

SUMMARY BUDGET INFORMATION

TABLE OF CONTENTS

VOLUME 10

	<u>Page #</u>
2012 Agency Fund Transfers	1
Agency Position Usage Report	3
Administrative Office of the Courts	5
Action Required: (158) District Judges Continuing Education	16
(1EF) Distr Crt Judges/Clerks Continuing Educ	18
(1JS) AOC-Access/Visitation Mediation	20
(330) Dependency Neglect Representation	22
(343) Admin Office of the Courts	24
(35N) County Juror Reimbursement	26
(36G) Court Security Grants	27
(474) Dispute Resolution Commission	29
(816) Judicial Fine	31
(817) Hearing & Visual Impairments	33
(832) Alternative Dispute Resolution Commission	34
(85M) Court Management Program	36
(85V) JRJ Stdt Ln Forgive	38
(85W) Drug Court Reentry Prog	39
(85X) Drug Court Effect Grnts	40
(966) Court Improvement Program	42
(96U) Automation Proj-Cash	44
(97D) USDOT Case Mgmt	46
(97H) HOPE Grant	48
(99X) STOP Domestic Violence Research	50
(99Y) E-Citation	52
(1DA) Special Advocate	54
Attorney General, Office of the	57
Action Required: (004) Attorney General - Administration	66
(188) Medicaid Fraud - Federal	68
(189) Medicaid Fraud - State	70
(1PE) Victims Reparations Program	72
(1PF) Medicaid Fraud - Indirect Costs	73

- Action Required: (1PH) Victims Reparations - Federal 74
- (2YK) Spyware Monitoring 75
- (38U) Internet Crime Child 76

Auditor of State 77

- Action Required: (005) Operations 89
- (009) Constitutional Officers-Auditor 91
- (122) Unclaimed Property 92
- (123) CountyTreasurers Continuing Education 94
- (1EW) Court Reporters-Circuit Court 95
- (1PD) County & Circuit Clerks Continuing Education 96
- (1UE) Juvenile Probation & Intake Officers 97
- (1UG) Deputy Prosecuting Attorneys 98
- (264) Payment of Claims-Revolving 99
- (305) Trial Court Admin Assistant..... 101
- (465) County Collectors Continuing Education 103
- (58V) Drug Court Juvenile Probation & Intake Officers 104
- (A04) Unclaimed Property-Cash 105
- (C50) Payment-Unclaimed Mineral Proceeds 107
- (F03) Enhanced 911 System 108

Community Correction, Department of 110

- Action Required: (1BA) Community Correction - Federal 122
- (1BR) Residents Cash Treasury 124
- (2GH) Community Correction-Special 127
- (2GK) County Jail Reimbursement 130
- (510) Community Correction - State 133
- (86Y) Best Practices 137

Correction, Department of 139

- Action Required: (1MJ) County Jail Reimbursement 158
- (2ZV) Work Release Cash 161
- (33K) ADC Sex Offender Assessment..... 164
- (4HS) Fire Station Treasury Cash 166
- (509) Inmate Care & Custody 171
- (511) Prison Industry 174
- (512) Farm Operations 177
- (859) Inmate Welfare Treasury Cash 180

- Action Required: (865) Non-Tax Revenue Receipts 183
- County Aid** 186
- Action Required: (073) General Revenue to Counties 193
- (074) Special Revenue to Counties 197
- (190) Mineral Lease 200
- (738) Real Property Tax Reduction-Counties 202
- (738A) Property Tax Relief - Counties 204
- Court of Appeals** 205
- Action Required: (111) Court of Appeals..... 210
- DOE - General Education** 212
- Action Required: (1XY) Fish/Wildlife Conservation 234
- (2DD) Conference-Treasury 236
- (35U) Pulaski County Deseg Case Costs 238
- (35V) Vision Screening Program 241
- (435) Federal Grants Administration 243
- (4HF) Medicaid Adm-Cash in Treasury 245
- (56P) Professional Licensure Standards Board 247
- (620) State Operations 249
- (630) Building Maintenance 253
- (631) Revolving Loan Certification 255
- (637) Child Nutrition..... 257
- (650) Fed Elem & Sec Education 259
- (885) Multiple Grant Award Program 262
- (893) Medicaid Reimbursement 264
- (899) Alternative Certification Program 266
- DOE - Public School Academic Facilities & Transportation** 268
- Action Required: (2WB) Public School Academic Facilities 275
- (EFP) Programs-Public School Academic Facilities 278
- DOE - Public School Fund** 279
- Action Required: (2HY) Education Renewal Zones 292
- (688) APSCN..... 295
- (PSF) Public School Fund 316
- Educational Television Commission, Arkansas** 344
- Action Required: (127) AETN-Treasury Paying 358
- (199) AETN-State Operations 362
- (2YX) Honoring Arkansas' War Heros 365

- Election Commissioners, State Board of** 367
 - Action Required: (436) Nonpartisan Judicial General Elections 375
 - (580) Election Commissioners - Operations 377
 - (581) Election Expenses 379
- Emergency Management, Department of** 381
 - Action Required: (1EM) Homeland Security 394
 - (219) State Operations 398
 - (220) Federal Operations 401
 - (221) Disaster Relief Grants 404
 - (38V) Emergency Operations Center - Cash 406
 - (59K) ADEM Federal Surplus Property Prgm 408
 - (613) Hazardous Materials 411
 - (740) Disaster Relief Trust 415
 - (950) Radiological Emergency Response Grants 417
- Governor, Office of the** 419
 - Action Required: (001) Governor's Office - Operations 425
 - (181) Governor's Emergency Proclamation 427
- Governor's Mansion Commission** 428
 - Action Required: (532) Governor's Mansion - Operations 433
 - (56V) Grand Hall/Mansion/Grounds - Cash in Treasury 434
- Lands, Commissioner of State** 435
 - Action Required: (006) Operations 443
 - (A14) Operating Expenses / Capital Outlay 444
 - (B28) Delinquent Tax-Cash 445
- Legislative Audit** 447
 - Action Required: (095) Legislative Audit - Operations 452
- Legislative Research, Bureau of** 454
 - Action Required: (015) Legislative Council - Operations 459
- Legislative Research - Disbursing Officer** 462
 - Action Required: (016) Interim Committee Study Expenses 465
 - (017) Interim Committee Expenses 466
 - (180) Energy Council 467
- Lieutenant Governor, Office of the** 468
 - Action Required: (002) Lieutenant Governor - Operations 471

- Municipal Aid** 473
 - Action Required: (034) General Revenue to Cities 479
 - (035) Special Revenue to Cities 483
 - (35X) Property Tax Relief-Cities 486
- Prosecutor Coordinator, Office of the** 487
 - Action Required: (065) Law Enforcement & Prosecutorial Programs 495
 - (090) Prosecutor Coordinator Oprs 497
- Blind, Arkansas School for the** 499
 - Action Required: (076) School for the Blind-State Operations 509
 - (077) School for the Blind-Federal Operations 512
 - (086) Braille Textbooks 515
 - (A19) School for the Blind-Cash Operations 518
- Deaf, Arkansas School for the** 519
 - Action Required: (056) School for the Deaf-State Operations 529
 - (058) School for the Deaf-Federal Operations 532
 - (A10) School for the Deaf-Cash Operations 535
- Secretary of State** 536
 - Action Required: (003) Secretary of State Operations 548
 - (1NK) HAVA Title 2..... 550
 - (2EK) Election Assist for the Disabled 551
 - (2MJ) Cap Grnds Monument Perserv 552
 - (378) Corporate Filing & Refund 553
 - (4JC) Firefighters' Memorial Monument 555
 - (81W) HAVA St Match-Cash..... 556
 - (833) Treasury Cash 557
 - (85G) Reapportionment 558
 - (96X) Treas Cash-Misc Oper 559
 - (B97) Parking/Cash..... 560
 - (F02) CVS Grant 561
 - (F39) FVAP 562
- State Library, Arkansas** 564
 - Action Required: (054) Library-State Operations 575
 - (055) Library-Federal Operations 579
 - (083) Aid to Public Library 582
 - (1XV) Grants Administration - Cash in Treasury 584
 - (858) State Library-Revolving 587

Supreme Court 588

 Action Required: (008) Supreme Court - Operations 596

 (56S) Appellate Mediation - Cash 598

Treasurer of State 599

 Action Required: (007) State Treasurer-Operations 608

 (043) City-Co Tourist Facilities Assist..... 610

 (1TP) Water, Waste Disposal & Pollution Abatement 612

 (2ME) Local Sales & Use Tax-City 613

 (2MQ) Local Sales & Use Tax-County 615

 (2MR) Uniform Tax Rate-Amendment 74 616

 (2ZC) Emergency Medical 617

 (2ZD) Local Law Enforcement 618

 (58Q) Rescue Shelters-City 619

 (58R) Rescue Shelters-Cnty 620

 (990) College/Higher Education Savings Bonds 621

Board of Finance 622

 Action Required: (1CV) Investments-Purchase of Securities 626

 (2BM) Investments-Premiums/Discounts 627

 (2BN) Investments-Principal/Interest/Service Charges 628

Natural Resources Commission, Arkansas 629

 Action Required: (129) Beaver Eradication Program 640

 (1AA) Dam Inventory 642

 (1EE) Water, Waste Disposal, Pollution Abatement 645

 (262) Natural Resources Commission-Operations 647

 (263) Grants and Attorney Services 649

 (2BU) Flood Insurance Program 652

 (2GE) Water/Sewer/Solid Waste-State 655

 (2RG) Water Quality Implementation 658

 (381) Rural Fire Protection Program 662

 (383) Conservation District Grants 665

 (420) Natural Resources Comm-Cash 667

 (475) Red River Levee Rehabilitation Project 670

 (527) Construction Asst Revolving Loan Fund Program 672

 (659) Ouachita River Waterways Projects 674

 (808) Water Research 676

 (822) Conservation District Clerks' Insurance 678

 (924) Water/Sewer/Solid Waste 680

 (997) NonPoint Source Pollution Control Program 683

2012 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**

Agency	Blanket Surety Bond Premiums ACA §21-2-710	Claims ACA §19-10-204	Workers' Compensation Administrative Cost Reimbursement ACA §11-9-307
Administrative Office of the Courts	\$341	\$8,558	\$929
Attorney General, Office of the	\$543	\$0	\$196
Auditor of State	\$1,766	\$482	\$0
Community Correction, Department of	\$3,887	\$3,535	\$17,561
Correction, Department of	\$13,009	\$8,005	\$310,149
County Aid	\$77,272	\$0	\$1,457
Court of Appeals	\$156	\$0	\$321
DOE - General Education	\$1,177	\$0	\$798
DOE - Public School Academic Facilities & Transportation	\$0	\$0	\$65
DOE - Public School Fund	\$82,849	\$0	\$18,969
Educational Television Commission, Arkansas	\$315	\$0	\$1,143
Election Commissioners, State Board of	\$20	\$0	\$0
Emergency Management, Department of	\$293	\$0	\$381
Governor, Office of the	\$185	\$0	\$0
Governor's Mansion Commission	\$29	\$108	\$0
Lands, Commissioner of State	\$130	\$0	\$0
Legislative Audit	\$872	\$0	\$0
Legislative Research, Bureau of	\$371	\$11,208	\$0
Lieutenant Governor, Office of the	\$10	\$0	\$0
Municipal Aid	\$154,441	\$0	\$3,288
Prosecutor Coordinator, Office of the	\$33	\$0	\$331
Blind, Arkansas School for the	\$273	\$0	\$1,016
Deaf, Arkansas School for the	\$472	\$0	\$1,093
Secretary of State	\$504	\$0	\$363

2012 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>
State Library, Arkansas	\$169	\$0	\$5
Supreme Court	\$143	\$0	\$3
Treasurer of State	\$101	\$0	\$0

AGENCY POSITION USAGE REPORT

Agency	FY2012 - FY2013						3 YEAR AVERAGE(FY11,FY12,FY13)					
	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
		Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
Administrative Office of the Courts	123	120	5	125	-2	2.44 %	120	119	3	122	-2	0.83 %
Attorney General, Office of the	169	166	3	169	0	1.78 %	169	166	2	168	1	1.78 %
Auditor of State	882	842	0	842	40	4.54 %	872	853	5	858	14	2.18 %
Community Correction, Department of	1,376	1,204	110	1,314	62	12.50 %	1,379	1,197	80	1,277	102	13.20 %
Correction, Department of	4,756	4,180	249	4,429	327	12.11 %	4,746	4,118	280	4,398	348	13.23 %
County Aid	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %
Court of Appeals	49	48	1	49	0	2.04 %	49	48	0	48	1	2.04 %
DOE - General Education	357	303	52	355	2	15.13 %	359	300	58	358	1	16.43 %
DOE - Public School Academic Facilities & Transportation	33	31	1	32	1	6.06 %	33	30	2	32	1	9.09 %
DOE - Public School Fund	54	41	12	53	1	24.07 %	53	43	7	50	3	18.87 %
Educational Television Commission, Arkansas	113	92	17	109	4	18.58 %	113	93	13	106	7	17.70 %
Election Commissioners, State Board of	7	7	0	7	0	0.00 %	7	6	0	6	1	14.29 %
Emergency Management, Department of	100	88	12	100	0	12.00 %	100	90	9	99	1	10.00 %
Governor, Office of the	60	49	11	60	0	18.33 %	60	51	8	59	1	15.00 %
Governor's Mansion Commission	10	9	1	10	0	10.00 %	10	9	1	10	0	10.00 %
Lands, Commissioner of State	45	40	5	45	0	11.11 %	45	38	6	44	1	15.56 %
Legislative Audit	290	275	15	290	0	5.17 %	290	273	16	289	1	5.86 %
Legislative Research, Bureau of	129	116	13	129	0	10.08 %	130	116	13	129	1	10.77 %
Legislative Research - Disbursing Officer	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %
Lieutenant Governor, Office of the	4	4	0	4	0	0.00 %	4	4	0	4	0	0.00 %
Municipal Aid	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %
Prosecutor Coordinator, Office of the	12	10	1	11	1	16.67 %	12	10	1	11	1	16.67 %
Blind, Arkansas School for the	97	85	11	96	1	12.37 %	98	86	11	97	1	12.24 %
Deaf, Arkansas School for the	170	144	27	171	-1	15.29 %	172	143	29	172	0	16.86 %
Secretary of State	162	146	16	162	0	9.88 %	162	147	15	162	0	9.26 %
State Library, Arkansas	56	48	8	56	0	14.29 %	56	49	6	55	1	12.50 %
Supreme Court	46	44	2	46	0	4.35 %	45	44	1	45	0	2.22 %

AGENCY POSITION USAGE REPORT

Agency	FY2012 - FY2013						3 YEAR AVERAGE(FY11,FY12,FY13)					
	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
		Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
Treasurer of State	33	30	3	33	0	9.09 %	33	30	2	32	1	9.09 %
Board of Finance	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Administrative Office of the Courts (0023) - FY11, FY12 and FY13 Total Positions exceed Authorized due to positions established pursuant to the Miscellaneous Federal Grant Act.

School for the Deaf (0513) - Budgeted Number of Positions exceeds the Authorized Number due to a transfer of positions from the Arkansas School for the Blind to the shared paying account between the School for the Blind and the School for the Deaf.

Secretary of State (0063) - One additional position authorized for FY12 for use with Reapportionment appropriation (FC 85G).

ADMINISTRATIVE OFFICE OF THE COURTS

Enabling Laws

Act 244 of 2012

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."

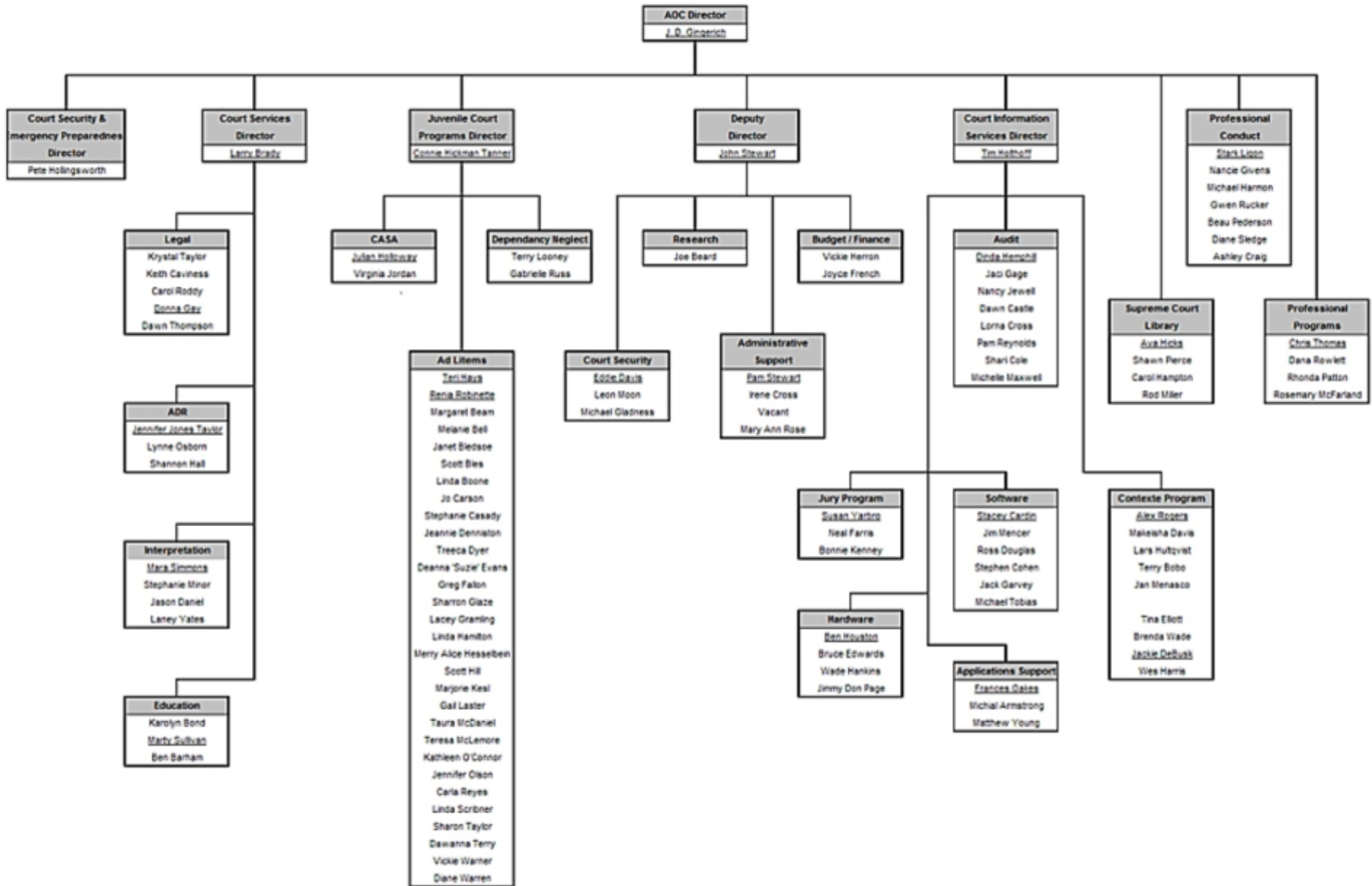
Act 1355 of 1997 created a division of the Dependency/Neglect representation within the agency staffed by a Court Appointed Special Advocate (CASA) coordinator and an attorney coordinator. The agency is authorized to provide funding for representation of children and/or parents in dependency/neglect 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 (Fund Center 158)

No increase is being requested above past Authorized levels.

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

No increase is being requested above past Authorized levels.

Access and Visitation - Federal (Fund Center 1JS)

No increase is being requested above past Authorized levels.

Division of Dependency-Neglect Representation (Fund Center 330)

No increase is being requested above past Authorized levels.

Admin Office of the Courts (AOC) - Operations (Fund Center 343)

Regular Salaries (5010000): We are requesting a grade increase for Personnel Manager from a C118 to a C121, which puts her in line with other state Personnel Managers.

Capital Outlay (5120011): We are requesting a restoration of our current year appropriation for capital outlay for the purchase of computer servers and the replacement of central copy equipment and automobiles. No other increase is being requested above past Authorized levels.

Foreign Language Interpreter Program (Fund Center 343F)

We are requesting an increase of \$50,000 each year for the payment of certified interpreters.

County Juror Reimbursement (Fund Center 35N)

No increase is being requested above past Authorized levels.

Court Security Grants (Fund Center 36G)

No increase is being requested above past Authorized levels.

Alternative Dispute Resolution (Fund Center 474)

No increase is being requested above past Authorized levels.

Judicial Fine Collections (Fund Center 816)

This fund center is receiving additional revenue through the court technology fee collected as a result of Act 328 of 2009, which should generate sufficient funds for the following:

Regular Salaries (5010000):

We are requesting a transfer from professional fees to provide an increase in salary appropriation of \$250,159 for the purpose of raising the current employees salaries in order to retain these employees and to increase the base salaries of IT personnel in order to recruit talented IT employees.

Personal Services Matching (5010003):

We are requesting a transfer from professional fees to provide an increase in the appropriation in proportion to the increase in salaries for FY14 and FY15.

Professional Fees (5060010): We are requesting a decrease of \$350,000 for each year of the biennium to compensate for the increase in salaries and matching.

Capital Outlay (5120011): We are requesting a restoration of our current year appropriation for capital outlay.

Special Language:

We are requesting special language to authorize transfer of appropriations from any line item to any other line item within this Fund Center only.

Hearing and Visual Impairment (Fund Center 817)

No increase is being requested above past authorized levels.

Training and Education of Court Personnel (Fund Center 832)

No increase is being requested above past authorized levels

Court Management Program (Fund Center 85M)

No increase is being requested above past authorized levels

John R Justice Student Loan Grant (Fund Center 85V)

No increase is being requested above past authorized levels

Drug Court Reentry Pilot Program Grant (Fund Center 85W)

No increase is being requested above past authorized levels

Drug Court Effectiveness Grant (Fund Center 85X)

No increase is being requested above past authorized levels

Domestic Violence Research Grant (Fund Center 99X)

Appropriation was established through MFG request. Requesting \$72,271 each year of the biennium.

E-Citation (Fund Center 99Y)

Appropriation was established through MFG request. Requesting \$310,800 each year of the biennium.

Case Management Implementation to Increase CDL Conviction Reporting Grant (Fund Center 97D)

Appropriation was established through MFG request. Requesting \$484,000 each year of the biennium.

Benton HOPE Probation Demonstration Field Project Grant (Fund Center 97H)

Appropriation was established through MFG request. Requesting \$685,658 each year of the biennium.

Court Automation (Fund Center 96U)

This is a cash fund that was approved through a Cash Fund request, and we are requesting \$150,000 for each year of the biennium.

Training and Representation - Federal (Fund Center 966)

Capital Outlay (5120011): We are requesting a restoration of our current year appropriation for capital outlay. No other increase is being requested above past Authorized levels.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ADMINISTRATIVE OFFICE OF THE COURTS
FOR THE YEAR ENDED JUNE 30, 2010

Findings	Recommendations
None	None

Performance Audit Findings

*Review of Contexte Case Management Software
Administrative Office of the Courts (AOC)
(July 1, 2001 – June 30, 2011)*

Findings and Conclusions:

- Given the scope and cost of the Arkansas Court Automation Project, it is incumbent upon AOC to ensure users are able to successfully utilize the program and provide the best possible service to the citizens of Arkansas.

Recommendations:

- AOC consider conducting an extensive user satisfaction survey to determine the extent and nature of problems court personnel are experiencing with the Contexte court automation system and forming an active user group comprised of Contexte end users to identify and discuss any unresolved issues with the Contexte court automation system.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	36	63	99	83 %
Black Employees	2	10	12	10 %
Other Racial Minorities	3	5	8	7 %
Total Minorities			20	17 %
Total Employees			119	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
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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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	60,167	0	80,000	0	80,000	0	80,000	0	80,000	0	0	0	80,000	0	80,000	0	0	0
1EF Distr Crt Judges/Clerks Continuing Educ	69,636	0	82,000	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	106,027	1	141,995	1	139,835	1	142,244	1	142,244	1	0	0	142,244	1	142,244	1	0	0
330 Dependency Neglect Representation	7,954,430	38	8,421,616	38	8,379,931	38	8,455,512	38	8,455,512	38	0	0	8,456,001	38	8,456,001	38	0	0
343 Admin Office of the Courts	3,814,878	37	3,797,534	37	3,859,578	37	3,643,515	37	3,861,135	37	0	0	3,643,759	37	3,911,379	37	0	0
35N County Juror Reimbursement	585,360	0	697,000	0	850,000	0	850,000	0	850,000	0	0	0	850,000	0	850,000	0	0	0
36G Court Security Grants	301,977	1	356,025	1	356,310	1	356,283	1	356,283	1	0	0	356,283	1	356,283	1	0	0
474 Dispute Resolution Commission	250,224	3	282,602	3	291,450	3	283,362	3	283,362	3	0	0	283,484	3	283,484	3	0	0
816 Judicial Fine	5,144,293	40	6,089,882	40	6,074,971	40	5,100,457	40	6,080,330	40	0	0	5,101,678	40	6,081,551	40	0	0
817 Hearing & Visual Impairments	1,316	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	86,332	0	250,000	0	250,000	0	250,000	0	250,000	0	0	0	250,000	0	250,000	0	0	0
85M Court Management Program	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0	0	0	15,000	0	15,000	0	0	0
85V JRJ Stdt Ln Forgive	125,300	0	100,000	0	100,000	0	100,000	0	100,000	0	0	0	100,000	0	100,000	0	0	0
85W Drug Court Reentry Prog	1,376	0	121,546	0	121,546	0	121,546	0	121,546	0	0	0	121,546	0	121,546	0	0	0
85X Drug Court Effect Grnts	147,571	0	199,962	0	199,962	0	199,962	0	199,962	0	0	0	199,962	0	199,962	0	0	0
966 Court Improvement Program	806,929	2	1,145,936	2	1,147,035	2	996,454	2	1,146,454	2	0	0	996,454	2	1,146,454	2	0	0
96U Automation Proj-Cash	25,000	0	0	0	0	0	0	0	150,000	0	0	0	0	0	150,000	0	0	0
97D USDOT Case Mgmt	33,839	0	484,000	0	0	0	0	0	484,000	0	0	0	0	0	484,000	0	0	0
97H HOPE Grant	94,769	1	734,238	1	0	0	0	0	685,658	1	0	0	0	0	685,658	1	0	0
99X STOP Domestic Violence Research	70,785	1	15,586	1	0	0	0	0	72,271	1	0	0	0	0	72,271	1	0	0
99Y E-Citation	0	0	310,800	0	0	0	0	0	310,800	0	0	0	0	0	310,800	0	0	0
NOT REQUESTED FOR THE BIENNIUM																		
1DA Special Advocate	55,460	1	68,909	1	69,101	1	69,161	1	0	0	0	0	69,161	1	0	0	0	0
57P ARRA-Protectn Order	49,635	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	19,800,304	125	23,404,631	125	22,044,719	123	20,773,496	123	23,754,557	124	0	0	20,775,572	123	23,806,633	124	0	0

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	3,816,244	16.3	3,569,853	13.9			2,234,971	10.0	2,234,971	9.2	0	0.0	1,718,514	7.8	738,641	3.2	0	0.0
Federal Revenue	4000020	1,561,039	6.7	3,322,972	13.0			1,560,206	7.0	2,952,135	12.2	0	0.0	1,560,206	7.1	2,952,135	13.0	0	0.0
Special Revenue	4000030	4,564,187	19.5	4,755,000	18.5			4,755,000	21.2	4,755,000	19.7	0	0.0	4,755,000	21.7	4,755,000	20.9	0	0.0
State Central Services	4000035	8,212,911	35.1	9,136,721	35.6			9,017,616	40.2	9,235,236	38.2	0	0.0	9,018,471	41.2	9,286,091	40.8	0	0.0
Cash Fund	4000045	188,090	0.8	265,000	1.0			265,000	1.2	415,000	1.7	0	0.0	265,000	1.2	415,000	1.8	0	0.0
State Administration of Justice	4000470	5,027,686	21.5	4,590,056	17.9			4,590,056	20.5	4,590,056	19.0	0	0.0	4,590,056	21.0	4,590,056	20.2	0	0.0

Total Funds	23,370,157	100.0	25,639,602	100.0		22,422,849	100.0	24,182,398	100.0	0	0.0	21,907,247	100.0	22,736,923	100.0	0	0.0
Excess Appropriation/(Funding)	(3,569,853)		(2,234,971)			(1,649,353)		(427,841)		0		(1,131,675)		1,069,710		0	
Grand Total	19,800,304		23,404,631			20,773,496		23,754,557		0		20,775,572		23,806,633		0	

Budget Number of Positions exceeds Authorized due to transfers from the Miscellaneous Federal Grant Holding Account.
Variance in fund balance is due to unfunded appropriation in appropriation (1DA) Special Advocate.
No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
116	115	2	117	-1	0.86 %	123	122	3	125	-2	0.81 %	123	120	5	125	-2	2.44 %

FY11, FY12 and FY13 Total Positions exceed Authorized due to positions established pursuant to the Miscellaneous Federal Grant Act.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	60,000	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Conference & Travel Expenses	5050009	167	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees	5060010	0	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
Total		60,167	80,000	80,000	80,000	80,000	0	80,000	80,000	0
Funding Sources										
State Central Services	4000035	60,167	80,000		80,000	80,000	0	80,000	80,000	0
Total Funding		60,167	80,000		80,000	80,000	0	80,000	80,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		60,167	80,000		80,000	80,000	0	80,000	80,000	0

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		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	80,000	0	80,000	100.0	80,000	0	80,000	100.0
C04	Reallocation	0	0	80,000	100.0	0	0	80,000	100.0

Justification

C04	The Agency is requesting a reallocation of appropriation to more accurately reflect expenses.
-----	---

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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	65,555	62,000	80,000	80,000	80,000	0	80,000	80,000	0
Conference & Travel Expenses	5050009	1,874	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees	5060010	2,207	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
Total		69,636	82,000	100,000	100,000	100,000	0	100,000	100,000	0
Funding Sources										
Fund Balance	4000005	143,070	233,056		233,056	233,056	0	215,056	215,056	0
Federal Revenue	4000020	69,348	0		0	0	0	0	0	0
State Administration of Justice	4000470	90,274	82,000		82,000	82,000	0	82,000	82,000	0
Total Funding		302,692	315,056		315,056	315,056	0	297,056	297,056	0
Excess Appropriation/(Funding)		(233,056)	(233,056)		(215,056)	(215,056)	0	(197,056)	(197,056)	0
Grand Total		69,636	82,000		100,000	100,000	0	100,000	100,000	0

FY13 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base Level appropriations reflect the maximum allocations authorized by Act 281 (60) of 2012.
 No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 1EF - Distr Crt Judges/Clerks Continuing Educ

Funding Sources: MJC - Municipal Court Judge and Municipal Court Education Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	100,000	0	100,000	100.0	100,000	0	100,000	100.0
C04	Reallocation	0	0	100,000	100.0	0	0	100,000	100.0

Justification

C04	The Agency is requesting a reallocation of appropriation to more accurately reflect expenses.
-----	---

Appropriation Summary

Appropriation: 1JS - AOC-Access/Visitation Mediation

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	32,201	30,566	29,251	30,566	30,566	0	30,566	30,566	0
#Positions		1	1	1	1	1	0	1	1	0
Personal Services Matching	5010003	11,478	11,429	10,584	11,678	11,678	0	11,678	11,678	0
Operating Expenses	5020002	4,844	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	57,504	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
Total		106,027	141,995	139,835	142,244	142,244	0	142,244	142,244	0
Funding Sources										
Federal Revenue	4000020	106,027	141,995		142,244	142,244	0	142,244	142,244	0
Total Funding		106,027	141,995		142,244	142,244	0	142,244	142,244	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		106,027	141,995		142,244	142,244	0	142,244	142,244	0

FY13 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2011-2013 Biennium.
No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 1JS - AOC-Access/Visitation Mediation
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	142,244	1	142,244	100.0	142,244	1	142,244	100.0
C04	Reallocation	0	0	142,244	100.0	0	0	142,244	100.0

Justification

C04	The Agency is requesting a reallocation of appropriation to more accurately reflect expenses.
-----	---

Appropriation Summary

Appropriation: 330 - Dependency Neglect Representation

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,323,763	2,320,699	2,325,037	2,340,419	2,340,419	0	2,340,819	2,340,819	0
#Positions		38	38	38	38	38	0	38	38	0
Personal Services Matching	5010003	663,286	690,251	644,228	704,427	704,427	0	704,516	704,516	0
Operating Expenses	5020002	395,870	472,514	472,514	472,514	472,514	0	472,514	472,514	0
Conference & Travel Expenses	5050009	4,000	4,000	4,000	4,000	4,000	0	4,000	4,000	0
Professional Fees	5060010	1,041,610	1,405,816	1,405,816	1,405,816	1,405,816	0	1,405,816	1,405,816	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,150,070	1,151,700	1,151,700	1,151,700	1,151,700	0	1,151,700	1,151,700	0
Refunds/Reimbursements	5110014	2,114,081	2,114,886	2,114,886	2,114,886	2,114,886	0	2,114,886	2,114,886	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Attorney AD Litem Fees/Reimb	5900040	261,750	261,750	261,750	261,750	261,750	0	261,750	261,750	0
Total		7,954,430	8,421,616	8,379,931	8,455,512	8,455,512	0	8,456,001	8,456,001	0

Funding Sources										
State Central Services	4000035	4,086,326	4,908,049		4,941,945	4,941,945	0	4,942,434	4,942,434	0
State Administration of Justice	4000470	3,868,104	3,513,567		3,513,567	3,513,567	0	3,513,567	3,513,567	0
Total Funding		7,954,430	8,421,616		8,455,512	8,455,512	0	8,456,001	8,456,001	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		7,954,430	8,421,616		8,455,512	8,455,512	0	8,456,001	8,456,001	0

FY13 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2011-2013 Biennium.

FY13 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base Level appropriations reflect the maximum allocations authorized by Act 281 (60) of 2012.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 330 - Dependency Neglect Representation
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	8,455,512	38	8,455,512	100.0	8,456,001	38	8,456,001	100.0
C04	Reallocation	0	0	8,455,512	100.0	0	0	8,456,001	100.0

Justification

C04	The Agency is requesting a reallocation of appropriation to more accurately reflect expenses.
-----	---

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,200,278	2,071,647	2,158,991	2,072,447	2,075,002	0	2,072,647	2,075,202	0
#Positions		37	37	37	37	37	0	37	37	0
Extra Help	5010001	0	5,000	5,000	5,000	5,000	0	5,000	5,000	0
#Extra Help		0	2	2	2	2	0	2	2	0
Personal Services Matching	5010003	608,464	630,972	605,672	640,653	641,218	0	640,697	641,262	0
Operating Expenses	5020002	310,357	334,265	334,265	334,265	334,265	0	334,265	334,265	0
Conference & Travel Expenses	5050009	26,850	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees	5060010	34,733	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	22,775	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Capital Outlay	5120011	121,857	164,500	164,500	0	164,500	0	0	164,500	0
Judicial Education	5900046	205,214	206,800	206,800	206,800	206,800	0	206,800	206,800	0
Court Interpreter Fees	5900047	284,350	284,350	284,350	284,350	334,350	0	284,350	384,350	0
Total		3,814,878	3,797,534	3,859,578	3,643,515	3,861,135	0	3,643,759	3,911,379	0
Funding Sources										
State Central Services	4000035	3,814,878	3,797,534		3,643,515	3,861,135	0	3,643,759	3,911,379	0
Total Funding		3,814,878	3,797,534		3,643,515	3,861,135	0	3,643,759	3,911,379	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,814,878	3,797,534		3,643,515	3,861,135	0	3,643,759	3,911,379	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 343 - Admin Office of the Courts
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	3,643,515	37	3,643,515	100.0	3,643,759	37	3,643,759	100.0
C01	Existing Program	214,500	0	3,858,015	105.9	264,500	0	3,908,259	107.3
C04	Reallocation	0	0	3,858,015	105.9	0	0	3,908,259	107.3
C11	Upgrade/Downgrade	3,120	0	3,861,135	106.0	3,120	0	3,911,379	107.3

Justification

C01	The Agency is requesting Capital Outlay of \$164,500 each year for the purchase of computer servers and the replacement of central copy equipment. These items can be found in the Agency's IT Plan. Also, the Agency is requesting an increase of \$50,000 in FY14 and \$100,000 in FY15 in Court Interpreter Fees for the payment of certified interpreters.
C04	The Agency is requesting a reallocation of appropriation to more accurately reflect expenses.
C11	The Agency requests a grade increase for a Personnel Manager from a C118 to a C121 to better align with other state Personnel Managers.

Appropriation Summary

Appropriation: 35N - County Juror Reimbursement

Funding Sources: MJU - County Juror Reimbursement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	585,360	697,000	850,000	850,000	850,000	0	850,000	850,000	0
Total	585,360	697,000	850,000	850,000	850,000	0	850,000	850,000	0
Funding Sources									
Fund Balance 4000005	0	181,971		181,971	181,971	0	28,971	28,971	0
State Administration of Justice 4000470	767,331	697,000		697,000	697,000	0	697,000	697,000	0
Total Funding	767,331	878,971		878,971	878,971	0	725,971	725,971	0
Excess Appropriation/(Funding)	(181,971)	(181,971)		(28,971)	(28,971)	0	124,029	124,029	0
Grand Total	585,360	697,000		850,000	850,000	0	850,000	850,000	0

FY13 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base Level appropriations reflect the maximum allocations authorized by Act 281 (60) of 2012.

No Executive Recommendation made on this appropriation.

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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	62,443	58,441	59,602	58,441	58,441	0	58,441	58,441	0
#Positions		1	1	1	1	1	0	1	1	0
Personal Services Matching	5010003	17,892	17,584	16,708	17,842	17,842	0	17,842	17,842	0
Operating Expenses	5020002	16,042	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	205,600	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
Total		301,977	356,025	356,310	356,283	356,283	0	356,283	356,283	0
Funding Sources										
State Central Services	4000035	0	58,536		58,794	58,794	0	58,794	58,794	0
State Administration of Justice	4000470	301,977	297,489		297,489	297,489	0	297,489	297,489	0
Total Funding		301,977	356,025		356,283	356,283	0	356,283	356,283	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		301,977	356,025		356,283	356,283	0	356,283	356,283	0

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

FY13 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base Level appropriations reflect the maximum allocations authorized by Act 281 (60) of 2012.

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		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	356,283	1	356,283	100.0	356,283	1	356,283	100.0
C04	Reallocation	0	0	356,283	100.0	0	0	356,283	100.0

Justification

C04	The Agency is requesting a reallocation of appropriation to more accurately reflect expenses.
-----	---

Appropriation Summary

Appropriation: 474 - Dispute Resolution Commission

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	129,926	132,245	142,033	132,245	132,245	0	132,345	132,345	0
#Positions		3	3	3	3	3	0	3	3	0
Personal Services Matching	5010003	41,502	43,239	42,299	43,999	43,999	0	44,021	44,021	0
Operating Expenses	5020002	28,276	35,514	35,514	35,514	35,514	0	35,514	35,514	0
Conference & Travel Expenses	5050009	10,250	15,000	15,000	15,000	15,000	0	15,000	15,000	0
Professional Fees	5060010	15,270	31,604	31,604	31,604	31,604	0	31,604	31,604	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	25,000	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		250,224	282,602	291,450	283,362	283,362	0	283,484	283,484	0
Funding Sources										
State Central Services	4000035	250,224	282,602		283,362	283,362	0	283,484	283,484	0
Total Funding		250,224	282,602		283,362	283,362	0	283,484	283,484	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		250,224	282,602		283,362	283,362	0	283,484	283,484	0

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.
No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 474 - Dispute Resolution Commission
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	283,362	3	283,362	100.0	283,484	3	283,484	100.0
C04	Reallocation	0	0	283,362	100.0	0	0	283,484	100.0

Justification

C04	The Agency is requesting a reallocation of appropriation to more accurately reflect expenses.
-----	---

Appropriation Summary

Appropriation: 816 - Judicial Fine

Funding Sources: MJF - Judicial Fine Collection Enhancement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,980,833	2,029,556	2,049,841	2,029,856	2,300,000	0	2,030,856	2,301,000	0
#Positions		40	40	40	40	40	0	40	40	0
Personal Services Matching	5010003	605,140	635,326	600,130	645,601	705,330	0	645,822	705,551	0
Operating Expenses	5020002	1,535,269	2,000,000	2,000,000	2,000,000	2,000,000	0	2,000,000	2,000,000	0
Conference & Travel Expenses	5050009	19,829	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Professional Fees	5060010	348,198	400,000	400,000	400,000	50,000	0	400,000	50,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	655,024	1,000,000	1,000,000	0	1,000,000	0	0	1,000,000	0
Total		5,144,293	6,089,882	6,074,971	5,100,457	6,080,330	0	5,101,678	6,081,551	0
Funding Sources										
Fund Balance	4000005	3,399,960	2,819,854		1,484,972	1,484,972	0	1,139,515	159,642	0
Special Revenue	4000030	4,564,187	4,755,000		4,755,000	4,755,000	0	4,755,000	4,755,000	0
Total Funding		7,964,147	7,574,854		6,239,972	6,239,972	0	5,894,515	4,914,642	0
Excess Appropriation/(Funding)		(2,819,854)	(1,484,972)		(1,139,515)	(159,642)	0	(792,837)	1,166,909	0
Grand Total		5,144,293	6,089,882		5,100,457	6,080,330	0	5,101,678	6,081,551	0

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.
No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 816 - Judicial Fine
Funding Sources: MJF - Judicial Fine Collection Enhancement Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	5,100,457	40	5,100,457	100.0	5,101,678	40	5,101,678	100.0
C01	Existing Program	1,329,873	0	6,430,330	126.1	1,329,873	0	6,431,551	126.1
C03	Discontinue Program	(350,000)	0	6,080,330	119.2	(350,000)	0	6,081,551	119.2
C04	Reallocation	0	0	6,080,330	119.2	0	0	6,081,551	119.2

Justification

C01	The Agency is requesting \$329,873 in additional Regular Salaries and Personal Services Matching to raise current employee salaries in order to retain these employees and to recruit talented IT employees. Also, the Agency requests \$1,000,000 in Capital Outlay to restore to the currently appropriated level.
C03	The Agency requests a reduction of \$350,000 in Professional Fees to help facilitate the request for additional Salaries and Matching appropriation.
C04	The Agency is requesting a reallocation of appropriation to more accurately reflect expenses.

Appropriation Summary

Appropriation: 817 - Hearing & Visual Impairments

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Auxilliary Aids-Hearing & Visual 5900046	1,316	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Total	1,316	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Funding Sources									
State Central Services 4000035	1,316	10,000		10,000	10,000	0	10,000	10,000	0
Total Funding	1,316	10,000		10,000	10,000	0	10,000	10,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,316	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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	38,262	140,000	140,000	140,000	140,000	0	140,000	140,000	0
Conference & Travel Expenses	5050009	13,420	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Professional Fees	5060010	34,650	85,000	85,000	85,000	85,000	0	85,000	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
Total		86,332	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Funding Sources										
Fund Balance	4000005	271,305	327,756		327,756	327,756	0	327,756	327,756	0
Cash Fund	4000045	142,783	250,000		250,000	250,000	0	250,000	250,000	0
Total Funding		414,088	577,756		577,756	577,756	0	577,756	577,756	0
Excess Appropriation/(Funding)		(327,756)	(327,756)		(327,756)	(327,756)	0	(327,756)	(327,756)	0
Grand Total		86,332	250,000		250,000	250,000	0	250,000	250,000	0

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		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	250,000	0	250,000	100.0	250,000	0	250,000	100.0
C04	Reallocation	0	0	250,000	100.0	0	0	250,000	100.0

Justification

C04	The Agency is requesting a reallocation of appropriation to more accurately reflect expenses.
-----	---

Appropriation Summary

Appropriation: 85M - Court Management Program

Funding Sources: NAC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	15,000	15,000	15,000	15,000	15,000	0	15,000	15,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		15,000	15,000	15,000	15,000	15,000	0	15,000	15,000	0
Funding Sources										
Fund Balance	4000005	1,909	7,216		7,216	7,216	0	7,216	7,216	0
Cash Fund	4000045	20,307	15,000		15,000	15,000	0	15,000	15,000	0
Total Funding		22,216	22,216		22,216	22,216	0	22,216	22,216	0
Excess Appropriation/(Funding)		(7,216)	(7,216)		(7,216)	(7,216)	0	(7,216)	(7,216)	0
Grand Total		15,000	15,000		15,000	15,000	0	15,000	15,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 85M - Court Management Program
Funding Sources: NAC - Cash in Treasury

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	15,000	0	15,000	100.0	15,000	0	15,000	100.0
C04	Reallocation	0	0	15,000	100.0	0	0	15,000	100.0

Justification

C04	The Agency is requesting a reallocation of appropriation to more accurately reflect expenses.
-----	---

Appropriation Summary

Appropriation: 85V - JRJ Stdt Ln Forgive

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	125,300	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Total		125,300	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Funding Sources										
Federal Revenue	4000020	125,300	100,000		100,000	100,000	0	100,000	100,000	0
Total Funding		125,300	100,000		100,000	100,000	0	100,000	100,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		125,300	100,000		100,000	100,000	0	100,000	100,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 85W - Drug Court Reentry Prog

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	1,376	66,608	66,608	66,608	66,608	0	66,608	66,608	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	15,000	15,000	15,000	15,000	0	15,000	15,000	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	0	39,938	39,938	39,938	39,938	0	39,938	39,938	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	1,376	121,546	121,546	121,546	121,546	0	121,546	121,546	0
Funding Sources									
Federal Revenue 4000020	1,376	121,546		121,546	121,546	0	121,546	121,546	0
Total Funding	1,376	121,546		121,546	121,546	0	121,546	121,546	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,376	121,546		121,546	121,546	0	121,546	121,546	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 85X - Drug Court Effect Grnts

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	116,522	108,522	108,522	108,522	108,522	0	108,522	108,522	0
Professional Fees	5060010	2,000	25,440	25,440	25,440	25,440	0	25,440	25,440	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	29,049	66,000	66,000	66,000	66,000	0	66,000	66,000	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		147,571	199,962	199,962	199,962	199,962	0	199,962	199,962	0
Funding Sources										
Federal Revenue	4000020	147,571	199,962		199,962	199,962	0	199,962	199,962	0
Total Funding		147,571	199,962		199,962	199,962	0	199,962	199,962	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		147,571	199,962		199,962	199,962	0	199,962	199,962	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 85X - Drug Court Effect Grnts
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	199,962	0	199,962	100.0	199,962	0	199,962	100.0
C04	Reallocation	0	0	199,962	100.0	0	0	199,962	100.0

Justification

C04	The Agency is requesting a reallocation of appropriation to more accurately reflect expenses.
-----	---

Appropriation Summary

Appropriation: 966 - Court Improvement Program

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	136,997	128,256	131,300	128,256	128,256	0	128,256	128,256	0
#Positions		2	2	2	2	2	0	2	2	0
Personal Services Matching	5010003	38,364	37,680	35,735	38,198	38,198	0	38,198	38,198	0
Operating Expenses	5020002	345,969	350,000	350,000	350,000	350,000	0	350,000	350,000	0
Conference & Travel Expenses	5050009	30,000	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees	5060010	133,543	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	32,500	200,000	200,000	200,000	200,000	0	200,000	200,000	0
Capital Outlay	5120011	89,556	150,000	150,000	0	150,000	0	0	150,000	0
Total		806,929	1,145,936	1,147,035	996,454	1,146,454	0	996,454	1,146,454	0
Funding Sources										
Federal Revenue	4000020	806,929	1,145,936		996,454	1,146,454	0	996,454	1,146,454	0
Total Funding		806,929	1,145,936		996,454	1,146,454	0	996,454	1,146,454	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		806,929	1,145,936		996,454	1,146,454	0	996,454	1,146,454	0

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.
No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 966 - Court Improvement Program
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	996,454	2	996,454	100.0	996,454	2	996,454	100.0
C01	Existing Program	150,000	0	1,146,454	115.1	150,000	0	1,146,454	115.1
C04	Reallocation	0	0	1,146,454	115.1	0	0	1,146,454	115.1

Justification

C01	The Agency requests \$150,000 in Capital Outlay to restore to current year level.
C04	The Agency is requesting a reallocation of appropriation to more accurately reflect expenses.

Appropriation Summary

Appropriation: 96U - Automation Proj-Cash

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	25,000	0	0	0	150,000	0	0	150,000	0
Total	25,000	0	0	0	150,000	0	0	150,000	0
Funding Sources									
Cash Fund 4000045	25,000	0		0	150,000	0	0	150,000	0
Total Funding	25,000	0		0	150,000	0	0	150,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	25,000	0		0	150,000	0	0	150,000	0

Appropriation was established through the authority of the Cash Fund Holding Account.
No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 96U - Automation Proj-Cash
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C02	New Program	150,000	0	150,000	100.0	150,000	0	150,000	100.0

Justification

C02	The Agency is requesting \$150,000 each year in Operating Expenses for data conversion and other project requirements to assist in the orderly move from a legacy system to the case management software provided by the AOC.
-----	---

Appropriation Summary

Appropriation: 97D - USDOT Case Mgmt

Funding Sources: FJD - US Department of Transportation

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	33,839	484,000	0	0	484,000	0	0	484,000	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	33,839	484,000	0	0	484,000	0	0	484,000	0
Funding Sources									
Federal Revenue 4000020	33,839	484,000		0	484,000	0	0	484,000	0
Total Funding	33,839	484,000		0	484,000	0	0	484,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	33,839	484,000		0	484,000	0	0	484,000	0

Appropriation was established through the authority of the Miscellaneous Federal Program Act.
No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 97D - USDOT Case Mgmt
Funding Sources: FJD - US Department of Transportation

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C02	New Program	484,000	0	484,000	100.0	484,000	0	484,000	100.0

Justification

C02	This request is for appropriation to hire additional personnel as contractors through the Department of Information Services Compaidd contract and provide their travel expenses to bring District Courts onto the AOC Contexte Court Management program.
-----	---

Appropriation Summary

Appropriation: 97H - HOPE Grant

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	13,354	80,000	0	0	40,000	0	0	40,000	0
#Positions		1	1	0	0	1	0	0	1	0
Personal Services Matching	5010003	2,820	22,344	0	0	13,764	0	0	13,764	0
Operating Expenses	5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	18,241	49,420	0	0	49,420	0	0	49,420	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	60,354	582,474	0	0	582,474	0	0	582,474	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		94,769	734,238	0	0	685,658	0	0	685,658	0
Funding Sources										
Federal Revenue	4000020	94,769	734,238		0	685,658	0	0	685,658	0
Total Funding		94,769	734,238		0	685,658	0	0	685,658	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		94,769	734,238		0	685,658	0	0	685,658	0

Appropriation was established through the authority of the Miscellaneous Federal Program Act.
No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 97H - HOPE Grant
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C02	New Program	631,894	0	631,894	100.0	631,894	0	631,894	100.0
C06	Restore Position/Approp	53,764	1	685,658	108.5	53,764	1	685,658	108.5

Justification

C02	This request is for appropriation to fund the Honest Opportunity Probation with Enforcement (HOPE) Demonstration Field Experiment which will provide training workshops and a grant to Saline County to cover equipment, supplies, jail/custody housing, detoxification, substance abuse treatment, and counseling.
C06	The Agency is requesting the restoration of 1 AOC Project Analyst with corresponding Regular Salaries and Personal Services Matching to operate the HOPE project.

Appropriation Summary

Appropriation: 99X - STOP Domestic Violence Research

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	55,040	12,500	0	0	55,156	0	0	55,156	0
#Positions		1	1	0	0	1	0	0	1	0
Personal Services Matching	5010003	15,745	3,086	0	0	17,115	0	0	17,115	0
Total		70,785	15,586	0	0	72,271	0	0	72,271	0
Funding Sources										
Federal Revenue	4000020	70,785	15,586		0	72,271	0	0	72,271	0
Total Funding		70,785	15,586		0	72,271	0	0	72,271	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		70,785	15,586		0	72,271	0	0	72,271	0

Appropriation was established through the authority of the Miscellaneous Federal Program Act.
No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 99X - STOP Domestic Violence Research
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C06	Restore Position/Approp	72,271	1	72,271	100.0	72,271	1	72,271	100.0

Justification

C06	This request is for the restoration of one (1) AOC Senior Staff Attorney position to provide information and legal research on domestic violence issues.
-----	--

Appropriation Summary

Appropriation: 99Y - E-Citation

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	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	310,800	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	310,800	0	0	310,800	0
Total	0	310,800	0	0	310,800	0	0	310,800	0
Funding Sources									
Federal Revenue 4000020	0	310,800		0	0	0	0	0	0
Total Funding	0	310,800		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	310,800	0	0	310,800	0
Grand Total	0	310,800		0	310,800	0	0	310,800	0

Appropriation was established through the authority of the Miscellaneous Federal Program Act.
No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 99Y - E-Citation
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	310,800	0	310,800	100.0	310,800	0	310,800	100.0

Justification

C01	This request is for appropriation to modify the existing Contexte Case Management System to accommodate data from the Arkansas State Police eCite System.
-----	---

Appropriation Summary

Appropriation: 1DA - Special Advocate

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	41,914	39,227	40,007	39,227	0	0	39,227	0	0
#Positions		1	1	1	1	0	0	1	0	0
Personal Services Matching	5010003	13,546	13,342	12,754	13,594	0	0	13,594	0	0
Operating Expenses	5020002	0	13,867	13,867	13,867	0	0	13,867	0	0
Conference & Travel Expenses	5050009	0	2,473	2,473	2,473	0	0	2,473	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		55,460	68,909	69,101	69,161	0	0	69,161	0	0
Funding Sources										
Federal Revenue	4000020	55,460	68,909		0	0	0	0	0	0
Total Funding		55,460	68,909		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		69,161	0	0	69,161	0	0
Grand Total		55,460	68,909		69,161	0	0	69,161	0	0

APPROPRIATION NOT REQUESTED FOR THE 2013-2015 BIENNIUM

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	69,161	1	69,161	100.0	69,161	1	69,161	100.0
C03	Discontinue Program	(69,161)	(1)	0	0.0	(69,161)	(1)	0	0.0

Justification

C03	The Agency is requesting to discontinue this appropriation due to the loss of federal funding.
-----	--

Appropriation Summary

Appropriation: 57P - ARRA-Protectn Order

Funding Sources: FJD - Judicial Department Federal - ARRA

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	22,980	0	0	0	0	0	0	0	0
Professional Fees 5060010	26,655	0	0	0	0	0	0	0	0
Total	49,635	0	0	0	0	0	0	0	0
Funding Sources									
Federal Revenue 4000020	49,635	0		0	0	0	0	0	0
Total Funding	49,635	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	49,635	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2013-2015 BIENNIUM

ATTORNEY GENERAL

Enabling Laws

Act 273 of 2012

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.

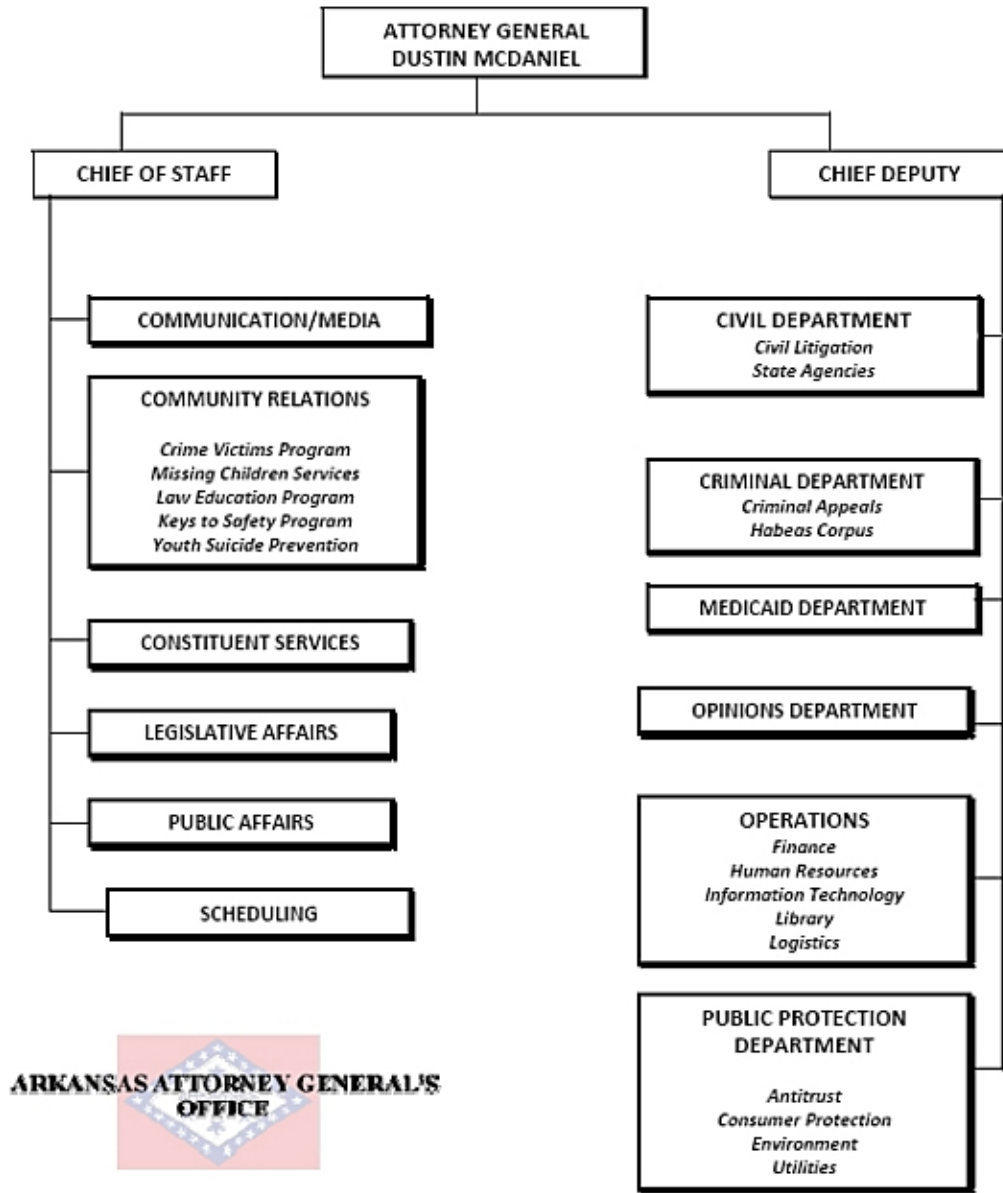
Consumer Protection. The Attorney General is charged with enforcing the “Deceptive Trade Practices Act,” A.C.A. §4-88-101 et seq. This act creates the Consumer Protection Division, and authorizes that division to conduct investigations, promote consumer education, and bring lawsuits to enforce the provisions 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 be 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 FY 2013 levels.

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.

The Office of the Attorney General is requesting to restore appropriation for our Capital Outlay Item to the FY 2013 level of \$100,000. 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 office is requesting that the Capital Outlay line item be restored to the FY 2013 level 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 FY 2013 appropriation be restored in the next biennium.

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.

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, 2010

Findings

Recommendations

None

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	58	69	127	75 %
Black Employees	10	28	38	22 %
Other Racial Minorities	1	4	5	3 %
Total Minorities			43	25 %
Total Employees			170	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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
004 Attorney General - Administration	13,758,494	135	13,773,895	135	14,790,092	135	14,904,494	135	15,004,494	135	0	0	14,912,468	135	15,012,468	135	0	0
188 Medicaid Fraud - Federal	1,455,240	17	1,712,486	17	1,772,504	17	1,772,362	17	1,799,945	17	0	0	1,773,706	17	1,801,289	17	0	0
189 Medicaid Fraud - State	536,455	5	570,158	5	593,173	5	595,025	5	602,025	5	0	0	595,147	5	602,147	5	0	0
1PE Victims Reparations Program	2,718,578	11	3,777,143	11	4,040,472	11	4,055,252	11	4,055,252	11	0	0	4,056,107	11	4,056,107	11	0	0
1PF Medicaid Fraud - Indirect Costs	257,633	0	298,700	0	298,700	0	298,700	0	298,700	0	0	0	298,700	0	298,700	0	0	0
1PH Victims Reparations - Federal	1,219,897	1	1,571,259	1	1,571,586	1	1,572,608	1	1,572,608	1	0	0	1,572,608	1	1,572,608	1	0	0
2YK Spyware Monitoring	503	0	65,990	0	65,990	0	65,990	0	65,990	0	0	0	65,990	0	65,990	0	0	0
38U Internet Crime Child	10,971	0	50,000	0	50,000	0	50,000	0	50,000	0	0	0	50,000	0	50,000	0	0	0
Total	19,957,771	169	21,819,631	169	23,182,517	169	23,314,431	169	23,449,014	169	0	0	23,324,726	169	23,459,309	169	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	2,772,453	12.6	2,031,147	9.3		67,577	0.3	67,577	0.3	0	0.0	0	0.0	0	0.0	0	0.0
Federal Revenue	4000020	2,943,741	13.4	3,632,445	16.6		3,693,670	17.5	3,721,253	17.5	0	0.0	3,695,014	17.5	3,722,597	17.5	0	0.0
Special Revenue	4000030	91,294	0.4	165,990	0.8		165,990	0.8	165,990	0.8	0	0.0	165,990	0.8	165,990	0.8	0	0.0
State Central Services	4000035	14,294,949	65.0	14,344,053	65.5		15,499,519	73.3	15,606,519	73.4	0	0.0	15,507,615	73.6	15,614,615	73.6	0	0.0
State Administration of Justice	4000470	1,886,481	8.6	1,713,573	7.8		1,713,573	8.1	1,713,573	8.1	0	0.0	1,713,573	8.1	1,713,573	8.1	0	0.0
Total Funds		21,988,918	100.0	21,887,208	100.0		21,140,329	100.0	21,274,912	100.0	0	0.0	21,082,192	100.0	21,216,775	100.0	0	0.0
Excess Appropriation/(Funding)		(2,031,147)		(67,577)			2,174,102		2,174,102		0		2,242,534		2,242,534		0	
Grand Total		19,957,771		21,819,631			23,314,431		23,449,014		0		23,324,726		23,459,309		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
169	165	4	169	0	2.37 %	169	168	1	169	0	0.59 %	169	166	3	169	0	1.78 %

Appropriation Summary

Appropriation: 004 - Attorney General - Administration

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	8,883,899	8,566,944	9,545,642	9,545,642	9,545,642	0	9,551,742	9,551,742	0
#Positions		135	135	135	135	135	0	135	135	0
Extra Help	5010001	34,982	37,224	37,224	37,224	37,224	0	37,224	37,224	0
#Extra Help		4	6	8	8	8	0	8	8	0
Personal Services Matching	5010003	2,529,388	2,532,650	2,570,149	2,784,551	2,784,551	0	2,786,425	2,786,425	0
Operating Expenses	5020002	1,671,622	1,960,342	1,960,342	1,960,342	1,960,342	0	1,960,342	1,960,342	0
Conference & Travel Expenses	5050009	82,766	100,167	100,167	100,167	100,167	0	100,167	100,167	0
Professional Fees	5060010	462,508	476,568	476,568	476,568	476,568	0	476,568	476,568	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	93,329	100,000	100,000	0	100,000	0	0	100,000	0
Total		13,758,494	13,773,895	14,790,092	14,904,494	15,004,494	0	14,912,468	15,012,468	0
Funding Sources										
State Central Services	4000035	13,758,494	13,773,895		14,904,494	15,004,494	0	14,912,468	15,012,468	0
Total Funding		13,758,494	13,773,895		14,904,494	15,004,494	0	14,912,468	15,012,468	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		13,758,494	13,773,895		14,904,494	15,004,494	0	14,912,468	15,012,468	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 004 - Attorney General - Administration
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	14,904,494	135	14,904,494	100.0	14,912,468	135	14,912,468	100.0
C01	Existing Program	100,000	0	15,004,494	100.7	100,000	0	15,012,468	100.7

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,111,464	1,071,349	1,138,615	1,139,315	1,139,315	0	1,140,415	1,140,415	0
#Positions	17	17	17	17	17	0	17	17	0
Extra Help 5010001	14,295	29,870	29,870	29,870	29,870	0	29,870	29,870	0
#Extra Help	2	2	2	2	2	0	2	2	0
Personal Services Matching 5010003	316,065	319,336	312,088	338,829	338,829	0	339,073	339,073	0
Operating Expenses 5020002	12,308	202,286	202,286	202,286	202,286	0	202,286	202,286	0
Conference & Travel Expenses 5050009	1,108	37,206	37,206	37,206	37,206	0	37,206	37,206	0
Professional Fees 5060010	0	24,856	24,856	24,856	24,856	0	24,856	24,856	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	27,583	27,583	0	27,583	0	0	27,583	0
Total	1,455,240	1,712,486	1,772,504	1,772,362	1,799,945	0	1,773,706	1,801,289	0
Funding Sources									
Federal Revenue 4000020	1,455,240	1,712,486		1,772,362	1,799,945	0	1,773,706	1,801,289	0
Total Funding	1,455,240	1,712,486		1,772,362	1,799,945	0	1,773,706	1,801,289	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,455,240	1,712,486		1,772,362	1,799,945	0	1,773,706	1,801,289	0

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,772,362	17	1,772,362	100.0	1,773,706	17	1,773,706	100.0
C01	Existing Program	27,583	0	1,799,945	101.6	27,583	0	1,801,289	101.6

Appropriation Summary

Appropriation: 189 - Medicaid Fraud - State

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	377,938	370,575	395,582	395,582	395,582	0	395,682	395,682	0
#Positions		5	5	5	5	5	0	5	5	0
Personal Services Matching	5010003	104,435	105,520	103,528	112,380	112,380	0	112,402	112,402	0
Operating Expenses	5020002	48,174	67,417	67,417	67,417	67,417	0	67,417	67,417	0
Conference & Travel Expenses	5050009	1,883	11,891	11,891	11,891	11,891	0	11,891	11,891	0
Professional Fees	5060010	4,025	7,755	7,755	7,755	7,755	0	7,755	7,755	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	7,000	7,000	0	7,000	0	0	7,000	0
Total		536,455	570,158	593,173	595,025	602,025	0	595,147	602,147	0
Funding Sources										
State Central Services	4000035	536,455	570,158		595,025	602,025	0	595,147	602,147	0
Total Funding		536,455	570,158		595,025	602,025	0	595,147	602,147	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		536,455	570,158		595,025	602,025	0	595,147	602,147	0

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	595,025	5	595,025	100.0	595,147	5	595,147	100.0
C01	Existing Program	7,000	0	602,025	101.2	7,000	0	602,147	101.2

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	484,401	473,145	558,596	559,996	559,996	0	560,696	560,696	0
#Positions		11	11	11	11	11	0	11	11	0
Extra Help	5010001	0	14,000	14,000	14,000	14,000	0	14,000	14,000	0
#Extra Help		0	2	2	2	2	0	2	2	0
Personal Services Matching	5010003	152,632	157,438	166,116	179,496	179,496	0	179,651	179,651	0
Operating Expenses	5020002	59,701	80,558	80,558	80,558	80,558	0	80,558	80,558	0
Conference & Travel Expenses	5050009	539	16,974	16,974	16,974	16,974	0	16,974	16,974	0
Professional Fees	5060010	3,099	11,246	11,246	11,246	11,246	0	11,246	11,246	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Claims	5110015	2,018,206	3,023,782	3,192,982	3,192,982	3,192,982	0	3,192,982	3,192,982	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,718,578	3,777,143	4,040,472	4,055,252	4,055,252	0	4,056,107	4,056,107	0
Funding Sources										
Fund Balance	4000005	2,772,453	2,031,147		67,577	67,577	0	0	0	0
Special Revenue	4000030	90,791	100,000		100,000	100,000	0	100,000	100,000	0
State Administration of Justice	4000470	1,886,481	1,713,573		1,713,573	1,713,573	0	1,713,573	1,713,573	0
Total Funding		4,749,725	3,844,720		1,881,150	1,881,150	0	1,813,573	1,813,573	0
Excess Appropriation/(Funding)		(2,031,147)	(67,577)		2,174,102	2,174,102	0	2,242,534	2,242,534	0
Grand Total		2,718,578	3,777,143		4,055,252	4,055,252	0	4,056,107	4,056,107	0

FY2012 Actual and FY2013 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 281 (60) of 2012.

No Executive Recommendation made on this appropriation.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	257,633	298,700	298,700	298,700	298,700	0	298,700	298,700	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		257,633	298,700	298,700	298,700	298,700	0	298,700	298,700	0
Funding Sources										
Federal Revenue	4000020	257,633	298,700		298,700	298,700	0	298,700	298,700	0
Total Funding		257,633	298,700		298,700	298,700	0	298,700	298,700	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		257,633	298,700		298,700	298,700	0	298,700	298,700	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 1PH - Victims Reparations - Federal

Funding Sources: FAY - Crime Victims Reparation Program Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	7,148	32,564	33,464	33,464	33,464	0	33,464	33,464	0
#Positions		1	1	1	1	1	0	1	1	0
Personal Services Matching	5010003	5,447	11,896	11,323	12,345	12,345	0	12,345	12,345	0
Operating Expenses	5020002	0	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	1,207,302	1,499,899	1,499,899	1,499,899	1,499,899	0	1,499,899	1,499,899	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,219,897	1,571,259	1,571,586	1,572,608	1,572,608	0	1,572,608	1,572,608	0
Funding Sources										
Federal Revenue	4000020	1,219,897	1,571,259		1,572,608	1,572,608	0	1,572,608	1,572,608	0
Total Funding		1,219,897	1,571,259		1,572,608	1,572,608	0	1,572,608	1,572,608	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,219,897	1,571,259		1,572,608	1,572,608	0	1,572,608	1,572,608	0

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2YK - Spyware Monitoring

Funding Sources: SSM - Spyware Monitoring Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Spyware Monitoring 5900046	503	65,990	65,990	65,990	65,990	0	65,990	65,990	0
Total	503	65,990	65,990	65,990	65,990	0	65,990	65,990	0
Funding Sources									
Special Revenue 4000030	503	65,990		65,990	65,990	0	65,990	65,990	0
Total Funding	503	65,990		65,990	65,990	0	65,990	65,990	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	503	65,990		65,990	65,990	0	65,990	65,990	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 38U - Internet Crime Child

Funding Sources: FAY - Internet Crimes Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	10,971	45,450	45,450	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	4,550	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
Total		10,971	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Funding Sources										
Federal Revenue	4000020	10,971	50,000		50,000	50,000	0	50,000	50,000	0
Total Funding		10,971	50,000		50,000	50,000	0	50,000	50,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		10,971	50,000		50,000	50,000	0	50,000	50,000	0

No Executive Recommendation made on this appropriation.

AUDITOR OF STATE

Enabling Laws

Act 91 of 2012
Act 105 of 2012
Act 110 of 2012
Act 114 of 2012
Act 213 of 2012
Act 245 of 2012
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.

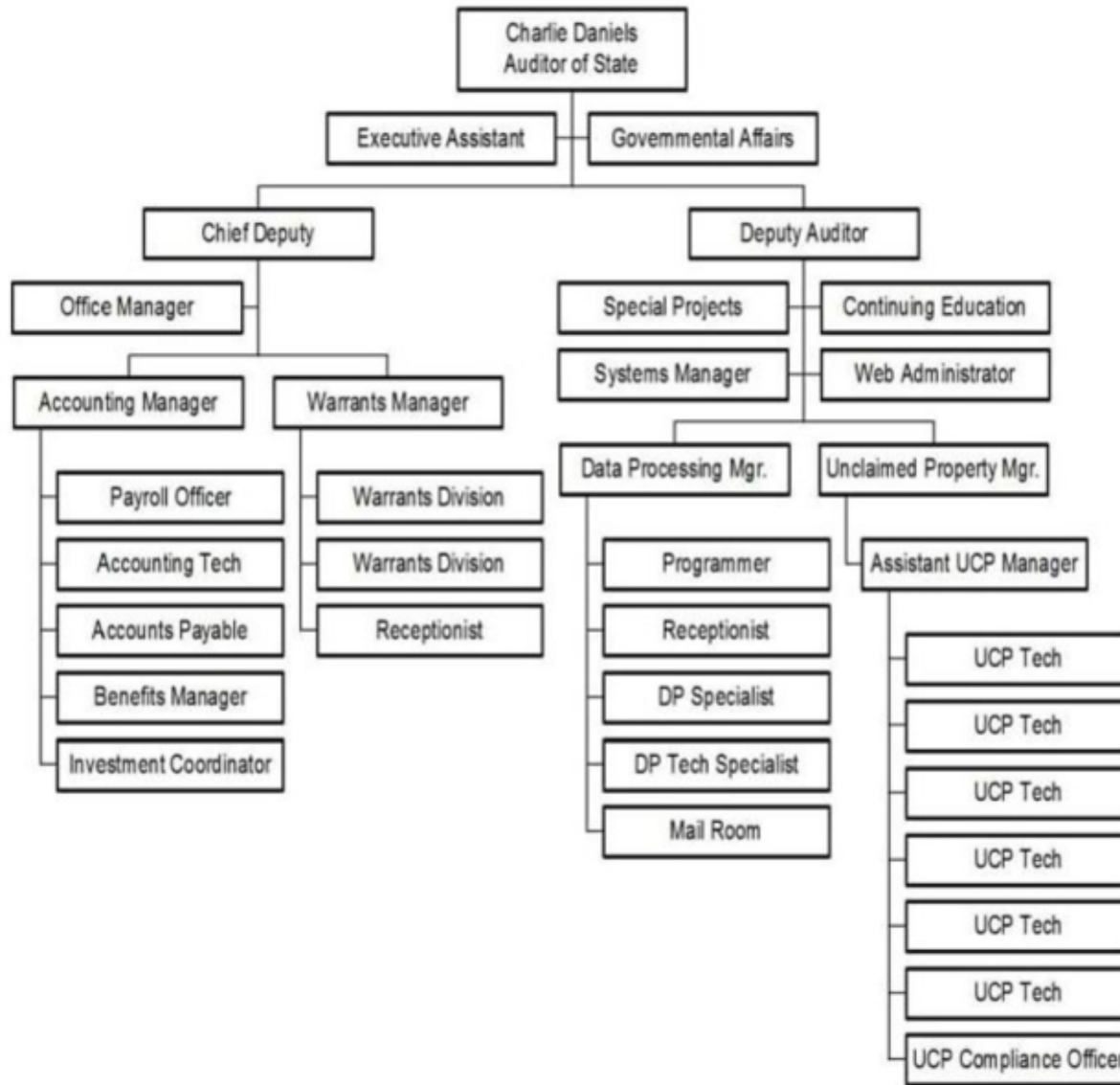
The Auditor of State maintains fund and appropriation balances for all state agencies.

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, 2012, the Auditor of State collected approximately \$23.3 million from holders, returned approximately \$8.5 million to the citizens of Arkansas. In July 2012, the Auditor transferred from the trust fund \$2.5 million per Act 287 of 2012 to Higher Education and Mid South Community College and \$1 million per Act 213 of 2012 to the Enhanced 911 Systems Grants Appropriation. In June, 2012 the Auditor of State reimbursed the cost of administering the Unclaimed Property Act by depositing FY12 operating costs of \$1,207,051.68 into the State Central Services Fund. The Auditor of State reimbursed HSC5900 fund \$441,520 per Act 925 of 2012 for an appropriation to purchase Accounting, Payroll and Unclaimed Property software packages. Pursuant to Code 18-28-213, the Auditor of State transferred \$227,259.10 to the counties. In addition, the Auditor transferred \$1,135,000 from the Mineral Proceeds Trust Fund to the County Aid Fund for equal distribution to the counties.

In fiscal year 2012, the Auditor of State produced, audited and issued to State Agencies 3,120,546 state warrants totaling over \$17.1 billion dollars.

The Auditor of State is the disbursing officer for salaries for House of Representatives Members, Senate Members, Constitutional Officers, Supreme Court Justices, Appellate Court Justices, the salaries and expenses of Circuit Judges, the Pilot Program District Judges, Special and Recalled Judges, the salaries of Prosecuting Attorneys, Deputy Prosecuting Attorneys, Special Deputy Prosecuting Attorney, the salaries and expenses of Court Reporters and Substitute Court Reporters, the salaries and expenses of Trial Court Administrative Assistants and their Substitutes and the salaries of the Drug Court Juvenile Probate and Intake Officers. The Auditor of State processes and maintains all payroll accounting, and insurance and retirement matching for those fourteen departments which includes over 950 individuals. In addition, the Auditor of State acts as the disbursing officer for the expenses incurred in carrying out the responsibilities for maintaining and operating the continuing education programs of the County and Circuit Clerks Continuing Education Board, the County Treasurer's Continuing Education Board and the County Collector's Continuing Education Board. Pursuant to Act 213 Section 9, the Auditor of State will disburse appropriation from State Central Services for grants to implement a statewide Enhanced 9-1-1 System for fiscal year 2013. All of the disbursements made by the Auditor of State are in excess of \$98 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

Listed below are the main points of our proposed budget for the biennium 2013-2015:

OPERATIONS (005)

- Agency requests salary increases of 2.5% for each year of the biennium with corresponding increases in Personal Services Matching.
- Agency requests an increase in the salaries of Extra Help to \$48,000 with no additional positions.
- Agency requests an increase in Maintenance and Operation of \$81,263 for each year of the biennium and a \$5,000 per year increase in Capital Outlay.
- Conference Fees and Travel and Professional Fees remains constant.

CONSTITUTIONAL OFFICERS (009)

- Base Level 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.
- Base Level for the elected Prosecuting Attorneys - Division A and Division B.
- Members of the General Assembly and all Executive Department Officials may be increased annually an amount pursuant to Amendment 70, Section 3 to the Arkansas Constitution.
- We are requesting an increase in Personal Services Match based on any salary increase request.
- Base Level for Special and Recalled Judges.

UNCLAIMED PROPERTY (122)

- Agency requests salary increases of 2.5% for each year of the biennium with corresponding increases in Personal Services Matching.
- We are requesting one additional UCP Tech II position at the same level as the current position we have.
- Agency requests an increase in Maintenance and Operation of \$60,354 for each year of the biennium and an increase of \$100,000 in Professional Fees and Services. Capital Outlay and Travel is to remain at base level.

COUNTY TREASURERS CONTINUING EDUCATION (123)

County Treasurers Continuing Education Board appropriation is to remain constant.

JUDICIAL COURT REPORTERS (1EW)

- Base Level salaries for classified positions.
- Base Level for Personal Services Matching.

COUNTY AND CIRCUIT CLERKS CONTINUING EDUCATION (1PD)

County Collectors Continuing Education Board appropriation is to remain constant.

JUVENILE PROBATION AND INTAKE OFFICERS (1UE)

- Base Level salaries for all positions.
- Reimbursement to counties for up to \$15,000 in salary payments to Juvenile Probation and Intake Officers to remain constant.

DEPUTY PROSECUTING ATTORNEYS (1UG)

- Base Level salaries for classified positions.
- Base Level Personal Services Matching.
- The expense allowance of the Special Deputy Prosecuting Attorney is to remain constant.

PAYMENT OF CLAIMS (264)

We would like to reallocate the \$775,000 appropriation of fund MTA5900 Miscellaneous Revolving UCP to be added to fund 11000100 AOS Claims for Unclaimed Property bringing that appropriation to \$15,775,000.

TRIAL COURT ADMINISTRATIVE ASSISTANTS (305)

- Base Level salaries for classified positions but we are requesting a reallocation of 58 of the 122 Trial Assistants Grade 117 to become Trial Court Manager Grade C119
- Base Level for Personal Services Matching
- The appropriation for Substitute Trial Court Administrative Assistants will remain constant.
- We are requesting that the appropriation for expenses remain constant.

COUNTY COLLECTORS CONTINUING EDUCATION (465)

County and Circuit Clerks Continuing Education Board appropriation is to remain constant.

DRUG COURT JUVENILE PROBATION & INTAKE OFFICERS (58V)

Drug Court Juvenile Probation & Intake Officers appropriation is to remain constant.

UNCLAIMED PROPERTY - CASH (A04)

We would like to reallocate the \$775,000 appropriation of fund MTA5900 Miscellaneous Revolving UCP to be added to fund 11000100 AOS Claims for Unclaimed Property bringing that appropriation to \$15,775,000.

PAYMENT - UNCLAIMED MINERAL PROCEEDS (C50)

Payment - Unclaimed Mineral Proceeds appropriation is to remain constant.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

AUDITOR OF STATE

FOR THE YEAR ENDED JUNE 30, 2010

Findings

Recommendations

The Auditor of State overpaid a trial assistant in the net amount of \$1,244. Inaccurate and untimely communication between the Circuit Judge leaving office, the new Circuit Judge, and staff at the Auditor of State resulted in this overpayment. The Auditor of State has pursued reimbursement of this salary overpayment from the trial assistant, but the amount has not been collected.

Continue to obtain current employment information regarding trial assistants, in order to ensure payment is only made for authorized salaries.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	5	3	8	80 %
Black Employees	0	2	2	20 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	20 %
Total Employees			10	100 %

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
1100100	\$58,434,150	Checking/Certificates of Deposit	Multiple Locations

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.

Fund Account	Balance	Type	Location
1100200	\$2,499,693	Checking/Certificates of Deposit	Multiple Locations

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 unclaimed property funds that have been collected and held for a full three (3) years from county governments.

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
1100100	1,027,673.41	CD	1st National Bank - Walnut Ridge
	1,092,976.95	CD	1st National Bank - Walnut Ridge
	538,792.31	CD	1st National Bank - Walnut Ridge
	1,015,045.60	CD	Bank of Augusta
	500,000.00	CD	Bank of Augusta
	502,980.80	CD	Bank of Augusta
	1,076,220.51	CD	Bank Of Bearden
	1,078,829.70	CD	Bank Of England
	1,000,000.00	CD	Bank Of The Ozarks - Little Rock
	1,000,000.00	CD	Citizens Bank - Batesville
	1,008,200.00	CD	Cornerstone Bank - Eureka Springs
	500,000.00	CD	Cross County Bank - Wynne
	500,000.00	CD	Farmers Bank & Trust - Blytheville
	2,048,400.13	CD	Farmers Bank & Trust - Magnolia
	2,000,000.00	CD	Farmers Bank & Trust - Magnolia
	1,011,173.31	CD	First Bank
	1,000,000.00	CD	First Bank
	1,008,753.42	CD	First Community Bank - Batesville
	1,000,000.00	CD	First Security Bank - Conway
	508,878.04	CD	First Security Bank - Conway
	505,742.68	CD	First Security Bank - Conway
	2,017,506.85	CD	First State Bank - De Queen
	1,008,654.79	CD	First State Bank - De Queen
	250,000.00	CD	First State Bank - Huntsville

Cash Fund Balance Description as of June 30, 2012

	2,000,000.00	CD	Heritage Bank - Jonesboro
	253,943.74	CD	Piggott State Bank
	505,045.64	CD	Piggott State Bank
	225,000.00	CD	Piggott State Bank
	1,000,000.00	CD	Pine Bluff National Bank
	500,000.00	CD	Pinnacle Bank - Rogers
1100200	1,017,227.43	CD	Farmers Bank & Trust - Blytheville
	1,016,818.73	CD	First Bank

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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
005 Operations	2,523,287	26	2,740,555	26	2,709,201	26	2,722,294	26	2,935,680	26		0	2,722,294	26	2,987,288	26		0
009 Constitutional Officers-Auditor	35,571,722	333	37,379,181	348	36,801,659	348	38,485,197	348	38,485,197	348		0	38,538,028	348	38,538,028	348		0
122 Unclaimed Property	1,213,473	9	1,181,163	9	1,171,024	9	1,158,483	9	1,435,773	10		0	1,158,483	9	1,454,237	10		0
123 CountyTreasurers Continuing Education	40,767	0	54,170	0	60,000	0	60,000	0	60,000	0		0	60,000	0	60,000	0		0
1EW Court Reporters-Circuit Court	8,968,667	122	9,697,482	122	10,232,983	122	9,728,679	122	9,728,679	122		0	9,728,679	122	9,728,679	122		0
1PD County & Circuit Clerks Continuing Education	69,719	0	120,000	0	120,000	0	120,000	0	120,000	0		0	120,000	0	120,000	0		0
1UE Juvenile Probation & Intake Officers	3,085,644	0	3,582,810	0	3,582,810	0	3,582,810	0	3,582,810	0		0	3,582,810	0	3,582,810	0		0
1UG Deputy Prosecuting Attorneys	19,264,528	242	19,570,159	242	19,273,361	242	19,632,770	242	19,632,770	242		0	19,632,770	242	19,632,770	242		0
264 Payment of Claims-Revolving	0	0	775,000	0	775,000	0	775,000	0	0	0		0	775,000	0	0	0		0
305 Trial Court Admin Assistant	6,851,071	122	5,827,381	122	7,035,365	122	7,139,265	122	7,139,265	122		0	7,139,265	122	7,139,265	122		0
465 County Collectors Continuing Education	31,320	0	60,000	0	60,000	0	60,000	0	60,000	0		0	60,000	0	60,000	0		0
58V Drug Court Juvenile Probation & Intake Officers	610,053	13	607,270	13	645,411	13	610,524	13	610,524	13		0	610,524	13	610,524	13		0
A04 Unclaimed Property-Cash	7,359,061	0	15,002,500	0	15,002,500	0	15,002,500	0	15,777,500	0		0	15,002,500	0	15,777,500	0		0
C50 Payment-Unclaimed Mineral Proceeds	1,108,017	0	2,500,500	0	2,500,500	0	2,500,500	0	2,500,500	0		0	2,500,500	0	2,500,500	0		0
F03 Enhanced 911 System	0	0	1,000,000	0	1,000,000	0	1,000,000	0	0	0		0	1,000,000	0	0	0		0
Total	86,697,329	867	100,098,171	882	100,969,814	882	102,578,022	882	102,068,698	883		0	102,630,853	882	102,191,601	883		0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	48,945,645	33.1	61,268,038	38.0	60,957,288	38.0	60,957,288	37.9	0	0.0	60,048,843	37.7	60,048,843	37.5	0	0.0	
Constitutional Officers Fund	4000025	35,571,722	24.0	37,379,181	23.2	38,485,197	24.0	38,485,197	23.9	0	0.0	38,538,028	24.2	38,538,028	24.1	0	0.0	
State Central Services	4000035	26,696,985	18.0	28,681,957	17.8	27,706,881	17.3	28,197,557	17.5	0	0.0	27,706,881	17.4	28,267,629	17.7	0	0.0	
Cash Fund	4000045	20,898,117	14.1	17,503,000	10.9	16,618,000	10.4	17,393,000	10.8	0	0.0	16,618,000	10.4	17,393,000	10.9	0	0.0	
Fees	4000245	90,300	0.1	90,000	0.1	90,000	0.1	90,000	0.1	0	0.0	90,000	0.1	90,000	0.1	0	0.0	
Governor's Emergency Fund	4000275	130,000	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Miscellaneous Revolving	4000350	0	0.0	775,000	0.5	775,000	0.5	0	0.0	0	0.0	775,000	0.5	0	0.0	0	0.0	
Real Estate Transfer Tax	4000403	4,013,428	2.7	5,033,501	3.1	5,262,896	3.3	5,262,896	3.3	0	0.0	5,262,896	3.3	5,262,896	3.3	0	0.0	
State Administration of Justice	4000470	11,619,170	7.9	10,324,782	6.4	10,324,782	6.4	10,324,782	6.4	0	0.0	10,324,782	6.5	10,324,782	6.5	0	0.0	
Total Funds		147,965,367	100.0	161,055,459	100.0	160,220,044	100.0	160,710,720	100.0	0	0.0	159,364,430	100.0	159,925,178	100.0	0	0.0	
Excess Appropriation/(Funding)		(61,268,038)		(60,957,288)		(57,642,022)		(58,642,022)		0	0.0	(56,733,577)		(57,733,577)		0	0.0	
Grand Total		86,697,329		100,098,171		102,578,022		102,068,698		0	0.0	102,630,853		102,191,601		0	0.0	

No Executive Recommendation is made on these appropriations.

