State Insurance Department.

- An increase in vehicle fuel costs for operations of campus maintenance operations of \$47,265 for each year of the biennium.
- An additional \$4,396 for the first year of the biennium and \$4,527 for the second year of the biennium to cover storage rental fees. These fees were originally paid for out of an un-appropriated cash fund, the monies from which are now being deposited into the State Treasury.

#### Conference and Travel Expenses (5050009)

Agency is requesting an increase of \$7,500 in travel expenses for both years of the biennium. These requests are made in response to recent increases in fuel costs and associated increases in common carrier fees and surcharges, vehicle rental rates, and hired transportation rates, over those rates and fees encountered at the beginning of the current biennium.

#### Capitol Grounds Improvement (5090005)

Agency is requesting an increase of \$334,043 for the first year of the biennium, and \$249,677 for the second year of the biennium. Specific requests are shown below:

- \$11,624 for mowers and carts in the first year of the biennium
- \$35,315 for mowers, carts and a vehicle in the second year of the biennium
- \$25,000 for monument and lighting upgrades in the first year of the biennium
- \$40,000 for irrigation costs in the first year of the biennium
- \$257,419 Steps and railing on North side of Capitol Building in the first year of the biennium
- \$214,362 Upgrade the Markham Street entrance in the second year of the biennium

#### Capital Outlay (5120011)

Within the Capitol Building and Grounds program, we request a funding level of \$260,500 for the first year of the biennium and \$268,000 for the second year of the biennium. Specific requests include the following:

- \$110,500 for the first year of the biennium for vehicle replacements
- \$68,000 for the second year of the biennium for vehicle replacements
- \$150,000 for replacement of cooling towers during the first biennium
- \$200,000 facility elevators during the second year of the biennium

#### Special Maintenance (5120032)

Agency is requesting an additional \$605,000 in the first year of the biennium and \$700,000 in the second year of the biennium to the funding level equivalent of \$472,000 each year of the FY2008-2009 biennium. Specific requests include the following:

- \$60,000 to retrofit the Capitol building elevators to operate in accordance with the SME/ANSI A17.0-1987 Safety Code for Elevators and Escalators. Two passenger elevators and one freight elevator are included in this retrofit.
- \$500,000 to rewire electrical grid in the North end of the Capitol Building
- \$45,000 for floor repair and maintenance
- \$150,000 for painting the basement walls
- \$550,000 for repainting the dome

### Building Insurance (5900046)

We are asking for an increase of \$43,449 for the first year of the biennium and \$53,642 for the second year of the biennium as we were informed that the 40% discount for early payment of premiums would no longer be allowed. These figures represent historical billing amounts net of the discount and an additional 5% increase per each year of the biennium.

### **Appropriation 833 - Arkansas State Capitol Building & Grounds Restoration - Cash**

Agency is requesting a funding level of \$25,000 which is equivalent to the prior biennium. The purpose of these funds is to aid in maintaining the structural integrity and beauty of the State Capitol Building and Grounds. Area 833 is dependent upon donations and, as such, the anticipated level of actual funding is unknown at this time. Expenditure appropriation is contingent upon available funding. State Treasury Money Management Program (TMMP) investment balances currently exist to fund this appropriation at this level.

### **Appropriation 2MJ - Capitol Grounds Monument and Memorial Preservation**

We are requesting an amount equivalent to the base level of the last biennium of \$50,000 for fund TCG0000, (Capitol Grounds Monument and Memorial Preservation Fund) for each year of the biennium. This fund was created by Act 1652 of 2001, and was established as a vehicle by which the office of Secretary of State can be assured of funding associated with the preservation and maintenance of memorials and monuments placed on the Capitol Grounds. The Capitol Grounds Monument and Memorial Preservation Fund is funded solely by special event fees and by a deposit of 10% of a new monument's total cost, made at the time the monument's construction begins and adjusted at its completion. We anticipate placement of one monument during this biennium. Expenditure appropriation is contingent upon available funding.

### **Appropriation 1NK - Help America Vote Act (HAVA) Title II - Federal**

We are requesting an appropriation at the estimated level of funding ending FY09 of \$4,780,000. This is a continuation of HAVA Title II procurements (Act 1466 of 2003).

### **Appropriation 2EK - Election Assistance for the Disabled - Federal**

We are requesting a continuation of this appropriation for \$135,225 each year of the biennium. This fund is in support of a Federal grant award to the office of the Secretary of State for Election Assistance for Individuals with Disabilities. The purpose of this grant is to improve accessibility for individuals with disabilities at polling places. The purpose also includes training poll workers on how best to promote access and informing the general public about accessibility of polling places. This grant is 100% federally funded and we anticipate funding to be available at this level.

### **Appropriation B97 - Parking - Cash (Parking Facilities Maintenance)**

We account for all parking activity within this fund. We are requesting an increase of \$20,000 for each year of the biennium. Adequate cash balances exist, or are anticipated, to fund this appropriation.

### **Appropriation 378 - Fee and Tax Refund (Corporate Filing & Refunds)**

We are requesting a continuation of this appropriation at the current base level of \$450,000 for each year of the biennium. The purpose of this appropriation is to provide a mechanism which allows us to refund overpayments of various receipts processed by the Business/Commercial Services Division. Most of the refunds are from franchise tax overpayments.

## **Appropriation 4JC - Firefighter's Memorial Monument**

We are requesting an increase of \$7,050 for the first year of the biennium, and \$17,050 for the second year of the biennium in anticipation of annual receipts for the Fallen Firefighter Memorial Fund. This fund was created by Act 28 of 2005, and receives funding from a one-dollar (\$1.00) fee collected on the issuance of specialty license plates commemorating our fallen firefighters and from other means as allowed by law. Construction is expected to be complete during the first year of the biennium. The fund will then be utilized to perform the initial maintenance of the site as it is prepared for visitors to the memorial and for ongoing maintenance of the memorial site.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

SECRETARY OF STATE

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

## **Employment Summary**

	Male	Female	Total	%
White Employees	63	52	115	75 %
Black Employees	11	23	34	22 %
Other Racial Minorities	3	1	4	3 %
Total Minorities			38	25 %
Total Employees			153	100 %

## **Cash Fund Balance Description as of June 30, 2008**

Fund Account	Balance	Type	Location
1350300	\$69,999	Checking	Regions Bank

Statutory/Other Restrictions on use:

A.C.A. §22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. §22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Revenue Receipts Cycle:

Fees and fines are collected throughout the year. Interest on the balance is earned.

Fund Balance Utilization:

Funds are used to properly regulate and control the flow of traffic on the State Capitol grounds and to provide parking facilities for use by the public.

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Fund Account	Balance	Type	Location
1350300	\$206,960	Investments TMMP	Regions Bank

Statutory/Other Restrictions on use:

A.C.A. §22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. §22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Revenue Receipts Cycle:

Fees and fines are collected throughout the year. Interest on the balance is earned.

Fund Balance Utilization:

Funds are used to properly regulate and control the flow of traffic on the State Capitol grounds and to provide parking facilities for use by the public.

**Publications**

**A.C.A. 25-1-204**

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Acts of Arkansas	A.C.A. §25-18-206, A.C.A. §25-18-225	N	N	500	Required by law. Provides needed references for State Officials.
Arkansas Register	A.C.A. §25-15-205 (Act 1478 of 2003)	N	N	2,600	Required by law.
Election Laws of Arkansas & State Constitution	A.C.A. §25-18-225	N	N	1,000	Required by law.
The Voter's Choice	Amendment 51 Section 8	N	N	2,500	Promote Voter awareness and increase voter turn-out.

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
003 Secretary of State Operations	7,865,623	88	8,576,716	92	8,710,455	92	12,154,198	92	14,298,820	95	0	0	9,188,645	92	10,617,136	95	0	0
1NK HAVA Title 2	1,135,867	0	4,780,000	0	7,500,000	0	4,780,000	0	4,780,000	0	0	0	4,780,000	0	4,780,000	0	0	0
2EK Election Assist for the Disabled	132,668	0	135,225	0	135,225	0	135,225	0	135,225	0	0	0	135,225	0	135,225	0	0	0
2MJ Cap Grnds Monument Perserv	0	0	25,000	0	50,000	0	25,000	0	50,000	0	0	0	25,000	0	50,000	0	0	0
378 Corporate Filing & Refund	191,281	0	450,000	0	450,000	0	450,000	0	450,000	0	0	0	450,000	0	450,000	0	0	0
4JC Firefighters' Memorial Monument	0	0	15,000	0	15,000	0	15,000	0	22,050	0	0	0	15,000	0	32,050	0	0	0
687 SOS-Support Operations	5,342,197	64	5,736,165	68	5,779,051	68	6,187,255	68	7,742,832	70	0	0	5,949,749	68	7,538,646	70	0	0
833 Treasury Cash	4,000	0	25,000	0	25,000	0	25,000	0	25,000	0	0	0	25,000	0	25,000	0	0	0
B97 Parking/Cash	46,534	0	260,000	0	260,000	0	260,000	0	280,000	0	0	0	260,000	0	280,000	0	0	0
<b>Total</b>	<b>14,718,170</b>	<b>152</b>	<b>20,003,106</b>	<b>160</b>	<b>22,924,731</b>	<b>160</b>	<b>24,031,678</b>	<b>160</b>	<b>27,783,927</b>	<b>165</b>	<b>0</b>	<b>0</b>	<b>20,828,619</b>	<b>160</b>	<b>23,908,057</b>	<b>165</b>	<b>0</b>	<b>0</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	291,785	1.9	320,248	1.6		91,248	0.4	91,248	0.3	0	0.0	86,248	0.4	79,198	0.3	0	0.0
Federal Revenue	4000020	1,268,535	8.4	4,915,225	24.5		4,915,225	20.4	4,915,225	17.6	0	0.0	4,915,225	23.5	4,915,225	20.5	0	0.0
Special Revenue	4000030	10,543	0.1	10,000	0.0		10,000	0.0	10,000	0.0	0	0.0	10,000	0.0	10,000	0.0	0	0.0
State Central Services	4000035	13,207,820	87.8	14,312,881	71.2		18,341,453	76.0	22,041,652	79.1	0	0.0	15,138,394	72.4	18,155,782	75.8	0	0.0
Non-Revenue Receipts	4000040	191,281	1.3	450,000	2.2		450,000	1.9	450,000	1.6	0	0.0	450,000	2.2	450,000	1.9	0	0.0
Cash Fund	4000045	68,454	0.5	61,000	0.3		285,000	1.2	305,000	1.1	0	0.0	285,000	1.4	305,000	1.3	0	0.0
Trust Fund	4000050	0	0.0	25,000	0.1		25,000	0.1	50,000	0.2	0	0.0	25,000	0.1	50,000	0.2	0	0.0
<b>Total Funds</b>		<b>15,038,418</b>	<b>100.0</b>	<b>20,094,354</b>	<b>100.0</b>		<b>24,117,926</b>	<b>100.0</b>	<b>27,863,125</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>20,909,867</b>	<b>100.0</b>	<b>23,965,205</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
Excess Appropriation/(Funding)		(320,248)		(91,248)			(86,248)		(79,198)		0		(81,248)		(57,148)		0	
<b>Grand Total</b>		<b>14,718,170</b>		<b>20,003,106</b>			<b>24,031,678</b>		<b>27,783,927</b>		<b>0</b>		<b>20,828,619</b>		<b>23,908,057</b>		<b>0</b>	

No Executive Recommendation made on these appropriations.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
160	146	14	160	0	8.75 %	160	152	8	160	0	5.00 %	160	153	7	160	0	4.38 %



## Appropriation Summary

**Appropriation:** 003 - Secretary of State Operations

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,741,290	4,208,055	4,183,155	4,663,829	4,836,359	0	4,773,311	4,949,810	0
<b>#Positions</b>		<b>88</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>95</b>	<b>0</b>	<b>92</b>	<b>95</b>	<b>0</b>
Extra Help	5010001	65,760	84,725	84,725	84,725	99,725	0	84,725	99,725	0
<b>#Extra Help</b>		<b>22</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>25</b>	<b>25</b>	<b>0</b>
Personal Services Matching	5010003	1,122,065	1,179,971	1,338,610	1,377,059	1,425,816	0	1,397,552	1,447,050	0
Overtime	5010006	1,381	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Operating Expenses	5020002	1,086,079	1,135,085	1,135,085	1,135,085	1,586,379	0	1,135,085	1,580,909	0
Conference & Travel Expenses	5050009	44,624	50,092	50,092	50,092	57,592	0	50,092	57,592	0
Professional Fees	5060010	21,727	60,886	60,886	60,886	77,386	0	60,886	67,386	0
Data Processing	5090012	105,000	105,000	105,000	105,000	120,000	0	105,000	120,000	0
Capital Outlay	5120011	126,826	170,908	170,908	0	195,000	0	0	195,000	0
Mandatory Publications	5900034	4,299	0	0	345,000	365,000	0	0	0	0
Petition Verification	5900035	106,260	0	0	475,000	475,000	0	0	0	0
Publish Legal Notices	5900036	62,205	0	0	950,000	950,000	0	0	0	0
Records Management	5900037	652,183	0	0	1,325,528	2,010,000	0	0	0	0
Statewide Voter Reg System*	5900046	686,365	1,390,744	1,390,744	1,390,744	1,762,492	0	1,390,744	1,717,492	0
Elections	5900047	0	0	0	0	146,821	0	0	190,922	0
Flags	5900048	39,559	181,250	181,250	181,250	181,250	0	181,250	181,250	0
<b>Total</b>		<b>7,865,623</b>	<b>8,576,716</b>	<b>8,710,455</b>	<b>12,154,198</b>	<b>14,298,820</b>	<b>0</b>	<b>9,188,645</b>	<b>10,617,136</b>	<b>0</b>
<b>Funding Sources</b>										
State Central Services	4000035	7,865,623	8,576,716		12,154,198	14,298,820	0	9,188,645	10,617,136	0
<b>Total Funding</b>		<b>7,865,623</b>	<b>8,576,716</b>		<b>12,154,198</b>	<b>14,298,820</b>	<b>0</b>	<b>9,188,645</b>	<b>10,617,136</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>7,865,623</b>	<b>8,576,716</b>		<b>12,154,198</b>	<b>14,298,820</b>	<b>0</b>	<b>9,188,645</b>	<b>10,617,136</b>	<b>0</b>

No Executive Recommendation on this appropriation.

\*The Agency has requested to change this miscellaneous commitment item title from "Motor Voter System" to "Statewide Voter Registration System".

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Special Language provides for carry forward of appropriation. For FY09, the amounts carried forward were as follows: Professional Fees \$39,159; Capital Outlay \$44,082; Mandatory Publications \$340,701; Petition Verification \$408,776; Publish Legal Notices \$887,795; Records Management \$673,345; and Motor Voter System (Statewide Voter Registration System) \$786,357.