The difference between the FY14 ending fund balance and the FY15 beginning fund balance is due to unfunded appropriation in Fund Centers 123, 1PD, 305, and 465.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
866	851	15	866	0	1.73 %	869	867	0	867	2	0.23 %	882	842	0	842	40	4.54 %

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,512,211	1,649,447	1,649,447	1,649,447	1,690,685	0	1,649,447	1,732,952	0
#Positions		26	26	26	26	26	0	26	26	0
Extra Help	5010001	0	12,713	12,713	12,713	60,713	0	12,713	60,713	0
#Extra Help		0	15	15	15	15	0	15	15	0
Personal Services Matching	5010003	406,401	486,708	455,354	493,447	506,332	0	493,447	515,673	0
Operating Expenses	5020002	511,342	534,187	534,187	534,187	615,450	0	534,187	615,450	0
Conference & Travel Expenses	5050009	1,275	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees	5060010	0	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	92,058	25,000	25,000	0	30,000	0	0	30,000	0
Total		2,523,287	2,740,555	2,709,201	2,722,294	2,935,680	0	2,722,294	2,987,288	0
Funding Sources										
State Central Services	4000035	2,523,287	2,740,555		2,722,294	2,935,680	0	2,722,294	2,987,288	0
Total Funding		2,523,287	2,740,555		2,722,294	2,935,680	0	2,722,294	2,987,288	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,523,287	2,740,555		2,722,294	2,935,680	0	2,722,294	2,987,288	0

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

No Executive Recommendation is made on this appropriation.

Change Level by Appropriation

Appropriation: 005 - Operations

Funding Sources: HSC - State Central Services

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	2,722,294	26	2,722,294	100.0	2,722,294	26	2,722,294	100.0
C01	Existing Program	163,035	0	2,885,329	106.0	172,376	0	2,894,670	106.3
C15	Ex Salary Increase	50,351	0	2,935,680	107.8	92,618	0	2,987,288	109.7

Appropriation Summary

Appropriation: 009 - Constitutional Officers-Auditor

Funding Sources: MCF - Constitutional Officers Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	27,975,233	28,896,854	28,896,854	29,688,658	29,688,658	0	29,688,658	29,688,658	0
#Positions		333	348	348	348	348	0	348	348	0
Personal Services Matching	5010003	7,069,124	7,705,327	7,127,805	8,019,539	8,019,539	0	8,072,370	8,072,370	0
Travel Expense Reimbursement	5900046	13,579	27,000	27,000	27,000	27,000	0	27,000	27,000	0
Special/Recalled Circuit Judges	5900049	250,848	350,000	350,000	350,000	350,000	0	350,000	350,000	0
Trial Judges Expenses	5900050	262,938	400,000	400,000	400,000	400,000	0	400,000	400,000	0
Total		35,571,722	37,379,181	36,801,659	38,485,197	38,485,197	0	38,538,028	38,538,028	0
Funding Sources										
Constitutional Officers Fund	4000025	35,571,722	37,379,181		38,485,197	38,485,197	0	38,538,028	38,538,028	0
Total Funding		35,571,722	37,379,181		38,485,197	38,485,197	0	38,538,028	38,538,028	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		35,571,722	37,379,181		38,485,197	38,485,197	0	38,538,028	38,538,028	0

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

No Executive Recommendation is made on this appropriation.

Appropriation Summary

Appropriation: 122 - Unclaimed Property

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	475,829	533,626	533,626	533,626	604,892	0	533,626	620,015	0
#Positions		9	9	9	9	10	0	9	10	0
Personal Services Matching	5010003	140,706	159,891	149,752	162,211	182,881	0	162,211	186,222	0
Operating Expenses	5020002	406,154	431,146	431,146	431,146	491,500	0	431,146	491,500	0
Conference & Travel Expenses	5050009	6,524	11,500	11,500	11,500	11,500	0	11,500	11,500	0
Professional Fees	5060010	0	20,000	20,000	20,000	120,000	0	20,000	120,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	184,260	25,000	25,000	0	25,000	0	0	25,000	0
Total		1,213,473	1,181,163	1,171,024	1,158,483	1,435,773	0	1,158,483	1,454,237	0
Funding Sources										
State Central Services	4000035	1,213,473	1,181,163		1,158,483	1,435,773	0	1,158,483	1,454,237	0
Total Funding		1,213,473	1,181,163		1,158,483	1,435,773	0	1,158,483	1,454,237	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,213,473	1,181,163		1,158,483	1,435,773	0	1,158,483	1,454,237	0

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

No Executive Recommendation is made on this appropriation.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,158,483	9	1,158,483	100.0	1,158,483	9	1,158,483	100.0
C01	Existing Program	261,001	1	1,419,484	122.5	261,001	1	1,419,484	122.5
C15	Ex Salary Increase	16,289	0	1,435,773	123.9	34,753	0	1,454,237	125.5

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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	40,767	54,170	60,000	60,000	60,000	0	60,000	60,000	0
Total		40,767	54,170	60,000	60,000	60,000	0	60,000	60,000	0
Funding Sources										
Fund Balance	4000005	5,117	9,350		180	180	0	0	0	0
Fees	4000245	45,000	45,000		45,000	45,000	0	45,000	45,000	0
Total Funding		50,117	54,350		45,180	45,180	0	45,000	45,000	0
Excess Appropriation/(Funding)		(9,350)	(180)		14,820	14,820	0	15,000	15,000	0
Grand Total		40,767	54,170		60,000	60,000	0	60,000	60,000	0

No Executive Recommendation made on this appropriation.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,278,412	6,391,023	6,878,464	6,391,023	6,391,023	0	6,391,023	6,391,023	0
#Positions		122	122	122	122	122	0	122	122	0
Personal Services Matching	5010003	1,890,354	1,981,459	2,029,519	2,012,656	2,012,656	0	2,012,656	2,012,656	0
Expense Allowance	5900046	239,540	400,000	400,000	400,000	400,000	0	400,000	400,000	0
Indigent Transcripts	5900047	367,324	600,000	600,000	600,000	600,000	0	600,000	600,000	0
Court Reporter Substitutes	5900048	193,037	325,000	325,000	325,000	325,000	0	325,000	325,000	0
Total		8,968,667	9,697,482	10,232,983	9,728,679	9,728,679	0	9,728,679	9,728,679	0
Funding Sources										
Fund Balance	4000005	219,718	198,198		0	0	0	0	0	0
Real Estate Transfer Tax	4000403	3,931,662	4,943,501		5,172,896	5,172,896	0	5,172,896	5,172,896	0
State Administration of Justice	4000470	5,015,485	4,555,783		4,555,783	4,555,783	0	4,555,783	4,555,783	0
Total Funding		9,166,865	9,697,482		9,728,679	9,728,679	0	9,728,679	9,728,679	0
Excess Appropriation/(Funding)		(198,198)	0		0	0	0	0	0	0
Grand Total		8,968,667	9,697,482		9,728,679	9,728,679	0	9,728,679	9,728,679	0

FY2012 Actual and FY2013 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 281 (60) of 2012.

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 1PD - County & Circuit Clerks Continuing Education

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Expenses for County Clerks 5900046	31,421	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Expenses for Circuit Clerks 5900047	38,298	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Total	69,719	120,000	120,000	120,000	120,000	0	120,000	120,000	0
Funding Sources									
Fund Balance 4000005	34,796	46,843		16,843	16,843	0	0	0	0
Real Estate Transfer Tax 4000403	81,766	90,000		90,000	90,000	0	90,000	90,000	0
Total Funding	116,562	136,843		106,843	106,843	0	90,000	90,000	0
Excess Appropriation/(Funding)	(46,843)	(16,843)		13,157	13,157	0	30,000	30,000	0
Grand Total	69,719	120,000		120,000	120,000	0	120,000	120,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 1UE - Juvenile Probation & Intake Officers

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Juvenile Prob & Intake Officers 5900046	3,085,644	3,582,810	3,582,810	3,582,810	3,582,810	0	3,582,810	3,582,810	0
Total	3,085,644	3,582,810	3,582,810	3,582,810	3,582,810	0	3,582,810	3,582,810	0
Funding Sources									
State Central Services 4000035	3,085,644	3,582,810		3,582,810	3,582,810	0	3,582,810	3,582,810	0
Total Funding	3,085,644	3,582,810		3,582,810	3,582,810	0	3,582,810	3,582,810	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,085,644	3,582,810		3,582,810	3,582,810	0	3,582,810	3,582,810	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 1UG - Deputy Prosecuting Attorneys

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	14,961,511	15,100,186	15,086,319	15,100,186	15,100,186	0	15,100,186	15,100,186	0
#Positions		242	242	242	242	242	0	242	242	0
Personal Services Matching	5010003	4,298,217	4,465,173	4,182,242	4,527,784	4,527,784	0	4,527,784	4,527,784	0
Special Deputy Exp Allowance	5900046	4,800	4,800	4,800	4,800	4,800	0	4,800	4,800	0
Total		19,264,528	19,570,159	19,273,361	19,632,770	19,632,770	0	19,632,770	19,632,770	0
Funding Sources										
State Central Services	4000035	19,264,528	19,570,159		19,632,770	19,632,770	0	19,632,770	19,632,770	0
Total Funding		19,264,528	19,570,159		19,632,770	19,632,770	0	19,632,770	19,632,770	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		19,264,528	19,570,159		19,632,770	19,632,770	0	19,632,770	19,632,770	0

FY13 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2011-2013 Biennium.

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 264 - Payment of Claims-Revolving

Funding Sources: MTA - Miscellaneous Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Claims 5110015	0	775,000	775,000	775,000	0	0	775,000	0	0
Total	0	775,000	775,000	775,000	0	0	775,000	0	0
Funding Sources									
Miscellaneous Revolving 4000350	0	775,000		775,000	0	0	775,000	0	0
Total Funding	0	775,000		775,000	0	0	775,000	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	775,000		775,000	0	0	775,000	0	0

Agency Request for FC 264 to be merged with FC A04.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 264 - Payment of Claims-Revolving
Funding Sources: MTA - Miscellaneous Revolving Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	775,000	0	775,000	100.0	775,000	0	775,000	100.0
C04	Reallocation	(775,000)	0	0	0.0	(775,000)	0	0	0.0

Appropriation Summary

Appropriation: 305 - Trial Court Admin Assistant
Funding Sources: MMD - Trial Court Administrative Assistant Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	5,057,350	5,068,816	5,088,128	5,068,816	5,068,816	0	5,068,816	5,068,816	0
#Positions		122	122	122	122	122	0	122	122	0
Personal Services Matching	5010003	1,624,214	758,565	1,597,237	1,720,449	1,720,449	0	1,720,449	1,720,449	0
Operating Expenses	5020002	8,877	0	225,000	225,000	225,000	0	225,000	225,000	0
Grants and Aid	5100004	130,000	0	0	0	0	0	0	0	0
Trial Court Staff Substitutes	5900046	30,630	0	125,000	125,000	125,000	0	125,000	125,000	0
Total		6,851,071	5,827,381	7,035,365	7,139,265	7,139,265	0	7,139,265	7,139,265	0
Funding Sources										
Fund Balance	4000005	175,768	58,382		0	0	0	0	0	0
Governor's Emergency Fund	4000275	130,000	0		0	0	0	0	0	0
State Administration of Justice	4000470	6,603,685	5,768,999		5,768,999	5,768,999	0	5,768,999	5,768,999	0
Total Funding		6,909,453	5,827,381		5,768,999	5,768,999	0	5,768,999	5,768,999	0
Excess Appropriation/(Funding)		(58,382)	0		1,370,266	1,370,266	0	1,370,266	1,370,266	0
Grand Total		6,851,071	5,827,381		7,139,265	7,139,265	0	7,139,265	7,139,265	0

FY2012 Actual and FY2013 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 281 (60) of 2012.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 305 - Trial Court Admin Assistant
Funding Sources: MMD - Trial Court Administrative Assistant Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	7,139,265	122	7,139,265	100.0	7,139,265	122	7,139,265	100.0
C10	Reclass	0	0	7,139,265	100.0	0	0	7,139,265	100.0

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	31,320	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Total		31,320	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Funding Sources										
Fund Balance	4000005	7,442	21,422		6,422	6,422	0	0	0	0
Fees	4000245	45,300	45,000		45,000	45,000	0	45,000	45,000	0
Total Funding		52,742	66,422		51,422	51,422	0	45,000	45,000	0
Excess Appropriation/(Funding)		(21,422)	(6,422)		8,578	8,578	0	15,000	15,000	0
Grand Total		31,320	60,000		60,000	60,000	0	60,000	60,000	0

No Executive Recommendation is made on this appropriation.

Appropriation Summary

Appropriation: 58V - Drug Court Juvenile Probation & Intake Officers

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	452,583	447,637	487,274	447,637	447,637	0	447,637	447,637	0
#Positions		13	13	13	13	13	0	13	13	0
Personal Services Matching	5010003	157,470	159,633	158,137	162,887	162,887	0	162,887	162,887	0
Total		610,053	607,270	645,411	610,524	610,524	0	610,524	610,524	0
Funding Sources										
State Central Services	4000035	610,053	607,270		610,524	610,524	0	610,524	610,524	0
Total Funding		610,053	607,270		610,524	610,524	0	610,524	610,524	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		610,053	607,270		610,524	610,524	0	610,524	610,524	0

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 biennium.

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: A04 - Unclaimed Property-Cash

Funding Sources: 110 - State Auditor Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	525	2,500	2,500	2,500	2,500	0	2,500	2,500	0
Claims	5110015	7,358,536	15,000,000	15,000,000	15,000,000	15,775,000	0	15,000,000	15,775,000	0
Total		7,359,061	15,002,500	15,002,500	15,002,500	15,777,500	0	15,002,500	15,777,500	0
Funding Sources										
Fund Balance	4000005	45,531,506	58,434,150		58,434,150	58,434,150	0	57,549,150	57,549,150	0
Cash Fund	4000045	20,261,705	15,002,500		14,117,500	14,892,500	0	14,117,500	14,892,500	0
Total Funding		65,793,211	73,436,650		72,551,650	73,326,650	0	71,666,650	72,441,650	0
Excess Appropriation/(Funding)		(58,434,150)	(58,434,150)		(57,549,150)	(57,549,150)	0	(56,664,150)	(56,664,150)	0
Grand Total		7,359,061	15,002,500		15,002,500	15,777,500	0	15,002,500	15,777,500	0

Agency Request for FC 264 to be merged with FC A04.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: A04 - Unclaimed Property-Cash
Funding Sources: 110 - State Auditor Cash

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	15,002,500	0	15,002,500	100.0	15,002,500	0	15,002,500	100.0
C04	Reallocation	775,000	0	15,777,500	105.2	775,000	0	15,777,500	105.2

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	500	500	500	500	0	500	500	0
Claims	5110015	1,108,017	2,500,000	2,500,000	2,500,000	2,500,000	0	2,500,000	2,500,000	0
Total		1,108,017	2,500,500	2,500,500	2,500,500	2,500,500	0	2,500,500	2,500,500	0
Funding Sources										
Fund Balance	4000005	2,971,298	2,499,693		2,499,693	2,499,693	0	2,499,693	2,499,693	0
Cash Fund	4000045	636,412	2,500,500		2,500,500	2,500,500	0	2,500,500	2,500,500	0
Total Funding		3,607,710	5,000,193		5,000,193	5,000,193	0	5,000,193	5,000,193	0
Excess Appropriation/(Funding)		(2,499,693)	(2,499,693)		(2,499,693)	(2,499,693)	0	(2,499,693)	(2,499,693)	0
Grand Total		1,108,017	2,500,500		2,500,500	2,500,500	0	2,500,500	2,500,500	0

No Executive Recommendation is made on this appropriation.

Appropriation Summary

Appropriation: F03 - Enhanced 911 System

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	1,000,000	1,000,000	1,000,000	0	0	1,000,000	0	0
Total	0	1,000,000	1,000,000	1,000,000	0	0	1,000,000	0	0
Funding Sources									
State Central Services 4000035	0	1,000,000		0	0	0	0	0	0
Total Funding	0	1,000,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		1,000,000	0	0	1,000,000	0	0
Grand Total	0	1,000,000		1,000,000	0	0	1,000,000	0	0

APPROPRIATION NOT REQUESTED FOR THE FY2013-2015 BIENNIUM.

Change Level by Appropriation

Appropriation: F03 - Enhanced 911 System
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,000,000	0	1,000,000	100.0	1,000,000	0	1,000,000	100.0
C03	Discontinue Program	(1,000,000)	0	0	0.0	(1,000,000)	0	0	0.0

DEPARTMENT OF COMMUNITY CORRECTION

Enabling Laws

Act 1105 of 2011

Act 285 of 2012

Act 212 of 2012

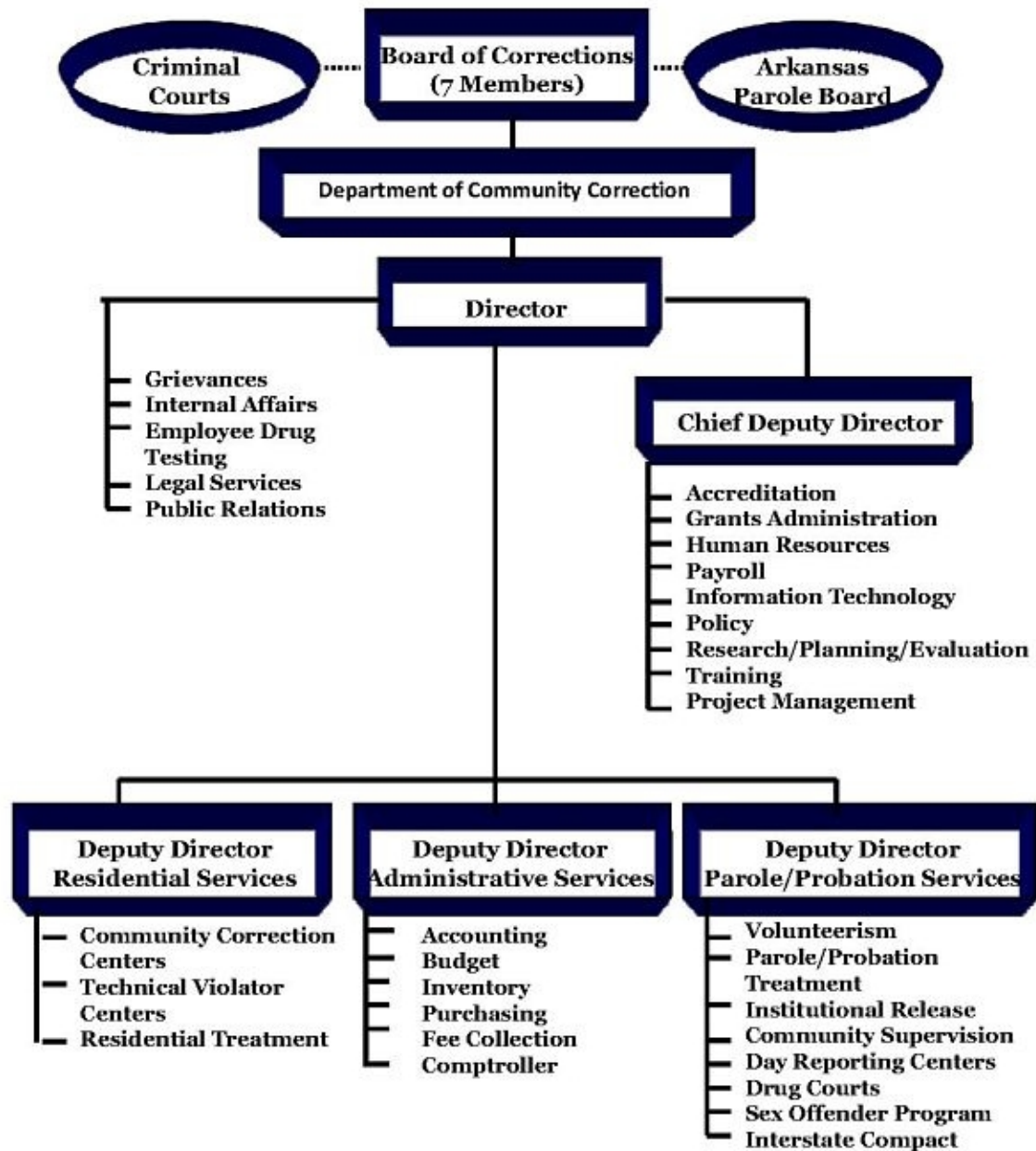
History and Organization

The Department of Community Punishment (DCP) was established during the 79th General Assembly by Act 549 of 1993. This Act 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 to "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 programs, 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 plus a period of confinement, judicial transfer or technical violation.

The correctional centers operate within a modified therapeutic community modality. The concept incorporates a system to re-socialize residents using behavior modification, cognitive restructuring (including criminal thinking), resident education, and an experiential 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, gardening, and others.

The DCC has 1376 authorized positions. The organizational structure of the Agency includes a Director, Chief Deputy Director, Deputy Director of Residential Services, Deputy Director of Probation and Parole Services, and a Deputy Director of Administrative Services. The Director oversees agency operations and directs legal, public relations, and internal affairs. The Chief Deputy Director is responsible for oversight of agency training, information systems, volunteerism, policy, 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 oversees the statewide operation of probation and parole services. As of September 30, 2012 there were approximately 55,651 offenders under community supervision of Probation/Parole officers in 51 offices statewide. The Deputy Director of Administrative Services develops and manages the Agency's budget, oversees accounts payable and receivable, centralized fee collections and restitution, inventory and purchasing, and serves as agency liaison for Legislative Audit.



Agency Commentary

Arkansas Department of Community Correction (DCC) is responsible for the administration and operation of residential community correction facilities, and supervision of approximately 55,651 adult offenders on probation and parole. DCC also provides licensed outpatient substance abuse counseling services and/or education referrals to aide offenders in the rehabilitation process and provide appropriate alternatives to traditional prison for criminal behavior.

The Arkansas Department of Community Correction Mission Statement: "To enhance public safety and a crime-free lifestyle by providing cost-effective community-based programs 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 acts as Director in the Director's absence and oversees the activities of human resources, information technology, research/planning/evaluation, policy development, project management, training, accreditation, and grants.

DCC is comprised of the following major areas:

- Residential Services,
- Probation and Parole Community Supervision, and
- Administration and Support

The budget request conforms to the following:

- To provide appropriate and effective supervision and treatment of offenders in the community.
- 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.
- To develop and implement evidence-based practices, traditional and faith-based programs and services needed to function within the scope of the mission.
- To improve staff recruiting, retention and efforts.
- To effectively impact the number of offenders going to AR prisons from community supervision using evidence based practices and principles, thus reducing recidivism.

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

Department of Community Correction State Operations - GENERAL REVENUE - General revenue funded Change Level requests are summarized as follows:

RESIDENTIAL SERVICES PROGRAM:

20 Positions - (Restore 7 and add 13 new security/advisors) - Due to funding shortfalls in FY12 and FY13, numerous positions were not budgeted. The request is to restore 7 and obtain 13 new positions for placement at community correction centers as follows: 2-Southwest, 5-Central Center, 5-Northwest, and 8-Omega. The staffing at each center is at a minimum level; the positions are requested to ensure security and for provision of required services to residents and to resolve safety issues for staff and residents.

Medical Contract - The request includes a 4% estimated increased cost of the medical contract for the biennium. The FY14 proposed monthly cost is \$358.04 per inmate housed at DCC Centers.

Equipment plus Maintenance & Operations - In keeping with the Governor's Directive, DCC's 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 correctional facilities in Texarkana and Pine Bluff are over 60 years old. Consequently, problems are experienced 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 residence and employees, as well as meet all required city and state codes. All of the facilities are accredited. To retain accreditation, buildings and grounds must be maintained within the guidelines specified by the American Correctional Association (ACA).

The request includes kitchen equipment replacement, linens, mattresses, washers/dryers, lawn mowers, intercom systems, floor buffers, security camera, sewer grinder, laundry room, roof, parking lot repairs, radios, 18 vehicles, data equipment, freezer, and HVAC.

PROBATION/PAROLE COMMUNITY SUPERVISION PROGRAMS:

73 Positions - Restore 55 positions (37 parole/probation officers, 12 Advisors, & 6 P/P Administrative Specialist) and 18 new positions (12 P/P Assistant Area Managers and 6 P/P Substance Abuse Program Leaders) - The positions for which restoration is requested were not budgeted in FY13 due to lack of funding. The overall parole/probation case loads (excluding pre-trial, SIS, boot camp) increased 10.44% in the last 5 years. There was a 4.75% reduction in parole/probation staff between FY10 and FY11 (includes P/P Officers, Agents and Area/Assistant Managers).

The May 1, 2012 P/P case load was 55,701. The requested new positions are critical to bringing case loads to a more manageable level increasing the safety and security to the community. With the passage of Act 570 of 2011, case loads are rising while having a positive impact on the prison population. The additional positions will enhance DCC's ability to engage in evidence-based practices, thereby reducing recidivism.

Equipment Plus Maintenance and Operation - Utilities and rent of office space for existing offices continue to rise with other inflationary costs. The request includes the necessary funding for expansion and accommodations of the P/P positions requested (desks, chairs, vehicles, computers, office equipment, firearms, vests, ammunition, office space, fuel, etc.).

Drug Court - Fund 65 positions -The agency is also requesting funding in general revenue for 65 positions that are currently budgeted from the agency's special revenues. The positions are drug court staff located in offices throughout the state. The fund will be depleted by the end of fiscal year 2014 if these positions continue to be budgeted from special revenues. Funding that would be available with this move would allow for utilization of funds for transitional housing, treatment, and other programs. The request for treatment funds for the drug court clients decreased to only \$500,000 due to DCC establishing 100 beds in two locations within the DCC community correctional licensed alcohol/drug treatment facilities to accommodate the needs of drug court offenders with serious addiction issues. Review is being conducted to determine if additional treatment beds can be realized. This will help to decrease the recidivism rate of drug court clients.

The agency is requesting \$500,000 for FY14 and \$500,000 for FY15 to support Drug Court treatment when the 100 treatment beds are filled to capacity or when a specific service provided by contract is not available at DCC.

ADMINISTRATION AND SUPPORT PROGRAMS:

Administrative Services - 3 new positions (Fiscal Support Supervisor, Buyer, and Software Support Analyst). The Fiscal Support Supervisor and Buyer positions are needed to manage the increase in significant volume of contracts and requisitions as a result of the new transparency law. The Software Support Analyst position is requested to enhance support (hardware/software) to over 1,100 system users and to manage the help desk tickets for software and hardware support. The current software support staff have a ratio of 1:650 computers; this would bring the ratio to 1:367 computers.

Currently, DCC operates a statewide network consisting of approximately 1,100 computer workstations, 35 servers, and some 350 tablets (mobility project) by the end of FY13. This infrastructure is designed to maximize the effectiveness of the core applications of the organization. These core applications consist of eOMIS, AASIS, EagleNet (SharePoint Intranet) and JAKE (Joint Access to Knowledge via eLearning).

DCC will continue the Mobility Project - Deploying and managing 350 tablets to the parole/probation staff and others for accessing and entering eOMIS data in the field. The request includes data plan increases, virtualizing desktops (through virtualization and expansion of the pilot statewide), purchase of Microsoft Software Assurances - 500 copies of Office upgrade to 2010, DIS rate increase, and staff training.

Training Module - DCC requests \$39,000 for FY14 and \$39,000 for FY15 to continue provision of the COTC (Community Correction Training Component) training module to staff at the 58 DCC office locations statewide. Primarily live training events have a tremendous impact on travel budgets. Training funds are limited and appropriate live training is not always accessible to all in need. In FY13, DCC will purchase an extensive community corrections library of online training approved by the American Correctional Association and selected courses approved by the American Parole and Probation Association. The training brings high quality, cost-effective staff training to staff, expanding learning opportunities while reducing costs.

Increased GED Costs - The request is for \$30,340 each year of the biennium to pay for new (mandatory) GED testing costs which will debut January 2014. DCC had 295 GED residents during the 2011-12 school year. Calculating an 80% pass rate would mean approximately 370 tests are given in a school year. Each test is expected to cost approximately \$82.

Special Revenue 2GH - The agency is requesting \$663,825 appropriation for Capital Outlay for FY14 and \$480,000 for FY15 in order to purchase replacement vehicles for the parole/probation offices.

County Jail Reimbursement 2GK - In FY12, DCC paid approximately \$1.09 million to county jails for offenders waiting for bed space in a DCC regional correctional facility. The Agency is requesting \$2 million in funding/appropriation each year to reimburse county jails at the rate determined by the Chief Fiscal Officer of the State. DCC and ADC share this fund.

SPECIAL LANGUAGE

Continuation of current Special Language is requested with appropriate date revisions; with modifications to Section 16 - additional positions are requested if the Medical Contract is not in place.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF COMMUNITY CORRECTION
FOR THE YEAR ENDED JUNE 30, 2010

Findings	Recommendations
None	None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	329	419	748	62 %
Black Employees	118	319	437	36 %
Other Racial Minorities	7	9	16	2 %
Total Minorities			453	38 %
Total Employees			1,201	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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1BA Community Correction - Federal	146	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	4,137,882	0	4,137,882	0
1BR Residents Cash Treasury	1,005,465	0	1,882,024	0	1,882,024	0	1,882,024	0	2,668,143	0	2,668,143	0	1,882,024	0	2,589,016	0	2,589,016	0
2GH Community Correction-Special	9,553,590	96	11,695,853	134	11,695,853	143	11,310,180	134	11,512,042	69	11,512,042	69	11,317,692	134	11,512,042	69	11,512,042	69
2GK County Jail Reimbursement	1,097,336	0	2,000,000	0	3,453,572	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0
510 Community Correction - State	72,287,888	1,186	73,389,046	1,177	87,721,285	1,230	74,107,017	1,177	84,899,755	1,338	80,236,933	1,302	74,156,399	1,177	84,638,859	1,338	80,321,380	1,302
86Y Best Practices	0	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
NOT REQUESTED FOR THE BIENNIUM																		
F07 Two Additional Drug Courts	0	0	0	0	395,460	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	83,944,425	1,281	96,104,805	1,311	112,286,076	1,373	96,437,103	1,311	108,217,822	1,407	103,555,000	1,371	96,493,997	1,311	107,877,799	1,407	103,560,320	1,371

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	10,593,168	11.5	8,108,612	8.0	5,180,759	5.2	5,180,759	4.7	5,180,759	5.1	2,878,930	3.0	2,092,811	2.0	2,092,811	2.1	
General Revenue	4000010	71,581,940	77.8	71,975,623	71.1	74,505,152	75.4	85,297,890	77.9	77,505,152	76.2	74,553,466	77.3	85,035,926	80.1	77,553,466	78.6	
Federal Revenue	4000020	190,466	0.2	4,288,717	4.2	4,292,882	4.3	4,292,882	3.9	4,292,882	4.2	4,292,882	4.5	4,292,882	4.0	4,292,882	4.4	
Special Revenue	4000030	6,372,716	6.9	11,768,000	11.6	10,680,000	10.8	10,680,000	9.7	10,680,000	10.5	10,680,000	11.1	10,680,000	10.1	10,680,000	10.8	
Cash Fund	4000045	1,266,504	1.4	1,882,024	1.9	2,668,143	2.7	2,668,143	2.4	2,668,143	2.6	2,589,016	2.7	2,589,016	2.4	2,589,016	2.6	
Merit Adjustment Fund	4000055	756,189	0.8	1,202,945	1.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
DFA Motor Vehicle Acquisition	4000184	430,679	0.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
M & R Sales	4000340	4,600	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Other	4000370	856,775	0.9	2,059,643	2.0	1,446,865	1.5	1,446,865	1.3	1,446,865	1.4	1,447,933	1.5	1,447,933	1.4	1,447,933	1.5	
Total Funds		92,053,037	100.0	101,285,564	100.0	98,773,801	100.0	109,566,539	100.0	101,773,801	100.0	96,442,227	100.0	106,138,568	100.0	98,656,108	100.0	
Excess Appropriation/(Funding)		(8,108,612)		(5,180,759)		(2,336,698)		(1,348,717)		1,781,199		51,770		1,739,231		4,904,212		
Grand Total		83,944,425		96,104,805		96,437,103		108,217,822		103,555,000		96,493,997		107,877,799		103,560,320		

Variance in fund balance due to unfunded appropriation in appropriation (510) - Department of Community Correction Fund & (2GH) - Community Correction Revolving Fund.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
1,387	1183	61	1244	143	14.71 %	1,376	1206	70	1276	100	12.35 %	1,376	1204	110	1314	62	12.50 %

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 Agency anticipates the grants to continue during the next biennium.

The Agency is requesting Base Level of \$4,137,882 for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1BA - Community Correction - Federal

Funding Sources: FPF - Federal Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	146	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	0	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
Total	146	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882
Funding Sources									
Federal Revenue 4000020	146	4,137,882		4,137,882	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882
Total Funding	146	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
Grand Total	146	4,137,882		4,137,882	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882

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, primarily 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 and general operations.

Base Level appropriation totals \$1,882,024 each year of the biennium.

The Agency's Change Level requests total \$786,119 in FY14 and \$706,992 in FY15 and reflect the following:

- Operating Expenses increases in the amount of \$481,019 in FY14 and \$465,492 in FY15 for building repairs and maintenance.
- Capital Outlay increases of \$305,100 in FY14 and \$241,500 in FY15 for new equipment and replacement of existing equipment.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	993,383	1,717,354	1,717,354	1,717,354	2,198,373	2,198,373	1,717,354	2,182,846	2,182,846
Conference & Travel Expenses	5050009	12,082	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	305,100	305,100	0	241,500	241,500
Total		1,005,465	1,882,024	1,882,024	1,882,024	2,668,143	2,668,143	1,882,024	2,589,016	2,589,016
Funding Sources										
Fund Balance	4000005	1,831,772	2,092,811		2,092,811	2,092,811	2,092,811	2,878,930	2,092,811	2,092,811
Cash Fund	4000045	1,266,504	1,882,024		2,668,143	2,668,143	2,668,143	2,589,016	2,589,016	2,589,016
Total Funding		3,098,276	3,974,835		4,760,954	4,760,954	4,760,954	5,467,946	4,681,827	4,681,827
Excess Appropriation/(Funding)		(2,092,811)	(2,092,811)		(2,878,930)	(2,092,811)	(2,092,811)	(3,585,922)	(2,092,811)	(2,092,811)
Grand Total		1,005,465	1,882,024		1,882,024	2,668,143	2,668,143	1,882,024	2,589,016	2,589,016

Change Level by Appropriation

Appropriation: 1BR - Residents Cash Treasury
Funding Sources: NCC - Cash in Treasury

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,882,024	0	1,882,024	100.0	1,882,024	0	1,882,024	100.0
C01	Existing Program	786,119	0	2,668,143	141.8	706,992	0	2,589,016	137.6

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,882,024	0	1,882,024	100.0	1,882,024	0	1,882,024	100.0
C01	Existing Program	786,119	0	2,668,143	141.8	706,992	0	2,589,016	137.6

Justification

C01	Agency requests an increase in appropriation of \$786,119 for FY14 and \$706,992 for FY15. Three of the correctional facilities are over 60 years old, thus requiring major maintenance and repairs. The request will include replacement of the roofs, heating and air replacements/repairs, plumbing repairs/replacements, and replacement of kitchen/laundry equipment.
-----	--

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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level appropriation total \$11,310,180 in FY14 and \$11,317,692 in FY15 with 134 regular positions.

The Agency's Change Level requests total \$201,862 in FY14 and \$194,350 in FY15 and reflect the following:

- Operating Expenses of \$50,000 in each year of the biennium for inflationary cost of fuel and utilities.
- \$3,121,090 in FY14 and \$3,118,009 in FY15 in the Community Correction Program line item to allow for agency flexibility in future spending.
- A reduction in Regular Salaries and Personal Services Matching of \$2,969,228 in FY14 and \$2,973,659 in FY15 due to the transfer of sixty-five (65) positions to fund center 510 (Community Correction-State).

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

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,375,054	4,499,624	4,523,203	4,547,637	2,396,255	2,396,255	4,553,737	2,398,755	2,398,755
#Positions		96	134	143	134	69	69	134	69	69
Personal Services Matching	5010003	1,272,976	1,674,201	1,462,523	1,712,058	894,212	894,212	1,713,470	894,793	894,793
Operating Expenses	5020002	14,232	153,417	153,417	153,417	203,417	203,417	153,417	203,417	203,417
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	697,145	352,965	352,965	0	0	0	0	0	0
WMSC Parking Srvs from Fees	5900046	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Community Correction Program	5900047	4,184,183	5,004,646	5,192,745	4,886,068	8,007,158	8,007,158	4,886,068	8,004,077	8,004,077
Total		9,553,590	11,695,853	11,695,853	11,310,180	11,512,042	11,512,042	11,317,692	11,512,042	11,512,042

Funding Sources										
Fund Balance	4000005	8,761,396	6,015,801		3,087,948	3,087,948	3,087,948	0	0	0
Special Revenue	4000030	6,372,716	8,768,000		7,680,000	7,680,000	7,680,000	7,680,000	7,680,000	7,680,000
DFA Motor Vehicle Acquisition	4000184	430,679	0		0	0	0	0	0	0
M & R Sales	4000340	4,600	0		0	0	0	0	0	0
Total Funding		15,569,391	14,783,801		10,767,948	10,767,948	10,767,948	7,680,000	7,680,000	7,680,000
Excess Appropriation/(Funding)		(6,015,801)	(3,087,948)		542,232	744,094	744,094	3,637,692	3,832,042	3,832,042
Grand Total		9,553,590	11,695,853		11,310,180	11,512,042	11,512,042	11,317,692	11,512,042	11,512,042

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	11,310,180	134	11,310,180	100.0	11,317,692	134	11,317,692	100.0
C01	Existing Program	3,171,090	0	14,481,270	128.0	3,168,009	0	14,485,701	128.0
C07	Agency Transfer	(2,969,228)	(65)	11,512,042	101.8	(2,973,659)	(65)	11,512,042	101.7

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	11,310,180	134	11,310,180	100.0	11,317,692	134	11,317,692	100.0
C01	Existing Program	3,171,090	0	14,481,270	128.0	3,168,009	0	14,485,701	128.0
C07	Agency Transfer	(2,969,228)	(65)	11,512,042	101.8	(2,973,659)	(65)	11,512,042	101.7

Justification

C01	Agency requests appropriation in the amount of \$50,000 each year of the biennium for inflationary cost of fuel and utilities. The requests to increase the special character 47 by \$3,121,090. This is offset by moving positions to a separate appropriation. This character code will allow the agency flexibility in future plans for this appropriation.
C07	The agency is requesting that 65 positions be transferred from special revenues to general revenue. The positions are drug court staff located in offices throughout the state. The fund will be depleted by the end of fiscal year 2014 if these positions continue to be budgeted from special revenues.

Analysis of Budget Request

Appropriation: 2GK - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Arkansas Code §19-5-1045 provides 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. Funding for this appropriation comes from general revenue.

The Agency Request is for Base Level of \$2,000,000 each year of the biennium.

The Executive Recommendation provides for the 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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	1,097,336	2,000,000	3,453,572	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total		1,097,336	2,000,000	3,453,572	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Funding Sources										
General Revenue	4000010	1,097,336	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Funding		1,097,336	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,097,336	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000

Analysis of Budget Request

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

The Department of Community Punishment uses this appropriation for daily operations. Funding for this appropriation comes from general revenue and cash funds received from the rental of buildings at the Texarkana unit to other state agencies.

The Agency's Change Level Requests total \$10,792,738 in FY14 and \$10,482,460 in FY15 in general revenue funding and appropriation. The following is a summary of the major components of the Agency Request:

The reclassification of an Information Systems Coordinator to a DCC eOMIS Coordinator and an ADC Training Academy Supervisor to an ADC/DCC Training Supervisor. These changes are class changes only and have no fiscal impact.

Regular Salaries and Personal Services Matching increases of \$7,231,616 in FY14 and \$7,236,072 in FY15 for thirty four (34) new positions, sixty two (62) restorations, and sixty five (65) positions transferred from fund center 2GH - Community Correction Revolving Fund.

1. Residential Services

- Operating Expenses increases of \$220,869 in FY14 and \$251,287 in FY15 for increased utilities, food and fuel costs.
- Professional Fees increases of \$132,366 in FY14 and \$409,888 in FY15 for anticipated increases in the Correctional Medical Services contract.

2. Probation/Parole

- Regular Salaries and Personal Services Matching increases in association with eighteen (18) new positions and the restoration of fifty five (55) positions.
- Operating Expenses increases \$532,917 in FY14 and \$320,166 in FY15 for increased rents, utilities, and fuel costs.
- Conference & Travel increases of \$6,000 in FY14 and \$7,200 in FY15 for increased travel costs to support additional positions.

4. Administration and Support

- Operating Expenses increases of \$2,002,347 in FY14 and \$1,865,847 in FY15 for network services maintenance and upgrades, software licensing and computer purchases/replacements
- Conference & Travel increase of \$37,200 for each year of the biennium for increased travel costs to support additional positions
- Professional Fees increases of \$25,000 in FY14 and \$22,800 in FY15 for maintenance and enhancements of the Electronic Offender Management System (eOMIS).
- Capital Outlay increases of \$522,423 in FY14 and \$250,000 in FY15 for new and replacement equipment.

The Executive Recommendation provides base level in addition to appropriation of \$6,129,916 with general revenue funding of \$3,000,000 in FY14 and appropriation of \$6,164,981 with general revenue funding of \$3,000,000 in FY15. These amounts are reflected below.

- An increase in Regular Salaries and Personal Services Matching of \$5,649,206 in FY14 and \$5,653,637 in FY15. These amounts are related to the transfer of sixty five (65) positions from the agency's special revenue appropriation, seventeen (17) new positions and forty three(43) position restorations.
- An increase in Operating Expenses of \$241,344 in both years of the biennium to support the additional positions.
- An increase in Professional Services of \$239,366 in FY14 and \$270,000 in FY15 to support the agency's medical contract increase.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	39,984,280	40,015,434	44,047,863	40,369,056	45,582,504	44,456,920	40,409,156	45,626,204	44,500,620
#Positions		1,186	1,177	1,230	1,177	1,338	1,302	1,177	1,338	1,302
Extra Help	5010001	3,028	0	25,000	0	0	0	0	0	0
#Extra Help		1	10	10	10	10	10	10	10	10
Personal Services Matching	5010003	13,879,257	14,771,933	15,070,998	15,136,282	17,154,450	16,697,624	15,145,564	17,164,588	16,707,737
Operating Expenses	5020002	11,042,077	9,653,498	11,081,800	9,653,498	12,409,631	9,894,842	9,653,498	12,090,798	9,894,842
Conference & Travel Expenses	5050009	3,966	0	21,807	0	43,200	0	0	44,400	0
Professional Fees	5060010	7,341,552	8,948,181	17,473,817	8,948,181	9,187,547	9,187,547	8,948,181	9,462,869	9,218,181
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	33,728	0	0	0	522,423	0	0	250,000	0
Total		72,287,888	73,389,046	87,721,285	74,107,017	84,899,755	80,236,933	74,156,399	84,638,859	80,321,380

Funding Sources										
General Revenue	4000010	70,484,604	69,975,623		72,505,152	83,297,890	75,505,152	72,553,466	83,035,926	75,553,466
Federal Revenue	4000020	190,320	150,835		155,000	155,000	155,000	155,000	155,000	155,000
Merit Adjustment Fund	4000055	756,189	1,202,945		0	0	0	0	0	0
Other	4000370	856,775	2,059,643		1,446,865	1,446,865	1,446,865	1,447,933	1,447,933	1,447,933
Total Funding		72,287,888	73,389,046		74,107,017	84,899,755	77,107,017	74,156,399	84,638,859	77,156,399
Excess Appropriation/(Funding)		0	0		0	0	3,129,916	0	0	3,164,981
Grand Total		72,287,888	73,389,046		74,107,017	84,899,755	80,236,933	74,156,399	84,638,859	80,321,380

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	74,107,017	1,177	74,107,017	100.0	74,156,399	1,177	74,156,399	100.0
C01	Existing Program	5,790,825	96	79,897,842	107.8	5,614,791	96	79,771,190	107.6
C02	New Program	1,259,547	0	81,157,389	109.5	1,203,747	0	80,974,937	109.2
C07	Agency Transfer	2,969,228	65	84,126,617	113.5	2,973,659	65	83,948,596	113.2
C08	Technology	773,000	0	84,899,617	114.6	690,100	0	84,638,696	114.1
C10	Reclass	138	0	84,899,755	114.6	163	0	84,638,859	114.1
C14	Title Change	0	0	84,899,755	114.6	0	0	84,638,859	114.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	74,107,017	1,177	74,107,017	100.0	74,156,399	1,177	74,156,399	100.0
C01	Existing Program	3,160,688	60	77,267,705	104.3	3,191,322	60	77,347,721	104.3
C02	New Program	0	0	77,267,705	104.3	0	0	77,347,721	104.3
C07	Agency Transfer	2,969,228	65	80,236,933	108.3	2,973,659	65	80,321,380	108.3
C08	Technology	0	0	80,236,933	108.3	0	0	80,321,380	108.3
C10	Reclass	0	0	80,236,933	108.3	0	0	80,321,380	108.3
C14	Title Change	0	0	80,236,933	108.3	0	0	80,321,380	108.3

Justification

C01	<p>Agency requests appropriation and funding for 34 new and 62 restored positions, as follows: Parole/Probation (P/P) Services – 37 P/P officers, 12 P/P Asst. Area Managers, 6 Substance Abuse Program Leaders (SAPL), 12 Advisors, and 6 Administrative Specialists. The increase in P/P staff positions is needed to fulfill the requirements of Act 570 and ensure officer to client caseloads are at a more manageable level. Insufficient staffing can significantly increase the likelihood of adverse effect on public safety. It can severely hamper the DCC's ability to locate absconded offenders and impose appropriate sanctions. The new positions will enhance DCC's ability to engage in evidence-based practices, thereby reducing recidivism. The SAPLs and Advisors are needed to ensure that the DCC clients receive the programing/services needed. Also requested for these positions are equipment, additional leases, vehicles and general maintenance and operation. The request for positions at the correctional centers located in Texarkana, Little Rock, Fayetteville and Malvern is for 20 positions, 12 Security Staff, 6 Counselors, 1 Release Officer, and 1 Food Serv. Manager. These positions are critical to the centers' operations to maintain safety for residents and staff, and provide the needed services. Four additional positions are requested for the Administration and Support Services. The Systems Support Analyst position is to help support the over 1100 users we have. Currently there are 2 employees with a ratio of 1 support analyst to 650 computers. DCC is requesting a Software Support Analyst to bring the ratio to 1:367. These analysts handle all help desk tickets and hardware and software issues agency wide. With the Transparency Act in place, the requirements have greatly increased the workload on the purchasing department to create more out-line agreements, purchase orders and contracts. With the increase in contracts, the agency is requesting a Fiscal Support Supervisor who will oversee all contracts, and an additional Buyer to assist with the requisitioning process and ordering commodities from the new contracts. DCC requests \$39,000 for both years of the biennium for continuation of the Community from Correction Training Component (COTC) training module for staff at the 58 DCC Offices. This training is approved by the American Correctional Association and the American Parole and Probation Association. Also requested is \$30,340 each year of the biennium to pay for new (mandatory) GED testing costs which will debut January, 2014.</p>
-----	---

Change Level by Appropriation

Justification	
C02	Agency requests an estimated 4% increase for each year of the biennium for the medical contract/services for the 1,615 residents housed in the correctional centers. The request for increase for maintenance and operations is due to inflationary cost of utilities, fuel and food. The equipment request includes replacement vehicles. Currently DCC has approximately 82 vehicles that have over 90,000miles. Three of the correctional centers are over 60 years old and are in need of repairs to roofs, plumbing, heating and air units. Also needed is replacement of the kitchen/laundry equipment.
C07	The Agency is requesting funding in general revenue for 65 positions that are currently budgeted from the agency's special revenues. The positions are drug court staff located in offices throughout the state. The fund will be depleted by the end of fiscal year 2014 if these positions continue to be budgeted from special revenues.
C08	The Agency's IT section exists to serve all of the agency's technology needs. Currently the agency has over 1100 computers, 35 servers, and 350 tablets. This infrastructure is designed to maximize the effectiveness of the core applications of the organization. The applications include Electronic Offender Management System (EOMIS), AASIS, EagleNet, and Joint Access to Knowledge via eLearning. The agency is requesting \$138,500 in FY14 for projects and DIS rate increase; and \$59,550 for FY15.
C10	Agency requests one position that is currently an Information Systems Coordinator (C124) be reclassified to the new title DCC eOMIS Coordinator (C124)
C14	Agency requests title change only of current position of ADC Traning Academy Supervisor to ADC/DCC Training Supervisor to more accurately reflect the position and location

Analysis of Budget Request

Appropriation: 86Y - Best Practices

Funding Sources: TBP - Best Practices Trust

This appropriation was established by the Public Safety Improvement Act of 2011 also known as Act 570. 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 \$10 each month. These fees go to support programs and services that implement practices that are proven to reduce the risk of having repeat offenders or recidivism, including programs that address treatment needs of offenders.

The Agency is requesting Base Level of \$3,000,000 for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 86Y - Best Practices

Funding Sources: TBP - Best Practices Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Community Correction Prgm 5900046	0	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total	0	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Funding Sources									
Special Revenue 4000030	0	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total Funding	0	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Appropriation Summary

Appropriation: F07 - Two Additional Drug Courts

Funding Sources: HCP - Department of Community Correction Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	177,318	0	0	0	0	0	0
#Positions	0	0	0	0	0	0	0	0	0
Extra Help 5010001	0	0	0	0	0	0	0	0	0
#Extra Help	0	0	0	0	0	0	0	0	0
Personal Services Matching 5010003	0	0	56,742	0	0	0	0	0	0
Operating Expenses 5020002	0	0	125,000	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	2,400	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	34,000	0	0	0	0	0	0
Total	0	0	395,460	0	0	0	0	0	0

THIS APPROPRIATION IS NOT REQUESTED FOR THE 2013-2015 BIENNIUM

DEPARTMENT OF CORRECTION

Enabling Laws

Act 260 of 2012
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 correctional institutions, 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 constitutional and 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, finance 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, 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, and the County Jail Contracts Program (Act 309);
- **Health and Correctional Programs** is responsible for Medical and Mental Health Services, Religious Services, Pre-Release, Inmate Grievances, Accreditation, Substance Abuse Treatment Programs (SATP and TC), 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 and Workforce Education, and coordinates the Interchange Freedom Initiative Program (IFI) operated at the Wrightsville Unit. 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.
- **Public Services** is responsible for the department's legislative and public affairs, including media relations, and oversees the Paws in Prison Program. Research and Planning provides analytical and research for informational needs, coordinates strategic planning and manages the department's policies and procedures. Volunteer Services offers orientation and training to volunteers who provide a wide range of services to inmates. Constituency services works to resolves the concerns of inmate friends and family. Library Services provides reading materials to all inmates through unit libraries.

Correction Facilities of the ADC include:

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

Cummins Unit - Capacity 1,850 (also operating 26 temporary beds) - Special Operations include the execution chamber, Education, Vocational Education, Mental Health Groups, 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, Pre-Release Program, Mental Health Groups, and Jail Operations. Self-Improvement classes include Anger

Management, AA/NA, Thinking Errors, Domestic Violence, and Substance Abuse Education. Also includes Janitorial Products Industry Program.

East Arkansas Regional Unit - Capacity 1,432 (also operating 192 temporary beds and 35 jail beds) - Special Operations include Regional Maintenance, Education, Mental Health Groups, Maximum Security Unit, Jail Operation, Canine Unit, Principle Application Life Skills (PALS), and Intake Operation for Parole Violators.

Grimes Unit -Capacity 1,000 - Special Operations include SATP, Life Skills, Education, Regional Maintenance, Principal/Application for Life (PAL) Program, Anger Management, Thinking Errors, Parenting, Story Book Projects, Inmate Council, Horse and Garden Operations, ICC Garage, and College Courses.

Randall L. Williams Correctional Facility - Capacity 497 (also operating 64 temporary beds) - Special Operations include Regional Maintenance, Fast Track Substance Abuse Treatment Program, Mental Health Groups, Education, Vo-Tech - Landscape Design Vocational Education, Parenting Classes, Anger Management, Mental Health Counseling, Paws in Prison, and PALS Program.

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

McPherson Unit - Capacity 900 (female inmates) - Special Operations include Female Inmate Intake, Substance Abuse Treatment Programs (SATP and TC), Education, Vo-Tech, Parenting, Even start, College Courses, Principle Application Life Skills (PALS), Pre-Release, SPU (mental health), AA/NA programs, Anger Management, Domestic Violence, Inmate Council, Mi Watch, Story Book Project, Relaxation Circle, Locks of Love, Gardening Program, SOFT (Sex Offender Treatment) and Industry Program.

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

North Central Unit - Capacity 500 (also operating 80 temporary beds) - Special operations include Education, Regional Maintenance, Mental Health Groups, Pre-Release, Substance Abuse Education, Principals and Application for Life, Construction, Edible Crop Production, Horse Training and Rehabilitation, PAWS in Prison, Tracking Dogs, and the Story Book Project.

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

Ouachita River Correctional Facility - Capacity 1,690. Special operations include central Intake, Regional Maintenance, Construction, Educational Programs, Vocational Programs, Reduction of Sexual Victimization Program, Habilitation, Mental Health Groups, Principle Application Life Skills, Multiple Treatment Program (CABBI, RE-Entry, NA, AA), Livestock and Hay Operations, Garden Operations, PAWS in

Prison, and Dog Kennel Operations. The ORCU Special Needs Unit provides additional beds for special programs that include Hospital Services, Sheltered Living, Mental Health Residential Program Unit, and Male and Female Day Clinic Services for the Arkansas Department of Correction.

Pine Bluff Unit - Capacity 430 - Special Operations include Work Release, Pre-Release, Mental Health Groups, Pre-Release Program, Re-Entry Program, Education, Gardening, Livestock, Grounds Maintenance, Warehouse and Construction.

Texarkana Regional Correctional Center - Capacity 128 - Special Operations include Regional Maintenance, Work Release, and Education.

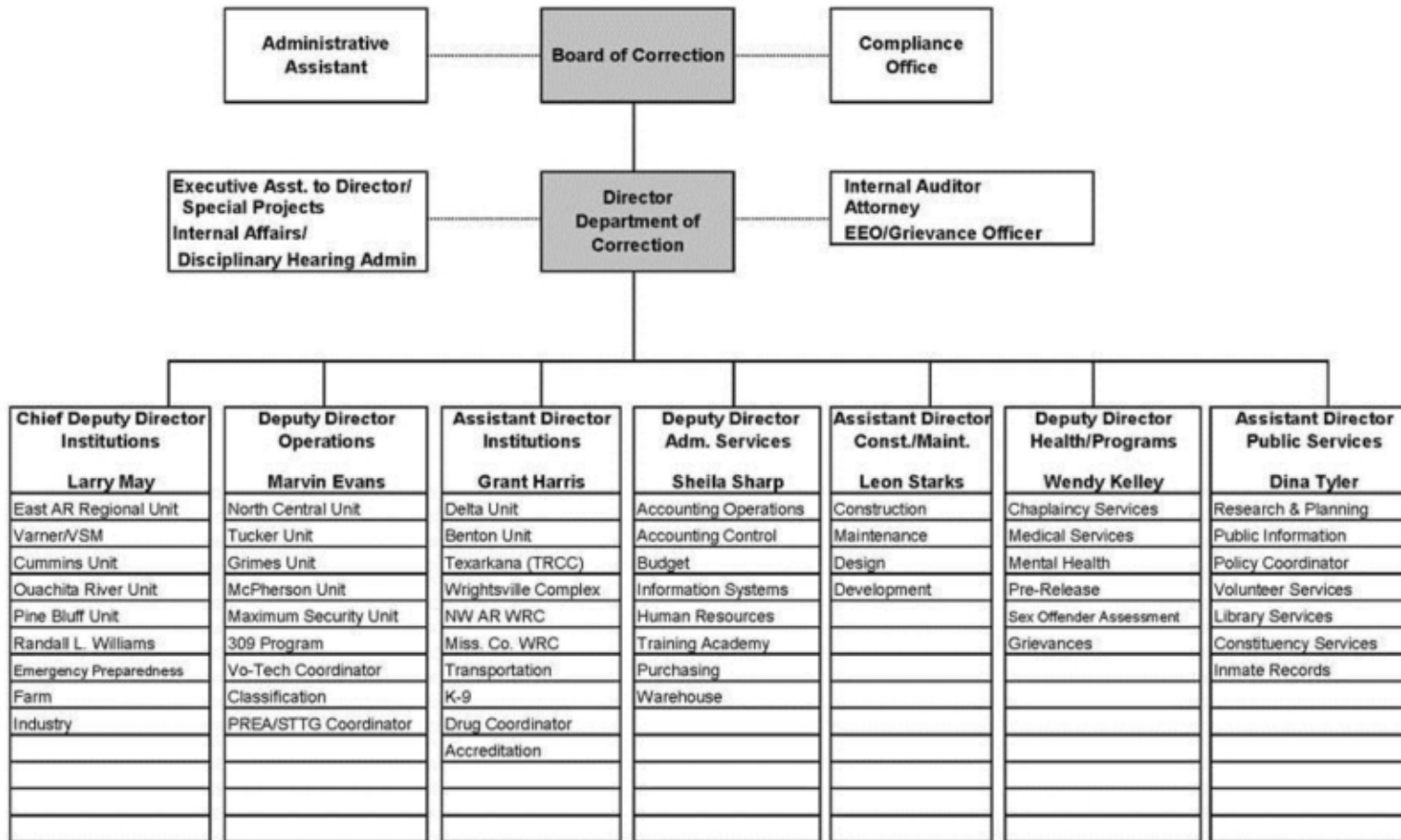
Tucker Unit - Capacity 812 (also operating 54 temporary beds) - Special Operations include Substance Abuse Treatment Programs (SATP and TC), Education, Vocational Education, Mental Health Groups, Principle Application Life Skills (PALS), and the Boot Camp Program. Farm and Agriculture program includes Field and Edible Crops. Industry Programs include Mattress Manufacturing, Bus and Fire Truck Refurbishing, School Desk and Chair Repair, and Athletic Equipment.

Varner Unit - Capacity 1586 (also operating 50 temporary beds) - Special Operations include a 486-bed Super Max Unit that includes Death Row, Regional Maintenance, Mental Health Groups, Substance Abuse Treatment Program, Principle Application Life Skills (PALS), 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, Substance Abuse Programs (SATP and TC), Education, Principle Application Life Skills (PALS), Braille Program and Mental Health Groups. Also includes Beef Production Agricultural Program and Industry Programs: Graphic Arts, Data Imaging, and Furniture Manufacturing . In a move to better utilize bed space, the Male Boot Camp program (now at Tucker Unit) and the InnerChange Freedom Initiative Program, Hawkins Center for Men) locations were swapped.

- J. Aaron Hawkins Center for Men/Pathway to Freedom - Capacity - 200 - InnerChange Freedom Initiative.
- J. Aaron Hawkins Sr. Center for Women - Capacity 212 including a 12-bed Special Programs Unit - Special Operations include Female Boot Camp, PAWS in Prison, Education, Substance Abuse Treatment Program, Even Start Family Literacy Program, Advanced Principle Application Life Skills (APALS), Work Release and Parenting Classes.
- Roosevelt Road Barracks - Capacity 62 - Special Operations include housing for inmates assigned to daily supervision by the Arkansas State Police with work assignments in the Little Rock area.

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.



Agency Commentary

Like many other successful organizations, the 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 constructive correctional opportunities for inmates to successfully return to the community.*

Goal 4: *To optimize inmate assignments 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 \$1 billion 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 priority request is for restoration of continuing level funding to replace one-time funds used to supplement general revenues and to meet unfunded salary requirements. Additionally, it provides for anticipated incremental costs of health care services and inflationary costs of food for inmate consumption as well as operational costs and positions to open new beds scheduled for completion during FY14-15.

Inmate population growth is contingent on numerous factors beyond the agency's control. These include 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. Act 570 - the Public Safety Improvement Act of 2011 resulted in a major overhaul of sentencing and parole practices. The objective of the Public Safety Improvement Act is to help keep prison beds available for violent criminals while still holding non-violent offenders accountable for their actions as well as to slow the growth of our corrections system while working to reduce crime rates and recidivism. Act 570 initiatives include:

- Merging of Sentencing Guidelines and new Sentencing and Commitment Form
- A Parole Release Risk Assessment Instrument and Parole Release from Jail
- Changes in Drug Statutes and Weights
- Changes in Theft and Property Thresholds
- Earned Discharge from Parole and Probation
- 120-day Electronic Monitoring Early Release for Non-Violent Offenders
- Intermediate Sanction for Probation Violators
- Performance Incentive Funding(PIF)/Hope Courts

Since January 2011, the ADC prison population dropped from 16,313 to 14,832 on July 1, 2012 - a decrease of 1,480. This dramatic drop reduced the number of inmates backed up in the county jail to fewer than 400. However, internal ADC projections assume a continued growth of approximately 23 inmates per month or 276 per year. This assumption is supported by the JFA Associates' Ten-year Adult Secure Population Projection prepared for the ADC, DCC, and the Arkansas Sentencing Commission. Significant findings include:

- *Total admissions from 2010 to 2011 fell by 8.6 percent. This is the largest decrease in admissions in the past 10 years. Admissions decreased from 7,667 in 2010 to 7,010 in 2011. In stark contrast, admissions had seen a jump of +2.6 percent in 2010, the largest increase in the past decade.*
- *The prison population decreased by 7.1 percent in 2011.*
- *The male inmate population is projected to grow an average of 2.7 percent between 2012 and 2022 while the female inmate population is projected to grow by an average of 2.3 percent per year through 2022.*

ADC: HISTORICAL AND PROJECTED INMATE POPULATION 2001-2022

Year	Historical	Baseline	Best Case
2001	12,333		
2002	12,845		
2003	13,109		
2004	13,470		
2005	13,338		
2006	13,698		
2007	14,285		
2008	14,686		
2009	15,171		
2010	16,176		
2011	15,035	BASE	BASE
2012		15,343	15,124
2013		15,803	15,499
2014		16,273	15,766
2015		16,880	16,105
2016		17,326	16,377
2017		17,819	16,721
2018		18,240	17,040
2019		18,736	17,208
2020		19,048	17,410
2021		19,619	17,596
2022		19,989	17,829
Diff. 01-11	2,702		
%Diff. 01-11	21.9%		
Ave % Diff.	2.1%		

Num. Diff.		4,646	2,705
% Diff.		30.3%	17.9%
Ave % Diff.		2.7%	1.7%

Source: JFA Simulation Model

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

INMATE CARE AND CUSTODY - GENERAL REVENUE - General Revenue appropriation requested totals \$30,227,928 for FY14 and \$30,810,867 for FY15 with funding requested totaling \$25,223,051 in FY14 and \$25,805,990 requested in FY15. These requests are summarized in priority order as follows:

Restoration of Continuing Level Funding - The top ADC priority request is for restoration of general revenue to replace "one-time" funding certified in FY13. Total funding needed to restore base level operations is \$13,018,339 each fiscal year.

Unfunded Salary Requirements - Over the past few years, ADC has made great strides in filling vacant positions resulting in less overtime and safer and securer institutions. However, this has significantly reduced the amount of salary savings that have been used in the past to pay unfunded salary requirements. During the last session, with Governor Beebe's recommendation and Legislative endorsement, ADC received General Improvement Funds (Act 240) totaling \$9 million to pay down balances of banked holiday time for security personnel. In FY12, \$4.5 million was paid out and with carry forward authority, an additional \$4.5 million will be available in FY13 to pay toward banked holiday time balances. The FY 14-15 request is for a total of \$4,748,221 each year for holiday time payouts and \$4,618,021 each year for unfunded straight time. Explanations for each are as follows:

- **Holiday Time** - For officers working 12-hour shifts, a holiday generally falls on their regular day off or on their work day, so they "earn" a holiday to be banked and taken at a time approved by the employee's supervisor. Most state agencies are closed on holidays and those that require their employees to work a holiday, also give them an equivalent time off at another date. In addition, most have policies that require employees use their holiday before the end of a calendar year or lose them. However, because ADC does not have sufficient staff to provide "relief" for additional time off in addition to regular leave time, ADC sought and received Special Language authority allowing payment of up to 150 hours of unused holidays exceeding a balance in the banked account of 96 hours.
- **Straight Time** - Correctional Officers assigned to 12 hour shifts, work 85 ¾ hours every pay period. The state only funds positions for 80 hours per pay period. This pay at "straight time," like Overtime is banked in accordance with state and federal laws, and since FY99, ADC has been paying this obligation from salary savings generally on a quarterly basis. More recently, the State has made a

change in how straight time will be paid in the future. To fully comply with federal requirements, straight time must be paid in the pay period earned if an employee also earned overtime during the same pay period. Otherwise, it can be banked and paid with salary savings. This has the potential for putting the agency in a difficult financial situation.

New Bed Operations:

- **Ouachita River Special Needs Unit** - Beds remaining to be opened at the Ouachita River Correctional Facility and Special Needs Unit includes 12 Hospital Beds, 32 RPU Beds, and 40 Sheltered Living Beds. The request includes restoration of 46 positions and related start-up and operating expenses totaling \$3,324,015 in FY14 and \$3,086,550 in FY15.
- **McPherson Female Special Programs Unit** - 100 Special Programs (40) and Segregation Expansion Beds (60) are completed and ready to open. This expansion was constructed in order to meet security needs for housing female inmates with serious mental illnesses and for those that need to be segregated from the general population for various infractions. 26 positions and related operating costs are included in the request which totals \$1,917,190 in FY14 and \$1,774,374 in FY15.
- **North Central Expansion** - 100 General Population Beds are completed and an additional 100 bed expansion will be completed by Spring 2013. The biennial budget request includes 14 positions and related operating costs totaling \$1,999,693 for FY14 and \$2,098,911 for FY15.
- **NW Arkansas Work Release Center** - A facility provided by the City of Springdale is currently undergoing renovations that will provide an additional 67 work release bed. The General Revenue request for this facility includes 14 positions totaling \$822,966 in FY14 and \$832,933 in FY15. A companion request from Work Release funds includes operating expenses totaling \$1,248,040 in FY14 and \$712,140 in FY15.

Incremental Medical Contract Increases - Increases requested for the Professional Fees and Services line item for currently operated beds total \$2,352,645 in FY14 and an additional \$2,446,590 in FY15. This request projects an average increase of 4% each fiscal year above the current rate of \$344.27 per month per inmate housed in an ADC facility and \$116.64 for inmate assigned to a county jail under Act 309. That makes the ADC/DCC rate for FY14 approximately \$358.04 and \$372.36 for FY15. For Act 309 contract inmates the per diem is \$121.31 for FY14 and \$126.16 for FY15. ADC is currently preparing a new RFP for medical services that will be released at the end of 2012 for a projected start date of January 1, 2014 to coincide with implementation of the Federal Affordable Health Care Act. Depending on final determinations, these increases could be minimized if inmates are determined to qualify for Medicaid coverage for offsite hospitalization accompanied by an overnight stay.

General Operating Needs - While the agency has many inflationary and documented needs, a barebones request includes inflationary increases and critical operating costs as follows:

- **Food Service** - To provide for the existing and expanding inmate population, an additional \$2.5 million each fiscal year is requested. Costs of food products has increased significantly over the past few years due to the rising cost of fuel needed to transport these items to the units. Additional beds have also been added at various locations with no increase in the budget for food. Expenditures for basic food supplies during FY12 totaled \$16.5 million - \$2.5 million over our budget for food. These increases had to be met by forced savings and contribution of additional one-time cash funds. This level of spending cannot be sustained and providing food meeting dietary requirements is mandatory.
- **Stab Resistant Body Armor** - Safety and security on a daily basis for not only inmates, but staff as well is paramount to our mission. The loss of an officer at the East Arkansas Correctional Unit during 2012 reminds everyone of how dangerous working in a prison can be. ADC is purchasing approximately 1,300 vests this fiscal year from cash funds in FY13 to make these available to staff working in maximum security areas where the risk is greater. This request for \$750,000 would provide funding to purchase an additional 2,600 vests that would be made available to staff working in all other housing units.
- **Transportation Officers** - This request would provide an additional 6 officers for Central Transportation which is responsible for movement of inmates between units, for out to court trips, and outside medical appointments including assignment of officers to provide security when overnight hospital stays are required. As our inmate population ages, significant demands have been placed on this unit of operation. In addition, the biennial request includes the opening of new beds which will place further demands on Transportation. This request is for six (6) additional officers, three (3) additional transportation vans, and related operational costs totaling \$365,137 in FY14 and \$290,137 in FY15.

Flex Pool - The request is 100 flex positions for the FY 2014-2015 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 also 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.

System Wide 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. This request totals \$1,825,163 in FY14 and \$1,057,608 in FY15.

WORK RELEASE - CASH

Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 479 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 Agency Request for Work Release Operations includes additional operating costs increases for utilities, flex operational appropriation for unforeseen needs, operational costs for 67 additional beds at Springdale, and equipment for all units totaling \$2,718,247 in FY14 and \$2,357,356 in FY15.

FARM PROGRAM - SPECIAL REVENUE

The agricultural operation of the ADC is a self-supported division of ADC. The Agricultural Division is involved in almost every area of farming imaginable. It 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 provides approximately 2.4 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. Altogether, inmate consumption totals approximately \$7 million annually. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY12 cash crop sales total \$9.1 million. The Farm Program provides jobs for approximately 400 inmates. The Livestock Division consists of 2,300 beef cows, a 319-cow dairy, swine production facilities, and egg layer operation as well as responsibility for all the horses being used in the cattle operation and at various units around the state for security and regional maintenance. Revenues from Farm operations will fund the biennial request that includes five (5) positions outlined as follows:

Layer/Pullet Expansion - 4 positions - Head Farm Manager I, Assistant Farm Manager, Agricultural Unit Supervisor I, and Agricultural Unit Supervisor II. This additional staffing and related operating costs for Poultry Expansion totaling \$3,947,044 in FY14 and \$3,941,444 in FY15 are included in the biennial request. This request also includes appropriation totaling \$437,000 each year needed to repay an interest free loan from the Prison Construction Trust Fund for construction of the new facilities.

Grist Mill Operation - 1 position - An Agricultural Unit Supervisor II position and related operating costs totaling \$118,758 in FY14 and \$105,759 in FY15 are included in the agency request.

General Operational Needs - A total of \$52,500 in FY14 and \$30,000 in FY15 is requested to provide for fuel cost increases and to purchase a new server for the Farm agricultural software programs.

Capital Equipment - The farming operation requests Capital Outlay authorization for equipment totaling \$3,348,955 in FY14 and \$2,530,245 in FY15.

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, digital imaging, engraving, janitorial product manufacturing, school bus/fire truck refurbishing, furniture manufacturing, refurbishing and upholstery, vinyl products and athletic equipment. A Prison Industry Enhancement (PIE) Program at the McPherson Unit is a partnership with private sector companies operating within prison fences and employing inmates at prevailing wages. FY12 sales total approximately \$6.5 million. Revenues from Industry program operations will fund the biennial request that includes seven (7) new positions for expansion programs. These include two (2) Program Managers, one (1) Industry Supervisor II, four (4) Industry Supervisor I's, and related operating costs. In addition, the request includes Capital Equipment authorization for acquisition of new and existing equipment. The Industry Division request totals \$1,021,743 in FY14 and \$809,883 in FY15.

INMATE WELFARE FUND

Self-supported Pen Store (Commissary) operations within institutions provide the opportunity for inmates to purchase various 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 cost increases and anticipated needs for unit expansions. The request totals \$1,500,000 each year.

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. The request totals \$2,650,000 each year.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF CORRECTION
FOR THE YEAR ENDED JUNE 30, 2010

Findings

The Agency did not properly and consistently apply an acceptable valuation method for livestock as required by industry standards.* The Agency estimated its livestock to have a value of \$3,903,519 at June 30, 2010, but could not provide reliable data for the basis of this estimate. Lack of a reliable valuation method for livestock could lead to misstatements in the Agency's accounting records.

*American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide (AAG) Agricultural Producers and Agricultural Cooperatives (APC) section 5.10

Recommendations

Develop and implement an acceptable valuation method for livestock and apply it consistently. The Agency should retain relevant, sufficient, and reliable data as a basis for this valuation to ensure the accuracy of accounting records.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	1546	603	2149	53 %
Black Employees	901	1002	1903	47 %
Other Racial Minorities	20	12	32	0 %
	Total Minorities		1,935	47 %
	Total Employees		4,084	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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1MJ County Jail Reimbursement	9,993,115	0	8,253,067	0	14,846,171	0	7,453,607	0	7,453,607	0	7,453,607	0	7,453,607	0	7,453,607	0	7,453,607	0
2ZV Work Release Cash	2,147,301	0	5,289,415	0	7,317,424	0	4,539,415	0	7,257,662	0	7,257,662	0	4,539,415	0	6,896,771	0	6,896,771	0
33K ADC Sex Offender Assessment	17,455	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	13,574	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	325,346,506	4,315	316,029,593	4,288	338,885,063	4,615	317,594,543	4,288	347,822,471	4,494	331,680,957	4,336	317,762,861	4,288	348,573,728	4,494	330,729,220	4,336
511 Prison Industry	7,115,428	51	10,541,735	54	10,656,818	54	10,426,068	54	11,447,811	61	11,447,811	61	10,427,940	54	11,237,823	61	11,237,823	61
512 Farm Operations	13,486,108	58	15,080,637	59	15,195,560	59	13,660,067	59	21,564,324	64	21,564,324	64	13,662,815	59	20,707,263	64	20,707,263	64
859 Inmate Welfare Treasury Cash	9,030,299	0	11,662,287	28	14,106,030	28	11,169,880	28	12,669,880	28	12,669,880	28	11,171,127	28	12,671,127	28	12,671,127	28
865 Non-Tax Revenue Receipts	2,443,287	0	4,000,000	0	6,217,470	0	3,790,000	0	6,440,000	0	6,440,000	0	3,790,000	0	6,440,000	0	6,440,000	0
NOT REQUESTED FOR THE BIENNIUM																		
847 Federal Programs	0	0	0	0	511,875	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	369,593,073	4,424	370,931,734	4,429	407,811,411	4,756	368,708,580	4,429	414,730,755	4,647	398,589,241	4,489	368,882,765	4,429	414,055,319	4,647	396,210,811	4,489

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	11,380,262	3.0	11,877,073	3.1			12,962,969	3.3	12,962,969	3.1	12,962,969	3.3	33,533,840	8.0	17,739,593	4.1	17,739,593	4.4
General Revenue	4000010	307,580,542	80.6	307,095,067	80.0			317,461,141	79.6	342,684,192	80.8	317,461,141	79.6	317,629,459	75.8	343,435,449	80.1	317,629,459	78.8
Federal Revenue	4000020	500,000	0.1	500,000	0.1			500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1	500,000	0.1
Special Revenue	4000030	15,338,372	4.0	20,133,268	5.2			33,037,135	8.3	33,037,135	7.8	33,037,135	8.3	31,970,086	7.6	31,970,086	7.5	31,970,086	7.9
Cash Fund	4000045	17,191,176	4.5	25,670,956	6.7			30,086,796	7.5	30,086,796	7.1	30,086,796	7.5	29,727,152	7.1	29,727,152	6.9	29,727,152	7.4
Merit Adjustment Fund	4000055	13,295,012	3.5	6,492,493	1.7			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Budget Stabilization Trust	4000130	4,600,000	1.2	4,600,000	1.2			4,600,000	1.2	4,600,000	1.1	4,600,000	1.2	4,600,000	1.1	4,600,000	1.1	4,600,000	1.1
General Improvement Fund	4000265	10,797,100	2.8	6,525,846	1.7			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	787,682	0.2	1,000,000	0.3			176,624	0.0	176,624	0.0	176,624	0.0	1,000,000	0.2	1,000,000	0.2	1,000,000	0.2
Total Funds		381,470,146	100.0	383,894,703	100.0			398,824,665	100.0	424,047,716	100.0	398,824,665	100.0	418,960,537	100.0	428,972,280	100.0	403,166,290	100.0
Excess Appropriation/(Funding)		(11,877,073)		(12,962,969)				(30,116,085)		(9,316,961)		(235,424)		(50,077,772)		(14,916,961)		(6,955,479)	
Grand Total		369,593,073		370,931,734				368,708,580		414,730,755		398,589,241		368,882,765		414,055,319		396,210,811	

Variance in fund balance due to unfunded appropriation in appropriation (509) - Inmate Care & Custody.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
4,737	4033	321	4354	383	14.86 %	4,747	4142	271	4413	334	12.74 %	4,756	4180	249	4429	327	12.11 %

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 Request is for Base Level of \$7,453,607 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1MJ - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	9,993,115	8,253,067	14,846,171	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607
Total	9,993,115	8,253,067	14,846,171	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607
Funding Sources									
General Revenue 4000010	9,993,115	8,253,067		7,453,607	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607
Total Funding	9,993,115	8,253,067		7,453,607	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	9,993,115	8,253,067		7,453,607	7,453,607	7,453,607	7,453,607	7,453,607	7,453,607

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2012 TO FISCAL YEAR 2013**

Agency: Correction Department

Program: County Jail Reimbursement

Act #: 1114 Section(s) #: 10, 22

Estimated Carry Forward Amount \$ 800,000.00 Funding Source: General Revenue

Accounting Information:

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

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Carryforward needed to fund FY13 County Jail Reimbursements.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

All funding was spent in FY2012.

Ray Hobbs
Director

08-27-2012
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 Center 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.

Base Level appropriation totals \$4,539,415 each year of the biennium.

The Agency's Change Level Request totals \$2,718,247 in FY14 and \$2,357,356 in FY15 and consists of the following:

- Operating Expenses increases of \$1,437,567 in FY14 and \$1,336,676 in FY15 for utilities, purchases of supplies and building maintenance.
- Conference and Travel increases of \$20,680 in both years of the biennium for training for employees/staff that operate the work release centers.
- Capital Outlay increases of \$1,260,000 in FY14 and \$1,000,000 for the purchase of new and replacement vehicles for work release transportation.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,532,016	3,455,265	4,180,274	3,455,265	4,892,832	4,892,832	3,455,265	4,791,941	4,791,941
Conference & Travel Expenses	5050009	3,461	84,150	84,150	84,150	104,830	104,830	84,150	104,830	104,830
Professional Fees	5060010	0	500,000	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	611,824	750,000	1,553,000	0	1,260,000	1,260,000	0	1,000,000	1,000,000
Debt Service	5120019	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		2,147,301	5,289,415	7,317,424	4,539,415	7,257,662	7,257,662	4,539,415	6,896,771	6,896,771
Funding Sources										
Fund Balance	4000005	4,127,305	5,043,755		5,043,755	5,043,755	5,043,755	7,762,002	5,043,755	5,043,755
Cash Fund	4000045	3,063,751	5,289,415		7,257,662	7,257,662	7,257,662	6,896,771	6,896,771	6,896,771
Total Funding		7,191,056	10,333,170		12,301,417	12,301,417	12,301,417	14,658,773	11,940,526	11,940,526
Excess Appropriation/(Funding)		(5,043,755)	(5,043,755)		(7,762,002)	(5,043,755)	(5,043,755)	(10,119,358)	(5,043,755)	(5,043,755)
Grand Total		2,147,301	5,289,415		4,539,415	7,257,662	7,257,662	4,539,415	6,896,771	6,896,771

Change Level by Appropriation

Appropriation: 2ZV - Work Release Cash
Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	4,539,415	0	4,539,415	100.0	4,539,415	0	4,539,415	100.0
C01	Existing Program	6,580	0	4,545,995	100.1	6,580	0	4,545,995	100.1
C02	New Program	2,711,667	0	7,257,662	159.9	2,350,776	0	6,896,771	151.9

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	4,539,415	0	4,539,415	100.0	4,539,415	0	4,539,415	100.0
C01	Existing Program	6,580	0	4,545,995	100.1	6,580	0	4,545,995	100.1
C02	New Program	2,711,667	0	7,257,662	159.9	2,350,776	0	6,896,771	151.9

Justification

C01	Agency is requesting appropriation for travel costs associated with existing operations. The total for these requests is \$6,580 for both years of the biennium
C02	Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 479 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 Agency Request for Work Release Operations includes additional operating costs increases for utilities, flex operational appropriation for unforeseen needs, operational costs for 67 additional beds at Springdale, and equipment for all units totaling \$2,711,667 in FY14 and \$2,350,776 in FY15.

Analysis of Budget Request

Appropriation: 33K - ADC Sex Offender Assessment

Funding Sources: SSC - ADC Sex Offender Assessment 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 of \$25,000 each year of the biennium. *The Agency requests that the Appropriation title be changed from "Juvenile Sex Offender Assessment" to "ADC Sex Offender Assessment".

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 33K - ADC Sex Offender Assessment
Funding Sources: SSC - ADC Sex Offender Assessment Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,065	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	16,390	0	0	0	0	0	0	0	0
Total		17,455	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Funding Sources										
Fund Balance	4000005	19,097	16,876		16,876	16,876	16,876	16,876	16,876	16,876
Special Revenue	4000030	15,234	25,000		25,000	25,000	25,000	25,000	25,000	25,000
Total Funding		34,331	41,876		41,876	41,876	41,876	41,876	41,876	41,876
Excess Appropriation/(Funding)		(16,876)	(16,876)		(16,876)	(16,876)	(16,876)	(16,876)	(16,876)	(16,876)
Grand Total		17,455	25,000		25,000	25,000	25,000	25,000	25,000	25,000

Agency requests to change title of appropriation from "Juvenile Sex Offender Assessment" to "ADC Sex Offender Assessment".

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 Request is for Base Level of \$50,000 each year of the biennium.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Construction	5090005	13,574	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		13,574	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources										
Fund Balance	4000005	8,694	9,037		9,037	9,037	9,037	9,037	9,037	9,037
Cash Fund	4000045	13,917	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding		22,611	59,037		59,037	59,037	59,037	59,037	59,037	59,037
Excess Appropriation/(Funding)		(9,037)	(9,037)		(9,037)	(9,037)	(9,037)	(9,037)	(9,037)	(9,037)
Grand Total		13,574	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. 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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level request totals \$30,227,928 with General Revenue funding of \$25,223,051 in FY14 and \$30,810,867 with General Revenue funding of \$25,805,990 in FY15. The following is a summary of the major components of the Agency Request.

Unfunded Salary Requirements

The agency has made it a priority to fill vacant positions to avoid overtime and to have more secure institutions. However, due to having less turnover the agency is unable to use salary savings to help offset costs for Holiday Time and Straight Time. Therefore, the agency requests Regular Salaries and Personal Services Matching of \$9,366,242 each year of the biennium for Straight Time and Holiday Time payouts.

Medical Contract Increases

In anticipation of a projected cost increase of 4% each year of the biennium for the Agency's medical contract, the Agency requests an increase in Professional Fees of \$2,352,645 in FY14 and \$4,799,235 in FY15.

Agency General Operations

In order to provide for the administration of the system as a whole, the Agency requests the following:

- Regular Salaries and Personal Services matching of \$5,004,877 each year in association with the restoration of one hundred (100) "flex" positions. The request associated with the restorations of positions is APPROPRIATION ONLY
- Regular Salaries and Personal Services matching increases of \$248,657 each year of the biennium for six (6) new transport officers needed to transport inmates between units, court trips and other needs.

- Operating expenses of \$3,285,840 in FY14 and \$2,535,840 in FY15 for an increase in food costs, two thousand six hundred (2,600) stab proof vests, and costs associated with supporting the new positions.
- Conference & Travel of \$5,640 each year of the biennium for related travel costs associated with the new transportation officer positions.
- Capital Outlay of \$418,000 in FY14 and \$211,000 in FY15 to replace and update aging equipment and buildings, and for the purchase of three (3) new transport vans.

New Bed Initiatives

The agency anticipates the following new bed openings during the FY2013-2015 biennium:

- Ouachita River Special Needs Unit

Twelve (12) hospital beds, thirty two (32) RPU beds, and forty (40) sheltered living beds.

- McPherson Female Special Programs Unit

Forty (40) special programs beds, and sixty (60) segregation expansion beds.

- North Central Expansion

One hundred (100) general population beds have been completed, and one hundred (100) expansion general population beds will be completed by Spring 2013.

- Northwest Arkansas Work Release Center Expansion

Fifty eight (58) work release beds.

In order to accommodate these openings, the Agency requests the following:

- Regular Salaries and Personal Services matching increases of \$3,869,900 in FY14 and FY15 in association with the Agency's request of eighty one (81) new positions.
- Operating Expenses increases of \$1,936,580 in FY14 and \$1,867,030 in FY15 for support of these positions in facilities operations.
- Conference Fees and Travel increases of \$80,840 each year of the biennium for employee training.

- Professional Fees increases of \$1,899,044 in FY14 and \$1,974,998 in FY15 for anticipated increases in the Correctional Medical Services contract.
- Capital Outlay of \$277,500 in FY14 for new institutional furnishings, equipment and medical equipment

Base Level appropriation totals \$317,594,543 in FY14 and \$317,762,861 in FY15.

The Executive Recommendation provides for Base Level in addition to the following:

- Regular Salaries and Personal Services Matching increase of \$13,441,751 each year in appropriation only for costs associated with twenty nine (29) new positions and the restoration of nineteen (19) positions.
- Capital Outlay increases of \$2,177,663 in FY14 and \$1,057,608 in FY15 in appropriation only for costs associated with building and equipment repair and replacement.

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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	161,497,493	147,934,339	160,631,643	148,363,973	162,417,347	157,492,211	148,498,573	162,551,947	157,626,811
#Positions		4,315	4,288	4,615	4,288	4,494	4,336	4,288	4,494	4,336
Extra Help	5010001	92,518	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
#Extra Help		160	170	170	170	170	170	170	170	170
Personal Services Matching	5010003	56,544,363	57,238,672	59,505,501	58,373,988	62,810,290	62,687,501	58,407,706	62,844,008	62,721,219
Overtime	5010006	759,907	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	47,688,417	48,074,903	52,608,645	48,074,903	53,297,323	48,074,903	48,074,903	52,477,773	48,074,903
Conference & Travel Expenses	5050009	147,691	150,000	200,000	150,000	236,480	150,000	150,000	236,480	150,000
Professional Fees	5060010	56,766,942	59,448,679	60,437,096	59,448,679	63,700,368	59,448,679	59,448,679	66,222,912	59,448,679
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Claims	5110015	115,000	0	0	0	0	0	0	0	0
Capital Outlay	5120011	140,860	0	2,072,803	0	2,177,663	2,177,663	0	1,057,608	1,057,608
Jail Contracts	5900047	1,593,315	1,533,000	1,779,375	1,533,000	1,533,000	0	1,533,000	1,533,000	0
Total		325,346,506	316,029,593	338,885,063	317,594,543	347,822,471	331,680,957	317,762,861	348,573,728	330,729,220

Funding Sources										
General Revenue	4000010	297,587,427	298,842,000		310,007,534	335,230,585	310,007,534	310,175,852	335,981,842	310,175,852
Federal Revenue	4000020	500,000	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Cash Fund	4000045	3,166,967	3,669,254		3,669,254	3,669,254	3,669,254	3,669,254	3,669,254	3,669,254
Merit Adjustment Fund	4000055	13,295,012	6,492,493		0	0	0	0	0	0
General Improvement Fund	4000265	10,797,100	6,525,846		0	0	0	0	0	0
Total Funding		325,346,506	316,029,593		314,176,788	339,399,839	314,176,788	314,345,106	340,151,096	314,345,106
Excess Appropriation/(Funding)		0	0		3,417,755	8,422,632	17,504,169	3,417,755	8,422,632	16,384,114
Grand Total		325,346,506	316,029,593		317,594,543	347,822,471	331,680,957	317,762,861	348,573,728	330,729,220

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	317,594,543	4,288	317,594,543	100.0	317,762,861	4,288	317,762,861	100.0
C01	Existing Program	14,420,882	125	332,015,425	104.5	14,420,882	125	332,183,743	104.5
C02	New Program	15,807,046	81	347,822,471	109.5	16,389,985	81	348,573,728	109.7

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	316,061,543	4,288	316,061,543	100.0	316,229,861	4,288	316,229,861	100.0
C01	Existing Program	11,361,341	19	327,422,884	103.6	11,361,341	19	327,591,202	103.6
C02	New Program	4,258,073	29	331,680,957	104.9	3,138,018	29	330,729,220	104.6

Justification

C01	This CL includes funding for Holiday and Straight Time pay to enable ADC to make timely payment of salary obligations. It also includes incremental increases for the inmate medical contract, inflationary and necessary increases for food costs, funding for stab resistant body armor for officer safety, 100 flex positions for unforeseen situations, and system wide capital equipment purchases. This request also provides for the restoration of 25 positions to continue operations.
C02	This request is for positions and operating costs for new bed operations, which are as follows. Ouachita River Special Needs Unit – Beds remaining to be opened at the Ouachita River Correctional Facility and Special Needs Unit includes 12 Hospital Beds, 32 RPU Beds, and 40 Sheltered Living Beds. The request includes restoration of 21 positions and related start-up and operating expenses. McPherson Female Special Programs Unit – 100 Special Programs (40) and Segregation Expansion Beds (60) are completed and ready to open. This expansion was constructed in order to meet security needs for housing seriously mental ill female inmates and for those that need to be segregated from the general population for various infractions. 26 positions and related operating costs. North Central Expansion - 100 General Population Beds are completed and an additional 100 bed expansion will be completed by Spring 2013. The biennial budget request includes 14 positions and related operating costs. NW Arkansas Work Release Center – A facility provided by the City of Springdale is currently undergoing renovations that will provide an additional 67 work release beds. The General Revenue request for this facility includes 14 positions. This request calls for an additional 6 transportation officers. With the additions of new beds and hospital stays for older inmates the demands for this unit have been increased.

Analysis of Budget Request

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

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, digital imaging, engraving, janitorial product manufacturing, school bus/fire truck repair, furniture manufacturing, refinishing and upholstery, 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. FY12 sales totaled just over \$6.5 million.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level appropriation totals \$10,426,068 in FY14 and \$10,427,940 in FY15.

The Agency's Change Level requests total \$1,021,743 in FY14 and \$809,883 in FY15 and include the following:

- Regular Salaries and Personal Services Matching increases of \$302,698 each year in association with the Agency's request for six (6) new positions and one (1) position restoration.
- Overtime increases of \$8,000 each year to establish overtime appropriation for flexibility and to be used as needed.
- Operating Expenses increases of \$427,105 in FY14 and \$427,665 in FY15 primarily for the purchase of merchandise and supplies to be used in resale aspect.
- Conference and Travel of \$5,640 in FY14 and \$7,520 in FY15 for training required by new officers.
- Capital Outlay increases of \$278,300 in FY14 and \$64,000 in FY15 for the purchase of replacement equipment.

The Executive Recommendation provides for the 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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,801,064	1,973,217	2,088,196	1,984,084	2,197,337	2,197,337	1,985,584	2,198,837	2,198,837
#Positions		51	54	54	54	61	61	54	61	61
Personal Services Matching	5010003	651,602	743,263	743,367	758,929	848,374	848,374	759,301	848,746	848,746
Overtime	5010006	0	0	0	0	8,000	8,000	0	8,000	8,000
Operating Expenses	5020002	4,612,122	7,649,295	7,649,295	7,649,295	8,076,400	8,076,400	7,649,295	8,076,960	8,076,960
Conference & Travel Expenses	5050009	4,729	33,760	33,760	33,760	39,400	39,400	33,760	41,280	41,280
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	45,911	142,200	142,200	0	278,300	278,300	0	64,000	64,000
Total		7,115,428	10,541,735	10,656,818	10,426,068	11,447,811	11,447,811	10,427,940	11,237,823	11,237,823
Funding Sources										
Fund Balance	4000005	3,106,394	2,214,104		2,300,000	2,300,000	2,300,000	3,321,743	2,300,000	2,300,000
Special Revenue	4000030	6,223,138	10,627,631		11,447,811	11,447,811	11,447,811	11,237,823	11,237,823	11,237,823
Total Funding		9,329,532	12,841,735		13,747,811	13,747,811	13,747,811	14,559,566	13,537,823	13,537,823
Excess Appropriation/(Funding)		(2,214,104)	(2,300,000)		(3,321,743)	(2,300,000)	(2,300,000)	(4,131,626)	(2,300,000)	(2,300,000)
Grand Total		7,115,428	10,541,735		10,426,068	11,447,811	11,447,811	10,427,940	11,237,823	11,237,823

Change Level by Appropriation

Appropriation: 511 - Prison Industry
Funding Sources: SDD - Department of Correction Prison Industry Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	10,426,068	54	10,426,068	100.0	10,427,940	54	10,427,940	100.0
C01	Existing Program	316,558	1	10,742,626	103.0	112,258	1	10,540,198	101.1
C02	New Program	705,185	6	11,447,811	109.8	697,625	6	11,237,823	107.8

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	10,426,068	54	10,426,068	100.0	10,427,940	54	10,427,940	100.0
C01	Existing Program	316,558	1	10,742,626	103.0	112,258	1	10,540,198	101.1
C02	New Program	705,185	6	11,447,811	109.8	697,625	6	11,237,823	107.8

Justification

C01	Agency requests restoration of one (1) Industry Supervisor II position. Agency is requesting Capital Outlay appropriation for continuance of existing programs, and new and replacement equipment.
C02	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, digital imaging, engraving, janitorial product manufacturing, school bus/fire truck refurbishing, furniture manufacturing, refurbishing and upholstery, vinyl products and athletic equipment. A Prison Industry Enhancement (PIE) Program at the McPherson Unit is a partnership with private sector companies operating within prison fences and employing inmates at prevailing wages. Revenues from Industry program operations will fund the biennial request that includes six (6) new positions for expansion programs. These include two (2) Program Managers and four (4) Industry Supervisor I's, and related operating costs. In addition, the request includes Capital Equipment authorization for acquisition of new and existing equipment.

Analysis of Budget Request

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

The agricultural operation of the ADC is a self-supported division. The Agricultural Division is involved in almost every area of farming providing 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 provides approximately 2.4 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. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY12 cash crop sales totaled \$9.1 million. The Farm Program provides jobs for approximately 400 inmates. The Livestock Division consists of 2,300 beef cows, a 319-cow dairy, swine production facilities, and egg layer operation as well as responsibility for all the horses being used in the cattle operation and at various units around the state for security and regional maintenance.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level appropriation totals \$13,660,067 in FY14 and \$13,662,815 in FY15

The Agency's Change Level requests total \$7,904,257 in FY14 and \$7,044,448 in FY15 and include the following:

- Regular Salaries and Personal Services Matching increase of \$241,182 each year in association with the Agency's request for three (3) new positions and one (2) position restorations.
- Operating Expenses increases of \$4,274,420 in FY14 and \$4,255,821 in FY15 primarily for purchase of inventory for resale.
- Conference Fees and Travel increases of \$4,700 in both years of the biennium for employee training and travel.
- Capital Outlay of \$3,383,955 in FY14 and \$2,542,745 in FY15 for new and replacement equipment.

The Executive Recommendation provides for the 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			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,526,069	2,435,896	2,552,521	2,441,720	2,615,180	2,615,180	2,443,920	2,617,380	2,617,380
#Positions		58	59	59	59	64	64	59	64	64
Personal Services Matching	5010003	838,399	881,689	879,987	897,295	965,017	965,017	897,843	965,565	965,565
Operating Expenses	5020002	9,388,043	9,494,388	9,494,388	9,494,388	13,768,808	13,768,808	9,494,388	13,750,209	13,750,209
Conference & Travel Expenses	5050009	8,955	48,310	48,310	48,310	53,010	53,010	48,310	53,010	53,010
Professional Fees	5060010	36,551	128,354	128,354	128,354	128,354	128,354	128,354	128,354	128,354
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	434,619	1,442,000	1,442,000	0	3,383,955	3,383,955	0	2,542,745	2,542,745
Purchase Cattle/Meat	5900047	253,472	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Total		13,486,108	15,080,637	15,195,560	13,660,067	21,564,324	21,564,324	13,662,815	20,707,263	20,707,263

Funding Sources										
Fund Balance	4000005	1,232	1,002,806		1,002,806	1,002,806	1,002,806	13,683,687	5,779,430	5,779,430
Special Revenue	4000030	9,100,000	9,480,637		21,564,324	21,564,324	21,564,324	20,707,263	20,707,263	20,707,263
Budget Stabilization Trust	4000130	4,600,000	4,600,000		4,600,000	4,600,000	4,600,000	4,600,000	4,600,000	4,600,000
Other	4000370	787,682	1,000,000		176,624	176,624	176,624	1,000,000	1,000,000	1,000,000
Total Funding		14,488,914	16,083,443		27,343,754	27,343,754	27,343,754	39,990,950	32,086,693	32,086,693
Excess Appropriation/(Funding)		(1,002,806)	(1,002,806)		(13,683,687)	(5,779,430)	(5,779,430)	(26,328,135)	(11,379,430)	(11,379,430)
Grand Total		13,486,108	15,080,637		13,660,067	21,564,324	21,564,324	13,662,815	20,707,263	20,707,263

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

Appropriation: 512 - Farm Operations
Funding Sources: SDC - Department of Correction Farm Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	13,660,067	59	13,660,067	100.0	13,662,815	59	13,662,815	100.0
C01	Existing Program	101,498	2	13,761,565	100.7	101,498	2	13,764,313	100.7
C02	New Program	7,802,759	3	21,564,324	157.9	6,942,950	3	20,707,263	151.6

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	13,660,067	59	13,660,067	100.0	13,662,815	59	13,662,815	100.0
C01	Existing Program	101,498	2	13,761,565	100.7	101,498	2	13,764,313	100.7
C02	New Program	7,802,759	3	21,564,324	157.9	6,942,950	3	20,707,263	151.6

Justification

C01	This request includes two (2) position restorations, an Agri Unit Supervisor II and a Head Farm Manager I for the Layer/Pullet Expansion.
C02	This request includes two (2) positions and operating expenses for expansion of the Layer/Pullet Expansion. The request also includes appropriation each year needed to repay an interest free loan from the Prison Construction Trust Fund for construction of the new facilities. It also includes one (1) position and operating expenses to establish a Grist Mill Operation.

Analysis of Budget Request

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

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.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level appropriation totals \$11,169,880 in FY14 and \$11,171,127 in FY15.

The Agency's Change Level requests total \$1,500,000 each year and include the following:

- Operating Expenses increase of \$1,000,000 each year of the biennium for the purchase of merchandise for resale.
- Capital Outlay increase of \$500,000 each year of the biennium for the purchase of new and replacement equipment for expanded commissary operations.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	802,726	846,497	803,426	803,426	803,426	804,426	804,426	804,426
#Positions		0	28	28	28	28	28	28	28	28
Personal Services Matching	5010003	0	330,601	330,133	337,494	337,494	337,494	337,741	337,741	337,741
Operating Expenses	5020002	9,030,299	10,028,960	12,429,400	10,028,960	11,028,960	11,028,960	10,028,960	11,028,960	11,028,960
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	500,000	500,000	0	500,000	500,000	0	500,000	500,000
Total		9,030,299	11,662,287	14,106,030	11,169,880	12,669,880	12,669,880	11,171,127	12,671,127	12,671,127
Funding Sources										
Fund Balance	4000005	2,319,985	2,184,510		2,184,510	2,184,510	2,184,510	3,684,510	2,184,510	2,184,510
Cash Fund	4000045	8,894,824	11,662,287		12,669,880	12,669,880	12,669,880	12,671,127	12,671,127	12,671,127
Total Funding		11,214,809	13,846,797		14,854,390	14,854,390	14,854,390	16,355,637	14,855,637	14,855,637
Excess Appropriation/(Funding)		(2,184,510)	(2,184,510)		(3,684,510)	(2,184,510)	(2,184,510)	(5,184,510)	(2,184,510)	(2,184,510)
Grand Total		9,030,299	11,662,287		11,169,880	12,669,880	12,669,880	11,171,127	12,671,127	12,671,127

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

Appropriation: 859 - Inmate Welfare Treasury Cash
Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	11,169,880	28	11,169,880	100.0	11,171,127	28	11,171,127	100.0
C01	Existing Program	1,000,000	0	12,169,880	109.0	1,000,000	0	12,171,127	109.0
C02	New Program	500,000	0	12,669,880	113.4	500,000	0	12,671,127	113.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	11,169,880	28	11,169,880	100.0	11,171,127	28	11,171,127	100.0
C01	Existing Program	1,000,000	0	12,169,880	109.0	1,000,000	0	12,171,127	109.0
C02	New Program	500,000	0	12,669,880	113.4	500,000	0	12,671,127	113.4

Justification

C01	Self-supported Pen Store (Commissary) operations within institutions provide the opportunity for inmates to purchase various 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 cost increases and anticipated needs for unit expansions for purchase of additional resale items. The request totals \$1,000,000 each year.
C02	Self-supported Pen Store (Commissary) operations within institutions provide the opportunity for inmates to purchase various 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 cost increases and anticipated needs for unit expansions for equipment expense. The request totals \$500,000 each year.

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.

Base Level appropriation totals \$3,790,000 each year of the biennium.

The Agency's Change Level Requests total \$2,650,000 each year of the biennium and include the following:

- Operating Expenses of \$2,150,000 each year for other expenses and services to allow flexibility in allocating available funding for general operations 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.
- 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.

The Executive Recommendation provides for the 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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,427,078	1,679,195	1,679,195	1,679,195	3,829,195	3,829,195	1,679,195	3,829,195	3,829,195
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	11,726	100,000	100,000	100,000	200,000	200,000	100,000	200,000	200,000
Construction	5090005	923,443	2,010,805	4,038,275	2,010,805	2,010,805	2,010,805	2,010,805	2,010,805	2,010,805
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	81,040	210,000	400,000	0	400,000	400,000	0	400,000	400,000
Total		2,443,287	4,000,000	6,217,470	3,790,000	6,440,000	6,440,000	3,790,000	6,440,000	6,440,000
Funding Sources										
Fund Balance	4000005	1,797,555	1,405,985		2,405,985	2,405,985	2,405,985	5,055,985	2,405,985	2,405,985
Cash Fund	4000045	2,051,717	5,000,000		6,440,000	6,440,000	6,440,000	6,440,000	6,440,000	6,440,000
Total Funding		3,849,272	6,405,985		8,845,985	8,845,985	8,845,985	11,495,985	8,845,985	8,845,985
Excess Appropriation/(Funding)		(1,405,985)	(2,405,985)		(5,055,985)	(2,405,985)	(2,405,985)	(7,705,985)	(2,405,985)	(2,405,985)
Grand Total		2,443,287	4,000,000		3,790,000	6,440,000	6,440,000	3,790,000	6,440,000	6,440,000

Change Level by Appropriation

Appropriation: 865 - Non-Tax Revenue Receipts
Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	3,790,000	0	3,790,000	100.0	3,790,000	0	3,790,000	100.0
C02	New Program	2,650,000	0	6,440,000	169.9	2,650,000	0	6,440,000	169.9

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	3,790,000	0	3,790,000	100.0	3,790,000	0	3,790,000	100.0
C02	New Program	2,650,000	0	6,440,000	169.9	2,650,000	0	6,440,000	169.9

Justification

C02	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. The request totals \$2,650,000 each year.
-----	--

Appropriation Summary

Appropriation: 847 - Federal Programs

Funding Sources: FDC - Federal Programs

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	50,000	0	0	0	0	0	0
#Positions	0	0	0	0	0	0	0	0	0
Personal Services Matching 5010003	0	0	28,475	0	0	0	0	0	0
Operating Expenses 5020002	0	0	2,500	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	2,000	0	0	0	0	0	0
Professional Fees 5060010	0	0	428,900	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	0	0	511,875	0	0	0	0	0	0

THIS APPROPRIATION IS NOT REQUESTED FOR THE 2013-2015 BIENNIUM

COUNTY AID

Enabling Laws

Act 208 of 2012
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

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 turn back 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 through 2006. For example: If county government had received a simple 3% annual adjustment in their county aid appropriation since 1981 the appropriation for 2012 would have been \$45,923,356 instead of the current \$23,645,067 (\$19,645,067 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. This can best be illustrated below:

County General Revenue Aid

• Annual Gross General Revenue Funding	\$19,645,067.00
• Annual Additional Funding / Property Tax Relief Fund	\$ 4,000,000.00
• Less Property Reappraisal Deduction	\$ 2,280,000.00
• Less Deputy Prosecutor Salary Deduction	<u>\$ 5,459,621.28</u>
• Net Available for Use by Counties	\$16,001,924.72
• Per Capita Funding (Net Available Divided by County Population = \$16,001,924.72 / 2,915,918 = \$5.48 per capita)	 \$5.48

This per capita number has dropped over 50 cents per person following the 2010 census, with many more citizens accessing services from county government which are often largely state functions but administered at a local level. The Association of Arkansas Counties respectfully ask that the State of Arkansas provide adequate state funding to county government for these mandates that 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 Prosecutor salaries (which are a

deduction from the General County Aid); (4) funding of 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.

The Association of Arkansas Counties is therefore respectfully requesting that county aid be funded for the 2014/2015 biennium at present levels with an additional ten percent (10%) over and above present biennium funding provided in Category "B" of the Revenue Stabilization Act. This protects the state from funding additional money should revenue fall from present levels or stagnate, but in the event that surpluses exist would allow for additional funds to be released to counties in order to supplement county budgets in order that they might meet the maintenance, operation and infrastructure needs they continue to face.

Therefore, we respectfully submit our budget request of the following amounts - this includes the requested continuation of funds from the property tax relief fund:

FY 2014	\$25,609,573
FY 2015	\$25,609,573

In addition, the Arkansas Association of Counties is requesting \$422,228 in unfunded appropriation and Special Language for the Treasurer of State that will allow the Treasurer to distribute this fund balance in FY2014.

Finally, the county road turnback (special revenue) appropriation which is funded by receiving a 15% allocation of revenues through the highway distribution law should be increased by \$40 million to \$200 million if Amendment #1 is approved in the November 2012 election.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

COUNTY AID

FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for this Agency.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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	13,770,482	0	19,645,067	0	19,645,067	0	19,645,067	0	22,031,801	0	22,067,295	0	19,645,067	0	21,609,573	0	21,645,067	0
074 Special Revenue to Counties	96,386,839	0	160,000,000	0	160,000,000	0	160,000,000	0	200,000,000	0	200,000,000	0	160,000,000	0	200,000,000	0	200,000,000	0
190 Mineral Lease	9,862,367	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
738 Real Property Tax Reduction-Counties	218,502,772	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0
738A Property Tax Relief - Counties	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Total	342,522,460	0	453,645,067	0	453,645,067	0	453,645,067	0	496,031,801	0	496,067,295	0	453,645,067	0	495,609,573	0	495,645,067	0

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	422,228	0.1	422,228	0.1	422,228	0.1	422,228	0.1	422,228	0.1	422,228	0.1	0	0.0	0	0.0
General Revenue	4000010	13,770,482	4.0	19,645,067	4.3	19,645,067	4.3	21,609,573	4.4	21,645,067	4.4	19,645,067	4.3	21,609,573	4.4	21,645,067	4.4
Federal Revenue	4000020	9,862,367	2.9	20,000,000	4.4	20,000,000	4.4	20,000,000	4.0	20,000,000	4.0	20,000,000	4.4	20,000,000	4.0	20,000,000	4.1
Special Revenue	4000030	96,386,839	28.1	160,000,000	35.2	160,000,000	35.2	200,000,000	40.3	200,000,000	40.5	160,000,000	35.2	200,000,000	40.4	200,000,000	40.5
Trust Fund	4000050	222,502,772	64.9	254,000,000	55.9	254,000,000	55.9	254,000,000	51.2	252,000,000	51.0	254,000,000	55.9	254,000,000	51.3	252,000,000	51.0
Total Funds		342,944,688	100.0	454,067,295	100.0	454,067,295	100.0	496,031,801	100.0	494,067,295	100.0	454,067,295	100.0	495,609,573	100.0	493,645,067	100.0
Excess Appropriation/(Funding)		(422,228)		(422,228)		(422,228)		0		2,000,000		(422,228)		0		2,000,000	
Grand Total		342,522,460		453,645,067		453,645,067		496,031,801		496,067,295		453,645,067		495,609,573		495,645,067	

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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

This appropriation provides spending authority for the Treasurer's Office to distribute general revenues designated for the counties.

The Base Level for General Revenue to Counties (073) is \$19,645,067 each year of the biennium.

The Association of Arkansas Counties is requesting a \$1,964,506 increase for its general revenue appropriation and funding each year of the biennium from Category "B" of the Revenue Stabilization Act.

The Association of Arkansas Counties is also requesting unfunded appropriation of \$422,228 and Special Language for the Treasurer of State that will allow the Treasurer to disburse this fund balance in FY2014.

The Executive Recommendation provides for \$2,422,228 in appropriation and \$2,000,000 in additional general revenue funding.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	13,770,482	19,645,067	19,645,067	19,645,067	22,031,801	22,067,295	19,645,067	21,609,573	21,645,067
Total		13,770,482	19,645,067	19,645,067	19,645,067	22,031,801	22,067,295	19,645,067	21,609,573	21,645,067
Funding Sources										
Fund Balance	4000005	422,228	422,228		422,228	422,228	422,228	422,228	0	0
General Revenue	4000010	13,770,482	19,645,067		19,645,067	21,609,573	21,645,067	19,645,067	21,609,573	21,645,067
Total Funding		14,192,710	20,067,295		20,067,295	22,031,801	22,067,295	20,067,295	21,609,573	21,645,067
Excess Appropriation/(Funding)		(422,228)	(422,228)		(422,228)	0	0	(422,228)	0	0
Grand Total		13,770,482	19,645,067		19,645,067	22,031,801	22,067,295	19,645,067	21,609,573	21,645,067

Special Language provides for carry forward of funding. For FY13, the carry forward funding amount was \$726,651. The Association of Arkansas Counties is requesting unfunded appropriation and Special Language for the Treasurer of State that will allow the Treasurer to distribute this fund balance in FY2014.

Change Level by Appropriation

Appropriation: 073 - General Revenue to Counties
Funding Sources: MLC - County Aid Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	19,645,067	0	19,645,067	100.0	19,645,067	0	19,645,067	100.0
C01	Existing Program	1,964,506	0	21,609,573	110.0	1,964,506	0	21,609,573	110.0
C05	Unfunded Appropriation	422,228	0	22,031,801	112.1	0	0	21,609,573	110.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	19,645,067	0	19,645,067	100.0	19,645,067	0	19,645,067	100.0
C01	Existing Program	2,000,000	0	21,645,067	110.2	2,000,000	0	21,645,067	110.2
C05	Unfunded Appropriation	422,228	0	22,067,295	112.3	0	0	21,645,067	110.2

Justification

C01	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 turn back 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. The Association of Arkansas Counties is therefore respectfully requesting that county aid be funded for the 2014/2015 biennium at present levels with an additional ten percent (10%) over and above present biennium funding provided in Category "B" of the Revenue Stabilization Act. This protects the state from funding additional money should revenue fall from present levels or stagnate, but in the event that surpluses exist would allow for additional funds to be released to counties in order to supplement county budgets in order that they might meet the maintenance, operation and infrastructure needs they continue to face.
C05	Special Language provides for carry forward of funding. For FY13, the carry forward funding amount was \$422,228. The Association of Arkansas Counties is requesting unfunded appropriation and Special Language for the Treasurer of State that will allow the Treasurer to distribute this fund balance in FY2014.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2012 TO FISCAL YEAR 2013**

Agency: County Aid, Treasurer of State

Program: General Revenue to Counties

Act #: 322 Section(s) #: 3 & 12

Estimated Carry Forward Amount \$ 422,228.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0074 Funds Center: 073 Fund: MLC Functional Area: CNST

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Fund balance is a result of General Revenue receipts exceeding authorized distributions.

Actual Funding Carry Forward Amount \$ 422,228.00

Current status of carry forward funding:

The Association of Arkansas Counties is requesting unfunded appropriation and Special Language for the Treasurer of State that will allow the Treasurer to distribute this fund balance in FY2014.

Chris Villines

Director

08-27-2012

Date

Analysis of Budget Request

Appropriation: 074 - Special Revenue to Counties

Funding Sources: MLC - County Aid Fund

This appropriation provides spending authority for the Treasurer's Office to distribute special revenues designated for the counties.

The Base Level for Special Revenue to Counties (074) is \$160,000,000 each year of the biennium.

The Association of Arkansas Counties is requesting a \$40,000,000 increase for its special revenue appropriation each year of the biennium.

The Executive Recommendation provides for the Association of Arkansas Counties request.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	96,386,839	160,000,000	160,000,000	160,000,000	200,000,000	200,000,000	160,000,000	200,000,000	200,000,000
Total		96,386,839	160,000,000	160,000,000	160,000,000	200,000,000	200,000,000	160,000,000	200,000,000	200,000,000

Funding Sources										
Special Revenue	4000030	96,386,839	160,000,000		160,000,000	200,000,000	200,000,000	160,000,000	200,000,000	200,000,000
Total Funding		96,386,839	160,000,000		160,000,000	200,000,000	200,000,000	160,000,000	200,000,000	200,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		96,386,839	160,000,000		160,000,000	200,000,000	200,000,000	160,000,000	200,000,000	200,000,000

Change Level by Appropriation

Appropriation: 074 - Special Revenue to Counties
Funding Sources: MLC - County Aid Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	160,000,000	0	160,000,000	100.0	160,000,000	0	160,000,000	100.0
C01	Existing Program	40,000,000	0	200,000,000	125.0	40,000,000	0	200,000,000	125.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	160,000,000	0	160,000,000	100.0	160,000,000	0	160,000,000	100.0
C01	Existing Program	40,000,000	0	200,000,000	125.0	40,000,000	0	200,000,000	125.0

Justification

C01	The street turnback (special revenue) appropriation which is funded by receiving a 15% allocation of revenues through the highway distribution law should be increased by \$40 million to \$200 million if Amendment #I is approved in the November 2012 election.
-----	--

Analysis of Budget Request

Appropriation: 190 - Mineral Lease

Funding Sources: MLC - County Aid Fund

This appropriation provides spending authority for the Treasurer's Office to distribute monies received from the federal government to those counties to which such monies are allocated by law.

The Association of Arkansas Counties requests Base Level for the 2013-2015 biennium.

The Executive Recommendation provides for the Association of Arkansas Counties request.

Appropriation Summary

Appropriation: 190 - Mineral Lease

Funding Sources: MLC - County Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	9,862,367	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		9,862,367	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Funding Sources										
Federal Revenue	4000020	9,862,367	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total Funding		9,862,367	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		9,862,367	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000

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.

The Association of Arkansas Counties requests Base Level for the 2013-2015 biennium.

The Executive Recommendation provides for the Association of Arkansas Counties request.

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	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	218,502,772	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Total	218,502,772	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000

Funding Sources									
Trust Fund 4000050	218,502,772	250,000,000		250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Total Funding	218,502,772	250,000,000		250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	218,502,772	250,000,000		250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000

Analysis of Budget Request

Appropriation: 738A - Property Tax Relief - Counties

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.

Beginning with Act 1268 of 2007, this appropriation provides additional spending authority for the Treasurer's Office to distribute surplus property tax reduction special revenue to counties, contingent upon available funding.

The Association of Arkansas Counties requests Base Level for the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request for appropriation with \$2,000,000 in funding from the Property Tax Relief Trust Fund. Use of this appropriation is contingent on availability of funding.

Appropriation Summary

Appropriation: 738A - Property Tax Relief - Counties

Funding Sources: TPR - Property Tax Relief Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	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	4,000,000	4,000,000	4,000,000	4,000,000
Total	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Funding Sources									
Trust Fund 4000050	4,000,000	4,000,000		4,000,000	4,000,000	2,000,000	4,000,000	4,000,000	2,000,000
Total Funding	4,000,000	4,000,000		4,000,000	4,000,000	2,000,000	4,000,000	4,000,000	2,000,000
Excess Appropriation/(Funding)	0	0		0	0	2,000,000	0	0	2,000,000
Grand Total	4,000,000	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

ARKANSAS COURT OF APPEALS

Enabling Laws

Act 55 of 2012
A.C.A. §16-21-101 et seq.
Constitution of Arkansas, Amendment 58

History and Organization

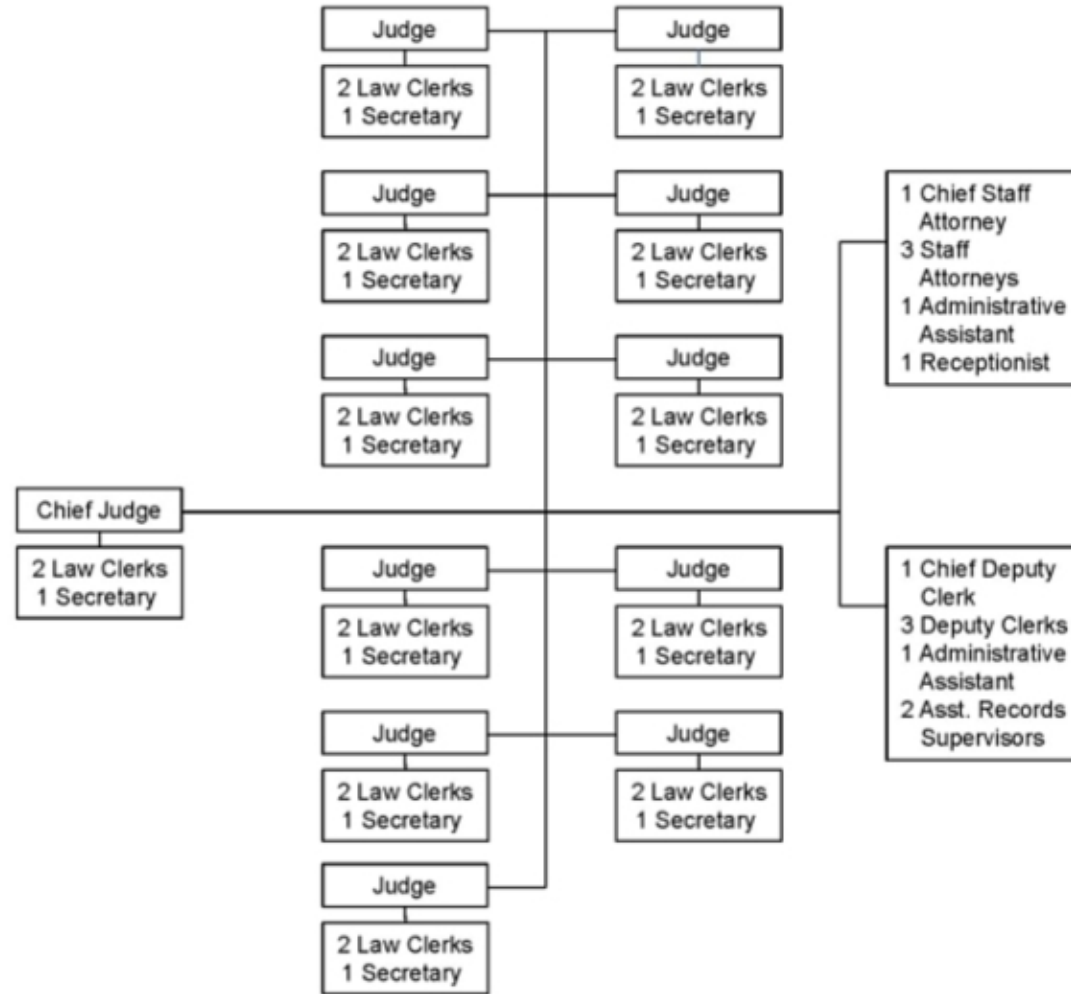
The Arkansas Court of Appeals is a court of appellate jurisdiction that was established pursuant to the provisions of Amendment 58 to the Arkansas Constitution to help alleviate the tremendous caseload of the Arkansas Supreme Court.

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 55 of 2012 established the Court of Appeals appropriation for the biennial year of 2013.

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 FY13 appropriation authorized 49

regular employees. The court employs one chief deputy clerk, one assistant chief a records' manager, a finance officer, 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, a deputy chief staff attorney and two staff attorneys, all experienced lawyers, an executive assistant, and a receptionist-administrative assistant to assist the court in administration, research projects, and docket management. Each judge employs two law clerks and a judicial administrative assistant.



Agency Commentary

Regular Salaries (Commitment Item 5010000): Salary requests for the Court's 49 positions for FY14 reflect the same base level as FY13 and a \$2000 increase in FY15 as established by the Office of Personnel Management's Pay Plan Classification Study. The Court of Appeals requests that if a COLA increase is awarded during the next biennium, the Court of Appeals personnel receive the same increase as other state employees.

Extra Help (Commitment Item 50100001): The Court is asking for its FY13 authorized appropriation of \$25,000 for FY14 and FY15. These funds allow the Court to hire temporary personnel when necessary because of employee illness or injury.

Personal Services Matching (Commitment Item 50100003): The Court is requesting for FY14 and FY15 an amount in proportion to its salary requests, increase insurance contributions, and increased retirement contributions.

Operating Expenses (Commitment Item 50200002): The Court is requesting an increase of \$38,400 over its FY13 authorized appropriation of \$192,729 for a total of \$231,129 for FY14, and an increase of \$28,400 over its FY13 appropriation for a total of \$221,129 in FY15. These increases are to accommodate the Court's conversion to the E-filing system. \$28,400 of the amount will be used annually to replace the Court's oldest computers, and the additional \$10,000 increase in FY14 will be used to purchase additional monitors, which are necessary for reading the briefs that will be filed electronically.

Conference and Travel Fees (Commitment Item 50500009): This request of \$68,900 for FY14 and FY15 has not increased from FY13 authorized levels.

Capital Outlay (Commitment Item 51200011): The Court is requesting that its FY 13 appropriation of \$10,500 be restored and increased to \$15,000 for FY14 and FY15 to allow the Court to replace high-valued equipment as necessary.

Legal Counsel (Commitment Item 5900040): The Court is requesting its FY13 authorized appropriation of \$260,000. This appropriation is used to the pay fees of attorneys appointed to represent indigent appellants in criminal appeals.

Special Judges (Commitment Item 5900046): The Court is requesting its FY13 authorized appropriation of \$17,044. The Court's judges sit in four three-judge panels. In the event a judge is absent from the court because of illness, accident, or other emergency, these funds are used to pay a special judge to fill in for the absent judge so that panel can continue to operate.

Mileage Reimbursement (Commitment Item 5900047): The Court is requesting its FY13 appropriation of \$60,000 for FY14 and FY15. This allowance is used to reimburse its judges, whose official residence is outside of Pulaski County, for their travel expense from their official residence to the Justice Building.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS COURT OF APPEALS
FOR THE YEAR ENDED JUNE 30, 2010

Findings

Recommendations

None

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	9	35	44	92 %
Black Employees	0	4	4	8 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	8 %
Total Employees			48	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	ACA 16-11-201; AR Supreme Court Rule 5-2	N	N	0	Publication of the Court of Appeals opinions ceased with volume 375 Ark/104 Ark. App. These opinions are now published online. IN RE: Arkansas Supreme Court and Court of Appeals Rule 5-2 (May 28, 2009)

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	49	0	49	0	0.00 %	49	48	1	49	0	2.04 %

Appropriation Summary

Appropriation: 111 - Court of Appeals

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,785,264	2,789,452	2,789,452	2,630,136	2,630,136	0	2,632,136	2,632,136	0
#Positions		49	49	49	49	49	0	49	49	0
Extra Help	5010001	0	25,000	25,000	25,000	25,000	0	25,000	25,000	0
#Extra Help		0	2	2	2	2	0	2	2	0
Personal Services Matching	5010003	811,040	841,844	803,466	820,323	820,323	0	820,761	820,761	0
Operating Expenses	5020002	180,433	192,729	192,729	192,729	231,129	0	192,729	221,129	0
Conference & Travel Expenses	5050009	34,666	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	10,127	10,500	10,500	0	15,000	0	0	15,000	0
Legal Counsel	5900040	184,200	260,000	260,000	260,000	260,000	0	260,000	260,000	0
Special Judges	5900046	0	17,044	17,044	17,044	17,044	0	17,044	17,044	0
Mileage Reimbursement	5900047	49,002	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Total		4,054,732	4,265,469	4,227,091	4,074,132	4,127,532	0	4,076,570	4,119,970	0
Funding Sources										
State Central Services	4000035	4,054,732	4,265,469		4,074,132	4,127,532	0	4,076,570	4,119,970	0
Total Funding		4,054,732	4,265,469		4,074,132	4,127,532	0	4,076,570	4,119,970	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,054,732	4,265,469		4,074,132	4,127,532	0	4,076,570	4,119,970	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 111 - Court of Appeals
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	4,074,132	49	4,074,132	100.0	4,076,570	49	4,076,570	100.0
C01	Existing Program	72,700	0	4,146,832	101.8	62,700	0	4,139,270	101.5
C04	Reallocation	(19,300)	0	4,127,532	101.3	(19,300)	0	4,119,970	101.1

DOE - General Education

Enabling Laws

Act 142 of 2012
Act 246 of 2012
Act 269 of 2012 (PSF)
Act 1074 of 2011
Act 1075 of 2011 (PSF)
Act 928 of 2011
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.

At the beginning of the 2009 legislative session, Governor Mike Beebe challenged the Arkansas General Assembly to rise above the current economic circumstances and find ways to continue Arkansas's educational progress. The General Assembly responded to this challenge, and through careful budgeting and responsible legislation, found a way to continue to fully fund public education in Arkansas. Act 1474 of 2009 established the state per-pupil foundation funding amount at \$5,905 for the 2009-2010 school year and \$6,023 for the 2010-2011 school year.

The 2009 General Assembly enhanced educational standards by passing laws that created high-stakes end-of-course assessments, changed the requirements and age for kindergarten enrollment, and allowed increased parental access to public school data. Other measures passed by the General Assembly included the Arkansas Smart Core Funding Incentive Program and grants for after-school programs. The General Assembly also implemented early interventions for school districts in danger of entering fiscal or facilities distress.

In 2010, the Arkansas General Assembly convened its first fiscal session. During this historic session, the General Assembly continued its steadfast support for education in Arkansas by allocating \$1,849,659,072 to the Department of Education Public School Fund. Through its actions, the Arkansas General Assembly maintained its commitment to fund education first.

Governor Beebe and the Arkansas Legislature passed a large number of education bill during the 88th General Assembly that support the Governor's goal to improve education in the state of Arkansas. These include improvements to teacher testing and licensure, improving college and career readiness, removing caps on Charter schools, and providing more safety protections for the children of Arkansas. Laws regarding school books were reformed to reflect the increased use of virtual education. Safety of children was improved with bullying

legislation and school guidance counselors being required to report abuse of children. Parents were offered assistance with school expenses via the "tax-free holiday" and flexibility in school start dates. The legislature also approved a nearly \$4.6 billion general fund budget for 2011-2012. Funding for K-12 education rose 2.9 percent to more than \$2 billion and included \$1.9 billion in formula funding for schools.

Act 1209 addressed the evaluation of Arkansas public school teachers, established the Teacher Excellence and Support System and sought to increase public awareness of effective teachers.

Act 1178 amended Arkansas teacher licensure and reciprocity.

Act 743 established the Arkansas College and Career Readiness Standard, and called for development of criteria to evaluate, support, promote and fund Arkansas Career and Technical Education.

Act 288 amended school textbook requirements to include digital resources.

Act 987 removed the limitation on the number of open-enrollment charter schools in the state.

Act 993 amended provisions of Arkansas's law to require charter schools to submit periodic reports, amended various provisions and sought to protect charter schools from certain liabilities.

Act 784 requires child abuse hotlines to accept reports of intellectual, emotional or psychological injury to a child from a guidance counselor licensed as a teacher.

Act 907 clarifies Arkansas's antibullying laws for public school students and states requirements for actions on the part of a school principal.

Act 65 allows school districts flexibility in the school start dates while limiting the start dates to no earlier than August 14 and no later than August 26. The board of directors of the school district will determine the beginning of the school year.

Act 757 sought to reduce school expenses for parents by creating a "sales tax holiday" during which back-to-school related purchases are exempted from the sales tax.

In 2012, the Arkansas General Assembly began its second fiscal session primarily on state budget issues. The General Assembly considered Governor Beebe's call for \$114 million in new allocations for the state's Human Services Department to pay for growth in Medicaid. Governor Beebe also requested \$56 million in additional funding for Arkansas's public schools for the coming year very similar to the Joint Budget Committee's proposal. The General Assembly approved and the Governor signed the \$4.7 billion budget (an increase of 3.6 percent) from the general revenue fund for fiscal year 2012-2013. Elementary and secondary education will operate with 2.8 percent increase in state funds, to

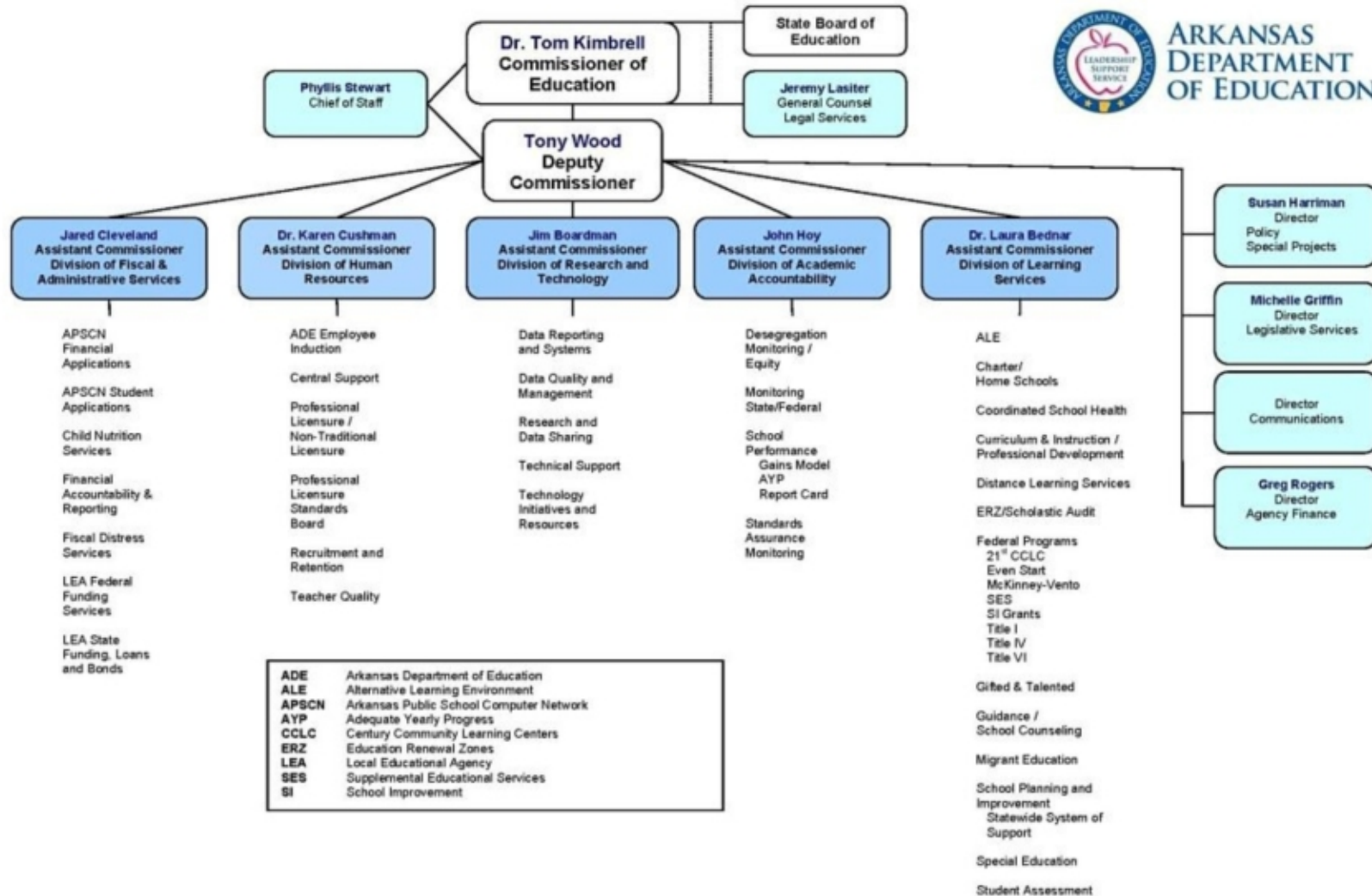
\$2.1 billion. Of that, \$2 billion was allocated to fund the public school formula. This reflects a 3 percent increase.

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."



Agency Commentary

AGENCY COMMENTARY GENERAL DIVISION 2013-2015 BIENNIAL BUDGET REQUEST

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

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 Academic Accountability and Division of Research and Technology.

The Base Level appropriation is \$22,901,245 in FY14 and \$22,910,682 in FY15. The Change Level requests are for restoration of six (6) Pool Positions that were established by the authority of Section 26 of Act 1074 of 2011; and one(1) Pool Position that was established by the authority of ACA 21-5-225 (b) of Act 688 of 2009 (central growth pool). This same authority requires that if the agency requests the continuation of Pool Positions in the next fiscal year, it must request the positions as new positions. The Pool Positions being requested to continue include: 1 U122U ADE Director of Information Systems position, Grade U122U; 2 E019C Public School Program Advisor positions, Grade C122; 1 G050C ADE APSCN Division Manager position, Grade C126; 1 G012C ADE Assistant to Commissioner position, Grade 129; and 1 G047C Attorney Specialist position, Grade C126. The ADE Director of Information Systems is needed to ensure successful completion of on-going and new information systems projects, compliance with state and federal mandates and a single point of contact responsible for ensuring continual improvement and satisfactory operation of the Department's information systems. The Public School Program Advisor positions are needed to help ensure that the ADE complies with the United States Department of Education guidelines regarding the monitoring of fiduciary responsibilities under Title I. The APSCN Division Manager is needed to carry out the responsibilities of the Family Educational Rights & Privacy Act (FERPA). The ADE Assistant to Commissioner position is needed to be a coordinator for the Council of Chief State School Officers (CCSSO) project and is the direct liaison between the Commissioner's Office and Learning Services with regard to what needs to be done for CCSSO. The Attorney Specialist position is needed to vastly improve the capacity of the Legal Service Office of the ADE to provide timely and accurate legal advice and counsel to the Department, the State Board of Education, and education stakeholders. The Central Growth Pool position being requested is: 1 N069N ADE Special Advisor, Grade N908: The ADE requests the restoration of this Pool Position from the central growth pool established by Arkansas Code 21-5-225 (b) of Act 688 of 2009. This position is needed in order to successfully implement the new educational assessment plan under the Partnership for Assessment of Readiness for College and Careers assessment system. The position will necessitate knowledge of the complexities of each assessment system, and the ADE has been

unsuccessful in recruiting qualified applicants from school districts due to the salary limitations of existing (non-pool) positions. Additionally, the ADE requests unfunded appropriation of \$100,000 each year for unforeseen Capital Outlay needs that may occur in the 2013-2015 biennium.

CHILD NUTRITION (637)

This program assisted schools in making school breakfasts, lunches and snacks available to all school children and to encourage the domestic consumption of nutritious agricultural commodities. The Department of Education is requesting federally funded appropriation of \$50,000 each year for unforeseen Capital Outlay needs of the Child Nutrition program that may occur in the 2013-2015 biennium.

FEDERAL ELEMENTARY & SECONDARY EDUCATION (650)

The Federal Elementary and Secondary Education appropriation provides federally-funded programs that meet a variety of needs within the Arkansas public school districts and charter schools. The ADE requests federally funded restoration of (4) Pool Positions that were established by the authority of Section 27 of Act 126 of 2011. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must be requested as a new position. The Pool Positions being requested to continue include: 2 E06C Public School Program Managers, Grade C126; and 2 B012C ADE Assistant to the Commissioner positions, Grade C129. The Public School Program Advisors are needed to manage the Partnership for Assessment of Readiness for College and Careers (PARCC) grant, and to provide leadership for and monitor Special Education programming and services to ensure quality and compliance with state and federal policies. The ADE Assistant to the Commissioner positions are needed to assist the Director of Federal Programs in duties related to implementing the requirements of the multi-million dollar 1003(g) SIG throughout the life of the grant. Additionally, the ADE is requesting ARRA (federally funded) appropriation of \$35,000,000 for each year of the biennium; and federally funded appropriation of \$200,000 each year for unforeseen Capital Outlay needs for federal programs that may occur in the 2013-2015 biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED JUNE 30, 2010

Findings

Recommendations

The Agency did not adequately design and implement internal controls related to the payment and issuance of professional licenses. Applicants that pay for a teaching license via the State's on-line web portal must pay with a credit card with the information captured by the Information Network of Arkansas (INA). The payment information is then transferred to the Department of Education's professional licensure section. All of the information necessary to create a linkage between payments through INA and the professional licensure section are not being captured to allow reconciliation between licenses issued and payments made.

Strengthen internal controls related to the payment of licenses issued by INA and their database administrator to ensure that the necessary information is captured to allow a reconciliation between licenses issued and payments received.

The Agency did not adequately design and implement internal controls related to the process of approving grant award amounts for the distance learning program. This resulted in a lack of documentation to substantiate how awards paid to education service cooperatives and other local education agencies were determined.

Strengthen internal controls, including documenting the processes of approving grant awards and the calculation of award amounts granted to education service cooperatives and other local education agencies.

The Agency did not maintain or did not receive documentation related to the monitoring of distance learning subrecipients. The Agency was unable to locate 18 end-of-year financial reports out of a sample of 28. End-of-year financial budget reports are submitted by education service cooperatives or other local education agencies. These reports are used to monitor grant expenditures and the carryover of grant funds from one fiscal year to the next.

Strengthen internal controls related to the monitoring of distance learning subrecipients by developing a system for recording when end-of-year budget reports are received as well as maintaining the reports for subsequent review.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	83	176	259	69 %
Black Employees	23	81	104	28 %
Other Racial Minorities	4	6	10	3 %
Total Minorities			114	31 %
Total Employees			373	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
Activity related to Arkansas Medicaid Administration Claiming Program	Act 318 of 2007	N	Y	6	Required by Law to the Chairs of the House and Senate Interim Committees on Public Health, Welfare, and Labor and the House Committee on Public Health, Welfare and Labor
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
ALE Status Report	A.C.A. §6-48-104 Act 1118 of 2011	N	Y	75	Required by Law to the Senate Interim Oversight Committee on Education and the House Interim Committee on Education
Annual Results of Statewide Assessment Program	A.C.A. §6-15-2101(a)(1)	N	N	450,000	Required by Law
Annual Statistical Report	HCR 58 of 1961	Y	N	700	Required by Resolution

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Arkansas Advisory Council for the Education of Gifted and Talented Children	A.C.A. §6-42-104(4)(a)	Y	Y	7	Required by law to the General Assembly, State Board of Education, the Commissioner and the news media
Arkansas Commission on Eye & Vision Care of School Age Children	Act 176 of 2011	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
Assessment of Educational Progress of Students from Districts Consolidated/Annexed under Act 60	A.C.A. §6-13-1606(d) - Act 1198 of 2005	Y	Y	105	Required by Law to the Governor, Chairs of the House and Senate Interim Committees on Education and the Secretary of Legislative Council
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
Best Financial Management Practices Review	A.C.A. §6-15-2301(k)(2)(A)	N	Y	58	Required by Law to the Arkansas Legislative Council
Changes in the calculation of state aid to public school districts	A.C.A. §10-3-1405(d)(2)	N	N	1	Required by Law to the Office of Economic & Tax Policy
Coordinated School Health Program Pamphlet	CDC, DASH	N	N	3,000	Distributed to school districts, community organizations and used at exhibits
Evaluation of the Pilot Program for Mobile Learning Technology in Public Schools	A.C.A. §6-19-124 (Act 827 of 2009)	N	Y	75	Required by Law to the House and Senate Committees on Education
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
Grade Inflation Report	A.C.A. §6-15-421 - Act 2197 of 2005	N	Y	130	Required by Law to the state board and 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		
Impact of National School Lunch students categorical funding provided under A.C.A. §6-20-2305(b)(4) on closing the achievement gap	A.C.A. §6-20-2305(b)(4) (Act 1369 of 2009)	N	Y	75	Required by Law to the House and Senate Committees on Education
Impending Layoff Report	A.C.A. §21-12-504(a)	N	N	60	Required by Law to the Arkansas Legislative Council & the Office of Personnel Management of the Division of Management Services of DFA
Individual Schools Annual Improvement & Performance Category Level Designations & Ratings	A.C.A. §6-15-2105(b)(1)	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
List of all contracts in excess of \$25,000 awarded to minority-owned businesses	A.C.A. §25-36-104(c)(1)	N	Y	58	Required by Law to the Arkansas Legislative Council
List of all financial accountability reports and due dates	A.C.A. §6-20-2202(e)(1)	N	N	310	Required by Law to school districts
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
On-Site Inspection Report	A.C.A. §6-21-813	N	N	10	Required by Law to the Commission for Public School Academic Facilities and Transportation
Position Vacancy Report	A.C.A. §19-4-609(1)(2) - Act 1686 of 2005	N	Y	1	Required by Law to the Bureau of Legislative Research
Progress Report on Equal Employment Hiring	A.C.A. §21-3-101(b)(1)	N	Y	58	Required by Law to the Arkansas Legislative Council
Progress Report on implementation of Pulaski County School Desegregation Case Settlement Agreement	A.C.A. §10-3-1504(c)	N	Y	75	Required by Law to the House & Senate Interim Committees on Education

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Public School and Public School District expenditures required by law	A.C.A. §6-20-2208	Y	Y	105	Required by law to the Governor, the Senate Interim Committee on Education and the House Interim Committee on Education
Public School Student Access to Postsecondary Preparatory Programs Reports	A.C.A. §6-16-601 A.C.A. §6-15-441	N	Y	75	Required by law to the House Committee on Education and the Senate Committee on Education
Pulaski County Desegregation Case Settlement Agreement and any future desegregation litigation involving the State of Arkansas	A.C.A. §10-3-1504(a)	N	Y	10	Required by Law to the Desegregation Litigation Oversight Subcommittee
Report on implementation and availability of Automatic External Defibrillators on each campus	A.C.A. §6-10-122 (Act 496 of 2009)	N	Y	6	Required by Law to the Senate and House Committees on Public Health, Welfare and Labor
Results of Required Examination	A.C.A. §6-15-404	N	N	1,000	Required by Law
Results of statewide assessment program which describe student achievement in the state, each school district, each school as well as the school performance category level	A.C.A. §6-15-2101(a)(1)	N	N	450,000	Required by Law
Review of Arkansas Academic Content Standards and Curriculum Frameworks	A.C.A. §6-15-1504(a) and (c)	N	N	10	Required by Law
Revision of Arkansas History Course Guidelines	A.C.A. §6-16-124(b)(2)	N	Y	75	Required by Law to the House and Senate Committees on Education
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(f)	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(i)(4)	N	N	310	Required report for school districts within counties to use in determining school choice options for students

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
School Choice Report	A.C.A. §6-18-227(f)	Y	Y	75	Required by Law to the State Board of Education, Governor and Arkansas Legislative Council
School Districts Textbook Requirements to include digital resources compliance report	A.C.A. §6-21-403(d)(2)	Y	Y	134	Required by law to the Governor, the Arkansas Legislative Council, the House and Senate
School Performance Reports	A.C.A. §6-15-1402 Act 1000 of 2011	N	N	450,000	Required by law to the House Committee on Education and the Senate Committee on Education
School's annual improvement and performance category level designations and ratings	A.C.A. §6-15-2105(b)(1)	N	N	450,000	Required by Law on ADE's Website and to parents and guardians of students K-12
Standards of Accreditation	A.C.A. §6-15-202(d)	N	Y	75	Required by Law to the House and Senate Interim Committees on Education
State of Academic Facilities Master Plan	A.C.A. §6-21-112(f)(15)(a)	Y	Y	100	Required by Law to the Governor, House and Senate Committees on Education and the Academic Facilities Oversight Commission
Status of Open-Enrollment Public Charter School Programs	A.C.A. §6-23-310	N	Y	135	Required by Law to the General Assembly each biennium and to the General Assembly and to the House and Senate Interim Committees on Education during the interim
Student Services Report	A.C.A. §6-18-1007	Y	N	50	Required by Law
Study of the Fairness of the Distribution of the Arkansas Academic Challenge Scholarships funded by net proceeds of the Arkansas Lottery conducted jointly by ADE, ADHE, and BLR	Act 1222 of 2011	Y	N	15	Required by law to the Arkansas Lottery Commission Legislative Oversight Committee.
Teacher Recruitment Publications	A.C.A. §6-17-310	N	N	100	Required by law

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
The state of the Division of Youth Services system of education	A.C.A. §9-28-205(f) (Act 972 of 2009)	N	Y	42	Required by Law to the House Committee on Aging, Children and Youth and Military Affairs and the Senate Committee on Children and Youth
The use of NSLA state categorical funding and the status of chronically underperforming schools	A.C.A. §6-15-2701 (Act 949 of 2009)	N	Y	75	Required by Law to the House and Senate Committees on Education

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1XY Fish/Wildlife Conservation	629,568	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
2DD Conference-Treasury	107,161	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
35U Pulaski County Deseg Case Costs	21,950	0	894,671	0	916,621	0	894,671	0	894,671	0	894,671	0	894,671	0	894,671	0	894,671	0
35V Vision Screening Program	0	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
435 Federal Grants Administration	1,132,667	7	697,568	7	765,142	7	708,032	7	708,032	7	708,032	7	708,032	7	708,032	7	708,032	7
4HF Medicaid Adm-Cash in Treasury	12,948,474	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	747,279	10	876,775	10	934,682	10	887,121	10	887,121	10	887,121	10	889,350	10	889,350	10	889,350	10
620 State Operations	21,214,616	240	22,972,844	257	24,007,159	261	22,901,245	251	23,571,122	258	23,571,122	258	22,910,682	251	23,580,559	258	23,580,559	258
630 Building Maintenance	18	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	620,421	1	13,095,306	1	13,132,210	1	13,096,377	1	13,096,377	1	13,096,377	1	13,096,502	1	13,096,502	1	13,096,502	1
637 Child Nutrition	159,625,483	19	167,638,012	19	167,603,971	19	167,607,725	19	167,657,725	19	167,657,725	19	167,607,725	19	167,657,725	19	167,657,725	19
650 Fed Elem & Sec Education	453,341,762	59	559,059,427	61	838,735,814	58	523,583,105	57	559,135,555	61	559,135,555	61	523,583,624	57	559,136,074	61	559,136,074	61
885 Multiple Grant Award Program	579,712	0	2,626,375	0	2,626,375	0	2,626,375	0	2,626,375	0	2,626,375	0	2,626,375	0	2,626,375	0	2,626,375	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	492,248	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0
NOT REQUESTED FOR THE BIENNIUM																		
56U Teacher Housing Development Foundation-Ope	46,511	0	0	0	219,098	1	0	0	0	0	0	0	0	0	0	0	0	0
Total	651,507,870	336	791,995,690	355	1,073,075,784	357	756,439,363	345	792,711,690	356	792,711,690	356	756,451,673	345	792,724,000	356	792,724,000	356

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	22,859,364	3.4	26,608,878	3.3			25,381,765	3.3	25,381,765	3.1	25,381,765	3.1	25,381,765	3.3	25,281,765	3.1	25,281,765	3.1
General Revenue	4000010	15,701,088	2.3	15,471,687	1.9			15,694,668	2.0	16,264,545	2.0	16,264,545	2.0	15,704,105	2.0	16,273,982	2.0	16,273,982	2.0
Federal Revenue	4000020	482,198,799	71.1	665,041,608	81.4			691,190,830	88.5	691,793,280	84.7	691,793,280	84.7	691,191,349	88.5	691,793,799	84.7	691,793,799	84.7
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	21,528,487	3.2	26,137,862	3.2			26,148,208	3.3	26,148,208	3.2	26,148,208	3.2	26,150,437	3.3	26,150,437	3.2	26,150,437	3.2
Trust Fund	4000050	1,333,802	0.2	13,595,306	1.7			13,596,377	1.7	13,596,377	1.7	13,596,377	1.7	13,596,502	1.7	13,596,502	1.7	13,596,502	1.7
Educational Adequacy Fund	4000210	6,391,870	0.9	6,266,222	0.8			6,266,222	0.8	6,266,222	0.8	6,266,222	0.8	6,266,222	0.8	6,266,222	0.8	6,266,222	0.8
Educational Excellence Fund	4000220	921,294	0.1	940,355	0.1			940,355	0.1	940,355	0.1	940,355	0.1	940,355	0.1	940,355	0.1	940,355	0.1
Federal Indirect Costs	4000240	1,132,667	0.2	697,568	0.1			708,032	0.1	708,032	0.1	708,032	0.1	708,032	0.1	708,032	0.1	708,032	0.1
Federal Funds-ARRA	4000244	130,768,446	19.3	61,655,831	7.5			0	0.0	35,000,000	4.3	35,000,000	4.3	0	0.0	35,000,000	4.3	35,000,000	4.3
Interest	4000300	282,095	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	6,514	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Adjustments	4000345	3,060	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

Funding Sources			%		%		%		%		%		%		%
Miscellaneous Transfers	4000355	0	0.0	(37,862)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer frm General Education	4000535	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Medicaid Match	4000660	(5,010,738)	(0.7)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		678,116,748	100.0	817,377,455	100.0	780,926,457	100.0	817,098,784	100.0	817,098,784	100.0	780,938,767	100.0	817,011,094	100.0
Excess Appropriation/(Funding)		(26,608,878)		(25,381,765)		(24,487,094)		(24,387,094)		(24,387,094)		(24,487,094)		(24,287,094)	
Grand Total		651,507,870		791,995,690		756,439,363		792,711,690		792,711,690		756,451,673		792,724,000	

Variances in fund balance due to unfunded appropriation in (620) State Operations and (35U) Pulaski County Deseg Case Cost.
Agency Change Level request includes ARRA appropriation and/or positions in (650) Fed Elem & Sec Education due to a temporary extension of ARRA funding from the federal granting agency.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
365	288	75	363	2	21.10 %	357	310	47	357	0	13.17 %	357	303	52	355	2	15.13 %

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 serve as the pass through agency for distributing the funds from the Commission to the counties.

The Base Level Request is \$800,000 each year of the 2013-2015 Biennium.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	629,568	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Total		629,568	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Funding Sources										
Fund Balance	4000005	11	0		0	0	0	0	0	0
Cash Fund	4000045	629,557	800,000		800,000	800,000	800,000	800,000	800,000	800,000
Total Funding		629,568	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		629,568	800,000		800,000	800,000	800,000	800,000	800,000	800,000

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 Base Level Request is \$475,000 for each year of the 2013-2015 Biennium.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	100,262	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	6,899	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
Total		107,161	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000
Funding Sources										
Fund Balance	4000005	588,465	657,725		657,725	657,725	657,725	657,725	657,725	657,725
Cash Fund	4000045	176,421	475,000		475,000	475,000	475,000	475,000	475,000	475,000
Total Funding		764,886	1,132,725		1,132,725	1,132,725	1,132,725	1,132,725	1,132,725	1,132,725
Excess Appropriation/(Funding)		(657,725)	(657,725)		(657,725)	(657,725)	(657,725)	(657,725)	(657,725)	(657,725)
Grand Total		107,161	475,000		475,000	475,000	475,000	475,000	475,000	475,000

Analysis of Budget Request

Appropriation: 35U - Pulaski County Deseg Case Costs

Funding Sources: EGA - Department of Education-State Operations

This program, established in Act 395 of 2007, allows for the Department of Education, in consultation with the Attorney General to have the authority to enter into agreements with the three (3) Pulaski County school districts to reimburse the school districts for legal fees incurred for seeking unitary status. To be eligible for possible reimbursement for legal fees, the school districts were to file motions seeking unitary status no later than October 30, 2007 and the school districts must be declared unitary or at least partially unitary by the federal district court no later than December 31, 2009 (A.C.A. 6-20-416).

Under no circumstance will any one (1) school district be able to receive reimbursement more than two hundred and fifty thousand dollars (\$250,000).

The Base Level Request is \$894,671 each year of the 2013-2015 Biennium.

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

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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Pulaski County Deseg Case Cost: 5900046	21,950	894,671	916,621	894,671	894,671	894,671	894,671	894,671	894,671
Total	21,950	894,671	916,621	894,671	894,671	894,671	894,671	894,671	894,671
Funding Sources									
Fund Balance 4000005	916,621	894,671		0	0	0	0	0	0
Total Funding	916,621	894,671		0	0	0	0	0	0
Excess Appropriation/(Funding)	(894,671)	0		894,671	894,671	894,671	894,671	894,671	894,671
Grand Total	21,950	894,671		894,671	894,671	894,671	894,671	894,671	894,671

Expenditure of appropriation is contingent upon available funding carried forward from the previous fiscal year.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2012 TO FISCAL YEAR 2013**

Agency: Education Department-General Education

Program: Pulaski County Deseg Case Costs

Act #: 1074 Section(s) #: 17 & 29

Estimated Carry Forward Amount \$ 896,972.00 Funding Source: General

Accounting Information:

Business Area: 0500 Funds Center: 35U Fund: EGA Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Section 27 of Act 246 of 2012 requires the Department of Education to utilize any unexpended balance of funds transferred to the Department of Education in the 2007-2009 biennium for the purpose of providing funds for the Pulaski County Desegregation Case Costs incurred by the Department of Education and the three (3) Pulaski County School Districts to comply with the provisions of Arkansas Code 6-20-415 and 6-20-416.

Actual Funding Carry Forward Amount \$ 894,671.49

Current status of carry forward funding:

These funds remain available for the Pulaski County Desegregation Case Costs incurred by the Department of Education and the three Pulaski County School Districts to comply with the provisions of Arkansas Code 6-20-416.

Dr. Tom W. Kimbrell
Commissioner of Education

08-24-2012
Date

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 Base Level Request is \$1,000,000 each year of the 2013-2015 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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Vision Screening and Care 5900046	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Funding Sources									
Fund Balance 4000005	5,508	5,508		5,508	5,508	5,508	5,508	5,508	5,508
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
Total Funding	5,508	1,005,508		1,005,508	1,005,508	1,005,508	1,005,508	1,005,508	1,005,508
Excess Appropriation/(Funding)	(5,508)	(5,508)		(5,508)	(5,508)	(5,508)	(5,508)	(5,508)	(5,508)
Grand Total	0	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.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$708,032 each year of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	442,376	439,200	486,605	439,200	439,200	439,200	439,200	439,200	439,200
#Positions		7	7	7	7	7	7	7	7	7
Personal Services Matching	5010003	125,168	128,726	148,895	139,190	139,190	139,190	139,190	139,190	139,190
Operating Expenses	5020002	12,209	49,970	49,970	49,970	49,970	49,970	49,970	49,970	49,970
Conference & Travel Expenses	5050009	1,556	19,672	19,672	19,672	19,672	19,672	19,672	19,672	19,672
Professional Fees	5060010	526,807	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	24,551	0	0	0	0	0	0	0	0
Total		1,132,667	697,568	765,142	708,032	708,032	708,032	708,032	708,032	708,032
Funding Sources										
Federal Indirect Costs	4000240	1,132,667	697,568		708,032	708,032	708,032	708,032	708,032	708,032
Total Funding		1,132,667	697,568		708,032	708,032	708,032	708,032	708,032	708,032
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,132,667	697,568		708,032	708,032	708,032	708,032	708,032	708,032

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.

The Base Level Request is \$15,000,000 each year of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
AR Medicaid Admin Claims	5900046	12,948,474	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		12,948,474	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Funding Sources										
Fund Balance	4000005	57,652	247,171		247,171	247,171	247,171	247,171	247,171	247,171
Cash Fund	4000045	13,137,993	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total Funding		13,195,645	15,247,171		15,247,171	15,247,171	15,247,171	15,247,171	15,247,171	15,247,171
Excess Appropriation/(Funding)		(247,171)	(247,171)		(247,171)	(247,171)	(247,171)	(247,171)	(247,171)	(247,171)
Grand Total		12,948,474	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 recommending 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.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$887,121 in FY14 and \$889,350 in FY15.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 56P - Professional Licensure Standards Board

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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	408,905	397,328	440,038	397,328	397,328	397,328	399,128	399,128	399,128
#Positions		10	10	10	10	10	10	10	10	10
Personal Services Matching	5010003	136,314	133,617	148,814	143,963	143,963	143,963	144,392	144,392	144,392
Operating Expenses	5020002	170,541	326,325	326,325	326,325	326,325	326,325	326,325	326,325	326,325
Conference & Travel Expenses	5050009	6,768	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	5060010	24,751	9,505	9,505	9,505	9,505	9,505	9,505	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
Total		747,279	876,775	934,682	887,121	887,121	887,121	889,350	889,350	889,350
Funding Sources										
Fund Balance	4000005	1,238,889	1,699,945		1,699,945	1,699,945	1,699,945	1,699,945	1,699,945	1,699,945
Cash Fund	4000045	1,208,335	876,775		887,121	887,121	887,121	889,350	889,350	889,350
Total Funding		2,447,224	2,576,720		2,587,066	2,587,066	2,587,066	2,589,295	2,589,295	2,589,295
Excess Appropriation/(Funding)		(1,699,945)	(1,699,945)		(1,699,945)	(1,699,945)	(1,699,945)	(1,699,945)	(1,699,945)	(1,699,945)
Grand Total		747,279	876,775		887,121	887,121	887,121	889,350	889,350	889,350

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.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

Base level includes appropriation of \$22,907,245 with \$15,694,668 in general revenue funding for FY14 and \$22,910,682 with \$15,704,105 in general revenue funding for FY15. Also base level includes two hundred and fifty one (251) regular positions and eight (8) extra help positions.

The Agency Change Level request for appropriation totaling \$669,877 each year of the biennium and general revenue funding totaling \$569,877 each year of the biennium includes the following:

- Regular Salaries and Personal Service Matching increase of \$569,877 in general revenue and appropriation in each year of the biennium for restoration of (6) six Pool Positions that were established by the authority of Section 26 of Act 1074 of 2012; and one (1) Pool Position that was established by the authority of ACA 21-5-225(b) of Act 688 of 2009 (central growth pool). This same authority requires that if the agency requests the continuation of Pool Positions in the next fiscal year, it must request the positions as new positions.
- Reclassification of (3) three positions to more accurately classify job duties, with no impact to appropriation or general revenue funding.
- Capital Outlay line item request of \$100,000 each year of the biennium for unforeseen capital outlay needs that may arise.

The Executive Recommendation provides for the Agency Request including \$569,877 in general revenue funding.

Appropriation Summary

Appropriation: 620 - State Operations

Funding Sources: EGA - Department of Education-State Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	13,073,700	13,848,848	14,571,285	13,542,488	13,995,258	13,995,258	13,549,688	14,002,458	14,002,458
	#Positions	240	257	261	251	258	258	251	258	258
Extra Help	5010001	9,102	14,998	14,998	14,998	14,998	14,998	14,998	14,998	14,998
	#Extra Help	3	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	4,103,467	4,217,456	4,429,334	4,452,217	4,569,324	4,569,324	4,454,454	4,571,561	4,571,561
Operating Expenses	5020002	2,825,644	3,479,443	3,479,443	3,479,443	3,479,443	3,479,443	3,479,443	3,479,443	3,479,443
Conference & Travel Expenses	5050009	67,802	206,530	206,530	206,530	206,530	206,530	206,530	206,530	206,530
Professional Fees	5060010	123,363	205,569	205,569	205,569	205,569	205,569	205,569	205,569	205,569
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	11,538	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
Total		21,214,616	22,972,844	24,007,159	22,901,245	23,571,122	23,571,122	22,910,682	23,580,559	23,580,559
Funding Sources										
Fund Balance	4000005	4,088,959	5,486,954		5,192,374	5,192,374	5,192,374	5,192,374	5,092,374	5,092,374
General Revenue	4000010	15,701,088	15,471,687		15,694,668	16,264,545	16,264,545	15,704,105	16,273,982	16,273,982
Educational Adequacy Fund	4000210	6,391,870	6,266,222		6,266,222	6,266,222	6,266,222	6,266,222	6,266,222	6,266,222
Educational Excellence Fund	4000220	921,294	940,355		940,355	940,355	940,355	940,355	940,355	940,355
M & R Sales	4000340	6,514	0		0	0	0	0	0	0
Miscellaneous Adjustments	4000345	3,060	0		0	0	0	0	0	0
Transfer frm General Education	4000535	(411,215)	0		0	0	0	0	0	0
Total Funding		26,701,570	28,165,218		28,093,619	28,663,496	28,663,496	28,103,056	28,572,933	28,572,933
Excess Appropriation/(Funding)		(5,486,954)	(5,192,374)		(5,192,374)	(5,092,374)	(5,092,374)	(5,192,374)	(4,992,374)	(4,992,374)
Grand Total		21,214,616	22,972,844		22,901,245	23,571,122	23,571,122	22,910,682	23,580,559	23,580,559

Change Level by Appropriation

Appropriation: 620 - State Operations
Funding Sources: EGA - Department of Education-State Operations

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	22,901,245	251	22,901,245	100.0	22,910,682	251	22,910,682	100.0
C05	Unfunded Appropriation	100,000	0	23,001,245	100.4	100,000	0	23,010,682	100.4
C06	Restore Position/Approp	569,877	7	23,571,122	102.9	569,877	7	23,580,559	102.9
C10	Reclass	0	0	23,571,122	102.9	0	0	23,580,559	102.9

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	22,901,245	251	22,901,245	100.0	22,910,682	251	22,910,682	100.0
C05	Unfunded Appropriation	100,000	0	23,001,245	100.4	100,000	0	23,010,682	100.4
C06	Restore Position/Approp	569,877	7	23,571,122	102.9	569,877	7	23,580,559	102.9
C10	Reclass	0	0	23,571,122	102.9	0	0	23,580,559	102.9

Justification

C05	The Department of Education is requesting unfunded appropriation of \$100,000 in each year of the 2013-2015 biennium for unforeseen Capital Outlay needs that may occur.
C06	The ADE requests restoration of six (6) Pool Positions that were established by the authority of Section 26 of Act 1074 of 2011; and one(1) Pool Position that was established by the authority of ACA 21-5-225 (b) of Act 688 of 2009 (central growth pool). This same authority requires that if the agency requests the continuation of Pool Positions in the next fiscal year, it must request the positions as new positions. The Pool Positions being requested to continue include: 1 U122U ADE Director of Information Systems position, Grade U122U; 2 E019C Public School Program Advisor positions, Grade C122; 1 G050C ADE APSCN Division Manager position, Grade C126; 1 G012C ADE Assistant to Commissioner position, Grade 129; and 1 G047C Attorney Specialist position, Grade C126. The ADE Director of Information Systems is needed to ensure successful completion of on-going and new information systems projects, compliance with state and federal mandates and a single point of contact responsible for ensuring continual improvement and satisfactory operation of the Department's information systems. The Public School Program Advisor positions are needed to help ensure that the ADE complies with the United States Department of Education guidelines regarding the monitoring of fiduciary responsibilities under Title I. The APSCN Division Manager is needed to carry out the responsibilities of the Family Educational Rights & Privacy Act (FERPA). The ADE Assistant to Commissioner position is needed to be a coordinator for the Council of Chief State School Officers (CCSSO) project and is the direct liaison between the Commissioner's Office and Learning Services with regard to what needs to be done for CCSSO. The Attorney Specialist position is needed to vastly improve the capacity of the Legal Service Office of the ADE to provide timely and accurate legal advice and counsel to the Department, the State Board of Education, and education stakeholders. The Central Growth Pool position being requested is: 1 N069N ADE Special Advisor, Grade N908: The ADE requests the restoration of this Pool Position from the central growth pool established by Arkansas Code 21-5-225 (b) of Act 688 of 2009. This position is needed in order to successfully implement the new educational assessment plan under the Partnership for Assessment of Readiness for College and Careers assessment system. The position will necessitate knowledge of the complexities of each assessment system, and the ADE has been unsuccessful in recruiting qualified applicants from school districts due to the salary limitations of existing (non-pool) positions.
C10	The Department of Education is requesting the reclassification of (3) three positions to more accurately classify job duties.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2012 TO FISCAL YEAR 2013**

Agency: Education Department-General Education

Program: State Operations

Act #: 1074 Section(s) #: 3 & 24

Estimated Carry Forward Amount \$ 4,954,667.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0500 Funds Center: 620 Fund: ega Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

These funds will be used to address unforeseen circumstances that may arise in the State Operations of the Department of Education in the 2013 fiscal year.

Actual Funding Carry Forward Amount \$ 5,486,954.32

Current status of carry forward funding:

Carry forward fund balances will be utilized for any unforeseen circumstances.

Dr. Tom W. Kimbrell
Commissioner of Education

09-07-2012
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 Base Level Request is \$500,000 each year of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request

Appropriation Summary

Appropriation: 630 - Building Maintenance

Funding Sources: TEB - Education Building Revolving Bond

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	18	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
Total	18	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources									
Fund Balance 4000005	3,423,809	4,016,075		4,016,075	4,016,075	4,016,075	4,016,075	4,016,075	4,016,075
Trust Fund 4000050	157,147	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Interest 4000300	23,922	0		0	0	0	0	0	0
Transfer frm General Education 4000535	411,215	0		0	0	0	0	0	0
Total Funding	4,016,093	4,516,075		4,516,075	4,516,075	4,516,075	4,516,075	4,516,075	4,516,075
Excess Appropriation/(Funding)	(4,016,075)	(4,016,075)		(4,016,075)	(4,016,075)	(4,016,075)	(4,016,075)	(4,016,075)	(4,016,075)
Grand Total	18	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 631 - Revolving Loan Certification

Funding Sources: TEM - Education Revolving Loan Certificates Fund

The Revolving Loan 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.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level Request is \$13,096,377 in FY14 and \$13,096,502 in FY15.

The Executive Recommendation provides for the 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	44,637	41,548	67,936	41,548	41,548	41,548	41,648	41,648	41,648
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	14,458	13,758	24,274	14,829	14,829	14,829	14,854	14,854	14,854
Operating Expenses	5020002	2,755	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	558,571	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
Total		620,421	13,095,306	13,132,210	13,096,377	13,096,377	13,096,377	13,096,502	13,096,502	13,096,502
Funding Sources										
Fund Balance	4000005	8,321,438	9,135,845		9,135,845	9,135,845	9,135,845	9,135,845	9,135,845	9,135,845
Trust Fund	4000050	1,176,655	13,095,306		13,096,377	13,096,377	13,096,377	13,096,502	13,096,502	13,096,502
Interest	4000300	258,173	0		0	0	0	0	0	0
Total Funding		9,756,266	22,231,151		22,232,222	22,232,222	22,232,222	22,232,347	22,232,347	22,232,347
Excess Appropriation/(Funding)		(9,135,845)	(9,135,845)		(9,135,845)	(9,135,845)	(9,135,845)	(9,135,845)	(9,135,845)	(9,135,845)
Grand Total		620,421	13,095,306		13,096,377	13,096,377	13,096,377	13,096,502	13,096,502	13,096,502

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.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level appropriation totals \$167,607,725 each year of the 2013-2015 Biennium with nineteen (19) regular positions.

The Agency Change Level request for Capital Outlay line item appropriation totaling \$50,000 each year of the biennium for unforeseen capital outlay needs of the Child Nutrition program that may arise.

The Executive Recommendation provides for the 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		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	885,178	419,518	419,518	418,321	418,321	418,321	418,321	418,321	418,321
#Positions		19	9	9	9	9	9	9	9	9
Personal Services Matching	5010003	275,826	134,903	134,903	145,667	145,667	145,667	145,667	145,667	145,667
Operating Expenses	5020002	451,830	298,900	298,900	298,900	298,900	298,900	298,900	298,900	298,900
Conference & Travel Expenses	5050009	14,070	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500
Professional Fees	5060010	0	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	35,010,427	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Refunds/Reimbursements	5110014	130,755	399,600	399,600	399,600	399,600	399,600	399,600	399,600	399,600
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		36,768,086	2,900,421	2,900,421	2,909,988	2,909,988	2,909,988	2,909,988	2,909,988	2,909,988

Funding Sources										
Federal Revenue	4000020	159,625,483	167,638,012		167,607,725	167,657,725	167,657,725	167,607,725	167,657,725	167,657,725
Total Funding		159,625,483	167,638,012		167,607,725	167,657,725	167,657,725	167,607,725	167,657,725	167,657,725
Excess Appropriation/(Funding)		(122,857,397)	(164,737,591)		(164,697,737)	(164,747,737)	(164,747,737)	(164,697,737)	(164,747,737)	(164,747,737)
Grand Total		36,768,086	2,900,421		2,909,988	2,909,988	2,909,988	2,909,988	2,909,988	2,909,988

FY13 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2011-2013 biennium.

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.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level appropriation totals \$523,583,105 in FY14 and \$523,583,624 in FY15 with fifty seven (57) regular positions and four (4) extra help positions.

The Agency Change Level request for appropriation totaling \$35,552,450 each year of the biennium includes the following:

- Regular Salaries and Personal Service Matching increase of \$352,450 for each year of the biennium for the restoration of (4) four Pool Positions that were established by the authority of Section 27 of Act 1074 of 2011.
- Capital Outlay line item request of \$200,000 each year of the biennium for unforeseen Capital Outlay needs of the Federal Elementary and Secondary Education programs.
- ARRA of 2009 line item request of \$35,000,000 each year of the biennium due to an extension of time for expending ARRA grant funds. The funds must be obligated by September 30, 2013.

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	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,143,830	1,325,177	1,591,169	1,392,643	1,591,300	1,591,300	1,392,681	1,591,338	1,591,338
#Positions	47	30	28	27	30	30	27	30	30
Extra Help 5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help	0	3	3	3	3	3	3	3	3
Personal Services Matching 5010003	691,457	410,839	487,678	464,576	526,715	526,715	464,611	526,750	526,750
Operating Expenses 5020002	1,847,537	1,232,500	1,232,500	1,232,500	1,232,500	1,232,500	1,232,500	1,232,500	1,232,500
Conference & Travel Expenses 5050009	87,931	416,960	416,960	416,960	416,960	416,960	416,960	416,960	416,960
Professional Fees 5060010	2,583,534	4,808,119	4,808,119	4,808,119	4,808,119	4,808,119	4,808,119	4,808,119	4,808,119
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	104,193,430	89,192,009	89,192,009	89,192,009	89,192,009	89,192,009	89,192,009	89,192,009	89,192,009
Refunds/Reimbursements 5110014	813,021	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	44,192	200,000	200,000	0	200,000	200,000	0	200,000	200,000
ARRA of 2009 5900052	106,086,078	35,342,831	314,600,000	0	35,000,000	35,000,000	0	35,000,000	35,000,000
Total	218,491,010	134,048,435	413,648,435	98,626,807	134,087,603	134,087,603	98,626,880	134,087,676	134,087,676
Funding Sources									
Federal Revenue 4000020	322,573,316	497,403,596		523,583,105	524,135,555	524,135,555	523,583,624	524,136,074	524,136,074
Federal Funds-ARRA 4000244	130,768,446	61,655,831		0	35,000,000	35,000,000	0	35,000,000	35,000,000
Total Funding	453,341,762	559,059,427		523,583,105	559,135,555	559,135,555	523,583,624	559,136,074	559,136,074
Excess Appropriation/(Funding)	(234,850,752)	(425,010,992)		(424,956,298)	(425,047,952)	(425,047,952)	(424,956,744)	(425,048,398)	(425,048,398)
Grand Total	218,491,010	134,048,435		98,626,807	134,087,603	134,087,603	98,626,880	134,087,676	134,087,676

Agency Change Level request includes ARRA appropriation and/or positions in ARRA of 2009 due to a temporary extension of ARRA funding from the federal granting agency.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	98,626,807	27	98,626,807	100.0	98,626,880	27	98,626,880	100.0
C01	Existing Program	200,000	0	98,826,807	100.2	200,000	0	98,826,880	100.2
C06	Restore Position/Approp	260,796	3	99,087,603	100.5	260,796	3	99,087,676	100.5
C16	ARRA	35,000,000	0	134,087,603	136.0	35,000,000	0	134,087,676	136.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	98,626,807	27	98,626,807	100.0	98,626,880	27	98,626,880	100.0
C01	Existing Program	200,000	0	98,826,807	100.2	200,000	0	98,826,880	100.2
C06	Restore Position/Approp	260,796	3	99,087,603	100.5	260,796	3	99,087,676	100.5
C16	ARRA	35,000,000	0	134,087,603	136.0	35,000,000	0	134,087,676	136.0

Justification

C01	The Department of Education is requesting federally funded appropriation of \$200,000 each year for unforeseen Capital Outlay needs of the Federal Elementary and Secondary Education programs that may occur in the 2013-2015 biennium.
C06	The ADE requests the restoration of (4) Pool Positions that were established by the authority of Section 26 of Act 1074 of 2011. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must be requested as a new position. The Pool Positions being requested to continue include: 2 E06C Public School Program Managers, Grade C126; and 2 B012C ADE Assistant to the Commissioner positions, Grade C129. The Public School Program Advisors are needed to manage the Partnership for Assessment of Readiness for College and Careers (PARCC) grant, and to provide leadership for and monitor Special Education programming and services to ensure quality and compliance with state and federal policies. The ADE Assistant to the Commissioner positions are needed to assist the Director of Federal Programs in duties related to implementing the requirements of the multi-million dollar 1003(g) SIG throughout the life of the grant.
C16	The Department of Education has received an extension of time for expending ARRA grant funds. The funds must be obligated by September 30, 2013.