## Change Level by Appropriation

**Appropriation:** 003 - Secretary of State Operations

**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>12,154,198</b>	<b>92</b>	<b>12,154,198</b>	<b>100.0</b>	<b>9,188,645</b>	<b>92</b>	<b>9,188,645</b>	<b>100.0</b>
C01	Existing Program	2,080,755	2	14,234,953	117.1	1,363,273	2	10,551,918	114.8
C04	Reallocation	0	0	14,234,953	117.1	0	0	10,551,918	114.8
C08	Technology	63,867	1	14,298,820	117.6	65,218	1	10,617,136	115.5

**Appropriation Summary**

**Appropriation:** 1NK - HAVA Title 2  
**Funding Sources:** FSS - HAVA Title II - Federal

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	1,135,867	4,780,000	7,500,000	4,780,000	4,780,000	0	4,780,000	4,780,000	0
<b>Total</b>	1,135,867	4,780,000	7,500,000	4,780,000	4,780,000	0	4,780,000	4,780,000	0
<b>Funding Sources</b>									
Federal Revenue 4000020	1,135,867	4,780,000		4,780,000	4,780,000	0	4,780,000	4,780,000	0
<b>Total Funding</b>	1,135,867	4,780,000		4,780,000	4,780,000	0	4,780,000	4,780,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	1,135,867	4,780,000		4,780,000	4,780,000	0	4,780,000	4,780,000	0

No Executive Recommendation on this appropriation.

## Appropriation Summary

**Appropriation:** 2EK - Election Assist for the Disabled

**Funding Sources:** FSS - Election Assistance for Disabled - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	132,668	135,225	135,225	135,225	135,225	0	135,225	135,225	0
<b>Total</b>	132,668	135,225	135,225	135,225	135,225	0	135,225	135,225	0
Funding Sources									
Federal Revenue 4000020	132,668	135,225		135,225	135,225	0	135,225	135,225	0
<b>Total Funding</b>	132,668	135,225		135,225	135,225	0	135,225	135,225	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	132,668	135,225		135,225	135,225	0	135,225	135,225	0

No Executive Recommendation on this appropriation.

**Appropriation Summary**

**Appropriation:** 2MJ - Cap Grnds Monument Perserv

**Funding Sources:** TCG - Capitol Grounds Monument/Memorial Fund - Trust

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Construction 5090005	0	25,000	50,000	25,000	50,000	0	25,000	50,000	0
Total	0	25,000	50,000	25,000	50,000	0	25,000	50,000	0
<b>Funding Sources</b>									
Trust Fund 4000050	0	25,000		25,000	50,000	0	25,000	50,000	0
Total Funding	0	25,000		25,000	50,000	0	25,000	50,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	25,000		25,000	50,000	0	25,000	50,000	0

No Executive Recommendation on this appropriation.

## Change Level by Appropriation

**Appropriation:** 2MJ - Cap Grnds Monument Perserv

**Funding Sources:** TCG - Capitol Grounds Monument/Memorial Fund - Trust

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>	<b>100.0</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>	<b>100.0</b>
C01	Existing Program	25,000	0	50,000	200.0	25,000	0	50,000	200.0

**Appropriation Summary**

**Appropriation:** 378 - Corporate Filing & Refund  
**Funding Sources:** MTA - Miscellaneous Revolving Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	191,281	450,000	450,000	450,000	450,000	0	450,000	450,000	0
<b>Total</b>	191,281	450,000	450,000	450,000	450,000	0	450,000	450,000	0
<b>Funding Sources</b>									
Non-Revenue Receipts 4000040	191,281	450,000		450,000	450,000	0	450,000	450,000	0
<b>Total Funding</b>	191,281	450,000		450,000	450,000	0	450,000	450,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	191,281	450,000		450,000	450,000	0	450,000	450,000	0

No Executive Recommendation on this appropriation.

## Appropriation Summary

**Appropriation:** 4JC - Firefighters' Memorial Monument

**Funding Sources:** SFF- Fallen Firefighter's Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Construction 5090005	0	15,000	15,000	15,000	22,050	0	15,000	32,050	0
<b>Total</b>	<b>0</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>22,050</b>	<b>0</b>	<b>15,000</b>	<b>32,050</b>	<b>0</b>
<b>Funding Sources</b>									
Fund Balance 4000005	11,506	22,049		17,049	17,049	0	12,049	4,999	0
Special Revenue 4000030	10,543	10,000		10,000	10,000	0	10,000	10,000	0
<b>Total Funding</b>	<b>22,049</b>	<b>32,049</b>		<b>27,049</b>	<b>27,049</b>	<b>0</b>	<b>22,049</b>	<b>14,999</b>	<b>0</b>
Excess Appropriation/(Funding)	(22,049)	(17,049)		(12,049)	(4,999)	0	(7,049)	17,051	0
<b>Grand Total</b>	<b>0</b>	<b>15,000</b>		<b>15,000</b>	<b>22,050</b>	<b>0</b>	<b>15,000</b>	<b>32,050</b>	<b>0</b>

No Executive Recommendation on this appropriation.



## Change Level by Appropriation

**Appropriation:** 4JC - Firefighters' Memorial Monument

**Funding Sources:** SFF- Fallen Firefighter's Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>100.0</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>100.0</b>
C01	Existing Program	7,050	0	22,050	147.0	17,050	0	32,050	213.7

## Appropriation Summary

**Appropriation:** 687 - SOS-Support Operations

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,494,408	2,710,037	2,688,737	2,985,631	3,082,595	0	3,055,120	3,154,314	0
<b>#Positions</b>	<b>64</b>	<b>68</b>	<b>68</b>	<b>68</b>	<b>70</b>	<b>0</b>	<b>68</b>	<b>70</b>	<b>0</b>
Extra Help 5010001	8,678	9,000	9,000	9,000	9,000	0	9,000	9,000	0
<b>#Extra Help</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>0</b>
Personal Services Matching 5010003	783,245	796,274	860,460	910,710	939,062	0	923,715	952,484	0
Overtime 5010006	2,238	23,000	23,000	23,000	23,000	0	23,000	23,000	0
Operating Expenses 5020002	1,077,272	1,162,100	1,162,100	1,162,100	1,341,869	0	1,162,100	1,344,215	0
Conference & Travel Expenses 5050009	12,700	13,400	13,400	13,400	20,900	0	13,400	20,900	0
Professional Fees 5060010	142,227	0	0	320,000	320,000	0	0	0	0
Capitol Grounds Improvement 5090005	19,228	131,000	131,000	131,000	465,043	0	131,000	380,677	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	244,418	258,940	258,940	0	260,500	0	0	268,000	0
Special Maintenance 5120032	419,674	472,000	472,000	472,000	1,077,000	0	472,000	1,172,000	0
Building Insurance 5900046	138,109	160,414	160,414	160,414	203,863	0	160,414	214,056	0
<b>Total</b>	<b>5,342,197</b>	<b>5,736,165</b>	<b>5,779,051</b>	<b>6,187,255</b>	<b>7,742,832</b>	<b>0</b>	<b>5,949,749</b>	<b>7,538,646</b>	<b>0</b>
<b>Funding Sources</b>									
State Central Services 4000035	5,342,197	5,736,165		6,187,255	7,742,832	0	5,949,749	7,538,646	0
Total Funding	5,342,197	5,736,165		6,187,255	7,742,832	0	5,949,749	7,538,646	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	5,342,197	5,736,165		6,187,255	7,742,832	0	5,949,749	7,538,646	0

No Executive Recommendation on this appropriation.

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Special Language provides for carry forward of appropriation. For FY09, the amounts carried forward were as follows: Professional Fees \$177,773; Capital Outlay \$14,522; Capitol Grounds Improvement \$111,772; and Special Maintenance \$69,326.

## Change Level by Appropriation

**Appropriation:** 687 - SOS-Support Operations

**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>6,187,255</b>	<b>68</b>	<b>6,187,255</b>	<b>100.0</b>	<b>5,949,749</b>	<b>68</b>	<b>5,949,749</b>	<b>100.0</b>
C01	Existing Program	1,555,577	2	7,742,832	125.1	1,588,897	2	7,538,646	126.7
C04	Reallocation	0	0	7,742,832	125.1	0	0	7,538,646	126.7

## Appropriation Summary

**Appropriation:** 833 - Treasury Cash  
**Funding Sources:** NSS - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	4,000	25,000	25,000	25,000	25,000	0	25,000	25,000	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
<b>Total</b>	<b>4,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>	<b>25,000</b>	<b>0</b>
<b>Funding Sources</b>									
Fund Balance 4000005	1	21,240		21,240	21,240	0	21,240	21,240	0
Cash Fund 4000045	25,239	25,000		25,000	25,000	0	25,000	25,000	0
<b>Total Funding</b>	<b>25,240</b>	<b>46,240</b>		<b>46,240</b>	<b>46,240</b>	<b>0</b>	<b>46,240</b>	<b>46,240</b>	<b>0</b>
<b>Excess Appropriation/(Funding)</b>	<b>(21,240)</b>	<b>(21,240)</b>		<b>(21,240)</b>	<b>(21,240)</b>	<b>0</b>	<b>(21,240)</b>	<b>(21,240)</b>	<b>0</b>
<b>Grand Total</b>	<b>4,000</b>	<b>25,000</b>		<b>25,000</b>	<b>25,000</b>	<b>0</b>	<b>25,000</b>	<b>25,000</b>	<b>0</b>

No Executive Recommendation on this appropriation.

## Appropriation Summary

**Appropriation:** B97 - Parking/Cash

**Funding Sources:** 135 - Parking Lot - Cash

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Various Parking Expenses	5900046	46,534	260,000	260,000	260,000	280,000	0	260,000	280,000	0
<b>Total</b>		46,534	260,000	260,000	260,000	280,000	0	260,000	280,000	0
<b>Funding Sources</b>										
Fund Balance	4000005	280,278	276,959		52,959	52,959	0	52,959	52,959	0
Cash Fund	4000045	43,215	36,000		260,000	280,000	0	260,000	280,000	0
<b>Total Funding</b>		323,493	312,959		312,959	332,959	0	312,959	332,959	0
Excess Appropriation/(Funding)		(276,959)	(52,959)		(52,959)	(52,959)	0	(52,959)	(52,959)	0
<b>Grand Total</b>		46,534	260,000		260,000	280,000	0	260,000	280,000	0

No Executive Recommendation on this appropriation.

## Change Level by Appropriation

**Appropriation:** B97 - Parking/Cash  
**Funding Sources:** 135 - Parking Lot - Cash

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>260,000</b>	<b>0</b>	<b>260,000</b>	<b>100.0</b>	<b>260,000</b>	<b>0</b>	<b>260,000</b>	<b>100.0</b>
C01	Existing Program	20,000	0	280,000	107.7	20,000	0	280,000	107.7

# ARKANSAS STATE LIBRARY

## Enabling Laws

Act 329 of 2007  
A.C.A. §13-2-203 et seq.

## History and Organization

### AGENCY MISSION STATEMENT

The mission of the Arkansas State Library is to serve as the information resource center for state agencies, legislators and legislative staffs; to provide guidance and support for the development of local public libraries and library services; and to provide the resources, services, and leadership necessary to meet the educational, informational, and cultural needs of the citizens of Arkansas. The agency administers state and federal funds appropriated for libraries and library development, including State Aid To Public Libraries funds and federal Library Services and Technology Act (LSTA) funds (formerly Library Services and Construction Act).

The goals of the State Library are to develop access to libraries and information resources; provide library and information resources and services to state government, as well as to other citizens statewide; promote the development, use, and support of public libraries and information resources; foster the recruitment, training, and education of library personnel; and provide effective administration and leadership needed to improve public libraries and library services.

### ENABLING LAWS

#### A. Enabling Legislation

Act 139 of 1935 created the Arkansas Library Commission which guided public library development in Arkansas until 1979. Act 489 of 1979 abolished the former Commission and established the Arkansas State Library with expanded duties and responsibilities. Act 489 of 1979 transferred to the Arkansas State Library and the State Library Board all powers, functions, and duties of the former Arkansas Library Commission. The State Library was created as a division of the Department of Education with the status of a Type One Agency with its own board. The library is directed by a State Librarian appointed by the State Library Board.

#### B. Statutory Responsibility and Primary Activities

Act 489 of 1979 provides that within the limitations of funds, facilities, and resources, the Arkansas State Library shall 1) acquire books and other library materials for reference and research use; 2) establish and maintain a collection of books and library materials pertaining to Arkansas, its people, resources, and history; 3) assist communities, institutions, agencies and groups with library services as needed; 4) direct the development of public library systems, devise and implement a certification plan for public librarians, and assist in the design and building of public library facilities; 5) hold library institutes, training, etc., and encourage the recruitment and training of library personnel; 6) cooperate with the Department of

Education and the Department of Higher Education in the development of school and academic libraries; 7) receive gifts of library materials, money, and property for purposes of the Act; 8) serve as the official state library agency to administer state and federal programs of aid to libraries and undertake other activities and services that will further statewide library systems to provide efficient, effective library service for all Arkansans; 9) cooperate with the officers and agencies of state government to assure maximum utilization of library services and programs; 10) operate and maintain a collection of multi-media materials to complement book collections; 11) provide specialized services to the physically handicapped, including the blind and the institutionalized; 12) act as a regional depository for federal documents and serve as the official depository and clearinghouse for state and local documents.

## HISTORY AND ORGANIZATION

The STATE LIBRARY is organized with a seven-member board appointed by the governor, an agency director who serves as state librarian and executive secretary to the board, and three operational program areas: administration, information resources, and library services and development.

The STATE LIBRARY BOARD establishes agency policies which guide the State Library in fulfilling its mission and represents the state in local, state, regional, and national library issues. The Board has seven members appointed by the governor for seven-year terms, one appointed annually. The Board establishes policies to be followed by the staff of the Arkansas State Library as the agency carries out its mission to provide, develop, and improve library services in Arkansas.

The STATE LIBRARIAN serves as the chief executive officer of the agency and has responsibility for overall planning and development for improved statewide library services, for directing the programs of a multi-faceted "Library for Libraries," and for communicating the need for adequate support for library programs and activities to meet the reading, information, and knowledge needs of Arkansas citizens.

Grants and Research Services oversees the daily administration of the federal Library Services and Technology Act (LSTA) program, assists with program development for the utilization of other federal grant funds, and provides the analysis and reports of data to meet federal library program administration needs.

Information Dissemination Services develops and maintains a statewide information dissemination program, including coordination of agency publications, assistance to public libraries with information dissemination activities, and the provision of graphics, photography, duplication, and word processing services for the agency.

ADMINISTRATION is responsible for in-house administrative functions of the agency, including disbursement of the agency's state and federal funds, the selection and purchase of equipment and supplies, personnel administration, staff development, mail and building maintenance.

Fiscal Services provides accounting, budget monitoring, and payroll services for the agency, including statutory and in-house reporting for these services.

Internal Services provides purchasing and personnel services, incoming and outgoing mail distribution, and custodial services for the agency.

INFORMATION RESOURCES is responsible for providing professional library technical assistance and



services for the Arkansas State Library and other state and public libraries.

Collection Development Services is responsible for the development and balance of the Arkansas State Library materials collections and for promotion of a statewide collection development plan.

Cataloging Services provides access to library materials through the organization, bibliographic process, and preparation of library materials according to national standards.

Documents Services is responsible for the organization and maintenance of the depository and Publications Clearinghouse for local and state documents and the regional depository for federal documents.