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 Base Level Request is \$2,626,375 each year of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	90,134	122,000	122,000	122,000	122,000	122,000	122,000	122,000	122,000
Conference & Travel Expenses	5050009	12,809	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500
Professional Fees	5060010	112,789	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	363,980	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	0	0	0	0	0
Total		579,712	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375
Funding Sources										
Fund Balance	4000005	3,082,989	3,371,071		3,371,071	3,371,071	3,371,071	3,371,071	3,371,071	3,371,071
Cash Fund	4000045	867,794	2,626,375		2,626,375	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375
Total Funding		3,950,783	5,997,446		5,997,446	5,997,446	5,997,446	5,997,446	5,997,446	5,997,446
Excess Appropriation/(Funding)		(3,371,071)	(3,371,071)		(3,371,071)	(3,371,071)	(3,371,071)	(3,371,071)	(3,371,071)	(3,371,071)
Grand Total		579,712	2,626,375		2,626,375	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375

Analysis of Budget Request

Appropriation: 893 - Medicaid Reimbursement

Funding Sources: NED - Cash in Treasury

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

The Base Level Request is \$5,010,500 each year of the 2013-2015 Biennium.

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

Appropriation Summary

Appropriation: 893 - Medicaid Reimbursement

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	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
Total	0	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500
Funding Sources									
Fund Balance 4000005	7,988	9,795		9,795	9,795	9,795	9,795	9,795	9,795
Cash Fund 4000045	5,012,545	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	(5,010,738)	0		0	0	0	0	0	0
Total Funding	9,795	5,020,295		5,020,295	5,020,295	5,020,295	5,020,295	5,020,295	5,020,295
Excess Appropriation/(Funding)	(9,795)	(9,795)		(9,795)	(9,795)	(9,795)	(9,795)	(9,795)	(9,795)
Grand Total	0	5,010,500		5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500

Analysis of Budget Request

Appropriation: 899 - Alternative Certification Program

Funding Sources: NED - Cash in Treasury

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

The Base Level Request is \$1,349,212 each year of the 2013-2015 Biennium.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	126,602	515,292	515,292	515,292	515,292	515,292	515,292	515,292	515,292
Conference & Travel Expenses	5050009	3,398	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Professional Fees	5060010	90,452	125,420	125,420	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	271,796	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		492,248	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212
Funding Sources										
Fund Balance	4000005	1,043,476	1,046,256		1,046,256	1,046,256	1,046,256	1,046,256	1,046,256	1,046,256
Cash Fund	4000045	495,028	1,349,212		1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212
Total Funding		1,538,504	2,395,468		2,395,468	2,395,468	2,395,468	2,395,468	2,395,468	2,395,468
Excess Appropriation/(Funding)		(1,046,256)	(1,046,256)		(1,046,256)	(1,046,256)	(1,046,256)	(1,046,256)	(1,046,256)	(1,046,256)
Grand Total		492,248	1,349,212		1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212

Appropriation Summary

Appropriation: 56U - Teacher Housing Development Foundation-Operations

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		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	65,000	0	0	0	0	0	0
#Positions	0	0	1	0	0	0	0	0	0
Personal Services Matching 5010003	0	0	19,098	0	0	0	0	0	0
Operating Expenses 5020002	2,411	0	25,000	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	10,000	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	44,100	0	100,000	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	46,511	0	219,098	0	0	0	0	0	0
Funding Sources									
Fund Balance 4000005	83,559	37,862		0	0	0	0	0	0
Cash Fund 4000045	814	0		0	0	0	0	0	0
Miscellaneous Transfers 4000355	0	(37,862)		0	0	0	0	0	0
Total Funding	84,373	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	(37,862)	0		0	0	0	0	0	0
Grand Total	46,511	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2013-2015 BIENNIUM.

DOE - Public School Academic Facilities & Transportation

Enabling Laws

Act 142 of 2012

Act 928 of 2011

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:

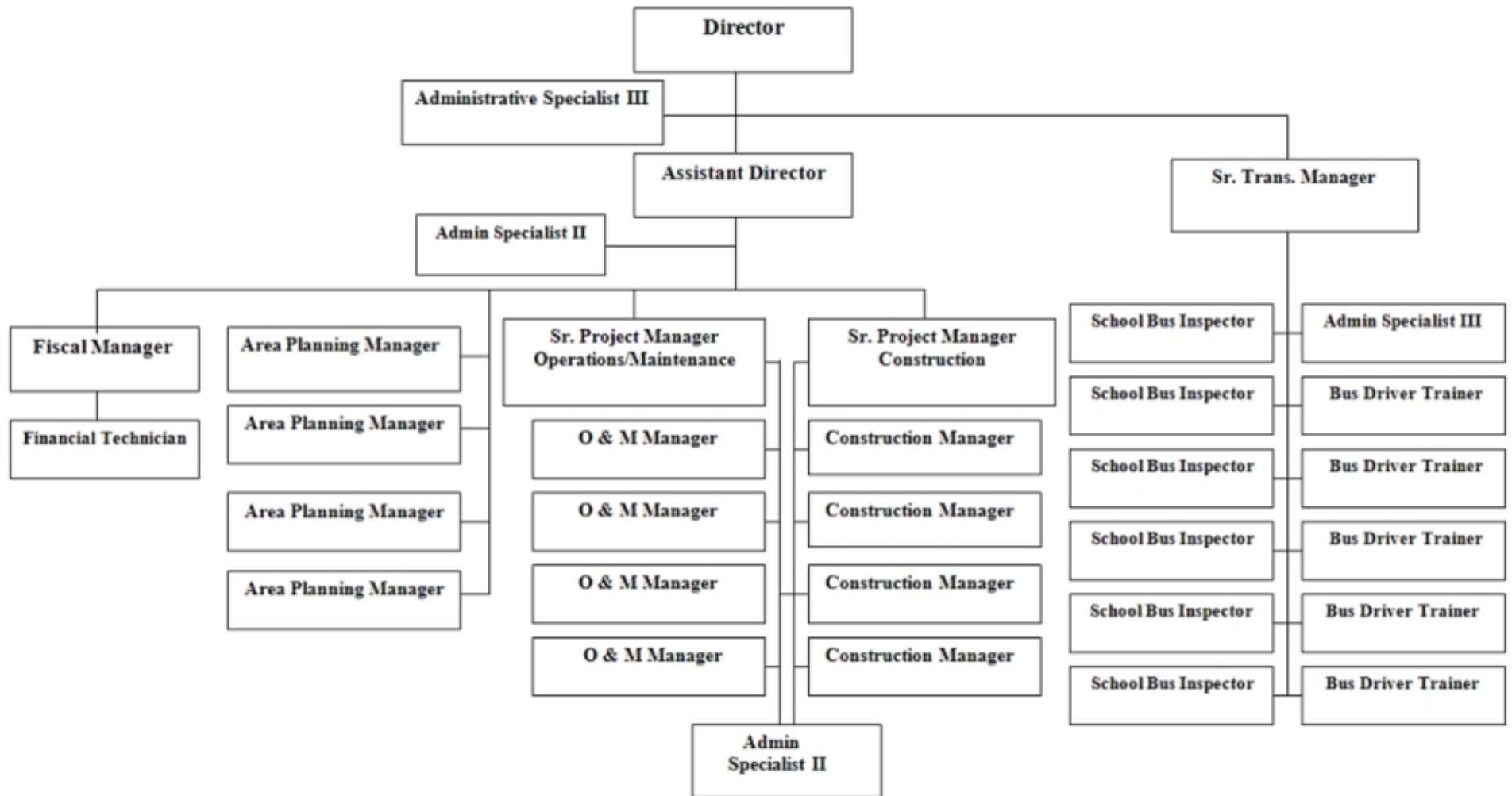
The Division's mission is to direct those activities, under the authorities given to it by law, to assist in ensuring that substantially equal access to adequate educational facilities and educational equipment is provided for all public school students in Arkansas. The Division performs the following 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 inspection 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.



Agency Commentary

AGENCY COMMENTARY DIVISION OF ACADEMIC FACILITIES AND TRANSPORTATION 2013-2015 BIENNIAL BUDGET REQUEST

PUBLIC SCHOOL ACADEMIC FACILITIES (2WB)

This program provides financial assistance to school districts for construction projects and transportation needs. The Change Level request is to provide restoration of a Pool Position that was established by the authority of Section 27 of Act 126 of 2011. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must request the position as a new position. The Pool Position established is G090C ADE Area Project Manager, Grade C123. The position is needed to provide additional technical supervision to the ten school bus driver trainers and school bus inspectors in the Division's Transportation Unit.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	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	2,391,474	32	2,479,274	32	2,632,032	33	2,459,734	31	2,518,178	32	2,518,178	32	2,459,734	31	2,518,178	32	2,518,178	32
2ZP Academic Facilities Partnership	93,302,830	0	150,000,000	0	150,000,000	0	150,000,000	0	150,000,000	0	150,000,000	0	150,000,000	0	150,000,000	0	150,000,000	0
4HQ Academic Facilities Catastrophic	114,178	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	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	0	0	0	0	0	0	0	0	0	0
54Y Academic Facilities High Growth	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	95,808,482	32	155,990,812	32	156,143,570	33	155,971,272	31	156,029,716	32	156,029,716	32	155,971,272	31	156,029,716	32	156,029,716	32

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	226,217,053	79.5	188,799,656	75.2	94,965,800	59.6	94,965,800	59.5	94,965,800	59.5	3,462,424	4.9	3,462,424	4.9	3,462,424	4.9
Ed Fac Prtnrsh Fund Trnsfr	4000057	(2,000,000)	(0.7)	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	2,391,474	0.8	2,479,274	1.0	2,459,734	1.5	2,518,178	1.6	2,518,178	1.6	2,459,734	3.5	2,518,178	3.6	2,518,178	3.6
Educ Fac Partnership Fund	4000217	35,345,364	12.4	34,828,951	13.9	34,828,951	21.8	34,828,951	21.8	34,828,951	21.8	34,828,951	49.6	34,828,951	49.6	34,828,951	49.6
Trnfr frm DOE Pub School Fund	4000525	22,654,247	8.0	24,848,731	9.9	27,179,211	17.0	27,179,211	17.0	27,179,211	17.0	29,441,693	41.9	29,441,693	41.9	29,441,693	41.9
Total Funds		284,608,138	100.0	250,956,612	100.0	159,433,696	100.0	159,492,140	100.0	159,492,140	100.0	70,192,802	100.0	70,251,246	100.0	70,251,246	100.0
Excess Appropriation/(Funding)		(188,799,656)		(94,965,800)		(3,462,424)		(3,462,424)		(3,462,424)		85,778,470		85,778,470		85,778,470	
Grand Total		95,808,482		155,990,812		155,971,272		156,029,716		156,029,716		155,971,272		156,029,716		156,029,716	

ECP-Extraordinary Circumstances Program

Transfer is from unexpended balances in Debt Services Funding, General Facilities Funding and Supplemental Millage Incentive Funding.

Academic Facilities ECP, Academic Facilities High Growth, and Academic Equipment are to continue, but without appropriation. If there is need for these programs, appropriation will be reallocated by utilizing the Dept. of Education's reallocation special language.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
33	29	3	32	1	12.12 %	33	30	2	32	1	9.09 %	33	31	1	32	1	6.06 %

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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level appropriation and general revenue funding totals \$2,459,734 each year of the 2013-2015 Biennium in with thirty-one (31) regular positions and five (5) extra help positions.

The Agency Change Level request is for an increase in appropriation and general revenue funding in Regular Salaries and Personal Services Matching totaling \$58,444 in each year of the biennium. This request is to restore a Pool Position that was established in FY12 by the authority of Section 26 of Act 1074 of 2011.

The Executive Recommendation provides for the Agency Request.

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	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,485,616	1,462,739	1,581,603	1,421,112	1,464,329	1,464,329	1,421,112	1,464,329	1,464,329
#Positions	32	32	33	31	32	32	31	32	32
Extra Help 5010001	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
#Extra Help	0	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	475,131	469,564	503,458	491,651	506,878	506,878	491,651	506,878	506,878
Operating Expenses 5020002	265,301	323,321	323,321	323,321	323,321	323,321	323,321	323,321	323,321
Conference & Travel Expenses 5050009	9,246	13,650	13,650	13,650	13,650	13,650	13,650	13,650	13,650
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
Safety Training 5900046	156,180	207,500	207,500	207,500	207,500	207,500	207,500	207,500	207,500
Total	2,391,474	2,479,274	2,632,032	2,459,734	2,518,178	2,518,178	2,459,734	2,518,178	2,518,178
Funding Sources									
Div of Acad Fac & Trnsp Fund 4000193	2,391,474	2,479,274		2,459,734	2,518,178	2,518,178	2,459,734	2,518,178	2,518,178
Total Funding	2,391,474	2,479,274		2,459,734	2,518,178	2,518,178	2,459,734	2,518,178	2,518,178
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,391,474	2,479,274		2,459,734	2,518,178	2,518,178	2,459,734	2,518,178	2,518,178

Change Level by Appropriation

Appropriation: 2WB - Public School Academic Facilities

Funding Sources: EFT - Division of Academic Facilities and Transportation Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	2,459,734	31	2,459,734	100.0	2,459,734	31	2,459,734	100.0
C06	Restore Position/Approp	58,444	1	2,518,178	102.4	58,444	1	2,518,178	102.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	2,459,734	31	2,459,734	100.0	2,459,734	31	2,459,734	100.0
C06	Restore Position/Approp	58,444	1	2,518,178	102.4	58,444	1	2,518,178	102.4

Justification

C06	The ADE requests restoration of a Pool Position that was established by the authority of Section 26 of Act 1074 of 2011. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must request the position as a new position. The Pool Position established is G090C ADE Area Project Manager, Grade C123. The position is needed to provide additional technical supervision to the ten school bus driver trainers and school bus inspectors in the Division's Transportation Unit.
-----	---

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. Additionally, the Academic Facilities High Growth line item was added during the 2009-2011 Biennium.

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 Agency requests Base Level of \$150,000,000 each year of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Academic Facilities Partnership 5100004	93,302,830	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
Academic Facilities ECP 5900046	0	0	0	0	0	0	0	0	0
Academic Facilities High Growth 5900046	0	0	0	0	0	0	0	0	0
Academic Equipment 5900046	0	0	0	0	0	0	0	0	0
Academic Facilities Catastrophic 5900046	114,178	3,511,538	3,511,538	3,511,538	3,511,538	3,511,538	3,511,538	3,511,538	3,511,538
Total	93,417,008	153,511,538	153,511,538	153,511,538	153,511,538	153,511,538	153,511,538	153,511,538	153,511,538
Funding Sources									
Fund Balance 4000005	226,217,053	188,799,656		94,965,800	94,965,800	94,965,800	3,462,424	3,462,424	3,462,424
Ed Fac Prtnrshp Fund Trnsfr 4000057	(2,000,000)	0		0	0	0	0	0	0
Educ Fac Partnership Fund 4000217	35,345,364	34,828,951		34,828,951	34,828,951	34,828,951	34,828,951	34,828,951	34,828,951
Trnfr frm DOE Pub School Fund 4000525	22,654,247	24,848,731		27,179,211	27,179,211	27,179,211	29,441,693	29,441,693	29,441,693
Total Funding	282,216,664	248,477,338		156,973,962	156,973,962	156,973,962	67,733,068	67,733,068	67,733,068
Excess Appropriation/(Funding)	(188,799,656)	(94,965,800)		(3,462,424)	(3,462,424)	(3,462,424)	85,778,470	85,778,470	85,778,470
Grand Total	93,417,008	153,511,538		153,511,538	153,511,538	153,511,538	153,511,538	153,511,538	153,511,538

ECP-Extraordinary Circumstances Program

Transfer is from unexpended balances in Debt Services Funding, General Facilities Funding and Supplemental Millage Incentive Funding.

Academic Facilities ECP, Academic Facilities High Growth, and Academic Equipment are to continue, but without appropriation. If there is need for these programs, appropriation will be reallocated by utilizing the Dept. of Education's reallocation special language.

DOE - Public School Fund

Enabling Laws

Act 1075 of 2011 (PSF)
Act 269 of 2012 (PSF)
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 1.

Agency Commentary

AGENCY COMMENTARY PUBLIC SCHOOL FUND 2013-2015 BIENNIAL BUDGET REQUEST

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

EDUCATION RENEWAL ZONES (2HY)

The Arkansas Education Renewal Zones (ERZ) was a state initiative to identify and implement educational and management strategies to improve public school performance and student academic achievement. Through this initiative, regionalized ERZs provided for collaboration

among Arkansas's schools, especially smaller schools, while helping to concentrate and coordinate resources of institutions of higher education, regional education service cooperatives and other service providers. The universities were able to use existing fund balances from their 2010-11 budgets to cover 2012 expenditures not included in grant allocations. These fund balances did not exist at the end of FY12, so the universities need the funding restored for FY13 and beyond (\$17,450).

SCHOOL FOOD SERVICES (447)

This program, combined with the Surplus Commodities program, provided the State match for the total school food program in local schools. These grants are paid to school districts at a rate based on the number of lunches served. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,650,000).

SERIOUS OFFENDER PROGRAM (566)

The Department of Education established the Juvenile Treatment Centers Program (formerly Serious Offender Program) through a Memorandum of Understanding with the Department of Human Services, Division of Youth Services (DYS). The current program has been in effect since 1996 for the purpose of generating educational funds for the DHS Juvenile Treatment Centers Program (JTC). School districts were provided state funds based on the number of JTC participants in their districts. School districts in turn paid the JTC providers in their districts. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$665,913).

SPECIAL EDUCATION SERVICES (668)

This program provides (1) funding to support the provision of Extended School Year (ESY) services to eligible students with disabilities in need of such services, (2) special education services to children with disabilities who are wards of the State placed by the Department of Human Services (DHS) in out-of-state therapeutic treatment programs, and (3) funds to support the payment of salaries to special education supervisors. For the 2012-13 school year, funding is provided to school districts to support the salaries of special education supervisors based on the Average Daily Membership of the first three quarters of the previous year. In addition, funding is provided to school districts and education service cooperatives for ESY services. The Change Level is requested to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,657,242).

COOPERATIVE EDUCATION TECHNOLOGY CENTERS OPERATIONS (434)

This program funds the Educational Service Cooperatives Technology Coordinators. The Change Level request is to restore funding and appropriation for Educational Service Cooperatives Technology Coordinators based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,200,000).

SCHOOL WORKER DEFENSE (458)

This program provides protection against civil liability, attorney's fees, and costs of defense for acts or omissions of each employee or volunteer in the performance of his or her duties as a volunteer or his or her official duties as a school employee. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$390,000).

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 \$15,623,079 in each year of the 2013-2015 biennium. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,274,841 per year of the biennium).

ASSESSMENT/END OF LEVEL TESTING (459)

This program funded grants to develop and implement alternative assessments required by the Elementary and Secondary Education Act, End-of-Course Exams, and Augmented Benchmark Exams. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,973,672).

INTERVENTION BLOCK GRANTS (565)

Local school districts, education service cooperatives, institutions of higher education, and other organizations were eligible to apply for an intervention block grant. These grants were used to encourage parental involvement through the following four (4) student competitions: Arkansas Governor's Quiz Bowl, State History Day Competition, Creativity in Arkansas and Arkansas Destination Imagination. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$75,000).

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 Specialist. In addition, funding in the amount of approximately \$890,000 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 \$2,500 is sent to AGATE and \$1000 is sent to AAGEA. The Base Level for this general revenue funded appropriation is \$1,085,381 in each year of the 2013-2015 biennium. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$250,000).

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 \$15,188,254 in each year of the 2013-2015 biennium. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,156,833).

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. In light of the recently approved flexibility waiver from the U.S. Department of Education, funds are needed to support the lowest achieving schools in Arkansas. The Base Level request for this program is \$8,457,160 in each year of the 2013-15 biennium. The Change Level request is for general revenue funded appropriation of \$2,209,143 in FY14 and \$2,209,143 in FY15. The request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process and that were funded in FY13 from fund balances.

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 \$305 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. § 6-20-2305 (2012) states that beginning with the 2012-2013 school year English Language Learners funding shall be \$305 for each identified English Language learner. The Base Level for the general revenue funded appropriation is \$12,162,924 in each year of the 2011-13 biennium. The Change Level request is for funding and appropriation for an additional \$655,751 in FY14 and \$1,351,761 in FY15. The Base Level number of ELL students is 37,485. FY14 growth is projected at 5.74%, for an increase in student enrollment by 2,150 students X rate of \$305 = \$655,751 needed for FY14 growth. FY15 growth is projected at 5.76%, for an increase in student enrollment by 2,282 students X rate of \$305 = \$1,351,761 needed for FY15 growth. Growth rate is projected based on the average rate of growth over the past three years.

CONSOLIDATION INCENTIVE (421)

These funds are paid to each school district that was administratively consolidated or annexed by the State Board of Education pursuant to Ark. Code Ann. § 6-11-105, § 6-13-1401 and applicable rules of the State Board of Education. One hundred percent (100%) of the incentive allowance is added to the school district's aid in the first year of consolidation/annexation. In the second year of consolidation/annexation, the district receives fifty percent (50%) of the consolidation/annexation incentive funding granted the previous year. The Change Level request is to provide funding and appropriation for a projection of two consolidations per year of the biennium. 600 ADM for two consolidations X SFF of \$6,267 = \$3,760,200 for FY14. \$3,760,200 for two additional consolidations in FY15 plus \$3,760,200/2 for second year of FY14 consolidations = \$5,640,300.

ALTERNATIVE LEARNING (311)

School districts were required to provide an alternative learning environment (ALE) for students who demonstrated an inability to function in the standard learning environment. The ALE program provided educational programs to eligible students in alternative classroom settings, as well as additional services to meet the needs of this group of at-risk students. The Department of Education calculated ALE funds in the 2012-13 school year by multiplying \$4,228 by the number of identified ALE students enrolled during the previous school year. This is an increase of \$83 per student from the FY11-12 school year. The Change Level request is to provide funding and appropriation for the growth in the number of students in the program, for a total requested increase of \$2,331,187 each year of the biennium. Growth rate is projected based on the average rate of growth over the past three years.

MASTER PRINCIPAL BONUS (2ZM)

Pursuant to A.C.A. §6-17-1604, the ADE pays a high-need school salary bonus of \$25,000 for every school year for no more than five (5) years to any building-level principal who: Receives a master school principal designation from the Arkansas Leadership Academy; and is, at the time of receiving the bonus, employed full time as a building-level principal in an Arkansas public school district that is or was in school-improvement status or academic distress. The high-need school salary bonus is \$20,000 per year. The Change Level is requested to provide funding and appropriation for program growth in FY14 and FY15. It is projected that more principals will enter the program, and some may go to high needs school districts which will necessitate additional funds.

SPECIAL EDUCATION - CATASTROPHIC OCCURRENCES (091)

This program assisted districts with special education students who required extraordinary support services such as full-time registered nurses or elaborate assistive technology. The special education and related services required by these individual students were unduly expensive, extraordinary or beyond the routine costs associated with special education. Reimbursements from this program could be sought after eligible costs for the child equaled or exceeded \$15,000, and only after Medicaid, federal Title VI-B and available third-party funding was applied to the catastrophic occurrence. The Change Level is to provide funding and appropriation for program growth at a rate of 84 students, with an average amount funded per student of \$22,633; for a total increase of \$1,900,000 each year of the biennium. Growth rate is projected based on the average rate of growth over the past three years.

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 \$780,000 for the delivery of surplus commodities to the school districts. The Base Level for this general revenue funded appropriation is \$780,000 each year of the 2013-2015 biennium. The Change Level is to provide general revenue funded appropriation to maintain the program at its current operating level. This program was supplemented by one-time funding from DHS in FY11 and ADE fund balances covered the shortfall in FY12 and FY13. A funded appropriation increase of \$569,810 is requested in order to maintain the current operating level for each year of the biennium. DHS has indicated that without additional funds from ADE they can't continue to administer the program.

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 2013-2015 biennium. The Change Level is to provide funding and appropriation for the increase of participants in the program that the ADE has covered with fund balances in FY13, in the amount of \$3,447,189 for FY14 and \$4,457,407 for FY15.

PROFESSIONAL DEVELOPMENT FUNDING (2HS)

This is a formula driven program that provides \$52 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 19 of Act 269 of 2012 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 \$24,170,187 in each year of the 2013-15 biennium. The Change Level request is to provide funding and appropriation for an additional \$38,050 in FY14 and \$76,100 in FY15. This request assumes no increase in the per ADM funding rate of \$52; but it does provide for FY14 and FY15 projected ADM growth in charter schools. Growth rate is projected based on the average rate of growth over the past three years.

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 \$1,549, those with greater than 70% and less than 90% will receive \$1,033 and those with less than 70% will receive \$517 per NSLA student identified in the previous year. The Base Level for the general revenue funded appropriation is \$187,235,597 in each year of the 2013-15 biennium. The Change Level request is for funding and appropriation for an additional \$9,091,762 in FY14 and \$9,144,827 in FY15. Growth rate is projected based on the average rate of growth over the past two years; plus projected transitional funding for school districts that experience either an increase or a decrease in the amount of national school lunch state categorical funding per student, pursuant to A.C.A. §6-20-2305.

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 \$9,106,160 in each year of the 2009-11 biennium. Funding consists of \$8,196,160 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 to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$2,910,000); and additional general revenue to provide for continued expansion of participating teachers in FY14 (\$1,500,000) and FY15 (\$3,000,000). Expansion is projected to be 300 additional teachers to be added each year of the biennium (300 in FY14; 600 in FY15). Growth rate is projected based on the average rate of growth over the past three years.

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 \$5,597,675 in each year of the 2013-2015 biennium. The Change Level request is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$427,124 each year); and to provide funding and appropriation for growth: FY14 growth is one new instructor at the Pine Bluff unit in FY14 (\$50,000) plus a 3% COLA (\$146,093) for a FY14 total growth request of \$196,093; FY15 growth is two new instructors at the Pine Bluff unit (\$100,000), plus a 3% COLA (\$151,976), plus the cost of GED computerized test (\$120,000) for a FY15 total growth request of \$371,976.

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 \$22,769,603. The Change Level request is for unfunded appropriation of \$200,000 each year for unforeseen Capital Outlay needs of the Arkansas Public School Computer Network (APSCN) that may occur in the 2013-2015 biennium.

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 2013-2015 biennium.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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	10,666,303	0	8,457,160	0	10,666,303	0	8,457,160	0	10,666,303	0	10,666,303	0	8,457,160	0	10,666,303	0	10,666,303	0
082 English Language Learners	11,103,313	0	12,162,924	0	12,162,924	0	12,162,924	0	12,818,675	0	13,075,049	0	12,162,924	0	13,514,685	0	14,059,595	0
088 At Risk	1,607,222	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0
091 Special Ed-Catastrophic	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	12,900,000	0	12,900,000	0	11,000,000	0	12,900,000	0	12,900,000	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	461,778	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
119 Tech Grants	3,602,575	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 School District Support	18,047	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
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	23,000	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
1QV Content & Curriculum	0	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
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	1,849,578,494	0	1,891,315,753	0	1,904,969,759	0	1,891,315,753	0	1,891,315,753	0	1,923,089,661	0	1,891,315,753	0	1,891,315,753	0	1,961,843,724	0
2HR National School Lunch	183,753,763	0	187,235,597	0	187,235,597	0	187,235,597	0	196,327,359	0	200,253,906	0	187,235,597	0	205,472,186	0	213,768,543	0
2HS Prof Development Fund	20,677,724	0	24,170,187	0	24,244,209	0	24,170,187	0	24,208,237	0	24,692,402	0	24,170,187	0	24,246,287	0	25,225,822	0
2HU Supplemental Millage	3,988,433	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	7,382,010	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0
2HY Education Renewal Zones	1,186,697	4	1,435,535	5	1,458,044	5	1,452,637	5	1,470,087	5	1,470,087	5	1,452,637	5	1,470,087	5	1,470,087	5
2JA Content Standards	52,160	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
2JC Teacher Recruitment	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	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 Acdmy-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	161,000	0	90,000	0	90,000	0	90,000	0	200,000	0	200,000	0	90,000	0	200,000	0	200,000	0
2ZS Special Needs Isolated Funding	8,014,006	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	22,341,560	0	20,529,609	0	21,775,797	0	20,529,609	0	22,860,796	0	23,318,012	0	20,529,609	0	22,860,796	0	23,830,996	0
326 General Facilities Funding	3,235,696	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	2,881,991	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	31,728,269	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0
336 Bonded Debt Assistance	16,677,008	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
34N 98% URT Actual Collection Adj	17,448,228	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0
380 Dept of Correction	5,881,973	0	5,597,675	0	6,024,799	0	5,597,675	0	6,220,892	0	6,220,892	0	5,597,675	0	6,396,775	0	6,396,775	0
394 Residential Ctrs/Juv Detention	11,115,708	0	15,188,254	0	16,345,087	0	15,188,254	0	16,345,087	0	16,345,087	0	15,188,254	0	16,345,087	0	16,345,087	0
421 Consolidation Incentive	4,358,183	0	0	0	9,415,127	0	0	0	3,760,200	0	3,760,200	0	0	0	5,640,300	0	5,640,300	0

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
434 Coop Education Tech Centers	1,200,000	0	0	0	1,200,000	0	0	0	1,200,000	0	1,200,000	0	0	0	1,200,000	0	1,200,000	0
437 Teacher Retirement Matching	8,129,646	0	6,655,000	0	6,655,000	0	6,655,000	0	10,102,189	0	10,102,189	0	6,655,000	0	11,112,407	0	11,112,407	0
438 Ntl Bd Prof Teaching Standards	9,944,447	0	9,106,160	0	12,016,160	0	9,106,160	0	13,516,160	0	13,516,160	0	9,106,160	0	15,016,160	0	15,016,160	0
440 Advanced Placement Incentive	825,000	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	660	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
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	36,345,632	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	0	0	1,650,000	0	0	0	1,650,000	0	1,650,000	0	0	0	1,650,000	0	1,650,000	0
450 Surplus Commodities	843,799	0	780,000	0	780,000	0	780,000	0	1,349,810	0	1,349,810	0	780,000	0	1,349,810	0	1,349,810	0
451 Grants to School Districts	57,317	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0
452 Workers' Compensation	182,535	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	173,848	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
457 Gifted & Talented	1,085,381	0	1,085,381	0	1,335,381	0	1,085,381	0	1,335,381	0	1,335,381	0	1,085,381	0	1,335,381	0	1,335,381	0
458 School Worker Defense	44,924	0	0	0	390,000	0	0	0	390,000	0	390,000	0	0	0	390,000	0	390,000	0
459 Assessment/End Course Testing	18,481,643	0	22,250,189	0	24,375,349	0	22,250,189	0	24,223,861	0	24,223,861	0	22,250,189	0	24,223,861	0	24,223,861	0
460 Court Ordered Desegregation	68,037,000	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	77,634	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
4HN Declining Enrollment	13,228,937	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	13,963,389	0	13,963,389	0
565 Intervention Block Grants	302,000	0	227,000	0	302,000	0	227,000	0	302,000	0	302,000	0	227,000	0	302,000	0	302,000	0
566 Serious Offender	1,683,067	0	1,050,946	0	1,716,859	0	1,050,946	0	1,716,859	0	1,716,859	0	1,050,946	0	1,716,859	0	1,716,859	0
59V Coord School Health	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0
59W School Facility Joint Use	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
59X Add Public School Employee Ins	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	15,000,000	0
652 Better Chance Program	108,615,620	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0
668 Special Education Services	2,796,447	0	1,145,285	0	4,145,285	0	1,145,285	0	2,802,527	0	2,802,527	0	1,145,285	0	2,802,527	0	2,802,527	0
669 Human Dev Ctr Education Aid	526,150	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	6,129,270	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	6,129,270	0	6,129,270	0
688 APSCN	19,437,819	46	22,769,603	48	23,629,415	49	22,627,814	48	22,827,814	48	22,827,814	48	22,630,415	48	22,830,415	48	22,830,415	48
697 Early Childhood Special Educ	16,177,069	0	15,623,079	0	16,897,920	0	15,623,079	0	16,897,920	0	16,897,920	0	15,623,079	0	16,897,920	0	16,897,920	0
698 Distance Learning	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0
699 Teacher Licensing/Mentoring	4,020,541	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0
NOT REQUESTED FOR THE BIENNIUM																		
34K Alternative Pay	0	0	0	0	807,907	0	0	0	0	0	0	0	0	0	0	0	0	0

NOT REQUESTED FOR THE BIENNIUM																			
84U	At-Risk Children & Youth	500,000	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
86C	Supplemental Transportation	499,999	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
86T	Student Success Pilot	145,496	0	0	0	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0
86U	Public School Athletic Training Program	0	0	0	0	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		2,575,905,135	50	2,663,080,437	53	2,732,894,022	54	2,662,955,750	53	2,727,613,010	53	2,764,511,220	53	2,662,958,351	53	2,742,060,699	53	2,823,379,672	53

Funding Sources			%		%		%		%		%		%		%		%		%
Fund Balance	4000005	60,211,366	2.3	59,097,834	2.2	59,097,834	2.2	59,097,834	2.1	59,097,834	2.1	58,802,354	2.2	58,802,354	2.1	58,802,354	2.0	58,802,354	2.0
Merit Adjustment Fund	4000055	0	0.0	70,167	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Court Ordered Desegregation	4000180	68,005,398	2.6	69,814,372	2.6	69,814,372	2.6	69,814,372	2.5	69,814,372	2.5	69,814,372	2.6	69,814,372	2.5	69,814,372	2.4	69,814,372	2.4
DOE Public School Fund	4000195	1,904,970,389	72.3	1,961,576,841	72.1	1,961,576,841	72.1	2,001,034,101	71.8	2,010,591,800	71.2	1,961,576,841	72.1	2,015,479,189	72.0	2,064,891,450	71.7	2,064,891,450	71.7
E-Rate Credit	4000207	5,700,293	0.2	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3	8,000,000	0.3
Educational Adequacy Fund	4000210	434,031,542	16.5	434,031,542	15.9	434,031,542	15.9	434,031,542	15.6	434,031,542	15.4	434,031,542	15.9	434,031,542	15.5	434,031,542	15.1	434,031,542	15.1
Educational Excellence Fund	4000220	188,051,834	7.1	191,942,515	7.1	191,942,515	7.1	191,942,515	6.9	191,942,515	6.8	191,942,515	7.1	191,942,515	6.9	191,942,515	6.7	191,942,515	6.7
M & R Sales	4000340	19,919	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Adjustments	4000345	4,532,531	0.2	0	0.0	0	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	0	0.0	350,000	0.0	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	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3
Trnfr frm DOE Pub School Fund	4000525	(39,299,554)	(1.5)	(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)	(11,115,000)	(0.4)
Transit Tax	4000700	1,279,251	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	910,000	0.0
Unfunded Appropriation	4000715	0	0.0	0	0.0	0	0.0	25,200,000	0.9	52,540,511	1.9	0	0.0	25,200,000	0.9	57,106,711	2.0	57,106,711	2.0
Total Funds		2,635,002,969	100.0	2,722,178,271	100.0	2,721,758,104	100.0	2,786,415,364	100.0	2,823,313,574	100.0	2,721,462,624	100.0	2,800,564,972	100.0	2,881,883,944	100.0	2,881,883,944	100.0
Excess Appropriation/(Funding)		(59,097,834)		(59,097,834)		(58,802,354)		(58,802,354)		(58,802,354)		(58,504,273)		(58,504,273)		(58,504,272)		(58,504,272)	
Grand Total		2,575,905,135		2,663,080,437		2,662,955,750		2,727,613,010		2,764,511,220		2,662,958,351		2,742,060,699		2,823,379,672		2,823,379,672	

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	47	3	50	1	7.84 %	54	42	8	50	4	22.22 %	54	41	12	53	1	24.07 %

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.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level appropriation and general revenue funding totals \$1,452,637 in FY14 and \$1,452,637 in FY15 with five (5) regular positions.

The Agency is requesting \$17,450 in appropriation and general revenue in the Grants and Aid line item each year of the 2013-2015 Biennium for grants to universities to cover expenditures previously paid by fund balances, which have been depleted.

The Executive Recommendation provides for Agency Request with the exception of general revenue increase.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	226,989	246,561	264,536	255,419	255,419	255,419	255,419	255,419	255,419
#Positions		4	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	73,150	77,274	81,808	85,518	85,518	85,518	85,518	85,518	85,518
Operating Expenses	5020002	58,290	91,800	91,800	91,800	91,800	91,800	91,800	91,800	91,800
Conference & Travel Expenses	5050009	850	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	127,418	306,900	306,900	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	700,000	700,000	700,000	700,000	717,450	717,450	700,000	717,450	717,450
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,186,697	1,435,535	1,458,044	1,452,637	1,470,087	1,470,087	1,452,637	1,470,087	1,470,087
Funding Sources										
DOE Public School Fund	4000195	1,186,697	1,435,535		1,452,637	1,470,087	1,452,637	1,452,637	1,470,087	1,452,637
Unfunded Appropriation	4000715	0	0		0	0	17,450	0	0	17,450
Total Funding		1,186,697	1,435,535		1,452,637	1,470,087	1,470,087	1,452,637	1,470,087	1,470,087
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,186,697	1,435,535		1,452,637	1,470,087	1,470,087	1,452,637	1,470,087	1,470,087

Change Level by Appropriation

Appropriation: 2HY - Education Renewal Zones
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,452,637	5	1,452,637	100.0	1,452,637	5	1,452,637	100.0
C01	Existing Program	17,450	0	1,470,087	101.2	17,450	0	1,470,087	101.2

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,452,637	5	1,452,637	100.0	1,452,637	5	1,452,637	100.0
C01	Existing Program	17,450	0	1,470,087	101.2	17,450	0	1,470,087	101.2

Justification

C01	C01 The universities were able to use existing fund balances from their 2010-11 budgets to cover 2012 expenditures not included in grant allocations. These fund balances did not exist at the end of FY12, so the universities need the funding restored for FY13 and beyond (\$17,450).								
-----	---	--	--	--	--	--	--	--	--

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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base level includes appropriation of \$22,627,814 with \$14,627,814 in Public School Fund funding for FY14 and \$22,630,415 with \$14,630,415 in Public School Fund funding for FY15. Also base level includes forty eight (48) regular positions.

Agency requests appropriation of \$200,000 in the Capital Outlay line item each year of the biennium for unforeseen capital outlay needs of the Arkansas Public School Computer Network (APSCN) that may occur.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,116,356	2,291,238	2,476,305	2,291,938	2,291,938	2,291,938	2,294,038	2,294,038	2,294,038
#Positions		46	48	49	48	48	48	48	48	48
Personal Services Matching	5010003	674,402	725,276	775,547	782,787	782,787	782,787	783,288	783,288	783,288
Operating Expenses	5020002	16,373,420	19,245,839	19,870,313	19,245,839	19,245,839	19,245,839	19,245,839	19,245,839	19,245,839
Conference & Travel Expenses	5050009	319	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	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	140,500	200,000	200,000	0	200,000	200,000	0	200,000	200,000
Data Access Implementation	5900046	132,822	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total		19,437,819	22,769,603	23,629,415	22,627,814	22,827,814	22,827,814	22,630,415	22,830,415	22,830,415

Funding Sources										
DOE Public School Fund	4000195	13,737,526	14,769,603		14,627,814	14,627,814	14,627,814	14,630,415	14,630,415	14,630,415
E-Rate Credit	4000207	5,700,293	8,000,000		8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Unfunded Appropriation	4000715	0	0		0	200,000	200,000	0	200,000	200,000
Total Funding		19,437,819	22,769,603		22,627,814	22,827,814	22,827,814	22,630,415	22,830,415	22,830,415
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		19,437,819	22,769,603		22,627,814	22,827,814	22,827,814	22,630,415	22,830,415	22,830,415

Change Level by Appropriation

Appropriation: 688 - APSCN
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	22,627,814	48	22,627,814	100.0	22,630,415	48	22,630,415	100.0
C05	Unfunded Appropriation	200,000	0	22,827,814	100.9	200,000	0	22,830,415	100.9

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	22,627,814	48	22,627,814	100.0	22,630,415	48	22,630,415	100.0
C05	Unfunded Appropriation	200,000	0	22,827,814	100.9	200,000	0	22,830,415	100.9

Justification

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 (APSCN) that may occur in the 2013-2015 biennium.
-----	--

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 FY13, the major funding sources for the Department of Education Public School Fund are projected as: General Revenue funding of approximately \$1.961 billion, the Educational Excellence Trust Fund will provide \$191.9 million, and the Educational Adequacy Fund will provide \$434 million.

The following discussion summarizes the fiscal status and change level requests for each program in the Department of Education Public School Fund.

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, which would require a round trip of more than 35 miles to attend their assigned school.

The Base Level for this appropriation is \$67,856. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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 Base Level for this appropriation is \$350,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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 Base Level for this appropriation is \$227,000. The Agency Change Level request for general revenue and appropriation of \$75,000 in each year of the 2013-2015 Biennium is to restore funding and appropriation to previously authorized amounts.

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

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 Base Level for this appropriation is \$3,602,678. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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 Base Level for this appropriation is \$50,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

At-Risk Children & Youth (84U) - Act 132 of 2012 authorized this program to provide grants for after-school, literacy and nutrition services for at-risk children and youth.

This appropriation was not budgeted for FY2013 and the Agency is not requesting this appropriation for the 2013-2015 Biennium.

Additional Public School Employee Health Insurance (59X) - This program was added to the Education Public School Fund in FY10. This appropriation allows the Department of Education to pay up to \$15,000,000 in additional health insurance contributions for eligible employees electing to participate in the public school employees' health insurance program administered by the State and Public School Life and Health Insurance Board. The Department of Education is authorized to make these payments if 98% of the URT used in the calculation for State Foundation Funding Aid exceeds \$920,731,819.

The Base Level for this appropriation is \$15,000,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

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 for this appropriation is \$111,000,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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.

The Base Level for this appropriation is \$7,575,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Declining Enrollment (4HN) - Act 20 of the 1st 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 Foundation Funding 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 Base Level for this appropriation is \$13,963,389. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

School Worker Defense (458) - This program provides for claims and legal fees for liability suits against school personnel.

The Agency Change Level request for general revenue and appropriation of \$390,000 in each year of the 2013-2015 Biennium is to restore funding and appropriation to previously authorized amounts.

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

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 Agency Change Level request is for \$25 million of unfunded appropriation in each year of the 2013-2015 Biennium to enable the

Department of Education to address unforeseen circumstances that may arise in each fiscal year.

The Executive Recommendation provides for the 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.

The Base Level for this appropriation is \$75,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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-Wheatley, and Dermott school districts.

The Base Level for this appropriation is \$1,050,946. The Agency Change Level request for general revenue and appropriation totaling \$665,913 in each year of the biennium is to restore funding and appropriation to previously authorized amounts.

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

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 Base Level for this appropriation is \$1,145,285. The Agency Change Level request for general revenue and appropriation of \$1,657,242 in both years of the biennium is to restore funding and appropriation to previously budgeted amounts.

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

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 Base Level appropriation is \$11,000,000. The Agency Change Level request in general revenue and appropriation of \$1,900,000 each year of the biennium is for the projected growth in Special Education - Catastrophic participants.

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

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.

The Base Level appropriation is \$8,457,160. The Agency Change Level request in general revenue and appropriation of \$2,209,143 in each year of the biennium to restore funding and appropriation to previously authorized amount.

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

Public School Athletic Training Program Certified (86U) - This program provides grants to public schools to provide access to athletic trainers and to promote the health and safety of students by the Department of Education. This appropriation was authorized under Act 269 of 2012.

This appropriation was not budgeted for FY2013 and the Agency is not requesting this appropriation for the 2013-2015 Biennium.

Professional Development Funding (2HS) - This aid, through A.C.A § 6-20-2305(b)(5), is a formula driven program that provides \$52 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.

The Agency Change Level request for general revenue and appropriation of \$38,050 for FY14 and \$76,100 for FY15 is for projected Average Daily Membership growth in charter schools.

The Executive Recommendation provides for additional appropriation and general revenue funding of \$522,215 in FY14 and \$1,055,635 in FY15.

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 for this appropriation is \$9,106,160. The Agency Change Level request for general revenue and appropriation of \$4,410,000 for FY14 and \$5,910,000 for FY15 is to restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process, and in addition to provide for continued expansion of participating teaching in the program. The Executive Recommendation provides for the Agency Request for appropriation with no new general revenue funding.

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 Base Level for this appropriation is \$37,273,600. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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 Change Level request for general revenue and appropriation of \$1,650,000 in each year of the biennium is to restore funding and appropriation to previously authorized amounts.

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

School Facility Joint Use Support (59W) - As part of the 2009 Healthcare Initiative, this program is designed to encourage schools to allow their physical plants, both indoor and outdoor, to be used by the public and by community members as an accessible and safe environment for community and family physical activity.

The Base Level for this appropriation is \$500,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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.

The Base Level for this appropriation is \$15,188,254. The Agency Change Level request for general revenue and appropriation totaling \$1,156,833 each year of the biennium is to restore funding and appropriation to previously authorized levels.

The Executive Recommendation provides for Agency Request for appropriation with no new general revenue funding.

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 Base Level for this appropriation is \$2,100,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Teacher of the Year (4HM) - Act 17 of the 1st 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.

The Base Level for this appropriation is \$100,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

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 Base Level for this appropriation is \$5,008,758. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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.

The Base Level for this appropriation is \$6,655,000. The Agency Change Level request for general revenue and appropriation of \$3,447,189 in FY14 and \$4,457,407 in FY15 is to provide funding and appropriation for the increase of participants in the program that the ADE has covered with fund balances in FY13.

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

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 Base Level for this appropriation is \$165,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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 Base Level for this appropriation is \$450,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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 Base Level for this appropriation is \$500,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

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 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 Base Level for this appropriation is \$28,500,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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 1474 of 2009 amended A.C.A. § 6-20-2305(a) to establish the Foundation Funding amount as \$6,267 in FY13 multiplied by the school district's average daily membership (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 (\$6,267 for FY13) 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 for this appropriation is \$1,891,315,753. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for additional appropriation and general revenue funding of \$31,773,908 in FY14 and \$70,527,971 in FY15.

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 Base Level for this appropriation is \$3,000,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Student Success Pilot (86T) - Act 269 of 2012 authorized this program to implement a pilot student research and data project which will

allow easy access to multiple types of student, teacher, school and district data.

This appropriation was not budgeted for FY2013 and the Agency is not requesting this appropriation for the 2013-2015 Biennium.

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 for this appropriation is \$780,000. The Agency Change Level request for general revenue and appropriation of \$569,810 in each year of the biennium is to maintain the program at its current operating level.

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

Supplemental Transportation (86C) - This program was authorized under Act 269 of 2011 for the purpose of distributing supplemental transportation funds to address the extraordinary transportation needs of public school districts.

This appropriation was not budgeted for FY2013 and the Agency is not requesting this appropriation for the 2013-2015 Biennium.

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 Base Level for this appropriation is \$10,000,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

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.

The current rates for the NLSA as listed in A.C.A. § 6-20-2305(b)(4)(A), are:

- School districts in which 90% or greater of the enrolled students are national school lunch students, funding shall be \$1,549;
- For school districts in which at least 70% but less than 90% of the enrolled students are national school lunch students, funding shall be

\$1,033; and

- For school districts in which less than 70% of the enrolled students are national school lunch students, funding shall be \$517.

The Agency Change Level request for general revenue and appropriation of \$9,091,762 in FY14 and \$18,236,589 in FY15 is for projected growth in NSLA for the biennium.

The Executive Recommendation provides for additional appropriation and general revenue funding of \$13,018,309 in FY14 and \$26,532,946 in FY15.

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.

The Base Level for this appropriation is \$50,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

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 Change Level request for general revenue and appropriation totaling \$3,760,200 in FY14 and \$5,640,300 in FY15 is to provide funding and appropriation for the projection of two consolidations per year of the biennium.

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

Bonded Debt Assistance (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. The available funding after final payments have been made for this program are then transferred to the Education Partnership Fund.

The Base Level for this appropriation is \$28,455,384. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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 Base Level for this appropriation is \$161,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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 Base Level for this appropriation is \$69,814,372. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Coordinated School Health (59V) - This program was part of the 2009 Healthcare Initiative and is designed to facilitate working relationships between schools and communities through collaborative partnerships to provide or improve existing student health services and garner existing local resources.

The Base Level for this appropriation is \$2,000,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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 Change Level request for general revenue and appropriation of \$1,200,000 in each year of the biennium is to restore funding and appropriation for Educational Service Cooperatives Technology Coordinators based on FY13 amounts that were budgeted subsequent to the biennial budget request process.

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

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 for FY2013 shall be \$4,228 multiplied by the number of identified ALE students enrolled during a school district's previous school year.

The Agency Change Level request for general revenue and appropriation of \$2,331,187 in each year of the biennium is to provide for the growth in the number of students in Alternative Learning.

The Executive Recommendation provides for additional appropriation and general revenue funding of \$2,788,403 in FY14 and \$3,301,387 in FY15.

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.

The Base Level for this appropriation is \$825,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

98% URT Actual Collection Adjustment (34N) - To insure that every public school district receives the full amount of Foundation Funding, the 86th 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 for this appropriation is \$34,500,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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.

This appropriation was not budgeted for FY2013 and the Agency is not requesting this appropriation for the 2013-2015 Biennium.

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 8th and 9th grade students planning to take the ACT; Plan, which is for 10th grade students and the Preliminary SAT/ National Merit Scholarship Qualifying Tests.

The Base Level for this appropriation is \$1,688,530. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium

The Executive Recommendation provides for the 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). Included in this appropriation is the cost of the Advance Placement exams. This appropriation also pays for awards of up to \$50 to schools for each score of 3 or better on AP exams

The Base Level for this appropriation is \$22,250,189. The Agency Change Level request for general revenue and appropriation of \$1,973,672 in each year of the biennium is to provide for cost estimates from contractors for the various testing components of the program.

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

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 Base Level for this appropriation is \$193,113. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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 Base Level for this appropriation is \$250,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

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).

The Base Level for this appropriation is \$1,085,381. The Agency Change Level request for general revenue and appropriation of \$250,000 in each year of the biennium is to restore funding and appropriation to previously authorized amounts.

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

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 though the Educational Facilities Partnership Fund Account. The remaining balance of funds once all payments have been made are then transferred to the Education Partnership Fund.

The Base Level for this appropriation is \$8,100,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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 Base Level for this appropriation is \$526,150. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Master Principal Bonus (2ZM) - Act 44 of the 2nd 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 Base Level for this appropriation is \$3,000,000. The Agency Change Level request for general revenue and appropriation of \$110,000 in each year of the biennium is to provide for program growth during the biennium.

The Executive Recommendation provides for Agency Request for appropriation with no new general revenue funding.

Leadership Academy - Master Principal (22K) - 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 for this appropriation is \$500,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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 Base Level for this appropriation is \$7,896,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

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 Base Level for this appropriation is \$4,760,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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.

The Base Level for this appropriation is \$5,597,675. The Agency Change Level request for general revenue and appropriation of \$623,217 in FY14 and \$799,100 in FY15 is to restore funding and appropriation to previously authorized levels, also these amounts are to provide for growth in the program during the biennium.

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

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 Base Level for this appropriation is \$25,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the 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 Base Level for this appropriation is \$50,000. The Agency is requesting Base Level for both fiscal years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

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)(b)(A) states that beginning with the 2012-2013 school year English language learners funding shall be \$305 for each identified English language learner.

The Base Level appropriation is \$12,162,924. The Agency Change Level request in general revenue and appropriation of \$655,751 in FY14 and \$1,351,761 in FY15 is for projected growth in English Language Learners participants.

The Executive Recommendation provides for additional appropriation and general revenue funding of \$912,125 in FY14 and \$1,896,671 in FY15.

Education Service Cooperatives (670) - The 15 educational cooperatives around the State facilitate the sharing of resources and services between local school districts.

The Base Level for this appropriation is \$6,129,270. The Agency is requesting Base Level for both fiscal years of the 2012-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Early Childhood Special Education (697) - This program provides special education services through local education agencies for 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 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 appropriation is \$15,623,079. The Agency Change Level request for general revenue and appropriation of \$1,274,841 in both years of the biennium is to restore funding and appropriation to previously authorized amounts.

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

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 , 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 provides for the Agency Request in appropriation only for the following:

- Smart Start/ Smart Step
- English Language Learners
- Special Ed- Catastrophic
- School Fund Contingency
- Department of Correction
- Residential Centers/ Juvenile Detention
- Consolidation Incentive
- Cooperative Education Tech Centers
- Teacher Retirement Matching
- National Board of Professional Teacher Standards
- School Food Services
- Surplus Commodities
- Gifted & Talented
- School Worker Defense
- Assessment/End Course Testing
- Intervention Block Grants
- Serious Offender Program
- Special Education Services
- Early Childhood Special Education

The Executive Recommendation also provides for additional funding for the Public School Fund of \$49,014,959 in FY14 and \$103,314,609 in FY15. The additional funding provided in the recommendation is to fund the increases in State Foundation Funding, Alternative Learning, English Language Learners, NSLA and Professional Development Funding.

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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants to School Districts	5100004	57,317	67,856	67,856	67,856	67,856	67,856	67,856	67,856	67,856
Economic Education	5100004	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Intervention Block Grants	5100004	302,000	227,000	302,000	227,000	302,000	302,000	227,000	302,000	302,000
Tech Grants	5100004	3,602,575	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678
Non-Traditional Licensure	5100004	23,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
At-Risk Children & Youth	5100004	500,000	0	500,000	0	0	0	0	0	0
Add Public School Employee Ins	5100004	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Better Chance Program	5100004	108,615,620	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000
Distance Learning Operations	5100004	7,382,010	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
Declining Enrollment	5100004	13,228,937	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389
School Worker Defense	5900046	44,924	0	390,000	0	390,000	390,000	0	390,000	390,000
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	173,848	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Serious Offender	5900046	1,683,067	1,050,946	1,716,859	1,050,946	1,716,859	1,716,859	1,050,946	1,716,859	1,716,859
Special Education Services	5900046	2,796,447	1,145,285	4,145,285	1,145,285	2,802,527	2,802,527	1,145,285	2,802,527	2,802,527
Special Ed-Catastrophic	5900046	11,000,000	11,000,000	11,000,000	11,000,000	12,900,000	12,900,000	11,000,000	12,900,000	12,900,000
Smart Start/Smart Step	5900046	10,666,303	8,457,160	10,666,303	8,457,160	10,666,303	10,666,303	8,457,160	10,666,303	10,666,303
Public School Athletic Training Pr	5900046	0	0	200,000	0	0	0	0	0	0
Prof Development Fund	5900046	20,677,724	24,170,187	24,244,209	24,170,187	24,208,237	24,692,402	24,170,187	24,246,287	25,225,822
Ntl Bd Prof Teaching Standards	5900046	9,944,447	9,106,160	12,016,160	9,106,160	13,516,160	13,516,160	9,106,160	15,016,160	15,016,160
Public School Employee Ins	5900046	36,345,632	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600
School Food Services	5900046	1,650,000	0	1,650,000	0	1,650,000	1,650,000	0	1,650,000	1,650,000
School Facility Joint Use	5900046	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Residential Ctrs/Juv Detention	5900046	11,115,708	15,188,254	16,345,087	15,188,254	16,345,087	16,345,087	15,188,254	16,345,087	16,345,087
Teacher Recruitment	5900046	2,100,000	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	77,634	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Teacher Licensing/Mentoring	5900046	4,020,541	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758
Teacher Retirement Matching	5900046	8,129,646	6,655,000	6,655,000	6,655,000	10,102,189	10,102,189	6,655,000	11,112,407	11,112,407
Youth Shelters	5900046	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Workers' Compensation	5900046	182,535	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Tech Improvements	5900046	461,778	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Student Growth	5900046	31,728,269	28,500,000	28,500,000	28,500,000	28,500,000	28,500,000	28,500,000	28,500,000	28,500,000
State Foundation Funding	5900046	1,849,578,494	1,891,315,753	1,904,969,759	1,891,315,753	1,891,315,753	1,923,089,661	1,891,315,753	1,891,315,753	1,961,843,724
Special Needs Isolated Funding	5900046	8,014,006	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Student Success Pilot	5900046	145,496	0	200,000	0	0	0	0	0	0
Surplus Commodities	5900046	843,799	780,000	780,000	780,000	1,349,810	1,349,810	780,000	1,349,810	1,349,810
Supplemental Transportation	5900046	499,999	0	500,000	0	0	0	0	0	0
Supplemental Millage	5900046	3,988,433	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
National School Lunch	5900046	183,753,763	187,235,597	187,235,597	187,235,597	196,327,359	200,253,906	187,235,597	205,472,186	213,768,543
Content & Curriculum	5900046	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Consolidation Incentive	5900046	4,358,183	0	9,415,127	0	3,760,200	3,760,200	0	5,640,300	5,640,300
Bonded Debt Assistance	5900046	16,677,008	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384
Content Standards	5900046	52,160	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000
Court Ordered Desegregation	5900046	68,037,000	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372
Coord School Health	5900046	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Coop Education Tech Centers	5900046	1,200,000	0	1,200,000	0	1,200,000	1,200,000	0	1,200,000	1,200,000
Alternative Learning	5900046	22,341,560	20,529,609	21,775,797	20,529,609	22,860,796	23,318,012	20,529,609	22,860,796	23,830,996
Advanced Placement Incentive	5900046	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000
98% URT Actual Collection Adj	5900046	17,448,228	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000
Alternative Pay	5900046	0	0	807,907	0	0	0	0	0	0
At Risk	5900046	1,607,222	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530
Assessment/End Course Testing	5900046	18,481,643	22,250,189	24,375,349	22,250,189	24,223,861	24,223,861	22,250,189	24,223,861	24,223,861
AR Easter Seals	5900046	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113
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	1,085,381	1,085,381	1,335,381	1,085,381	1,335,381	1,335,381	1,085,381	1,335,381	1,335,381
General Facilities Funding	5900046	3,235,696	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	526,150	526,150	526,150	526,150	526,150	526,150	526,150	526,150	526,150
Master Principal Bonus	5900046	161,000	90,000	90,000	90,000	200,000	200,000	90,000	200,000	200,000
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	2,881,991	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000
Distance Learning	5900046	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000
Dept of Correction	5900046	5,881,973	5,597,675	6,024,799	5,597,675	6,220,892	6,220,892	5,597,675	6,396,775	6,396,775
Criminal Background Checks	5900046	660	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Distressed School District Suppor	5900046	18,047	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
English Language Learners	5900046	11,103,313	12,162,924	12,162,924	12,162,924	12,818,675	13,075,049	12,162,924	13,514,685	14,059,595
Education Service Cooperatives	5900046	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270
Early Childhood Special Educ	5900046	16,177,069	15,623,079	16,897,920	15,623,079	16,897,920	16,897,920	15,623,079	16,897,920	16,897,920
Total		2,555,280,619	2,638,875,299	2,707,806,563	2,638,875,299	2,703,315,109	2,740,213,319	2,638,875,299	2,717,760,197	2,799,079,170

Funding Sources										
Fund Balance	4000005	60,211,366	59,097,834		59,097,834	59,097,834	59,097,834	58,802,354	58,802,354	58,802,354
Merit Adjustment Fund	4000055	0	70,167		0	0	0	0	0	0
Court Ordered Desegregation	4000180	68,005,398	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	1,890,046,166	1,945,371,703		1,945,496,390	1,984,936,200	1,994,511,349	1,945,493,789	1,999,378,687	2,048,808,398
Educational Adequacy Fund	4000210	434,031,542	434,031,542		434,031,542	434,031,542	434,031,542	434,031,542	434,031,542	434,031,542
Educational Excellence Fund	4000220	188,051,834	191,942,515		191,942,515	191,942,515	191,942,515	191,942,515	191,942,515	191,942,515
M & R Sales	4000340	19,919	0		0	0	0	0	0	0

Funding Sources									
Miscellaneous Adjustments	4000345	4,532,531	0	0	0	0	0	0	0
Property Tax Relief Trust	4000390	0	350,000	0	0	0	0	0	0
TANF Transfer	4000478	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Trnfr frm DOE Pub School Fund	4000525	(39,299,554)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)
Transit Tax	4000700	1,279,251	910,000	910,000	910,000	910,000	910,000	910,000	910,000
Unfunded Appropriation	4000715	0	0	0	25,000,000	52,323,061	0	25,000,000	56,889,261
Total Funding		2,614,378,453	2,697,973,133	2,697,677,653	2,762,117,463	2,799,015,673	2,697,379,572	2,776,264,470	2,857,583,442
Excess Appropriation/(Funding)		(59,097,834)	(59,097,834)	(58,802,354)	(58,802,354)	(58,802,354)	(58,504,273)	(58,504,273)	(58,504,272)
Grand Total		2,555,280,619	2,638,875,299	2,638,875,299	2,703,315,109	2,740,213,319	2,638,875,299	2,717,760,197	2,799,079,170

Change Level by Appropriation

Appropriation: 057 - Smart Start/Smart Step
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	8,457,160	0	8,457,160	100.0	8,457,160	0	8,457,160	100.0
C01	Existing Program	2,209,143	0	10,666,303	126.1	2,209,143	0	10,666,303	126.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	8,457,160	0	8,457,160	100.0	8,457,160	0	8,457,160	100.0
C01	Existing Program	2,209,143	0	10,666,303	126.1	2,209,143	0	10,666,303	126.1

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$2,209,143).								
-----	--	--	--	--	--	--	--	--	--

Change Level by Appropriation

Appropriation: 082 - English Language Learners
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	12,162,924	0	12,162,924	100.0	12,162,924	0	12,162,924	100.0
C01	Existing Program	655,751	0	12,818,675	105.4	1,351,761	0	13,514,685	111.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	12,162,924	0	12,162,924	100.0	12,162,924	0	12,162,924	100.0
C01	Existing Program	655,751	0	12,818,675	105.4	1,351,761	0	13,514,685	111.1
C19	Executive Changes	256,374	0	13,075,049	107.5	544,910	0	14,059,595	115.6

Justification

C01	C01 To provide funding and appropriation for an additional \$655,751 in FY14 and \$1,351,761 in FY15. The Base Level number of ELL students is 37,485. FY14 growth is projected at 5.74%, for an increase in student enrollment by 2,150 students X rate of \$305 = \$655,751 needed for FY14 growth. FY15 growth is projected at 5.76%, for an increase in student enrollment by 2,282 students X rate of \$305 = \$1,351,761 needed for FY15 growth. Growth rate is projected based on the average rate of growth over the past three years.
C19	The Executive Recommendation provides for appropriation and general revenue of \$13,075,049 in FY14 and \$14,059,595 in FY15.

Change Level by Appropriation

Appropriation: 091 - Special Ed-Catastrophic
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	11,000,000	0	11,000,000	100.0	11,000,000	0	11,000,000	100.0
C01	Existing Program	1,900,000	0	12,900,000	117.3	1,900,000	0	12,900,000	117.3

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	11,000,000	0	11,000,000	100.0	11,000,000	0	11,000,000	100.0
C01	Existing Program	1,900,000	0	12,900,000	117.3	1,900,000	0	12,900,000	117.3

Justification

C01	C01 To provide funding and appropriation for program growth at a rate of 84 students, with an average amount funded per student of \$22,633; for a total increase of \$1,900,000 each year of the biennium. Growth rate is projected based on the average rate of growth over the past three years.								
-----	---	--	--	--	--	--	--	--	--

Change Level by Appropriation

Appropriation: 2HP - State Foundation Funding
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,891,315,753	0	1,891,315,753	100.0	1,891,315,753	0	1,891,315,753	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,891,315,753	0	1,891,315,753	100.0	1,891,315,753	0	1,891,315,753	100.0
C19	Executive Changes	31,773,908	0	1,923,089,661	101.7	70,527,971	0	1,961,843,724	103.7

Justification

C19	The Executive Recommendation provides for appropriation and general revenue of \$1,923,089,661 in FY14 and \$1,961,843,724 in FY15.
-----	---

Change Level by Appropriation

Appropriation: 2HR - National School Lunch
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	187,235,597	0	187,235,597	100.0	187,235,597	0	187,235,597	100.0
C01	Existing Program	9,091,762	0	196,327,359	104.9	18,236,589	0	205,472,186	109.7

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	187,235,597	0	187,235,597	100.0	187,235,597	0	187,235,597	100.0
C01	Existing Program	9,091,762	0	196,327,359	104.9	18,236,589	0	205,472,186	109.7
C19	Executive Changes	3,926,547	0	200,253,906	107.0	8,296,357	0	213,768,543	114.2

Justification

C01	C01 To provide funding and appropriation for an additional \$9,091,762 in FY14 and \$18,236,589 in FY15. Growth rate is projected based on the average rate of growth over the past two years; plus projected transitional funding for school districts that experience either an increase or a decrease in the amount of national school lunch state categorical funding per student, pursuant to A.C.A. §6-20-2305.
C19	The Executive Recommendation provides for appropriation and general revenue of \$200,253,906 in FY14 and \$213,768,543 in FY15.

Change Level by Appropriation

Appropriation: 2HS - Prof Development Fund
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	24,170,187	0	24,170,187	100.0	24,170,187	0	24,170,187	100.0
C01	Existing Program	38,050	0	24,208,237	100.2	76,100	0	24,246,287	100.3

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	24,170,187	0	24,170,187	100.0	24,170,187	0	24,170,187	100.0
C01	Existing Program	38,050	0	24,208,237	100.2	76,100	0	24,246,287	100.3
C19	Executive Changes	484,165	0	24,692,402	102.2	979,535	0	25,225,822	104.4

Justification

C01	C01 To provide funding and appropriation for an additional \$38,050 in FY14 and \$76,100 in FY15. This request assumes no increase in the per ADM funding rate of \$52; but it does provide for FY14 and FY15 projected ADM growth in charter schools.
C19	The Executive Recommendation provides for appropriation and general revenue of \$24,692,402 in FY14 and \$25,225,822 in FY15.

Change Level by Appropriation

Appropriation: 2ZH - School Funding Contingency
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	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		2013-2014	Pos	Cumulative	% of BL	2014-2015	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

Change Level by Appropriation

Appropriation: 2ZM - Master Principal Bonus
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	90,000	0	90,000	100.0	90,000	0	90,000	100.0
C01	Existing Program	110,000	0	200,000	222.2	110,000	0	200,000	222.2

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	90,000	0	90,000	100.0	90,000	0	90,000	100.0
C01	Existing Program	110,000	0	200,000	222.2	110,000	0	200,000	222.2

Justification

C01	C01 To provide funding and appropriation for program growth in FY14 and FY15. It is projected that more principals will enter the program, and some may go to high needs school districts which will necessitate additional funds.
-----	--

Change Level by Appropriation

Appropriation: 311 - Alternative Learning
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	20,529,609	0	20,529,609	100.0	20,529,609	0	20,529,609	100.0
C01	Existing Program	2,331,187	0	22,860,796	111.4	2,331,187	0	22,860,796	111.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	20,529,609	0	20,529,609	100.0	20,529,609	0	20,529,609	100.0
C01	Existing Program	2,331,187	0	22,860,796	111.4	2,331,187	0	22,860,796	111.4
C19	Executive Changes	457,216	0	23,318,012	113.6	970,200	0	23,830,996	116.1

Justification

C01	C01 To provide funding and appropriation for the growth in the number of students in the program, for a total requested increase of \$2,331,187 each year of the biennium. Growth rate is projected based on the average rate of growth over the past three years.
C19	The Executive Recommendation provides for appropriation and general revenue of \$23,318,012 in FY14 and \$23,830,996 in FY15.

Change Level by Appropriation

Appropriation: 380 - Dept of Correction

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	5,597,675	0	5,597,675	100.0	5,597,675	0	5,597,675	100.0
C01	Existing Program	623,217	0	6,220,892	111.1	799,100	0	6,396,775	114.3

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	5,597,675	0	5,597,675	100.0	5,597,675	0	5,597,675	100.0
C01	Existing Program	623,217	0	6,220,892	111.1	799,100	0	6,396,775	114.3

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$427,124 each year); and to provide funding and appropriation for growth: FY14 growth is one new instructor at the Pine Bluff unit in FY14 (\$50,000) plus a 3% COLA (\$146,093) for a FY14 total growth request of \$196,093; FY15 growth is two new instructors at the Pine Bluff unit (\$100,000), plus a 3% COLA (\$151,976), plus the cost of GED computerized test (\$120,000) for a FY15 total growth request of \$371,976.								
-----	--	--	--	--	--	--	--	--	--

Change Level by Appropriation

Appropriation: 394 - Residential Ctrs/Juv Detention
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	15,188,254	0	15,188,254	100.0	15,188,254	0	15,188,254	100.0
C01	Existing Program	1,156,833	0	16,345,087	107.6	1,156,833	0	16,345,087	107.6

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	15,188,254	0	15,188,254	100.0	15,188,254	0	15,188,254	100.0
C01	Existing Program	1,156,833	0	16,345,087	107.6	1,156,833	0	16,345,087	107.6

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,156,833).								
-----	--	--	--	--	--	--	--	--	--

Change Level by Appropriation

Appropriation: 421 - Consolidation Incentive
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	3,760,200	0	3,760,200	100.0	5,640,300	0	5,640,300	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	3,760,200	0	3,760,200	100.0	5,640,300	0	5,640,300	100.0

Justification

C01	C01 to provide funding and appropriation for a projection of two consolidations per year of the biennium. 600 ADM for two consolidations X SFF of \$6,267 = \$3,760,200 for FY14. \$3,760,200 for two additional consolidations in FY15 plus \$3,760,200/2 for second year of FY14 consolidations = \$5,640,300.								
-----	--	--	--	--	--	--	--	--	--

Change Level by Appropriation

Appropriation: 434 - Coop Education Tech Centers
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	1,200,000	0	1,200,000	100.0	1,200,000	0	1,200,000	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	1,200,000	0	1,200,000	100.0	1,200,000	0	1,200,000	100.0

Justification

C01	C01 To restore funding and appropriation for Educational Service Cooperatives Technology Coordinators based on FY13 amounts that were budgeted subsequent to the biennial budget request process.								
-----	---	--	--	--	--	--	--	--	--

Change Level by Appropriation

Appropriation: 437 - Teacher Retirement Matching
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	6,655,000	0	6,655,000	100.0	6,655,000	0	6,655,000	100.0
C01	Existing Program	3,447,189	0	10,102,189	151.8	4,457,407	0	11,112,407	167.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	6,655,000	0	6,655,000	100.0	6,655,000	0	6,655,000	100.0
C01	Existing Program	3,447,189	0	10,102,189	151.8	4,457,407	0	11,112,407	167.0

Justification

C01	C01 The Teacher Retirement Matching program provides for the employer matching for employees of the Cooperative Education Services Areas, Vocational Centers, Arkansas Easter Seals, and the school operated by the Department of Education. The additional amount requested would provide funding and appropriation for the increase of participants in the program that the ADE has covered with fund balances in FY13, in the amount of \$3,447,189 for FY14 and \$4,457,407 for FY15.
-----	---

Change Level by Appropriation

Appropriation: 438 - Ntl Bd Prof Teaching Standards
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	9,106,160	0	9,106,160	100.0	9,106,160	0	9,106,160	100.0
C01	Existing Program	4,410,000	0	13,516,160	148.4	5,910,000	0	15,016,160	164.9

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	9,106,160	0	9,106,160	100.0	9,106,160	0	9,106,160	100.0
C01	Existing Program	4,410,000	0	13,516,160	148.4	5,910,000	0	15,016,160	164.9

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$2,910,000); and to provide for continued expansion of participating teachers in FY14 (\$1,500,000) and FY15 (\$3,000,000). Expansion is projected to be 300 additional teachers to be added each year of the biennium (300 in FY14; 600 in FY15).
-----	--

Change Level by Appropriation

Appropriation: 447 - School Food Services

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	1,650,000	0	1,650,000	100.0	1,650,000	0	1,650,000	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	1,650,000	0	1,650,000	100.0	1,650,000	0	1,650,000	100.0

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,650,000).								
-----	--	--	--	--	--	--	--	--	--

Change Level by Appropriation

Appropriation: 450 - Surplus Commodities
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	780,000	0	780,000	100.0	780,000	0	780,000	100.0
C01	Existing Program	569,810	0	1,349,810	173.1	569,810	0	1,349,810	173.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	780,000	0	780,000	100.0	780,000	0	780,000	100.0
C01	Existing Program	569,810	0	1,349,810	173.1	569,810	0	1,349,810	173.1

Justification

C01	C01 To provide general revenue funded appropriation to maintain the program at its current operating level. This program was supplemented by one-time funding from DHS in FY11 and ADE fund balances covered the shortfall in FY12 and FY13. A funded appropriation increase of \$569,810 is requested in order to maintain the current operating level for each year of the biennium. DHS has indicated that without additional funds from ADE they can't continue to administer the program.
-----	--

Change Level by Appropriation

Appropriation: 457 - Gifted & Talented
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,085,381	0	1,085,381	100.0	1,085,381	0	1,085,381	100.0
C01	Existing Program	250,000	0	1,335,381	123.0	250,000	0	1,335,381	123.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,085,381	0	1,085,381	100.0	1,085,381	0	1,085,381	100.0
C01	Existing Program	250,000	0	1,335,381	123.0	250,000	0	1,335,381	123.0

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$250,000).								
-----	--	--	--	--	--	--	--	--	--

Change Level by Appropriation

Appropriation: 458 - School Worker Defense
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	390,000	0	390,000	100.0	390,000	0	390,000	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C01	Existing Program	390,000	0	390,000	100.0	390,000	0	390,000	100.0

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$390,000).								
-----	--	--	--	--	--	--	--	--	--

Change Level by Appropriation

Appropriation: 459 - Assessment/End Course Testing
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	22,250,189	0	22,250,189	100.0	22,250,189	0	22,250,189	100.0
C01	Existing Program	1,973,672	0	24,223,861	108.9	1,973,672	0	24,223,861	108.9

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	22,250,189	0	22,250,189	100.0	22,250,189	0	22,250,189	100.0
C01	Existing Program	1,973,672	0	24,223,861	108.9	1,973,672	0	24,223,861	108.9

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,973,672).								
-----	--	--	--	--	--	--	--	--	--

Change Level by Appropriation

Appropriation: 565 - Intervention Block Grants
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	227,000	0	227,000	100.0	227,000	0	227,000	100.0
C01	Existing Program	75,000	0	302,000	133.0	75,000	0	302,000	133.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	227,000	0	227,000	100.0	227,000	0	227,000	100.0
C01	Existing Program	75,000	0	302,000	133.0	75,000	0	302,000	133.0

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$75,000).								
-----	---	--	--	--	--	--	--	--	--

Change Level by Appropriation

Appropriation: 566 - Serious Offender
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,050,946	0	1,050,946	100.0	1,050,946	0	1,050,946	100.0
C01	Existing Program	665,913	0	1,716,859	163.4	665,913	0	1,716,859	163.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,050,946	0	1,050,946	100.0	1,050,946	0	1,050,946	100.0
C01	Existing Program	665,913	0	1,716,859	163.4	665,913	0	1,716,859	163.4

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$665,913).
-----	--

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2012 TO FISCAL YEAR 2013**

Agency: Education Department-Public School Fund

Program: Better Chance Program

Act #: 1075 Section(s) #: 1 & 24

Estimated Carry Forward Amount \$ 5,292,423.00 Funding Source: General

Accounting Information:

Business Area: 0500 Funds Center: 652 Fund: JAA Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Section 24 of Act 1075 of 2011 requires the Department of Education to carry forward any unexpended balance of funds remaining on June 30, 2012 to be used for the Arkansas Better Chance for School Success program. The funds will be used as deemed appropriate by the Department of Human Services-Child Care and Early Childhood Education Division and the Department of Education.

Actual Funding Carry Forward Amount \$ 415,207.90

Current status of carry forward funding:

The carry forward amount has been budgeted for FY2013 to maintain the current program budget level.

Dr. Tom W. Kimbrell
Commissioner of Education

08-27-2012
Date

Change Level by Appropriation

Appropriation: 668 - Special Education Services
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,145,285	0	1,145,285	100.0	1,145,285	0	1,145,285	100.0
C01	Existing Program	1,657,242	0	2,802,527	244.7	1,657,242	0	2,802,527	244.7

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,145,285	0	1,145,285	100.0	1,145,285	0	1,145,285	100.0
C01	Existing Program	1,657,242	0	2,802,527	244.7	1,657,242	0	2,802,527	244.7

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process (\$1,657,242).
-----	--

Change Level by Appropriation

Appropriation: 697 - Early Childhood Special Educ
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	15,623,079	0	15,623,079	100.0	15,623,079	0	15,623,079	100.0
C01	Existing Program	1,274,841	0	16,897,920	108.2	1,274,841	0	16,897,920	108.2

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	15,623,079	0	15,623,079	100.0	15,623,079	0	15,623,079	100.0
C01	Existing Program	1,274,841	0	16,897,920	108.2	1,274,841	0	16,897,920	108.2

Justification

C01	C01 To restore funding and appropriation based on FY13 amounts that were budgeted subsequent to the biennial budget request process. (\$1,274,841 per year of the biennium).								
-----	--	--	--	--	--	--	--	--	--

EDUCATIONAL TELEVISION COMMISSION

Enabling Laws

Act 178 of 2012
A.C.A. §6-3-101 to 6-3-113
Act 2318 of 2005
Act 1462 of 2009

History and Organization

AETN'S MISSION STATEMENT:

PURPOSE (Mission): The purpose of the Arkansas Educational Television Network (AETN) is to enhance and empower the lives of all Arkansans by offering lifelong learning opportunities through high-quality educational television programs and services.

PROMISE (Core statement): The Arkansas Educational Television Network (AETN) fulfills its purpose by providing: educational resources to schools and all educators; innovative and high-quality public media television programs and services that illuminate the culture and heritage of Arkansas and the world; and opportunities to engage and explore new ideas. This relevant AETN content will expand the minds of children, inform Arkansans about public affairs and current events in our state, highlight arts and culture, and invite Arkansans to explore the outdoors and the world around them.

SHARED VISION: Know more, do more, and be more with AETN
(Approved by the AETN Commission June 13, 2012.)

LEGISLATION CREATING THE AGENCY:

ENABLING LAWS: The Arkansas Educational Television Commission was established by Act 198 of 1961, as amended in the Arkansas Code 6-3-101 to 6-3-113. Arkansas Code 6-3-105 (a) states that AETN was organized "for the purpose of making the benefits of educational television available to and promoting its use by inhabitants of Arkansas." AETN's Commission has eight members appointed by the governor and is charged with providing educational telecommunications services to the people of Arkansas. AETN is an affiliate of the

Broadcasting Service (PBS) and functions statewide as a public media service with headquarters in Conway. AETN's services include distributing programs through digital technologies statewide via over-the-air broadcast, satellite and cable; compressed interactive video; web-based video streaming of local productions plus ADE approved curriculum materials for Arkansas's schools; educational workshops; and professional development training for teachers available 24/7 via the IDEAS portal in partnership with the Arkansas Department of Education. AETN's most current operations funding is appropriated by Act 178 of 2012.

HISTORY AND ORGANIZATION: The Commission began broadcasting in December of 1966 using a studio in Conway and its first transmitter (KETS) located at Redfield and licensed to Little Rock for service to Central Arkansas. Transmitters licensed to Arkadelphia/KETG and Fayetteville/KAFT were activated in 1976. Jonesboro/KTEJ was activated in 1977. A fifth transmitter at Mountain View/KEMV began broadcasting in 1980. In June 2004 AETN added digital transmitters and microwaves at each site statewide to fulfill a mandate of the Federal Communications Commission (FCC). In May 2006 AETN finished construction on a sixth new digital transmitter at El Dorado/KETZ to serve southern Arkansas. Today AETN's infrastructure includes 6 transmitters and 13 microwave relays broadcasting to almost 100% of the State.

On June 12, 2009 Congress required the return of analog spectrum to the federal government. Digital became the predominant broadcast technology in the nation and analog spectrum was used for national security, auction to wireless services and other purposes.

AGENCY GOALS:

Goals are divided into two major service areas, "Content" and "Support."

Content Goals:

Agency Goal #1: AETN partners with educational entities to provide lifelong learning opportunities for all Arkansans, with special emphasis on teacher professional development and classroom resources. (Education)

Agency Goal #2: AETN creates and acquires relevant programming and services designed to educate, enlighten and inspire a diverse, statewide audience. (Programs/Services)

Agency Goal #4: AETN promotes its programs and services to the community of Arkansas through various activities as a recognized source of statewide educational opportunities. (Outreach)

Support Goals:

Agency Goal #3: AETN provides broad reliable distribution of programming and services to Arkansans through the innovative use of technology. (Access)

Agency Goal #5: AETN uses a wide variety of resources to consistently support performance-based, fiscally-sound and mission-focused organizational decisions. (Administration and Finance)

MAJOR SERVICE GROUPS:

AETN accomplishes its mission through **three major service groups:** Programs and Services, Engineering and Information Technology, and Administration.

Programs and Services Group - 4 divisions (Content Goals):

The **Education Division** provides instructional media materials and services for Arkansas' educational communities by: acquiring, producing and broadcasting daily programs for the Pre-K-12 classrooms and at-home learners on *AETN's digital Plus Channel*; video streaming ADE approved, curriculum based course materials over the Internet for classroom use; hosting compressed interactive video workshops from AETN's studios for statewide educators' participation in such things as the new Common Core Standards; providing adult and career education for workers to complete educational goals through PBS LiteracyLink, including online GED prep and services for adult educators.

Importantly, AETN's unique partnership with ADE provides free professional development classes for the state's 53,000 certified teachers through the innovative, award-winning *Arkansas IDEAS* portal designed in partnership with the Arkansas Department of Education to help teachers fulfill their 60/hour/year mandate. It's available 24/7 via the Internet and provides a growing number of courses. All materials posted on IDEAS are approved by ADE and meet criteria of the Southern Regional Education Board for Professional Development. Teachers completing these online courses must pass a test that proves satisfactory completion.

Additionally, AETN staff serve on the Arkansas History Task Force and offer numerous, award-winning documentaries from AETN's archives, including *In Their Words* oral histories that preserve the stories of Arkansas' World War II veterans for students of tomorrow. This division also hosts and broadcasts the state's Academic Quiz Bowl competition annually to showcase talented youngsters from Arkansas' schools.

The **Programming Division** acquires and schedules educational and general audience programming; evaluates the programming needs of Arkansans from pre-school through old age; and negotiates for the best programs to help meet those needs from the Public Broadcasting Service (PBS) and other regional or national distributors. AETN maintains a digital service with three separate video channels - *AETN-HD*, *AETN CREATE* and *AETN PLUS*. Over 40 hours of high quality, non-violent children's programming are broadcast per week on AETN's primary channel, plus another 100 hours/week on its *AETN PLUS* sub-channel. For the ninth consecutive year national research confirmed that PBS is the most trusted institution in the United States, and was named the safest, most educational destination for children on television and online.

The **Production Division** researches and creates about 160 hours per year of unique local programs for and about Arkansas for broadcast on AETN's general audience schedule. All productions include educational components for use by Arkansas schools. AETN's local productions have won more than 375 regional, national and international awards for excellence, including 11 coveted EMMY awards. Locally produced programs are considered for seven major service areas concerning Arkansans: economic growth, education, environment, health, heritage, public affairs and public safety.

The **Outreach Division** develops and distributes information to Arkansans about AETN's programs and services available; coordinates promotional campaigns and public events; produces graphics and still photos for the network's broadcast and print needs; designs and constructs studio sets; and provides creative content for AETN's award-winning website. This division coordinates all AETN outreach activities, including special exhibits, Family Day, Statewide Art Portfolio Days and projects connecting Arkansans with issues like preserving state and national parks, childhood obesity and retirement services, etc. This division sponsors the AETN Kids Go Club, encouraging kids to exercise and form healthy habits.

Engineering & IT Group - 3 divisions (Support Goals):

The **Engineering Division** designs, installs, maintains and operates AETN's production and broadcasting infrastructure statewide: six television transmitters broadcasting in digital, thirteen microwave relay stations, AETN's production center, production truck and the network's master control center. This division manages the FCC required digital transition statewide, assures continuous service for national emergency alert messages critical to public safety, and provides feasibility studies of new technologies to guide AETN in supporting the public media needs of Arkansas.

The **Operations Division** coordinates and schedules all technical facilities, equipment, vehicles and crew for AETN's award-winning instructional and general audience productions; maintains security for AETN's network headquarters; assures periodic safety drills; and trains volunteers and interns on production crew tasks. All productions are videotaped, edited and finalized for broadcast or other distribution through this division. This division also archives all AETN video gathered through various productions throughout Arkansas, preserving meta-data from each taping for future use.

The **Information Technology Division** designs, installs and maintains all network computer systems and security; oversees all computer technology including instructional web sites; provides internal and external technical assistance; trains in-house users, plus state educators, agencies and businesses; works closely with Engineering to ensure a successful, continuing transition to digital broadcast technology; trouble shoots digital software issues; and coordinates general server space for a growing library of digital and high definition programs.

Administration Group - 4 divisions (Support Goals):

The **Finance and Administration Division** plans, develops and implements Commission policy; provides for the overall management of AETN's human resources, payroll, benefits, and training for personnel serving every corner of the state; directs all financial activities of the agency including accounting, budgeting, procurement, risk management, land/lease management, investments, reporting, audits and

and coordinates services/funds between AETN and the AETN Foundation. AETN has been named one of the best workplaces in the nation and the state by the American Psychological Association and the Governor's Work Life Balance program respectively.

The **Governmental Relations Division** acts as liaison with various state and federal agencies; identifies potential needs and partnerships; represents the agency in state, regional and national groups; and works with the AETN Commission and other partners to help fill state needs with AETN capabilities.

The **Development Division** (AETN Foundation) creates and directs special events to enhance public awareness of AETN; recruits and coordinates volunteers and interns; seeks corporate underwriters; and produces on-air and direct mail fundraising appeals. This division is fully funded by the AETN Foundation and provides significant supplemental funding for AETN programs.

The **Research and Special Projects Division** (AETN Foundation) assists the network with cable and federal relations; coordinates the AETN Speakers Bureau and building tours; researches audience demographics and viewing trends, broadcasting industry trends and legal issues concerning the FCC, trademarks and copyrights; and coordinates government grants and reports. This division is fully funded by the AETN Foundation.

COST-EFFECTIVE SERVICE:

AETN serves almost every Arkansan for a very modest cost, and receives less than half its current funding (\$5M) from the state. AETN's various funding resources include: state and federal grants; partnerships with government, non-profits, and businesses; and individual donors who want to help provide quality, educational programs to Arkansans. On-air fundraising drives are typically conducted three times a year by AETN's affiliated, private, non-profit Foundation to help raise funds for general audience programs.

AETN's innovative, free and mission-based programming is not found on commercial broadcast stations and seldom found on cable channels.

AETN partners with state agencies like the Arkansas Department of Human Services to share information and solicit feedback from the citizens through call-in programs like *Healing Minds-Changing Attitudes* and *Medicare*. AETN also partners with DHS to provide infrastructure for Arkansas Information Reading Services for the Blind. AETN produces in-depth, full-length programs specific to Arkansas like *Exploring Arkansas*, and *Edge of Conflict - Arkansas in the Civil War*.

AETN's technology has helped agencies like Education, Health, Human Services, and Emergency Services to improve communications with citizens and train thousands of employees.

Citizens can stay updated on current issues and get immediate answers to their questions by watching and calling during locally produced programs like *Arkansas Week* and *Arkansans Ask* with the Governor, legislators, and other public officials.

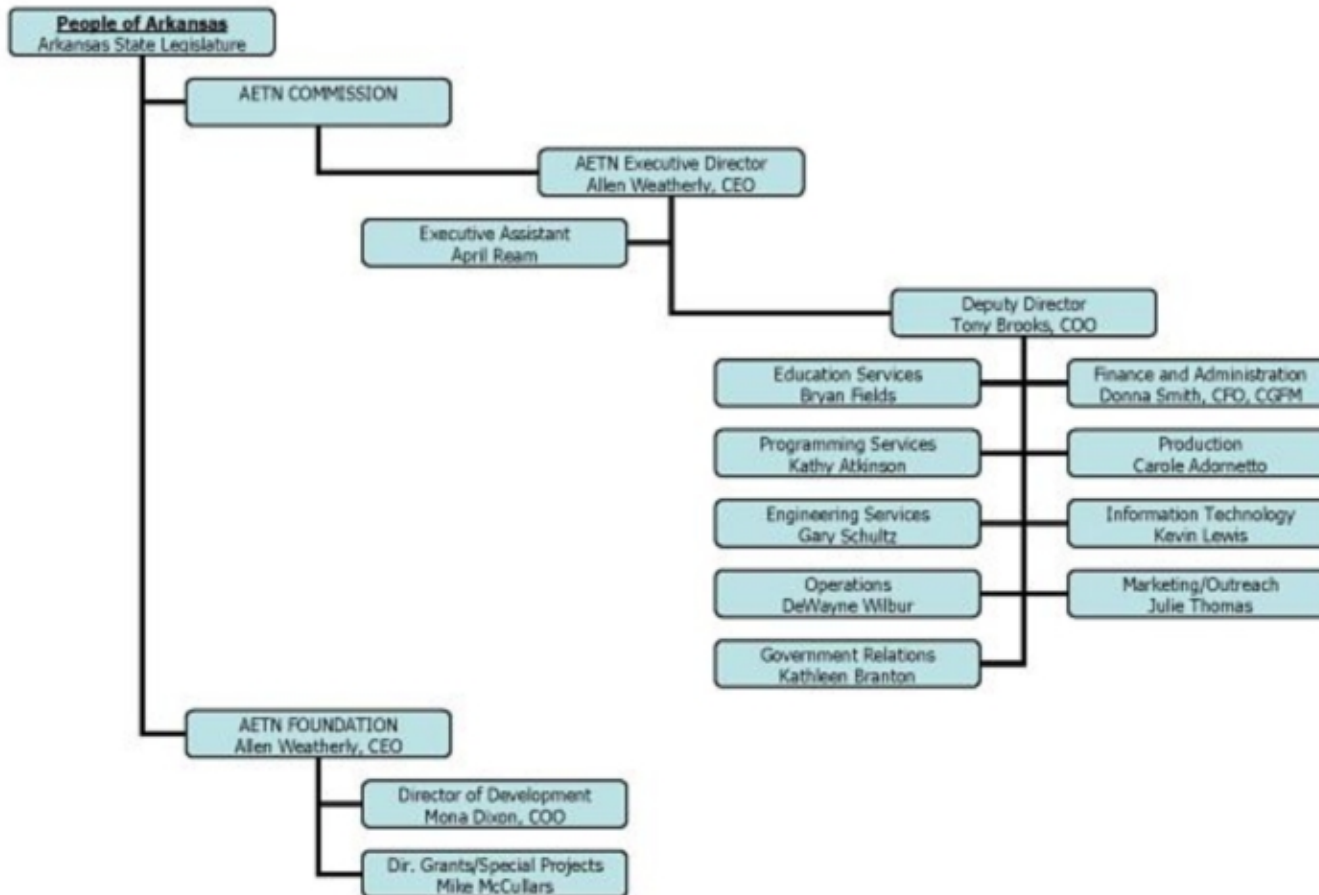
AETN continues to produce a wide variety of award-winning programs for and about Arkansas.

PUBLIC SUPPORT:

For the ninth consecutive year, national research confirmed that PBS is the most trusted institution in the United States and is considered an “excellent” use of tax dollars. Only military defense outranked PBS as the best value for the American tax dollar. PBS also was considered the most balanced network for news and public affairs. The research was conducted in January and February 2012 by the independent, non-partisan research companies Harris Interactive and ORC Online Caravan.

In the same poll, Americans enthusiastically endorsed public broadcasting as the best place for educational programming. PBS KIDS was named the most educational TV/media brand, the safest destination for children to watch television or visit online and the top provider of content that helps children build reading and math skills.

A 2007 Oakleaf and Associates survey found almost universal and enthusiastic support for AETN in Arkansas. AETN continues to draw numerous volunteers and various partners from every corner of the state to help bring excellent, diverse programs to all Arkansans. AETN annually produces more than 160 hours of original, award-winning programs, featuring the people, places and issues of Arkansas. AETN is a PBS member station.



Agency Commentary

AETN's 2013-2015 Biennial Commentary -

AETN is the state's only public educational television service and the only television in Arkansas with statewide, over-the-air broadcast capability. Through a network of 13 microwave relay stations sending signals to 6 transmitters around the state, AETN reaches almost 100% of Arkansas and provides more than 26,000 hours of non-commercial, educational programming, communications, and training services each year. As a PBS affiliate, AETN broadcasts national programming while also producing local, award-winning programs for and about Arkansas.

AETN has one of the best distribution systems in the state for delivering training and information statewide through multi-media platforms. AETN continues to partner with other state agencies to fulfill joint missions as directed by the governor in his budget instruction letter of 5-21-12, *"Seek better ways of addressing needs, particularly where you can work with other state agencies to more efficiently administer a program."*

AETN'S GENERAL REVENUE REQUEST:

AETN requests additional general revenue funds and appropriation of \$407,000 over base of \$5.25M for increased costs to maintain current statewide infrastructure and services - including veteran's archives. AETN's services to Arkansas' schools are cost effective and available 24/7.

AETN's statewide digital infrastructure is a multi-million dollar investment for the state to use and maintain. Since 2006 AETN has added three full-time digital sub-channels plus a sixth transmitter serving Arkansas' students, teachers, parents, citizens and the visually impaired. General revenue provides the support and infrastructure for AETN's partnerships with other state agencies, grantors, and foundations.

AETN's operating funds from the state have remained flat for several years while costs like leases, equipment maintenance and insurance are steadily growing. AETN continues to be frugal, efficient and entrepreneurial, earning other revenues for partnership costs beyond infrastructure.

ORAL HISTORIES REQUEST:

To continue AETN's ongoing oral history project with Arkansas War Veterans, AETN requests additional general revenue funds and appropriation of \$130,000 in 2014 and \$80,000 in 2015. AETN requests appropriation to purchase equipment, software and services to upgrade and complete the Arkansas War Heroes website. The software will enable all files to be available for searching, previewing and adding content to data. The web service has to be updated so viewers will continue to see the archived veteran's videos and content.

AETN'S CASH APPROPRIATION REQUEST:

AETN requests additional cash appropriation of \$1.9M over base of \$7.29M in 2014 and \$1.2 M over base in 2015 to continue programs and productions funded by grants and partnerships.

Through a partnership with the Arkansas Department of Education (ADE), AETN continues to offer high quality, professional development services to certified teachers statewide via multi-media platforms. Appropriation is needed to meet ADE's requests to improve the functionality of the IDEAS portal. This includes purchase of equipment to film courses while teachers model the objectives being taught; equipment that allows ADE to capture and web-stream professional development being presented at one of the regional co-ops or any location equipped with broadband; course content that provides professional development needs in Special Education, English as a Second Language and Gifted Education; and software redevelopment to meet current database standards giving the portal the ability to track professional development hours.

The Arkansas IDEAS Portal (Internet Delivered Education for Arkansas) provides course work approved by ADE and the Southern Regional Education Board to help teachers meet 60/hours/year of professional training required by law. Teachers must pass a test that proves satisfactory completion of these online courses. Training is accessible 24 hours a day through the Internet, during the AETN SCHOLAR broadcast on AETN's digital PLUS channel, and through workshops like the Arkansas Technology Institute (ATI). Since inception the IDEAS program has delivered over 500,000 hours of accredited training to help 32,000 certified teachers meet their annual requirements. AETN's partnership with ADE is a unique model for other public media services across the nation.

During fiscal 2012 outstanding professional development services featured more than 80 compressed interactive training events on the new Common Core State Standards (CCSS), totaling over 300 hours in just six months to reach teachers all around the state. AETN is the leading provider of professional educator development for the CCSS Initiative and offers more than 60 hours of CCSS related video content.

AETN and PBS provide Arkansas educators with access to PBS LearningMedia, a next-generation digital media platform to help re-imagine classroom learning, transform teaching, and more creatively engage students in grades Pre-K through college. This repository of digital media includes high quality videos, images, interactive activities, audio and research documents.

Additionally, AETN partners with other state agencies, universities, foundations and corporations to originate programs for and about Arkansas. AETN continues to seek similar collaborations with other state agencies and potential partners. Cash fund appropriation dollars are only expended when corresponding revenues cover the costs.

Please note that programming from PBS is generally paid from individual contributions to the AETN Foundation.

PERSONNEL - AETN staff pay will remain flat for biennial years 2014-2015, as will pay for all state employees, due to the economy and the recently installed state pay plan. AETN is downsizing by 4 positions, but also requesting correction of nine full-time positions currently misclassified. As partnerships develop AETN needs to retain its remaining 109 positions to fulfill agreements. These positions serve the state by undertaking many responsibilities, using numerous skills, and filling many priorities beyond their class code description. AETN can't afford many employees, but strives to recruit and keep multi-talented individuals. As Boomers retire AETN will make every effort to recruit and retain the best by taking good care of its talented employees. AETN has been named one of the best workplaces in the nation and the state by the American Psychological Association and the Governor's Work Life Balance program respectively.

SPECIAL LANGUAGE - AETN requests continuation of current special language.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
ARKANSAS EDUCATIONAL TELEVISION COMMISSION
FOR THE YEAR ENDED JUNE 30, 2011

Findings

On occasion, the Production Manager prepared and approved, and the Human Resource Department processed, timesheets for broadcast production specialists hired to perform specialized tasks. To compensate these specialists, the Agency used extra help positions even though these individuals normally required a higher rate of pay than allowed under the Agency's appropriation act and the Uniform Classification and Compensation Plan. While four of these specialists submitted invoices for services rendered, Agency personnel created timesheets that reflected hours worked not equal to the actual hours billed. A lack of planning and communication by management, related to the work of the broadcast production specialists contributed to this deficiency. The processing of inaccurate timesheets is not a sound business practice and could lead to payment of inappropriate amounts.

Recommendations

Agency management review applicable Arkansas Code and Office of Personnel Management policy, and develop a strategy for paying broadcast specialists with appropriate and accurate supporting documentation to support the payment.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	43	39	82	87 %
Black Employees	6	5	11	12 %
Other Racial Minorities	1	0	1	1 %
	Total Minorities		12	13 %
	Total Employees		94	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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
127 AETN-Treasury Paying	5,897,279	27	8,388,025	36	7,587,283	39	7,029,239	36	8,913,996	36	8,913,996	36	7,029,239	36	8,228,996	36	8,228,996	36
199 AETN-State Operations	5,354,926	73	5,198,262	73	5,423,186	74	5,258,911	73	5,672,408	73	5,308,911	73	5,262,648	73	5,676,169	73	5,312,648	73
2YX Honoring Arkansas' War Heros	0	0	0	0	130,000	0	0	0	130,000	0	130,000	0	0	0	80,000	0	80,000	0
Total	11,252,205	100	13,586,287	109	13,140,469	113	12,288,150	109	14,716,404	109	14,352,907	109	12,291,887	109	13,985,165	109	13,621,644	109

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	3,143,915	21.5	3,344,760	22.1		1,558,513	11.2	1,558,513	9.5	1,558,513	9.8	1,663,166	11.9	1,663,166	10.6	1,663,166	10.9
General Revenue	4000010	5,150,812	35.3	5,075,556	33.5		5,258,911	37.7	5,802,408	35.4	5,308,911	33.4	5,262,648	37.5	5,756,169	36.6	5,312,648	34.8
Special Revenue	4000030	9,278	0.1	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Cash Fund	4000045	6,098,124	41.8	6,601,778	43.6		7,133,892	51.1	9,018,649	55.1	9,018,649	56.8	7,102,780	50.6	8,302,537	52.8	8,302,537	54.3
Merit Adjustment Fund	4000055	190,000	1.3	122,706	0.8		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	4,836	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		14,596,965	100.0	15,144,800	100.0		13,951,316	100.0	16,379,570	100.0	15,886,073	100.0	14,028,594	100.0	15,721,872	100.0	15,278,351	100.0
Excess Appropriation/(Funding)		(3,344,760)		(1,558,513)			(1,663,166)		(1,663,166)		(1,533,166)		(1,736,707)		(1,736,707)		(1,656,707)	
Grand Total		11,252,205		13,586,287			12,288,150		14,716,404		14,352,907		12,291,887		13,985,165		13,621,644	

Budget exceeds Authorized Appropriation in 127 (AETN- Treasury Paying) due to a transfer from the Cash Fund Holding Account.
 Variance in fund balance due to unfunded appropriation in 2YX (Honoring Arkansas' War Heros).

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
113	97	16	113	0	14.16 %	113	92	7	99	14	18.58 %	113	92	17	109	4	18.58 %

Analysis of Budget Request

Appropriation: 127 - AETN-Treasury Paying

Funding Sources: NET - Cash in Treasury

Arkansas Educational Television receives funding for this cash appropriation from Grants from private foundations, earnings for programs produced from the Agency's studios, and partnerships with various educational entities, state agencies, and private groups.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level appropriation totals \$7,029,239 each year of the 2013-2015 Biennium with thirty-six (36) regular positions and forty-eight (48) extra help positions.

The Agency Change Level request for appropriation totaling \$1,884,757 in FY14 and \$1,199,757 in FY15 includes the following:

- Operating Expenses line item of \$1,516,307 in FY14 and \$1,089,307 in FY15 for increasing cost of programming and network maintenance. This includes data processing equipment maintenance, increased internet bandwidth to enable more web-streaming of professional development content for teachers, and software redevelopment to meet current database standards for the IDEAS portal. (IT Support Category-State Network Connectivity and Hardware)
- Conference & Travel Expenses of \$10,450 each fiscal year for the increase number of conferences employees must attended due to the IDEAS portal training.
- A request of \$358,000 in FY14 and \$100,000 in FY15 in Capital Outlay line item is for purchases of capital equipment to meet demands for content and functionality.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 127 - AETN-Treasury Paying

Funding Sources: NET - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	879,080	1,506,003	1,387,729	1,312,028	1,312,028	1,312,028	1,312,028	1,312,028	1,312,028
#Positions	27	36	39	36	36	36	36	36	36
Extra Help 5010001	60,814	140,642	118,693	118,693	118,693	118,693	118,693	118,693	118,693
#Extra Help	7	48	48	48	48	48	48	48	48
Personal Services Matching 5010003	358,120	518,840	494,808	506,735	506,735	506,735	506,735	506,735	506,735
Operating Expenses 5020002	4,103,905	5,204,997	4,845,690	4,845,690	6,361,997	6,361,997	4,845,690	5,934,997	5,934,997
Conference & Travel Expenses 5050009	35,095	56,450	46,000	46,000	56,450	56,450	46,000	56,450	56,450
Professional Fees 5060010	69,907	140,093	462,363	140,093	140,093	140,093	140,093	140,093	140,093
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Promotional Items 5090028	4,901	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capital Outlay 5120011	385,457	761,000	172,000	0	358,000	358,000	0	100,000	100,000
Total	5,897,279	8,388,025	7,587,283	7,029,239	8,913,996	8,913,996	7,029,239	8,228,996	8,228,996
Funding Sources									
Fund Balance 4000005	3,143,915	3,344,760		1,558,513	1,558,513	1,558,513	1,663,166	1,663,166	1,663,166
Cash Fund 4000045	6,098,124	6,601,778		7,133,892	9,018,649	9,018,649	7,102,780	8,302,537	8,302,537
Total Funding	9,242,039	9,946,538		8,692,405	10,577,162	10,577,162	8,765,946	9,965,703	9,965,703
Excess Appropriation/(Funding)	(3,344,760)	(1,558,513)		(1,663,166)	(1,663,166)	(1,663,166)	(1,736,707)	(1,736,707)	(1,736,707)
Grand Total	5,897,279	8,388,025		7,029,239	8,913,996	8,913,996	7,029,239	8,228,996	8,228,996

Change Level by Appropriation

Appropriation: 127 - AETN-Treasury Paying
Funding Sources: NET - Cash in Treasury

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	7,029,239	36	7,029,239	100.0	7,029,239	36	7,029,239	100.0
C01	Existing Program	1,836,757	0	8,865,996	126.1	1,181,757	0	8,210,996	116.8
C08	Technology	48,000	0	8,913,996	126.8	18,000	0	8,228,996	117.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	7,029,239	36	7,029,239	100.0	7,029,239	36	7,029,239	100.0
C01	Existing Program	1,836,757	0	8,865,996	126.1	1,181,757	0	8,210,996	116.8
C08	Technology	48,000	0	8,913,996	126.8	18,000	0	8,228,996	117.1

Justification

C01	AETN requests additional Cash Appropriation over base level for increasing costs of programming, network maintenance, and capital equipment to meet demands for content and functionality. AETN continues to partner with other state agencies, universities, foundations and corporations to provide programs and services for all Arkansans. Cash fund appropriation dollars are only expended when corresponding revenues cover the costs.
C08	AETN requests additional Cash appropriation for data processing equipment maintenance, increased internet bandwidth to enable more web-streaming of professional development content for teachers statewide, and software redevelopment to meet current database standards for the IDEAS portal created in partnership with the Arkansas Department of Education.

Analysis of Budget Request

Appropriation: 199 - AETN-State Operations

Funding Sources: EMA - ETV-State Operation

Arkansas Educational Television Network (AETN) is Arkansas' only statewide television network. AETN distributes a program of educational and general audience offerings that is broadcast for all citizens of Arkansas. The network's broadcast is carried from the R. Lee Reaves Center for Educational Telecommunications in Conway. In 2009, AETN terminated all analog broadcast as part of the national digital transition, but continues to serve Arkansas with six digital broadcast transmitters around the state. AETN's Second Audio Program (SAP) channel delivers the Arkansas Information Reading Service (AIRS) for the Blind as well as Descriptive Video on selected programs for those who are blind or are visually-impaired. Virtually all programs broadcast on AETN are also closed captioned for the deaf or hearing impaired. This appropriation is used for the infrastructure and operational needs of AETN. Funding for this appropriation comes from State General Revenues.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum. The Base Level request for Regular Salaries includes board member stipend payments.

Base Level appropriation and general revenue funding totals \$5,258,911 in FY14 and \$5,262,648 in FY15 with seventy-three (73) regular positions and one (1) extra help position.

The Agency Change Level requests for appropriation and general revenue funding totaling \$413,497 in FY14 and \$413,521 in FY15 includes the following:

- Regular Salaries and Personal Service Matching increase of \$6,497 in FY14 and \$6,521 in FY15 for the reclassification of eight positions to correct current class codes, grades and titles with more appropriate classifications fitting current duties and responsibilities.
- Operating Expenses increase of \$407,000 each fiscal year for increased costs on leases, insurance, equipment maintenance, data maintenance, internet bandwidth and automated server maintenance.(IT Support Category-State Network Connectivity and Hardware)

The Executive Recommendation provides for Base Level with the addition of the following:

- Reclassification of four positions and a title change of AETN Program and Services Division Manager to AETN Professional Relations Director, none of which increase appropriation or general revenue funding.

- \$50,000 in appropriation and general revenue funding in the Operating Expenses line item request, with the remaining request funded from the General Improvement Fund.

Appropriation Summary

Appropriation: 199 - AETN-State Operations

Funding Sources: EMA - ETV-State Operation

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,724,651	3,552,484	3,724,897	3,549,398	3,553,452	3,549,398	3,552,398	3,556,452	3,552,398
#Positions		73	73	74	73	73	73	73	73	73
Extra Help	5010001	6,464	8,800	8,800	8,800	8,800	8,800	8,800	8,800	8,800
#Extra Help		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	1,131,175	1,141,308	1,170,507	1,231,734	1,234,177	1,231,734	1,232,471	1,234,938	1,232,471
Operating Expenses	5020002	472,857	468,979	468,982	468,979	875,979	518,979	468,979	875,979	518,979
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	19,779	26,691	50,000	0	0	0	0	0	0
Total		5,354,926	5,198,262	5,423,186	5,258,911	5,672,408	5,308,911	5,262,648	5,676,169	5,312,648
Funding Sources										
General Revenue	4000010	5,150,812	5,075,556		5,258,911	5,672,408	5,308,911	5,262,648	5,676,169	5,312,648
Special Revenue	4000030	9,278	0		0	0	0	0	0	0
Merit Adjustment Fund	4000055	190,000	122,706		0	0	0	0	0	0
M & R Sales	4000340	4,836	0		0	0	0	0	0	0
Total Funding		5,354,926	5,198,262		5,258,911	5,672,408	5,308,911	5,262,648	5,676,169	5,312,648
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		5,354,926	5,198,262		5,258,911	5,672,408	5,308,911	5,262,648	5,676,169	5,312,648

Change Level by Appropriation

Appropriation: 199 - AETN-State Operations
Funding Sources: EMA - ETV-State Operation

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	5,258,911	73	5,258,911	100.0	5,262,648	73	5,262,648	100.0
C01	Existing Program	264,000	0	5,522,911	105.0	264,000	0	5,526,648	105.0
C08	Technology	143,000	0	5,665,911	107.7	143,000	0	5,669,648	107.7
C10	Reclass	6,497	0	5,672,408	107.9	6,521	0	5,676,169	107.9
C11	Upgrade/Downgrade	0	0	5,672,408	107.9	0	0	5,676,169	107.9

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	5,258,911	73	5,258,911	100.0	5,262,648	73	5,262,648	100.0
C01	Existing Program	50,000	0	5,308,911	101.0	50,000	0	5,312,648	101.0
C08	Technology	0	0	5,308,911	101.0	0	0	5,312,648	101.0
C10	Reclass	0	0	5,308,911	101.0	0	0	5,312,648	101.0
C11	Upgrade/Downgrade	0	0	5,308,911	101.0	0	0	5,312,648	101.0
C14	Title Change	0	0	5,308,911	101.0	0	0	5,312,648	101.0

Justification

C01	AETN requests additional general revenue funds and appropriation over base level for increased costs to maintain current statewide infrastructure and services, including increasing costs for leases, equipment maintenance and insurance.
C08	AETN requests additional appropriation and funding for data processing equipment maintenance, increased internet bandwidth and computer replacements.
C10	AETN requests reclassification of 8 positions to correct current class codes, grades and titles with more appropriate classifications fitting current duties and responsibilities.
C11	AETN requests a grade correction for 1 division director position currently graded below peers at similar responsibility levels. No change in class or title required.
C14	The Executive Recommendation provides for a title change from AETN Program and Services Division Manger to AETN Professional Relations Director.

Analysis of Budget Request

Appropriation: 2YX - Honoring Arkansas' War Heros

Funding Sources: EMA - ETV-State Operations

This general revenue funded appropriation is used by AETN to design documentaries honoring Arkansas' was heroes. Through the "In Their Words" Veteran's archiving project, AETN has archived the testimonies of more than 350 Arkansas WWII Veterans. With the use of this oral history, AETN can now offer a much more inclusive picture of the past. The archival program is featuring an extensive web/streaming and research environment for teachers and every Arkansas student with the ability to follow the actions, careers and lessons taught by these great Arkansans. This important and large project is a vital part of the Arkansas and American record.

Special language in AETN's current appropriation act (Section 7 of Act 178 of 2012) requires the Agency to request the continuation and any increase of this appropriation as a change level request for the 2013-2015 Biennium.

The Agency Change Level request for appropriation and general revenue funding totaling \$130,000 in FY14 and \$80,000 in FY15 in the Honoring Arkansas' War Heroes line item is for purchases of capital equipment, software, services, and upgrades for the Arkansas War Heroes website.

The Executive Recommendation provides for the Agency Request for appropriation with no general revenue funding.

Appropriation Summary

Appropriation: 2YX - Honoring Arkansas' War Heros

Funding Sources: EMA - ETV-State Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Honoring Arkansas' War Heroes 5900046	0	0	130,000	0	130,000	130,000	0	80,000	80,000
Total	0	0	130,000	0	130,000	130,000	0	80,000	80,000
Funding Sources									
General Revenue 4000010	0	0		0	130,000	0	0	80,000	0
Total Funding	0	0		0	130,000	0	0	80,000	0
Excess Appropriation/(Funding)	0	0		0	0	130,000	0	0	80,000
Grand Total	0	0		0	130,000	130,000	0	80,000	80,000

Change Level by Appropriation

Appropriation: 2YX - Honoring Arkansas' War Heros
Funding Sources: EMA - ETV-State Operations

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C08	Technology	130,000	0	130,000	100.0	80,000	0	80,000	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C08	Technology	130,000	0	130,000	100.0	80,000	0	80,000	100.0

Justification

C08	AETN requests appropriation and general revenue funds to purchase equipment, software and services to upgrade and complete the Arkansas War Heroes website. The software will enable all files to be available for searching, previewing and adding content to data. The web service has to be updated so viewers will be able to see the archived veteran's videos and content.								
-----	--	--	--	--	--	--	--	--	--

STATE BOARD OF ELECTION COMMISSIONERS

Enabling Laws

Act 54 of 2012

A.C.A. §7-4-101, 7-4-103, 7-4-107, 7-4-109, 7-4-118

A.C.A. §7-5-311, 7-5-415, 7-5-503, 7-5-510, 7-5-606, 7-5-707

A.C.A. §7-7-201

A.C.A. §7-10-103

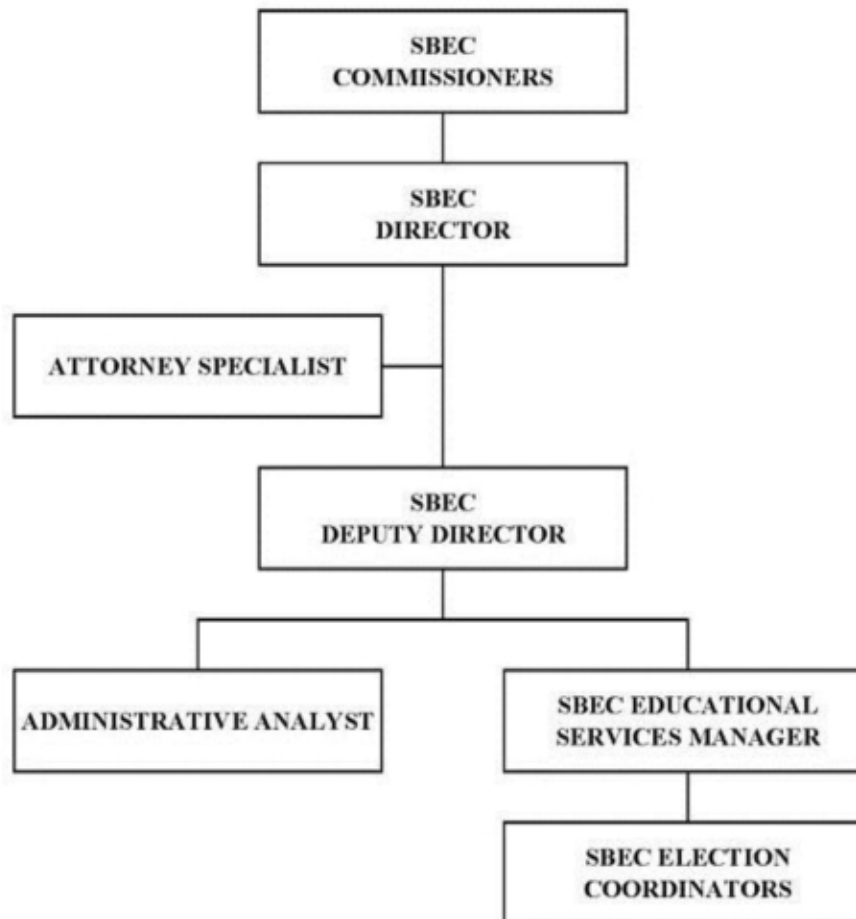
History and Organization

The State Board of Election Commissioners has existed in excess of 100 years. Legislation passed by the General Assembly during the 1995 session 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 staff of seven serving a seven member board that 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.

The mission of the Board is to improve the 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, develops specialized training programs, conducts and coordinates statewide training of county election commissioners and election officials, monitors compliance by local election administrators 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 Board's cost effective system of reimbursement to the counties ensures statewide uniformity and consistency in distributing funds from the State to the counties for state-supported elections. The Board provides each county with comprehensive reporting forms for requesting reimbursement, distributes funds statewide following extensive auditing and reconciliation of each individual county reimbursement request, and maintains election expense databases for fiscal accountability.



Agency Commentary

The State Board of Election Commissioners requests Base Level for Operations in the amount of \$640,552 for FY2014 and \$641,418 for FY2015. The Base Level request for Regular Salaries and Matching includes appropriation for Career Service Payments and board member stipend payments. Base Level Salaries and Matching do not include appropriation for a Cost of Living Adjustment or merit pay increases.

The Board requests continuation of Base Level for Election Expenses (581) in the amount of \$6,340,000 for the 2013-2015 Biennium to cover the expenses of the Board and local county boards of election commissioners to conduct state-supported political party primary elections, nonpartisan judicial general elections, special primary elections, and statewide special elections. This request also covers 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 administrators in conducting elections in compliance with federal and state election laws, pursuant to A.C.A. § 7-4-101, 7-4-107, and 7-4-109. Special Language authorizes the carryforward of General Revenue funding from the first fiscal year of the biennium to the second fiscal year of the biennium. Expenditure of appropriation in the second fiscal year of the biennium is contingent upon the carryforward of available funding from the first fiscal year of the biennium. Special Language also authorizes the Chief Financial Officer of the State to transfer funds from the Budget Stabilization Trust Fund to the Board's Miscellaneous Agencies Fund Account to pay the expenses of state-supported elections, if funds are not available to pay for these elections. The Agency's Base Level Request for Election Expenses (581) includes the following:

	GENERAL REVENUE	BUDGET STABILIZATION TRUST FUND	TOTAL
Training Publications	75,000	0	75,000
Commissioners Training Compensation	30,000	0	30,000
Trainers' Training Compensation	35,000	0	35,000
Preferential Primary (May):	2,500,000	500,000	3,000,000
Primary Runoff (June):	1,497,000	303,000	1,800,000
Statewide Specials/Special Primaries	<u>0</u>	<u>1,400,000</u>	<u>1,400,000</u>
Total	4,137,000	2,203,000	6,340,000

The Board requests continuation of Base Level in the amount of \$1,600,000 for Nonpartisan Judicial General Elections (436) for the 2013-2015 Biennium to cover the expenses of the Board and local county boards of election commissioners to conduct state-supported elections. Expenditure of appropriation in the second fiscal year of the biennium is contingent upon the carryforward of available funding from the first fiscal year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
STATE BOARD OF ELECTION COMMISSIONERS
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

None

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

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		
"County Board 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
"Poll Workers Training Guide and Checklist for Poll Workers"	7-4-101(f)(2); 7-4-107(b)(2); 7-4-109(e)(1)	N	N	11,500	Statewide training, testing, and Board certification of trainers to train poll workers locally - Statewide training of local 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	6,000	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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	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	0	0	676,521	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0
580 Election Commissioners - Operations	602,411	7	638,754	7	588,509	7	640,552	7	640,552	7	640,552	7	641,418	7	641,418	7	641,418	7
581 Election Expenses	1,499,615	0	2,410,187	0	6,340,000	0	6,340,000	0	6,340,000	0	6,340,000	0	6,340,000	0	6,340,000	0	6,340,000	0
Total	2,102,026	7	3,725,462	7	8,528,509	7	8,580,552	7	8,580,552	7	8,580,552	7	8,581,418	7	8,581,418	7	8,581,418	7

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	517,579	10.0	3,086,708	82.9	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
General Revenue	4000010	4,512,213	87.0	638,754	17.1	4,777,552	55.7	4,777,552	55.7	4,777,552	55.7	641,418	100.0	641,418	100.0	641,418	100.0	641,418	100.0
Budget Stabilization Trust	4000130	0	0.0	0	0.0	2,203,000	25.7	2,203,000	25.7	2,203,000	25.7	0	0.0	0	0.0	0	0.0	0	0.0
Judicial Filing Fees	4000320	158,942	3.1	0	0.0	1,600,000	18.6	1,600,000	18.6	1,600,000	18.6	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		5,188,734	100.0	3,725,462	100.0	8,580,552	100.0	8,580,552	100.0	8,580,552	100.0	641,418	100.0	641,418	100.0	641,418	100.0	641,418	100.0
Excess Appropriation/(Funding)		(3,086,708)		0		0		0		0		7,940,000		7,940,000		7,940,000		7,940,000	
Grand Total		2,102,026		3,725,462		8,580,552		8,580,552		8,580,552		8,581,418		8,581,418		8,581,418		8,581,418	

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	6	0	6	1	14.29 %	7	7	0	7	0	0.00 %	7	7	0	7	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 Agency Base Level Request includes appropriation of \$1,600,000 each year of the 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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	676,521	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Total	0	676,521	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Funding Sources									
Fund Balance 4000005	517,579	676,521		0	0	0	0	0	0
Judicial Filing Fees 4000320	158,942	0		1,600,000	1,600,000	1,600,000	0	0	0
Total Funding	676,521	676,521		1,600,000	1,600,000	1,600,000	0	0	0
Excess Appropriation/(Funding)	(676,521)	0		0	0	0	1,600,000	1,600,000	1,600,000
Grand Total	0	676,521		1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Board's Base Level Request includes appropriation and general revenue funding of \$640,552 in FY14 and \$641,418 in FY15 with seven (7) regular positions.

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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	410,653	396,217	366,663	396,217	396,217	396,217	396,917	396,917	396,917
#Positions		7	7	7	7	7	7	7	7	7
Personal Services Matching	5010003	107,186	126,477	105,786	128,275	128,275	128,275	128,441	128,441	128,441
Operating Expenses	5020002	83,348	108,060	108,060	108,060	108,060	108,060	108,060	108,060	108,060
Conference & Travel Expenses	5050009	1,224	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Professional Fees	5060010	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		602,411	638,754	588,509	640,552	640,552	640,552	641,418	641,418	641,418
Funding Sources										
General Revenue	4000010	602,411	638,754		640,552	640,552	640,552	641,418	641,418	641,418
Total Funding		602,411	638,754		640,552	640,552	640,552	641,418	641,418	641,418
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		602,411	638,754		640,552	640,552	640,552	641,418	641,418	641,418

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 covers 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 administrators in conducting elections in compliance with federal and state election laws, pursuant to § 7-4-101, 7-4-107, and 7-4-109.

Base Level includes appropriation of \$6,340,000 each year with general revenue funding of \$4,137,000 in the first year only with Special Language authorizing the carry forward of remaining funds between fiscal years. Special Language also authorizes the Chief Financial Officer of the State to transfer funds from the Budget Stabilization Trust Fund to the Board's Miscellaneous Agencies Fund to provide for expenses for any statewide special election or special primary election if any Special Elections are required.

The Total Request includes the following:

	<u>GENERAL REVENUE</u>	<u>BUDGET STABILIZATION TRUST FUND</u>	<u>TOTAL</u>
Training Publications	75,000	0	75,000
Commissioners Training Compensation	30,000	0	30,000
Trainers' Training Compensation	35,000	0	35,000
Preferential Primary (May)	2,500,000	500,000	3,000,000
Primary Runoff (June)	1,497,000	303,000	1,800,000
Statewide Specials/Special Primaries	<u>0</u>	<u>1,400,000</u>	<u>1,400,000</u>
Total	4,137,000	2,203,000	6,340,000

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 581 - Election Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	69,041	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,430,574	0	0	0	0	0	0	0	0
Election Expenses	5900046	0	2,410,187	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000
Total		1,499,615	2,410,187	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000
Funding Sources										
Fund Balance	4000005	0	2,410,187		0	0	0	0	0	0
General Revenue	4000010	3,909,802	0		4,137,000	4,137,000	4,137,000	0	0	0
Budget Stabilization Trust	4000130	0	0		2,203,000	2,203,000	2,203,000	0	0	0
Total Funding		3,909,802	2,410,187		6,340,000	6,340,000	6,340,000	0	0	0
Excess Appropriation/(Funding)		(2,410,187)	0		0	0	0	6,340,000	6,340,000	6,340,000
Grand Total		1,499,615	2,410,187		6,340,000	6,340,000	6,340,000	6,340,000	6,340,000	6,340,000

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2012 TO FISCAL YEAR 2013**

Agency: Election Commissioners Board

Program: Election Expenses

Act #: 578 Section(s) #: 3 & 5

Estimated Carry Forward Amount \$ 2,238,315.00 Funding Source: Miscellaneous Agencies

Accounting Information:

Business Area: 0232 Funds Center: 581 Fund: HUA Functional Area: PROF

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

To enable the State Board of Election Commissioners to reimburse counties for eligible state-funded election expenses associated with conducting the 2011 Statewide Special Election, the 2012 Preferential Primary Election, General Primary Election, and Nonpartisan Judicial General Election, and any special primary elections through the fiscal year ending June 30, 2013.

Actual Funding Carry Forward Amount \$ 2,410,186.96

Current status of carry forward funding:

Funds carried forward will enable the State Board of Election Commissioners to reimburse counties for eligible state-funded election expenses associated with conducting the 2011 Statewide Special Election, the 2012 Preferential Primary Election, General Primary Election, Nonpartisan Judicial General Election, and any special primary elections through the fiscal year ending June 30, 2013.

Susie Stormes

Director

08-23-2012

Date

DEPARTMENT OF EMERGENCY MANAGEMENT

Enabling Laws

Act 158 of 2012
A.C.A. §12-75-101 et seq.

History and Organization

The Arkansas Department of Emergency Management ("ADEM") initially established as the State Civil Defense Agency by Act 321 of 1953, was first located at Camp Robinson and attached to the Arkansas National Guard for administrative support. In 1957, the Agency relocated from the high-risk war targets of Little Rock and Little Rock AFB to the Conway City Hospital.

Act 156 of 1959 changed the Agency's title to Executive Office of Civil Defense and Disaster Relief. This began an evolutionary process of changing the Agency's function from nuclear war preparedness to preparing local governments and state agencies for an all hazard approach to emergencies and disasters.

In 1965, the Agency moved into an underground facility in Conway. This center provided nearly 100% protection from nuclear fallout and would sustain up to 100 persons for a period of two weeks without any outside sources of power, water, food or other necessities. It is here the Governor and his key staff would come in the event of a nuclear or terrorist attack. The facility was manned 24 hours per day, 7 days a week.

Act 38 of 1971 reorganized all state government agencies into thirteen major departments. This Agency was placed in the Department of Planning. Legislative research revealed a vague relationship with the Department in addition to a poor definition of the Agency's mission and goals.

Act 511 of 1973 changed the Executive Office of Civil Defense and Disaster Relief to the Office of Emergency Services, placed the Agency in the Department of Public Safety and clarified the Agency's mission and responsibilities.

Act 45 of 1981 abolished the Department of Public Safety. Since then, the Office of Emergency Services has been a separate agency reporting directly to the Governor. Act 646 of 1999 changed the Agency's title to Arkansas Department of Emergency Management (ADEM).

Following the September 11, 2001, terrorist attack on the nation, the Governor designated the ADEM Director as the Homeland Security Adviser for Arkansas, and ADEM as the state administrative agency for Homeland Security.

In June 2007 the Agency moved from the Conway location to the newly built State Emergency Operations Center located on Camp Robinson. The 39,180 sq. ft. building is designed to withstand an F4 tornado, contains water supply; emergency power; un-interruptible power supply; chemical filtration for HVAC; bunk capacity; showers; full kitchen facility; and secure communications capability. Additional communications include; Arkansas Wireless Information Network System, land-line telephone, Critical Infrastructure Warning Information Network, Arkansas Crime Information Center, National Warning System, Chemical Stockpile Emergency Preparedness Program hot-line, Arkansas Nuclear One Headline and Radio Amateur Civil Emergency Services.

Beginning in 2008 and continuing into 2010 the State's Emergency Operations Center stood up on multiple occasions to assist the citizens of Arkansas cope with 11 federally declared and several state declared disasters including flooding, ice storms, and tornados. The Governor held several press conferences from the facility while representatives from the Emergency Support Functions worked together to provide the necessary resources to our local jurisdictions.

STATUTORY RESPONSIBILITY: The Arkansas Department of Emergency Management is mandated by Act 511 of 1973 (A.C.A. §12-75-101 et al.) to establish and maintain a management system that, to the extent possible, effectively provides mitigation of and recovery from the effects of natural and man-made (including war) disasters.

PRIMARY ACTIVITIES: The above mandate is accomplished through programs (briefly described below) designed to incorporate an all hazards approach to risks within Arkansas; assist volunteers and other organizations to participate in an all hazards approach to risks within local areas; develop systems and procedures to rapidly deploy mitigation and recovery resources; continually exercise all plans and systems, evaluate results and make modifications; and coordinate the efforts of all organizations to insure an effective response to disasters. The Agency's employees, in addition to taking care of their daily activities as program managers, planners, accountants, administrative assistants, etc., must respond to disasters anywhere in the state with very little notice. They work under minimum supervision to provide direct support for response and recovery activities.

HOMELAND SECURITY - The Governor has designated the Agency Director as Arkansas' Homeland Security Adviser. Administration of the State's Homeland Security Program as well as management and administrative responsibilities for all grants received from the Department of Homeland Security/FEMA have been assigned to the Arkansas Department of Emergency Management.

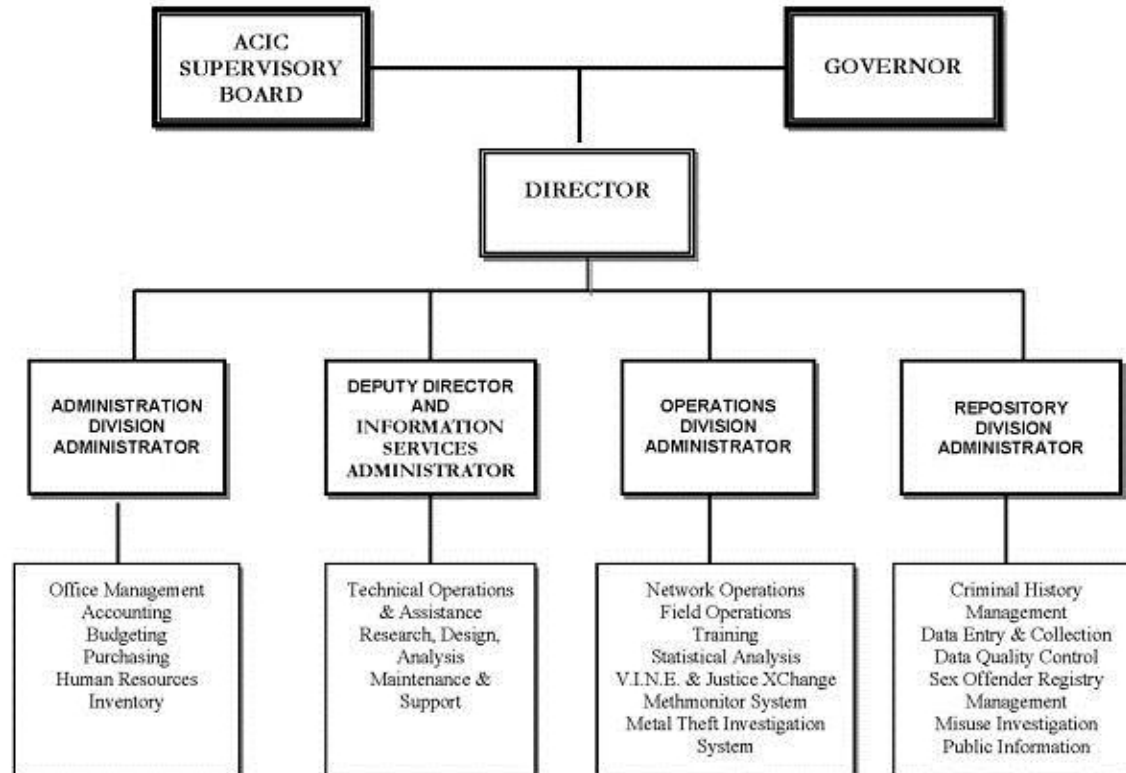
EMERGENCY OPERATIONS - Maintains a 24/7 watch to receive emergency warnings, reports of occurrences, requests for assistance, and other information; coordinates activities of all forces responding to requests for assistance from local governments; dispatches disaster response teams to make damage surveys and assist local officials in coordination of relief activities; operates a 24-hour a day statewide warning and communications system for alerting state agencies and local governments to the threat or occurrence of natural or man-made disasters. The Agency is the state warning point for the National Warning System (NAWAS). This system is also used to coordinate disaster response activities.

DISASTER ASSISTANCE - Provides state and federal financial assistance to state agencies and local governments for the repair or replacement of public facilities damaged or destroyed by disasters. Provides advice to the Governor, and upon his request, collects the necessary data and prepares his letter to the President requesting federal assistance. Develops and processes local government and nonprofit organization applications to receive federal financial assistance for public damages, hazard mitigation projects as well as residents covered under the Individual and Family Assistance programs.

PREPAREDNESS - Maintains currency of State Emergency Operations Plan. Provides day to day guidance and assistance to local governments and other state agencies in developing and maintaining annexes to support the State in developing and updating emergency operations plans. Provides emergency management training to local and state emergency management personnel through seminars, workshops, conferences, etc. The program also provides emergency preparedness information to schools, industry and other non-governmental organizations. This program includes exercising all emergency plans and procedures.

INFORMATION TECHNOLOGY - Oversees all of our radio, cellular communications, and automatic data processing equipment. Provides guidance and technical assistance in purchasing, training, and operations of all Automatic Data Processing (ADP), cellular, and radio equipment for this agency and local government emergency management organizations; assists local governments and other state agencies in obtaining federal funds to purchase and maintain radios, ADP and other emergency equipment.

FEDERAL SURPLUS PROPERTY - Provides new and slightly used equipment and goods that have been release for disposal by Federal programs. These items are donated to state and local governments through the FSP program for a slight fee to cover the administrative cost of procuring and disbursing the goods. This program saves the state and local governments thousands of dollars each year.



Agency Commentary

The Arkansas Department of Emergency Management (ADEM) maintains a 24-hour/7-day watch to receive emergency warnings, reports of occurrences, requests for assistance and other information. ADEM's responsibilities include the following: coordinate activities of all forces responding to requests for assistance from local governments, ensure resource coordination for all areas requiring assistance, dispatch preliminary damage assessment teams to affected areas, provide state and federal assistance to state agencies and local governments for the repair or replacement of public facilities damaged or destroyed by natural or man-caused disasters. The Agency also provides advise to the Governor and upon his request, collects the necessary data and prepares his letter for the President requesting federal assistance, provides day-to-day guidance and assistance to local governments of Arkansas in developing and maintaining annexes to support the EOP's (Emergency Operation Plans) and assists local governments in developing and updating local EOPs.

ADEM provides emergency management training to local and state emergency management personnel through seminars, workshops and conferences. ADEM provides emergency information to schools, industry and other non-governmental organizations, maintains numerous information and telecommunications systems necessary to coordinate disaster response and recovery efforts, provides funding, guidance and technical assistance and in some cases full support to outside organizations related to these systems. At this time ADEM is approximately 96% federally funded, so grant management and administration is vital to the programs provided by ADEM.

ADEM has responded to multiple federally and State declared disasters in the past several years. The State has seen destruction from ice storms, tornados and flooding that continue to disrupt the lives of our citizens. The receipt of a Federal declaration brings additional federal dollars into the State for assistance in the form of Individual Assistance, Public Assistance and Mitigation Grants whereas State declared disasters utilize the Governor's Disaster Fund to aid the survivors of the disaster.

ADEM employees in addition to being planners, accountants, administrative assistants, etc. taking care of the daily duties of their positions, must respond to disasters anywhere in the State with little notice. They work under minimum supervision to provide direct support for recovery activities.

Following the September 11, 2001, terrorist attack on the Nation, the Governor designated the ADEM Director as Arkansas' Homeland Security Adviser. Administrative responsibilities for Homeland Security and the grants provided from the Department of Homeland Security/FEMA have also been assigned to the Arkansas Department of Emergency Management.

In order for this Agency to move forward in catastrophic planning, increase the level of preparedness for all training statewide and meet the increased demands of Homeland Security we request the following:

The Budget Request for Homeland Security (1EM) reflects a total increase in appropriation of \$98,317 in FY14 and \$86,317 in FY15 which

includes regular salaries and personnel services matching for two (2) positions, a Grants Analyst and an Administrative Specialist III with corresponding maintenance and operations increases for cell phones and computers and a 1st year request for capital for radios. These positions are needed to implement the upcoming 911 program which will be under the supervision of the Administration Division. This request is for 100% funding from General Revenues.

The Budget Request for ADEM Federal Surplus Property Program (59K) reflects a total increase in appropriation of \$143,235 in FY14 and \$131,235 in FY15. Two (2) new positions, Surplus Property Agent and Maintenance Specialist, have been requested in this area so an increase will show in appropriation for both years. The growth of this program since their joining ADEM in July 2009 has been great. Reports from the General Services Administration (GSA) shows Arkansas' program to be one of the best in the Nation. These positions are needed to continue the growth and provide the services required to maintain the growth. Our increase also covers additional operational costs that have been realized due to the increasing effectiveness of the program.

The Budget Request for State Operations (219) reflects a total increase from base level of \$1,265,297 for FY14 and \$1,161,297 for FY15. The costs will be matched 50% federal, 50% General Revenue. In the past this appropriation has not correctly reflected the 50/50 requirement of the federal grant for which this appropriation is used. In order to meet our match in the past we have used soft match which is allowed under the federal program. However, with federal grants slowly diminishing it will be necessary for us to provide additional hard match through general revenue rather than rely on the soft match which expends the federal grant twice as fast. For every federal dollar that is utilized the state must match that dollar. This request is for five (5) positions with corresponding cost and increases in maintenance and operations. Also in the increase is travel and a request for overtime appropriations in order to pay staff assigned during disasters/emergency situations. In addition, prior to 2007 this agency was housed in a very small facility in Conway. Our budget, since our move to North Little Rock in June 2007 into a building 3 times bigger than the Conway facility, has remained basically the same. An increase in our general day to day operational expenses, maintenance, and automation upkeep has greatly increased although our state budget has not. In order to maintain this facility and ensure that our citizens received the disaster response and recovery that they and our Governor expect it will require an increase in our budget to keep the equipment updated that is required for response/recovery. In addition to operational costs there will be an increase in the conference line item to cover the costs associated with the annual meeting of the State's emergency managers as defined in the Emergency Management Performance Grant (EMPG) narrative. Capital Outlay will also show an increase of \$930,000 in FY14 and \$826,000 in FY15 due to needed upgrades for the server room and AMX (audio/visual) system in the State Emergency Operations Center as well as the needed radio equipment for the new positions.

The Budget Request for Federal Operations (220) reflects an increase of \$72,859 in FY14 and \$66,859 for FY15. These increases are for one (1) position, a Public Safety Broadband Coordinator and corresponding cost and an increase of \$15,000 in overtime appropriations, all of these to be funded at 100% with anticipated federal funds.

The Budget Request for Disaster Relief Grants (221) reflects no increase at this time.

The Budget Request for Emergency Operations Center (38V) - Cash reflects no change to the base level budget amount.

The Budget Request for Hazardous Materials (613) reflects an increase of \$86,834 in FY14 and \$133,334 in FY15. Each year the increases will cover training classes and planning activities associated with Hazardous Materials. This appropriation is 50% special and 50% federal revenue. The special revenue is a recording fee collected for chemical storage. The increase in special revenues will be derived by a proposed increase in the filing fees for storage of hazardous materials. This increase has been approved by the State Emergency Response Commission as well as proposed changes to legislation.

The Budget Request for Disaster Relief Trust (740) reflects no change to the base level budget amount. The appropriation provides assistance to victims of state or federally declared disasters. Funds are collected through donations and the Arkansas Income Tax Check Off Program established by Act 1181 of 1997.

The Budget Request for Radiological Emergency Response Grants (950) reflects an increase of \$25,000 in maintenance and operations each year to use in meeting the needs of the Radiological Response Program as well as replacing outdated equipment and attending necessary training and conferences required for the program. Funding is received from the Entergy Corporation through the Department of Health.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF EMERGENCY MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2011

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	32	41	73	84 %
Black Employees	7	4	11	13 %
Other Racial Minorities	2	1	3	3 %
Total Minorities			14	16 %
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		
N/A	N/A	N	N	0	N/A

Change in Fee Schedule

CURRENT FEE STRUCTURE

PROPOSED CHANGE

Description	Fee Amount	Estimated Receipts 2012-2013	Authorizing Act or AR Code	Fee Amount	Estimated Receipts		Reason for Change
					2013-2014	2014-2015	
Tier II	\$25.00	\$37,350	12-84-106 (B)	\$50.00	\$74,700	\$74,700	Additional Training and Requirements No increase since 1987
Add Haz Chem Fee Tier II	\$5.00	\$24,680	12-84-106 (A)	\$10.00	\$49,360	\$49,360	Additional Training and Requirements No increase since 1987
TRI	\$150.00	\$61,200	12-84-106 (B)	\$300.00	\$122,400	\$122,400	Additional Training and Requirements No increase since 1987
Add Chem	\$25.00	\$13,225	12-84-106 (A)	\$50.00	\$26,450	\$26,450	Additional Training and Requirements No increase since 1987

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES
 Fiscal Year 2012
 Required by A.C.A. 25-36-104

AGENCY: 0995 DEPARTMENT OF EMERGENCY MANAGEMENT

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Southern Maid	\$33,449	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED	<u>1</u>
TOTAL EXPENDITURES FOR CONTRACTS AWARDED	<u>\$133,892</u>
% OF MINORITY CONTRACTS AWARDED	<u>24.98 %</u>

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation											
	2011-2012		2012-2013		2012-2013		2013-2014				2014-2015							
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1EM Homeland Security	29,998	0	30,000	0	60,000	0	30,000	0	128,317	2	30,000	0	30,000	0	116,317	2	30,000	0
219 State Operations	3,664,439	62	3,929,564	65	3,886,250	65	3,927,535	65	5,192,832	70	3,927,535	65	3,930,102	65	5,091,399	70	3,930,102	65
220 Federal Operations	18,584,574	10	36,505,357	10	36,648,504	10	34,508,440	10	34,581,299	11	34,581,299	11	34,508,440	10	34,575,299	11	34,575,299	11
221 Disaster Relief Grants	67,126,705	6	103,955,746	6	103,915,249	6	103,955,164	6	103,955,164	6	103,955,164	6	103,955,164	6	103,955,164	6	103,955,164	6
38V Emergency Operations Center - Cash	352,551	0	296,851	0	342,043	0	296,851	0	296,851	0	296,851	0	296,851	0	296,851	0	296,851	0
59K ADEM Federal Surplus Property Prgm	1,716,587	16	1,923,358	16	1,922,652	16	1,927,292	16	2,070,527	18	2,070,527	18	1,927,292	16	2,058,527	18	2,058,527	18
613 Hazardous Materials	363,049	3	449,903	3	463,763	3	450,542	3	537,376	3	537,376	3	450,542	3	583,876	3	583,876	3
740 Disaster Relief Trust	0	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
950 Radiological Emergency Response Grants	9,804	0	40,000	0	40,000	0	15,000	0	40,000	0	40,000	0	15,000	0	40,000	0	40,000	0
Total	91,847,707	98	147,480,779	100	147,628,461	100	145,460,824	100	147,152,366	110	145,788,752	103	145,463,391	100	147,067,433	110	145,819,819	103

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	2,951,283	3.1	2,533,702	1.7			1,888,493	1.3	1,888,493	1.3	1,888,493	1.3	1,417,966	1.0	1,392,966	0.9	1,392,966	1.0
General Revenue	4000010	1,867,765	2.0	1,867,765	1.3			1,971,267	1.3	2,702,233	1.8	1,971,267	1.3	1,972,551	1.3	2,639,516	1.8	1,972,551	1.3
Federal Revenue	4000020	87,700,033	92.9	142,742,664	95.6			140,675,143	96.0	141,380,650	95.4	140,748,002	95.8	140,676,426	96.3	141,323,934	95.7	140,743,285	96.1
Special Revenue	4000030	1,785,980	1.9	1,824,952	1.2			1,682,036	1.1	1,912,105	1.3	1,912,105	1.3	1,708,036	1.2	1,972,605	1.3	1,972,605	1.3
Cash Fund	4000045	10,713	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Trust Fund	4000050	21,744	0.0	350,000	0.2			350,000	0.2	350,000	0.2	350,000	0.2	350,000	0.2	350,000	0.2	350,000	0.2
Merit Adjustment Fund	4000055	0	0.0	35,189	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
DFA Motor Vehicle Acquisition	4000184	32,723	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Inter-agency Fund Transfer	4000316	(2,715)	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Intra-agency Fund Transfer	4000317	(8,278)	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	7,161	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from Health Dept	4000511	15,000	0.0	15,000	0.0			15,000	0.0	15,000	0.0	15,000	0.0	15,000	0.0	15,000	0.0	15,000	0.0
Total Funds		94,381,409	100.0	149,369,272	100.0			146,581,939	100.0	148,248,481	100.0	146,884,867	100.0	146,139,979	100.0	147,694,021	100.0	146,446,407	100.0
Excess Appropriation/(Funding)		(2,533,702)		(1,888,493)				(1,121,115)		(1,096,115)		(1,096,115)		(676,588)		(626,588)		(626,588)	
Grand Total		91,847,707		147,480,779				145,460,824		147,152,366		145,788,752		145,463,391		147,067,433		145,819,819	

Variance in fund balance due to unfunded appropriation in (38V) Emergency Operations Center - Cash.

The FY13 Budget amount exceeds the authorized amount in State Operations (219), Disaster Relief Grants (221) and ADEM Federal Surplus Property Prgm (59K) due to salary and matching rate adjustments during the 2011-2013 Biennium.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1EM Homeland Security	29,998	0	30,000	0	60,000	0	30,000	0	128,317	2	30,000	0	30,000	0	116,317	2	30,000	0
219 State Operations	3,664,439	62	3,929,564	65	3,886,250	65	3,927,535	65	5,192,832	70	3,927,535	65	3,930,102	65	5,091,399	70	3,930,102	65
220 Federal Operations	18,584,574	10	36,505,357	10	36,648,504	10	34,508,440	10	34,581,299	11	34,581,299	11	34,508,440	10	34,575,299	11	34,575,299	11
221 Disaster Relief Grants	67,126,705	6	103,955,746	6	103,915,249	6	103,955,164	6	103,955,164	6	103,955,164	6	103,955,164	6	103,955,164	6	103,955,164	6
38V Emergency Operations Center - Cash	352,551	0	296,851	0	342,043	0	296,851	0	296,851	0	296,851	0	296,851	0	296,851	0	296,851	0
59K ADEM Federal Surplus Property Prgm	1,716,587	16	1,923,358	16	1,922,652	16	1,927,292	16	2,070,527	18	2,070,527	18	1,927,292	16	2,058,527	18	2,058,527	18
613 Hazardous Materials	363,049	3	449,903	3	463,763	3	450,542	3	537,376	3	537,376	3	450,542	3	583,876	3	583,876	3
740 Disaster Relief Trust	0	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
950 Radiological Emergency Response Grants	9,804	0	40,000	0	40,000	0	15,000	0	40,000	0	40,000	0	15,000	0	40,000	0	40,000	0
Total	91,847,707	98	147,480,779	100	147,628,461	100	145,460,824	100	147,152,366	110	145,788,752	103	145,463,391	100	147,067,433	110	145,819,819	103

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	2,951,283	3.1	2,533,702	1.7	1,888,493	1.3	1,888,493	1.3	1,888,493	1.3	1,417,966	1.0	1,306,132	0.9	1,306,132	0.9	
General Revenue	4000010	1,867,765	2.0	1,867,765	1.3	1,971,267	1.3	2,702,233	1.8	1,971,267	1.3	1,972,551	1.3	2,639,516	1.8	1,972,551	1.3	
Federal Revenue	4000020	87,700,033	92.9	142,742,664	95.6	140,675,143	96.0	141,380,650	95.4	140,748,002	95.9	140,676,426	96.3	141,323,934	95.8	140,743,285	96.3	
Special Revenue	4000030	1,785,980	1.9	1,824,952	1.2	1,682,036	1.1	1,825,271	1.2	1,825,271	1.2	1,708,036	1.2	1,839,271	1.2	1,839,271	1.3	
Cash Fund	4000045	10,713	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Trust Fund	4000050	21,744	0.0	350,000	0.2	350,000	0.2	350,000	0.2	350,000	0.2	350,000	0.2	350,000	0.2	350,000	0.2	
Merit Adjustment Fund	4000055	0	0.0	35,189	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
DFA Motor Vehicle Acquisition	4000184	32,723	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Inter-agency Fund Transfer	4000316	(2,715)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Intra-agency Fund Transfer	4000317	(8,278)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
M & R Sales	4000340	7,161	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Transfer from Health Dept	4000511	15,000	0.0	15,000	0.0	15,000	0.0	15,000	0.0	15,000	0.0	15,000	0.0	15,000	0.0	15,000	0.0	
Total Funds		94,381,409	100.0	149,369,272	100.0	146,581,939	100.0	148,161,647	100.0	146,798,033	100.0	146,139,979	100.0	147,473,853	100.0	146,226,239	100.0	
Excess Appropriation/(Funding)		(2,533,702)		(1,888,493)		(1,121,115)		(1,009,281)		(1,009,281)		(676,588)		(406,420)		(406,420)		
Grand Total		91,847,707		147,480,779		145,460,824		147,152,366		145,788,752		145,463,391		147,067,433		145,819,819		

Variance in fund balance due to unfunded appropriation in (38V) Emergency Operations Center - Cash.

The FY13 Budget amount exceeds the authorized amount in State Operations (219), Disaster Relief Grants (221) and ADEM Federal Surplus Property Prgm (59K) due to salary and matching rate adjustments during the 2011-2013 Biennium.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
100	91	9	100	0	9.00 %	100	92	8	100	0	8.00 %	100	88	12	100	0	12.00 %

Analysis of Budget Request

Appropriation: 1EM - Homeland Security

Funding Sources: HUA - Miscellaneous Agencies Fund

The Department of Emergency Management has been designated by the federal government to be the administrative agency for the State's share of funding under the Homeland Security Act. The Department of Emergency Management is responsible for informing the general public and individuals involved in emergency response activities and implementing the provisions of the Act for Arkansas. This appropriation provides for the program of emergency preparedness services to state agencies and local governments. The program is funded with 75% federal funds and 25% state funds.

The Agency's Change Level requests for appropriation and general revenue funding total \$98,317 in FY14 and \$86,317 in FY15 and reflect the following:

- Regular Salaries and Personal Services Matching increase of \$80,137 each year of the biennium for two (2) new positions: one (1) Grants Analyst and one (1) Administrative Specialist III. These positions will be used to implement the upcoming 911 program.
- Operating Expenses increase of \$6,180 each year for the supporting costs of the two (2) new positions.
- Capital Outlay of \$12,000 in FY14 for equipment purchases for the supporting costs of the two (2) new positions.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 1EM - Homeland Security

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	22,225	0	57,517	0	0	57,517	0
#Positions	0	0	0	0	2	0	0	2	0
Personal Services Matching 5010003	0	0	7,775	0	22,620	0	0	22,620	0
Operating Expenses 5020002	29,998	30,000	30,000	30,000	36,180	30,000	30,000	36,180	30,000
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	12,000	0	0	0	0
Total	29,998	30,000	60,000	30,000	128,317	30,000	30,000	116,317	30,000
Funding Sources									
General Revenue 4000010	7,500	7,500		7,500	105,817	7,500	7,500	93,817	7,500
Federal Revenue 4000020	22,498	22,500		22,500	22,500	22,500	22,500	22,500	22,500
Total Funding	29,998	30,000		30,000	128,317	30,000	30,000	116,317	30,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	29,998	30,000		30,000	128,317	30,000	30,000	116,317	30,000

Change Level by Appropriation

Appropriation: 1EM - Homeland Security
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	30,000	0	30,000	100.0	30,000	0	30,000	100.0
C02	New Program	98,317	2	128,317	427.7	86,317	2	116,317	387.7

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	30,000	0	30,000	100.0	30,000	0	30,000	100.0
C02	New Program	0	0	30,000	100.0	0	0	30,000	100.0

Justification

C02	Agency is requesting an increase in Salaries and Match of \$80,137 in each year for two new positions (Grants Coordinator and Administrative Specialist III); Operating Expense of \$6,180 in each year for the two new positions requested; Capital Outlay of \$12,000 in FY14 for equipment for the new positions requested. The request is for 100% State General Revenue Funding.
-----	---

Analysis of Budget Request

Appropriation: 219 - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

This appropriation represents the State Operations portion of the Department of Emergency Management. The federal government provides matching funds for day-to-day (non-disaster) operation of the Agency.

For almost twenty (20) years the federal Chemical Stockpile Emergency Preparedness Program ("CSEPP") has paid for data processing purchases/upgrades, installation/monthly costs of connectivity lines, as well as much of the daily operational costs. The CSEPP program is being closed and this source of federal funding will no longer be available.

Additionally, operations costs have increased substantially due to the Agency's move to a new state of the art facility in 2007; a facility three (3) times the size of its previous location in Conway.

Going forward, federal Emergency Management Performance Grant ("EMPG") funding will be the Agency's only source of federal funding to cover daily operational costs. The Agency is allocated EMPG funding sufficient to cover the cost of operations, but the EMPG funding carries a fifty percent (50%) State match requirement.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

The Agency's Change Level requests total \$1,265,297 in FY14, funded with \$632,649 in additional general revenue and \$1,161,297 in FY15, funded with \$580,648 in additional general revenue, and reflect the following:

- Regular Salaries and Personal Services Matching increases of \$231,792 each year of the biennium for one (1) Extraordinary Salary Increase for the Director's Salary and the addition of five (5) new positions: two (2) ADEM Area Coordinator, one (1) GIS Technician, one (1) Planning Specialist, and one (1) Emergency Planner. These positions will be used to meet staffing needs of the agency.
- Overtime and Personal Services Matching increase of \$30,555 each year of the biennium for the staffing of the State Emergency Operations Center.
- Operating Expenses increase of \$47,950 each year of the biennium for expenses associated with the five (5) new positions requested and increased preparedness activities.

- Conference and Travel Expenses increase of \$25,000 each year of the biennium for the support increased preparedness activities.
- Capital Outlay increase of \$930,000 in FY14 and \$826,000 in FY15 for equipment purchases for the supporting costs of the five (5) new positions, to replace the Audio/Visual equipment within the State Emergency Operations Center, and replacement of the existing file server system. Costs associated with these requests are documented in the Agency's IT Plan.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 219 - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,311,430	2,490,631	2,510,825	2,474,857	2,644,218	2,474,857	2,476,957	2,646,318	2,476,957
#Positions		62	65	65	65	70	65	65	70	65
Personal Services Matching	5010003	788,394	856,902	793,394	870,647	938,633	870,647	871,114	939,100	871,114
Overtime	5010006	0	0	0	0	25,000	0	0	25,000	0
Operating Expenses	5020002	521,853	515,269	515,269	515,269	563,219	515,269	515,269	563,219	515,269
Conference & Travel Expenses	5050009	9,852	11,262	11,262	11,262	36,262	11,262	11,262	36,262	11,262
Professional Fees	5060010	187	55,500	55,500	55,500	55,500	55,500	55,500	55,500	55,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	32,723	0	0	0	930,000	0	0	826,000	0
Total		3,664,439	3,929,564	3,886,250	3,927,535	5,192,832	3,927,535	3,930,102	5,091,399	3,930,102
Funding Sources										
General Revenue	4000010	1,860,265	1,860,265		1,963,767	2,596,416	1,963,767	1,965,051	2,545,699	1,965,051
Federal Revenue	4000020	1,764,290	2,034,110		1,963,768	2,596,416	1,963,768	1,965,051	2,545,700	1,965,051
Merit Adjustment Fund	4000055	0	35,189		0	0	0	0	0	0
DFA Motor Vehicle Acquisition	4000184	32,723	0		0	0	0	0	0	0
M & R Sales	4000340	7,161	0		0	0	0	0	0	0
Total Funding		3,664,439	3,929,564		3,927,535	5,192,832	3,927,535	3,930,102	5,091,399	3,930,102
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,664,439	3,929,564		3,927,535	5,192,832	3,927,535	3,930,102	5,091,399	3,930,102

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

Appropriation: 219 - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	3,927,535	65	3,927,535	100.0	3,930,102	65	3,930,102	100.0
C01	Existing Program	352,265	5	4,279,800	109.0	322,265	5	4,252,367	108.2
C08	Technology	900,000	0	5,179,800	131.9	826,000	0	5,078,367	129.2
C15	Ex Salary Increase	13,032	0	5,192,832	132.2	13,032	0	5,091,399	129.5

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	3,927,535	65	3,927,535	100.0	3,930,102	65	3,930,102	100.0
C01	Existing Program	0	0	3,927,535	100.0	0	0	3,930,102	100.0
C08	Technology	0	0	3,927,535	100.0	0	0	3,930,102	100.0
C15	Ex Salary Increase	0	0	3,927,535	100.0	0	0	3,930,102	100.0

Justification

C01	Agency is requesting an increase in Salaries and Match of \$218,760 and Operating Expense of \$20,950, in each year for five new positions (two ADEM Area Coordinators, Emergency Planner, Planning Specialist, and GIS Technician); Capital Outlay of \$30,000 in FY14 for equipment for the new positions requested. The request also includes incremental increases in each year in Overtime and Match of \$30,555 for the staffing of the State Emergency Operations Center, Operating Expense of \$27,000 and Conference & Travel Expenses of \$25,000 to support increased preparedness activities.
C08	Agency is requesting an increase in Capital Outlay of \$900,000 in FY14 to replace the Audio/Visual equipment within the SEOC and \$826,000 in FY15 to replacement of the existing file server system. IT Support Category: Hardware
C15	Agency is requesting an Extraordinary Salary Increase (ESI) of \$13,032 each year inclusive of fringe to raise the cap on the Director's Salary from \$94,500 to \$105,000.

Analysis of Budget Request

Appropriation: 220 - Federal Operations

Funding Sources: FKA - ADEM Federal

This appropriation represents the Federal Operations portion of the Emergency Services Program. This appropriation is fully funded with federal funds made available by the Federal Emergency Management Agency (FEMA).

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level Request is for \$72,859 in FY14 and \$66,859 in FY15 and reflects the following:

- Regular Salaries and Personal Services Matching increases of \$44,335 each year of the biennium for the addition of one (1) new Grants Analyst position to administer new grants.
- Overtime and Personal Services Matching increase of \$18,334 each year of the biennium for employees who are deployed during a time of disaster.
- Operating Expenses increase of \$4,190 each year of the biennium for expenses associated with the request for one (1) new position.
- Capital Outlay of \$6,000 in FY14 for the purchase of equipment associated with the request for one (1) new position.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 220 - Federal Operations

Funding Sources: FKA - ADEM Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	400,367	380,713	514,679	381,201	413,450	413,450	381,201	413,450	413,450
#Positions		10	10	10	10	11	11	10	11	11
Extra Help	5010001	0	156,438	156,438	156,438	156,438	156,438	156,438	156,438	156,438
#Extra Help		0	7	7	7	7	7	7	7	7
Personal Services Matching	5010003	126,521	166,905	176,086	169,500	184,920	184,920	169,500	184,920	184,920
Overtime	5010006	0	0	0	0	15,000	15,000	0	15,000	15,000
Operating Expenses	5020002	442,850	751,017	751,017	751,017	755,207	755,207	751,017	755,207	755,207
Conference & Travel Expenses	5050009	151,301	209,780	209,780	209,780	209,780	209,780	209,780	209,780	209,780
Professional Fees	5060010	99,595	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	17,317,100	31,760,504	31,760,504	31,760,504	31,760,504	31,760,504	31,760,504	31,760,504	31,760,504
Capital Outlay	5120011	46,840	2,000,000	2,000,000	0	6,000	6,000	0	0	0
Total		18,584,574	36,505,357	36,648,504	34,508,440	34,581,299	34,581,299	34,508,440	34,575,299	34,575,299
Funding Sources										
Federal Revenue	4000020	18,584,574	36,505,357		34,508,440	34,581,299	34,581,299	34,508,440	34,575,299	34,575,299
Total Funding		18,584,574	36,505,357		34,508,440	34,581,299	34,581,299	34,508,440	34,575,299	34,575,299
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		18,584,574	36,505,357		34,508,440	34,581,299	34,581,299	34,508,440	34,575,299	34,575,299

Change Level by Appropriation

Appropriation: 220 - Federal Operations
Funding Sources: FKA - ADEM Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	34,508,440	10	34,508,440	100.0	34,508,440	10	34,508,440	100.0
C01	Existing Program	18,334	0	34,526,774	100.1	18,334	0	34,526,774	100.1
C02	New Program	54,525	1	34,581,299	100.2	48,525	1	34,575,299	100.2

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	34,508,440	10	34,508,440	100.0	34,508,440	10	34,508,440	100.0
C01	Existing Program	18,334	0	34,526,774	100.1	18,334	0	34,526,774	100.1
C02	New Program	54,525	1	34,581,299	100.2	48,525	1	34,575,299	100.2

Justification

C01	Agency is requesting an increase in Overtime and Match of \$18,334 in each year for employees who are deployed during a time of disaster.
C02	Agency is requesting an increase in Salaries and Match of \$44,335 in each year for one new position (Grants Coordinator); Operating Expense of \$4,190 in each year for the new position requested; Capital Outlay of \$6,000 in FY14 for equipment for the new position requested.

Analysis of Budget Request

Appropriation: 221 - Disaster Relief Grants

Funding Sources: FMD - ADEM - Disaster Relief Fund

The Federal Disaster Relief Grants program is funded with 100% federal funds. Funding is made available to the State when the President declares a disaster due to natural or man-made causes. This appropriation is for assistance granted to state and local governments and nonprofit organizations in their efforts to restore public facilities after a disaster has occurred.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

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

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 221 - Disaster Relief Grants
Funding Sources: FMD - ADEM - Disaster Relief Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	247,324	248,627	225,887	246,562	246,562	246,562	246,562	246,562	246,562
#Positions	6	6	6	6	6	6	6	6	6
Extra Help 5010001	65,103	625,751	625,751	625,751	625,751	625,751	625,751	625,751	625,751
#Extra Help	7	14	14	14	14	14	14	14	14
Personal Services Matching 5010003	87,499	173,773	156,016	175,256	175,256	175,256	175,256	175,256	175,256
Overtime 5010006	1,224	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Operating Expenses 5020002	57,992	120,850	120,850	120,850	120,850	120,850	120,850	120,850	120,850
Conference & Travel Expenses 5050009	6,296	64,500	64,500	64,500	64,500	64,500	64,500	64,500	64,500
Professional Fees 5060010	33,760	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	66,627,507	102,347,245	102,347,245	102,347,245	102,347,245	102,347,245	102,347,245	102,347,245	102,347,245
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	67,126,705	103,955,746	103,915,249	103,955,164	103,955,164	103,955,164	103,955,164	103,955,164	103,955,164
Funding Sources									
Federal Revenue 4000020	67,126,705	103,955,746		103,955,164	103,955,164	103,955,164	103,955,164	103,955,164	103,955,164
Total Funding	67,126,705	103,955,746		103,955,164	103,955,164	103,955,164	103,955,164	103,955,164	103,955,164
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	67,126,705	103,955,746		103,955,164	103,955,164	103,955,164	103,955,164	103,955,164	103,955,164

FY13 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2011-2013 Biennium.

Analysis of Budget Request

Appropriation: 38V - Emergency Operations Center - Cash

Funding Sources: NEM - Sale of Conway EOC - Cash in Treasury

This Cash in Treasury funded appropriation is used to supplement operations and equipment expenses for the new Emergency Operations Center located at Camp Robinson. Funding came from installment payments from the sale of the old Emergency Operations Center in Conway.

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

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

Appropriation Summary

Appropriation: 38V - Emergency Operations Center - Cash
Funding Sources: NEM - Sale of Conway EOC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
EOC Expenses	5900046	352,551	296,851	342,043	296,851	296,851	296,851	296,851	296,851	296,851
Total		352,551	296,851	342,043	296,851	296,851	296,851	296,851	296,851	296,851
Funding Sources										
Fund Balance	4000005	651,962	296,851		0	0	0	0	0	0
Cash Fund	4000045	8,433	0		0	0	0	0	0	0
Inter-agency Fund Transfer	4000316	(2,715)	0		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	(8,278)	0		0	0	0	0	0	0
Total Funding		649,402	296,851		0	0	0	0	0	0
Excess Appropriation/(Funding)		(296,851)	0		296,851	296,851	296,851	296,851	296,851	296,851
Grand Total		352,551	296,851		296,851	296,851	296,851	296,851	296,851	296,851

Analysis of Budget Request

Appropriation: 59K - ADEM Federal Surplus Property Prgm

Funding Sources: MHW - Federal Surplus Property

The Federal Surplus Property program acts as a broker in securing excess property from the federal government. This property is then made available to state and local governmental units as well as certain eligible schools and hospitals. Operating funds are derived from fees charged for services, which consist of the actual transportation fees and handling charges.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level requests total \$143,235 in FY14 and \$131,235 in FY15 and reflect the following:

- Regular Salaries and Personal Services Matching increase of \$71,605 each year of the biennium for two (2) new positions: one (1) Maintenance Specialist and one (1) Surplus Property Agent. These positions will be used to meet the anticipated increase in property procured and distributed by the program.
- Operating Expenses increase of \$59,630 each year of the biennium for expenses associated with the request for two (2) new positions and increase in property screening expenses.
- Capital Outlay of \$12,000 in FY14 for the purchase of equipment associated with the request for two (2) new positions.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 59K - ADEM Federal Surplus Property Prgm

Funding Sources: MHW - Federal Surplus Property

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	567,654	591,228	601,721	591,049	641,585	641,585	591,049	641,585	641,585
#Positions		16	16	16	16	18	18	16	18	18
Extra Help	5010001	4,675	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
#Extra Help		2	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	201,038	217,466	206,267	221,579	242,648	242,648	221,579	242,648	242,648
Overtime	5010006	28,822	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Operating Expenses	5020002	892,724	1,032,401	1,032,401	1,032,401	1,092,031	1,092,031	1,032,401	1,092,031	1,092,031
Conference & Travel Expenses	5050009	10,699	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Professional Fees	5060010	10,975	15,263	15,263	15,263	15,263	15,263	15,263	15,263	15,263
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	12,000	12,000	0	0	0
Total		1,716,587	1,923,358	1,922,652	1,927,292	2,070,527	2,070,527	1,927,292	2,058,527	2,058,527

Funding Sources										
Fund Balance	4000005	1,351,203	1,238,715		915,357	915,357	915,357	444,830	444,830	444,830
Special Revenue	4000030	1,604,099	1,600,000		1,456,765	1,600,000	1,600,000	1,482,765	1,614,000	1,614,000
Total Funding		2,955,302	2,838,715		2,372,122	2,515,357	2,515,357	1,927,595	2,058,830	2,058,830
Excess Appropriation/(Funding)		(1,238,715)	(915,357)		(444,830)	(444,830)	(444,830)	(303)	(303)	(303)
Grand Total		1,716,587	1,923,358		1,927,292	2,070,527	2,070,527	1,927,292	2,058,527	2,058,527

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

Appropriation: 59K - ADEM Federal Surplus Property Prgm
Funding Sources: MHW - Federal Surplus Property

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,927,292	16	1,927,292	100.0	1,927,292	16	1,927,292	100.0
C01	Existing Program	143,235	2	2,070,527	107.4	131,235	2	2,058,527	106.8

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,927,292	16	1,927,292	100.0	1,927,292	16	1,927,292	100.0
C01	Existing Program	143,235	2	2,070,527	107.4	131,235	2	2,058,527	106.8

Justification

C01	Agency is requesting an increase in Salaries and Match of \$71,605 in each year for two new positions (Surplus Property Agent and Maintenance Specialist); Operating Expense of \$6,080 in each year for the two new positions requested; Capital Outlay of \$12,000 in FY14 for equipment for the two new positions requested. The request also includes Operating Expense of \$53,550 in each year for screening property expenses.
-----	---

Analysis of Budget Request

Appropriation: 613 - Hazardous Materials

Funding Sources: SMH - Hazardous Materials Emerg Mgmt

The State Office of Hazardous Materials Emergency Management, established by Act 634 of 1995, implements and enacts emergency planning and supports local emergency planning committees in response and recovery actions related to hazardous/toxic accidents occurring within the State. This appropriation is 50% funded from special revenues collected through annual fees levied on owners of hazardous storage facilities throughout the state and 50% federal matching funds. The Agency is using information obtained from inventory reports to compile a database of hazardous material storage which is made available to local authorities.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level requests total \$86,834 in FY14 and \$133,334 in FY15 and reflect the following:

- Overtime and Personal Services Matching increase of \$18,334 each year of the biennium for an increase in Hazardous Materials training classes.
- Operating Expenses increase of \$33,500 in FY14 and \$53,000 in FY15 for training classes and planning activities expenses associated with Hazardous Materials.
- Conference and Travel Expense increase of \$15,000 in FY14 and \$22,000 in FY15 for additional grant training requirements.
- Professional Fees increase of \$20,000 in FY14 and \$40,000 in FY15 for increase in Hazardous Material training classes.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

WITH FEE INCREASE

Appropriation: 613 - Hazardous Materials
Funding Sources: SMH - Hazardous Materials Emerg Mgmt

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	100,686	98,406	109,920	98,406	98,406	98,406	98,406	98,406	98,406
#Positions		3	3	3	3	3	3	3	3	3
Extra Help	5010001	0	32,176	32,176	32,176	32,176	32,176	32,176	32,176	32,176
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	33,742	36,091	38,437	36,730	40,064	40,064	36,730	40,064	40,064
Overtime	5010006	0	0	0	0	15,000	15,000	0	15,000	15,000
Operating Expenses	5020002	148,702	172,630	172,630	172,630	206,130	206,130	172,630	225,630	225,630
Conference & Travel Expenses	5050009	41,349	60,792	60,792	60,792	75,792	75,792	60,792	82,792	82,792
Professional Fees	5060010	2,955	39,808	39,808	39,808	59,808	59,808	39,808	79,808	79,808
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Capital Outlay	5120011	35,615	0	0	0	0	0	0	0	0
Total		363,049	449,903	463,763	450,542	537,376	537,376	450,542	583,876	583,876
Funding Sources										
Fund Balance	4000005	404,945	425,743		425,743	425,743	425,743	425,743	425,743	425,743
Federal Revenue	4000020	201,966	224,951		225,271	225,271	225,271	225,271	225,271	225,271
Special Revenue	4000030	181,881	224,952		225,271	312,105	312,105	225,271	358,605	358,605
Total Funding		788,792	875,646		876,285	963,119	963,119	876,285	1,009,619	1,009,619
Excess Appropriation/(Funding)		(425,743)	(425,743)		(425,743)	(425,743)	(425,743)	(425,743)	(425,743)	(425,743)
Grand Total		363,049	449,903		450,542	537,376	537,376	450,542	583,876	583,876

Appropriation Summary

Appropriation: 613 - Hazardous Materials
Funding Sources: SMH - Hazardous Materials Emerg Mgmt

Commitment Item	Historical Data			Agency Request and Executive Recommendation			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014 Base Level	2013-2014 Agency	2013-2014 Executive	2014-2015 Base Level	2014-2015 Agency	2014-2015 Executive
Regular Salaries 5010000	100,686	98,406	109,920	98,406	98,406	98,406	98,406	98,406	98,406
#Positions	3	3	3	3	3	3	3	3	3
Extra Help 5010001	0	32,176	32,176	32,176	32,176	32,176	32,176	32,176	32,176
#Extra Help	0	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	33,742	36,091	38,437	36,730	40,064	40,064	36,730	40,064	40,064
Overtime 5010006	0	0	0	0	15,000	15,000	0	15,000	15,000
Operating Expenses 5020002	148,702	172,630	172,630	172,630	206,130	206,130	172,630	225,630	225,630
Conference & Travel Expenses 5050009	41,349	60,792	60,792	60,792	75,792	75,792	60,792	82,792	82,792
Professional Fees 5060010	2,955	39,808	39,808	39,808	59,808	59,808	39,808	79,808	79,808
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Capital Outlay 5120011	35,615	0	0	0	0	0	0	0	0
Total	363,049	449,903	463,763	450,542	537,376	537,376	450,542	583,876	583,876
Funding Sources									
Fund Balance 4000005	404,945	425,743		425,743	425,743	425,743	425,743	338,909	338,909
Federal Revenue 4000020	201,966	224,951		225,271	225,271	225,271	225,271	225,271	225,271
Special Revenue 4000030	181,881	224,952		225,271	225,271	225,271	225,271	225,271	225,271
Total Funding	788,792	875,646		876,285	876,285	876,285	876,285	789,451	789,451
Excess Appropriation/(Funding)	(425,743)	(425,743)		(425,743)	(338,909)	(338,909)	(425,743)	(205,575)	(205,575)
Grand Total	363,049	449,903		450,542	537,376	537,376	450,542	583,876	583,876

Change Level by Appropriation

Appropriation: 613 - Hazardous Materials
Funding Sources: SMH - Hazardous Materials Emerg Mgmt

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	450,542	3	450,542	100.0	450,542	3	450,542	100.0
C01	Existing Program	86,834	0	537,376	119.3	133,334	0	583,876	129.6

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	450,542	3	450,542	100.0	450,542	3	450,542	100.0
C01	Existing Program	86,834	0	537,376	119.3	133,334	0	583,876	129.6

Justification

C01	Agency is requesting \$86,834 in FY14 and \$133,334 in FY15 to cover training classes and planning activities associated with Hazardous Materials.
-----	--

Analysis of Budget Request

Appropriation: 740 - Disaster Relief Trust

Funding Sources: TDR - Disaster Relief Program Trust

The Arkansas Disaster Relief Program provides assistance to victims of state and/or federally declared disasters. These are funds collected through donations and the Arkansas Income Tax Check Off Program established by Act 1181 of 1997.

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

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 740 - Disaster Relief Trust

Funding Sources: TDR - Disaster Relief Program Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	0	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Total		0	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Funding Sources										
Fund Balance	4000005	389,742	411,486		411,486	411,486	411,486	411,486	411,486	411,486
Trust Fund	4000050	21,744	350,000		350,000	350,000	350,000	350,000	350,000	350,000
Total Funding		411,486	761,486		761,486	761,486	761,486	761,486	761,486	761,486
Excess Appropriation/(Funding)		(411,486)	(411,486)		(411,486)	(411,486)	(411,486)	(411,486)	(411,486)	(411,486)
Grand Total		0	350,000		350,000	350,000	350,000	350,000	350,000	350,000

Analysis of Budget Request

Appropriation: 950 - Radiological Emergency Response Grants

Funding Sources: NEM - ADEM Radiological Emergency - Cash in Treasury

This appropriation represents the cash fund of the Department of Emergency Management. Funds deposited into this account are received from the Entergy Corporation to provide for program costs to protect Arkansas citizens from accidental releases of radioactive elements from the nuclear power plant near Russellville.