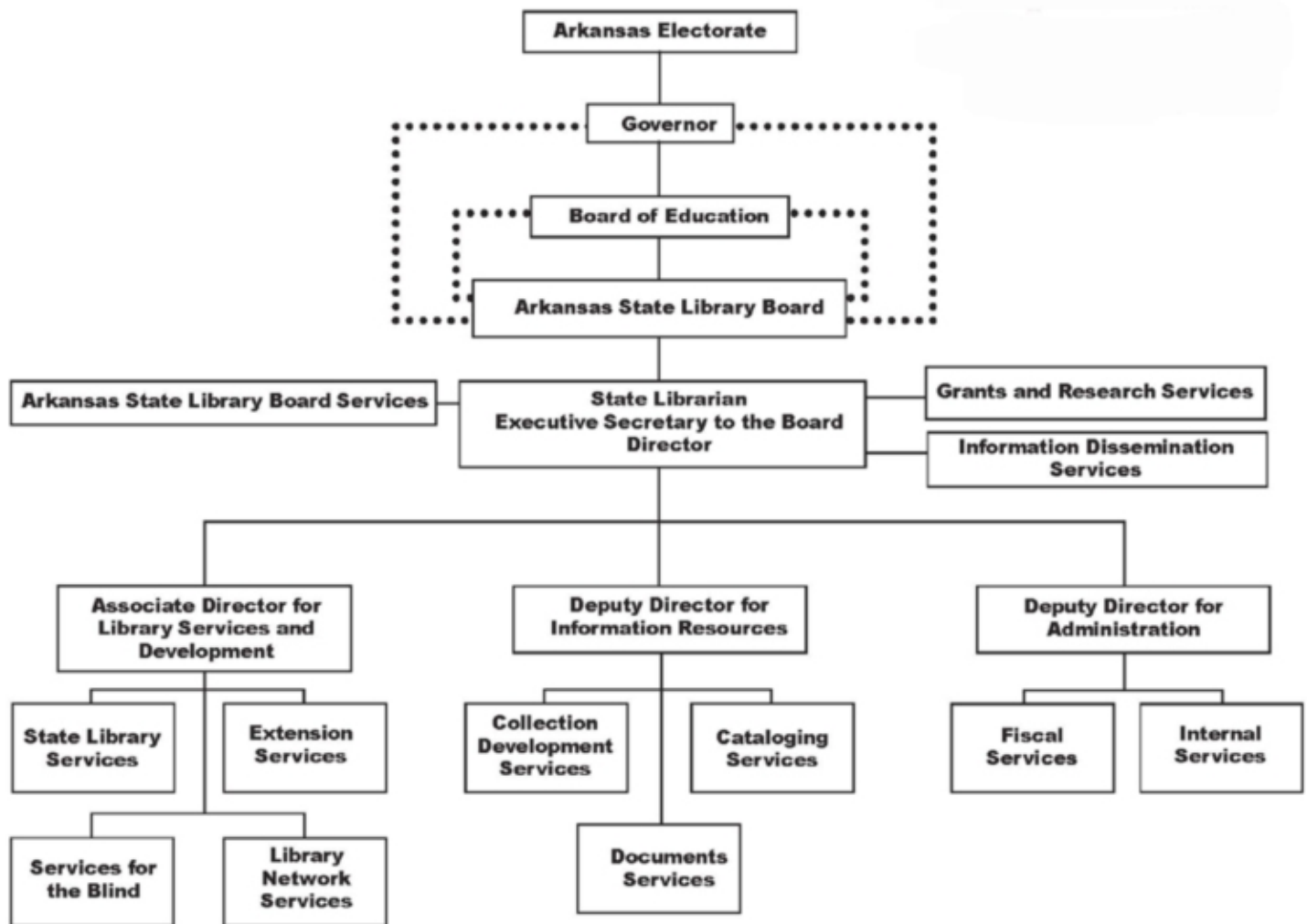
LIBRARY SERVICES AND DEVELOPMENT is responsible for the provision of library service to citizens, libraries, and state government through the resources, personnel, and services of the Arkansas State Library and through local, state, interstate, national, and international library networks; for backup reference and interlibrary loan services to support Arkansas library needs for materials and services unavailable in local communities; and for library development within the state.

State Library Services is responsible for library services to state government and libraries which use the resources of the State Library and for operation of the Arkansas Reference and Interlibrary Loan Network. Program units include reference and circulation/interlibrary loan.

Extension Services provides leadership and direction in the development of public library services and statewide coordination of public library programs. Consultant services are provided to assist public library trustees and staff in planning, policy making, and library governance and financial matters, and in coordination of services to specialized groups. Program units within this section include program advisors and consultants for the institutionalized.

The Library Services for the Blind and Physically Handicapped section provides special materials and services in cooperation with the Library of Congress to meet the needs of visually impaired and handicapped clients.

Library Network Services assists with the development and coordination of library networks in Arkansas, including the promotion of interlibrary cooperative resource sharing programs, and with continuing education programs for library personnel.



## Agency Commentary

### APPROPRIATION 054 - STATE

In maintenance and operations costs we are requesting an increase of \$5,000 in FY2010 and \$7,000 in FY2011 in travel expenses due to the continued increases in fuel costs over the price levels encountered at the beginning of the current biennium, and an increase in common carrier rates and hotel costs over that period. Additionally, in FY2011, we are requesting an increase of \$260,158 in Operating Expense for rent of facilities. The State Library is planning to relocate to the old Dillard's building during the 2009-11 Biennium. For both years of the biennium we are requesting: 1) an increase of \$6,000 to cover the expected increase in premiums for insurance coverage for the State Library contents; 2) \$10,000 for association and membership dues; 3) and \$9,000 for the production and distribution of the Arkansas Library Laws publication.

In order to provide specialized resources, reference collections, and other state documents, the Agency needs to increase the Books and Subscriptions line item budget. The request is for an additional \$33,880 in FY2010 and \$73,536 in FY2011.

#### APPROPRIATION 055 - FEDERAL

The Arkansas State Library administers the Library Services and Technology Act (LSTA) program in Arkansas. Purposes of LSTA, P.L. 104-208, as amended, are 1) to consolidate federal library service programs; 2) to stimulate excellence and promote access to learning and information resources in all types of libraries for individuals of all ages; 3) to promote library services that provide all users access to information through state, regional, national, and international electronic networks; 4) to provide linkages among and between libraries; and 5) to promote targeted library services to people of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to people with limited functional literacy or information skills.

In order to qualify for these federal funds, the State Library is required to submit and have approved a five-year plan for library services. In addition, the agency must meet matching and maintenance-of-effort requirements. It should be noted that Congress annually appropriates funds for this Act, but there is never any way to predict the level of funding. Federal appropriation has typically ranged between one and a half million dollars and two million dollars for each year of the biennium.

Change Level 1 (CO1) in Federal Operations is a request for additional appropriation in the amount of \$3,198 in FY2011 to provide for the increased costs associated with travel.

Change Level 8 (CO8) includes additional appropriation in the amount of \$14,176 in FY2010 and \$14,176 in FY2011 to cover increased costs for the Traveler online database projects.

Change Level 6 (CO6) is an appropriation request in the amount of \$207,717 in both fiscal years. The original appropriation request was from a Miscellaneous Federal Grant that was approved in FY2009.

#### APPROPRIATION 083 - AID TO PUBLIC LIBRARIES

Since 1937, the Arkansas Legislature has regularly appropriated funds for Aid to Public Libraries. These funds augment meager local resources of public libraries which have expenditures per capita among the lowest in the United States. The purpose of Aid to Public Libraries is to encourage local library support, promote resource sharing, improve library resources, and provide library service for the blind.

Use of Arkansas's public libraries is at an all time high with books, CDs, DVDs and other materials flying off the shelves. These libraries provide basic services - materials collections, licensed databases, reference services, programs - and access to essential electronic research materials to support education and economic development.

Change Level 1 (CO1) in Aid to Public Libraries is a request for additional appropriation in the amount of \$783,190 for FY2010 and \$1,583,190 in FY2011.

#### APPROPRIATION 858 - STATE LIBRARY REVOLVING FUND

The Arkansas State Library Revolving Fund is used to receive and disburse payment for lost books, interlibrary loan charges assessed by other libraries, and to deposit funds from agency coin-operated copy machines. The cash flow from these activities is usually small, but is growing. Continuation of the base level for both years of the biennium is requested.

#### APPROPRIATION B42 - LIBRARY TRUSTEE WORKSHOP

This appropriation contains funds generated by registration fees for workshops conducted and/or sponsored by the Arkansas State Library. We are requesting an increase of \$1,000 each year of the biennium to allow for increased participation at these workshops.

#### APPROPRIATION 1XV - GATES GRANT

The Bill & Melinda Gates Foundation's U.S. Libraries initiative has provided funding for the past decade which assists public libraries with the acquisition of computers. Many libraries, especially those in rural areas, struggle to maintain computer hardware and access to the Internet. The Gates Foundation creates new initiatives each year and invites the State Library to apply. The next initiative will address connectivity.

The Agency requests an increase of \$56,866 above Base Level for each year of the biennium to accommodate funding which is anticipated.

#### APPROPRIATION 2ED - TRAVELER PROJECT

The Traveler project is administered by the Arkansas State Library. 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.

Change Level 8 (CO8) is a request for an additional \$10,700 in FY2010 and \$21,400 in FY2011 to cover expected increases in the costs of the database subscriptions.

#### APPROPRIATION 1FM - CENTER FOR THE BOOK - CASH IN TREASURY

The Arkansas Center for the Book encourages 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. The success of the Center for the Book has been achieved through Agency support and funding. The program coordinator actively seeks additional funds through various grant opportunities.

The Agency is requesting a continuation of the Base Level for both years of the biennium.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF EDUCATION  
ARKANSAS STATE LIBRARY

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

## Employment Summary

	Male	Female	Total	%
White Employees	10	25	35	81 %
Black Employees	1	7	8	19 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			8	19 %
Total Employees			43	100 %

## Cash Fund Balance Description as of June 30, 2008

Fund Account	Balance	Type	Location
1050100	\$0	Checking Account	Bank of America

Statutory/Other Restrictions on use:

N/A

Statutory Provisions for Fees, Fines, Penalties:

N/A

Revenue Receipts Cycle:

N/A

Fund Balance Utilization:

Fund is used for receiving fees charged for workshops and is used only to pay for cost of space and food services used for workshops.

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
The News	N/A	N	N	2,142	Quarterly newsletter published for statewide library community. The News is part of a project planned and funded through the federal Library Services & Technology Act and fits within LSTA guidelines.

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
054 Library-State Operations	3,030,690	40	3,225,871	42	3,331,571	42	3,433,343	42	3,497,223	42	3,497,223	42	3,473,860	42	3,839,554	42	3,839,554	42
055 Library-Federal Operations	1,817,249	13	3,017,820	15	2,915,370	15	2,851,413	15	3,073,306	15	3,073,306	15	2,858,046	15	3,068,961	15	3,068,961	15
083 Aid to Public Library	4,900,000	0	4,916,810	0	5,700,000	0	4,916,810	0	5,700,000	0	5,700,000	0	4,916,810	0	6,500,000	0	5,700,000	0
1FM Center for the Book-Cash in Treasury	5,446	0	63,700	0	63,700	0	63,700	0	63,700	0	63,700	0	63,700	0	63,700	0	63,700	0
1XV Gates Grant	82,534	0	68,134	0	175,000	0	68,134	0	125,000	0	125,000	0	68,134	0	125,000	0	125,000	0
2ED Traveler Project	124,610	0	151,796	0	151,796	0	151,796	0	162,496	0	162,496	0	151,796	0	173,196	0	173,196	0
858 State Library-Revolving	98	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
B42 Library Trustee Workshop	3,842	0	5,000	0	5,000	0	5,000	0	6,000	0	6,000	0	5,000	0	6,000	0	6,000	0
<b>Total</b>	<b>9,964,469</b>	<b>53</b>	<b>11,455,753</b>	<b>56</b>	<b>12,349,059</b>	<b>56</b>	<b>11,496,818</b>	<b>56</b>	<b>12,634,347</b>	<b>56</b>	<b>12,634,347</b>	<b>56</b>	<b>11,543,968</b>	<b>56</b>	<b>13,783,033</b>	<b>56</b>	<b>12,983,033</b>	<b>56</b>

Funding Sources		%		%		%		%		%		%		%		%
Fund Balance	4000005	285,569	2.8	80,754	0.7		67,909	0.6	67,909	0.5	67,909	0.5	67,909	0.6	67,909	0.5
General Revenue	4000010	3,030,690	30.2	3,225,871	28.0		3,433,343	29.7	3,497,223	27.5	3,463,343	27.3	3,473,860	29.9	3,839,554	27.7
Federal Revenue	4000020	1,817,249	18.1	3,017,820	26.2		2,851,413	24.7	3,073,306	24.2	3,073,306	24.3	2,858,046	24.6	3,068,961	22.2
Non-Revenue Receipts	4000040	98	0.0	6,622	0.1		6,622	0.1	6,622	0.1	6,622	0.1	6,622	0.1	6,622	0.0
Cash Fund	4000045	11,617	0.1	275,785	2.4		288,630	2.5	357,196	2.8	357,196	2.8	288,630	2.5	367,896	2.7
St Library Public School Fund	4000475	4,900,000	48.8	4,916,810	42.7		4,916,810	42.5	5,700,000	44.9	5,700,000	45.0	4,916,810	42.3	6,500,000	46.9
<b>Total Funds</b>		<b>10,045,223</b>	<b>100.0</b>	<b>11,523,662</b>	<b>100.0</b>		<b>11,564,727</b>	<b>100.0</b>	<b>12,702,256</b>	<b>100.0</b>	<b>12,668,376</b>	<b>100.0</b>	<b>11,611,877</b>	<b>100.0</b>	<b>13,850,942</b>	<b>100.0</b>
Excess Appropriation/(Funding)		(80,754)		(67,909)			(67,909)		(67,909)		(34,029)		(67,909)		(67,909)	
<b>Grand Total</b>		<b>9,964,469</b>		<b>11,455,753</b>			<b>11,496,818</b>		<b>12,634,347</b>		<b>12,634,347</b>		<b>11,543,968</b>		<b>13,783,033</b>	

Budget Amount exceeds Authorized Amount in Library Federal - Operations (Appropriation 055) due to a transfer from the Miscellaneous Federal Grant Holding Account.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
56	51	5	56	0	8.93 %	56	45	11	56	0	19.64 %	56	43	13	56	0	23.21 %



## **Analysis of Budget Request**

**Appropriation:** 054 - Library-State Operations

**Funding Sources:** EPA - State Library Account

The Arkansas State Library serves the knowledge and information needs of the people, institutions and agencies of the State by providing leadership in the development and coordination of library and information resources and services. Funding for this appropriation is provided by State General Revenue.

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

The Change Level requests total \$63,880 for FY10 and \$365,694 for FY11.

This request includes \$30,000 in FY10 and \$292,158 in FY11 for the Operating Expense line item and are detailed as follows: \$6,000 to cover anticipated increases in premiums for insurance coverage for the State Library contents, \$10,000 for association memberships and dues, \$9,000 for production and distribution of the Arkansas Library Laws Publication and \$5,000 in FY10 and \$7,000 in FY11 for increases in Board Member travel costs. Additionally, \$260,158 is requested in FY11 only for increased rent of facilities to cover the additional expense once the State Library has relocated to the "old Dillard's" building on Capitol Avenue.