The Agency's Change Level requests total \$25,000 each year of the biennium and reflect the following:

- Operating Expenses of \$15,000 each year of the biennium to provide for monitoring expenses during a disaster and to replacement/purchase of low value equipment for those employees required to respond to Arkansas Nuclear One during an event or exercise.
- Conference & Travel Expenses of \$10,000 each year of the biennium to provide for monitoring expenses during a disaster.

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

Appropriation Summary

Appropriation: 950 - Radiological Emergency Response Grants

Funding Sources: NEM - ADEM Radiological Emergency - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,654	5,500	5,500	5,500	20,500	20,500	5,500	20,500	20,500
Conference & Travel Expenses	5050009	6,150	9,500	9,500	9,500	19,500	19,500	9,500	19,500	19,500
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	25,000	25,000	0	0	0	0	0	0
Total		9,804	40,000	40,000	15,000	40,000	40,000	15,000	40,000	40,000
Funding Sources										
Fund Balance	4000005	153,431	160,907		135,907	135,907	135,907	135,907	110,907	110,907
Cash Fund	4000045	2,280	0		0	0	0	0	0	0
Transfer from Health Dept	4000511	15,000	15,000		15,000	15,000	15,000	15,000	15,000	15,000
Total Funding		170,711	175,907		150,907	150,907	150,907	150,907	125,907	125,907
Excess Appropriation/(Funding)		(160,907)	(135,907)		(135,907)	(110,907)	(110,907)	(135,907)	(85,907)	(85,907)
Grand Total		9,804	40,000		15,000	40,000	40,000	15,000	40,000	40,000

Change Level by Appropriation

Appropriation: 950 - Radiological Emergency Response Grants
Funding Sources: NEM - ADEM Radiological Emergency - Cash in Treasury

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	15,000	0	15,000	100.0	15,000	0	15,000	100.0
C01	Existing Program	25,000	0	40,000	266.7	25,000	0	40,000	266.7

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	15,000	0	15,000	100.0	15,000	0	15,000	100.0
C01	Existing Program	25,000	0	40,000	266.7	25,000	0	40,000	266.7

Justification

C01	Agency is requesting Operating Expenses of \$10,000 and Conference & Travel Expenses of \$10,000 annually to provide for monitoring expenses during a disaster; Operating Expenses of \$5,000 each year for low value equipment required for the program.
-----	---

OFFICE OF THE GOVERNOR

Enabling Laws

Act 134 of 2012

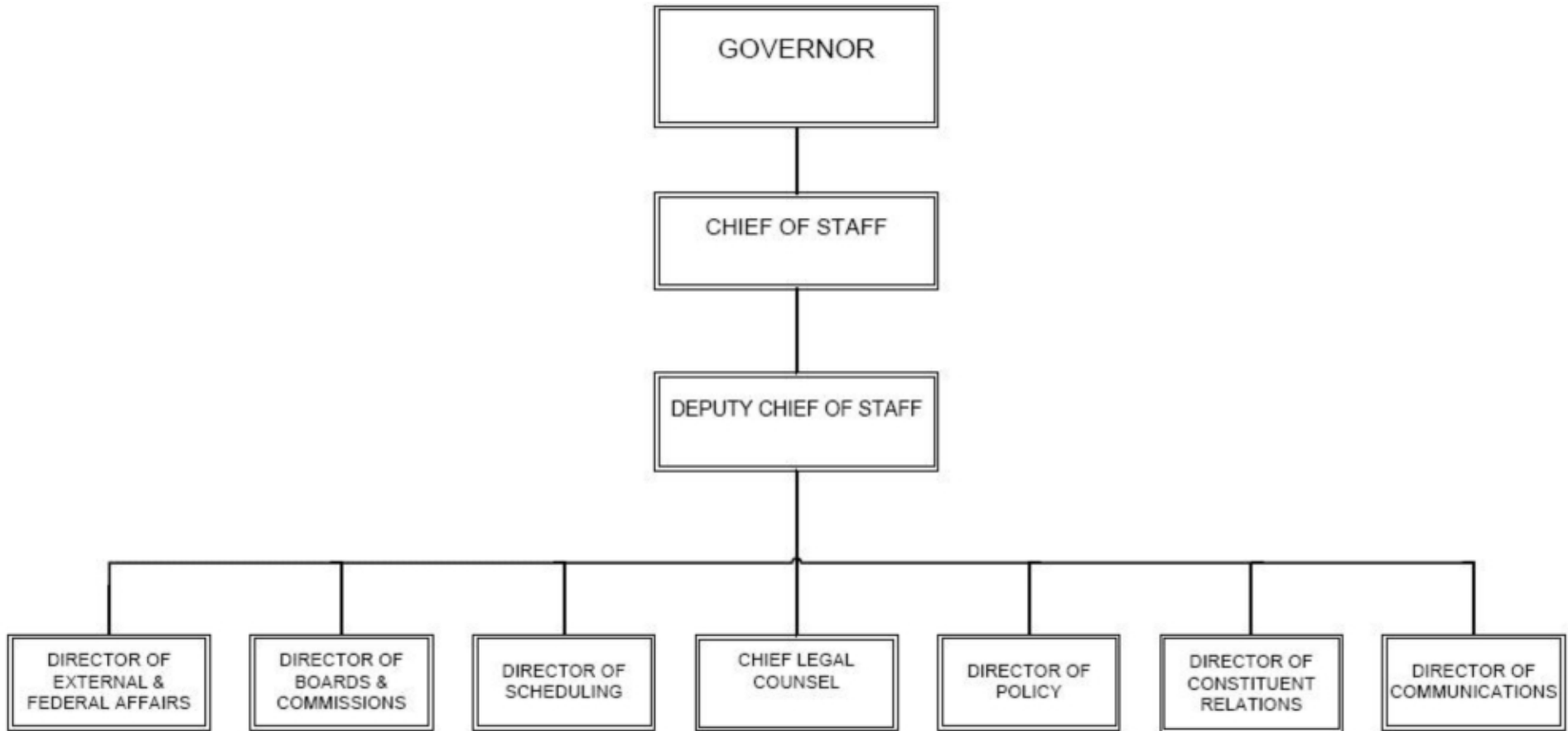
Act 135 of 2012

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 sixty (60) full time positions and seven (7) Extra Help positions. All maintenance and operations line items are requested at the 2012-2013 authorized level. 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, 2011

Findings

Recommendations

None

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	12	22	34	71 %
Black Employees	6	5	11	23 %
Other Racial Minorities	1	2	3	6 %
Total Minorities			14	29 %
Total Employees			48	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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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	4,472,843	57	5,265,970	60	5,850,017	60	5,842,441	60	5,850,441	60	0	0	5,842,967	60	5,850,967	60	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
Total	4,472,843	57	5,765,970	60	6,350,017	60	6,342,441	60	6,350,441	60	0	0	6,342,967	60	6,350,967	60	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
State Central Services 4000035	4,472,843	100.0	5,265,970	91.3			5,842,441	92.1	5,850,441	92.1	0	0.0	5,842,967	92.1	5,850,967	92.1	0	0.0
Governor's Emergency Fund 4000275	0	0.0	500,000	8.7			500,000	7.9	500,000	7.9	0	0.0	500,000	7.9	500,000	7.9	0	0.0
Total Funds	4,472,843	100.0	5,765,970	100.0			6,342,441	100.0	6,350,441	100.0	0	0.0	6,342,967	100.0	6,350,967	100.0	0	0.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
Grand Total	4,472,843		5,765,970				6,342,441		6,350,441		0		6,342,967		6,350,967		0	

No Executive Recommendation is made on these appropriations.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
60	55	5	60	0	8.33 %	60	50	10	60	0	16.67 %	60	49	11	60	0	18.33 %

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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,075,825	3,441,009	3,906,868	3,906,868	3,906,868	0	3,906,868	3,906,868	0
#Positions		57	60	60	60	60	0	60	60	0
Extra Help	5010001	0	8,789	8,789	8,789	8,789	0	8,789	8,789	0
#Extra Help		0	7	7	7	7	0	7	7	0
Personal Services Matching	5010003	920,076	1,032,266	1,150,454	1,150,878	1,150,878	0	1,151,404	1,151,404	0
Operating Expenses	5020002	471,633	746,706	746,706	746,706	746,706	0	746,706	746,706	0
Conference & Travel Expenses	5050009	5,309	15,200	15,200	15,200	15,200	0	15,200	15,200	0
Professional Fees	5060010	0	14,000	14,000	14,000	14,000	0	14,000	14,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	8,000	8,000	0	8,000	0	0	8,000	0
Total		4,472,843	5,265,970	5,850,017	5,842,441	5,850,441	0	5,842,967	5,850,967	0
Funding Sources										
State Central Services	4000035	4,472,843	5,265,970		5,842,441	5,850,441	0	5,842,967	5,850,967	0
Total Funding		4,472,843	5,265,970		5,842,441	5,850,441	0	5,842,967	5,850,967	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,472,843	5,265,970		5,842,441	5,850,441	0	5,842,967	5,850,967	0

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		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	5,842,441	60	5,842,441	100.0	5,842,967	60	5,842,967	100.0
C01	Existing Program	8,000	0	5,850,441	100.1	8,000	0	5,850,967	100.1

Justification

C01	The Agency is requesting Capital Outlay in the amount of \$8,000 each year of the biennium for any unforeseen replacement of equipment/furniture.
-----	---

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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 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
Funding Sources									
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

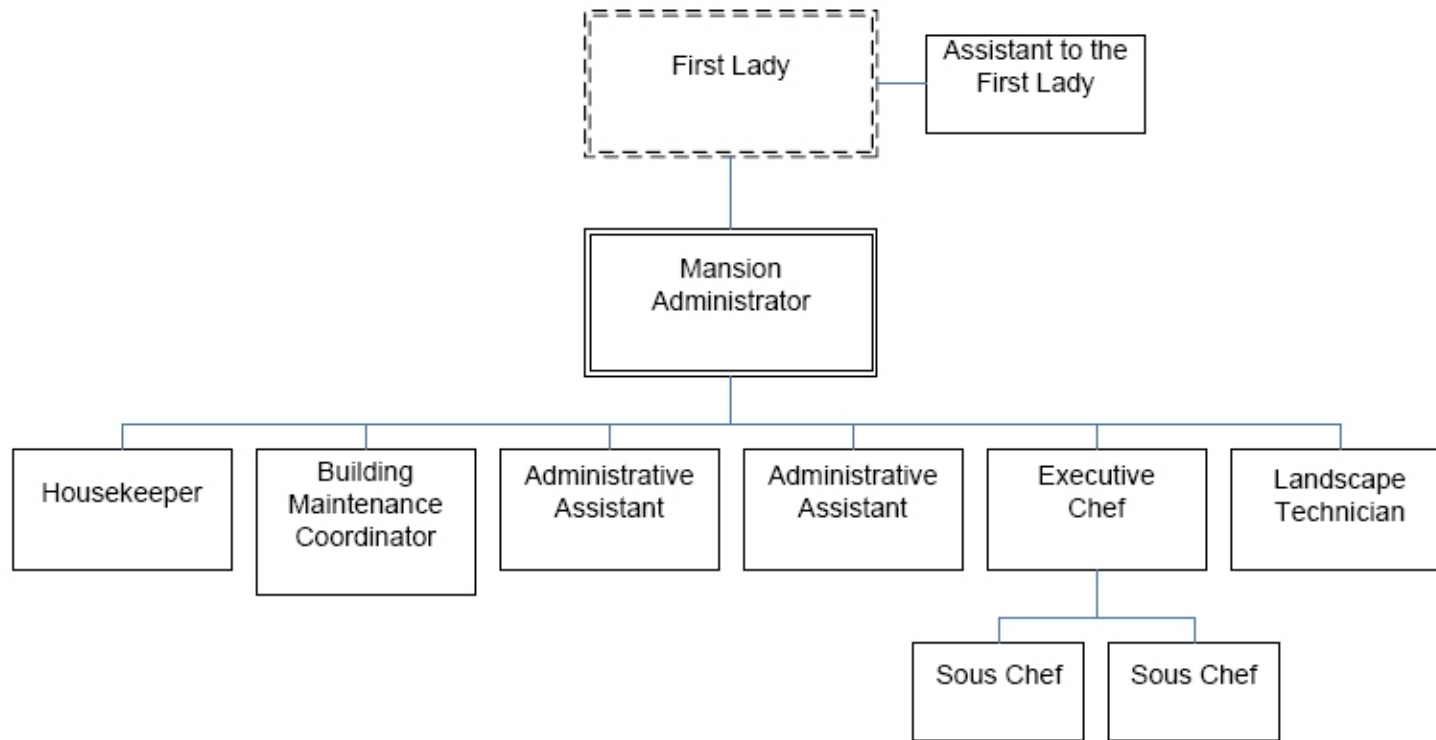
Enabling Laws

Act 275 of 2012
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 for ten (10) full time positions and four (4) Extra Help positions. The Extra Help, Uniform Allowance, Mansion Allowance, and Mansion Expense line items are requested at Base Level for the 2013-2015 Biennium. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 GOVERNOR'S MANSION AND MANSION COMMISSION
 FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

None

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	4	4	8	89 %
Black Employees	0	0	0	0 %
Other Racial Minorities	1	0	1	11 %
Total Minorities			1	11 %
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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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	832,748	9	972,672	10	1,083,148	10	1,095,750	10	1,095,750	10	0	0	1,095,872	10	1,095,872	10	0	0
56V Grand Hall/Mansion/Grounds - Cash in Treasury	358,680	0	500,000	0	500,000	0	500,000	0	500,000	0	0	0	500,000	0	500,000	0	0	0
Total	1,191,428	9	1,472,672	10	1,583,148	10	1,595,750	10	1,595,750	10	0	0	1,595,872	10	1,595,872	10	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	56,098	4.4	83,936	5.4			83,936	5.0	83,936	5.0	0	0.0	83,936	5.0	83,936	5.0	0	0.0
State Central Services 4000035	832,748	65.3	972,672	62.5			1,095,750	65.2	1,095,750	65.2	0	0.0	1,095,872	65.2	1,095,872	65.2	0	0.0
Cash Fund 4000045	386,518	30.3	500,000	32.1			500,000	29.8	500,000	29.8	0	0.0	500,000	29.8	500,000	29.8	0	0.0
Total Funds	1,275,364	100.0	1,556,608	100.0			1,679,686	100.0	1,679,686	100.0	0	0.0	1,679,808	100.0	1,679,808	100.0	0	0.0
Excess Appropriation/(Funding)	(83,936)		(83,936)				(83,936)		(83,936)		0		(83,936)		(83,936)		0	
Grand Total	1,191,428		1,472,672				1,595,750		1,595,750		0		1,595,872		1,595,872		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
10	9	1	10	0	10.00 %	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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	441,533	451,844	550,647	550,647	550,647	0	550,747	550,747	0
#Positions		9	10	10	10	10	0	10	10	0
Extra Help	5010001	0	12,000	12,000	12,000	12,000	0	12,000	12,000	0
#Extra Help		0	4	4	4	4	0	4	4	0
Personal Services Matching	5010003	148,296	146,998	158,671	171,273	171,273	0	171,295	171,295	0
Uniform Allowance	5010016	0	500	500	500	500	0	500	500	0
Gov Mansion Allowance	5900046	15,000	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Mansion Expense	5900047	227,919	301,330	301,330	301,330	301,330	0	301,330	301,330	0
Total		832,748	972,672	1,083,148	1,095,750	1,095,750	0	1,095,872	1,095,872	0
Funding Sources										
State Central Services	4000035	832,748	972,672		1,095,750	1,095,750	0	1,095,872	1,095,872	0
Total Funding		832,748	972,672		1,095,750	1,095,750	0	1,095,872	1,095,872	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		832,748	972,672		1,095,750	1,095,750	0	1,095,872	1,095,872	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 56V - Grand Hall/Mansion/Grounds - Cash in Treasury

Funding Sources: NGM - Governor's Mansion Grand Hall - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grand Hall/Mansion/Grounds Exp 5900046	358,680	500,000	500,000	500,000	500,000	0	500,000	500,000	0
Total	358,680	500,000	500,000	500,000	500,000	0	500,000	500,000	0
Funding Sources									
Fund Balance 4000005	56,098	83,936		83,936	83,936	0	83,936	83,936	0
Cash Fund 4000045	386,518	500,000		500,000	500,000	0	500,000	500,000	0
Total Funding	442,616	583,936		583,936	583,936	0	583,936	583,936	0
Excess Appropriation/(Funding)	(83,936)	(83,936)		(83,936)	(83,936)	0	(83,936)	(83,936)	0
Grand Total	358,680	500,000		500,000	500,000	0	500,000	500,000	0

No Executive Recommendation made on this appropriation.

COMMISSIONER OF STATE LANDS

Enabling Laws

Act 209 of 2012
Constitution of Arkansas, Article 6
Constitution of Arkansas, Amendment 37 (repealed) Amendment 56

History and Organization

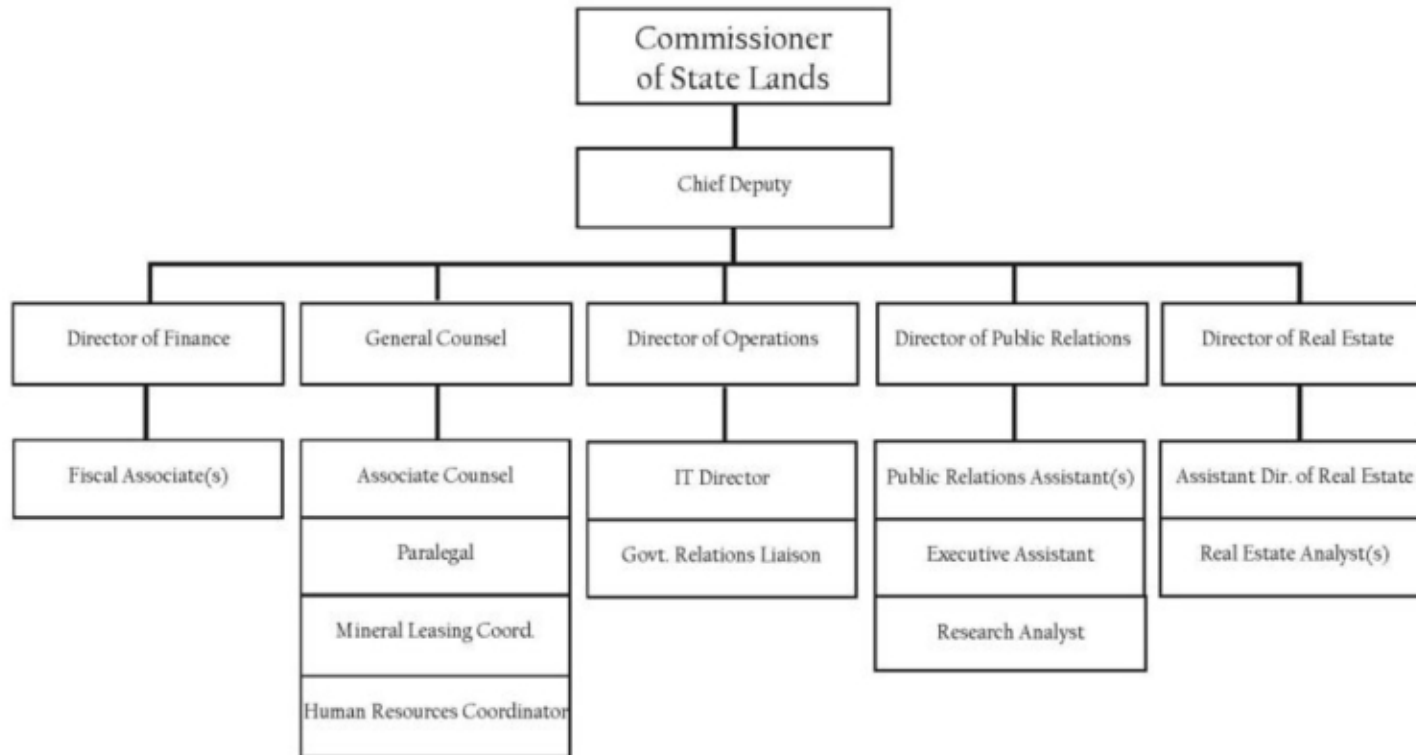
The Commissioner of State Lands is an elected official serving a four-year term of office. Constitutional Amendment 37, approved by the voters in 1946, established the Commissioner of State Lands as one of Arkansas' seven popularly elected constitutional officers.

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 leases for oil and gas rights, as well as sand and gravel permits and 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.



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 to contact the delinquent owner, as well as any known interested parties, by certified mail or by personal service of process 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 \$205 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 is requesting additional appropriation of \$25,981 in Fiscal Year 2014 and \$52,583 in Fiscal Year 2015 from cash funds for operations to properly notify tax delinquent individuals in compliance with United States Supreme Court Case *Jones v. Flowers*. This agency is requesting a 2.39% (10 year average Consumer Price Index) increase for FY14 and another 2.39% for FY15. Since Fiscal Year 2006 this agency has only increased this line item (Maintenance and Operations) 5% in Fiscal Year 2010 and 5% in Fiscal year 2011. The increase in the price of postage coupled with the increase in delinquent parcels certified has diminished this agency's appropriation. This request is to bring the current line item appropriation for expected expenditures needed into the next biennium. These expenses are reimbursed back, via revenue, to the agency upon redemption of the parcel by the taxpayer. This increase will be funded by revenues generated by the Commissioner of State Lands office and not general revenue funds.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE LAND DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2010

Findings

None

Recommendations

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	16	21	37	92 %
Black Employees	1	2	3	8 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			3	8 %
Total Employees			40	100 %

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
1170100	\$11,750,000	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 mechanism 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	\$23,755,840	Checking	First Security Bank

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 mechanism to return taxes to counties, payment of recording fees, return excess proceeds of land sales to former owners, ongoing expenses of the office, etc.

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
1170100-1000	\$1,000,000	CD	Bank of Augusta
	\$250,000	CD	Bank of Brinkley
	\$1,000,000	CD	Bank of England
	\$1,000,000	CD	Chambers Bank
	\$2,500,000	CD	Farmers and Merchants Bank
	\$1,500,000	CD	Farmer's Bank & Trust
	\$1,000,000	CD	Fidelity National Bank
	\$1,000,000	CD	First Financial Bank
	\$500,000	CD	First Security Bank
	\$2,000,000	CD	Pine Bluff National Bank

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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
006 Operations	2,812,978	38	3,594,609	45	3,499,489	45	3,606,212	45	3,606,212	45	0	0	3,606,212	45	3,606,212	45	0	0
A14 Operating Expenses / Capital Outlay	46,775	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	29,903,974	0	27,717,068	0	27,717,068	0	27,717,068	0	27,743,049	0	0	0	27,717,068	0	27,769,651	0	0	0
Total	32,763,727	38	31,579,477	45	31,484,357	45	31,591,080	45	31,617,061	45	0	0	31,591,080	45	31,643,663	45	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	47,149,776	69.1	35,505,840	55.4			32,453,772	53.2	32,453,772	53.2	0	0.0	29,375,723	50.8	29,375,723	50.7	0	0.0
State Central Services 4000035	2,812,978	4.1	3,594,609	5.6			3,606,212	5.9	3,606,212	5.9	0	0.0	3,606,212	6.2	3,606,212	6.2	0	0.0
Cash Fund 4000045	18,306,813	26.8	24,932,800	38.9			24,906,819	40.9	24,932,800	40.9	0	0.0	24,880,217	43.0	24,932,800	43.1	0	0.0
Total Funds	68,269,567	100.0	64,033,249	100.0			60,966,803	100.0	60,992,784	100.0	0	0.0	57,862,152	100.0	57,914,735	100.0	0	0.0
Excess Appropriation/(Funding)	(35,505,840)		(32,453,772)				(29,375,723)		(29,375,723)		0		(26,271,072)		(26,271,072)		0	
Grand Total	32,763,727		31,579,477				31,591,080		31,617,061		0		31,591,080		31,643,663		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
45	37	8	45	0	17.78 %	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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,087,686	2,636,876	2,636,876	2,636,876	2,636,876	0	2,636,876	2,636,876	0
#Positions		38	45	45	45	45	0	45	45	0
Extra Help	5010001	9,783	40,000	40,000	40,000	40,000	0	40,000	40,000	0
#Extra Help		1	1	5	5	5	0	5	5	0
Personal Services Matching	5010003	639,524	841,733	746,613	853,336	853,336	0	853,336	853,336	0
Operating Expenses	5020002	65,997	66,000	66,000	66,000	66,000	0	66,000	66,000	0
Conference & Travel Expenses	5050009	9,988	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
Total		2,812,978	3,594,609	3,499,489	3,606,212	3,606,212	0	3,606,212	3,606,212	0
Funding Sources										
State Central Services	4000035	2,812,978	3,594,609		3,606,212	3,606,212	0	3,606,212	3,606,212	0
Total Funding		2,812,978	3,594,609		3,606,212	3,606,212	0	3,606,212	3,606,212	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,812,978	3,594,609		3,606,212	3,606,212	0	3,606,212	3,606,212	0

No Executive Recommendation made on this appropriation.

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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Capital Outlay/Operating Exp 5900046	46,775	267,800	267,800	267,800	267,800	0	267,800	267,800	0
Total	46,775	267,800	267,800	267,800	267,800	0	267,800	267,800	0
Funding Sources									
Fund Balance 4000005	28,517	193,211		193,211	193,211	0	193,211	193,211	0
Cash Fund 4000045	211,469	267,800		267,800	267,800	0	267,800	267,800	0
Total Funding	239,986	461,011		461,011	461,011	0	461,011	461,011	0
Excess Appropriation/(Funding)	(193,211)	(193,211)		(193,211)	(193,211)	0	(193,211)	(193,211)	0
Grand Total	46,775	267,800		267,800	267,800	0	267,800	267,800	0

No Executive Recommendation made 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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	979,178	1,087,068	1,087,068	1,087,068	1,113,049	0	1,087,068	1,139,651	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	608,437	780,000	780,000	780,000	780,000	0	780,000	780,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	304,983	350,000	350,000	350,000	350,000	0	350,000	350,000	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Deliquent Tax Remittal/Sale Refu	5900046	28,011,376	25,500,000	25,500,000	25,500,000	25,500,000	0	25,500,000	25,500,000	0
Total		29,903,974	27,717,068	27,717,068	27,717,068	27,743,049	0	27,717,068	27,769,651	0
Funding Sources										
Fund Balance	4000005	47,121,259	35,312,629		32,260,561	32,260,561	0	29,182,512	29,182,512	0
Cash Fund	4000045	18,095,344	24,665,000		24,639,019	24,665,000	0	24,612,417	24,665,000	0
Total Funding		65,216,603	59,977,629		56,899,580	56,925,561	0	53,794,929	53,847,512	0
Excess Appropriation/(Funding)		(35,312,629)	(32,260,561)		(29,182,512)	(29,182,512)	0	(26,077,861)	(26,077,861)	0
Grand Total		29,903,974	27,717,068		27,717,068	27,743,049	0	27,717,068	27,769,651	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: B28 - Delinquent Tax-Cash
Funding Sources: 117 - Commissioner of State Lands - Cash

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	27,717,068	0	27,717,068	100.0	27,717,068	0	27,717,068	100.0
C01	Existing Program	25,981	0	27,743,049	100.1	52,583	0	27,769,651	100.2

LEGISLATIVE AUDIT

Enabling Laws

Act 198 of 2012
A.C.A. §10-3-401 et seq.
A.C.A. §10-4-401 et seq.

History and Organization

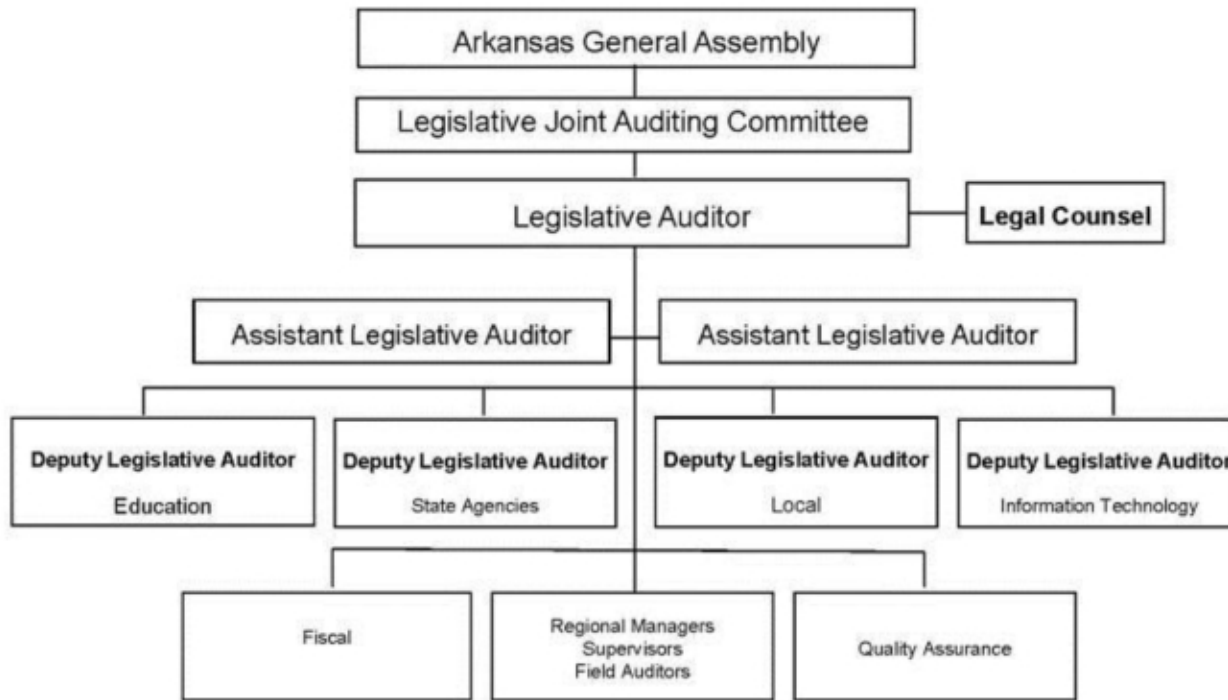
The Legislative Joint Auditing Committee and the Division of Legislative Audit were created by Acts 41 and 268 of 1953. These acts were subsequently repealed, and the Committee and Division were recreated under Act 105 of 1955. Act 2201 of 2005 amended certain provisions of Ark. Code Ann. §§ 10-3-401 - 10-3-424 regarding the Legislative Joint Auditing Committee, repealed Ark. Code Ann. §§ 10-4-101 - 10-4-119, and established revised enabling legislation for the Division of Legislative Audit at Ark. Code Ann. §§ 10-4-401 - 10-4-427.

The Legislative Joint Auditing Committee consists of up to 44 voting members: 20 from the House of Representatives, 16 from the Senate, and 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 by providing impartial auditing of various entities and political subdivisions of the state, independent of the executive branch of state government. The Division provides information that improves public accountability and assists those who oversee public funds in decision-making processes. The Division's 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, the Division's audits provide independent, impartial, and timely reporting of Arkansas's various governmental financial activities.

Under the direction of the Legislative Joint Auditing Committee and the Legislative Auditor, Division staff conduct all engagements in a nonpartisan, unbiased manner. The Division establishes an objective basis for its findings, conclusions, and recommendations, which are derived solely from reliable evidence. To provide this basis, Division staff 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 entities and political subdivisions of the State. The Division performs audits of the State's financial statements (Comprehensive Annual Financial Report) and federal programs (Statewide Single Audit), as well as audits and internal control and compliance assessments of individual state agencies. In addition, the Division audits the financial statements of counties, offices of prosecuting attorneys, municipalities, school districts, and institutions of higher education. During routine audit procedures, misappropriation of public funds is often discovered. Investigations of these instances are coordinated with the respective prosecuting attorneys 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 Division operations originates from a combination of sources, including the State Central Services Fund (HSC), ad valorem tax distribution, reimbursements from agencies for the costs of performing federal compliance audits, reimbursements from the Arkansas Scholarship Lottery for observing daily drawings and conducting its annual audit, and reimbursements for the costs of investigative reports and services. The Division is appropriated 290 positions in fiscal year 2013.

The Division's budget request does not ask for additional positions or salary adjustments over the levels established for fiscal year 2013. The budget request does include the following:

- Reclassifications of 19 positions to more accurately describe and reflect the responsibilities of the respective positions; these reclassifications have a revenue neutral effect.
- A downgrade of one position from Grade N917 to N907 and an upgrade of two positions from Grade C124 to C130; the net effect of these changes is revenue neutral.
- Replacement of computers used by audit staff to ensure that dependable tools are available to perform audits. These computers have a life of three years.
- Replacement of broken and obsolete computer network servers and related components.

The Capital Outlay portion of the budget request totals \$355,000 and \$200,000 for fiscal years 2014 and 2015, respectively.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
THE DIVISION OF LEGISLATIVE AUDIT
FOR THE YEAR ENDED JUNE 30, 2010

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for this Agency.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	117	145	262	96 %
Black Employees	2	4	6	2 %
Other Racial Minorities	4	1	5	2 %
Total Minorities			11	4 %
Total Employees			273	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

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
290	270	20	290	0	6.90 %	290	276	14	290	0	4.83 %	290	275	15	290	0	5.17 %

Appropriation Summary

Appropriation: 095 - Legislative Audit - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	21,869,507	27,395,544	27,395,544	26,601,653	27,395,544	0	26,606,653	27,395,544	0
	#Positions	287	290	290	290	290	0	290	290	0
Personal Services Matching	5010003	5,802,726	7,300,236	6,972,288	7,232,480	7,408,305	0	7,241,386	7,416,374	0
Operating Expenses	5020002	2,094,410	3,513,400	3,513,400	3,513,400	3,464,400	0	3,513,400	3,914,400	0
Conference & Travel Expenses	5050009	190,143	340,500	340,500	340,500	343,000	0	340,500	343,000	0
Professional Fees	5060010	233,519	1,017,700	1,017,700	1,017,700	760,000	0	1,017,700	760,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	329,361	160,000	160,000	0	355,000	0	0	200,000	0
Total		30,519,666	39,727,380	39,399,432	38,705,733	39,726,249	0	38,719,639	40,029,318	0
Funding Sources										
State Central Services	4000035	12,345,779	24,442,380		23,420,733	24,441,249	0	23,434,639	24,744,318	0
Ad Valorem Tax	4000060	14,528,227	14,000,000		14,000,000	14,000,000	0	14,000,000	14,000,000	0
Federal Audit Reimbursement	4000242	3,352,120	1,000,000		1,000,000	1,000,000	0	1,000,000	1,000,000	0
Fees	4000245	279,854	285,000		285,000	285,000	0	285,000	285,000	0
M & R Sales	4000340	13,686	0		0	0	0	0	0	0
Total Funding		30,519,666	39,727,380		38,705,733	39,726,249	0	38,719,639	40,029,318	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		30,519,666	39,727,380		38,705,733	39,726,249	0	38,719,639	40,029,318	0

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		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	38,705,733	290	38,705,733	100.0	38,719,639	290	38,719,639	100.0
C01	Existing Program	1,536,061	0	40,241,794	104.0	1,824,962	0	40,544,601	104.7
C03	Discontinue Program	(450,783)	0	39,791,011	102.8	(450,565)	0	40,094,036	103.5
C04	Reallocation	0	0	39,791,011	102.8	0	0	40,094,036	103.5
C10	Reclass	(64,762)	0	39,726,249	102.6	(64,718)	0	40,029,318	103.4

BUREAU OF LEGISLATIVE RESEARCH

Enabling Laws

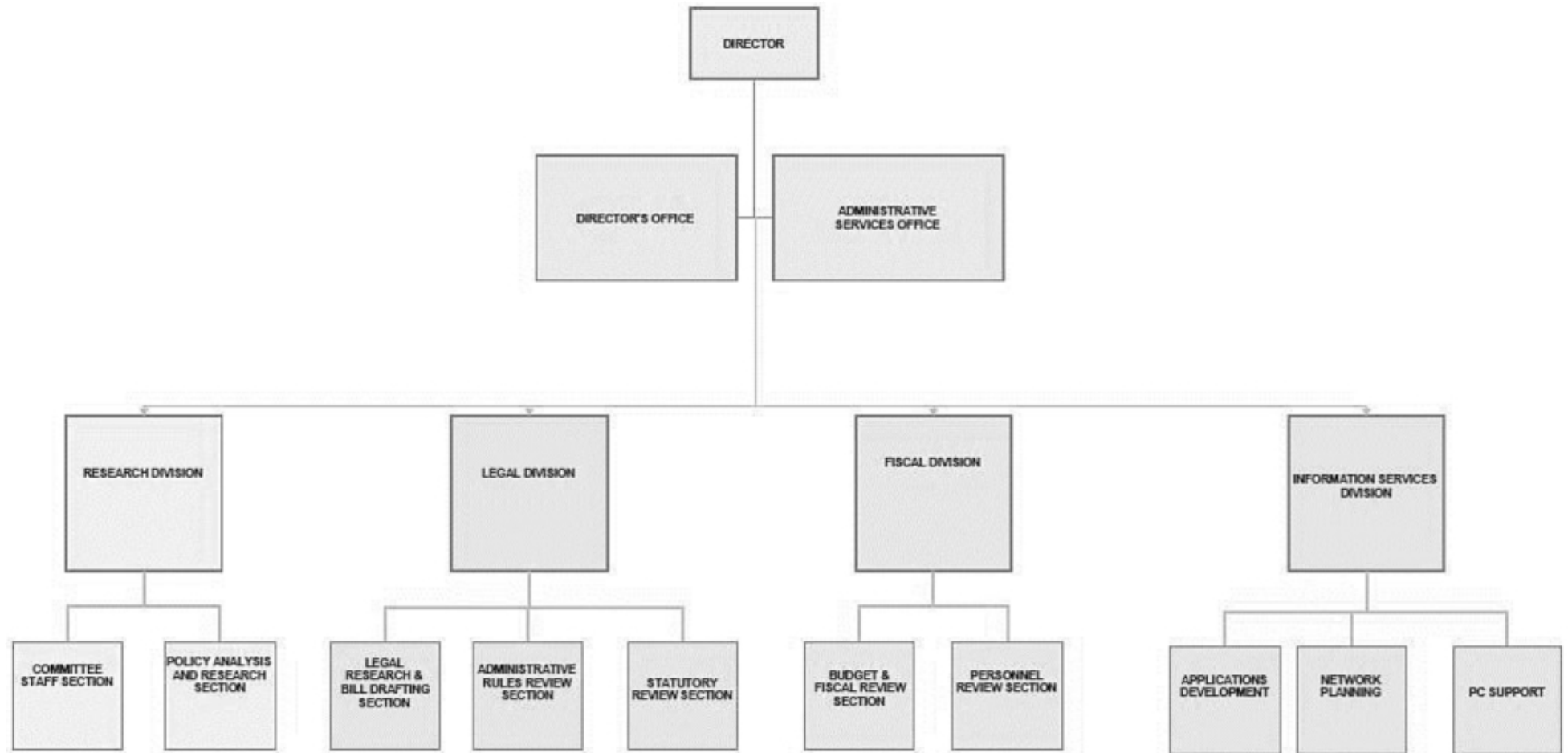
Act 101 of 2012
A.C.A. §10-3-301 et seq.

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 session;
- 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 operations appropriation total amount requested is \$16,964,121 for Fiscal Year 2013-14 and \$16,968,226 for Fiscal Year 2014-15. The Contingency commitment item has a decrease of \$670,000 each year to offset requested change level increases in the Operating Expense and Extra Help commitment items. The Operating Expenses change level increase of \$600,000 and the Extra Help change level increase of \$70,000 is requested to more accurately reflect anticipated actual expenditures. Capital Outlay is requested to be continued at the current fiscal year authorized and budgeted level to provide appropriation for replacement and upgrading of various equipment and software as necessary. Regular Salaries, Personal Services Matching, Conference and Travel, Professional Fees, Construction/Capital Improvements and Committee Rooms commitment items all have no change level and are requested at base level for both fiscal years.

Personnel

The Bureau of Legislative Research requests a total of 129 positions which is the current authorized level. This request includes six reclassifications to change job titles and grades that more accurately reflect the current assigned job duties for employees. No change level increases are requested for Regular Salary or Personal Services Matching commitment items for the six reclassifications. The reclassifications are a Legislative Attorney II to a BLR Counsel grade N908, Legislative Administrative Assistant to a Legislative Network Programmer II, grade C129, Bureau Fiscal Officer to a Legislative Administrative Services Officer, grade C127, Bureau Assistant Fiscal Officer to a Legislative Administrative Services Analyst II, grade C120 and two Legislative Administrative Assistant II to Legislative Administrative Services Analyst, grade C117.

Legislative Council Disbursing Officer

The 2013-15 Biennial request for the Interim Committee Study Expenses, Interim Committee Expenses and the Energy Council appropriations are all requested to be continued at the current Fiscal Year 2012-13 budgeted amounts with no change level requests.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
BUREAU OF LEGISLATIVE RESEARCH
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for this Agency.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	32	64	96	83 %
Black Employees	0	14	14	12 %
Other Racial Minorities	1	4	5	5 %
Total Minorities			19	17 %
Total Employees			115	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.

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
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.
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

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
132	117	15	132	0	11.36 %	129	117	12	129	0	9.30 %	129	116	13	129	0	10.08 %

Appropriation Summary

Appropriation: 015 - Legislative Council - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	7,579,665	9,826,189	9,826,189	9,829,089	9,829,089	0	9,831,389	9,831,389	0
#Positions		123	129	129	129	129	0	129	129	0
Extra Help	5010001	25,678	80,000	80,000	80,000	150,000	0	80,000	150,000	0
#Extra Help		7	31	31	31	31	0	31	31	0
Personal Services Matching	5010003	2,158,324	2,624,629	2,624,629	2,785,912	2,785,912	0	2,787,717	2,787,717	0
Operating Expenses	5020002	1,919,409	1,533,686	1,533,686	1,533,686	2,133,686	0	1,533,686	2,133,686	0
Conference & Travel Expenses	5050009	95,877	218,002	218,002	218,002	218,002	0	218,002	218,002	0
Professional Fees	5060010	150,605	298,889	298,889	298,889	298,889	0	298,889	298,889	0
Construction/Capital Improveme	5090005	0	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	476,400	400,000	400,000	0	400,000	0	0	400,000	0
Contingency	5130018	0	1,563,480	1,563,480	1,563,480	893,480	0	1,563,480	893,480	0
Committee Rooms	5900046	0	205,063	205,063	205,063	205,063	0	205,063	205,063	0
Total		12,405,958	16,799,938	16,799,938	16,564,121	16,964,121	0	16,568,226	16,968,226	0
Funding Sources										
State Central Services	4000035	12,405,958	16,799,938		16,564,121	16,964,121	0	16,568,226	16,968,226	0
Total Funding		12,405,958	16,799,938		16,564,121	16,964,121	0	16,568,226	16,968,226	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		12,405,958	16,799,938		16,564,121	16,964,121	0	16,568,226	16,968,226	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 015 - Legislative Council - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	16,564,121	129	16,564,121	100.0	16,568,226	129	16,568,226	100.0
C01	Existing Program	400,000	0	16,964,121	102.4	400,000	0	16,968,226	102.4
C03	Discontinue Program	(43,299)	0	16,920,822	102.2	(43,299)	0	16,924,927	102.2
C04	Reallocation	0	0	16,920,822	102.2	0	0	16,924,927	102.2
C10	Reclass	43,299	0	16,964,121	102.4	43,299	0	16,968,226	102.4

REAPPROPRIATION REQUESTS & EXECUTIVE RECOMMENDATION FOR VARIOUS CAPITAL PROJECTS

State Central Services - HSC

Agency / Project	Agency Request	Executive Recommendation	Project Status
BUREAU OF LEGISLATIVE			
Operations & Construction	\$2,000,000	No Recommendation	Reappropriation needed for personal services and operating expenses, contingency, committee rooms and construction and capital improvements.

BUREAU OF LEGISLATIVE RESEARCH - DISBURSING OFFICER

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	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	565	0	271,060	0	271,060	0	271,060	0	271,060	0	271,060	0	271,060	0	271,060	0	271,060	0
017 Interim Committee Expenses	745,551	0	1,696,396	0	1,696,396	0	1,696,396	0	1,696,396	0	1,696,396	0	1,696,396	0	1,696,396	0	1,696,396	0
180 Energy Council	36,587	0	65,806	0	65,806	0	65,806	0	65,806	0	65,806	0	65,806	0	65,806	0	65,806	0
Total	782,703	0	2,033,262	0	2,033,262	0	2,033,262	0	2,033,262	0	2,033,262	0	2,033,262	0	2,033,262	0	2,033,262	0

Funding Sources		%		%		%		%		%		%		%		%
State Central Services 4000035	782,703	100.0	2,033,262	100.0			2,033,262	100.0	2,033,262	100.0	2,033,262	100.0	2,033,262	100.0	2,033,262	100.0
Total Funds	782,703	100.0	2,033,262	100.0			2,033,262	100.0	2,033,262	100.0	2,033,262	100.0	2,033,262	100.0	2,033,262	100.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0	
Grand Total	782,703		2,033,262				2,033,262		2,033,262		2,033,262		2,033,262		2,033,262	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Interim Committee Study Exp 5900041	565	271,060	271,060	271,060	271,060	271,060	271,060	271,060	271,060
Total	565	271,060	271,060	271,060	271,060	271,060	271,060	271,060	271,060
Funding Sources									
State Central Services 4000035	565	271,060		271,060	271,060	271,060	271,060	271,060	271,060
Total Funding	565	271,060		271,060	271,060	271,060	271,060	271,060	271,060
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	565	271,060		271,060	271,060	271,060	271,060	271,060	271,060

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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Per Diem, Exp and Mileage 5900046	722,059	1,419,199	1,419,199	1,419,199	1,419,199	1,419,199	1,419,199	1,419,199	1,419,199
Out of State Travel 5900047	23,492	277,197	277,197	277,197	277,197	277,197	277,197	277,197	277,197
Total	745,551	1,696,396	1,696,396	1,696,396	1,696,396	1,696,396	1,696,396	1,696,396	1,696,396
Funding Sources									
State Central Services 4000035	745,551	1,696,396		1,696,396	1,696,396	1,696,396	1,696,396	1,696,396	1,696,396
Total Funding	745,551	1,696,396		1,696,396	1,696,396	1,696,396	1,696,396	1,696,396	1,696,396
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	745,551	1,696,396		1,696,396	1,696,396	1,696,396	1,696,396	1,696,396	1,696,396

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	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
St Contrib/Member Exp 5900021	36,587	65,806	65,806	65,806	65,806	65,806	65,806	65,806	65,806
Total	36,587	65,806	65,806	65,806	65,806	65,806	65,806	65,806	65,806
Funding Sources									
State Central Services 4000035	36,587	65,806		65,806	65,806	65,806	65,806	65,806	65,806
Total Funding	36,587	65,806		65,806	65,806	65,806	65,806	65,806	65,806
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	36,587	65,806		65,806	65,806	65,806	65,806	65,806	65,806

No Executive Recommendation made on this appropriation.

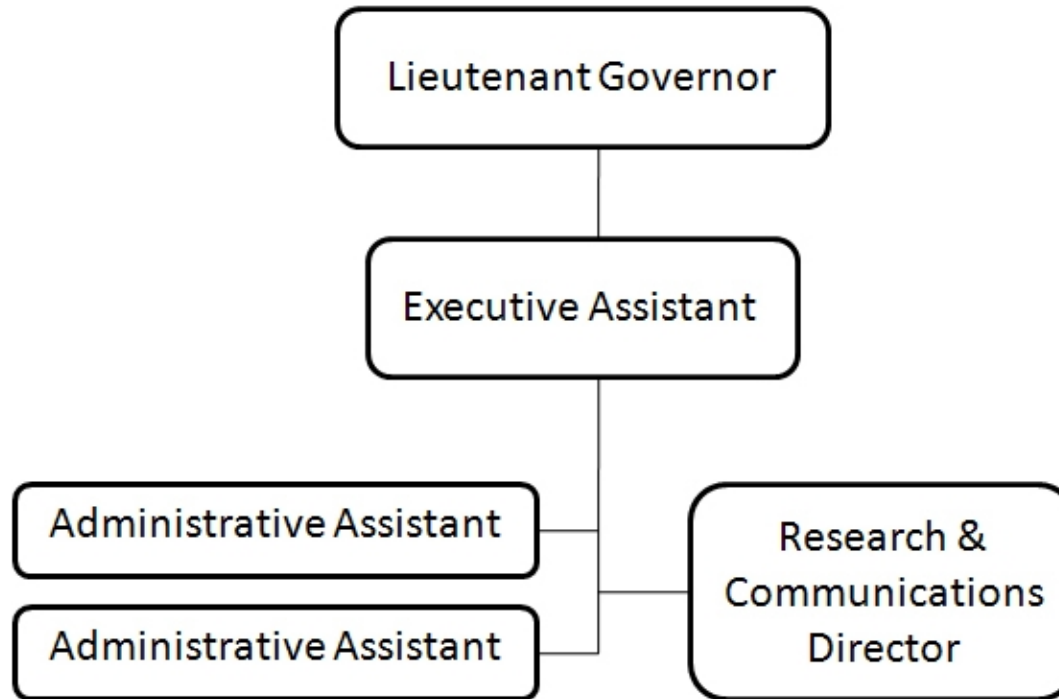
OFFICE OF THE LIEUTENANT GOVERNOR

Enabling Laws

Act 151 of 2012
Constitution of Arkansas, Article 6

History and Organization

The Office of the Lieutenant Governor fulfills the duties designated by the Arkansas Constitution, presides over the Senate when the Legislature is in session and acts 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

The Office of the Lieutenant Governor is requesting restoration of three (3) Extra Help positions authorized, but not budgeted, for FY2013. This request will add \$10,000 to the Extra Help line item and \$1,068 to the Personal Services Matching line item each year of the biennium. Funding for these increases will come from the State Central Services Fund. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
OFFICE OF THE LIEUTENANT GOVERNOR
FOR THE YEAR ENDED JUNE 30, 2010

Findings

Recommendations

None

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	3	2	5	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			5	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

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
4	4	0	4	0	0.00 %	4	4	0	4	0	0.00 %	4	4	0	4	0	0.00 %

Appropriation Summary

Appropriation: 002 - Lieutenant Governor - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	215,660	236,703	236,703	236,703	236,703	0	236,703	236,703	0
#Positions		4	4	4	4	4	0	4	4	0
Extra Help	5010001	0	0	10,000	0	10,000	0	0	10,000	0
#Extra Help		0	0	3	0	3	0	0	3	0
Personal Services Matching	5010003	64,439	77,636	67,234	78,667	79,735	0	78,667	79,735	0
Operating Expenses	5020002	25,840	49,359	49,359	49,359	49,359	0	49,359	49,359	0
Conference & Travel Expenses	5050009	6,831	16,695	16,695	16,695	16,695	0	16,695	16,695	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		312,770	380,393	379,991	381,424	392,492	0	381,424	392,492	0
Funding Sources										
State Central Services	4000035	312,770	380,393		381,424	392,492	0	381,424	392,492	0
Total Funding		312,770	380,393		381,424	392,492	0	381,424	392,492	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		312,770	380,393		381,424	392,492	0	381,424	392,492	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 002 - Lieutenant Governor - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	381,424	4	381,424	100.0	381,424	4	381,424	100.0
C06	Restore Position/Approp	11,068	0	392,492	102.9	11,068	0	392,492	102.9

MUNICIPAL AID

Enabling Laws

Act 208 of 2012
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 thirty-one 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 provide

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 reached the saturation point, particularly with the state sales tax at 6% (and possibly 6.5%), 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 significantly declined in many cases due to the volatility of energy prices and to the reduction of revenue in the telecommunications area related to increased usage of cell and smart 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 revenue stability 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 prior to the 2005-2007 biennium when much needed funding was allocated from the state surplus (\$12 million) and received in October 2007. In the 2007-2009 biennium, an annual allocation from the Property Tax Relief Trust Fund (\$4 million) was added and then continued through the current biennium. Also, in the 2009-2011 biennium, an allocation was made from the state surplus (\$2.5 million), with 75% received in October 2009 and the balance received in October 2010. This increased municipal aid produced a per capita amount in calendar 2009 of \$18.13 (with the surplus amount), but declined in calendar 2010 to a per capita amount of \$16.70 following adjustments made in the State budget during the 2010 fiscal year. After the impact of the 2010 census, the per capita turnback amount declined to \$16.26 in calendar 2011. Municipalities were receiving approximately \$21.35 per capita in 1986 for general turnback and received an average of \$16.52 in the years 2000-2006. Clearly, the long term per capita trend for turnback is downward and an increase in the total amount is justified to stabilize city revenues.

The Arkansas Municipal League respectfully requests that you increase the general turnback by 10%. We believe allocations of the requested amount would be a very wise expenditure of state general revenues and one which will assist cities and towns in providing the basic services that citizens of Arkansas utilize every day.

We respectfully submit our budget request of the following amounts which includes the requested continuation of funds from the Property Tax Relief Fund:

FY 2014	\$34,109,309
FY 2015	\$34,109,309

In addition, the Arkansas Municipal League is requesting \$726,651 in unfunded appropriation and Special Language for the Treasurer of State that will allow the Treasurer to distribute this fund balance in FY2014.

Finally, the street turnback (special revenue) appropriation which is funded by receiving a 15% allocation of revenues through the highway distribution law should be increased by \$60 million to \$180 million if Amendment #I is approved in the November 2012 election.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 MUNICIPAL AID
 FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for this Agency.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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	26,476,810	0	27,372,099	0	27,372,099	0	27,372,099	0	30,835,960	0	30,098,750	0	27,372,099	0	30,109,309	0	29,372,099	0
035 Special Revenue to Cities	88,197,377	0	120,000,000	0	120,000,000	0	120,000,000	0	180,000,000	0	180,000,000	0	120,000,000	0	180,000,000	0	180,000,000	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	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Total	118,674,187	0	151,372,099	0	151,372,099	0	151,372,099	0	214,835,960	0	214,098,750	0	151,372,099	0	214,109,309	0	213,372,099	0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	726,651	0.6	726,651	0.5			726,651	0.5	726,651	0.3	726,651	0.3	726,651	0.5	0	0.0	0	0.0
General Revenue 4000010	26,476,810	22.2	27,372,099	18.0			27,372,099	18.0	30,109,309	14.0	29,372,099	13.8	27,372,099	18.0	30,109,309	14.1	29,372,099	13.9
Special Revenue 4000030	92,197,377	77.2	124,000,000	81.5			124,000,000	81.5	184,000,000	85.6	182,000,000	85.8	124,000,000	81.5	184,000,000	85.9	182,000,000	86.1
Total Funds	119,400,838	100.0	152,098,750	100.0			152,098,750	100.0	214,835,960	100.0	212,098,750	100.0	152,098,750	100.0	214,109,309	100.0	211,372,099	100.0
Excess Appropriation/(Funding)	(726,651)		(726,651)				(726,651)		0		2,000,000		(726,651)		0		2,000,000	
Grand Total	118,674,187		151,372,099				151,372,099		214,835,960		214,098,750		151,372,099		214,109,309		213,372,099	

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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

This appropriation provides spending authority for the Treasurer's Office to distribute general revenues designated for the cities.

The Base Level for General Revenue to Cities (034) is \$27,372,099 each year of the biennium.

The Municipal League of Arkansas is requesting a \$2,737,210 increase for its general revenue appropriation and funding each year of the biennium from Category "B" of the Revenue Stabilization Act.

The Municipal League of Arkansas is also requesting unfunded appropriation of \$726,651 and Special Language for the Treasurer of State that will allow the Treasurer to disburse this fund balance in FY2014.

The Executive Recommendation provides for \$2,726,651 in appropriation and \$2,000,000 in additional general revenue funding.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	26,469,573	27,372,099	27,372,099	27,372,099	30,835,960	30,098,750	27,372,099	30,109,309	29,372,099
Claims	5110015	7,237	0	0	0	0	0	0	0	0
Total		26,476,810	27,372,099	27,372,099	27,372,099	30,835,960	30,098,750	27,372,099	30,109,309	29,372,099
Funding Sources										
Fund Balance	4000005	726,651	726,651		726,651	726,651	726,651	726,651	0	0
General Revenue	4000010	26,476,810	27,372,099		27,372,099	30,109,309	29,372,099	27,372,099	30,109,309	29,372,099
Total Funding		27,203,461	28,098,750		28,098,750	30,835,960	30,098,750	28,098,750	30,109,309	29,372,099
Excess Appropriation/(Funding)		(726,651)	(726,651)		(726,651)	0	0	(726,651)	0	0
Grand Total		26,476,810	27,372,099		27,372,099	30,835,960	30,098,750	27,372,099	30,109,309	29,372,099

Special Language provides for carry forward of funding. For FY13, the carry forward funding amount was \$726,651. The Arkansas Municipal League is requesting unfunded appropriation and Special Language for the Treasurer of State that will allow the Treasurer to distribute this fund balance in FY2014.

FY12 Actual does not reflect a fund transfer to the Assessment Coordination Department for the Real Property Reappraisal Program (\$1,140,000).

Change Level by Appropriation

Appropriation: 034 - General Revenue to Cities
Funding Sources: MLM - Municipal Aid Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	27,372,099	0	27,372,099	100.0	27,372,099	0	27,372,099	100.0
C01	Existing Program	2,737,210	0	30,109,309	110.0	2,737,210	0	30,109,309	110.0
C05	Unfunded Appropriation	726,651	0	30,835,960	112.7	0	0	30,109,309	110.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	27,372,099	0	27,372,099	100.0	27,372,099	0	27,372,099	100.0
C01	Existing Program	2,000,000	0	29,372,099	107.3	2,000,000	0	29,372,099	107.3
C05	Unfunded Appropriation	726,651	0	30,098,750	110.0	0	0	29,372,099	107.3

Justification

C01	Municipal Aid was basically frozen for over two decades prior to the 2005-2007 biennium when much needed funding was allocated from the state surplus (\$12 million) and received in October 2007. In the 2007-2009 biennium, an allocation was made from the state surplus (\$2.5 million), with 75% received in October 2009 and the balance expected to be received in October 2010. This increased municipal aid produced a per capita amount in calendar 2009 of \$18.13 (with the surplus amount), but is estimated to decline in calendar 2010 to a per capita amount of \$16.66 as a result of adjustments made in the State budget during the past fiscal year. Municipalities were receiving approximately \$21.35 per capita in 1986 for general turnback and received an average of \$16.52 in the years 2000-2006. Clearly, the long term per capita trend for turnback is downward, and goes even lower when the results of the 2010 census are considered. The Arkansas Municipal League respectfully requests that you increase the underlying general turnback by 10%. 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.
C05	Special Language provides for carry forward of funding. For FY13, the carry forward funding amount was \$726,651. The Arkansas Municipal League is requesting unfunded appropriation and Special Language for the Treasurer of State that will allow the Treasurer to distribute this fund balance in FY2014

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2012 TO FISCAL YEAR 2013**

Agency: Municipal Aid, Treasurer of State

Program: General Revenue to Cities

Act #: 322 Section(s) #: 1 & 12

Estimated Carry Forward Amount \$ 727,072.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0076 Funds Center: 034 Fund: MLM Functional Area: CNST

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Fund balance is a result of General Revenue receipts exceeding authorized distributions.

Actual Funding Carry Forward Amount \$ 726,651.00

Current status of carry forward funding:

The Arkansas Municipal League is requesting unfunded appropriation and Special Language for the Treasurer of State that will allow the Treasurer to distribute this fund balance in FY2014.

Don Zimmerman

Director

08-27-2012

Date

Analysis of Budget Request

Appropriation: 035 - Special Revenue to Cities

Funding Sources: MLM - Municipal Aid Fund

This appropriation provides spending authority for the Treasurer's Office to distribute special revenues designated for the cities.

The Base Level for Special Revenue to Cities (035) is \$120,000,000 each year of the biennium.

The Municipal League of Arkansas is requesting a \$60,000,000 increase for its special revenue appropriation each year of the biennium.

The Executive Recommendation provides for the Municipal League of Arkansas request.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	88,174,905	120,000,000	120,000,000	120,000,000	180,000,000	180,000,000	120,000,000	180,000,000	180,000,000
Claims	5110015	22,472	0	0	0	0	0	0	0	0
Total		88,197,377	120,000,000	120,000,000	120,000,000	180,000,000	180,000,000	120,000,000	180,000,000	180,000,000
Funding Sources										
Special Revenue	4000030	88,197,377	120,000,000		120,000,000	180,000,000	180,000,000	120,000,000	180,000,000	180,000,000
Total Funding		88,197,377	120,000,000		120,000,000	180,000,000	180,000,000	120,000,000	180,000,000	180,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		88,197,377	120,000,000		120,000,000	180,000,000	180,000,000	120,000,000	180,000,000	180,000,000

Change Level by Appropriation

Appropriation: 035 - Special Revenue to Cities
Funding Sources: MLM - Municipal Aid Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	120,000,000	0	120,000,000	100.0	120,000,000	0	120,000,000	100.0
C01	Existing Program	60,000,000	0	180,000,000	150.0	60,000,000	0	180,000,000	150.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	120,000,000	0	120,000,000	100.0	120,000,000	0	120,000,000	100.0
C01	Existing Program	60,000,000	0	180,000,000	150.0	60,000,000	0	180,000,000	150.0

Justification

C01	The street turnback (special revenue) appropriation which is funded by receiving a 15% allocation of revenues through the highway distribution law should be increased by \$60 million to \$180 million if Amendment #I is approved in the November 2012 election.
-----	--

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. Beginning with Act 1268 of 2007, the cities have received a distribution of \$4 million each year, contingent upon available surplus funding.

The Municipal League of Arkansas requests Base Level for the 2013-2015 biennium.

The Executive Recommendation provides for the Agency Request for appropriation with \$2,000,000 in funding from the Property Tax Relief Trust Fund. Use of this appropriation is contingent on availability of funding.

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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 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	4,000,000	4,000,000	4,000,000	4,000,000
Total	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Funding Sources									
Special Revenue 4000030	4,000,000	4,000,000		4,000,000	4,000,000	2,000,000	4,000,000	4,000,000	2,000,000
Total Funding	4,000,000	4,000,000		4,000,000	4,000,000	2,000,000	4,000,000	4,000,000	2,000,000
Excess Appropriation/(Funding)	0	0		0	0	2,000,000	0	0	2,000,000
Grand Total	4,000,000	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

OFFICE OF THE PROSECUTOR COORDINATOR

Enabling Laws

Act 222 of 2012
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.

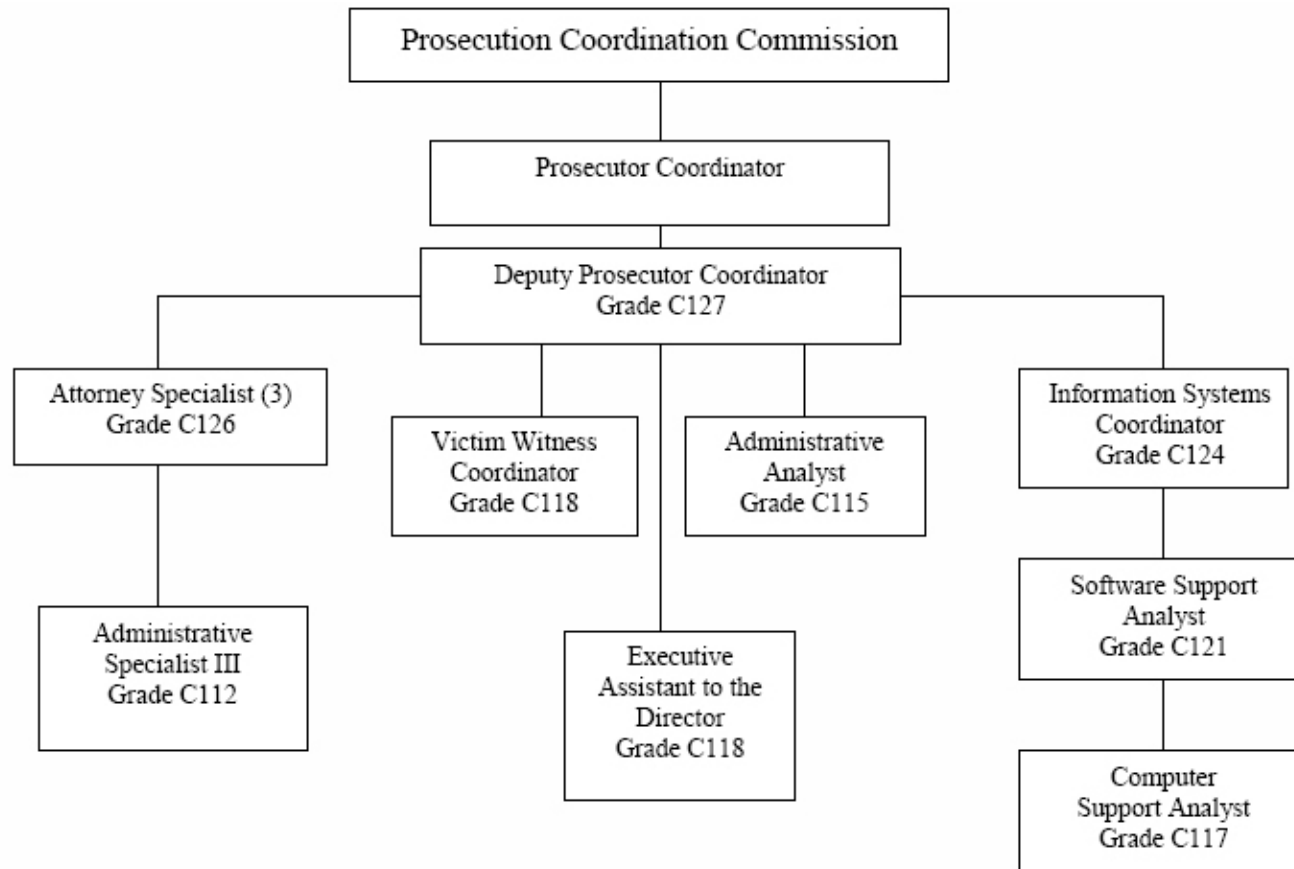
LENDING LIBRARY - A lending library of educational materials, e.g., books, videotapes, and audio cassettes is maintained.

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 and Family Violence Newsletter 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.

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

Restoration of Attorney Specialist position - Additional appropriation and funding is requested by the Office of the Prosecutor Coordinator to provide salary and matching cost for the Grade C126, Drug and Alcohol Enforcement Attorney. Because this position is such an integral part of the Office of the Prosecutor Coordinator, we are requesting that this position be restored and funded through State Central Services. Current state funded attorneys on staff would be unable to assume the responsibilities which are critical in order to allow the Office of the Prosecutor Coordinator to continue to provide resources to prosecuting attorneys and law enforcement throughout the state. The Drug and Alcohol Enforcement Attorney assists state prosecuting attorneys and their deputies with the prosecution of alcohol and drug related crimes as well as civil forfeitures by performing extensive legal research, preparing legal memoranda, providing continuing legal education to prosecutors and law enforcement officers, and serving as a special deputy prosecuting attorney when requested.

This Drug and Alcohol Enforcement Attorney is a contributing author and co-editor of three training manuals which serve as a guide for prosecuting attorneys and their deputies in the areas of Asset Forfeiture, DWI, and Drug Trials.

Reclassification- 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. The agency is requesting to reclassify this position from its current accounting-based troubleshooting position to a programmer position. This position is essential to support the accounting and programming needs for the "in-house" Hot check Collections program which is used by 27 of the 28 Judicial Districts. This program provides an automated system for prosecuting attorneys offices to track down bad check writers, collect restitution on the bad checks and return the money to the victims. This position will also be responsible for training users of the program and approving all end-of-month and year-end reporting from the hot check offices. This reclassification is needed due to the added responsibilities the IT department has acquired, which include supporting an additional 40 prosecuting attorney's offices comprising of 200 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 training for Office of the Prosecutor Coordinator staff and prosecuting attorney support staff. This IT department is unique from most other IT departments due to the fact that it is responsible for the designing, development and maintenance of "in-house" programs and fully supporting day-to-day operations of these programs.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
OFFICE OF PROSECUTOR COORDINATOR
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

None

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	3	7	10	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			10	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

Change in Fee Schedule

CURRENT FEE STRUCTURE				PROPOSED CHANGE			Reason for Change
Description	Fee Amount	Estimated Receipts 2012-2013	Authorizing Act or AR Code	Estimated Receipts			
				2013-2014	2014-2015		
N/A	\$0.00	\$0	N/A	\$0.00	\$0	\$0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	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	62,727	0	57,941	0	70,660	0	70,660	0	70,660	0	70,660	0	70,660	0	70,660	0	70,660	0
090 Prosecutor Coordinator Oprs	992,050	11	923,099	11	1,011,379	12	933,394	11	1,008,826	12	941,995	11	934,385	11	1,009,817	12	942,986	11
Total	1,054,777	11	981,040	11	1,082,039	12	1,004,054	11	1,079,486	12	1,012,655	11	1,005,045	11	1,080,477	12	1,013,646	11

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	294	0.0	1,457	0.1			1,457	0.1	1,457	0.1	1,457	0.1	0	0.0	0	0.0	0	0.0
State Central Services 4000035	914,355	86.6	923,099	94.0			933,394	94.0	1,008,826	94.4	941,995	94.1	934,385	94.2	1,009,817	94.6	942,986	94.2
Special State Asset Forfeiture 4000465	77,695	7.4	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	63,890	6.0	57,941	5.9			57,941	5.8	57,941	5.4	57,941	5.8	57,941	5.8	57,941	5.4	57,941	5.8
Total Funds	1,056,234	100.0	982,497	100.0			992,792	100.0	1,068,224	100.0	1,001,393	100.0	992,326	100.0	1,067,758	100.0	1,000,927	100.0
Excess Appropriation/(Funding)	(1,457)		(1,457)				11,262		11,262		11,262		12,719		12,719		12,719	
Grand Total	1,054,777		981,040				1,004,054		1,079,486		1,012,655		1,005,045		1,080,477		1,013,646	

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	10	2	12	0	16.67 %	12	11	1	12	0	8.33 %	12	10	1	11	1	16.67 %

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 Agency's Request provides for FY14 and FY15 appropriations equal to the maximum allocation authorized by Act 281 of 2012, Section 60.

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	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Law Enforcement/Prosecutorial 5900046	62,727	57,941	70,660	70,660	70,660	70,660	70,660	70,660	70,660
Total	62,727	57,941	70,660	70,660	70,660	70,660	70,660	70,660	70,660
Funding Sources									
Fund Balance 4000005	294	1,457		1,457	1,457	1,457	0	0	0
State Administration of Justice 4000470	63,890	57,941		57,941	57,941	57,941	57,941	57,941	57,941
Total Funding	64,184	59,398		59,398	59,398	59,398	57,941	57,941	57,941
Excess Appropriation/(Funding)	(1,457)	(1,457)		11,262	11,262	11,262	12,719	12,719	12,719
Grand Total	62,727	57,941		70,660	70,660	70,660	70,660	70,660	70,660

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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

The Agency's Change Level Requests consists of \$56,979 in Regular Salaries and \$18,453 in Personal Services Matching annually to cover the costs of restoration of one (1) G047C Attorney Specialist position and the reclassification of one (1) D071C Computer Support Analyst position to a D052C Software Support Analyst. The Agency is requesting funding for these changes from the State Central Services Fund.

The Executive Recommendation provides for the Agency Request with the exception of the one (1) Attorney specialist position restoration.

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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	665,981	602,233	690,550	608,274	665,253	615,224	609,074	666,053	616,024
#Positions		11	11	12	11	12	11	11	12	11
Personal Services Matching	5010003	199,533	194,330	194,293	198,584	217,037	200,235	198,775	217,228	200,426
Operating Expenses	5020002	121,844	121,844	121,844	121,844	121,844	121,844	121,844	121,844	121,844
Conference & Travel Expenses	5050009	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692	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
Total		992,050	923,099	1,011,379	933,394	1,008,826	941,995	934,385	1,009,817	942,986
Funding Sources										
State Central Services	4000035	914,355	923,099		933,394	1,008,826	941,995	934,385	1,009,817	942,986
Special State Asset Forfeiture	4000465	77,695	0		0	0	0	0	0	0
Total Funding		992,050	923,099		933,394	1,008,826	941,995	934,385	1,009,817	942,986
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		992,050	923,099		933,394	1,008,826	941,995	934,385	1,009,817	942,986

Change Level by Appropriation

Appropriation: 090 - Prosecutor Coordinator Oprs
Funding Sources: HSC - State Central Services Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	933,394	11	933,394	100.0	934,385	11	934,385	100.0
C01	Existing Program	66,831	1	1,000,225	107.2	66,831	1	1,001,216	107.2
C10	Reclass	8,601	0	1,008,826	108.1	8,601	0	1,009,817	108.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	933,394	11	933,394	100.0	934,385	11	934,385	100.0
C01	Existing Program	16,802	0	950,196	101.8	16,802	0	951,187	101.8
C10	Reclass	8,601	0	958,797	102.7	8,601	0	959,788	102.7
C13	Not Recommended	(16,802)	0	941,995	100.9	(16,802)	0	942,986	100.9

Justification

C01	The Agency's Drug and Alcohol Attorney was previously paid out of the State Asset Forfeiture Fund and with private onetime funding. Neither source is currently available. Therefore, the Agency is requesting appropriation and funding to be provided by the State Central Services Fund. The Drug and Alcohol Attorney assists state prosecuting attorneys and their deputies with the prosecution of drug and alcohol related crimes as well as civil forfeitures by performing extensive legal research, preparing legal memoranda, and providing continuing legal education to prosecutors and law enforcement officers.
C10	The reclassification to a Software Support Analyst position is being requested. This position will provide technical 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 system and staff.

SCHOOL FOR THE BLIND

Enabling Laws

Act 180 of 2012
A.C.A. §21-5-101; and §21-5-201

History and Organization

The Board of Trustees, a five-member board appointed by the Governor, for the Arkansas School for the Blind and the Arkansas School for the Deaf has oversight responsibilities for the Arkansas School for the Blind. This responsibility is set forth in A.C.A. §6-43-101 (Title 6 of the Arkansas Code of 1987). The Board has approved a mission statement for the Arkansas School for the Blind which is as follows: To provide quality education and training for all children and young people (birth through age twenty-one) who are visually impaired so they possess the required skills to become personally productive and self-sufficient citizens.

In 1859 the Arkansas Institute for the Education of the Blind (ASB) was incorporated by Act 97. In 1866, Act 10 provided for the acquisition of a site and buildings to house the institution at Arkadelphia in Clark County. Act 50 of 1868 provided for the move of the Institute to Little Rock. It occupied facilities at 18th and Center Street until 1939 when it moved to its current location at 2600 West Markham Street. The present campus comprises 40.4 acres and the facilities consist of fifteen buildings. The Reorganization Act (Act 38 of 1971), placed the Arkansas School for the Blind under the umbrella of the Department of Education for budgeting purposes. A.C.A. §6-43-113 reserves all powers, duties, and functions of the Arkansas School for the Blind, together with those of the Board of Directors, to the Superintendent and the Arkansas School for the Blind Board of Education.

ASB is fully accredited by the Arkansas Department of Education and the North Central Association. It provides a variety of educational programs within the State's prescribed continuum of services for students from 0 to the age of 21 years.

The regular on-campus program provides academic and vocational training, residential living and extra curricular activities. Daily transportation is provided through the local school districts for nonresidential students. The Arkansas School for the Deaf provides weekly, statewide transportation for residential students to and from home each weekend. This is another effort to make the program less restrictive to students and families.

The academic and vocational divisions give the students the necessary skills and background to continue their education at the post secondary or college levels, or enter directly into the work world.

An average of ten students graduate from the school each year and approximately fifty percent continue their education at a higher level.

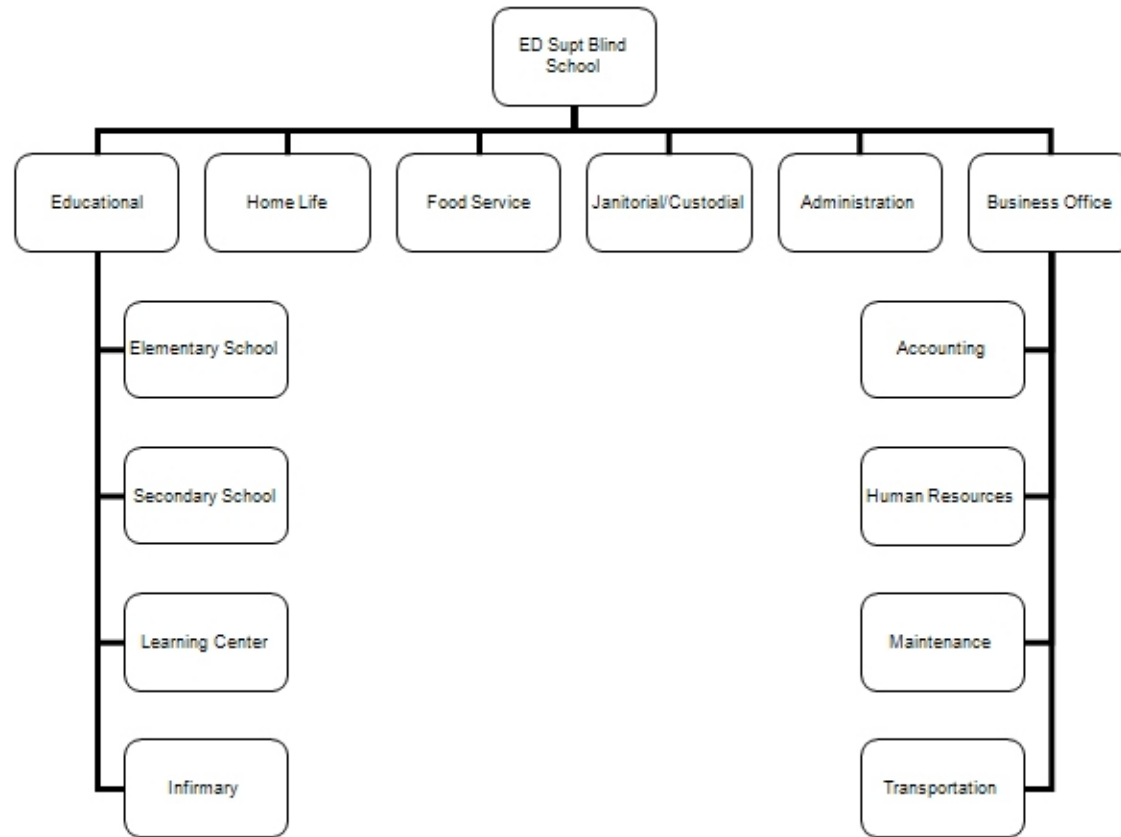
Other services provided by the school are: low vision evaluation services, physical and occupational therapy, health services, psychological evaluations, orientation and mobility services, life skills training, nutritional meals, vocational work study program, braille, adaptive technology training and evaluation.

The school maintains an educational program for blind and visually impaired babies ages birth to five. The program provides activities designed to train babies to develop sensory skills other than sight as learning tools. The program also provides extensive training and development of parent skills designed to assist the child in enhanced use of all available sensory skills. Currently, two staff members, who are certified in vision education and early childhood education, travel state wide to provide training to both child and parents. The school also provides a pre-school program for visually impaired children age 3-5 years old. The program experienced significant growth during the 2006-2007 school year and currently has an enrollment of 80 children.

The school implemented a new program during the 2006-2007 school year named "short term enrollment", a program for students enrolled in public schools. The program provides courses in the school's extended core curriculum, which includes braille, orientation and mobility, life skills, and adaptive technology. Many public schools are unable to provide adequate training by staff certified in basic courses in the Extended Core Curriculum. The program allows the student to remain enrolled in their local public school program, but take their required academic courses under the direction of ASB teachers who have ADE certification in the subject taught, as well as certification in vision education. The program allows students to maintain their home school academic training while taking extremely important courses in the ASB extended core curriculum. Since FY06-07, over sixty (60) public school students have received training through the program.

Individual education plans for every student are written annually and monitored to insure that ASB designs all programs to meet the needs of each respective student at their educational level. This is in compliance with the Arkansas Department of Education rules and regulations.

The Arkansas School for the Blind coordinates a statewide program that identifies and provides services to visually impaired students in public schools. This program is operated and funded by ASB. ASB Staff has provided training and in-service opportunities for Public School Administrators and Teachers. Student evaluations in adaptive tech, mobility, braille, and low vision are available to public school students free of charge. (ASB also provides all large print and braille textbooks and instructional materials for visually impaired students attending public school.)



Agency Commentary

The Arkansas School for the Blind (ASB) provides a variety of educational programs within the State’s prescribed continuum of services for vision-impaired students from birth to 21 years of age. The regular on-campus programming includes academic and vocational training, independent living training, residential living and extra-curricular activities. Daily transportation is provided through local schools districts for non-residential students. The Arkansas School for the Deaf (ASD) provides weekly statewide transportation for ASB and ASD residential students to and from home each weekend. By law, ASD also provides maintenance services and security services for ASB. Joint services for business services, accounting, human resources, and capital equipment accountability are provided to both schools through use of a Board approved paying account, permitting the pooling of funds from each agency based on a ratio of student population at each school.

Change Level requests for each year of the biennium include small increases in regular salaries and matching. In addition, ASB is requesting that eleven (11) positions be upgraded and re-titled for both years of the biennium with the additional appropriation and funding needed to cover this cost. The funding and appropriation requests for the positions' upgrades totals \$19,210 in FY2014 and \$19,498 in FY2015.

Change Level requests for ASB for each year of the biennium include restoration of authority and funding for Capital Outlay, and an increase in Braille and large print textbooks. The \$25,000 authority and funding requested for **Capital Outlay** is needed to purchase adaptive learning technology items that are necessary to help ASB's student succeed in the educational environment. Adaptive technology needs are increasing tremendously due to the continual improvements in the items needed for ASB's students.

The additional \$25,000 authority and funding for each year of the biennium for **Braille and large print textbooks** is requested due to the rising cost associated with printing the braille and large textbooks for ASB's students, as well as the increased demand for the braille textbooks requests received from other public school districts in Arkansas. Without additional funding, ASB might not be able to provide all the Braille and large-print textbooks needed to educate ASB's students and/or students in other public school district in Arkansas. When public schools change to a new textbook, the new version (first print) in braille may cost up to \$10,000 to \$15,000 each. Each student may need six or seven books depending on what classes he or she is enrolled. A normal book having 400 pages may take 1,200 pages to produce in braille or large print.

Additionally, restoration to Authorized Level authority and funding is requested in **Operating Expenses** for each year of the biennium. Due to budgetary restrictions, it was necessary to reduce Operating Expenses in FY2012/2013 from the \$825,000 appropriated amount to \$725,000. However, the reduction has created great distress in the area of maintaining an appropriate living and learning environment for ASB's students. The dormitories and classrooms are in bad need of painting, fixtures, and furniture. Also, due to the age of ASB's facilities, we have a critical need for maintenance supplies (plumbing, electrical, carpentry, etc.). These items are needed in order to provide a safe and productive learning environment for ASB's students.

Restoration to Authorized Level and increases in funding and authority for **Special Maintenance** is requested in the amount of \$125,000 for each year of the biennium. The \$125,000 will serve to maintain a never ending battle of preventive maintenance such as major building repairs, roofing, waterproofing, HVAC replacements, drainage, etc. for 15 buildings on ASB's campus. There has been basically no money spent on the replacement or upkeep on these building in many years. ASB owns all electrical transmission lines on campus. If the power goes out on campus, it is critical that this be repaired in a minimum amount of time in order to protect our students and staff from any harm from the outage. It is also important that we protect the food stored in freezers and refrigerators in the campus cafeteria, to prevent their spoilage during a power outage. We also have significant draining issues on campus due to the facility being built on the side of a hill. We were able to correct a small portion of this issue with ARRA funds, but we still have the need to do considerably more in this area. All of these Special Maintenance items are required to be contracted out, as we have no staff to handle these major and costly projects.

Federally funded programs requests include restoration of **Capital Outlay** to Authorized Level for each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION – ARKANSAS SCHOOL FOR THE BLIND
FOR THE YEAR ENDED JUNE 30, 2011

Findings	Recommendations
None	None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	12	43	55	67 %
Black Employees	7	20	27	33 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			27	33 %
Total Employees			82	100 %

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
1140100	\$1,285,178	Checking, Investments	Regions Bank- Little Rock, State Treasury

Statutory/Other Restrictions on use:

Arkansas Code 19-4-801 establishes that the agency can use these funds for operating expenses

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

National School Lunch and breakfast reimbursements are collected throughout the year, as well as meal ticket sales, some royalties, interests and other donations

Fund Balance Utilization:

Funds are collected on an irregular basis throughout the year. Since collections cannot be accurately projected, these funds are not used for on-going expenses. They are used as needed for food and other miscellaneous items.

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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
076 School for the Blind-State Operations	5,772,287	87	5,814,511	92	6,464,007	92	6,092,880	95	6,362,090	95	6,352,622	95	6,098,707	95	6,368,205	95	6,358,593	95
077 School for the Blind-Federal Operations	439,284	2	748,580	2	751,049	2	596,117	2	750,117	2	750,117	2	596,117	2	750,117	2	750,117	2
086 Braille Textbooks	148,024	0	148,024	0	148,024	0	148,024	0	173,024	0	173,024	0	148,024	0	173,024	0	173,024	0
A19 School for the Blind-Cash Operations	50,256	0	424,508	0	424,508	0	424,508	0	424,508	0	424,508	0	424,508	0	424,508	0	424,508	0
Total	6,409,851	89	7,135,623	94	7,787,588	94	7,261,529	97	7,709,739	97	7,700,271	97	7,267,356	97	7,715,854	97	7,706,242	97

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	1,286,734	16.7	1,285,178	15.9	962,759	12.2	962,759	11.5	962,759	11.8	640,340	8.4	640,340	8.0	640,340	8.1
General Revenue	4000010	6,225,369	80.9	6,110,288	75.5	6,343,953	80.3	6,638,163	79.5	6,378,695	77.8	6,349,780	83.7	6,644,278	82.7	6,384,666	81.1
Federal Revenue	4000020	439,284	5.7	748,580	9.2	596,117	7.5	750,117	9.0	750,117	9.2	596,117	7.9	750,117	9.3	750,117	9.5
Cash Fund	4000045	48,700	0.6	102,089	1.3	102,089	1.3	102,089	1.2	102,089	1.2	102,089	1.3	102,089	1.3	102,089	1.3
Merit Adjustment Fund	4000055	68,222	0.9	127,428	1.6	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Inter-agency Fund Transfer	4000316	(373,280)	(4.9)	(275,181)	(3.4)	(103,049)	(1.3)	(103,049)	(1.2)	0	0.0	(103,049)	(1.4)	(103,049)	(1.3)	0	0.0
Total Funds		7,695,029	100.0	8,098,382	100.0	7,901,869	100.0	8,350,079	100.0	8,193,660	100.0	7,585,277	100.0	8,033,775	100.0	7,877,212	100.0
Excess Appropriation/(Funding)		(1,285,178)		(962,759)		(640,340)		(640,340)		(493,389)		(317,921)		(317,921)		(170,970)	
Grand Total		6,409,851		7,135,623		7,261,529		7,709,739		7,700,271		7,267,356		7,715,854		7,706,242	

Variances in fund balance due to unfunded appropriation in appropriation (076) School for the Blind-State Operations.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
101	87	13	100	1	13.86 %	97	87	9	96	1	10.31 %	97	85	11	96	1	12.37 %

Analysis of Budget Request

Appropriation: 076 - School for the Blind-State Operations

Funding Sources: ESA - State Operations - School for the Blind

The Arkansas School for the Blind (ASB) operates from a combination of general revenue, cash, and federal funds. ASB provides service programs for the visually impaired aged 0 to 21 such as academic and vocational training, independent living training, residential living, and extra curricular activities. All costs associated with this appropriation are funded with stabilized general revenue and provides the majority of support for the school.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

The agency Base Level request for appropriation and general revenue funding is \$6,092,880 in FY14 and \$6,098,707 in FY15.

The agency Change Level request for appropriation and general revenue funding is \$269,210 in FY14 and \$269,498 in FY15 and reflects the following:

- ASB requests the reclassification of eleven (11) positions totaling \$19,210 in Regular Salaries and Personal Services Matching for both FY14 and \$19,498 in FY15. Reclassification of these positions is being requested due to the increased amount and differentiation of workloads, and are as follows:
 - Reclass of Agency Fiscal Manager (C121) position to Fiscal Support Manager (C123)
 - Reclass of Information Systems Coordination Specialist (C119) to Information Systems Coordinator (C124)
 - Reclass of Baker (C104) to Food Preparation Coordinator (C108)
 - Reclass of two (2) Cooks (C104) to Food Preparation Coordinators (C108)
 - Reclass of six (6) Food Preparation Technicians (C102) to Cooks (C104)
- \$100,000 in Operating Expenses is requested each year of the biennium due to an increased need in maintenance and janitorial supplies.
- \$25,000 in Capital Outlay is requested each year of the biennium to purchase adaptive technology items for students.
- \$125,000 each year is requested for Special Maintenance in order to provide facility updates on fifteen (15) campus buildings, of which the newest is over thirty (30) years old.

The Executive Recommendation provides for Base Level in addition to the following:

- Appropriation and general revenue funding for reclassification of nine (9) positions totaling \$9,742 in Regular Salaries and Personal Services Matching for FY14 and \$9,886 in FY15. Those positions recommended for reclass are:
 - Baker (C104) to Food Preparation Coordinator (C108)
 - Two (2) Cooks (C104) to Food Preparation Coordinators (C108)
 - Six (6) Food Preparation Technicians (C102) to Cooks (C104)\$100,000 each year in appropriation only for Operating Expenses.
- \$25,000 each year in appropriation only for Capital Outlay.
- \$125,000 each year in appropriation only for Special Maintenance.

Additionally, the Executive Recommendation provides that the Board of Trustees for the Arkansas School for the Blind and Arkansas School for the Deaf consider discontinuing the annual fund transfer from the Arkansas School for the Blind to the Arkansas School for the Deaf.

Appropriation Summary

Appropriation: 076 - School for the Blind-State Operations
Funding Sources: ESA - State Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,586,324	3,488,487	3,838,395	3,645,487	3,660,226	3,652,764	3,650,187	3,664,926	3,657,464
#Positions		87	92	92	95	95	95	95	95	95
Extra Help	5010001	7,089	13,650	15,000	14,325	14,325	14,325	14,325	14,325	14,325
#Extra Help		2	3	3	4	4	4	4	4	4
Personal Services Matching	5010003	1,205,226	1,201,429	1,273,597	1,347,123	1,351,594	1,349,588	1,348,250	1,353,009	1,350,859
Overtime	5010006	2,389	19,220	20,000	19,220	19,220	19,220	19,220	19,220	19,220
Operating Expenses	5020002	651,821	724,710	825,000	724,710	824,710	824,710	724,710	824,710	824,710
Conference & Travel Expenses	5050009	17,015	17,015	17,015	17,015	17,015	17,015	17,015	17,015	17,015
Professional Fees	5060010	84,617	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	17,290	25,000	25,000	0	25,000	25,000	0	25,000	25,000
Special Maintenance	5120032	119,991	125,000	250,000	125,000	250,000	250,000	125,000	250,000	250,000
Vocational Workstudy	5900046	4,143	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Summer Projects	5900048	76,382	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Total		5,772,287	5,814,511	6,464,007	6,092,880	6,362,090	6,352,622	6,098,707	6,368,205	6,358,593
Funding Sources										
General Revenue	4000010	6,077,345	5,962,264		6,195,929	6,465,139	6,205,671	6,201,756	6,471,254	6,211,642
Merit Adjustment Fund	4000055	68,222	127,428		0	0	0	0	0	0
Inter-agency Fund Transfer	4000316	(373,280)	(275,181)		(103,049)	(103,049)	0	(103,049)	(103,049)	0
Total Funding		5,772,287	5,814,511		6,092,880	6,362,090	6,205,671	6,098,707	6,368,205	6,211,642
Excess Appropriation/(Funding)		0	0		0	0	146,951	0	0	146,951
Grand Total		5,772,287	5,814,511		6,092,880	6,362,090	6,352,622	6,098,707	6,368,205	6,358,593

Change Level by Appropriation

Appropriation: 076 - School for the Blind-State Operations
Funding Sources: ESA - State Operations - School for the Blind

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	6,092,880	95	6,092,880	100.0	6,098,707	95	6,098,707	100.0
C01	Existing Program	225,000	0	6,317,880	103.7	225,000	0	6,323,707	103.7
C08	Technology	25,000	0	6,342,880	104.1	25,000	0	6,348,707	104.1
C10	Reclass	19,210	0	6,362,090	104.4	19,498	0	6,368,205	104.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	6,092,880	95	6,092,880	100.0	6,098,707	95	6,098,707	100.0
C01	Existing Program	225,000	0	6,317,880	103.7	225,000	0	6,323,707	103.7
C08	Technology	25,000	0	6,342,880	104.1	25,000	0	6,348,707	104.1
C10	Reclass	9,742	0	6,352,622	104.3	9,886	0	6,358,593	104.3

Justification

C01	ASB is requesting an increase in appropriation and general revenue for Special Maintenance of \$125,000 for each year of the biennium to provide for facility updates that have been neglected through the years as a result of a lack of funding. This increase will only put us back to the level that was appropriated for FY12-13. ASB is also requesting \$100,000 in appropriation and general revenue in Operating Expenses for a critical need in maintenance and janitorial supplies; and to update the furniture and re-paint aging classrooms and dormitories.
C08	\$25,000 is requested in appropriation and general revenue for Capital Outlay to purchase a bare amount of adaptive technology items to help our students succeed. Adaptive technology needs are increasing tremendously due to the continual improvements in the items available for our students needs.
C10	Additional general revenue funding and appropriation are requested in Regular Salaries and Matching to cover the cost of requested upgraded positions in both years of the biennium.

Analysis of Budget Request

Appropriation: 077 - School for the Blind-Federal Operations

Funding Sources: FEC - Federal Operations - School for the Blind

This appropriation represents the primary federal operations support for the Arkansas School for the Blind (ASB). The funds support for this appropriation is, among others, Chapter VI-B Pass-Through, Carl Perkins Federal Vocational Grants, Medicaid reimbursements, and an Adaptive Technology Grant received through the State Department of Education.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The agency Base Level request for this appropriation is \$596,117 each year of the biennium.

The agency Change Level request for this appropriation is \$154,000 each year of the biennium. This request will restore Capital Outlay to the FY2013 authorized level, and allow ASB to replace equipment that is beyond repair, obsolete, or too expensive to maintain.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 077 - School for the Blind-Federal Operations
Funding Sources: FEC - Federal Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	54,956	51,788	53,954	51,788	51,788	51,788	51,788	51,788	51,788
#Positions		2	2	2	2	2	2	2	2	2
Extra Help	5010001	14,400	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
#Extra Help		7	13	13	13	13	13	13	13	13
Personal Services Matching	5010003	24,336	21,928	22,231	23,465	23,465	23,465	23,465	23,465	23,465
Operating Expenses	5020002	196,414	241,050	241,050	241,050	241,050	241,050	241,050	241,050	241,050
Conference & Travel Expenses	5050009	9,968	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382
Professional Fees	5060010	129,215	203,432	203,432	203,432	203,432	203,432	203,432	203,432	203,432
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	9,995	154,000	154,000	0	154,000	154,000	0	154,000	154,000
Total		439,284	748,580	751,049	596,117	750,117	750,117	596,117	750,117	750,117
Funding Sources										
Federal Revenue	4000020	439,284	748,580		596,117	750,117	750,117	596,117	750,117	750,117
Total Funding		439,284	748,580		596,117	750,117	750,117	596,117	750,117	750,117
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		439,284	748,580		596,117	750,117	750,117	596,117	750,117	750,117

Change Level by Appropriation

Appropriation: 077 - School for the Blind-Federal Operations
Funding Sources: FEC - Federal Operations - School for the Blind

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	596,117	2	596,117	100.0	596,117	2	596,117	100.0
C01	Existing Program	154,000	0	750,117	125.8	154,000	0	750,117	125.8

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	596,117	2	596,117	100.0	596,117	2	596,117	100.0
C01	Existing Program	154,000	0	750,117	125.8	154,000	0	750,117	125.8

Justification

C01	Restoration of Capital Outlay to current authorized level is requested for each year of the biennium to purchase new and replace equipment that is beyond repair, obsolete, or too expensive to maintain.
-----	---

Analysis of Budget Request

Appropriation: 086 - Braille Textbooks

Funding Sources: ESA - State Operations - School for the Blind

The School for the Blind (ASB) utilizes this appropriation to purchase and distribute Braille and Large Print textbooks for visually impaired students attending public schools. ASB serves as a clearinghouse to public schools, purchasing and distributing new books on an as-needed basis as they are adopted by the school districts, and redistributing used texts when applicable. In addition to purchases, this appropriation is used to pay for copying, postage and freight costs associated with shipping the materials to various public schools. This appropriation is funded from general revenue.

The agency Base Level request for appropriation and general revenue funding is \$148,024 each year of the biennium.

The agency Change Level request for appropriation and general revenue funding is \$25,000 each year of the biennium. This request is to support the increasing costs of purchasing and shipping Braille and Large Print text books. Some of these texts can cost as much as \$10,000 to \$15,000 per book. Also, these textbooks tend to be much larger than their non-Braille versions, causing increased shipping costs.

The Executive Recommendation provides for the Agency Request with additional General Revenue funding.

Appropriation Summary

Appropriation: 086 - Braille Textbooks

Funding Sources: ESA - State Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Braille Textbooks	5900046	148,024	148,024	148,024	148,024	173,024	173,024	148,024	173,024	173,024
Total		148,024	148,024	148,024	148,024	173,024	173,024	148,024	173,024	173,024
Funding Sources										
General Revenue	4000010	148,024	148,024		148,024	173,024	173,024	148,024	173,024	173,024
Total Funding		148,024	148,024		148,024	173,024	173,024	148,024	173,024	173,024
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		148,024	148,024		148,024	173,024	173,024	148,024	173,024	173,024

Change Level by Appropriation

Appropriation: 086 - Braille Textbooks

Funding Sources: ESA - State Operations - School for the Blind

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	148,024	0	148,024	100.0	148,024	0	148,024	100.0
C01	Existing Program	25,000	0	173,024	116.9	25,000	0	173,024	116.9

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	148,024	0	148,024	100.0	148,024	0	148,024	100.0
C01	Existing Program	25,000	0	173,024	116.9	25,000	0	173,024	116.9

Justification

C01	ASB is requesting an increase in appropriation and general revenue of \$25,000 in the area of Braille and large print textbooks due to increased printing costs.
-----	--

Analysis of Budget Request

Appropriation: A19 - School for the Blind-Cash Operations

Funding Sources: 114 - Cash Operations - School for the Blind

The Arkansas School for the Blind (ASB) uses their cash appropriation to supplement general revenues as needed for provision of required services for the blind and visually impaired student population. Cash funds are primarily received from USDA Reimbursements, interest on cash investments, and legacy donations.

The agency Base Level and total request for this appropriation is \$424,508 each year of the biennium.

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

Appropriation Summary

Appropriation: A19 - School for the Blind-Cash Operations

Funding Sources: 114 - Cash Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	46,170	186,508	186,508	186,508	186,508	186,508	186,508	186,508	186,508
Conference & Travel Expenses	5050009	3,671	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	415	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
Special Maintenance	5120032	0	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Total		50,256	424,508	424,508	424,508	424,508	424,508	424,508	424,508	424,508
Funding Sources										
Fund Balance	4000005	1,286,734	1,285,178		962,759	962,759	962,759	640,340	640,340	640,340
Cash Fund	4000045	48,700	102,089		102,089	102,089	102,089	102,089	102,089	102,089
Total Funding		1,335,434	1,387,267		1,064,848	1,064,848	1,064,848	742,429	742,429	742,429
Excess Appropriation/(Funding)		(1,285,178)	(962,759)		(640,340)	(640,340)	(640,340)	(317,921)	(317,921)	(317,921)
Grand Total		50,256	424,508		424,508	424,508	424,508	424,508	424,508	424,508

SCHOOL FOR THE DEAF

Enabling Laws

Act 170 of 2012
A.C.A. §21-5-101; and A.C.A. §21-5-301 - 320

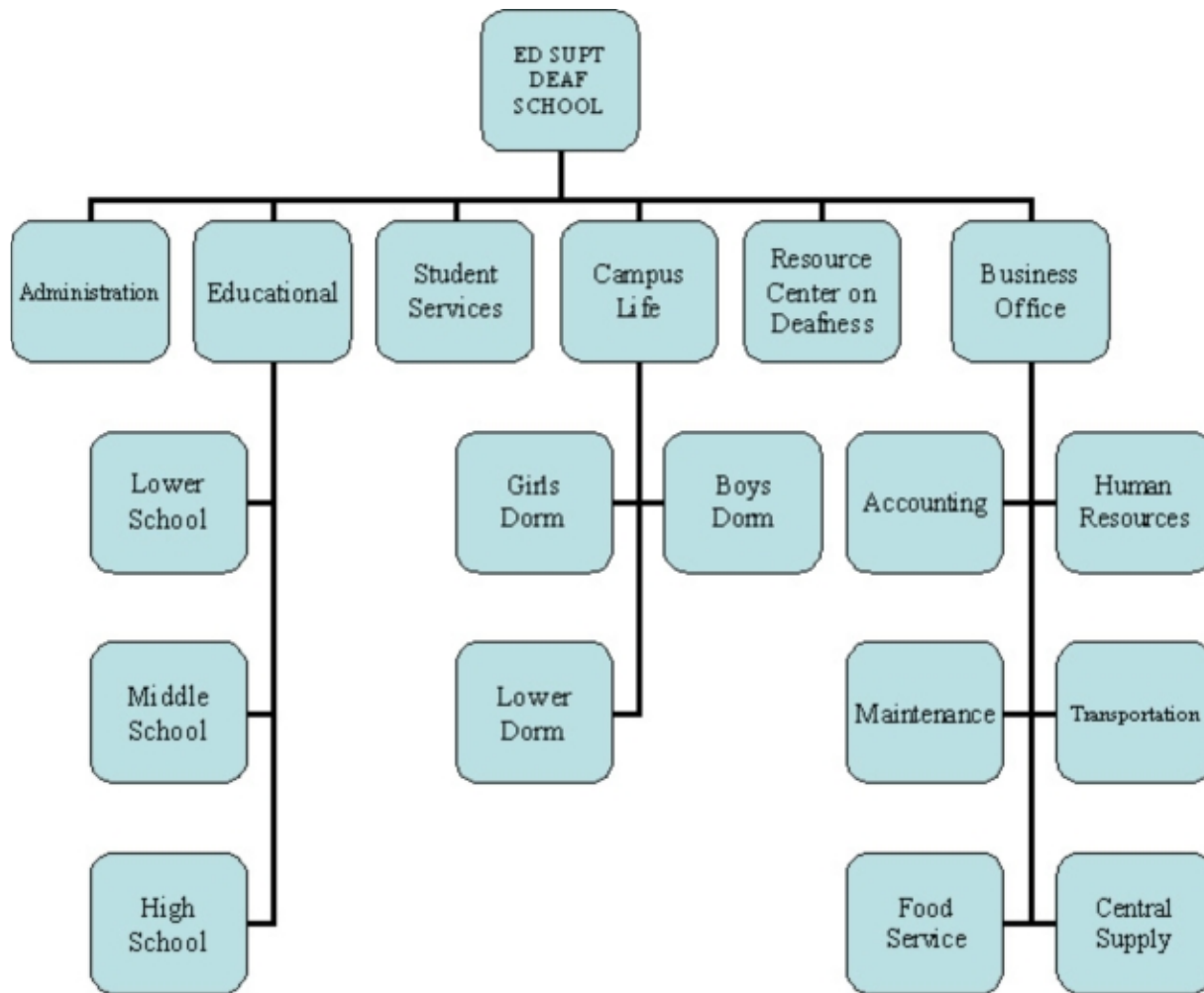
History and Organization

The Board of Trustees, a five-member board appointed by the Governor, for the Arkansas School for the Blind and the Arkansas School for the Deaf has oversight responsibilities for the Arkansas School for the Deaf. This responsibility is set forth in A.C.A. §6-43-101 and §6-43-102 (Title 6 of the Arkansas Code of 1987). The Board has approved the following mission statement for the Arkansas School for the Deaf (ASD): "Working Together to Create Learning Opportunities for Academic Excellence and Personal Independence." Approximately 500 individuals receive education, services and training through the various programs offered by ASD.

In 1850, the first class for deaf students was offered in the City of Clarksville. In 1868, Governor Powell Clayton recommended in his message to the General Assembly that a School for the Deaf, supported inadequately at the time by private subscriptions and funds given by the City of Little Rock, be taken over as a State Institution. Two tracts of land were donated to the Institute. One tract is now part of the site of the present location of the State Capitol. The other tract, which is the Capitol grounds owned by the School for the Deaf, was sold in 1871 to raise funds for the construction of a building for girls. The General Assembly approved Act 36 on July 17, 1868 giving the school the title of "The Arkansas Deaf Mute Institution". Act 462 of 1923 changed the name of the Institution to the "Arkansas School for the Deaf".

The Arkansas Department of Education, the North Central Association, and the Conference of Educational Administrators Serving the Deaf accredit the Arkansas School for the Deaf (ASD). The Arkansas School for the Deaf (ASD) operates under the direction and rules and regulations of the Department of Education as a day school with residential facilities and provides educational services and opportunities for students birth through the age of 21. Programming includes services in the following areas: academic, vocational, social-emotional, transition, residential, extra-curricular, and family training. Other services provided by the school are: audiological services, physical therapy, occupational therapy, tutoring, speech-language therapy, psychological services, health services, nutritional meals, and special training for children with additional disabilities. Daily transportation is provided by local school districts for non-residential students. By law, ASD provides weekly statewide transportation for residential students of both the ASD and the Arkansas School for the Blind (ASB) to and from home each weekend.

ASD functions as the Statewide Resource Center on Deafness, coordinating programs that identify and provide services to students who are deaf and hard of hearing throughout the State through partnerships with agencies such as Department of Workforce Education, Department of Education, Arkansas Rehabilitation Services, University of Arkansas at Little Rock, and the Little Rock Adult Education Center. The Arkansas School for the Deaf coordinates a statewide program which provides early intervention services to families and consultation services for students in early intervention programs. Research has shown that early intervention potentially holds the key to success for children/students who are deaf/hard of hearing and that the development of communication, language, social/emotional, and cognitive skills at the earliest possible age is fundamental to subsequent educational growth for children birth to five who are deaf/hard of hearing. The ASD early intervention program provides training to the families of these children through on-campus services and home visits by parent advisors throughout the State. ASD is committed to providing these services which are free and available to all families in Arkansas.



Agency Commentary

The Arkansas School for the Deaf (ASD) operates under the direction of the Department of Education as a day school with residential facilities and provides educational services and opportunities for students from birth through the age of 21. Programming includes services in the following areas: academic, vocational, social-emotional, transition, residential, extra-curricular, and family training. ASD functions as the

Resource Center on Deafness, coordinating programs that identify and provide services to students who are deaf and hard of hearing throughout the State through partnerships with agencies such as Department of Workforce Education, Department of Education, Arkansas Rehabilitation Services, University of Arkansas at Little Rock, Arkansas Children's Hospital, Centers for Youth and Family Services, and the Little Rock Adult Education Center. Daily transportation is provided by local school districts for non-residential students. By law, ASD provides weekly statewide transportation for residential students of both ASD and the Arkansas School for the Blind (ASB) to and from home each weekend. ASD also provides maintenance and security services for ASB. Joint services for business, accounting, human resources, and capital equipment accountability are provided to both schools through the use of a Board approved paying account permitting the pooling of funds from each agency based on a ratio of student population at each school.

Change Level requests for each year of the biennium include small increases in regular salaries and matching. In addition, ASD is requesting that two positions be upgraded and re-titled for both years of the biennium. Restoration of Operating Expenses, Special Maintenance, Miscellaneous Activities, and Capital Outlay to Authorized Level is also requested.

Restoration of authority and funding is needed for each year of the biennium in **Operating Expenses** to help cover inflationary increases primarily caused by higher fuel cost and supplies. Unfortunately, higher prices are being passed on to us by vendors providing maintenance, supplies, and other necessary services to ASD. Restoration of **Special Maintenance** to Authorized Level is requested for each year of the biennium to permit ASD to continue the never ending battle of preventive maintenance on 20 buildings, of which one is relatively new, two are in the 30 years of age range, most are in the 40 to 50 years of age range, and a few are in the 70 to 80 years of age range. Restoration of **Capital Outlay** to Authorized Level is requested for each year of the biennium to permit the purchase of new or replacement equipment items beyond repair, obsolete, or too expensive to maintain.

Change Level requests for Federal Programs consist of restoration of **Capital Outlay** to Authorized Levels each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION – ARKANSAS SCHOOL FOR THE DEAF
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

None

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	26	65	91	64 %
Black Employees	16	31	47	33 %
Other Racial Minorities	3	2	5	3 %
Total Minorities			52	36 %
Total Employees			143	100 %

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
1370000	\$314,995	Checking, Investments	Centennial Bank, Little Rock, AR, State Treasury

Statutory/Other Restrictions on use:

Arkansas Code 19-4-801 establishes that the agency can use these funds for operating expenses.

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

National School Lunch and breakfast reimbursements are collected throughout the year as well as meals ticket sales, some royalties, interests, rental income, and donations

Fund Balance Utilization:

Funds are collected on an irregular basis throughout the year. Since collections cannot be accurately projected, these funds are not used for on-going expenses. They are used as needed for food and other miscellaneous items

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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
056 School for the Deaf-State Operations	10,174,514	148	10,945,353	168	11,407,326	168	10,891,555	165	11,154,938	165	11,151,328	165	10,896,396	165	11,159,779	165	11,156,169	165
058 School for the Deaf-Federal Operations	442,496	4	952,299	5	956,145	5	827,235	5	956,735	5	956,735	5	827,235	5	956,735	5	956,735	5
A10 School for the Deaf-Cash Operations	131,385	0	442,136	0	442,136	0	442,136	0	442,136	0	442,136	0	442,136	0	442,136	0	442,136	0
Total	10,748,395	152	12,339,788	173	12,805,607	173	12,160,926	170	12,553,809	170	12,550,199	170	12,165,767	170	12,558,650	170	12,555,040	170

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	352,664	3.2	314,995	2.6			3,248	0.0	3,248	0.0	3,248	0.0	0	0.0	0	0.0	0	0.0
General Revenue	4000010	10,152,128	91.8	10,457,470	84.7			10,766,120	91.0	11,029,503	90.2	10,766,120	90.8	10,770,961	91.0	11,034,344	90.2	10,770,961	90.8
Federal Revenue	4000020	442,496	4.0	952,299	7.7			827,235	7.0	956,735	7.8	956,735	8.1	827,235	7.0	956,735	7.8	956,735	8.1
Cash Fund	4000045	93,716	0.8	130,389	1.1			112,000	0.9	112,000	0.9	112,000	0.9	112,000	0.9	112,000	0.9	112,000	0.9
Merit Adjustment Fund	4000055	0	0.0	190,316	1.5			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Daycare Lease Payments	4000183	22,386	0.2	22,386	0.2			22,386	0.2	22,386	0.2	22,386	0.2	22,386	0.2	22,386	0.2	22,386	0.2
Inter-agency Fund Transfer	4000316	0	0.0	275,181	2.2			103,049	0.9	103,049	0.8	0	0.0	103,049	0.9	103,049	0.8	0	0.0
Total Funds		11,063,390	100.0	12,343,036	100.0			11,834,038	100.0	12,226,921	100.0	11,860,489	100.0	11,835,631	100.0	12,228,514	100.0	11,862,082	100.0
Excess Appropriation/(Funding)		(314,995)		(3,248)				326,888		326,888		689,710		330,136		330,136		692,958	
Grand Total		10,748,395		12,339,788				12,160,926		12,553,809		12,550,199		12,165,767		12,558,650		12,555,040	

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
176	142	35	177	-1	19.32 %	170	144	27	171	-1	15.29 %	170	144	27	171	-1	15.29 %

Budgeted Number of Positions exceeds the Authorized Number due to a transfer of positions from the Arkansas School for the Blind to the shared paying account between the School for the Blind and the School for the Deaf.

Analysis of Budget Request

Appropriation: 056 - School for the Deaf-State Operations

Funding Sources: EVA - State Operations - School for the Deaf

The Arkansas School for the Deaf (ASD) provides a variety of educational programs for hearing impaired of hearing students through the age of 21 years. The State Operations appropriation is used to provide for all security, transportation, and administrative needs of both the Schools for the Deaf and Blind. The security needs of both schools include patrolling a campus of 92 acres and 35 buildings. Maintenance work is necessary for these buildings. Daily transportation is provided through local school districts for non-residential students. Transportation involves bussing all residential students home each weekend and returning them to school on Sunday afternoon.

Joint services for such administrative functions as accounting and human resources are provided to both schools through the use of a Board approved paying account permitting the pooling of funds from each agency based on a ratio of student population at each school. Legislation approved by the General Assembly provides for the use of the shared services arrangement. The primary source of funding for this appropriation is general revenue.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

The agency Base Level request for appropriation and general revenue funding is \$10,891,555 in FY14 and \$10,896,396 in FY15.

The agency Change Level request for appropriation and general revenue funding is \$263,383 each year of the biennium and reflects the following:

- ASD requests the reclassification of two (2) positions totaling \$3,610 in Regular Salaries and Personal Services Matching each year of the biennium. Reclassification of both positions is being requested due to the increased amount and differentiation of workloads, and are as follows:
 - Reclass of ASD/ASB Business Manager (C126) position to Agency Human Resources Manager (C123)
 - Reclass of Personnel Manager (C121) to Agency Human Resources Manager (C123)
- For Operating Expenses, \$19,773 each year is requested to primarily support inflationary increases caused by high fuel prices.
- \$65,000 each year is requested to restore Capital Outlay to the FY2013 authorized amount to permit the replacement of equipment that is beyond repair, obsolete, or too expensive to maintain.
- \$175,000 each year is requested to restore Authorized Level for Special Maintenance in order to provide support for preventive maintenance on twenty (20) campus buildings.

The Executive Recommendation provides for Base Level in addition to the following:

- \$19,773 in appropriation only for Operating Expenses.
- \$65,000 in appropriation only for Capital Outlay.
- \$175,000 in appropriation only for Special Maintenance.

Additionally, the Executive Recommendation provides that the Board of Trustees for the Arkansas School for the Blind and Arkansas School for the Deaf consider discontinuing the annual fund transfer from the Arkansas School for the Blind to the Arkansas School for the Deaf.

Appropriation Summary

Appropriation: 056 - School for the Deaf-State Operations
Funding Sources: EVA - State Operations - School for the Deaf

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	5,451,411	6,060,537	6,185,043	5,926,651	5,929,286	5,926,651	5,930,551	5,933,186	5,930,551
#Positions		148	168	168	165	165	165	165	165	165
Extra Help	5010001	98,399	100,000	100,000	99,325	99,325	99,325	99,325	99,325	99,325
#Extra Help		19	52	52	51	51	51	51	51	51
Personal Services Matching	5010003	2,018,210	2,141,699	2,183,478	2,272,462	2,273,437	2,272,462	2,273,403	2,274,378	2,273,403
Overtime	5010006	2,350	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Operating Expenses	5020002	1,790,321	1,789,117	1,801,305	1,789,117	1,808,890	1,808,890	1,789,117	1,808,890	1,808,890
Conference & Travel Expenses	5050009	19,391	21,500	25,000	21,500	21,500	21,500	21,500	21,500	21,500
Professional Fees	5060010	99,382	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	48,500	50,000	65,000	0	65,000	65,000	0	65,000	65,000
Special Maintenance	5120032	276,623	275,000	450,000	275,000	450,000	450,000	275,000	450,000	450,000
Vocational Workstudy	5900046	707	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
SCPI/ASL	5900047	259,253	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000
Miscellaneous Activities	5900048	109,967	110,000	200,000	110,000	110,000	110,000	110,000	110,000	110,000
Total		10,174,514	10,945,353	11,407,326	10,891,555	11,154,938	11,151,328	10,896,396	11,159,779	11,156,169
Funding Sources										
General Revenue	4000010	10,152,128	10,457,470		10,766,120	11,029,503	10,766,120	10,770,961	11,034,344	10,770,961
Merit Adjustment Fund	4000055	0	190,316		0	0	0	0	0	0
Daycare Lease Payments	4000183	22,386	22,386		22,386	22,386	22,386	22,386	22,386	22,386
Inter-agency Fund Transfer	4000316	0	275,181		103,049	103,049	0	103,049	103,049	0
Total Funding		10,174,514	10,945,353		10,891,555	11,154,938	10,788,506	10,896,396	11,159,779	10,793,347
Excess Appropriation/(Funding)		0	0		0	0	362,822	0	0	362,822
Grand Total		10,174,514	10,945,353		10,891,555	11,154,938	11,151,328	10,896,396	11,159,779	11,156,169

Change Level by Appropriation

Appropriation: 056 - School for the Deaf-State Operations
Funding Sources: EVA - State Operations - School for the Deaf

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	10,891,555	165	10,891,555	100.0	10,896,396	165	10,896,396	100.0
C01	Existing Program	259,773	0	11,151,328	102.4	259,773	0	11,156,169	102.4
C10	Reclass	3,610	0	11,154,938	102.4	3,610	0	11,159,779	102.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	10,891,555	165	10,891,555	100.0	10,896,396	165	10,896,396	100.0
C01	Existing Program	259,773	0	11,151,328	102.4	259,773	0	11,156,169	102.4
C10	Reclass	0	0	11,151,328	102.4	0	0	11,156,169	102.4

Justification

C01	Restoration of authority and funding is needed in Operating Expenses to help cover inflationary increases caused primarily by higher fuel costs, as well as general increases in the cost of necessary supplies and materials. Restoration of Capital Outlay to current authorized level is requested for each year of the biennium to purchase new and replacement items for equipment beyond repair, obsolete, or too expensive to maintain in areas such as food services, library holdings and maintenance. Restoration of authority and funding in Special maintenance is needed to help maintain a never ending battle of preventative maintenance and repairs on 20 buildings, one of which is eight years old, most of which were built in the 1970's and 1960's and three of which were built in 1931.
C10	Change Level requests for each year of the biennium include small increases in regular salaries and matching. In addition, ASD is requesting that two positions be upgraded and re-titled for both years of the biennium.

Analysis of Budget Request

Appropriation: 058 - School for the Deaf-Federal Operations

Funding Sources: FEB - Federal Operations - School for the Deaf

This appropriation represents the primary federal operations support for the Arkansas School for the Deaf (ASD). Essential funding for this appropriation is received from the State Department of Education Area Services, a Carl Perkins Vocational Grant from the Department of Workforce Education, and Chapter VI-B Pass-Through. Medicaid reimbursements are also received and are used to assist in providing for the administrative needs of the Agency.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The agency Base Level request for appropriation is \$827,235 each year of the biennium.

The agency Change Level request for appropriation is \$129,500 each year of the biennium to restore Capital Outlay to the FY2013 Authorized level. This will allow ASD authority to replace items that are beyond repair, obsolete, or too expensive to maintain.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 058 - School for the Deaf-Federal Operations
Funding Sources: FEB - Federal Operations - School for the Deaf

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	101,323	137,070	136,550	137,070	137,070	137,070	137,070	137,070	137,070
#Positions		4	5	5	5	5	5	5	5	5
Extra Help	5010001	16,223	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
#Extra Help		3	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	44,761	56,509	60,875	60,945	60,945	60,945	60,945	60,945	60,945
Operating Expenses	5020002	184,380	240,909	240,909	240,909	240,909	240,909	240,909	240,909	240,909
Conference & Travel Expenses	5050009	34,116	62,111	62,111	62,111	62,111	62,111	62,111	62,111	62,111
Professional Fees	5060010	61,693	286,200	286,200	286,200	286,200	286,200	286,200	286,200	286,200
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	129,500	129,500	0	129,500	129,500	0	129,500	129,500
Total		442,496	952,299	956,145	827,235	956,735	956,735	827,235	956,735	956,735
Funding Sources										
Federal Revenue	4000020	442,496	952,299		827,235	956,735	956,735	827,235	956,735	956,735
Total Funding		442,496	952,299		827,235	956,735	956,735	827,235	956,735	956,735
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		442,496	952,299		827,235	956,735	956,735	827,235	956,735	956,735

FY13 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during hte 2011-2013 biennium.

Change Level by Appropriation

Appropriation: 058 - School for the Deaf-Federal Operations
Funding Sources: FEB - Federal Operations - School for the Deaf

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	827,235	5	827,235	100.0	827,235	5	827,235	100.0
C01	Existing Program	129,500	0	956,735	115.7	129,500	0	956,735	115.7

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	827,235	5	827,235	100.0	827,235	5	827,235	100.0
C01	Existing Program	129,500	0	956,735	115.7	129,500	0	956,735	115.7

Justification

C01	Change Level requests for Federal Programs consist of restoration of Capital Outlay to Authorized Levels each year of the biennium.
-----	---

Analysis of Budget Request

Appropriation: A10 - School for the Deaf-Cash Operations

Funding Sources: 137 - Cash Operations - School for the Deaf

The Arkansas School for the Deaf (ASD) uses their cash appropriation to meet needs associated with the cafeteria as well as any other institutional services deemed necessary for the students. Cash funds are primarily received from USDA Breakfast and School Lunch reimbursements, interest on cash investments, and legacy donations.

The agency Base Level and total request for appropriation is \$442,136 each year of the biennium.

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

Appropriation Summary

Appropriation: A10 - School for the Deaf-Cash Operations

Funding Sources: 137 - Cash Operations - School for the Deaf

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	121,369	147,136	147,136	147,136	147,136	147,136	147,136	147,136	147,136
Conference & Travel Expenses	5050009	6,724	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	500	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	2,792	0	0	0	0	0	0	0	0
Special Maintenance	5120032	0	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Total		131,385	442,136	442,136	442,136	442,136	442,136	442,136	442,136	442,136
Funding Sources										
Fund Balance	4000005	352,664	314,995		3,248	3,248	3,248	0	0	0
Cash Fund	4000045	93,716	130,389		112,000	112,000	112,000	112,000	112,000	112,000
Total Funding		446,380	445,384		115,248	115,248	115,248	112,000	112,000	112,000
Excess Appropriation/(Funding)		(314,995)	(3,248)		326,888	326,888	326,888	330,136	330,136	330,136
Grand Total		131,385	442,136		442,136	442,136	442,136	442,136	442,136	442,136

SECRETARY OF STATE

Enabling Laws

Constitution of Arkansas, Article 6
Act 95 of 2012
Act 211 of 2012
Act 286 of 2012

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 on 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:

- Custody and maintenance of the State Capitol Building, the Capitol grounds, and all fixtures therein and thereon belonging to the State (Section 22-3-202 of the Arkansas Code of 1987 Annotated, Act 150 of 1917).
- Maintaining 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 office for security interests in collateral of transmitting utilities. Act 942 of 2009 centralized all filings, including agricultural liens and farm related security interests (previously exempted).
- Registration of trademarks in Arkansas (Act 1553 of 2001).
- 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 Code 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 835 of 1973, as amended).
- Collection of Corporate Franchise Tax, including the maintenance of the yearly tax reports (Act 94 of 2003, 2nd Extraordinary Session).

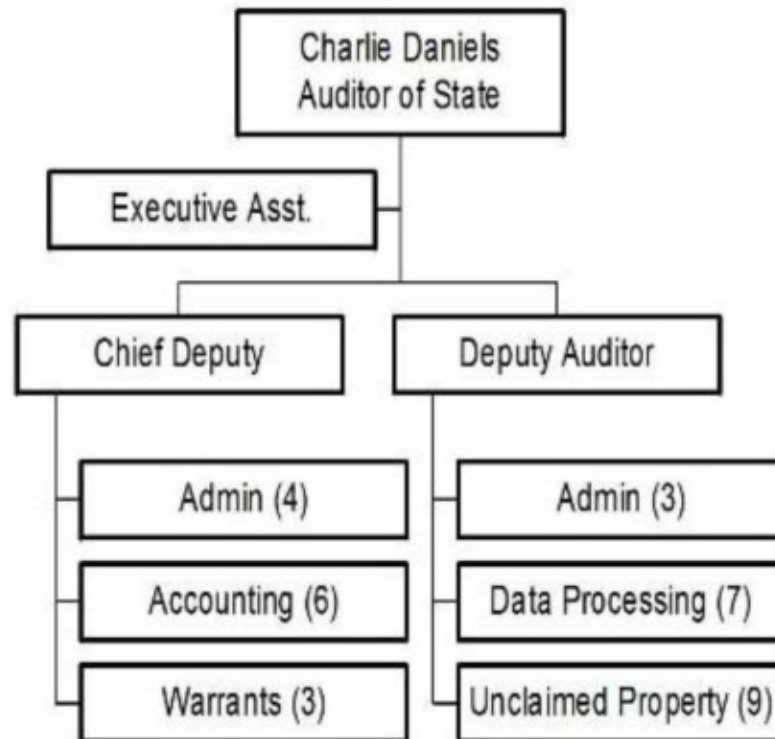
- Acceptance of annual non-profit corporation reports (Act 569 of 2007).
- Maintenance of the registry of International Student Exchange Visitor Placement Organizations which intend to place students in Arkansas schools (Act 966 of 2009).
- Acceptance of the filing of financial disclosure statements by committees or individuals who work to either promote or defeat any statewide initiative, referendum, or measure (Act 1114 of 1993).
- 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 1622 of 2001).
- Registration of and reporting of expenditures by lobbyists (Act 719 of 1989, as amended).
- Filing of federal tax liens and notices on corporations, trusts, and estates (Act 835 of 1989).
- Maintenance of a registry of all qualified community development corporations in the State (Act 989 of 1993).
- Establishment of a signature imaging system in the Secretary of State's Office (Act 1285 of 1993, as amended).
- Administration of the planning, development, implementation, training, and maintenance of a computerized voter registration system (Act 1480 of 2009, as amended).
- Administration of a grant program to help counties purchase, program, and maintain voting system equipment (Act 1189 of 2011).

The Secretary of State is designated the Chief Election Official of the State of Arkansas, and is 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 the 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; serve as custodian of official records of the General Assembly, including journals, bills, resolutions and proposed Constitutional amendments.
- Maintain initial filings, amendments, dissolution documents, 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.



Agency Commentary

Appropriation 003

Maintenance & Operations (5020002)

Agency is requesting Base Level of \$3,002,396 for each year of the FY2014-2015 biennium.

Conference and Travel Expenses (5050009)

Agency is requesting Base Level of \$65,651 for each year of the FY2014-2015 biennium.

Professional Fees (5060010)

Agency is requesting an additional \$59,056 for FY2014 and Base Level of \$205,956 for FY2015. This request includes fees necessary for the development of the touchscreen visitor system in the State Capitol.

Ongoing professional fees include language translation costs, engineering and architectural fees, design fees for publications, design of historical displays, and special event and professional costs.

Capitol Grounds Improvement (5090005)

Agency is requesting Base Level of \$161,184 in FY2014 and an increase of \$240,080 in FY2015. In FY2014, the Agency would like to maintain current facilities at the Capitol. In FY2015, the Agency would like to complete the re-roofing of the Capitol, and to renovate the restrooms of the State Capitol.

Capital Outlay (5120011)

Agency is requesting \$194,425 for FY2014 and \$150,000 for FY2015.

For FY2014, Agency is requesting \$121,490 for purchasing IT equipment, security packages, and software licenses to improve offsite backup for the agency; \$62,935 for replacing obsolete visitor touchscreen technology throughout the Capitol; and \$10,000 to trade in one vehicle.

For FY2015, Agency is requesting \$100,000 for increased IT drive storage capacity as existing capacity for archived maps and historical documents is depleted; \$30,000 for the replacement of two mowers on their scheduled replacement time; and \$20,000 to trade in of two older vehicles for replacement models.

Special Maintenance (5120032)

Agency is requesting an increase in funding of \$212,000 for each year of the FY2014-2015 biennium. This increase is necessary to fund two major repair projects: 1) to initiate a \$500,000 reroofing project of the State Capitol in FY2014, and 2) to refurbish an elevator for \$500,000 in FY2015. Ongoing costs consist of unexpected event repairs and maintenance, elevator and HVAC maintenance contracts, small painting projects, plumbing repairs and maintenance, electrical repairs and maintenance, and ground sprinkler system maintenance.

Mandatory Publications (5900034)

Agency is requesting Base Level of \$214,038 for each year of the FY2014-2015 biennium. Due to annual legislative sessions, the Acts of Arkansas are being printed each year.

Petition Verification (5900035)

Agency is requesting an increase of \$150,000 for each year of the FY2014-2015 biennium. The number of petitions submitted has increased in recent years while the process of verification remains a manual process, leading to increasing costs.

Publish Legal Notices (5900036)

Agency is requesting Base Level of \$650,000 for each year of the FY2014-2015 biennium in order to continue to publish public notifications through media channels as required by regulation.

Records Management (5900037)

Agency is requesting Base Level of \$933,977 for each year of the FY2014-2015 biennium. Funds are needed to continue upgrading the Notary and Trademark areas of the Business/Commercial Services Division. These upgrades will allow these areas to keep abreast of changes within the banking community regarding check imaging, lock box enhancements, and electronic file maintenance. Standard costs consist of ongoing software development and maintenance within the Commercial Services Division, monthly banking fees associated with the lock box operation, and fees associated with the Agency filing program.

Statewide Voter Registration System (5900046)

Agency is requesting Base Level of \$1,438,029 for each year of the FY2014-2015 biennium. These funds are necessary to continue the voter registration statewide network, to distribute election results, and to maintain a secondary site for disaster recovery.

Flags (5900048)

Agency is requesting a \$50,000 reduction for each year of the FY2014-2015 biennium. This appropriation will aid us in purchasing and

distributing United States and State of Arkansas flags to members of the General Assembly, Constitutional Offices, and the Governor during the biennium according to a distribution schedule authorized by ACA 1-4-104.

Building Insurance (5900046)

Agency is requesting Base Level of \$223,278 for each year of the FY2014-2015 biennium. This fund aids in the cost of insuring furniture and fixtures within the State Capitol Building, as well as the building itself, and other structures situated on State Capitol grounds. Premiums fluctuate with economic changes.

Other Appropriations

Appropriation 1NK - Help America Vote Act (HAVA) - Federal

Agency is requesting Base Level of \$4,683,300 for each year of the FY2014-2015 biennium. This is a continuation of HAVA Title II procurements (Act 1466 of 2003).

Appropriation 2EK - Election Assistance for the Disabled - Federal

Agency is requesting Base Level of \$161,321 for each year of the FY2014-2015 biennium. This fund is in support of a federal grant to the Office of the Secretary of State for Election Assistance for Individuals with Disabilities (EAID). The purpose of this grant is to improve accessibility for individuals with disabilities at polling places. Improving accessibility 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 the Agency anticipates funding to continue at this percentage.

Appropriation 2MJ - Capitol Grounds Monument and Memorial Preservation

Agency is requesting Base Level of \$50,000 for each year of the FY2014-2015 biennium. This fund was created by Act 55 of 2003. This fund 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.

Appropriation 378 - Fee and Tax Refund (Corporate Filing & Refunds)

Agency is requesting an increase of \$100,000 for each year of the FY2014-2015 biennium. The purpose of this appropriation is to provide a mechanism that allows the Agency to refund over-payments of various receipts processed by the Business/Commercial Services Division. This increase will aid the Business/Commercial Services Division in processing of refunds in additional customer market segments.

Appropriation 4JC - Firefighters' Memorial Monument

Agency is not requesting this appropriation for the FY2014-2015 biennium.

Appropriation 81W - Help America Vote Act (HAVA) Matching Funds

Agency is requesting Base Level of \$619,193 for each year of the FY2014-2015 biennium. The purpose of this appropriation is to satisfy state matching requirements of the HAVA federal program in order to continue receiving annual allotments. Adequate balances exist to fund this appropriation.

Appropriation 833 - Arkansas State Capitol Building & Grounds Restoration-Cash

Agency is requesting Base Level of \$25,000 for each year of the FY2014-2015 biennium. This fund aids in maintaining the structural integrity and beauty of the State Capitol buildings and grounds. This appropriation is dependent upon donations and, as such, the level of actual funding is unknown at this time. Expenditure of appropriation is contingent upon available funding.

Appropriation 85G - Reapportionment

Agency is not requesting this appropriation for the FY2014-2015 biennium.

Appropriation 96X - Treas Cash-Misc Oper

Agency is not requesting this appropriation for the FY2014-2015 biennium.

Appropriation B97 - Administrative and Maintenance Fund

Agency is requesting Base Level of \$375,000 for each year of the FY2014-2015 biennium. Adequate cash and investment balances currently exist to fund this request.

Appropriation F02 - CVS Grant

Agency is requesting Base Level of \$1,500,000 for each year of the FY2014-2015 biennium. This appropriation was created by Act 211 of 2012 to provide grants for updating or purchasing county voting systems.

Appropriation F39 - Federal Voting Assistance Program (FVAP)

Agency is requesting an appropriation of \$94,000 for each year of the FY2014-2015 biennium. This federal program funds research and development on providing ballot access to Arkansas voters who are stationed overseas. This program is 100% federally funded.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
SECRETARY OF STATE
FOR THE YEAR ENDED JUNE 30, 2011

Findings

The Business and Commercial Services Division did not properly accrue accounts receivable and related revenues. Our review of accounts receivable revealed a time lag of four months between the receipt of payment and posting to the individual account for five of seven payments received through the Agency's lockbox. Reports obtained from the Agency's system also indicated that data had not been consistently processed.

In order to minimize the loss of data and interruption of services to citizens, the Agency's data backup policy requires the storage of data at an off-site, secure location. As a result of our review, we noted the Agency was not properly backing up all of the operations of the Business and Commercial Services Division to an off-site, secure location on a frequent basis (e.g., daily, weekly).

To prevent unauthorized access to Agency files and programs, Agency management has established user accounts for each employee. To further protect the integrity of the Agency's database, changes to user account access (e.g., employee hires or terminations) should be updated and documented timely. As an audit procedure, we selected 10 employees hired or terminated during the fiscal year and noted the Agency did not maintain documentation of changes to user account access for 7 of the 10 employees selected.

Recommendations

Develop procedures to ensure that customer information is consistently and accurately processed in a timely manner.

Include all operations in its backup procedures and store all backups to a secure, off-site location on a frequent and routine basis.

Develop procedures to ensure changes to user accounts are completed timely and documentation is maintained reflecting the changes to the accounts.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	59	46	105	74 %
Black Employees	11	20	31	22 %
Other Racial Minorities	3	3	6	4 %
Total Minorities			37	26 %
Total Employees			142	100 %

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
1350300	\$214,706	Investments TMMP	State Treasury

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 are collected throughout the year. Interest on the balance is earned.

Fund Balance Utilization:

Funds are used for various operating and associated expenses for parking activity and security of the premises.

Fund Account	Balance	Type	Location
1350300	\$125,054	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 are collected throughout the year. Interest on the balance is earned.

Fund Balance Utilization:

Funds are used for various operating and associated expenses for parking activity and security of the premises.

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	1,400	Required by law.
Historical Report	ACA 25-18-223	N	Y	8,000	Required by law every 10 years
Voices of Arkansas	Amendment 51 Section 8	N	N	2,500	Required by law to report on the NVRA statistics.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	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	14,804,328	149	18,617,295	162	18,198,346	162	18,356,451	162	18,921,932	162	0	0	18,356,451	162	19,058,531	162	0	0
1NK HAVA Title 2	520,808	0	4,683,300	0	5,490,000	0	4,683,300	0	4,683,300	0	0	0	4,683,300	0	4,683,300	0	0	0
2EK Election Assist for the Disabled	17,481	0	161,321	0	196,398	0	161,321	0	161,321	0	0	0	161,321	0	161,321	0	0	0
2MJ Cap Grnds Monument Perserv	578	0	50,000	0	50,000	0	50,000	0	50,000	0	0	0	50,000	0	50,000	0	0	0
378 Corporate Filing & Refund	323,208	0	450,000	0	450,000	0	450,000	0	550,000	0	0	0	450,000	0	550,000	0	0	0
4JC Firefighters' Memorial Monument	11,191	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
81W HAVA St Match-Cash	27,411	0	619,193	0	700,000	0	619,193	0	619,193	0	0	0	619,193	0	619,193	0	0	0
833 Treasury Cash	0	0	25,000	0	25,000	0	25,000	0	25,000	0	0	0	25,000	0	25,000	0	0	0
85G Reapportionment	121,374	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
96X Treas Cash-Misc Oper	73,390	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B97 Parking/Cash	57,839	0	375,000	0	375,000	0	375,000	0	375,000	0	0	0	375,000	0	375,000	0	0	0
F02 CVS Grant	0	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	0	0	1,500,000	0	1,500,000	0	0	0
F39 FVAP	0	0	0	0	0	0	0	0	94,000	0	0	0	0	0	94,000	0	0	0
Total	15,957,608	149	26,481,109	162	26,984,744	162	26,220,265	162	26,979,746	162	0	0	26,220,265	162	27,116,345	162	0	0

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	1,015,751	6.0	976,653	3.7			16,929	0.1	16,929	0.1	0	0.0	0	0.0	0	0.0	0	0.0
Federal Revenue	4000020	538,289	3.2	4,844,621	18.3			4,844,621	18.5	4,938,621	18.3	0	0.0	4,844,621	18.5	4,938,621	18.2	0	0.0
State Central Services	4000035	14,925,702	88.1	18,617,295	70.3			18,356,451	70.0	18,921,932	70.1	0	0.0	18,356,451	70.0	19,058,531	70.3	0	0.0
Non-Revenue Receipts	4000040	323,208	1.9	450,000	1.7			450,000	1.7	550,000	2.0	0	0.0	450,000	1.7	550,000	2.0	0	0.0
Cash Fund	4000045	120,957	0.7	52,469	0.2			1,002,264	3.8	1,002,264	3.7	0	0.0	1,019,193	3.9	1,019,193	3.8	0	0.0
Trust Fund	4000050	578	0.0	50,000	0.2			50,000	0.2	50,000	0.2	0	0.0	50,000	0.2	50,000	0.2	0	0.0
Interest	4000300	9,776	0.1	7,000	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	0	0.0	1,500,000	5.7			1,500,000	5.7	1,500,000	5.6	0	0.0	1,500,000	5.7	1,500,000	5.5	0	0.0
Total Funds		16,934,261	100.0	26,498,038	100.0			26,220,265	100.0	26,979,746	100.0	0	0.0	26,220,265	100.0	27,116,345	100.0	0	0.0
Excess Appropriation/(Funding)		(976,653)		(16,929)				0		0		0		0		0		0	
Grand Total		15,957,608		26,481,109				26,220,265		26,979,746		0		26,220,265		27,116,345		0	

No Executive Recommendation is made on these appropriations.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
162	147	15	162	0	9.26 %	163	149	14	163	0	8.59 %	162	146	16	162	0	9.88 %

One additional position authorized for FY12 for use with Reapportionment appropriation (FC 85G).

Appropriation Summary

Appropriation: 003 - Secretary of State Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,791,860	7,720,611	7,680,111	7,680,111	7,680,111	0	7,680,111	7,680,111	0
#Positions		149	162	162	162	162	0	162	162	0
Extra Help	5010001	87,186	144,909	144,909	144,909	144,909	0	144,909	144,909	0
#Extra Help		2	26	45	45	45	0	45	45	0
Personal Services Matching	5010003	2,192,032	2,703,468	2,325,019	2,734,624	2,734,624	0	2,734,624	2,734,624	0
Overtime	5010006	1,231	33,000	33,000	33,000	33,000	0	33,000	33,000	0
Operating Expenses	5020002	2,291,499	3,002,396	3,002,396	3,002,396	3,002,396	0	3,002,396	3,002,396	0
Conference & Travel Expenses	5050009	31,124	65,651	65,651	65,651	65,651	0	65,651	65,651	0
Professional Fees	5060010	146,428	205,956	205,956	205,956	265,012	0	205,956	205,956	0
Capitol Grounds Improvements	5090005	68,717	161,184	161,184	161,184	161,184	0	161,184	401,264	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	232,002	251,500	251,500	0	194,425	0	0	150,000	0
Special Maintenance	5120032	388,209	488,048	488,048	488,048	700,048	0	488,048	700,048	0
Mandatory Publications	5900034	115,617	214,038	214,038	214,038	214,038	0	214,038	214,038	0
Petition Verification	5900035	54,265	200,000	200,000	200,000	350,000	0	200,000	350,000	0
Publish Legal Notices	5900036	449,679	650,000	650,000	650,000	650,000	0	650,000	650,000	0
Records Management	5900037	804,253	933,977	933,977	933,977	933,977	0	933,977	933,977	0
Statewide Voter Reg System	5900046	935,413	1,438,029	1,438,029	1,438,029	1,438,029	0	1,438,029	1,438,029	0
Building Insurance	5900047	162,599	223,278	223,278	223,278	223,278	0	223,278	223,278	0
Flags	5900048	52,214	181,250	181,250	181,250	131,250	0	181,250	131,250	0
Total		14,804,328	18,617,295	18,198,346	18,356,451	18,921,932	0	18,356,451	19,058,531	0

Funding Sources										
State Central Services	4000035	14,804,328	18,617,295		18,356,451	18,921,932	0	18,356,451	19,058,531	0
Total Funding		14,804,328	18,617,295		18,356,451	18,921,932	0	18,356,451	19,058,531	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		14,804,328	18,617,295		18,356,451	18,921,932	0	18,356,451	19,058,531	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 003 - Secretary of State Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	18,356,451	162	18,356,451	100.0	18,356,451	162	18,356,451	100.0
C01	Existing Program	746,731	0	19,103,182	104.1	883,330	0	19,239,781	104.8
C03	Discontinue Program	(181,250)	0	18,921,932	103.1	(181,250)	0	19,058,531	103.8

Appropriation Summary

Appropriation: 1NK - HAVA Title 2

Funding Sources: FSS - HAVA Title II - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	520,808	4,683,300	5,490,000	4,683,300	4,683,300	0	4,683,300	4,683,300	0
Total		520,808	4,683,300	5,490,000	4,683,300	4,683,300	0	4,683,300	4,683,300	0
Funding Sources										
Federal Revenue	4000020	520,808	4,683,300		4,683,300	4,683,300	0	4,683,300	4,683,300	0
Total Funding		520,808	4,683,300		4,683,300	4,683,300	0	4,683,300	4,683,300	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		520,808	4,683,300		4,683,300	4,683,300	0	4,683,300	4,683,300	0

No Executive Recommendation made 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	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	17,481	161,321	196,398	161,321	161,321	0	161,321	161,321	0
Total	17,481	161,321	196,398	161,321	161,321	0	161,321	161,321	0
Funding Sources									
Federal Revenue 4000020	17,481	161,321		161,321	161,321	0	161,321	161,321	0
Total Funding	17,481	161,321		161,321	161,321	0	161,321	161,321	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	17,481	161,321		161,321	161,321	0	161,321	161,321	0

No Executive Recommendation made 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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	578	0	0	0	0	0	0	0	0
Construction 5090005	0	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Total	578	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Funding Sources									
Trust Fund 4000050	578	50,000		50,000	50,000	0	50,000	50,000	0
Total Funding	578	50,000		50,000	50,000	0	50,000	50,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	578	50,000		50,000	50,000	0	50,000	50,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 378 - Corporate Filing & Refund
Funding Sources: MTA - Miscellaneous Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	323,208	450,000	450,000	450,000	550,000	0	450,000	550,000	0
Total	323,208	450,000	450,000	450,000	550,000	0	450,000	550,000	0
Funding Sources									
Non-Revenue Receipts 4000040	323,208	450,000		450,000	550,000	0	450,000	550,000	0
Total Funding	323,208	450,000		450,000	550,000	0	450,000	550,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	323,208	450,000		450,000	550,000	0	450,000	550,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 378 - Corporate Filing & Refund
Funding Sources: MTA - Miscellaneous Revolving Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	450,000	0	450,000	100.0	450,000	0	450,000	100.0
C01	Existing Program	100,000	0	550,000	122.2	100,000	0	550,000	122.2

Appropriation Summary

Appropriation: 4JC - Firefighters' Memorial Monument

Funding Sources:

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Construction 5090005	11,191	0	0	0	0	0	0	0	0
Total	11,191	0	0	0	0	0	0	0	0
Funding Sources									
Fund Balance 4000005	11,191	0		0	0	0	0	0	0
Total Funding	11,191	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	11,191	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR FY2014-2015 BIENNIUM.

Appropriation Summary

Appropriation: 81W - HAVA St Match-Cash

Funding Sources: NSS - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
HAVA State Match	5900046	27,411	619,193	700,000	619,193	619,193	0	619,193	619,193	0
Total		27,411	619,193	700,000	619,193	619,193	0	619,193	619,193	0
Funding Sources										
Fund Balance	4000005	632,427	614,255		2,062	2,062	0	0	0	0
Cash Fund	4000045	0	0		617,131	617,131	0	619,193	619,193	0
Interest	4000300	9,239	7,000		0	0	0	0	0	0
Total Funding		641,666	621,255		619,193	619,193	0	619,193	619,193	0
Excess Appropriation/(Funding)		(614,255)	(2,062)		0	0	0	0	0	0
Grand Total		27,411	619,193		619,193	619,193	0	619,193	619,193	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 833 - Treasury Cash

Funding Sources: NSS - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	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
Total		0	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Funding Sources										
Fund Balance	4000005	21,994	22,531		0	0	0	0	0	0
Cash Fund	4000045	0	2,469		25,000	25,000	0	25,000	25,000	0
Interest	4000300	537	0		0	0	0	0	0	0
Total Funding		22,531	25,000		25,000	25,000	0	25,000	25,000	0
Excess Appropriation/(Funding)		(22,531)	0		0	0	0	0	0	0
Grand Total		0	25,000		25,000	25,000	0	25,000	25,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 85G - Reapportionment

Funding Sources:

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	14,383	0	0	0	0	0	0	0	0
#Positions	0	0	0	0	0	0	0	0	0
Personal Services Matching 5010003	7,395	0	0	0	0	0	0	0	0
Operating Expenses 5020002	99,596	0	0	0	0	0	0	0	0
Total	121,374	0	0	0	0	0	0	0	0
Funding Sources									
State Central Services 4000035	121,374	0		0	0	0	0	0	0
Total Funding	121,374	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	121,374	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR 2014-2015 BIENNIUM.

Appropriation Summary

Appropriation: 96X - Treas Cash-Misc Oper

Funding Sources:

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	73,390	0	0	0	0	0	0	0	0
Total	73,390	0	0	0	0	0	0	0	0
Funding Sources									
Cash Fund 4000045	73,390	0		0	0	0	0	0	0
Total Funding	73,390	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	73,390	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR FY2014-2015 BIENNIUM.

Appropriation Summary

Appropriation: B97 - Parking/Cash

Funding Sources: 135 - Parking Lot - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Capital Outlay 5120011	36,644	0	0	0	0	0	0	0	0
Various Parking & Security Exper 5900046	21,195	375,000	375,000	375,000	375,000	0	375,000	375,000	0
Total	57,839	375,000	375,000	375,000	375,000	0	375,000	375,000	0
Funding Sources									
Fund Balance 4000005	350,139	339,867		14,867	14,867	0	0	0	0
Cash Fund 4000045	47,567	50,000		360,133	360,133	0	375,000	375,000	0
Total Funding	397,706	389,867		375,000	375,000	0	375,000	375,000	0
Excess Appropriation/(Funding)	(339,867)	(14,867)		0	0	0	0	0	0
Grand Total	57,839	375,000		375,000	375,000	0	375,000	375,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: F02 - CVS Grant

Funding Sources: MCV - County Voting System Grant Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
County Voting System Grants 5900046	0	1,500,000	1,500,000	1,500,000	1,500,000	0	1,500,000	1,500,000	0
Total	0	1,500,000	1,500,000	1,500,000	1,500,000	0	1,500,000	1,500,000	0
Funding Sources									
Other 4000370	0	1,500,000		1,500,000	1,500,000	0	1,500,000	1,500,000	0
Total Funding	0	1,500,000		1,500,000	1,500,000	0	1,500,000	1,500,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	1,500,000		1,500,000	1,500,000	0	1,500,000	1,500,000	0

New appropriation created by Act 211 of 2012, Funding comes from the County Voting System Grant Fund (A.C.A. § 19-5-1247).

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: F39 - FVAP

Funding Sources:

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Reasearch & Development 5900031	0	0	0	0	94,000	0	0	94,000	0
Total	0	0	0	0	94,000	0	0	94,000	0
Funding Sources									
Federal Revenue 4000020	0	0		0	94,000	0	0	94,000	0
Total Funding	0	0		0	94,000	0	0	94,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	94,000	0	0	94,000	0

Appropriation was established in FY2013 through a Miscellaneous Federal Grant.
No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: F39 - FVAP
Funding Sources:

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C02	New Program	94,000	0	94,000	100.0	94,000	0	94,000	100.0

ARKANSAS STATE LIBRARY

Enabling Laws

Act 179 of 2012
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, collection management, and library services and development.

The STATE LIBRARY BOARD establishes 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 Special Projects 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.

COLLECTION MANAGEMENT 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.

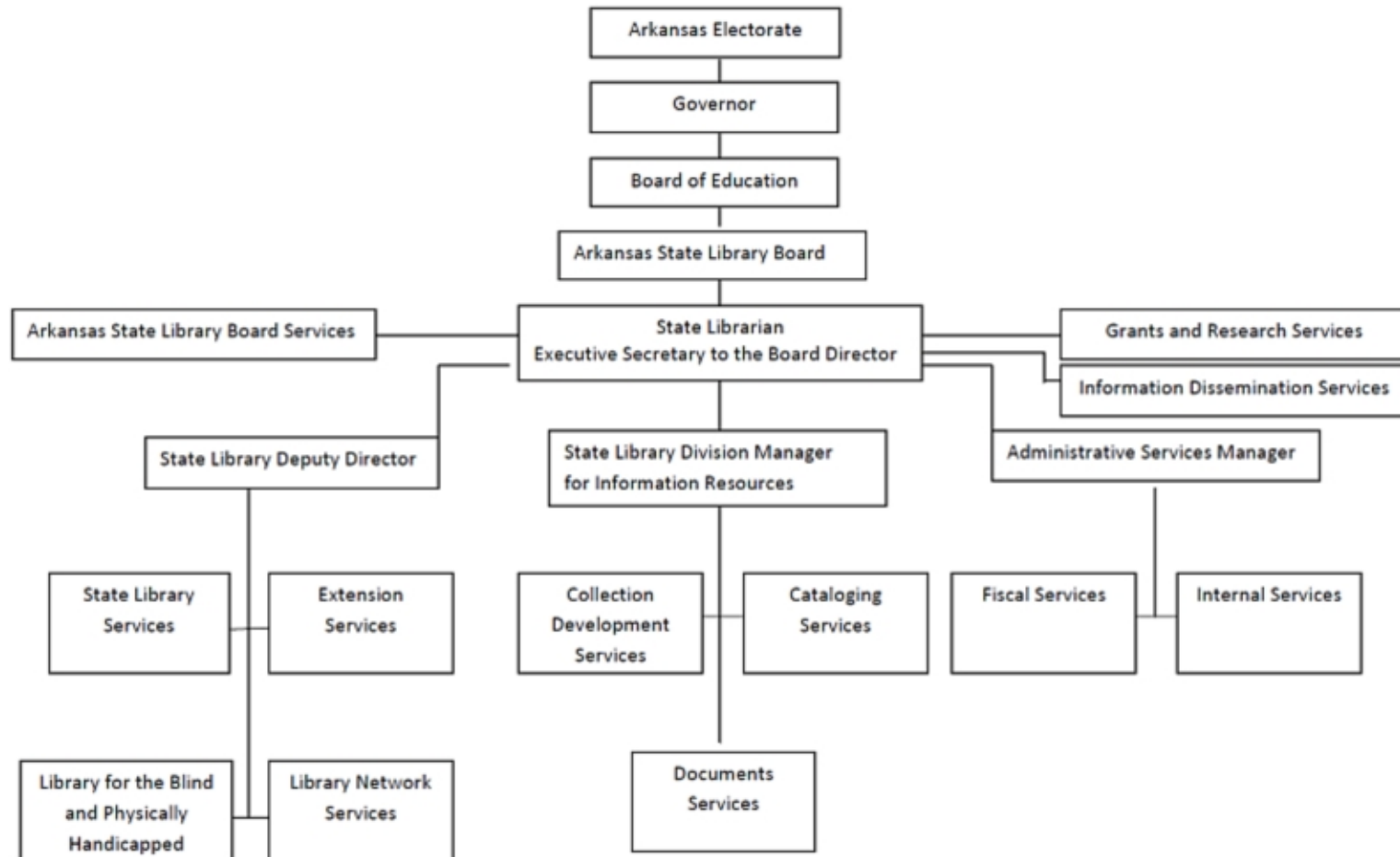
Information Services is responsible for library services to state government and libraries which use the resources of the State Library and for operation of the Arkansas Reference and Interlibrary Loan Network. Program units include reference and circulation/interlibrary loan.

Library Development 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 coordinators and consultants for the institutionalized.

The Library for the Blind 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

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.

Over 85% of the library's state operational budget is comprised of fixed costs associated with the rent and other necessary bills. Due to limited funding, the increased rent in our new space at 900 West Capitol resulted in a reduction of the Books and Subscriptions budget by 70%. The Arkansas State Library requests this appropriation and funding to restore the previously authorized level in the Books and Subscriptions budget. This will allow the State Library to renew its database subscriptions and book purchases which provide specialized resources, reference collections, and other state documents to state agencies, public libraries and Arkansas citizens.

The State Library's maintenance-of-effort will be adversely affected without this restoration. If the maintenance of effort is reduced, the result will be a decrease in the amount of federal funds the State Library is eligible to receive.

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.

In addition to the federal appropriation base level, \$100,000 is requested in capital outlay. \$50,000 of this request is to purchase hardbound books for the collection housed within the library and to address various capital needs as they arise throughout both fiscal years in the biennium. Additionally, \$50,000 per year is requested to purchase sophisticated scanners for use throughout the state to digitize and preserve irreplaceable state and federal document collections. This request has been approved in our technology plan under Major Applications, State Documents Collection p. 19-20.

The transfer of two (2) positions from an expiring cash grant into federal funding is also requested. Our federal granting agency has approved the continuation and funding of this program including these 2 positions. These positions directly serve public libraries. One position guides libraries through the federal E-Rate application and reporting process, which allows these libraries to save up to 90% on their phone and internet bills. The other position provides assistance on technology issues for libraries when they cannot afford a technology focused staff member. These positions are vital to smaller libraries in rural areas and have saved hundreds of thousands of dollars in operating costs for libraries across the state.

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, and improve library resources.

Use of Arkansas's public libraries has increased throughout the recession. These local libraries are an invaluable resource for all. They provide basic services such as materials collections, licensed databases, reference services, programs along with access to essential electronic research materials to support education and economic development. Continuation of the base level for both years of the biennium is requested.

APPROPRIATION 1XV - GRANTS ADMINISTRATION

The Arkansas State Library receives grants from various sources throughout the year. This appropriation is a combination of grant programs including a grant from the Department of Education for our Traveler Database program. These databases are offered free to the academic, public, special and school libraries across the state. The Arkansas Department of Education provides additional funding each year to supplement the cost of the databases used by the schools.

The Arkansas Center for the Book program coordinator actively seeks additional funds through various grant opportunities, including the Library of Congress, to encourage the study of books and book culture by publicizing and promoting Arkansas's rich literary heritage through stimulating public interest in books, reading, libraries, and bookstores.

The library requests an unfunded cash appropriation increase of \$125,000 per year in operations and \$450,000 per year in grants and aid to maintain budget and have it available when new grant opportunities arise.

A transfer of two (2) positions from cash grants to federal programs is requested. It is necessary due to the expiration of the cash grant that currently funds these positions. The federal granting agency has approved continuation of the program through federal funds including the positions.

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.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE LIBRARY
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

None

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	10	29	39	81 %
Black Employees	2	7	9	19 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			9	19 %
Total Employees			48	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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
054 Library-State Operations	3,464,863	40	3,401,821	39	3,671,754	39	3,414,707	39	3,582,924	39	3,582,924	39	3,414,950	39	3,583,167	39	3,583,167	39
055 Library-Federal Operations	1,869,825	13	3,109,034	16	3,099,707	16	3,088,877	16	3,297,696	18	3,297,696	18	3,088,877	16	3,297,696	18	3,297,696	18
083 Aid to Public Library	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0
1XV Grants Administration - Cash in Treasury	276,612	2	446,000	2	1,027,009	2	446,528	2	912,709	0	912,709	0	446,528	2	912,709	0	912,709	0
858 State Library-Revolving	295	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0
Total	11,311,595	54	12,663,477	56	13,505,092	56	12,656,734	56	13,499,951	56	13,499,951	56	12,656,977	56	13,500,194	56	13,500,194	56

Funding Sources		%		%		%		%		%		%		%		%
Fund Balance	4000005	372,036	3.2	480,866	3.7		178,009	1.4	178,009	1.3	178,009	1.3	368,662	2.8	168,101	1.3
General Revenue	4000010	3,396,459	28.8	3,345,374	26.1		3,414,707	26.2	3,582,924	26.7	3,582,924	26.7	3,414,950	25.8	3,583,167	26.8
Federal Revenue	4000020	1,869,825	15.9	3,109,034	24.2		3,088,877	23.7	3,297,696	24.6	3,297,696	24.6	3,088,877	23.4	3,297,696	24.6
Cash Fund	4000045	9,587	0.1	177,622	1.4		643,803	4.9	643,803	4.8	643,803	4.8	643,803	4.9	643,803	4.8
Merit Adjustment Fund	4000055	62,604	0.5	56,447	0.4		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Inter-agency Fund Transfer	4000316	325,094	2.8	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	585	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
St Library Public School Fund	4000475	5,756,268	48.8	5,672,143	44.2		5,700,000	43.8	5,700,000	42.5	5,700,000	42.5	5,700,000	43.1	5,700,000	42.6
Total Funds		11,792,458	100.0	12,841,486	100.0		13,025,396	100.0	13,402,432	100.0	13,402,432	100.0	13,216,292	100.0	13,392,767	100.0
Excess Appropriation/(Funding)		(480,863)		(178,009)			(368,662)		97,519		97,519		(559,315)		107,427	
Grand Total		11,311,595		12,663,477			12,656,734		13,499,951		13,499,951		12,656,977		13,500,194	

FY13 Budget exceeds the authorized amount in appropriation (055) Library-Federal Operations due to matching rate adjustments during the 2011-2013 biennium.
 Variances in fund balance due to unfunded appropriation in (1XV) Grants Administration - Cash in Treasury

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	52	4	56	0	7.14 %	56	49	7	56	0	12.50 %	56	48	8	56	0	14.29 %

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 Revenues.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

Base Level appropriation and general revenue funding totals \$3,414,707 in FY14 and \$3,414,950 in FY15 with thirty-nine (39) regular positions and seven (7) extra help positions.

The Agency's Change Level request provides for an increase in appropriation and general revenue funding in the Books and Subscriptions line item of \$168,217 each fiscal year. This increase is to restore funding and appropriation to previously authorized levels to allow the State Library to renew its database subscriptions and book purchases which provide specialized resources, references collections, and other state documents to state agencies, public libraries and Arkansas citizens.

The Executive Recommendation provides for Agency Request for appropriation and general revenue funding.

Appropriation Summary

Appropriation: 054 - Library-State Operations

Funding Sources: EPA - State Library Account

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,717,076	1,649,579	1,757,486	1,651,634	1,651,634	1,651,634	1,651,834	1,651,834	1,651,834
#Positions	40	39	39	39	39	39	39	39	39
Extra Help 5010001	1,458	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
#Extra Help	0	7	7	7	7	7	7	7	7
Personal Services Matching 5010003	522,950	541,350	535,159	552,181	552,181	552,181	552,224	552,224	552,224
Operating Expenses 5020002	1,068,009	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409	1,128,409
Conference & Travel Expenses 5050009	2,600	7,760	7,760	7,760	7,760	7,760	7,760	7,760	7,760
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Books and Subscriptions 5900046	152,770	69,723	237,940	69,723	237,940	237,940	69,723	237,940	237,940
Total	3,464,863	3,401,821	3,671,754	3,414,707	3,582,924	3,582,924	3,414,950	3,583,167	3,583,167

Funding Sources									
Fund Balance 4000005	5,212	0		0	0	0	0	0	0
General Revenue 4000010	3,396,459	3,345,374		3,414,707	3,582,924	3,582,924	3,414,950	3,583,167	3,583,167
Merit Adjustment Fund 4000055	62,604	56,447		0	0	0	0	0	0
M & R Sales 4000340	585	0		0	0	0	0	0	0
Total Funding	3,464,860	3,401,821		3,414,707	3,582,924	3,582,924	3,414,950	3,583,167	3,583,167
Excess Appropriation/(Funding)	3	0		0	0	0	0	0	0
Grand Total	3,464,863	3,401,821		3,414,707	3,582,924	3,582,924	3,414,950	3,583,167	3,583,167

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 biennium.

Change Level by Appropriation

Appropriation: 054 - Library-State Operations
Funding Sources: EPA - State Library Account

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	3,414,707	39	3,414,707	100.0	3,414,950	39	3,414,950	100.0
C01	Existing Program	168,217	0	3,582,924	104.9	168,217	0	3,583,167	104.9

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	3,414,707	39	3,414,707	100.0	3,414,950	39	3,414,950	100.0
C01	Existing Program	168,217	0	3,582,924	104.9	168,217	0	3,583,167	104.9

Justification

C01	Request of \$168,217 in appropriation and funding to be restored to previously authorized levels to allow the State Library to renew its database subscriptions and book purchases which provide specialized resources, reference collections, and other state documents to state agencies, public libraries and Arkansas citizens.								
-----	---	--	--	--	--	--	--	--	--

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2012 TO FISCAL YEAR 2013**

Agency: State Library

Program: Library-State Operations

Act #: 329 Section(s) #: 3 & 9

Estimated Carry Forward Amount \$ 0.00 Funding Source: General Revenue

Accounting Information:

Business Area: 0519 Funds Center: 054 Fund: EPA Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

No Carry Forward.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

No funding was carried forward.

Carolyn Ashcraft
State Librarian

08-23-2012
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.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level appropriation totals \$3,088,877 each year of the 2013-2015 Biennium with sixteen (16) regular positions and five (5) extra help positions.

The Agency Change Level request totaling \$208,819 include the following:

- Regular Salaries and Personal Service Matching of \$108,819 each fiscal year for a transfer of two positions from appropriation (1XV) Grants Administration-Cash in Treasury. The federal granting agency has approved the continuation and funding of this program including these two positions.
- A request of \$100,000 in Capital Outlay each fiscal year for purchases of hardbound books, sophisticated scanners (Technology Plan Major Applications, State Documents Collection page 19-20) and to address various capital needs as they arise.

The Executive Recommendation provides for the 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		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	321,452	402,290	405,057	402,965	484,129	484,129	402,965	484,129	484,129
#Positions	13	16	16	16	18	18	16	18	18
Extra Help 5010001	12,955	14,625	14,625	14,625	14,625	14,625	14,625	14,625	14,625
#Extra Help	2	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	138,613	161,719	149,625	165,887	193,542	193,542	165,887	193,542	193,542
Operating Expenses 5020002	1,308,790	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239
Conference & Travel Expenses 5050009	20,138	42,161	42,161	42,161	42,161	42,161	42,161	42,161	42,161
Professional Fees 5060010	24,500	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	43,377	25,000	25,000	0	100,000	100,000	0	100,000	100,000
Total	1,869,825	3,109,034	3,099,707	3,088,877	3,297,696	3,297,696	3,088,877	3,297,696	3,297,696
Funding Sources									
Federal Revenue 4000020	1,869,825	3,109,034		3,088,877	3,297,696	3,297,696	3,088,877	3,297,696	3,297,696
Total Funding	1,869,825	3,109,034		3,088,877	3,297,696	3,297,696	3,088,877	3,297,696	3,297,696
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,869,825	3,109,034		3,088,877	3,297,696	3,297,696	3,088,877	3,297,696	3,297,696

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 biennium

Change Level by Appropriation

Appropriation: 055 - Library-Federal Operations
Funding Sources: FEL - State Library Fund-LSTA

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	3,088,877	16	3,088,877	100.0	3,088,877	16	3,088,877	100.0
C01	Existing Program	50,000	0	3,138,877	101.6	50,000	0	3,138,877	101.6
C07	Agency Transfer	108,819	2	3,247,696	105.1	108,819	2	3,247,696	105.1
C08	Technology	50,000	0	3,297,696	106.8	50,000	0	3,297,696	106.8

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	3,088,877	16	3,088,877	100.0	3,088,877	16	3,088,877	100.0
C01	Existing Program	50,000	0	3,138,877	101.6	50,000	0	3,138,877	101.6
C07	Agency Transfer	108,819	2	3,247,696	105.1	108,819	2	3,247,696	105.1
C08	Technology	50,000	0	3,297,696	106.8	50,000	0	3,297,696	106.8

Justification

C01	Capital appropriation in the amount of \$50,000 per year to purchase hardbound books for the collection housed within the library and to address various capital needs as they arise.
C07	Transfer of 2 positions from an expiring cash grant into federal funding. The federal granting agency has approved the continuation and funding of this program including these 2 positions.
C08	Capital appropriation in the amount of \$50,000 per year is requested to purchase sophisticated scanners for use in libraries throughout the state to digitize and preserve irreplaceable state and federal document collections. This request has been approved in our technology plan under Major Applications, State Documents Collection p. 19-20.

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 Base Level Request is \$5,700,000 each year of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Total		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Funding Sources										
Fund Balance	4000005	136,972	193,240		165,383	165,383	165,383	165,383	165,383	165,383
St Library Public School Fund	4000475	5,756,268	5,672,143		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Total Funding		5,893,240	5,865,383		5,865,383	5,865,383	5,865,383	5,865,383	5,865,383	5,865,383
Excess Appropriation/(Funding)		(193,240)	(165,383)		(165,383)	(165,383)	(165,383)	(165,383)	(165,383)	(165,383)
Grand Total		5,700,000	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000

Analysis of Budget Request

Appropriation: 1XV - Grants Administration - Cash in Treasury

Funding Sources: NSL - Cash in Treasury

The 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.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level appropriation totals \$446,528 each year of the 2013-2015 Biennium with two (2) regular positions.

The Agency Change Level request totaling \$466,181 include the following:

- Regular Salaries and Personal Service Matching reduction of \$108,819 each fiscal year due to a transfer of two positions to appropriation (055) Library- Federal Operations.
- A request of \$125,000 in Operating Expenses and \$450,000 in Grants and Aids in unfunded appropriation each fiscal year in the event that new grants arise.

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

Appropriation Summary

Appropriation: 1XV - Grants Administration - Cash in Treasury

Funding Sources: NSL - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	76,139	81,164	78,398	81,164	0	0	81,164	0	0
#Positions		2	2	2	2	0	0	2	0	0
Personal Services Matching	5010003	25,478	27,127	25,173	27,655	0	0	27,655	0	0
Operating Expenses	5020002	174,995	200,000	326,564	200,000	325,000	325,000	200,000	325,000	325,000
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
Grants and Aid	5100004	0	137,709	596,874	137,709	587,709	587,709	137,709	587,709	587,709
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		276,612	446,000	1,027,009	446,528	912,709	912,709	446,528	912,709	912,709
Funding Sources										
Fund Balance	4000005	227,571	284,908		9,908	9,908	9,908	200,561	0	0
Cash Fund	4000045	8,855	171,000		637,181	637,181	637,181	637,181	637,181	637,181
Inter-agency Fund Transfer	4000316	325,094	0		0	0	0	0	0	0
Total Funding		561,520	455,908		647,089	647,089	647,089	837,742	637,181	637,181
Excess Appropriation/(Funding)		(284,908)	(9,908)		(200,561)	265,620	265,620	(391,214)	275,528	275,528
Grand Total		276,612	446,000		446,528	912,709	912,709	446,528	912,709	912,709

Change Level by Appropriation

Appropriation: 1XV - Grants Administration - Cash in Treasury
Funding Sources: NSL - Cash in Treasury

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	446,528	2	446,528	100.0	446,528	2	446,528	100.0
C05	Unfunded Appropriation	575,000	0	1,021,528	228.8	575,000	0	1,021,528	228.8
C07	Agency Transfer	(108,819)	(2)	912,709	204.4	(108,819)	(2)	912,709	204.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	446,528	2	446,528	100.0	446,528	2	446,528	100.0
C05	Unfunded Appropriation	575,000	0	1,021,528	228.8	575,000	0	1,021,528	228.8
C07	Agency Transfer	(108,819)	(2)	912,709	204.4	(108,819)	(2)	912,709	204.4

Justification

C05	Unfunded cash appropriation in the amount of \$125,000 in operating and \$450,000 in grants is requested in each year to maintain budget levels previously authorized.
C07	Transfer of 2 positions into federal funding due to expiration of current cash grant. Our federal grant includes funding for these two positions and has approved continuation of this program.

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 Base Level Request is \$6,622 for both years of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 858 - State Library-Revolving

Funding Sources: TSL - State Library Revolving

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	295	6,622	6,622	6,622	6,622	6,622	6,622	6,622	6,622
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		295	6,622	6,622	6,622	6,622	6,622	6,622	6,622	6,622
Funding Sources										
Fund Balance	4000005	2,281	2,718		2,718	2,718	2,718	2,718	2,718	2,718
Cash Fund	4000045	732	6,622		6,622	6,622	6,622	6,622	6,622	6,622
Total Funding		3,013	9,340		9,340	9,340	9,340	9,340	9,340	9,340
Excess Appropriation/(Funding)		(2,718)	(2,718)		(2,718)	(2,718)	(2,718)	(2,718)	(2,718)	(2,718)
Grand Total		295	6,622		6,622	6,622	6,622	6,622	6,622	6,622

SUPREME COURT

Enabling Laws

Act 256 of 2012

Arkansas Code Annotated 16-10-101 et seq.; 16-11-101 et seq.

Constitution of Arkansas, Article 7

Constitution of Arkansas, Amendments 9, 28, 58, 66, 77 and 80

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, 28, 58, 66, 77 and 80. Pursuant to the authority of Amendment 80, the Supreme Court is composed of one Chief Justice and six Associate Justices and shall have statewide appellate jurisdiction, shall have general superintending control over all courts, the power to provide rules for all courts, authority to determine the suffering of state instructive and referendum petitions and proposed constitutional amendments, the power to answer questions certified by federal courts, and the power to issue writs in aid of its jurisdiction. Amendment 28 grants unto the Supreme Court the authority to regulate the practice of law and the professional conduct of attorneys. Amendment 66 provides the authority to appoint and receive recommendations from the Judicial Discipline and Disability Commission.

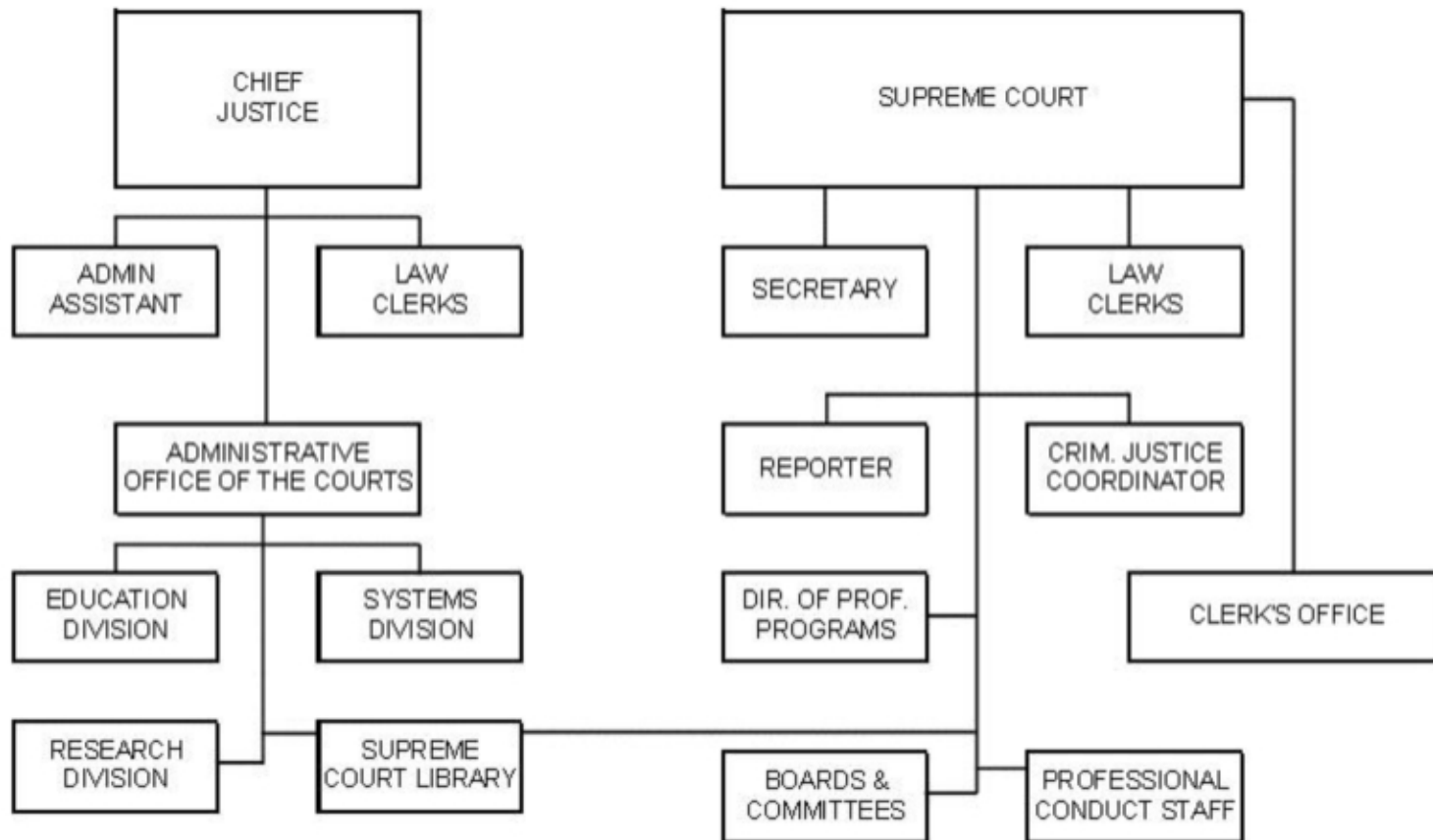
Amendment 80, Section 5, gives to the Supreme Court the power to determine the appellate jurisdiction of the Court of Appeals. The Supreme Court has, by Rule 1-2 of the Rules of the Supreme Court and Court of Appeals, provided that the Court of Appeals will have appellate jurisdiction over all cases appealed from the Circuit 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 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

SUPREME COURT - OPERATIONS

Regular Salaries (Commitment Item 5010000): Salary requests for the Court reflect two (2) new positions. The Court is requesting a grade C128 position with an annual salary of \$55,156 entitled Appellate Review Attorney and a grade C126 position with an annual salary of \$50,029 entitled Deputy Criminal Coordinator.