The Agency is also requesting \$33,880 for FY10 and \$73,536 for FY11 in the Books and Subscriptions line item to purchase books, subscriptions and to renew online databases.

The Executive Recommendation provides for Agency Request in appropriation and allows for \$30,000 in FY10 and \$300,158 in FY11 of additional general revenue.

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

- Increases of \$30,000 for FY10 and \$300,158 for FY11. The breakdown of the total increases are \$6,000 in Operating Expenses for increased insurance premiums in both fiscal years and \$24,000 in FY10 and \$34,000 in FY11 for the Books and Subscriptions line item. Additionally, for FY11, an increase of \$260,158 is for rent of facilities. The increase of rent for FY11 is due to the State Library's plans to relocate to the old Dillard's building on Capitol Avenue in Little Rock.

## Appropriation Summary

**Appropriation:** 054 - Library-State Operations

**Funding Sources:** EPA - State Library Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,468,536	1,663,675	1,677,936	1,745,236	1,745,236	1,745,236	1,778,524	1,778,524	1,778,524
<b>#Positions</b>		<b>40</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>
Extra Help	5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>#Extra Help</b>		<b>0</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
Personal Services Matching	5010003	432,610	465,107	513,251	591,018	591,018	591,018	598,247	598,247	598,247
Operating Expenses	5020002	955,280	912,685	955,280	912,685	942,685	942,685	912,685	1,204,843	1,204,843
Conference & Travel Expenses	5050009	9,860	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
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	700	0	0	0	0	0	0
Books & Subscriptions	5900046	164,404	164,404	164,404	164,404	198,284	198,284	164,404	237,940	237,940
<b>Total</b>		<b>3,030,690</b>	<b>3,225,871</b>	<b>3,331,571</b>	<b>3,433,343</b>	<b>3,497,223</b>	<b>3,497,223</b>	<b>3,473,860</b>	<b>3,839,554</b>	<b>3,839,554</b>
<b>Funding Sources</b>										
General Revenue	4000010	3,030,690	3,225,871		3,433,343	3,497,223	3,463,343	3,473,860	3,839,554	3,774,018
Total Funding		3,030,690	3,225,871		3,433,343	3,497,223	3,463,343	3,473,860	3,839,554	3,774,018
Excess Appropriation/(Funding)		0	0		0	0	33,880	0	0	65,536
<b>Grand Total</b>		<b>3,030,690</b>	<b>3,225,871</b>		<b>3,433,343</b>	<b>3,497,223</b>	<b>3,497,223</b>	<b>3,473,860</b>	<b>3,839,554</b>	<b>3,839,554</b>

## Change Level by Appropriation

**Appropriation:** 054 - Library-State Operations

**Funding Sources:** EPA - State Library Account

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,433,343</b>	<b>42</b>	<b>3,433,343</b>	<b>100.0</b>	<b>3,473,860</b>	<b>42</b>	<b>3,473,860</b>	<b>100.0</b>
C01	Existing Program	63,880	0	3,497,223	101.9	365,694	0	3,839,554	110.5

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,433,343</b>	<b>42</b>	<b>3,433,343</b>	<b>100.0</b>	<b>3,473,860</b>	<b>42</b>	<b>3,473,860</b>	<b>100.0</b>
C01	Existing Program	63,880	0	3,497,223	101.9	365,694	0	3,839,554	110.5

### Justification

C01	<p>The Agency is requesting an increase of \$5,000 in FY2010 and \$7,000 in FY2011 in travel expenses for Board Members due to the continued increases in fuel costs over the price levels encountered at the beginning of the current biennium, and an increase in common carrier rates and hotel costs over that period. For FY11 only, the Agency is requesting an increase of \$260,158 in Rent of Facilities. This request is for the increased rent of the new facilities for the State Library. The State Library expects to relocate to the "Old Dillard's" building during the 2009-11 Biennium. For both years of the biennium we are requesting: 1) an increase of \$6,000 to cover the expected increase in premiums for insurance coverage for the State Library contents; 2) \$10,000 for association and membership dues; 3) and \$9,000 for the production and distribution of the Arkansas Library Laws publication. Additionally, in order to provide specialized resources, reference collections, and other state documents, the agency needs to increase the book budget. The request is for an additional \$33,880 in FY2010 and \$73,536 in FY2011.</p>
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**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: State Library

Program: Library-State Oprs

Act #: 329 of 2007 Section(s) #: 3 & 12

Estimated Carry Forward Amount \$ 0.00      Appropriation       Funds

Funding Source: General

**Accounting Information:**

Business Area: 0519      Funds Center: 054      Fund: EPA      Functional Area: EDUC

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

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

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

We anticipate no carry forward from funds appropriated for Books and Subscriptions.

**Actual Funding Carry Forward Amount**      \$ 0.00

**Current status of carry forward appropriation/funding:**

No carryforward amounts, appropriation and funding utilized completely in FY2008.

Carolyn Ashcraft  
State Librarian

08-25-2008  
Date

## **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.

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

The Change Level request for FY10 is \$221,893 in Operating Expenses. This includes \$207,717 from an Miscellaneous Grant approved in FY09 and \$14,176 for increased costs of database projects.

For FY11, the Change Level request is \$210,915. This includes the appropriation from a Miscellaneous Grant approved in FY09 of \$207,717 for Operating Expenses and \$3,198 in Conference and Travel Expenses for increased costs associated with travel.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 055 - Library-Federal Operations

**Funding Sources:** FEL - State Library Fund-LSTA

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	291,530	352,790	376,608	383,894	383,894	383,894	389,340	389,340	389,340
<b>#Positions</b>		<b>13</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
Extra Help	5010001	11,847	14,625	14,625	14,625	14,625	14,625	14,625	14,625	14,625
<b>#Extra Help</b>		<b>2</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Personal Services Matching	5010003	120,191	122,767	143,150	158,409	158,409	158,409	159,596	159,596	159,596
Operating Expenses	5020002	1,189,316	2,438,239	2,230,522	2,230,522	2,452,415	2,452,415	2,230,522	2,438,239	2,438,239
Conference & Travel Expenses	5050009	38,159	63,963	108,615	63,963	63,963	63,963	63,963	67,161	67,161
Professional Fees	5060010	487	0	14,650	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	165,719	25,436	27,200	0	0	0	0	0	0
<b>Total</b>		<b>1,817,249</b>	<b>3,017,820</b>	<b>2,915,370</b>	<b>2,851,413</b>	<b>3,073,306</b>	<b>3,073,306</b>	<b>2,858,046</b>	<b>3,068,961</b>	<b>3,068,961</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	1,817,249	3,017,820		2,851,413	3,073,306	3,073,306	2,858,046	3,068,961	3,068,961
Total Funding		1,817,249	3,017,820		2,851,413	3,073,306	3,073,306	2,858,046	3,068,961	3,068,961
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>1,817,249</b>	<b>3,017,820</b>		<b>2,851,413</b>	<b>3,073,306</b>	<b>3,073,306</b>	<b>2,858,046</b>	<b>3,068,961</b>	<b>3,068,961</b>

Budget exceeds Authorized Appropriation in Operating Expenses due to a transfer from the Miscellaneous Federal Grant Holding Account.

## Change Level by Appropriation

**Appropriation:** 055 - Library-Federal Operations

**Funding Sources:** FEL - State Library Fund-LSTA

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,851,413</b>	<b>15</b>	<b>2,851,413</b>	<b>100.0</b>	<b>2,858,046</b>	<b>15</b>	<b>2,858,046</b>	<b>100.0</b>
C01	Existing Program	0	0	2,851,413	100.0	3,198	0	2,861,244	100.1
C06	Restore Position/Approp	207,717	0	3,059,130	107.3	207,717	0	3,068,961	107.4
C08	Technology	14,176	0	3,073,306	107.8	0	0	3,068,961	107.4

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>2,851,413</b>	<b>15</b>	<b>2,851,413</b>	<b>100.0</b>	<b>2,858,046</b>	<b>15</b>	<b>2,858,046</b>	<b>100.0</b>
C01	Existing Program	0	0	2,851,413	100.0	3,198	0	2,861,244	100.1
C06	Restore Position/Approp	207,717	0	3,059,130	107.3	207,717	0	3,068,961	107.4
C08	Technology	14,176	0	3,073,306	107.8	0	0	3,068,961	107.4

### Justification

C01	Request for additional appropriation in the amount of \$3,198 in FY2011 to provide for the increased costs associated with travel.
C06	Original appropriation request was from a Miscellaneous Federal Grant that was approved in FY2009.
C08	Additional appropriation request in the amount of \$14,176 in FY2010 to cover increased costs for online database projects. This is covered in the State Library's IT plan under Major Application Information:Traveler

## **Analysis of Budget Request**

**Appropriation:** 083 - Aid to Public Library

**Funding Sources:** JSL - State Library Public School Fund

Since 1937, the Arkansas Legislature has regularly appropriated funds for Aid to Public Libraries. These funds supplement local libraries. The purpose of Aid to Public Libraries is to encourage local library support, promote resource sharing, provide professional administration, improve local library resources, promote system regionalization, and provide library services for the blind. Funding for this appropriation is received from the Public School Fund.

The Change Level request for appropriation and funding is \$783,190 in Grants and Aids for FY10 and \$1,583,190 in Grants and Aids for FY11. These increases will allow the State Library to further aid and encourage local library support and assist the local libraries with providing the basic services such as materials collections, licensed databases, reference services and access to essential electronic research materials to support education and economic development.

The Executive Recommendation provides for \$783,190 in both fiscal years to bring the Aid to Public Libraries funding up to \$5,700,000 each year of the biennium.



**Appropriation Summary**

**Appropriation:** 083 - Aid to Public Library

**Funding Sources:** JSL - State Library Public School Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	4,900,000	4,916,810	5,700,000	4,916,810	5,700,000	5,700,000	4,916,810	6,500,000	5,700,000
<b>Total</b>	<b>4,900,000</b>	<b>4,916,810</b>	<b>5,700,000</b>	<b>4,916,810</b>	<b>5,700,000</b>	<b>5,700,000</b>	<b>4,916,810</b>	<b>6,500,000</b>	<b>5,700,000</b>
<b>Funding Sources</b>									
St Library Public School Fund 4000475	4,900,000	4,916,810		4,916,810	5,700,000	5,700,000	4,916,810	6,500,000	5,700,000
<b>Total Funding</b>	<b>4,900,000</b>	<b>4,916,810</b>		<b>4,916,810</b>	<b>5,700,000</b>	<b>5,700,000</b>	<b>4,916,810</b>	<b>6,500,000</b>	<b>5,700,000</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>4,900,000</b>	<b>4,916,810</b>		<b>4,916,810</b>	<b>5,700,000</b>	<b>5,700,000</b>	<b>4,916,810</b>	<b>6,500,000</b>	<b>5,700,000</b>

## Change Level by Appropriation

**Appropriation:** 083 - Aid to Public Library  
**Funding Sources:** JSL - State Library Public School Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>4,916,810</b>	<b>0</b>	<b>4,916,810</b>	<b>100.0</b>	<b>4,916,810</b>	<b>0</b>	<b>4,916,810</b>	<b>100.0</b>
C01	Existing Program	783,190	0	5,700,000	115.9	1,583,190	0	6,500,000	132.2

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>4,916,810</b>	<b>0</b>	<b>4,916,810</b>	<b>100.0</b>	<b>4,916,810</b>	<b>0</b>	<b>4,916,810</b>	<b>100.0</b>
C01	Existing Program	783,190	0	5,700,000	115.9	783,190	0	5,700,000	115.9

### Justification

C01	In the Aid to Public Libraries is a request for additional appropriation and funding in the amount of \$783,190 for FY2010 and in year FY2011, \$1,583,190 in additional appropriation and funding is requested to further aid and encourage local library support, promote resource sharing, improve library resources, and provide library service for the blind.
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## **Analysis of Budget Request**

**Appropriation:** 1FM - Center for the Book-Cash in Treasury

**Funding Sources:** NSL - Cash in Treasury

The Arkansas Center for the Book at the Arkansas State serves the state's librarians, booksellers, readers, and writers. Through sustained partnerships, the Center for the Book presents a number of annual programs and publications to promote Arkansas authors and encourage reading and book-related activities. In addition, the Center for the Book offers financial, logistical, or in-kind assistance to public libraries and organizations for development of workshops and public programs. Funding for this appropriation comes from various cash grants and donations.

The Agency Request in the 2009-2011 Biennium is Base Level for this cash funded appropriation of \$63,700 each fiscal year.

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

## Appropriation Summary

**Appropriation:** 1FM - Center for the Book-Cash in Treasury

**Funding Sources:** NSL - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	5,446	63,700	63,700	63,700	63,700	63,700	63,700	63,700	63,700
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
<b>Total</b>		<b>5,446</b>	<b>63,700</b>	<b>63,700</b>	<b>63,700</b>	<b>63,700</b>	<b>63,700</b>	<b>63,700</b>	<b>63,700</b>	<b>63,700</b>
<b>Funding Sources</b>										
Fund Balance	4000005	6,146	2,597		0	0	0	0	0	0
Cash Fund	4000045	1,897	61,103		63,700	63,700	63,700	63,700	63,700	63,700
<b>Total Funding</b>		<b>8,043</b>	<b>63,700</b>		<b>63,700</b>	<b>63,700</b>	<b>63,700</b>	<b>63,700</b>	<b>63,700</b>	<b>63,700</b>
Excess Appropriation/(Funding)		(2,597)	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>5,446</b>	<b>63,700</b>		<b>63,700</b>	<b>63,700</b>	<b>63,700</b>	<b>63,700</b>	<b>63,700</b>	<b>63,700</b>

## **Analysis of Budget Request**

**Appropriation:** 1XV - Gates Grant

**Funding Sources:** NSL - Cash in Treasury

The Gates Grant program receives funds from the Bill and Melinda Gates Foundation - U.S. Library Initiative. The foundation's U.S. Libraries initiative began with one goal-ensuring that if you can get to a public library, you can access the Internet to learn, explore opportunities, and enrich your life. The challenge now is for public libraries-particularly in low-income communities-to stay connected and meet the growing needs of patrons. The Foundation, through the U.S. Library Initiative, helps libraries across the U.S. to ensure quality technology services are available for the millions who count on them for their only access to computers and the Internet. The Foundation continues to create new initiatives and invites the Arkansas State Library to apply.

The Base Level for this appropriation is \$68,134 for each year of the 2009-2011 Biennium. The Change Level request is \$56,866 in Operating Expenses for both fiscal years. The current Base Level is not sufficient to allow the State Library to utilize expected funding for the program.

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

## Appropriation Summary

**Appropriation:** 1XV - Gates Grant

**Funding Sources:** NSL - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	82,534	68,134	175,000	68,134	125,000	125,000	68,134	125,000	125,000
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
<b>Total</b>	<b>82,534</b>	<b>68,134</b>	<b>175,000</b>	<b>68,134</b>	<b>125,000</b>	<b>125,000</b>	<b>68,134</b>	<b>125,000</b>	<b>125,000</b>
<b>Funding Sources</b>									
Fund Balance 4000005	145,812	67,909		67,909	67,909	67,909	67,909	67,909	67,909
Cash Fund 4000045	4,631	68,134		68,134	125,000	125,000	68,134	125,000	125,000
<b>Total Funding</b>	<b>150,443</b>	<b>136,043</b>		<b>136,043</b>	<b>192,909</b>	<b>192,909</b>	<b>136,043</b>	<b>192,909</b>	<b>192,909</b>
<b>Excess Appropriation/(Funding)</b>	<b>(67,909)</b>	<b>(67,909)</b>		<b>(67,909)</b>	<b>(67,909)</b>	<b>(67,909)</b>	<b>(67,909)</b>	<b>(67,909)</b>	<b>(67,909)</b>
<b>Grand Total</b>	<b>82,534</b>	<b>68,134</b>		<b>68,134</b>	<b>125,000</b>	<b>125,000</b>	<b>68,134</b>	<b>125,000</b>	<b>125,000</b>

## Change Level by Appropriation

**Appropriation:** 1XV - Gates Grant  
**Funding Sources:** NSL - Cash in Treasury

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>68,134</b>	<b>0</b>	<b>68,134</b>	<b>100.0</b>	<b>68,134</b>	<b>0</b>	<b>68,134</b>	<b>100.0</b>
C01	Existing Program	56,866	0	125,000	183.5	56,866	0	125,000	183.5

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>68,134</b>	<b>0</b>	<b>68,134</b>	<b>100.0</b>	<b>68,134</b>	<b>0</b>	<b>68,134</b>	<b>100.0</b>
C01	Existing Program	56,866	0	125,000	183.5	56,866	0	125,000	183.5

### Justification

C01	The agency requests an increase of \$56,866 above base level for each year of the biennium to accommodate funding which is anticipated.
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## **Analysis of Budget Request**

**Appropriation:** 2ED - Traveler Project

**Funding Sources:** NSL - Cash in Treasury

The Arkansas Traveler Project is an on line data base project in the Arkansas State Library. The Traveler databases provide reliable and current research material to 1,300 Arkansas academic, public and school Libraries.

The Base Level for this appropriation is \$151,796 for each year of the 2009-2011 Biennium. The Change Level request is \$10,700 for FY10 and \$21,400 for FY11 in Operating Expenses and will allow the State Library to cover expected increases in the database subscriptions costs.

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



**Appropriation Summary**

**Appropriation:** 2ED - Traveler Project

**Funding Sources:** NSL - Cash in Treasury

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	124,610	151,796	151,796	151,796	162,496	162,496	151,796	173,196	173,196
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
<b>Total</b>		<b>124,610</b>	<b>151,796</b>	<b>151,796</b>	<b>151,796</b>	<b>162,496</b>	<b>162,496</b>	<b>151,796</b>	<b>173,196</b>	<b>173,196</b>
<b>Funding Sources</b>										
Fund Balance	4000005	133,611	10,248		0	0	0	0	0	0
Cash Fund	4000045	1,247	141,548		151,796	162,496	162,496	151,796	173,196	173,196
<b>Total Funding</b>		<b>134,858</b>	<b>151,796</b>		<b>151,796</b>	<b>162,496</b>	<b>162,496</b>	<b>151,796</b>	<b>173,196</b>	<b>173,196</b>
Excess Appropriation/(Funding)		(10,248)	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>124,610</b>	<b>151,796</b>		<b>151,796</b>	<b>162,496</b>	<b>162,496</b>	<b>151,796</b>	<b>173,196</b>	<b>173,196</b>

## Change Level by Appropriation

**Appropriation:** 2ED - Traveler Project  
**Funding Sources:** NSL - Cash in Treasury

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>151,796</b>	<b>0</b>	<b>151,796</b>	<b>100.0</b>	<b>151,796</b>	<b>0</b>	<b>151,796</b>	<b>100.0</b>
C08	Technology	10,700	0	162,496	107.0	21,400	0	173,196	114.1

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>151,796</b>	<b>0</b>	<b>151,796</b>	<b>100.0</b>	<b>151,796</b>	<b>0</b>	<b>151,796</b>	<b>100.0</b>
C08	Technology	10,700	0	162,496	107.0	21,400	0	173,196	114.1

### Justification

C08	Agency requests an additional \$10,700 in FY2010 and \$21,400 in FY2011 to cover expected increases in the costs of the database subscriptions. This is covered under the State Library's IT plan in Major Application Information:Traveler
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## **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, reference services through online bibliographic databases, and coin-operated copy machines.

The Agency is requesting Base Level for the 2009-2011 Biennium.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 858 - State Library-Revolving

**Funding Sources:** TSL - State Library Revolving

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	98	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
<b>Total</b>	<b>98</b>	<b>6,622</b>	<b>6,622</b>	<b>6,622</b>	<b>6,622</b>	<b>6,622</b>	<b>6,622</b>	<b>6,622</b>	<b>6,622</b>
<b>Funding Sources</b>									
Non-Revenue Receipts 4000040	98	6,622		6,622	6,622	6,622	6,622	6,622	6,622
<b>Total Funding</b>	<b>98</b>	<b>6,622</b>		<b>6,622</b>	<b>6,622</b>	<b>6,622</b>	<b>6,622</b>	<b>6,622</b>	<b>6,622</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>98</b>	<b>6,622</b>		<b>6,622</b>	<b>6,622</b>	<b>6,622</b>	<b>6,622</b>	<b>6,622</b>	<b>6,622</b>

## **Analysis of Budget Request**

**Appropriation:** B42 - Library Trustee Workshop

**Funding Sources:** 105 - State Library Account-Workshops

The Arkansas State Library periodically hosts various workshops related to library development. This cash appropriation is used to process the registration fees charged to workshop participants.

The Agency is requesting a Change Level increase above Base Level of \$1,000 in Operating Expenses for both years of the 2009-2011 Biennium. This increase is requested to allow for increased participation at the various workshops.

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

**Appropriation Summary**

**Appropriation:** B42 - Library Trustee Workshop  
**Funding Sources:** 105 - State Library Account-Workshops

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,842	5,000	5,000	5,000	6,000	6,000	5,000	6,000	6,000
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
<b>Total</b>		<b>3,842</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>6,000</b>	<b>6,000</b>	<b>5,000</b>	<b>6,000</b>	<b>6,000</b>
<b>Funding Sources</b>										
Cash Fund	4000045	3,842	5,000		5,000	6,000	6,000	5,000	6,000	6,000
<b>Total Funding</b>		<b>3,842</b>	<b>5,000</b>		<b>5,000</b>	<b>6,000</b>	<b>6,000</b>	<b>5,000</b>	<b>6,000</b>	<b>6,000</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>3,842</b>	<b>5,000</b>		<b>5,000</b>	<b>6,000</b>	<b>6,000</b>	<b>5,000</b>	<b>6,000</b>	<b>6,000</b>

## Change Level by Appropriation

**Appropriation:** B42 - Library Trustee Workshop  
**Funding Sources:** 105 - State Library Account-Workshops

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>5,000</b>	<b>0</b>	<b>5,000</b>	<b>100.0</b>	<b>5,000</b>	<b>0</b>	<b>5,000</b>	<b>100.0</b>
C01	Existing Program	1,000	0	6,000	120.0	1,000	0	6,000	120.0

### Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>5,000</b>	<b>0</b>	<b>5,000</b>	<b>100.0</b>	<b>5,000</b>	<b>0</b>	<b>5,000</b>	<b>100.0</b>
C01	Existing Program	1,000	0	6,000	120.0	1,000	0	6,000	120.0

### Justification

C01	Requesting an increase of \$1,000 each year of the biennium to allow for increased participation at these workshops.
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# SUPREME COURT

## Enabling Laws

Act 1214 of 2007

Constitution of Arkansas, Article 7

Constitution of Arkansas, Amendments 9 and 28

## History and Organization

The first Supreme Court of the State of Arkansas was organized in November, 1836, pursuant to the Arkansas Constitution of 1836. The Constitution of 1836 granted unto the Supreme Court appellate jurisdiction over the other courts of the state and the power to issue Writs of Error and Supersedeas, Certiorari, Habeas Corpus, Mandamus, Quo Warranto, and other remedial writs. The same or similar powers were also granted to the Supreme Court by the Arkansas Constitutions of 1864 and 1868.

The most recent authority for the organization, powers and purposes of the Supreme Court is the Constitution of 1874 and its amendments, and, specifically, Sections One, Four, Five, Six, Seven, Eight, Nine and Ten of Article Seven and Amendments 9 and 28. Pursuant to the authority of Amendment 9, the Supreme Court is now composed of one Chief Justice and six Associate Justices. Section Four of Article Seven of the 1874 Constitution provides that the Supreme Court shall have appellate jurisdiction, coextensive with the state, and that it shall have general superintending control over all inferior courts of law and equity, and in aid of its appellate and supervisory jurisdiction, it shall have power to issue Writs of Error and Supersedeas, Certiorari, Habeas Corpus, Prohibition, Mandamus and Quo Warranto, and other remedial writs, and to hear and determine the same. Section Five of Article Seven provides that "in the exercise of original jurisdiction, the Supreme Court shall have power to issue writs of Quo Warranto to the Circuit Judges and Chancellors when created and to officers of political corporations when the question involved is the legal existence of such corporations." Amendment 28 grants unto the Supreme Court the authority to regulate the practice of law and the professional conduct of attorneys.

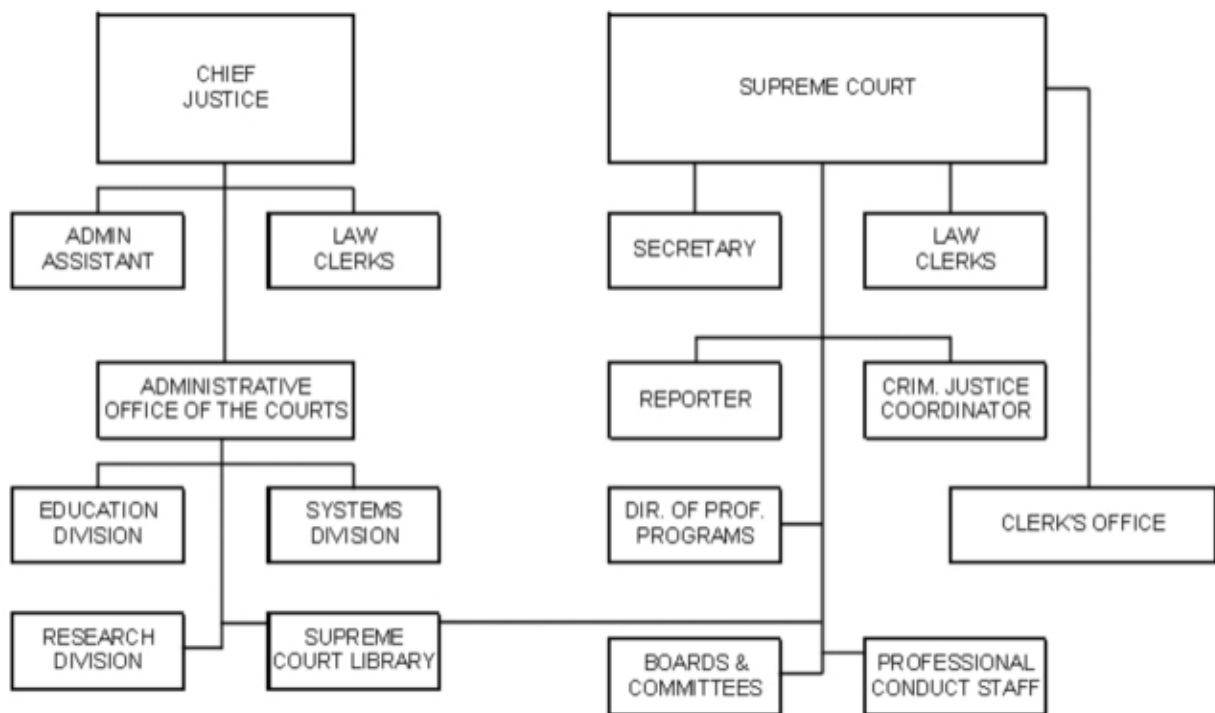
Amendment 58 to the Arkansas Constitution of 1874, which created the Arkansas Court of Appeals, gives to the Supreme Court the power to determine the appellate jurisdiction of the Court of Appeals. The Supreme Court has, by Rule 1-2 of the Rules of the Supreme Court and Court of Appeals, provided that the Court of Appeals will have appellate jurisdiction over all cases appealed from the Circuit, Chancery and Probate Courts, with the exception of the following types of cases, which are appealed to the Supreme Court:

- All cases involving the interpretation or construction of the Constitution of Arkansas;
- Criminal appeals in which the death penalty or life imprisonment has been imposed;
- Petitions for quo warranto, prohibition, injunction, or mandamus directed to the state, county, or municipal officials or to circuit, chancery, or probate courts;
- Appeals pertaining to elections and election procedures;
- Appeals involving the discipline of attorneys-at-law and or arising under the power of the Supreme Court to regulate the practice of law;
- Appeals involving the discipline and disability of judges;
- Second or subsequent appeals following an appeal which has been decided in the Supreme Court; and
- Appeals required by law to be heard by the Supreme Court.



Reassignment of cases. Any case is subject to reassignment by the Supreme Court, and in doing so; the Supreme Court will consider but not be limited to the following:

- Issues of first impression;
- Issues upon which there is a perceived inconsistency in the decisions of the Court of Appeals or Supreme Court;
- Issues involving federal constitutional interpretation;
- Issues of substantial public interest;
- Significant issues needing clarification or development of the law, or overruling of precedent; and
- Appeals involving substantial questions of law concerning the validity, construction, or interpretation of an act of the General Assembly, ordinance of a municipality or county, or a rule or regulation of any court, administrative agency, or regulatory body.



## **Agency Commentary**

Regular Salaries (Commitment Item 5010000): Salary requests for the Court reflect a reclassification of current grades to the comparable grades described in the Office of Personnel Management's Classification Study and FY10 and FY11 pay plan recommendations. Base level salaries for the classified positions include a merit increase adjustment for FY09 and adhere to the guidelines of the Pay Plan Study. A 2.3% cost of living allowance is reflected in the second year of the biennium. The base level request for regular salaries may include career service payments for eligible employees. Additionally, the Court is requesting one (1) new position, contingent upon the approval by the General Assembly of legislature eliminating the requirement that the Supreme Court publish its opinions in printed, bound volumes. If

approved, the Court will begin to publish its official opinions electronically. No additional funding for the position will be required; rather, the necessary appropriation may be transferred from the Court's appropriation for printing. The Court will utilize this position to publish the online electronic version of the Arkansas Reports and the Arkansas Appellate Reports.

Extra Help (Commitment Item 5010001): The Court is asking that its 2009 authorized appropriation of \$30,000 be restored. These funds are necessary to allow the Court to hire temporary personnel if necessary because of employee illness or injury.

Personal Services Matching (Commitment Item 5010003): The Court is requesting an amount in proportion to the increase in salaries for FY10 and FY11. This amount includes a \$75 increase in the monthly contribution for state employee's health insurance for a total State match per budgeted position of \$425.