A change in distribution of cases between the Supreme Court and the Court of Appeals has required additional review of cases by the clerk

upon filing. The Appellate Review Attorney position is needed to screen appellate briefs for jurisdictional significance, prepare memoranda on petitions for review, research and write memoranda on certifications from the Court of Appeals and review briefs for deficiencies prior to submission to the Supreme Court. There has also been an increase in the number of cases decided by the Court of Appeals accepted for review by the Supreme Court and the number of questions submitted to the Supreme Court by federal courts.

The Deputy Criminal Coordinator position is needed to handle pro se motions for incarcerated persons and the processing of pro se briefs. There are at least 15,000 incarcerated persons in Arkansas, each of whom has at least one criminal case and many of these file multiple pleadings. This office has seen an increase in the number of pleadings and appeals filed by incarcerated individuals and this position would keep the Court adequately staffed in this area.

Extra Help (Commitment Item 5010001): The Court is asking that its FY13 authorized appropriation of \$30,000 be restored each year of the biennium. 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 salary appropriation request. This amount includes the monthly contribution for state employee's health insurance and retirement contributions.

Operating Expenses (Commitment Item 5020002): The Court requests that its FY13 authorized appropriation level of \$323,089 be restored each year of the biennium.

Conference and Travel Expenses (Commitment Item 5050009): The Court requests that its FY13 authorized appropriation level of \$30,000 be restored each year of the biennium.

Professional Fees (Commitment Item 5060010): The Court requests that its FY13 authorized appropriation level of \$25,000 be restored each year of the biennium.

Capital Outlay (Commitment Item 5120011): The Court requests that its FY13 authorized appropriation level of \$112,000 be restored each year of the biennium.

Arkansas Reports (Commitment Item 5900034): The Court requests that its FY13 authorized appropriation level of \$229,477 be restored each year of the biennium.

Court Appointed Attorneys (Commitment Item 5900040): The Court requests that its FY13 authorized appropriation level of \$195,000 be restored each year of the biennium.

Commissions and Committees (Commitment Item 5900041): The Court requests that its FY13 authorized appropriation level of \$20,000 be restored each year of the biennium.

Special Justices (Commitment Item 5900046): The Court requests that its FY13 authorized appropriation level of \$5,500 be restored each year of the biennium.

Judicial Education (Commitment Item 5900048): The Court requests that its FY13 authorized appropriation level of \$100,000 be restored each year of the biennium.

APPELLATE MEDIATION - CASH

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. The NSC0000 cash appropriation balance of \$13,120 should continue both years of the biennium and will be utilized for mediation purposes. Expense of appropriation is contingent upon available funding.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS SUPREME COURT
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

None

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	9	33	42	93 %
Black Employees	0	3	3	7 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			3	7 %
Total Employees			45	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	ACA 16-11-201; AR Supreme Court Rule 5-2	N	N	0	Publication of the Supreme Court opinions ceased with volume 375 Ark/104 Ark. App. These opinions are now published online. IN RE: Arkansas Supreme Court and Court of Appeals Rule 5-2 (May 28, 2009)

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
008 Supreme Court - Operations	4,156,681	46	4,405,324	46	4,360,143	46	4,305,137	46	4,555,829	48	0	0	4,305,137	46	4,555,829	48	0	0
56S Appellate Mediation - Cash	1,481	0	13,120	0	18,200	0	13,120	0	13,120	0	0	0	13,120	0	13,120	0	0	0
Total	4,158,162	46	4,418,444	46	4,378,343	46	4,318,257	46	4,568,949	48	0	0	4,318,257	46	4,568,949	48	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	15,715	0.4	14,445	0.3			14,445	0.3	14,445	0.3	0	0.0	14,445	0.3	14,445	0.3	0	0.0
State Central Services 4000035	4,156,681	99.6	4,405,324	99.4			4,305,137	99.4	4,555,829	99.4	0	0.0	4,305,137	99.4	4,555,829	99.4	0	0.0
Cash Fund 4000045	0	0.0	13,120	0.3			13,120	0.3	13,120	0.3	0	0.0	13,120	0.3	13,120	0.3	0	0.0
Interest 4000300	211	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds	4,172,607	100.0	4,432,889	100.0			4,332,702	100.0	4,583,394	100.0	0	0.0	4,332,702	100.0	4,583,394	100.0	0	0.0
Excess Appropriation/(Funding)	(14,445)		(14,445)				(14,445)		(14,445)		0		(14,445)		(14,445)		0	
Grand Total	4,158,162		4,418,444				4,318,257		4,568,949		0		4,318,257		4,568,949		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
45	45	0	45	0	0.00 %	46	45	1	46	0	2.17 %	46	44	2	46	0	4.35 %

Appropriation Summary

Appropriation: 008 - Supreme Court - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,520,170	2,545,529	2,545,529	2,545,529	2,650,714	0	2,545,529	2,650,714	0
#Positions		46	46	46	46	48	0	46	48	0
Extra Help	5010001	26,801	30,000	30,000	30,000	30,000	0	30,000	30,000	0
#Extra Help		3	1	5	5	5	0	5	5	0
Personal Services Matching	5010003	754,607	789,729	744,548	801,542	835,049	0	801,542	835,049	0
Operating Expenses	5020002	323,080	323,089	323,089	323,089	323,089	0	323,089	323,089	0
Conference & Travel Expenses	5050009	27,471	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees	5060010	0	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	108,318	112,000	112,000	0	112,000	0	0	112,000	0
Arkansas Reports*	5900034	228,213	229,477	229,477	229,477	229,477	0	229,477	229,477	0
Court Appointed Attorneys	5900040	75,343	195,000	195,000	195,000	195,000	0	195,000	195,000	0
Commissions and Committees	5900041	13,764	20,000	20,000	20,000	20,000	0	20,000	20,000	0
Special Justices	5900046	600	5,500	5,500	5,500	5,500	0	5,500	5,500	0
Judicial Education	5900048	78,314	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Total		4,156,681	4,405,324	4,360,143	4,305,137	4,555,829	0	4,305,137	4,555,829	0
Funding Sources										
State Central Services	4000035	4,156,681	4,405,324		4,305,137	4,555,829	0	4,305,137	4,555,829	0
Total Funding		4,156,681	4,405,324		4,305,137	4,555,829	0	4,305,137	4,555,829	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,156,681	4,405,324		4,305,137	4,555,829	0	4,305,137	4,555,829	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 008 - Supreme Court - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	4,305,137	46	4,305,137	100.0	4,305,137	46	4,305,137	100.0
C01	Existing Program	267,692	2	4,572,829	106.2	267,692	2	4,572,829	106.2
C03	Discontinue Program	(17,000)	0	4,555,829	105.8	(17,000)	0	4,555,829	105.8

Appropriation Summary

Appropriation: 56S - Appellate Mediation - Cash

Funding Sources: NCS - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	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	1,481	13,120	18,200	13,120	13,120	0	13,120	13,120	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,481	13,120	18,200	13,120	13,120	0	13,120	13,120	0
Funding Sources										
Fund Balance	4000005	15,715	14,445		14,445	14,445	0	14,445	14,445	0
Cash Fund	4000045	0	13,120		13,120	13,120	0	13,120	13,120	0
Interest	4000300	211	0		0	0	0	0	0	0
Total Funding		15,926	27,565		27,565	27,565	0	27,565	27,565	0
Excess Appropriation/(Funding)		(14,445)	(14,445)		(14,445)	(14,445)	0	(14,445)	(14,445)	0
Grand Total		1,481	13,120		13,120	13,120	0	13,120	13,120	0

No Executive Recommendation made on this appropriation.

TREASURER OF STATE

Enabling Laws

Act 199 of 2012

Act 200 of 2012

Act 201 of 2012

Act 202 of 2012

Act 203 of 2012

Act 204 of 2012

Act 205 of 2012

Act 208 of 2012

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 stated, "*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 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.

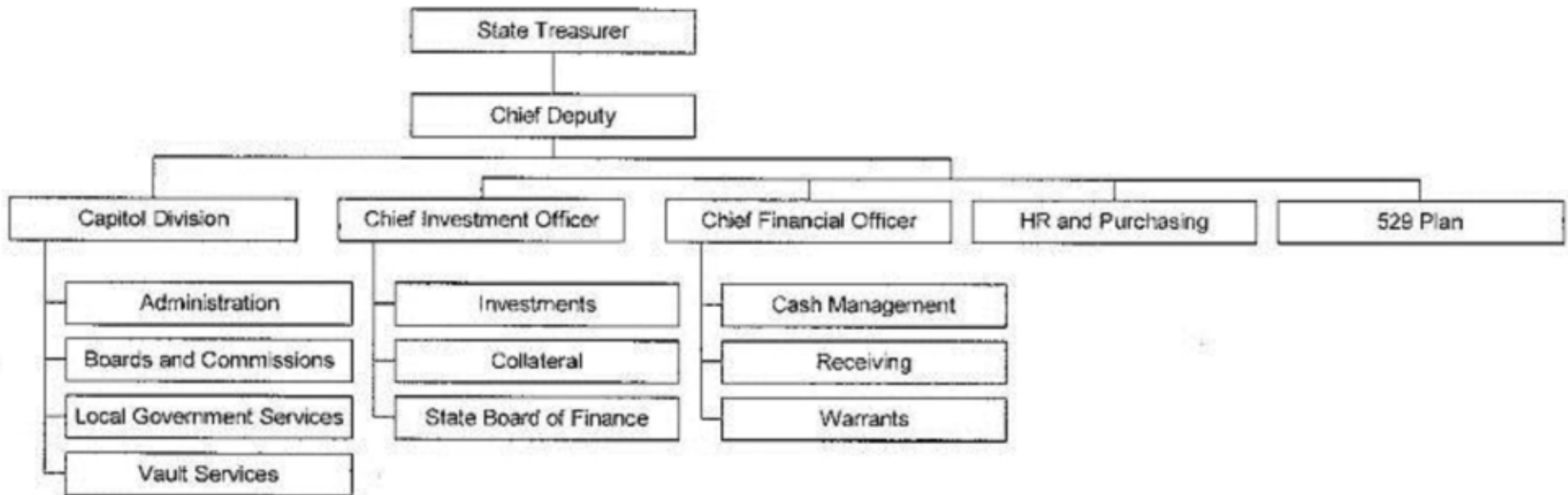
➤ Local Sales and Use Tax

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.

The Treasurer functions as a bank for State Government. The Treasurer's Office is divided into the follow 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)

The Office of the Treasurer of State requests Base Level each year of the biennium, with a request to restore previously authorized appropriation for Capital Outlay of \$75,000 each year.

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 \$2,806,108 in FY14 and \$2,799,743 in FY15 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.

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 2014-2015 biennium. A continuation of Base Level is requested in the amount of \$68,000,000 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. The agency is requesting a \$100,000,000 increase in appropriation each year of the biennium.

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 \$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 \$1,250,000,000 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 of \$300,000 each year to cover anticipated funding for 2014-2015.

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 of \$300,000 each year to cover anticipated funding for 2014-2015.

ANIMAL RESCUE SHELTERS - CITY (58Q)A.C.A. § 19-5-1136 established the Animal Rescue Shelter Trust Fund for revenues from a special issue license plate. 35% of these revenues are distributed to each municipality that has at least one (1) registered governmentally owned animal rescue shelter which shall receive a proportional distribution based on the municipality's population as determined by the most recent federal decennial census The Treasurer's Office is requesting Base Level of \$100,000 each year to cover anticipated funding for 2014-2015.

ANIMAL RESCUE SHELTERS - COUNTY (58R)

A.C.A. § 19-5-1136 established the Animal Rescue Shelter Trust Fund for revenues from a special issue license plate. 35% of these revenues are distributed to each county that has at least one (1) registered governmentally owned animal rescue shelter which shall receive a proportional distribution based on the county's population as determined by the most recent federal decennial census The Treasurer's Office is requesting Base Level of \$100,000 each year to cover anticipated funding for 2014-2015.

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 2014-2015 biennium. A continuation of Base Level is requested in the amount of \$52,000,000 each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS TREASURER OF STATE
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

The Office of Treasurer of State (Treasury) understated prepaid expenses by \$2,271 and accounts payable by \$9,932. Although immaterial to the financial statements of the general fund, we consider these errors

Accurately report values of prepaid expenses and accounts payable.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS TREASURER OF STATE
FOR THE YEAR ENDED JUNE 30, 2011

Findings

qualitatively significant since these are the only accrual amounts calculated by the Treasury. All other accruals were calculated by the Department of Finance and Administration.

The equipment records of the Treasury, maintained outside of the Arkansas Administrative Statewide Administrative System (AASIS), do not agree with AASIS. Since AASIS is used as the source of information for the State's CAFR, these errors affect the accuracy of that report.

The Arkansas State Treasury Investment Policy requires that each securities firm approved by the Treasurer submit "semiannual and annual reports, including audited financial statements..." We asked to review these documents and were told that the Treasury did not have them.

Subsequent to June 30, 2011, the Treasury sold bonds from its investment portfolio to selected bond brokers before the bonds reached maturity and subsequently purchased similar bonds from the same investment brokers, resulting in a net economic loss of \$58,172. This practice differs from the Treasury's previous practice of holding bonds until maturity. Furthermore, in November 2011, DLA staff advised the Treasury that Generally Accepted Accounting Principles (GAAP) require gains and losses on the sale of these bonds to be recorded separately from interest income. The Department of Finance and Administration - Office of Accounting agreed with the applicability of these accounting principles. However, the Treasury did not record these transactions as advised. These transactions, as well as the Arkansas State Treasury Investment Policy, are the subject of two separate reports issued concurrently with this report.

Recommendations

Ensure Treasury equipment records agree with AASIS.

Request and maintain copies of semiannual and annual reports, including audited financial statements, for each securities firm approved by the Treasurer.

Follow Generally Accepted Accounting Principles regarding practices of bond sales.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	9	18	27	90 %
Black Employees	0	3	3	10 %
Other Racial Minorities	0	0	0	0 %
	Total Minorities		3	10 %
	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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
007 State Treasurer-Operations	3,454,885	32	4,153,512	33	4,061,278	33	4,088,057	33	4,163,057	33	0	0	4,088,182	33	4,163,182	33	0	0
043 City-Co Tourist Facilities Assist	5,270,212	0	2,808,954	0	2,808,954	0	2,808,954	0	2,806,108	0	0	0	2,808,954	0	2,799,743	0	0	0
1TP Water, Waste Disposal & Pollution Abatement	26,164,014	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	492,257,536	0	500,000,000	0	500,000,000	0	500,000,000	0	600,000,000	0	0	0	500,000,000	0	600,000,000	0	0	0
2MQ Local Sales & Use Tax-County	476,125,458	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	991,642,384	0	1,250,000,000	0	1,250,000,000	0	1,250,000,000	0	1,250,000,000	0	0	0	1,250,000,000	0	1,250,000,000	0	0	0
22C Emergency Medical	241,055	0	300,000	0	300,000	0	300,000	0	300,000	0	0	0	300,000	0	300,000	0	0	0
22D Local Law Enforcement	241,055	0	300,000	0	300,000	0	300,000	0	300,000	0	0	0	300,000	0	300,000	0	0	0
58Q Rescue Shelters-City	1,278	0	100,000	0	100,000	0	100,000	0	100,000	0	0	0	100,000	0	100,000	0	0	0
58R Rescue Shelters-Cnty	1,278	0	100,000	0	100,000	0	100,000	0	100,000	0	0	0	100,000	0	100,000	0	0	0
990 College/Higher Education Savings Bonds	17,739,782	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
Total	2,013,138,937	32	2,477,762,466	33	2,477,670,232	33	2,477,697,011	33	2,577,769,165	33	0	0	2,477,697,136	33	2,577,762,925	33	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Special Revenue	4000030	482,110	0.0	600,000	0.0		600,000	0.0	600,000	0.0	0	0.0	600,000	0.0	600,000	0.0	0	0.0
State Central Services	4000035	3,454,885	0.2	4,153,512	0.2		4,088,057	0.2	4,163,057	0.2	0	0.0	4,088,182	0.2	4,163,182	0.2	0	0.0
Trust Fund	4000050	1,035,548,736	51.4	1,370,200,000	55.3		1,370,200,000	55.3	1,370,200,000	53.2	0	0.0	1,370,200,000	55.3	1,370,200,000	53.2	0	0.0
Local Sales and Use Tax	4000335	968,382,994	48.1	1,100,000,000	44.4		1,100,000,000	44.4	1,200,000,000	46.6	0	0.0	1,100,000,000	44.4	1,200,000,000	46.6	0	0.0
Sales and Income Tax	4000445	5,270,212	0.3	2,808,954	0.1		2,808,954	0.1	2,806,108	0.1	0	0.0	2,808,954	0.1	2,799,743	0.1	0	0.0
Total Funds		2,013,138,937	100.0	2,477,762,466	100.0		2,477,697,011	100.0	2,577,769,165	100.0	0	0.0	2,477,697,136	100.0	2,577,762,925	100.0	0	0.0
Excess Appropriation/(Funding)		0		0			0		0		0		0		0		0	
Grand Total		2,013,138,937		2,477,762,466			2,477,697,011		2,577,769,165		0		2,477,697,136		2,577,762,925		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
33	31	2	33	0	6.06 %	33	30	3	33	0	9.09 %	33	30	3	33	0	9.09 %

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			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,753,890	2,042,191	2,042,191	2,042,991	2,042,991	0	2,043,091	2,043,091	0
#Positions	32	33	33	33	33	0	33	33	0
Extra Help 5010001	0	50,000	50,000	50,000	50,000	0	50,000	50,000	0
#Extra Help	0	10	10	10	10	0	10	10	0
Personal Services Matching 5010003	511,688	659,696	567,462	668,441	668,441	0	668,466	668,466	0
Operating Expenses 5020002	344,962	353,500	353,500	353,500	353,500	0	353,500	353,500	0
Conference & Travel Expenses 5050009	16,935	36,000	36,000	36,000	36,000	0	36,000	36,000	0
Professional Fees 5060010	1,434	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	9,609	75,000	75,000	0	75,000	0	0	75,000	0
Data Processing Syst/Services 5900044	816,367	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
Total	3,454,885	4,153,512	4,061,278	4,088,057	4,163,057	0	4,088,182	4,163,182	0
Funding Sources									
State Central Services 4000035	3,454,885	4,153,512		4,088,057	4,163,057	0	4,088,182	4,163,182	0
Total Funding	3,454,885	4,153,512		4,088,057	4,163,057	0	4,088,182	4,163,182	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,454,885	4,153,512		4,088,057	4,163,057	0	4,088,182	4,163,182	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 007 - State Treasurer-Operations
Funding Sources: HSC - State Central Services Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	4,088,057	33	4,088,057	100.0	4,088,182	33	4,088,182	100.0
C01	Existing Program	75,000	0	4,163,057	101.8	75,000	0	4,163,182	101.8

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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service/Operating Exp 5900046	5,270,212	2,808,954	2,808,954	2,808,954	2,806,108	0	2,808,954	2,799,743	0
Total	5,270,212	2,808,954	2,808,954	2,808,954	2,806,108	0	2,808,954	2,799,743	0
Funding Sources									
Sales and Income Tax 4000445	5,270,212	2,808,954		2,808,954	2,806,108	0	2,808,954	2,799,743	0
Total Funding	5,270,212	2,808,954		2,808,954	2,806,108	0	2,808,954	2,799,743	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	5,270,212	2,808,954		2,808,954	2,806,108	0	2,808,954	2,799,743	0

No Executive Recommendation made 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		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	2,808,954	0	2,808,954	100.0	2,808,954	0	2,808,954	100.0
C03	Discontinue Program	(2,846)	0	2,806,108	99.9	(9,211)	0	2,799,743	99.7

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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	6,520,882	40,000,000	40,000,000	40,000,000	40,000,000	0	40,000,000	40,000,000	0
Debt Service	5120019	19,643,132	28,000,000	28,000,000	28,000,000	28,000,000	0	28,000,000	28,000,000	0
Total		26,164,014	68,000,000	68,000,000	68,000,000	68,000,000	0	68,000,000	68,000,000	0
Funding Sources										
Trust Fund	4000050	26,164,014	68,000,000		68,000,000	68,000,000	0	68,000,000	68,000,000	0
Total Funding		26,164,014	68,000,000		68,000,000	68,000,000	0	68,000,000	68,000,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		26,164,014	68,000,000		68,000,000	68,000,000	0	68,000,000	68,000,000	0

No Executive Recommendation made 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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	492,257,536	500,000,000	500,000,000	500,000,000	600,000,000	0	500,000,000	600,000,000	0
Total	492,257,536	500,000,000	500,000,000	500,000,000	600,000,000	0	500,000,000	600,000,000	0
Funding Sources									
Local Sales and Use Tax 4000335	492,257,536	500,000,000		500,000,000	600,000,000	0	500,000,000	600,000,000	0
Total Funding	492,257,536	500,000,000		500,000,000	600,000,000	0	500,000,000	600,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	492,257,536	500,000,000		500,000,000	600,000,000	0	500,000,000	600,000,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 2ME - Local Sales & Use Tax-City
Funding Sources: TSU - Local Sales/Use Tax Trust

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	500,000,000	0	500,000,000	100.0	500,000,000	0	500,000,000	100.0
C01	Existing Program	100,000,000	0	600,000,000	120.0	100,000,000	0	600,000,000	120.0

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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	476,125,458	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total	476,125,458	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
Funding Sources									
Local Sales and Use Tax 4000335	476,125,458	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total Funding	476,125,458	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	476,125,458	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0

No Executive Recommendation made 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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	991,642,384	1,250,000,000	1,250,000,000	1,250,000,000	1,250,000,000	0	1,250,000,000	1,250,000,000	0
Total		991,642,384	1,250,000,000	1,250,000,000	1,250,000,000	1,250,000,000	0	1,250,000,000	1,250,000,000	0
Funding Sources										
Trust Fund	4000050	991,642,384	1,250,000,000		1,250,000,000	1,250,000,000	0	1,250,000,000	1,250,000,000	0
Total Funding		991,642,384	1,250,000,000		1,250,000,000	1,250,000,000	0	1,250,000,000	1,250,000,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		991,642,384	1,250,000,000		1,250,000,000	1,250,000,000	0	1,250,000,000	1,250,000,000	0

No Executive Recommendation made 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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Emergency Medical Expenses 5900046	241,055	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Total	241,055	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Funding Sources									
Special Revenue 4000030	241,055	300,000		300,000	300,000	0	300,000	300,000	0
Total Funding	241,055	300,000		300,000	300,000	0	300,000	300,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	241,055	300,000		300,000	300,000	0	300,000	300,000	0

No Executive Recommendation made on this appropriation.

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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Local Law Enforcement Exp 5900046	241,055	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Total	241,055	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Funding Sources									
Special Revenue 4000030	241,055	300,000		300,000	300,000	0	300,000	300,000	0
Total Funding	241,055	300,000		300,000	300,000	0	300,000	300,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	241,055	300,000		300,000	300,000	0	300,000	300,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 58Q - Rescue Shelters-City
Funding Sources: TRS - City/County Rescue Shelters - Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	1,278	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Total	1,278	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Funding Sources									
Trust Fund 4000050	1,278	100,000		100,000	100,000	0	100,000	100,000	0
Total Funding	1,278	100,000		100,000	100,000	0	100,000	100,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,278	100,000		100,000	100,000	0	100,000	100,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 58R - Rescue Shelters-Cnty

Funding Sources: TRS - City/County Rescue Shelters - Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	1,278	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Total	1,278	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Funding Sources									
Trust Fund 4000050	1,278	100,000		100,000	100,000	0	100,000	100,000	0
Total Funding	1,278	100,000		100,000	100,000	0	100,000	100,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,278	100,000		100,000	100,000	0	100,000	100,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 990 - College/Higher Education Savings Bonds

Funding Sources: TBJ - College Savings Bond Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	26,295	20,000,000	20,000,000	20,000,000	20,000,000	0	20,000,000	20,000,000	0
Debt Service 5120019	17,713,487	32,000,000	32,000,000	32,000,000	32,000,000	0	32,000,000	32,000,000	0
Total	17,739,782	52,000,000	52,000,000	52,000,000	52,000,000	0	52,000,000	52,000,000	0
Funding Sources									
Trust Fund 4000050	17,739,782	52,000,000		52,000,000	52,000,000	0	52,000,000	52,000,000	0
Total Funding	17,739,782	52,000,000		52,000,000	52,000,000	0	52,000,000	52,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	17,739,782	52,000,000		52,000,000	52,000,000	0	52,000,000	52,000,000	0

No Executive Recommendation made on this appropriation.

BOARD OF FINANCE

Enabling Laws

Act 57 of 2012
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>FY2013-2014</u>	<u>FY2014-2015</u>
Investments-Purchase of Securities (1CV)	\$ 600,000,000	\$ 600,000,000
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, 2011

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for this Agency.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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
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	143,449	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
Total	143,449	0	603,600,000	0	603,600,000	0	603,600,000	0	603,600,000	0	0	0	603,600,000	0	603,600,000	0	0	0

Funding Sources		%		%		%		%		%		%		%		%
Trust Fund 4000050	143,449	100.0	603,000,000	99.9	603,000,000	99.9	603,000,000	99.9	0	0.0	603,000,000	99.9	603,000,000	99.9	0	0.0
Investments 4000315	0	0.0	600,000	0.1	600,000	0.1	600,000	0.1	0	0.0	600,000	0.1	600,000	0.1	0	0.0
Total Funds	143,449	100.0	603,600,000	100.0	603,600,000	100.0	603,600,000	100.0	0	0.0	603,600,000	100.0	603,600,000	100.0	0	0.0
Excess Appropriation/(Funding)	0		0		0		0		0		0		0		0	
Grand Total	143,449		603,600,000		603,600,000		603,600,000		0		603,600,000		603,600,000		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Appropriation Summary

Appropriation: 1CV - Investments-Purchase of Securities

Funding Sources: XXX - Investments

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 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
Funding Sources									
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 made on this appropriation.

Appropriation Summary

Appropriation: 2BM - Investments-Premiums/Discounts

Funding Sources: TAS - Securities Reserve

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 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
Funding Sources									
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 made on 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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Principal/Interest/Service Chgs 5900046	143,449	3,000,000	3,000,000	3,000,000	3,000,000	0	3,000,000	3,000,000	0
Total	143,449	3,000,000	3,000,000	3,000,000	3,000,000	0	3,000,000	3,000,000	0
Funding Sources									
Trust Fund 4000050	143,449	3,000,000		3,000,000	3,000,000	0	3,000,000	3,000,000	0
Total Funding	143,449	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
Grand Total	143,449	3,000,000		3,000,000	3,000,000	0	3,000,000	3,000,000	0

No Executive Recommendation made on this appropriation.

ARKANSAS NATURAL RESOURCES COMMISSION

Enabling Laws

Act 166 of 2012
Act 535 of 2011
Act 35 of 2010

A.C.A. §14-230-101 et seq.
A.C.A. §15-20-201 et seq.
A.C.A. §15-20-801 - §15-20-1301
A.C.A. §15-22-201 - §15-22-1301
A.C.A. §15-24-102 et seq.

History and Organization

The Mission of the Agency is to manage and protect our water and land resources for the health, safety, and economic benefit of the State of Arkansas.

Upon its formation in 1963 the Arkansas Natural Resources Commission (formerly the Soil and Water Conservation Commission) was assigned duties previously performed by the Water Conservation and Flood Control Commissions, in addition to those functions related to Soil and Water Conservation Districts formerly performed by the Geological Commission. Major duties of the Commission at that time included: water allocation, dam permitting, and interstate water rights.

In 1969 the Commission was assigned the task of developing the Arkansas State Water Plan and overseeing the State's flood plain management program. The Water Development Fund was created as a part of the water planning effort. In 1981, administration of the Water, Sewer and Solid Waste Management Fund was transferred from the Department of Local Services to the Commission. Also in 1981, the Water Resources Cost Share Program was created to provide funds to Arkansas's communities to help meet the local cost share of federal water projects.

The Commission operates the Water, Waste Disposal and Pollution Abatement Facilities General Obligation (GO) Bond Program to provide low interest rate loans to communities. These loans are used for water resources and waste disposal projects.

In 1991 the Governor delegated administration of the Non-Point Source Pollution Abatement Program under the Federal Clean Water Act to the Commission. Primary funding to operate the program is from the US Environmental Protection Agency. In addition, Arkansas's General Assembly created the Ground Water Protection and Management Act. Under this act the Commission received additional responsibility for ground water management, collection of water use information, and collection of an annual fee for reporting water use.

The Commission, in conjunction with the Department of Finance and Administration operates two Tax Credit programs to encourage water resources development, water conservation, and protection of wetlands and riparian zones.

The Commission operates a Wetland Mitigation Bank that provides a voluntary, cost effective and environmentally sound alternative for mitigation of unavoidable wetland losses caused by individual, corporate, or state agency projects.

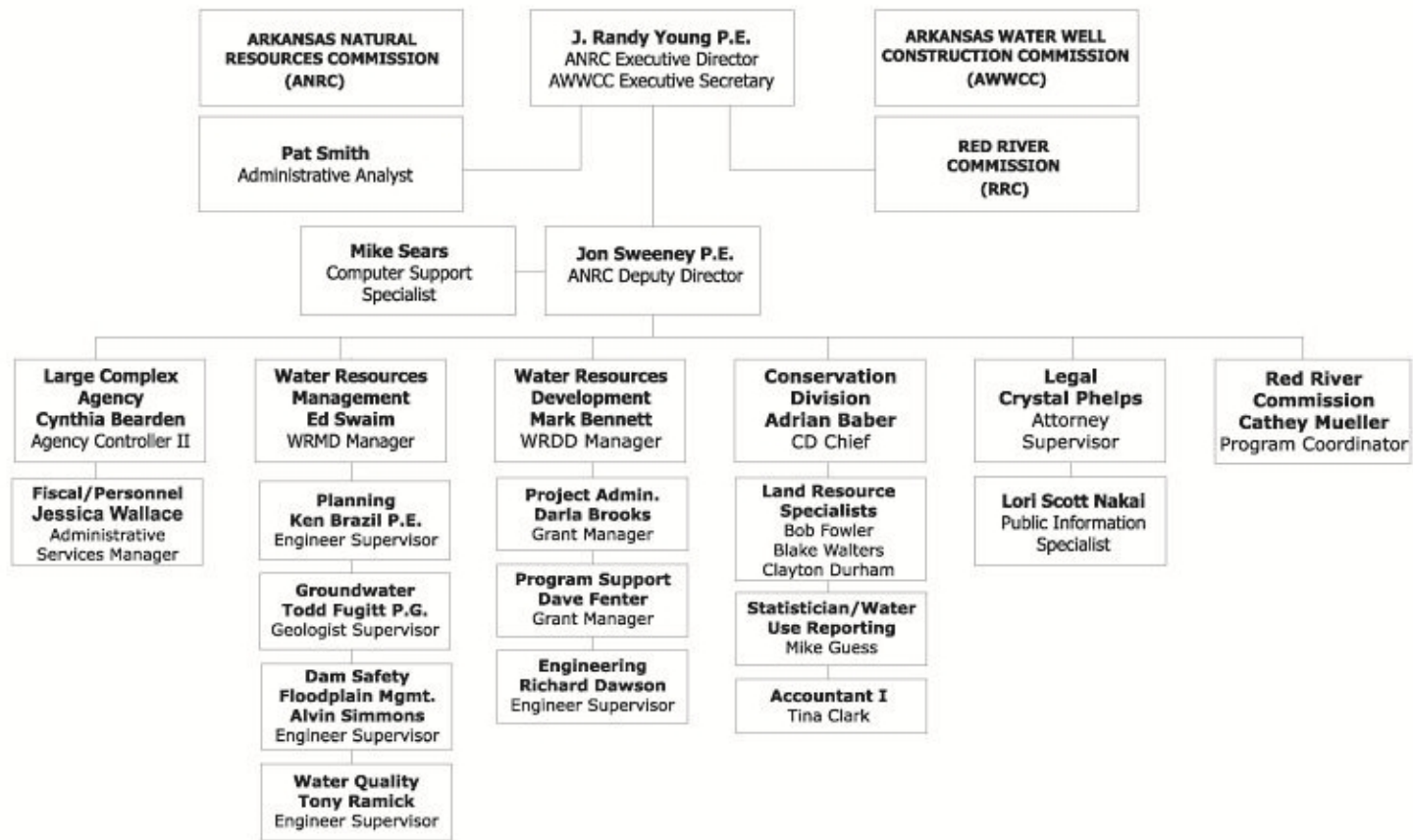
Since 1995 the Commission has provided administrative and field operations for the Water Well Construction Commission.

Act 1060 of 2003 directed the Commission to create and operate the Poultry Feeding Operation Registration Program. The purpose of this program is to assemble and maintain information on the number, composition, and practices of Poultry Feeding Operations in the state including the quantity of nutrients produced and used by those operations.

Act 1059 of 2003 authorized the Commission to institute a Nutrient Management Planner Certification Program for individuals who prepare Nutrient Management Plans. The purpose of this program is to establish criteria for planning and certify that planners have sufficient training to prepare adequate plans.

Act 1061 of 2003 authorized the Commission to institute a Nutrient Applicator Certification Program for individuals who apply agricultural nutrients in certain areas of the State. The purpose of this program is to certify that applicators have sufficient training to effectively apply nutrients in accord with applicable laws, regulations, and technical criteria.

The Arkansas Natural Resources Commission provides technical and financial support for both the Red River Commission and the Ouachita River Commission.



Agency Commentary

The Arkansas Natural Resources Commission is organized in four divisions: Administrative, Water Resources Management, Water Resources Development, and Conservation.

Administrative Division

The Administrative Division provides oversight and direction as well as personnel, purchasing, legal and information technology support for the entire agency.

Changes requested for this division include:

- Additional \$925,000 per year in unfunded appropriation in the Rural Fire Protection Program (Funds Center 381), which will restore this appropriation to the previously authorized level of \$1,100,000 each year. This unfunded appropriation is being requested in the event that savings from the Miscellaneous Agencies Fund Account becomes available.
- The Agency Request includes the reclassification of one (1) position from A091C- Fiscal Support Analyst (C115) to G126C-Finance Program Coordinator (C120) within the Arkansas Natural Resources Commission - Cash appropriation (Funds Center 420). This position supports the Administration/Finance Section of the Agency and is responsible for overseeing the water, sewer, solid waste, water development and general obligation bond loans to water and sewer systems. Additional accounting related duties are being added to this position. This request will ensure that the job title accurately reflect the job duties.

Water Resources Management Division

This division is responsible for statewide oversight and planning in the following areas: Water Systems, Water Supplies, Water Rights Allocation, Flood Plain management, Non-Point Source Pollution Abatement, Dam Safety, and Wetlands Mitigation banking.

Changes requested for this division include:

- Additional unfunded appropriation in the amount of \$400,000 each year of the biennium. This request will provide additional appropriation of \$200,000 to both the Grants and Aid Line Item and the Water Quality Technician Line Item in the Water Quality Implementation appropriation (Funds Center 2RG). This request will enable the agency to utilize any funds carried forward to support the amount of obligated grants are certified for Water Match Grants and Water Quality Technician.
- Additional appropriation of \$100,000 each year of the biennium for the Capital Outlay Line Item in the Arkansas Natural Resources Commission - Cash appropriation (Funds Center 420). This will enable the agency to purchase equipment to support the two mitigation banks currently established by the Agency within the Arkansas Wetland Mitigation Bank Program.
- Additional \$51,000 each year of the biennium for the Capital Outlay Line Item in the Non-Point Source Pollution Control Program (Funds Center 997). This request will enable the agency to replace existing field equipment for Water Quality Projects. This appropriation is 100% federally funded.
- Additional appropriation of \$10,000 each year of the biennium for Capital Outlay for the Dam Inventory Program (Funds Center 1AA).

- This appropriation is 100% federally funded. This request will enable the agency to replace existing equipment for the federally funded Dam Inventory Program.
- Additional appropriation of \$2 million for the Flood Insurance Program for the Cooperating Technical Partners (CTP) Program. This request includes the restoration of MFG appropriation of \$50,000 authorized in FY13 for federal grant from Federal Emergency Management Agency (FEMA) in support of this program. This program will enable the agency to execute a Professional Services Contract for Engineering Services to provide up to date flood hazard maps and other flood hazard information. Although the initial grant of \$50,000 in FY13 provided for scoping services, we anticipate that this program will grow substantially over the next two years. Consequently, the Agency's Biennial Request includes additional appropriation totaling \$2 million each year to support this program. This request includes \$1.8 million in Professional Fees, \$190,000 in Operating Expenses and \$10,000 in Capital Outlay
- Additional appropriation of \$800,000 for a new Federal Program funded by the Federal Emergency Management Agency (FEMA) for the Repetitive Flood Claims (RFC) Program. This program provides funding to states and communities to assist in their efforts to reduce or eliminate the risk of repetitive flood damage to buildings and structures insurable under the National Flood Insurance Program. This request provides for \$700,000 in Grants in Aid, \$90,000 in Operating Expenses, and \$10,000 in Capital Outlay.
- Additional Salary and Matching appropriation of \$48,304 for the Restoration of one new ANRC Program Coordinator position (Grade C119) established by a Miscellaneous Federal Grant (MFG) during FY12 and continued during FY13. This position supports the Community Assistance Program - State Supported Services Element (CAP-SSSE) Program Grant from the Federal Emergency Management Agency (FEMA). The purpose of this program is to provide a means to ensure that communities participating in the National Flood Insurance Program (NFIP) are achieving the flood loss reduction goals of the NFIP.

Water Resources Development

This division administers programs that provide funding to communities for local water supply and distribution; waste water collection, treatment and disposal; and collection and disposal of solid wastes.

Changes requested for this division include:

- Additional \$653,971 per year in unfunded appropriation in the Water/Sewer/Solid Waste - State appropriation (Funds Center 2GE). This request will restore this appropriation to the previous authorized level of \$736,219 each year. This unfunded appropriation is being requested in the event that savings from Miscellaneous Agencies Fund Account become available.
- Additional appropriation of \$1 million each year of the biennium in Grants and Aid in Waste/Sewer/Solid Waste (Funds Center 924). This level is necessary to provide for an increase in waste/sewer/solid water loans. This appropriation is 100% funded from loan repayments.

Conservation Division

Functions of this division include oversight of the 75 Conservation Districts including fiscal management and program planning; registration of surface water and groundwater usage; administration of a tax credit program, creation of surface water storage, reduction of ground water use; and administrative support of the Board of Registration for Soil Classifiers. In addition this division also performs geographic information system analyses and data acquisition. The Nutrient Management Program was implemented to oversee the Poultry Feeding Operations Registration Program and the certification of Nutrient Planners and Applicators.

No Change Levels are requested for this Division.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS NATURAL RESOURCES COMMISSION
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

None

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	43	31	74	89 %
Black Employees	3	6	9	11 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			9	11 %
Total Employees			83	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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
129 Beaver Eradication Program	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0
1AA Dam Inventory	118,515	1	198,599	1	198,081	1	198,851	1	208,851	1	208,851	1	198,851	1	208,851	1	208,851	1
1EE Water, Waste Disposal, Pollution Abatement	9,202,618	5	90,303,317	5	90,320,728	5	90,304,707	5	90,304,707	5	90,304,707	5	90,304,707	5	90,304,707	5	90,304,707	5
262 Natural Resources Commission-Operations	3,472,562	28	3,404,382	27	3,458,627	27	3,425,706	27	3,425,706	27	3,425,706	27	3,426,805	27	3,426,805	27	3,426,805	27
263 Grants and Attorney Services	88,046	0	91,711	0	91,711	0	91,711	0	91,711	0	91,711	0	91,711	0	91,711	0	91,711	0
2BU Flood Insurance Program	121,945	2	455,128	3	356,349	2	358,482	2	3,206,786	3	3,206,786	3	358,482	2	3,206,786	3	3,206,786	3
2GE Water/Sewer/Solid Waste-State	47,002	0	82,248	0	736,219	0	82,248	0	736,219	0	736,219	0	82,248	0	736,219	0	736,219	0
2RG Water Quality Implementation	1,830,076	5	1,831,382	5	2,245,646	5	1,833,509	5	2,233,509	5	2,233,509	5	1,833,509	5	2,233,509	5	2,233,509	5
381 Rural Fire Protection Program	175,000	0	175,000	0	1,100,000	0	175,000	0	1,100,000	0	1,100,000	0	175,000	0	1,100,000	0	1,100,000	0
383 Conservation District Grants	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
420 Natural Resources Comm-Cash	4,125,844	24	8,150,774	25	7,914,081	25	8,135,665	25	8,235,665	25	8,235,665	25	8,136,642	25	8,236,642	25	8,236,642	25
475 Red River Levee Rehabilitation Project	90,427	1	3,458,254	2	3,534,270	3	3,458,753	2	3,458,753	2	3,458,753	2	3,458,753	2	3,458,753	2	3,458,753	2
527 Construction Asst Revolving Loan Fund Program	3,537,666	13	1,173,307	15	1,189,380	15	1,178,349	15	1,178,349	15	1,178,349	15	1,179,202	15	1,179,202	15	1,179,202	15
659 Ouachita River Waterways Projects	25,000	0	84,675	0	124,675	0	84,675	0	84,675	0	84,675	0	84,675	0	84,675	0	84,675	0
808 Water Research	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0
822 Conservation District Clerks' Insurance	374,400	0	374,400	0	374,400	0	374,400	0	374,400	0	374,400	0	374,400	0	374,400	0	374,400	0
924 Water/Sewer/Solid Waste	4,423,102	0	5,000,000	0	5,000,000	0	5,000,000	0	6,000,000	0	6,000,000	0	5,000,000	0	6,000,000	0	6,000,000	0
997 NonPoint Source Pollution Control Program	4,103,571	9	6,734,591	11	6,875,840	11	6,686,778	11	6,737,778	11	6,737,778	11	6,686,778	11	6,737,778	11	6,737,778	11
Total	32,178,574	88	121,960,568	93	123,962,807	93	121,831,634	92	127,819,909	93	127,819,909	93	121,834,563	92	127,822,838	93	127,822,838	93

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	26,648,113	36.6	40,656,241	29.7	14,883,538	11.4	14,883,538	11.1	14,883,538	11.1	9,039,120	7.2	8,039,120	6.3	8,039,120	6.3	
General Revenue	4000010	6,302,564	8.7	6,401,923	4.7	6,425,374	4.9	6,425,374	4.8	6,425,374	4.8	6,426,473	5.1	6,426,473	5.1	6,426,473	5.1	
Federal Revenue	4000020	7,881,697	10.8	8,561,625	6.3	8,422,460	6.4	11,331,764	8.5	11,331,764	8.5	8,423,313	6.7	11,332,617	8.9	11,332,617	8.9	
Cash Fund	4000045	5,259,719	7.2	4,300,000	3.1	5,600,000	4.3	5,700,000	4.3	5,700,000	4.3	5,600,000	4.5	5,700,000	4.5	5,700,000	4.5	
Merit Adjustment Fund	4000055	140,560	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Bond Proceeds	4000125	24,930,885	34.2	64,224,317	46.9	80,254,707	61.4	80,254,707	60.0	80,254,707	60.0	80,254,707	64.2	80,254,707	63.2	80,254,707	63.2	
Interest	4000300	85,856	0.1	150,000	0.1	150,000	0.1	150,000	0.1	150,000	0.1	150,000	0.1	150,000	0.1	150,000	0.1	
Inter-agency Fund Transfer	4000316	(1,000,000)	(1.4)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Loan Repayment	4000330	2,516,791	3.5	12,500,000	9.1	15,000,000	11.5	15,000,000	11.2	15,000,000	11.2	15,000,000	12.0	15,000,000	11.8	15,000,000	11.8	
Trust Fund Interest	4000705	68,630	0.1	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	
Total Funds		72,834,815	100.0	136,844,106	100.0	130,786,079	100.0	133,795,383	100.0	133,795,383	100.0	124,943,613	100.0	126,952,917	100.0	126,952,917	100.0	

Excess Appropriation/(Funding)	(40,656,241)	(14,883,538)		(8,954,445)	(5,975,474)	(5,975,474)	(3,109,050)	869,921	869,921
Grand Total	32,178,574	121,960,568		121,831,634	127,819,909	127,819,909	121,834,563	127,822,838	127,822,838

The FY13 Budget amount exceeds the Authorized amount in appropriations 2BU - Flood Insurance Program and 420 - Natural Resources Comm-Cash due to salary and/or matching rate adjustments during the 20011-13 Biennium.

Variance in fund balance is due to unfunded appropriation in appropriation 659 - Ouachita River Waterways Projects.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
94	81	12	93	1	13.83 %	93	83	11	94	-1	10.75 %	93	83	11	94	-1	10.75 %

Budget Number of Positions exceeds the Authorized Number in FY12 and FY13 due to an additional position the agency received pursuant to the Miscellaneous Federal Grant Act.

Analysis of Budget Request

Appropriation: 129 - Beaver Eradication Program

Funding Sources: HUA - Miscellaneous Agencies Fund

The "Beaver Eradication Program" created under Act 630 of 1993 and coordinated by the Department of Finance and Administration and county governments is now called the "Conservation District Beaver Control Program," administered by the Arkansas Natural Resources Commission through Arkansas's conservation districts. This program reimburses conservation districts \$5 per beaver for payments they make to certified beaver harvesters. To receive grant funding through this program, conservation districts must submit a district beaver control plan to the Commission, who will allocate the available funding to districts according to their projected harvest, past participation, and other factors to ensure fairness. This program is funded entirely by general revenue.

The Agency Base Level Request includes appropriation and general revenue funding of \$150,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 129 - Beaver Eradication Program

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Total		150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Funding Sources										
General Revenue	4000010	150,000	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding		150,000	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		150,000	150,000		150,000	150,000	150,000	150,000	150,000	150,000

Analysis of Budget Request

Appropriation: 1AA - Dam Inventory

Funding Sources: FSC - Natural Resources Commission Federal

The Natural Resources Commission's Dam Inventory appropriation is used to conduct periodic inspections to determine the number and current condition of dams within the State's jurisdiction. The Commission maintains this information in a database and provides updated records to the Federal Emergency Management Agency. This appropriation is 100% federally funded.

Base Level includes appropriation of \$198,851 each year of the biennium with one (1) Regular position.

The Agency Change Level request includes Capital Outlay appropriation of \$10,000 each year to enable the agency to replace existing equipment.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1AA - Dam Inventory

Funding Sources: FSC - Natural Resources Commission Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	44,411	41,565	41,763	41,565	41,565	41,565	41,565	41,565	41,565
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	14,178	13,821	13,105	14,073	14,073	14,073	14,073	14,073	14,073
Operating Expenses	5020002	24,995	49,216	49,216	49,216	49,216	49,216	49,216	49,216	49,216
Conference & Travel Expenses	5050009	8,082	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	26,849	76,997	76,997	76,997	76,997	76,997	76,997	76,997	76,997
Capital Outlay	5120011	0	0	0	0	10,000	10,000	0	10,000	10,000
Total		118,515	198,599	198,081	198,851	208,851	208,851	198,851	208,851	208,851
Funding Sources										
Federal Revenue	4000020	118,515	198,599		198,851	208,851	208,851	198,851	208,851	208,851
Total Funding		118,515	198,599		198,851	208,851	208,851	198,851	208,851	208,851
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		118,515	198,599		198,851	208,851	208,851	198,851	208,851	208,851

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

Appropriation: 1AA - Dam Inventory

Funding Sources: FSC - Natural Resources Commission Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	198,851	1	198,851	100.0	198,851	1	198,851	100.0
C01	Existing Program	10,000	0	208,851	105.0	10,000	0	208,851	105.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	198,851	1	198,851	100.0	198,851	1	198,851	100.0
C01	Existing Program	10,000	0	208,851	105.0	10,000	0	208,851	105.0

Justification

C01	The Agency Request includes Capital Outlay appropriation in the amount of \$10,000 each year to enable the agency to replace existing equipment for the federally funded Dam Inventory Program.
-----	---

Analysis of Budget Request

Appropriation: 1EE - Water, Waste Disposal, Pollution Abatement

Funding Sources: TPW - Water, Waste Disposal and Pollution Abatement Construction Fund

The Water, Waste Disposal and Pollution Abatement Program provides low interest rate loans to communities for water resources and waste disposal projects. The program is funded from the sale of Water, Waste Disposal and Pollution Abatement General Obligation Bonds, loan repayments and interest income.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation of \$90,304,707 each year of the biennium with five (5) Regular positions. This Base Level request includes \$90 million authorized for Project Disbursements. This level is necessary to ensure that the agency has enough appropriation if there is a large sale of Water, Waste Disposal and Pollution Abatement General Obligation Bonds during any particular fiscal year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1EE - Water, Waste Disposal, Pollution Abatement

Funding Sources: TPW - Water, Waste Disposal and Pollution Abatement Construction Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	226,808	225,852	244,132	225,952	225,952	225,952	225,952	225,952	225,952
#Positions		5	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	71,859	73,065	72,196	74,355	74,355	74,355	74,355	74,355	74,355
Operating Expenses	5020002	937	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Project Disbursements	5900046	8,903,014	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000
Total		9,202,618	90,303,317	90,320,728	90,304,707	90,304,707	90,304,707	90,304,707	90,304,707	90,304,707

Funding Sources										
Fund Balance	4000005	76,801	16,029,000		0	0	0	0	0	0
Bond Proceeds	4000125	24,930,885	64,224,317		80,254,707	80,254,707	80,254,707	80,254,707	80,254,707	80,254,707
Loan Repayment	4000330	155,302	10,000,000		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Trust Fund Interest	4000705	68,630	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding		25,231,618	90,303,317		90,304,707	90,304,707	90,304,707	90,304,707	90,304,707	90,304,707
Excess Appropriation/(Funding)		(16,029,000)	0		0	0	0	0	0	0
Grand Total		9,202,618	90,303,317		90,304,707	90,304,707	90,304,707	90,304,707	90,304,707	90,304,707

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Analysis of Budget Request

Appropriation: 262 - Natural Resources Commission-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The State Operations appropriation provides administrative support for the Arkansas Natural Resources Commission and is funded entirely by general revenue.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

The Agency Base Level Request includes appropriation and general revenue funding of \$3,425,706 in FY14 and \$3,426,805 in FY15 with 27 Regular positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 262 - Natural Resources Commission-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,568,546	1,469,847	1,537,917	1,481,750	1,481,750	1,481,750	1,482,650	1,482,650	1,482,650
#Positions		28	27	27	27	27	27	27	27	27
Personal Services Matching	5010003	442,603	447,238	433,413	456,659	456,659	456,659	456,858	456,858	456,858
Operating Expenses	5020002	374,501	400,379	400,379	400,379	400,379	400,379	400,379	400,379	400,379
Conference & Travel Expenses	5050009	10,159	10,165	10,165	10,165	10,165	10,165	10,165	10,165	10,165
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	939,990	939,990	939,990	939,990	939,990	939,990	939,990	939,990	939,990
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Surveys & Investigations	5900046	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900
Water Planning	5900047	130,981	130,981	130,981	130,981	130,981	130,981	130,981	130,981	130,981
Research Project	5900048	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882
Total		3,472,562	3,404,382	3,458,627	3,425,706	3,425,706	3,425,706	3,426,805	3,426,805	3,426,805
Funding Sources										
General Revenue	4000010	3,363,921	3,404,382		3,425,706	3,425,706	3,425,706	3,426,805	3,426,805	3,426,805
Merit Adjustment Fund	4000055	108,641	0		0	0	0	0	0	0
Total Funding		3,472,562	3,404,382		3,425,706	3,425,706	3,425,706	3,426,805	3,426,805	3,426,805
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,472,562	3,404,382		3,425,706	3,425,706	3,425,706	3,426,805	3,426,805	3,426,805

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Analysis of Budget Request

Appropriation: 263 - Grants and Attorney Services

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Grants and Attorney Services appropriation provides for Arkansas's share of operating grants for three river and watershed compacts (the River Basin Compact, the Arkansas River Compact and the Red River Compact), provides for travel and stipend expenses for commission members, supports conservation projects, and provides for special legal assistance concerning water rights. This program is funded entirely by general revenue.

The Agency Base Level Request includes appropriation and general revenue funding of \$91,711 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 263 - Grants and Attorney Services

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	42,820	42,820	42,820	42,820	42,820	42,820	42,820	42,820	42,820
Legal Counsel	5900040	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871
Committee/Commission Exp	5900041	6,335	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Conservation Projects	5900046	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Arkansas River Compact	5900047	17,800	17,800	17,800	17,800	17,800	17,800	17,800	17,800	17,800
Red River Compact	5900048	11,720	11,720	11,720	11,720	11,720	11,720	11,720	11,720	11,720
Total		88,046	91,711	91,711	91,711	91,711	91,711	91,711	91,711	91,711
Funding Sources										
General Revenue	4000010	88,046	91,711		91,711	91,711	91,711	91,711	91,711	91,711
Total Funding		88,046	91,711		91,711	91,711	91,711	91,711	91,711	91,711
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		88,046	91,711		91,711	91,711	91,711	91,711	91,711	91,711

Analysis of Budget Request

Appropriation: 2BU - Flood Insurance Program

Funding Sources: FSC - Natural Resources Commission Federal

The Natural Resources Commission's Flood Insurance Program is funded entirely by federal revenues granted to the Commission by the Federal Emergency Management Agency (FEMA) within the U.S. Department of Homeland Security. The Commission uses this appropriation to provide a community flood insurance assistance program and to provide grant funding to Arkansas Geographic Information Office (GIS) to support the FEMA Flood Map Modernization Program.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation of \$358,482 in each year of the biennium with two (2) Regular positions and one (1) Extra Help position.

The Agency's Change Level Request includes additional appropriation of \$2,848,304 each year of the biennium for the following:

- Restoration of one (1) new Arkansas Natural Heritage Commission Program Coordinator Position (Grade C119) established by a Miscellaneous Federal Grant in FY12 and FY13. This position supports Community Assistance Program - State Supported Services Element (CAP-SSSE) Program Grant from the Federal Emergency Management Agency (FEMA). The program provides a means to ensure that communities participating in the National Flood Insurance Program (NFIP) are achieving the flood loss reduction goals. This request includes:
 - \$35,554 in Regular Salaries
 - \$12,750 in Personal Services Matching
- Restoration of Miscellaneous Federal Grant appropriation authorized in FY13 for federal grant from the Federal Emergency Management Agency (FEMA) for the Cooperating Technical Partners (CTP) Program. This program is expected to grow over the next two years, and the appropriation will enable the agency to execute a Professional Services Contract for Engineering Services to provide up-to-date flood hazard maps and other flood hazard information. This request includes:
 - \$1,800,000 in Professional Fees
 - \$190,000 in Operating Expenses
 - \$10,000 in Capital Outlay
- Additional appropriation of \$800,000 for a new Federal Program funded by the Federal Emergency Management Agency (FEMA) for the

Repetitive Flood Claims (RFC) Program. This program provides funding to states and communities to assist in their efforts to reduce or eliminate the risk of repetitive flood damage to buildings and structures insurable under the National Flood Insurance Program. This request includes:

- \$700,000 in Grants and Aid
- \$90,000 in Operating Expenses
- \$10,000 in Capital Outlay

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2BU - Flood Insurance Program
Funding Sources: FSC - Natural Resources Commission Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	66,955	116,897	81,343	81,343	116,897	116,897	81,343	116,897	116,897
#Positions	2	3	2	2	3	3	2	3	3
Extra Help 5010001	2,073	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	23,827	39,621	26,396	28,529	41,279	41,279	28,529	41,279	41,279
Operating Expenses 5020002	19,697	64,039	46,039	46,039	326,039	326,039	46,039	326,039	326,039
Conference & Travel Expenses 5050009	9,393	22,571	22,571	22,571	22,571	22,571	22,571	22,571	22,571
Professional Fees 5060010	0	32,000	0	0	1,800,000	1,800,000	0	1,800,000	1,800,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	0	170,000	170,000	170,000	870,000	870,000	170,000	870,000	870,000
Capital Outlay 5120011	0	0	0	0	20,000	20,000	0	20,000	20,000
Total	121,945	455,128	356,349	358,482	3,206,786	3,206,786	358,482	3,206,786	3,206,786
Funding Sources									
Federal Revenue 4000020	121,945	455,128		358,482	3,206,786	3,206,786	358,482	3,206,786	3,206,786
Total Funding	121,945	455,128		358,482	3,206,786	3,206,786	358,482	3,206,786	3,206,786
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	121,945	455,128		358,482	3,206,786	3,206,786	358,482	3,206,786	3,206,786

Budget exceeds Authorized Appropriation in Regular Salaries, Personal Services Matching, Operating Expenses and Professional Fees due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

Appropriation: 2BU - Flood Insurance Program
Funding Sources: FSC - Natural Resources Commission Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	358,482	2	358,482	100.0	358,482	2	358,482	100.0
C01	Existing Program	2,000,000	0	2,358,482	657.9	2,000,000	0	2,358,482	657.9
C02	New Program	800,000	0	3,158,482	881.1	800,000	0	3,158,482	881.1
C06	Restore Position/Approp	48,304	1	3,206,786	894.5	48,304	1	3,206,786	894.5

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	358,482	2	358,482	100.0	358,482	2	358,482	100.0
C01	Existing Program	2,000,000	0	2,358,482	657.9	2,000,000	0	2,358,482	657.9
C02	New Program	800,000	0	3,158,482	881.1	800,000	0	3,158,482	881.1
C06	Restore Position/Approp	48,304	1	3,206,786	894.5	48,304	1	3,206,786	894.5

Justification

C01	The agency request includes the restoration of MFG appropriation authorized in FY13 for federal grant from Federal Emergency Management Agency (FEMA) for the Cooperating Technical Partners (CTP) Program. This program will enable the agency to execute a Professional Services Contract for Engineering Services to provide up to date flood hazard maps and other flood hazard information. Although the initial grant of \$50,000 in FY13 provided for scoping services, we anticipate that this program will grow substantially over the next two years. Consequently, the Agency Request includes additional appropriation totaling \$2 million each year to support this program. This request includes \$1.8 million in Professional Fees, \$190,000 in Operating Expenses and \$10,000 in Capital Outlay.
C02	The agency request includes the additional appropriation of \$800,000 for a new Federal Program funded by the Federal Emergency Management Agency (FEMA) for the Repetitive Flood Claims (RFC) Program. This program provides funding to states and communities to assist in their efforts to reduce or eliminate the risk of repetitive flood damage to buildings and structures insurable under the National Flood Insurance Program. This request provides for \$700,000 in Grants in Aid, \$90,000 in Operating Expenses, and \$10,000 in Capital Outlay.
C06	The Agency Request includes the Restoration of one new ANRC Program Coordinator position (Grade C119) established by an MFG in FY12 and FY13. This position supports the Community Assistance Program - State Supported Services Element (CAP-SSSE) Program Grant from the Federal Emergency Management Agency (FEMA). The purpose of this program is to provide a means to ensure that communities participating in the National Flood Insurance Program (NFIP) are achieving the flood loss reduction goals of the NFIP.

Analysis of Budget Request

Appropriation: 2GE - Water/Sewer/Solid Waste-State

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Water, Sewer, and Solid Waste - State appropriation provides funding for water, sewer, and solid waste projects that improve or provide basic infrastructure for Arkansas's rural communities. Special language provides for any obligated funds in this account that are not expended by the close of each fiscal year to be transferred to the Commission's Water, Sewer, and Solid Waste Revolving Fund account for later expenditure toward obligated projects. This program is funded entirely by general revenue.

Base Level includes Grants and Aid appropriation of \$82,248 each year of the biennium.

The Agency Change Level Request includes unfunded Grants and Aid appropriation of \$653,971 each year of the biennium to restore the Water, Sewer and Solid Waste Grants appropriation to its previously authorized level. This additional appropriation would be used in the event that savings from the Miscellaneous Agencies Fund Account become available.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2GE - Water/Sewer/Solid Waste-State

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	47,002	82,248	736,219	82,248	736,219	736,219	82,248	736,219	736,219
Total	47,002	82,248	736,219	82,248	736,219	736,219	82,248	736,219	736,219
Funding Sources									
General Revenue 4000010	47,002	82,248		82,248	82,248	82,248	82,248	82,248	82,248
Total Funding	47,002	82,248		82,248	82,248	82,248	82,248	82,248	82,248
Excess Appropriation/(Funding)	0	0		0	653,971	653,971	0	653,971	653,971
Grand Total	47,002	82,248		82,248	736,219	736,219	82,248	736,219	736,219

Change Level by Appropriation

Appropriation: 2GE - Water/Sewer/Solid Waste-State
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	82,248	0	82,248	100.0	82,248	0	82,248	100.0
C05	Unfunded Appropriation	653,971	0	736,219	895.1	653,971	0	736,219	895.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	82,248	0	82,248	100.0	82,248	0	82,248	100.0
C05	Unfunded Appropriation	653,971	0	736,219	895.1	653,971	0	736,219	895.1

Justification

C05	The Agency Request includes unfunded appropriation of \$653,971 each year to use in the event that savings from the Miscellaneous Agencies fund Account become available.
-----	---

Analysis of Budget Request

Appropriation: 2RG - Water Quality Implementation

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Water Quality Plan Implementation Program provides matching for federal funds in the U.S. Environmental Protection Agency (EPA) Section 319 Nonpoint Source Pollution Abatement Program, as well as matching for the EPA Clean Lakes Program and Corps of Engineers projects. This program is funded entirely by general revenue.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation and general revenue funding of \$1,833,509 in each year of the biennium with five (5) regular positions. This includes \$750,000 authorized for Water Quality Technicians.

The Agency Change Level Request includes unfunded appropriation of \$400,000 each year of the biennium. This will provide additional appropriation of \$200,000 each for both the Grants and Aid line item and the Water Quality Technician line item. This will enable the Agency to utilize any funds carried forward to support the amount of obligated grants that are certified for Water Quality Match Grants and Water Quality Technicians.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2RG - Water Quality Implementation

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	247,999	239,184	255,082	239,884	239,884	239,884	239,884	239,884	239,884
#Positions		5	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	76,386	75,998	74,364	77,425	77,425	77,425	77,425	77,425	77,425
Operating Expenses	5020002	1,472	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Conference & Travel Expenses	5050009	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	788,297	762,000	962,000	762,000	962,000	962,000	762,000	962,000	962,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Water Quality Technician	5900046	714,922	750,000	950,000	750,000	950,000	950,000	750,000	950,000	950,000
Total		1,830,076	1,831,382	2,245,646	1,833,509	2,233,509	2,233,509	1,833,509	2,233,509	2,233,509

Funding Sources										
Fund Balance	4000005	61,046	74,284		74,284	74,284	74,284	74,284	74,284	74,284
General Revenue	4000010	1,811,395	1,831,382		1,833,509	1,833,509	1,833,509	1,833,509	1,833,509	1,833,509
Merit Adjustment Fund	4000055	31,919	0		0	0	0	0	0	0
Total Funding		1,904,360	1,905,666		1,907,793	1,907,793	1,907,793	1,907,793	1,907,793	1,907,793
Excess Appropriation/(Funding)		(74,284)	(74,284)		(74,284)	325,716	325,716	(74,284)	325,716	325,716
Grand Total		1,830,076	1,831,382		1,833,509	2,233,509	2,233,509	1,833,509	2,233,509	2,233,509

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

Appropriation: 2RG - Water Quality Implementation
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,833,509	5	1,833,509	100.0	1,833,509	5	1,833,509	100.0
C05	Unfunded Appropriation	400,000	0	2,233,509	121.8	400,000	0	2,233,509	121.8

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,833,509	5	1,833,509	100.0	1,833,509	5	1,833,509	100.0
C05	Unfunded Appropriation	400,000	0	2,233,509	121.8	400,000	0	2,233,509	121.8

Justification

C05	The Agency Request includes additional unfunded appropriation in the amount of \$400,000 each year of the biennium. Prior to the 87th Regular Session of 2009, the Agency had a special language provision that authorized the carryforward of appropriation and funds from the first fiscal year to the second to support the amount of obligated grants that are certified for Water Quality Match Grants and Water Quality Technicians. However, due to the passage of Amendment 86 requiring annual sessions, the Legislative Recommendation was to discontinue Special Language provisions for carry forward of appropriation, leaving only the provision for the carryforward of funds. This Request will provide additional appropriation of \$200,000 each for both the Grants and Aid line item and the Water Quality Technician line item. This request will enable the Agency to utilize any funds carried forward to support the amount of obligated grants that are certified for Water Quality Match Grants and Water Quality Technicians.
-----	--

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2012 TO FISCAL YEAR 2013**

Agency: Natural Resources Commission

Program: Water Quality Implementation

Act #: 535 Section(s) #: 7, 22 & 23

Estimated Carry Forward Amount \$ 30,000.00 Funding Source: Miscellaneous Agencies

Accounting Information:

Business Area: 0455 Funds Center: 2RG Fund: hua Functional Area: COMM

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Special language authorizes the carry forward of funds to support the amount of obligated grants that are certified by the agency for Matching Grants and Water Quality Technicians in the Water Quality Plan Implementation appropriation. All funding was obligated in FY12.

Actual Funding Carry Forward Amount \$ 74,284.40

Current status of carry forward funding:

The total amount actually carried forward from FY12 to FY13 was \$74,284.40. As required by special language, these funds were carried forward to support the amount of obligated grants certified for the Matching Grants and Water Quality Technicians in the appropriation entitled "Water Quality Plan Implementation."

Randy Young

Director

11-07-2012

Date

Analysis of Budget Request

Appropriation: 381 - Rural Fire Protection Program

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Rural Fire Protection Program provides assistance to rural communities to develop rural water impoundments and to improve firefighting capabilities. The agency disburses the entire allotment to the Arkansas Association of Resource Conservation and Development Council (AARCDC) located in Roland, Arkansas, which is an organization designed to assist rural communities solve problems and develop new opportunities. The AARCDC determines which local fire departments and political subdivisions will be assisted. This program is funded entirely by general revenue.

Base Level includes Grants and Aid appropriation for the Rural Fire Protection Program and general revenue funding of \$175,000 each year of the biennium.

The Agency Change Level Request includes unfunded Grants and Aid appropriation of \$925,000 each year of the biennium to restore this appropriation to its previously authorized level. This will be used in the event that savings from the Miscellaneous Agencies Fund Account become available.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 381 - Rural Fire Protection Program

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	175,000	175,000	1,100,000	175,000	1,100,000	1,100,000	175,000	1,100,000	1,100,000
Total		175,000	175,000	1,100,000	175,000	1,100,000	1,100,000	175,000	1,100,000	1,100,000
Funding Sources										
General Revenue	4000010	175,000	175,000		175,000	175,000	175,000	175,000	175,000	175,000
Total Funding		175,000	175,000		175,000	175,000	175,000	175,000	175,000	175,000
Excess Appropriation/(Funding)		0	0		0	925,000	925,000	0	925,000	925,000
Grand Total		175,000	175,000		175,000	1,100,000	1,100,000	175,000	1,100,000	1,100,000

Change Level by Appropriation

Appropriation: 381 - Rural Fire Protection Program
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	175,000	0	175,000	100.0	175,000	0	175,000	100.0
C05	Unfunded Appropriation	925,000	0	1,100,000	628.6	925,000	0	1,100,000	628.6

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	175,000	0	175,000	100.0	175,000	0	175,000	100.0
C05	Unfunded Appropriation	925,000	0	1,100,000	628.6	925,000	0	1,100,000	628.6

Justification

C05	The agency requests unfunded appropriation in the event that savings from the Miscellaneous Agencies Fund Account become available.
-----	---

Analysis of Budget Request

Appropriation: 383 - Conservation District Grants

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Conservation District Program provides grants to conservation districts throughout the State for the purpose of enhancing the capability of conservation districts to carry out conservation within their respective district. Projects eligible for grant funds must carry out resource enhancement, restoration or protection and must be new or in addition to those projects in which a district is currently involved. Projects intended to replace existing programs are not eligible for grant funding. The maximum total grant per district is \$25,000 per year, and grant funds must be matched by local cash funds on a ratio of \$1 local to \$2 grant. This grant program is funded entirely from general revenue.

The Agency Base Level Request includes appropriation of \$250,000 each year for Grants to Conservation Districts.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 383 - Conservation District Grants

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Funding Sources									
General Revenue 4000010	250,000	250,000		250,000	250,000	250,000	250,000	250,000	250,000
Total Funding	250,000	250,000		250,000	250,000	250,000	250,000	250,000	250,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	250,000	250,000		250,000	250,000	250,000	250,000	250,000	250,000

Analysis of Budget Request

Appropriation: 420 - Natural Resources Comm-Cash

Funding Sources: NSW - Cash in Treasury

The Natural Resources Commission - Cash appropriation provides for the Safe Drinking Water Program and the Water Grants Program. These programs provide administration for safe drinking water projects that are funded through activities of the Arkansas Development Finance Authority. As authorized in Arkansas Code §15-22-1102, funds are transferred from Arkansas Development Finance Authority to the Natural Resources Commission Cash Account for maintenance and support of this program. Additional funding primarily consists of fees, principal and interest payments on previous loans and interest income earned on investments.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation of \$8,135,665 in FY14 and \$8,136,642 in FY15 with 25 Regular positions and 5 Extra Help positions.

The Agency Change Level request includes the following:

- Reclassification of one (1) position from A091C - Fiscal Support Analyst (C115) to G126C - Finance Program Coordinator (C120). This position supports the Administration/Finance section of the Agency and is responsible for overseeing the water, sewer, solid waste, water development and general obligation bond loans to water and sewer systems. Additional accounting related duties are being added to this position. This request will ensure that the job title accurately reflects job duties.
- Capital Outlay appropriation of \$100,000 each year of the biennium. This request will enable the agency to purchase equipment to support the development and maintenance of the two mitigation banks currently established.

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

Appropriation Summary

Appropriation: 420 - Natural Resources Comm-Cash

Funding Sources: NSW - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,055,293	1,092,902	927,274	1,075,289	1,075,289	1,075,289	1,076,089	1,076,089	1,076,089
#Positions		24	25	25	25	25	25	25	25	25
Extra Help	5010001	20,332	30,800	30,800	30,800	30,800	30,800	30,800	30,800	30,800
#Extra Help		3	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	338,572	359,722	288,657	362,226	362,226	362,226	362,403	362,403	362,403
Operating Expenses	5020002	278,077	333,331	333,331	333,331	333,331	333,331	333,331	333,331	333,331
Conference & Travel Expenses	5050009	20,781	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Professional Fees	5060010	8,574	110,002	110,002	110,002	110,002	110,002	110,002	110,002	110,002
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,388,519	6,097,017	6,097,017	6,097,017	6,097,017	6,097,017	6,097,017	6,097,017	6,097,017
Capital Outlay	5120011	785,480	0	0	0	100,000	100,000	0	100,000	100,000
Training/Contract Services	5900043	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
ARRA of 2009	5900052	125,216	0	0	0	0	0	0	0	0
Total		4,125,844	8,150,774	7,914,081	8,135,665	8,235,665	8,235,665	8,136,642	8,236,642	8,236,642
Funding Sources										
Fund Balance	4000005	7,821,121	8,954,996		5,104,222	5,104,222	5,104,222	2,568,557	2,568,557	2,568,557
Cash Fund	4000045	5,259,719	4,300,000		5,600,000	5,700,000	5,700,000	5,600,000	5,700,000	5,700,000
Total Funding		13,080,840	13,254,996		10,704,222	10,804,222	10,804,222	8,168,557	8,268,557	8,268,557
Excess Appropriation/(Funding)		(8,954,996)	(5,104,222)		(2,568,557)	(2,568,557)	(2,568,557)	(31,915)	(31,915)	(31,915)
Grand Total		4,125,844	8,150,774		8,135,665	8,235,665	8,235,665	8,136,642	8,236,642	8,236,642

Change Level by Appropriation

Appropriation: 420 - Natural Resources Comm-Cash
Funding Sources: NSW - Cash in Treasury

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	8,135,665	25	8,135,665	100.0	8,136,642	25	8,136,642	100.0
C01	Existing Program	100,000	0	8,235,665	101.2	100,000	0	8,236,642	101.2
C10	Reclass	0	0	8,235,665	101.2	0	0	8,236,642	101.2

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	8,135,665	25	8,135,665	100.0	8,136,642	25	8,136,642	100.0
C01	Existing Program	100,000	0	8,235,665	101.2	100,000	0	8,236,642	101.2
C10	Reclass	0	0	8,235,665	101.2	0	0	8,236,642	101.2

Justification

C01	The Arkansas Wetland Mitigation Bank Program is a state-sponsored initiative aimed at providing off-site mitigation opportunities to Section 404 (Clean Water Act) permit recipients required to provide compensatory mitigation for impacts of approved wetland projects. Arkansas statutes allow the state to acquire degraded wetlands and restore the wetland functions by reestablishing the wetland hydrology and vegetation. This request will enable the Arkansas Natural Resources Commission to purchase equipment to support the development and maintenance of the two mitigation banks currently established by the Agency.
C10	The Agency Request includes the reclassification of one (1) position from A091C- Fiscal Support Analyst (C115) to G126C-Finance Program Coordinator (C120). This position supports the Administration/Finance Section of the Agency and is responsible for overseeing the water, sewer, solid waste, water development and general obligation bond loans to water and sewer systems. Additional accounting related duties are being added to this position. This request will ensure that the job title accurately reflect the job duties.

Analysis of Budget Request

Appropriation: 475 - Red River Levee Rehabilitation Project

Funding Sources: TWP - Red River Waterways Project Trust Fund

The Red River Levee Rehabilitation Project appropriation is used for navigation feasibility study expenses and bank stabilization work on the Red River in Southwest Arkansas. The focus of this program is to determine the probable volume of commerce that would be conducted via the Red River as a navigable waterway. The study is performed in conjunction with the U.S. Army Corps of Engineers on a cost sharing basis. Funding for this program consists of interest income earned on trust funds that have accumulated in the Red River Waterways Project Trust Fund.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level Request includes appropriation of \$3,458,753 each year of the biennium with two (2) regular positions. This includes appropriation of \$1,372,828 for the Study Expenses line item. This level is necessary to ensure that the agency has enough appropriation if the U.S. Army Corps of Engineers moves forward with the navigation feasibility study during any particular fiscal year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 475 - Red River Levee Rehabilitation Project
Funding Sources: TWP - Red River Waterways Project Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	39,586	62,355	122,862	62,355	62,355	62,355	62,355	62,355	62,355
#Positions		1	2	3	2	2	2	2	2	2
Personal Services Matching	5010003	22,505	23,071	38,580	23,570	23,570	23,570	23,570	23,570	23,570
Grants and Aid	5100004	0	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Study Expenses	5900046	28,336	1,372,828	1,372,828	1,372,828	1,372,828	1,372,828	1,372,828	1,372,828	1,372,828
Total		90,427	3,458,254	3,534,270	3,458,753	3,458,753	3,458,753	3,458,753	3,458,753	3,458,753
Funding Sources										
Fund Balance	4000005	11,494,920	10,490,349		7,182,095	7,182,095	7,182,095	3,873,342	3,873,342	3,873,342
Interest	4000300	85,856	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Inter-agency Fund Transfer	4000316	(1,000,000)	0		0	0	0	0	0	0
Total Funding		10,580,776	10,640,349		7,332,095	7,332,095	7,332,095	4,023,342	4,023,342	4,023,342
Excess Appropriation/(Funding)		(10,490,349)	(7,182,095)		(3,873,342)	(3,873,342)	(3,873,342)	(564,589)	(564,589)	(564,589)
Grand Total		90,427	3,458,254		3,458,753	3,458,753	3,458,753	3,458,753	3,458,753	3,458,753

Analysis of Budget Request

Appropriation: 527 - Construction Asst Revolving Loan Fund Program

Funding Sources: FSC - Natural Resources Commission Federal

The Construction Assistance Revolving Loan Fund Program monitors and approves the progress of projects employing low interest loans from the Natural Resources Commission that are used to provide clean water by reducing or eliminating elements of water borne pollution. Funding for this appropriation is 100% federal.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level Request includes appropriation of \$1,178,349 in FY14 and \$1,179,202 in FY15 with 15 Regular positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 527 - Construction Asst Revolving Loan Fund Program

Funding Sources: FSC - Natural Resources Commission Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	712,920	737,752	763,861	738,752	738,752	738,752	739,452	739,452	739,452
#Positions		13	15	15	15	15	15	15	15	15
Personal Services Matching	5010003	217,090	232,432	222,396	236,474	236,474	236,474	236,627	236,627	236,627
Operating Expenses	5020002	118,090	182,404	182,404	182,404	182,404	182,404	182,404	182,404	182,404
Conference & Travel Expenses	5050009	7,062	7,219	7,219	7,219	7,219	7,219	7,219	7,219	7,219
Professional Fees	5060010	0	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
ARRA of 2009	5900052	2,482,504	0	0	0	0	0	0	0	0
Total		3,537,666	1,173,307	1,189,380	1,178,349	1,178,349	1,178,349	1,179,202	1,179,202	1,179,202
Funding Sources										
Federal Revenue	4000020	3,537,666	1,173,307		1,178,349	1,178,349	1,178,349	1,179,202	1,179,202	1,179,202
Total Funding		3,537,666	1,173,307		1,178,349	1,178,349	1,178,349	1,179,202	1,179,202	1,179,202
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,537,666	1,173,307		1,178,349	1,178,349	1,178,349	1,179,202	1,179,202	1,179,202

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Analysis of Budget Request

Appropriation: 659 - Ouachita River Waterways Projects

Funding Sources: TWO - Ouachita River Waterways Project Trust Fund

The Natural Resources Commission's Ouachita River Waterways Projects Program provides grant funding to the Ouachita River Park Commission to support the development of recreational facilities, parks, and services along the banks of the Ouachita River across South Arkansas. This appropriation is funded from the Ouachita River Waterways Project Trust Fund (A.C.A. 19-5-1109).

The Agency Base Level Request includes grants and aid appropriation \$84,675 each year of the biennium. Expenditure of appropriation in Fiscal Years 2014 and 2015 is contingent upon the carry forward of available funding from the previous fiscal year.

The Executive Recommendation provides for the the Agency Request.

Appropriation Summary

Appropriation: 659 - Ouachita River Waterways Projects

Funding Sources: TWO - Ouachita River Waterways Project Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	25,000	84,675	124,675	84,675	84,675	84,675	84,675	84,675	84,675
Total		25,000	84,675	124,675	84,675	84,675	84,675	84,675	84,675	84,675
Funding Sources										
Fund Balance	4000005	109,675	84,675		0	0	0	0	0	0
Total Funding		109,675	84,675		0	0	0	0	0	0
Excess Appropriation/(Funding)		(84,675)	0		84,675	84,675	84,675	84,675	84,675	84,675
Grand Total		25,000	84,675		84,675	84,675	84,675	84,675	84,675	84,675

This appropriation is funded from the current fund balance maintained in the Ouachita River Waterways Project Trust Fund (A.C.A. 19-5-1109). Expenditure of appropriation in FY14 and FY15 is contingent upon the carryforward of available funding each fiscal year.

Analysis of Budget Request

Appropriation: 808 - Water Research

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's appropriation for Water Research is used to provide grant funding to the U.S. Geological Survey to enable research using data collected and compiled in the Commission's water management and water quality programs. The appropriation is funded entirely by general revenue.

The Agency Base Level Request includes appropriation and general revenue funding of \$42,800 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 808 - Water Research

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	42,800	42,800	42,800	42,800	42,800	42,800	42,800	42,800	42,800
Total		42,800	42,800	42,800	42,800	42,800	42,800	42,800	42,800	42,800
Funding Sources										
General Revenue	4000010	42,800	42,800		42,800	42,800	42,800	42,800	42,800	42,800
Total Funding		42,800	42,800		42,800	42,800	42,800	42,800	42,800	42,800
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		42,800	42,800		42,800	42,800	42,800	42,800	42,800	42,800

Analysis of Budget Request

Appropriation: 822 - Conservation District Clerks' Insurance

Funding Sources: HUA - Miscellaneous Agencies Fund

Conservation district clerks are authorized by Arkansas Code Annotated §14-125-312 to take part in the State Employees Group Insurance Plan. This appropriation provides the State's matching portion of health insurance premiums and is funded entirely by general revenue.

The Agency Base Level Request includes Personal Services Matching appropriation of \$374,400 each year of the biennium. This includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month for the current budgeted level of 80 eligible district clerks.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 822 - Conservation District Clerks' Insurance

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Personal Services Matching 5010003	374,400	374,400	374,400	374,400	374,400	374,400	374,400	374,400	374,400
Total	374,400	374,400	374,400	374,400	374,400	374,400	374,400	374,400	374,400
Funding Sources									
General Revenue 4000010	374,400	374,400		374,400	374,400	374,400	374,400	374,400	374,400
Total Funding	374,400	374,400		374,400	374,400	374,400	374,400	374,400	374,400
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	374,400	374,400		374,400	374,400	374,400	374,400	374,400	374,400

Analysis of Budget Request

Appropriation: 924 - Water/Sewer/Solid Waste

Funding Sources: MAC - Water, Sewer, and Solid Waste Revolving Fund

The Water, Sewer, and Solid Waste-Revolving appropriation is used to provide grants, low interest loans and deferred loans to eligible entities to use for water, sewer, or solid waste management (§14-230-105). Eligible entities include cities, towns, counties, regional water districts, special improvement districts, public facilities boards, rural development authorities, rural waterworks facilities boards, other public entities and nonprofit corporations which provide water, sewer, or solid waste services to one or more cities, towns, or counties. The Maximum assistance is 50% of the total project cost. Funding for this appropriation consists of loan principal and interest repayments that are deposited into the Water, Sewer and Solid Waste Revolving Fund (§19-5-310).

Base Level includes Sewer and Solid Waste Grants and Aid appropriation of \$5,000,000 each year of the biennium.

The Agency Change Level request includes additional Sewer and Solid Waste Grants and Aid appropriation of \$1,000,000 each year of the biennium to provide for anticipated increases in the number of Water, Sewer and Solid Waste Projects.

The Executive Recommendation provides for the the Agency Request.

Appropriation Summary

Appropriation: 924 - Water/Sewer/Solid Waste
Funding Sources: MAC - Water, Sewer, and Solid Waste Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	4,423,102	5,000,000	5,000,000	5,000,000	6,000,000	6,000,000	5,000,000	6,000,000	6,000,000
Total		4,423,102	5,000,000	5,000,000	5,000,000	6,000,000	6,000,000	5,000,000	6,000,000	6,000,000
Funding Sources										
Fund Balance	4000005	7,084,550	5,022,937		2,522,937	2,522,937	2,522,937	2,522,937	1,522,937	1,522,937
Loan Repayment	4000330	2,361,489	2,500,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Funding		9,446,039	7,522,937		7,522,937	7,522,937	7,522,937	7,522,937	6,522,937	6,522,937
Excess Appropriation/(Funding)		(5,022,937)	(2,522,937)		(2,522,937)	(1,522,937)	(1,522,937)	(2,522,937)	(522,937)	(522,937)
Grand Total		4,423,102	5,000,000		5,000,000	6,000,000	6,000,000	5,000,000	6,000,000	6,000,000

Change Level by Appropriation

Appropriation: 924 - Water/Sewer/Solid Waste
Funding Sources: MAC - Water, Sewer, and Solid Waste Revolving Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	5,000,000	0	5,000,000	100.0	5,000,000	0	5,000,000	100.0
C01	Existing Program	1,000,000	0	6,000,000	120.0	1,000,000	0	6,000,000	120.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	5,000,000	0	5,000,000	100.0	5,000,000	0	5,000,000	100.0
C01	Existing Program	1,000,000	0	6,000,000	120.0	1,000,000	0	6,000,000	120.0

Justification

C01	This additional appropriation is necessary to provide for an increase in the number of projects funded from the Water, Sewer and Solid Waste Revolving Fund. This appropriation is 100% funded from loan repayments.								
-----	--	--	--	--	--	--	--	--	--

Analysis of Budget Request

Appropriation: 997 - NonPoint Source Pollution Control Program

Funding Sources: FSC - Natural Resources Commission Federal

This program reflects the federal side of the Natural Resources Commission's role in conducting the U.S. Environmental Protection Agency (EPA) Section 319 grant program to fund nonpoint source pollution management strategies. This appropriation is funded from federal funding from the EPA (the state match portion of this program is expensed in the Water Quality Plan Implementation Appropriation). The Arkansas Natural Resources Commission administers this program with an emphasis on funding best management practices in priority watersheds.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation of \$6,686,778 each year of the biennium with 11 Regular positions and 2 Extra Help positions.

The Agency Change Level Request includes Capital Outlay appropriation of \$51,000 each fiscal year to replace existing field equipment for Water Quality Projects.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 997 - NonPoint Source Pollution Control Program

Funding Sources: FSC - Natural Resources Commission Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	389,257	427,008	539,776	427,409	427,409	427,409	427,409	427,409	427,409
#Positions		9	11	11	11	11	11	11	11	11
Extra Help	5010001	1,978	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
#Extra Help		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	131,376	144,973	173,454	147,759	147,759	147,759	147,759	147,759	147,759
Operating Expenses	5020002	157,942	294,334	294,334	294,334	294,334	294,334	294,334	294,334	294,334
Conference & Travel Expenses	5050009	24,332	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Professional Fees	5060010	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	3,361,007	5,642,276	5,642,276	5,642,276	5,642,276	5,642,276	5,642,276	5,642,276	5,642,276
Capital Outlay	5120011	37,679	51,000	51,000	0	51,000	51,000	0	51,000	51,000
Total		4,103,571	6,734,591	6,875,840	6,686,778	6,737,778	6,737,778	6,686,778	6,737,778	6,737,778
Funding Sources										
Federal Revenue	4000020	4,103,571	6,734,591		6,686,778	6,737,778	6,737,778	6,686,778	6,737,778	6,737,778
Total Funding		4,103,571	6,734,591		6,686,778	6,737,778	6,737,778	6,686,778	6,737,778	6,737,778
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,103,571	6,734,591		6,686,778	6,737,778	6,737,778	6,686,778	6,737,778	6,737,778

Change Level by Appropriation

Appropriation: 997 - NonPoint Source Pollution Control Program
Funding Sources: FSC - Natural Resources Commission Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	6,686,778	11	6,686,778	100.0	6,686,778	11	6,686,778	100.0
C01	Existing Program	51,000	0	6,737,778	100.8	51,000	0	6,737,778	100.8

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	6,686,778	11	6,686,778	100.0	6,686,778	11	6,686,778	100.0
C01	Existing Program	51,000	0	6,737,778	100.8	51,000	0	6,737,778	100.8

Justification

C01	The Agency Request includes the restoration of Capital Outlay appropriation in the amount of \$51,000 each year to enable the agency to replace existing equipment.
-----	---