Operating Expenses (Commitment Item 5020002): The Court requests that its 2009 authorized appropriation be increased by 3% each year of the biennium to help offset increased operating costs due to inflation.

Capital Outlay (Commitment Item 5120011): The Court is requesting to restore its FY09 authorized level of \$112,000 each year of the biennium, as well as an additional \$150,000 in FY10 to purchase a new shelving system for case storage and upgrading outdated computer wiring throughout the building.

Cash Holding Account (Commitment Item 5060010): The Supreme Court Clerk's Office received a grant from the Arkansas Alternative Dispute Resolution Commission for an Appellate Mediation Pilot Program in the amount of \$20,000. The NSC0000 cash holding account appropriation should continue both years of the biennium and will be utilized for mediation purposes. Expense of appropriation is contingent upon available funding.

Fixed Housing and Travel Allowance (Commitment Item 5900049): The Court requests \$60,000 additional appropriation each year of the biennium to fund the special language provision for Justice reimbursements for housing and travel expenses.

No increases over existing line item amounts are being requested by the Court for the following items: Conference and Travel Expenses (Commitment Item 5050009); Professional Fees (Commitment Item 5060010); Printing and Binding (Commitment Item 5900034); Court Appointed Attorneys (Commitment Item 5900040); Commissions and Committees (Commitment Item 5900041); Special Justices (Commitment Item 5900046); and Judicial Education (Commitment Item 5900048).

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

ARKANSAS SUPREME COURT

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

## Employment Summary

	Male	Female	Total	%	
White Employees	9	29	38	97 %	
Black Employees	0	1	1	3 %	
Other Racial Minorities	0	0	0	0 %	
			Total Minorities	1	3 %
			Total Employees	39	100 %

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Arkansas Reports/ AR Appellate Reports	A.C.A. §25-18-210 et seq. (Repl. 2002)	N	N	575	A.C.A. §16-11-201 official historical record of opinions of the Arkansas Supreme Court and Arkansas Court of Appeals

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
008 Supreme Court - Operations	3,577,562	44	3,769,643	44	3,860,529	44	3,883,485	44	4,268,859	45	0	0	3,945,276	44	4,183,659	45	0	0
56S Appellate Mediation - Cash	0	0	0	0	0	0	0	0	20,000	0	0	0	0	0	20,000	0	0	0
<b>Total</b>	<b>3,577,562</b>	<b>44</b>	<b>3,769,643</b>	<b>44</b>	<b>3,860,529</b>	<b>44</b>	<b>3,883,485</b>	<b>44</b>	<b>4,288,859</b>	<b>45</b>	<b>0</b>	<b>0</b>	<b>3,945,276</b>	<b>44</b>	<b>4,203,659</b>	<b>45</b>	<b>0</b>	<b>0</b>

Funding Sources		%		%		%		%		%		%		%		%		%
State Central Services 4000035	3,577,562	100.0	3,769,643	100.0			3,883,485	100.0	4,268,859	99.5	0	0.0	3,945,276	100.0	4,183,659	99.5	0	0.0
Cash Fund 4000045	0	0.0	0	0.0			0	0.0	20,000	0.5	0	0.0	0	0.0	20,000	0.5	0	0.0
<b>Total Funds</b>	<b>3,577,562</b>	<b>100.0</b>	<b>3,769,643</b>	<b>100.0</b>			<b>3,883,485</b>	<b>100.0</b>	<b>4,288,859</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>3,945,276</b>	<b>100.0</b>	<b>4,203,659</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
<b>Grand Total</b>	<b>3,577,562</b>		<b>3,769,643</b>				<b>3,883,485</b>		<b>4,288,859</b>		<b>0</b>		<b>3,945,276</b>		<b>4,203,659</b>		<b>0</b>	

No Executive Recommendation made on these appropriations.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
44	43	1	44	0	2.27 %	44	44	0	44	0	0.00 %	44	39	5	44	0	11.36 %

## Appropriation Summary

**Appropriation:** 008 - Supreme Court - Operations

**Funding Sources:** HSC - State Central Services

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,020,237	2,103,586	2,118,731	2,242,750	2,283,909	0	2,294,799	2,338,492	0
<b>#Positions</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>45</b>	<b>0</b>	<b>44</b>	<b>45</b>	<b>0</b>
Extra Help 5010001	20,422	30,000	30,000	30,000	30,000	0	30,000	30,000	0
<b>#Extra Help</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>0</b>
Personal Services Matching 5010003	573,125	559,878	635,619	646,556	659,361	0	656,298	669,578	0
Operating Expenses 5020002	297,285	313,679	313,679	313,679	323,089	0	313,679	323,089	0
Conference & Travel Expenses 5050009	22,065	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees 5060010	23,291	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	92,988	112,000	112,000	0	262,000	0	0	112,000	0
Printing and Binding 5900034	228,091	275,000	275,000	275,000	275,000	0	275,000	275,000	0
Court Appointed Attorneys 5900040	182,637	195,000	195,000	195,000	195,000	0	195,000	195,000	0
Commissions and Committees 5900041	17,021	20,000	20,000	20,000	20,000	0	20,000	20,000	0
Special Justices 5900046	400	5,500	5,500	5,500	5,500	0	5,500	5,500	0
Judicial Education 5900048	100,000	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Fixed Housing and Travel 5900049	0	0	0	0	60,000	0	0	60,000	0
<b>Total</b>	<b>3,577,562</b>	<b>3,769,643</b>	<b>3,860,529</b>	<b>3,883,485</b>	<b>4,268,859</b>	<b>0</b>	<b>3,945,276</b>	<b>4,183,659</b>	<b>0</b>
<b>Funding Sources</b>									
State Central Services 4000035	3,577,562	3,769,643		3,883,485	4,268,859	0	3,945,276	4,183,659	0
Total Funding	3,577,562	3,769,643		3,883,485	4,268,859	0	3,945,276	4,183,659	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,577,562	3,769,643		3,883,485	4,268,859	0	3,945,276	4,183,659	0

No Executive Recommendation on this appropriation.

## Change Level by Appropriation

**Appropriation:** 008 - Supreme Court - Operations

**Funding Sources:** HSC - State Central Services

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,883,485</b>	<b>44</b>	<b>3,883,485</b>	<b>100.0</b>	<b>3,945,276</b>	<b>44</b>	<b>3,945,276</b>	<b>100.0</b>
C01	Existing Program	385,374	1	4,268,859	109.9	238,383	1	4,183,659	106.0

## Appropriation Summary

**Appropriation:** 56S - Appellate Mediation - Cash

**Funding Sources:** NCS - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
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	20,000	0	0	20,000	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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>0</b>
<b>Funding Sources</b>									
Cash Fund 4000045	0	0		0	20,000	0	0	20,000	0
<b>Total Funding</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>0</b>

No Executive Recommendation on this appropriation.

This appropriation was created during FY09 as a result of a transfer from the Cash Fund Holding Account.



## Change Level by Appropriation

**Appropriation:** 56S - Appellate Mediation - Cash

**Funding Sources:** NCS - Cash in Treasury

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C01	Existing Program	20,000	0	20,000	100.0	20,000	0	20,000	100.0

# TREASURER OF STATE

## Enabling Laws

Act 247 of 2007

Act 103 of 2007

Act 335 of 2007

Act 336 of 2007

Act 104 of 2007

Act 773 of 2007

Act 442 of 2007

Constitution of the State of Arkansas, Article 6

A.C.A. §25-16-601 through §25-16-615

## History and Organization

### Mission

The mission of the Office of the Treasurer of the State of Arkansas is guided by the words of Henry Clay who state, "Government is a trust, and the officers of the government are trustees, both the trust and the trustees are created for the benefit of the people." To fulfill our constitutional and statutory responsibilities as trustees, the State Treasurer's Office shall, in a cost efficient, modern environment, provide the citizens of Arkansas uncompromising safety, operating liquidity, and wealth building yield in collecting, investing and disbursing their money while maintaining, above all, the highest ethical standards.

### History

The Constitution of the State of Arkansas, Article 6, provides for the Office to the Treasurer of State, who is elected by the qualified electors of the State. Arkansas Code Annotated §25-16-601 through §25-16-615, specifies the duties of the Treasurer of State. Those duties are to receive and keep all moneys of the State not expressly required by law to be kept by some other person; to disburse the public money upon warrants drawn upon the Treasurer according to law, and not otherwise; and to keep a just, true and comprehensive account of all moneys received and disbursed in books to be kept for that purpose, in which it shall state from whom moneys have been received and on what account, and to whom and on what account disbursed.

Virtually every section of the Arkansas Code Annotated pertaining to appropriations, funds receipts and disbursements, and fiscal transactions impacts the State Treasurer's Office. It is not practical to list each and every code citing that is relevant to the operations of the Office. The Treasurer's Office maintains a current listing and copy of these codes. In reference to the statutory responsibility of the Treasurer, the following citing of Arkansas Code Annotated covers the primary activities of the Office.

#### ➤ State Treasury Management

State Treasury Management, as prescribed by Arkansas Code Annotated §19-3-501 through §19-3-606, provides for general provisions of State Treasury Management, the State Treasury Management Law, account composition, investment of Treasury funds, and temporary loans to local government.

➤ General and Special Revenues

Arkansas Code Annotated §19-5-202 and §19-5-203 authorizes the Treasurer to distribute on a monthly basis general and special revenues respectively.

➤ Municipal and County Aid

The responsibility for the disbursement of Municipal and County Aid is established by Arkansas Code Annotated §19-5-601 and 19-5-602 respectively.

➤ State Board of Finance

The State Treasurer serves as Secretary, Executive Officer and Disbursing Officer for the State Board of Finance as designated by Arkansas Code Annotated §19-3-101.

➤ County Sales and Use Tax

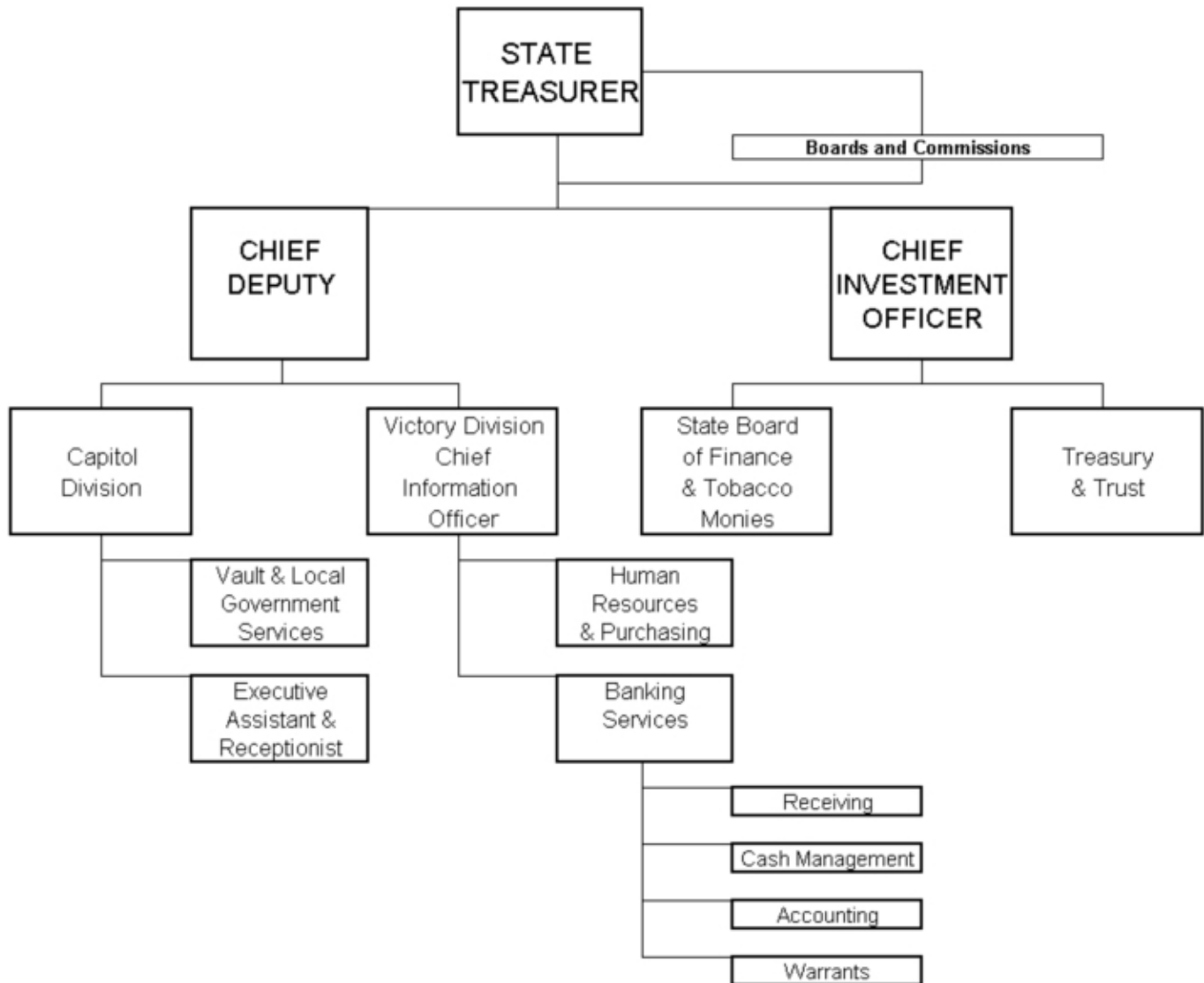
The State Treasurer is responsible for the disbursement of County and Municipal Sales and Use Taxes as prescribed by Arkansas Code Annotated §26-74-214 and §26-75-217.

Organization

The Treasurer functions as a bank for State Government. The Treasurer's Office is divided into the following sections: fund control, accounting, safekeeping, trust, investment, collateral, warrant redemption, receiving, data processing and cashier.

The Treasurer of State belongs to the following boards and commissions:

1. State Board of Finance - member and secretary
2. Board of Trustees of the Arkansas Public Employees Retirement System - ex officio member
3. Board of Trustees of the Arkansas Teacher Retirement System - ex officio member
4. Board of Trustees of the Arkansas State Highway Employees Retirement System - member
5. Arkansas Development Finance Authority - ex officio member



**Agency Commentary**

**TREASURER'S OFFICE OPERATIONS (007)**

Base Level salaries for unclassified positions reflect Cost of Living Allowance adjustments of 5% in FY10 and 2.3% in FY11. The Base Level request for Regular Salaries may include Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Office of the Treasurer of State requests Base Level of \$3,821,642 for FY10 and \$3,875,835 for

FY11. An increase of \$75,000 each fiscal year is requested to restore Capital Outlay to the 2007-2009 authorized level.

STATE WATER, WASTE DISPOSAL AND POLLUTION ABATEMENT BONDS (1TP)

The Treasurer's Office is responsible for debt service on these bonds. The principal and interest requested is for debt service on outstanding bonds and any new issues during the 2009-2011 biennium. A continuation of Base Level is requested in the amount of \$68,000,000 each year of the biennium.

COLLEGE SAVINGS GENERAL OBLIGATION BONDS (990)

The Treasurer's Office is responsible for debt service on these bonds. The principal and interest requested is for debt service on outstanding bonds and any new issues during the 2009-2011 biennium. A continuation of Base Level is requested in the amount of \$52,000,000 each year of the biennium.

CITY-COUNTY TOURIST MEETING AND ENTERTAINMENT FACILITIES BONDS (043)

The Treasurer's Office is responsible for 80% of the debt service on these bonds. The requested appropriation of \$6,999,942 in FY10 and \$4,919,523 in FY11 will meet the outstanding obligations of the current Facilities Agreement between the State Board of Finance and the participating cities. These funds cannot be expended without the approval of the State Board of Finance.

LOCAL SALES AND USE TAX - COUNTY SHARE (2ME)

This appropriation for distribution of the local sales tax is due to the continuing increase as well as the projected increase in the number of counties collecting a local sales tax. The distribution is limited to the amount collected in accordance with state law. A continuation of Base Level is requested in the amount of \$500,000,000 each year of the biennium.

LOCAL SALES AND USE TAX - CITY SHARE (2MQ)

This appropriation for distribution of the local sales tax is due to the continuing increase as well as the projected increase in the number of cities collecting a local sales tax. The distribution is limited to the amount collected in accordance with state law. A continuation of Base Level is requested in the amount of \$600,000,000 each year of the biennium.

COUNTY'S SHARE OF AMENDMENT 74 (2MR)

Uniform Rate of Tax

This appropriation is used for the distribution of the uniform rate of tax to Arkansas school districts. The distribution is limited to the amount collected in accordance with state law. A continuation of Base Level is requested in the amount of \$900,000,000 each year of the biennium.

EMERGENCY MEDICAL (2ZC)

A.C.A. § 19-6-495 created the Arkansas Citizens First Responder Safety Enhancement Fund and established a fine for failure to present proof of insurance at the time of a traffic stop. A.C.A. § 27-22-104(c)(1)(B) provides that 80% of those fines collected be paid to the Treasurer of State to the benefit of the fund and that 50% of the fund shall be used for emergency medical services. The Treasurer's Office is requesting continuation of Base Level in FY10 of \$450,000 to cover anticipated funding for 2009-2011. This is a biennial appropriation. Special Language provides for carry forward of appropriation.

## LOCAL LAW ENFORCEMENT (2ZD)

A.C.A. § 19-6-495 created the Arkansas Citizens First Responder Safety Enhancement Fund and established a fine for failure to present proof of insurance at the time of a traffic stop. A.C.A. § 27-22-104(c)(1)(B) provides that 80% of those fines collected be paid to the Treasurer of State to the benefit of the fund and that 50% of the fund shall be used for local law enforcement. The Treasurer's Office is requesting continuation of Base Level in FY10 of \$450,000 to cover anticipated funding for 2009-2011. This is a biennial appropriation. Special Language provides for carry forward of appropriation.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS TREASURER OF STATE

FOR THE YEAR ENDED JUNE 30, 2007

<u>Findings</u>	<u>Recommendations</u>
<p>Our review of the internal control over the Treasurer of State's information systems processes identified the following deficiencies:</p> <ul style="list-style-type: none"><li>• There was no written contingency plan to specify the recovery procedures in the event of a short-term or long-term interruption of computer service.</li><li>• Daily backup files were not stored in a building adequately distant from the computer system.</li><li>• Vendors who assisted the Treasurer of State in the implementation of their new system continued to have access to the computer applications. These vendors should only be given closely monitored access as needed for specific projects.</li><li>• Password configuration settings were not structured to effectively reduce the risk of unauthorized access to the computer system.</li><li>• During the processing of the various payments to counties and municipalities, one person is typically in control of the entire payment process. The duties of this person include approving and changing payee direct deposit information as well as sending payment notification letters to the payees.</li></ul>	<ul style="list-style-type: none"><li>• Develop written contingency plan and test periodically to ensure adequacy.</li><li>• Store daily backup files at least one to two miles away from the data center.</li><li>• Vendors should be given closely monitored access only as needed.</li><li>• Password configuration settings should adhere to State of Arkansas standards.</li><li>• Segregate duties related to processing payments to counties and municipalities.</li></ul>

Failure to properly implement controls increases the risk of:

- Loss of the ability to process and account for State funds in a timely manner due to computer processing being hindered because of a disaster.
- Irrecoverable loss of various data in the event of a disaster.
- Misappropriation of assets.
- Misstatement of the State's financial records and financial statements.

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 ARKANSAS TREASURER OF STATE  
 DISBURSING OFFICER

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 ARKANSAS TREASURER OF STATE  
 AUDITOR OF STATE  
 DEPARTMENT OF FINANCE AND ADMINISTRATION  
 FUND RECONCILIATION REPORT

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

**Employment Summary**

	Male	Female	Total	%
White Employees	7	21	28	93 %
Black Employees	0	2	2	7 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	7 %
Total Employees			30	100 %

**Publications**

**A.C.A. 25-1-204**

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
007 State Treasurer-Operations	3,321,885	31	3,736,512	34	3,785,997	34	3,821,642	34	3,896,642	34	0	0	3,875,835	34	3,950,835	34	0	0
043 City-Co Tourist Facilities Assist	7,245,886	0	7,134,245	0	7,134,245	0	7,134,245	0	6,999,942	0	0	0	7,134,245	0	4,919,523	0	0	0
1TP Water, Waste Disposal & Pollution Abatement	16,862,492	0	68,000,000	0	68,000,000	0	68,000,000	0	68,000,000	0	0	0	68,000,000	0	68,000,000	0	0	0
2ME Local Sales & Use Tax-City	441,307,179	0	500,000,000	0	500,000,000	0	500,000,000	0	500,000,000	0	0	0	500,000,000	0	500,000,000	0	0	0
2MQ Local Sales & Use Tax-County	447,055,212	0	600,000,000	0	600,000,000	0	600,000,000	0	600,000,000	0	0	0	600,000,000	0	600,000,000	0	0	0
2MR Uniform Tax Rate-Amendment 74	671,104,786	0	900,000,000	0	900,000,000	0	900,000,000	0	900,000,000	0	0	0	900,000,000	0	900,000,000	0	0	0
22C Emergency Medical	216,158	0	0	0	0	0	450,000	0	450,000	0	0	0	0	0	0	0	0	0
22D Local Law Enforcement	216,158	0	0	0	0	0	450,000	0	450,000	0	0	0	0	0	0	0	0	0
990 College Savings Bonds	23,800,427	0	52,000,000	0	52,000,000	0	52,000,000	0	52,000,000	0	0	0	52,000,000	0	52,000,000	0	0	0
<b>Total</b>	<b>1,611,130,183</b>	<b>31</b>	<b>2,130,870,757</b>	<b>34</b>	<b>2,130,920,242</b>	<b>34</b>	<b>2,131,855,887</b>	<b>34</b>	<b>2,131,796,584</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>2,131,010,080</b>	<b>34</b>	<b>2,128,870,358</b>	<b>34</b>	<b>0</b>	<b>0</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Special Revenue 4000030	432,316	0.0	0	0.0			900,000	0.0	900,000	0.0	0	0.0	0	0.0	0	0.0	0	0.0
State Central Services 4000035	3,321,885	0.2	3,736,512	0.2			3,821,642	0.2	3,896,642	0.2	0	0.0	3,875,835	0.2	3,950,835	0.2	0	0.0
Trust Fund 4000050	711,767,705	44.2	1,020,000,000	47.9			1,020,000,000	47.8	1,020,000,000	47.8	0	0.0	1,020,000,000	47.9	1,020,000,000	47.9	0	0.0
Local Sales and Use Tax 4000335	888,362,391	55.1	1,100,000,000	51.6			1,100,000,000	51.6	1,100,000,000	51.6	0	0.0	1,100,000,000	51.6	1,100,000,000	51.7	0	0.0
Sales and Income Tax 4000445	7,245,886	0.4	7,134,245	0.3			7,134,245	0.3	6,999,942	0.3	0	0.0	7,134,245	0.3	4,919,523	0.2	0	0.0
<b>Total Funds</b>	<b>1,611,130,183</b>	<b>100.0</b>	<b>2,130,870,757</b>	<b>100.0</b>			<b>2,131,855,887</b>	<b>100.0</b>	<b>2,131,796,584</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>2,131,010,080</b>	<b>100.0</b>	<b>2,128,870,358</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
<b>Grand Total</b>	<b>1,611,130,183</b>		<b>2,130,870,757</b>				<b>2,131,855,887</b>		<b>2,131,796,584</b>		<b>0</b>		<b>2,131,010,080</b>		<b>2,128,870,358</b>		<b>0</b>	

No Executive Recommendation made on these appropriations.



## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Total	Total	Filled	Unfilled			Total	Total	Filled	Unfilled	
32	27	5	32	0	15.63 %	34	31	3	34	0	8.82 %	34	30	4	34	0	11.76 %

## Appropriation Summary

**Appropriation:** 007 - State Treasurer-Operations  
**Funding Sources:** HSC - State Central Services Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Regular Salaries 5010000	1,604,359	1,812,962	1,795,671	1,902,282	1,902,282	0	1,947,747	1,947,747	0
<b>#Positions</b>	<b>31</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>0</b>	<b>34</b>	<b>34</b>	<b>0</b>
Extra Help 5010001	3,176	50,000	50,000	50,000	50,000	0	50,000	50,000	0
<b>#Extra Help</b>	<b>2</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>10</b>	<b>0</b>
Personal Services Matching 5010003	445,037	471,925	538,701	542,735	542,735	0	551,463	551,463	0
Operating Expenses 5020002	310,366	353,500	353,500	353,500	353,500	0	353,500	353,500	0
Conference & Travel Expenses 5050009	23,214	36,000	36,000	36,000	36,000	0	36,000	36,000	0
Professional Fees 5060010	21,479	32,125	32,125	32,125	32,125	0	32,125	32,125	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	32,914	75,000	75,000	0	75,000	0	0	75,000	0
Data Processing Syst/Services 5900044	881,340	900,000	900,000	900,000	900,000	0	900,000	900,000	0
Debt Collection 5900047	0	5,000	5,000	5,000	5,000	0	5,000	5,000	0
<b>Total</b>	<b>3,321,885</b>	<b>3,736,512</b>	<b>3,785,997</b>	<b>3,821,642</b>	<b>3,896,642</b>	<b>0</b>	<b>3,875,835</b>	<b>3,950,835</b>	<b>0</b>
<b>Funding Sources</b>									
State Central Services 4000035	3,321,885	3,736,512		3,821,642	3,896,642	0	3,875,835	3,950,835	0
Total Funding	3,321,885	3,736,512		3,821,642	3,896,642	0	3,875,835	3,950,835	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,321,885	3,736,512		3,821,642	3,896,642	0	3,875,835	3,950,835	0

No Executive Recommendation on this appropriation.

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Special Language provides carry forward of appropriation for Data Processing Syst/Services. For FY09, the carry forward amount was \$18,659.

## Change Level by Appropriation

**Appropriation:** 007 - State Treasurer-Operations  
**Funding Sources:** HSC - State Central Services Fund

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>3,821,642</b>	<b>34</b>	<b>3,821,642</b>	<b>100.0</b>	<b>3,875,835</b>	<b>34</b>	<b>3,875,835</b>	<b>100.0</b>
C01	Existing Program	75,000	0	3,896,642	102.0	75,000	0	3,950,835	101.9

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Treasurer of State

Program: State Treasurer-Operations

Act #: 247 of 2007 Section(s) #: 3 & 4

Estimated Carry Forward Amount \$ 1,000.00      Appropriation       Funds

Funding Source: State Central Services

**Accounting Information:**

Business Area: 0069      Funds Center: 007      Fund: HSC      Functional Area: CNST

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Data Processing Syst/Services	5900044	1,000.00	18,659.40
<b>Total</b>		\$ 1,000.00	\$ 18,659.40

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

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

Carry forward of appropriation and funds is necessary to ensure to ensure the State's data systems are sufficient to meet the required needs of the agencies and its citizens.

**Actual Funding Carry Forward Amount**      \$ 18,659.40

**Current status of carry forward appropriation/funding:**

We project to utilize this appropriation in FY09 to maintain the integrity of the State Treasury's data systems in the event that our current system becomes outdated due to AASIS, vendor, and system software updates, or if the system fails to perform as expected.

Honorable Martha Shoffner  
State Treasurer

08-11-2008  
Date

**Appropriation Summary**

**Appropriation:** 043 - City-Co Tourist Facilities Assist

**Funding Sources:** MLA - City-County Tourist Facilities

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service/Operating Exp 5900046	7,245,886	7,134,245	7,134,245	7,134,245	6,999,942	0	7,134,245	4,919,523	0
<b>Total</b>	<b>7,245,886</b>	<b>7,134,245</b>	<b>7,134,245</b>	<b>7,134,245</b>	<b>6,999,942</b>	<b>0</b>	<b>7,134,245</b>	<b>4,919,523</b>	<b>0</b>
<b>Funding Sources</b>									
Sales and Income Tax 4000445	7,245,886	7,134,245		7,134,245	6,999,942	0	7,134,245	4,919,523	0
<b>Total Funding</b>	<b>7,245,886</b>	<b>7,134,245</b>		<b>7,134,245</b>	<b>6,999,942</b>	<b>0</b>	<b>7,134,245</b>	<b>4,919,523</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>7,245,886</b>	<b>7,134,245</b>		<b>7,134,245</b>	<b>6,999,942</b>	<b>0</b>	<b>7,134,245</b>	<b>4,919,523</b>	<b>0</b>

No Executive Recommendation on this appropriation.

## Change Level by Appropriation

**Appropriation:** 043 - City-Co Tourist Facilities Assist

**Funding Sources:** MLA - City-County Tourist Facilities

### Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>7,134,245</b>	<b>0</b>	<b>7,134,245</b>	<b>100.0</b>	<b>7,134,245</b>	<b>0</b>	<b>7,134,245</b>	<b>100.0</b>
C03	Discontinue Program	(134,303)	0	6,999,942	98.1	(2,214,722)	0	4,919,523	69.0

## Appropriation Summary

**Appropriation:** 1TP - Water, Waste Disposal & Pollution Abatement

**Funding Sources:** TPX - Water, Waste Disposal & Pollution Abatement Facilities Bond Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	29,429	40,000,000	40,000,000	40,000,000	40,000,000	0	40,000,000	40,000,000	0
Debt Service 5120019	16,833,063	28,000,000	28,000,000	28,000,000	28,000,000	0	28,000,000	28,000,000	0
<b>Total</b>	<b>16,862,492</b>	<b>68,000,000</b>	<b>68,000,000</b>	<b>68,000,000</b>	<b>68,000,000</b>	<b>0</b>	<b>68,000,000</b>	<b>68,000,000</b>	<b>0</b>
<b>Funding Sources</b>									
Trust Fund 4000050	16,862,492	68,000,000		68,000,000	68,000,000	0	68,000,000	68,000,000	0
<b>Total Funding</b>	<b>16,862,492</b>	<b>68,000,000</b>		<b>68,000,000</b>	<b>68,000,000</b>	<b>0</b>	<b>68,000,000</b>	<b>68,000,000</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>16,862,492</b>	<b>68,000,000</b>		<b>68,000,000</b>	<b>68,000,000</b>	<b>0</b>	<b>68,000,000</b>	<b>68,000,000</b>	<b>0</b>

No Executive Recommendation on this appropriation.

**Appropriation Summary**

**Appropriation:** 2ME - Local Sales & Use Tax-City

**Funding Sources:** TSU - Local Sales/Use Tax Trust

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	441,307,179	500,000,000	500,000,000	500,000,000	500,000,000	0	500,000,000	500,000,000	0
<b>Total</b>	<b>441,307,179</b>	<b>500,000,000</b>	<b>500,000,000</b>	<b>500,000,000</b>	<b>500,000,000</b>	<b>0</b>	<b>500,000,000</b>	<b>500,000,000</b>	<b>0</b>
<b>Funding Sources</b>									
Local Sales and Use Tax 4000335	441,307,179	500,000,000		500,000,000	500,000,000	0	500,000,000	500,000,000	0
<b>Total Funding</b>	<b>441,307,179</b>	<b>500,000,000</b>		<b>500,000,000</b>	<b>500,000,000</b>	<b>0</b>	<b>500,000,000</b>	<b>500,000,000</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>441,307,179</b>	<b>500,000,000</b>		<b>500,000,000</b>	<b>500,000,000</b>	<b>0</b>	<b>500,000,000</b>	<b>500,000,000</b>	<b>0</b>

No Executive Recommendation on this appropriation.



**Appropriation Summary**

**Appropriation:** 2MQ - Local Sales & Use Tax-County

**Funding Sources:** TSU - Local Sales/Use Tax Trust Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	447,055,212	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
<b>Total</b>	<b>447,055,212</b>	<b>600,000,000</b>	<b>600,000,000</b>	<b>600,000,000</b>	<b>600,000,000</b>	<b>0</b>	<b>600,000,000</b>	<b>600,000,000</b>	<b>0</b>
<b>Funding Sources</b>									
Local Sales and Use Tax 4000335	447,055,212	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
<b>Total Funding</b>	<b>447,055,212</b>	<b>600,000,000</b>		<b>600,000,000</b>	<b>600,000,000</b>	<b>0</b>	<b>600,000,000</b>	<b>600,000,000</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>447,055,212</b>	<b>600,000,000</b>		<b>600,000,000</b>	<b>600,000,000</b>	<b>0</b>	<b>600,000,000</b>	<b>600,000,000</b>	<b>0</b>

No Executive Recommendation on this appropriation.

**Appropriation Summary**

**Appropriation:** 2MR - Uniform Tax Rate-Amendment 74

**Funding Sources:** TTR - Uniform Tax Rate Trust Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	671,104,786	900,000,000	900,000,000	900,000,000	900,000,000	0	900,000,000	900,000,000	0
<b>Total</b>	<b>671,104,786</b>	<b>900,000,000</b>	<b>900,000,000</b>	<b>900,000,000</b>	<b>900,000,000</b>	<b>0</b>	<b>900,000,000</b>	<b>900,000,000</b>	<b>0</b>
<b>Funding Sources</b>									
Trust Fund 4000050	671,104,786	900,000,000		900,000,000	900,000,000	0	900,000,000	900,000,000	0
<b>Total Funding</b>	<b>671,104,786</b>	<b>900,000,000</b>		<b>900,000,000</b>	<b>900,000,000</b>	<b>0</b>	<b>900,000,000</b>	<b>900,000,000</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>671,104,786</b>	<b>900,000,000</b>		<b>900,000,000</b>	<b>900,000,000</b>	<b>0</b>	<b>900,000,000</b>	<b>900,000,000</b>	<b>0</b>

No Executive Recommendation on this appropriation.

**Appropriation Summary**

**Appropriation:** 2ZC - Emergency Medical  
**Funding Sources:** SSE - Arkansas Citizens First Responder Safety Enhancement Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Emergency Medical Expenses 5900046	216,158	0	0	450,000	450,000	0	0	0	0
Total	216,158	0	0	450,000	450,000	0	0	0	0
<b>Funding Sources</b>									
Special Revenue 4000030	216,158	0		450,000	450,000	0	0	0	0
Total Funding	216,158	0		450,000	450,000	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	216,158	0		450,000	450,000	0	0	0	0

No Executive Recommendation on this appropriation.

This is a biennial appropriation authorized for \$450,000. The amount of carry forward for FY09 was \$233,842.

**Appropriation Summary**

**Appropriation:** 2ZD - Local Law Enforcement  
**Funding Sources:** SSE - Arkansas Citizens First Responder Safety Enhancement Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Local Law Enforcement Exp 5900046	216,158	0	0	450,000	450,000	0	0	0	0
Total	216,158	0	0	450,000	450,000	0	0	0	0
<b>Funding Sources</b>									
Special Revenue 4000030	216,158	0		450,000	450,000	0	0	0	0
Total Funding	216,158	0		450,000	450,000	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	216,158	0		450,000	450,000	0	0	0	0

No Executive Recommendation on this appropriation.

This is a biennial appropriation authorized for \$450,000. The amount of carry forward for FY09 was \$233,842.

**Appropriation Summary**

**Appropriation:** 990 - College Savings Bonds  
**Funding Sources:** TBJ - College Savings Bond Fund

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	16,172	20,000,000	20,000,000	20,000,000	20,000,000	0	20,000,000	20,000,000	0
Debt Service 5120019	23,784,255	32,000,000	32,000,000	32,000,000	32,000,000	0	32,000,000	32,000,000	0
<b>Total</b>	<b>23,800,427</b>	<b>52,000,000</b>	<b>52,000,000</b>	<b>52,000,000</b>	<b>52,000,000</b>	<b>0</b>	<b>52,000,000</b>	<b>52,000,000</b>	<b>0</b>
<b>Funding Sources</b>									
Trust Fund 4000050	23,800,427	52,000,000		52,000,000	52,000,000	0	52,000,000	52,000,000	0
<b>Total Funding</b>	<b>23,800,427</b>	<b>52,000,000</b>		<b>52,000,000</b>	<b>52,000,000</b>	<b>0</b>	<b>52,000,000</b>	<b>52,000,000</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>23,800,427</b>	<b>52,000,000</b>		<b>52,000,000</b>	<b>52,000,000</b>	<b>0</b>	<b>52,000,000</b>	<b>52,000,000</b>	<b>0</b>

No Executive Recommendation on this appropriation.

# BOARD OF FINANCE

## Enabling Laws

Act 65 of 2007  
Act 333 of 2007  
A.C.A. §19-3-101

## History and Organization

Members of the State Board of Finance consist of the Governor, Treasurer of State, Auditor of State, Bank Commissioner and Director of the Department of Finance and Administration. The Governor acts as the Board Chair with the Treasurer acting as the secretary, executive officer and disbursing agent for the Board. Meetings of the Board shall be held upon the call of the Governor, or by any three (3) or more members.

## Agency Commentary

The Treasurer of State has submitted Base Level budget requests for the following appropriations on behalf of the Board:

	<u>FY2009-2010</u>	<u>FY2010-2011</u>
Investments-Purchase of Securities (1CV)	\$ 600,000,000	\$ 600,000,000
Operations-Manage/Invest Tobacco (287)	\$ 209,579	\$ 209,579
Investment-Premiums/Discounts (2BM)	\$ 600,000	\$ 600,000
Investments-Principal/Int/Agent Fee (2BN)	\$ 3,000,000	\$ 3,000,000

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

BOARD OF FINANCE

FOR THE YEAR ENDED JUNE 30, 2007

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for the Agency.

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1CV Investments-Purchase of Securities	0	0	600,000,000	0	600,000,000	0	600,000,000	0	600,000,000	0	0	0	600,000,000	0	600,000,000	0	0	0
287 Operations - Tobacco Settlement Proceeds	0	0	203,068	2	203,068	2	209,579	2	209,579	2	209,579	2	209,579	2	209,579	2	209,579	2
2BM Investments-Premiums/Discounts	0	0	600,000	0	600,000	0	600,000	0	600,000	0	0	0	600,000	0	600,000	0	0	0
2BN Investments-Principal/Interest/Service Charges	176,983	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	0	0	3,000,000	0	3,000,000	0	0	0
<b>Total</b>	<b>176,983</b>	<b>0</b>	<b>603,803,068</b>	<b>2</b>	<b>603,803,068</b>	<b>2</b>	<b>603,809,579</b>	<b>2</b>	<b>603,809,579</b>	<b>2</b>	<b>209,579</b>	<b>2</b>	<b>603,809,579</b>	<b>2</b>	<b>603,809,579</b>	<b>2</b>	<b>209,579</b>	<b>2</b>

Funding Sources		%		%		%		%		%		%		%		%
Trust Fund 4000050	176,983	100.0	603,000,000	99.9	603,000,000	99.9	603,000,000	99.9	0	99.9	603,000,000	99.9	603,000,000	99.9	0	99.9
Investments 4000315	0	0.0	600,000	0.1	600,000	0.1	600,000	0.1	0	0.1	600,000	0.1	600,000	0.1	0	0.1
Trust Fund Interest 4000705	0	0.0	203,068	0.0	209,579	0.0	209,579	0.0	209,579	0.0	209,579	0.0	209,579	0.0	209,579	0.0
<b>Total Funds</b>	<b>176,983</b>	<b>100.0</b>	<b>603,803,068</b>	<b>100.0</b>	<b>603,809,579</b>	<b>100.0</b>	<b>603,809,579</b>	<b>100.0</b>	<b>209,579</b>	<b>100.0</b>	<b>603,809,579</b>	<b>100.0</b>	<b>603,809,579</b>	<b>100.0</b>	<b>209,579</b>	<b>100.0</b>
Excess Appropriation/(Funding)	0		0		0		0		0		0		0		0	
<b>Grand Total</b>	<b>176,983</b>		<b>603,803,068</b>		<b>603,809,579</b>		<b>603,809,579</b>		<b>209,579</b>		<b>603,809,579</b>		<b>603,809,579</b>		<b>209,579</b>	

No Executive Recommendation is made for appropriations 1CV, 2BM or 2BN.

## Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
2	0	2	2	0	100.00 %	2	0	2	2	0	100.00 %	2	0	2	2	0	100.00 %



**Appropriation Summary**

**Appropriation:** 1CV - Investments-Purchase of Securities

**Funding Sources:** XXX - Investments

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Purchase of Securities 5900046	0	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total	0	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
<b>Funding Sources</b>									
Trust Fund 4000050	0	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total Funding	0	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0

No Executive Recommendation is made for this appropriation.

## **Analysis of Budget Request**

**Appropriation:** 287 - Operations - Tobacco Settlement Proceeds

**Funding Sources:** TSA - Arkansas Healthy Century Trust Fund

The Tobacco Settlement Proceeds Act (Initiated Act 1 of 2000) established funds and accounts for the deposit, investment and management of the State's portion of the Master Settlement Agreement with certain tobacco manufacturers. This legislation authorized the State Board of Finance to perform the following duties with respect to the Tobacco Settlement:

- Receive all authorized disbursements from the Master Settlement Agreement Escrow account for immediate deposit into the Tobacco Settlement Cash Holding Fund;
- Manage and invest all amounts held in the various funds and program accounts created by the Tobacco Settlement Proceeds Act in compliance with prudent investor standards and State Board of Finance investment policy;
- Employ professionals to assist in properly managing and investing the Arkansas Healthy Century Trust Fund and use investment earnings from the Arkansas Healthy Century Trust Fund to compensate those professionals and pay the reasonable costs and expenses of the State Board of Finance in administering the funds and program accounts created under the Tobacco Settlement Proceeds Act.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The State Board of Finance is requesting the continuation of Base Level of \$209,579 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 287 - Operations - Tobacco Settlement Proceeds

**Funding Sources:** TSA - Arkansas Healthy Century Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	57,521	57,521	63,112	63,112	63,112	63,112	63,112	63,112
<b>#Positions</b>		<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching	5010003	0	20,047	20,047	20,967	20,967	20,967	20,967	20,967	20,967
Operating Expenses	5020002	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses	5050009	0	500	500	500	500	500	500	500	500
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
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>0</b>	<b>203,068</b>	<b>203,068</b>	<b>209,579</b>	<b>209,579</b>	<b>209,579</b>	<b>209,579</b>	<b>209,579</b>	<b>209,579</b>
<b>Funding Sources</b>										
Trust Fund Interest	4000705	0	203,068		209,579	209,579	209,579	209,579	209,579	209,579
<b>Total Funding</b>		<b>0</b>	<b>203,068</b>		<b>209,579</b>	<b>209,579</b>	<b>209,579</b>	<b>209,579</b>	<b>209,579</b>	<b>209,579</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>0</b>	<b>203,068</b>		<b>209,579</b>	<b>209,579</b>	<b>209,579</b>	<b>209,579</b>	<b>209,579</b>	<b>209,579</b>

Special Language provides carry forward of appropriation. For FY09, carry forward appropriation was not requested by the Agency.

**CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009**

Agency: Board of Finance

Program: Operations - Tobacco Settlement Proceeds

Act #: 333 of 2007 Section(s) #: 2 & 3

Estimated Carry Forward Amount \$ 0.00      Appropriation       Funds

Funding Source: Tobacco Settlement

**Accounting Information:**

Business Area: 0072      Funds Center: 287      Fund: TSA      Functional Area: CNST

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

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

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

Staff in the State Treasurer's Office is currently being utilized to manage and invest proceeds from the Tobacco Settlement. Carry forward of this appropriation will not be necessary.

**Actual Funding Carry Forward Amount** \$ 0.00

**Current status of carry forward appropriation/funding:**

Honorable Martha Shoffner  
State Treasurer

07-31-2008  
Date

**Appropriation Summary**

**Appropriation:** 2BM - Investments-Premiums/Discounts

**Funding Sources:** TAS - Securities Reserve

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Premium & Discounts 5900046	0	600,000	600,000	600,000	600,000	0	600,000	600,000	0
Total	0	600,000	600,000	600,000	600,000	0	600,000	600,000	0
<b>Funding Sources</b>									
Investments 4000315	0	600,000		600,000	600,000	0	600,000	600,000	0
Total Funding	0	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	0	600,000		600,000	600,000	0	600,000	600,000	0

No Executive Recommendation is made for this appropriation.

**Appropriation Summary**

**Appropriation:** 2BN - Investments-Principal/Interest/Service Charges

**Funding Sources:** TAS - Securities Reserve

**Historical Data**

**Agency Request and Executive Recommendation**

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Principal/Interest/Service Chgs 5900046	176,983	3,000,000	3,000,000	3,000,000	3,000,000	0	3,000,000	3,000,000	0
<b>Total</b>	176,983	3,000,000	3,000,000	3,000,000	3,000,000	0	3,000,000	3,000,000	0
<b>Funding Sources</b>									
Trust Fund 4000050	176,983	3,000,000		3,000,000	3,000,000	0	3,000,000	3,000,000	0
<b>Total Funding</b>	176,983	3,000,000		3,000,000	3,000,000	0	3,000,000	3,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	176,983	3,000,000		3,000,000	3,000,000	0	3,000,000	3,000,000	0

No Executive Recommendation is made for this appropriation.