



## Update on divisions

**Revenue Division** – DFA analyzed a total 335 legislative bills and amendments that potentially affected DFA during this year’s session. In addition, DFA produced 237 Fiscal Impact Statements. We continue our focus on making Revenue Office services available online. Between 30 and 35 percent of Arkansans now renew their annual vehicle registration online. Services that are available online range from ordering a replacement driver’s license or ID to placing an order for a personalized license plate.

Regarding REAL ID, the Federal Government extended the date by which a REAL ID will be required to board a flight or enter a federal building to May 3, 2023 due to COVID-19.

More than 430,000 Arkansans now have a REAL ID, which may now be obtained at any of our 134 Revenue Offices throughout the state.

DFA closed out Fiscal Year 2021 with a record surplus of approximately \$1 billion. As a result, our balance in the Long-Term Reserve fund is now more than \$1.2 billion.

**Regulatory Division** - DFA’s Regulatory Division includes ABC Administration, ABC Enforcement, Tobacco Control and Medical Marijuana. A committee within this division has been formed to streamline the process through which permit holders renew annually. The team believes the process may be improved and simplified. This will include renewal for alcohol, tobacco and medical marijuana permits. Enforcement agents recently received updated firearms, safety vests and other personal equipment. A long-term equipment replacement plan is now in place.

**Scholarship Lottery** - DFA’s Scholarship Lottery Division just completed the fiscal year with \$106 million in proceeds for scholarships, a record for lottery since it was launched in 2009. Lottery games such as the Natural State Jackpot, Cash 3 and Cash 4 required lottery staff remain physically in the draw room for multiple drawings every day. However, Lottery recently implemented new machines that fully automated each number draw, making Arkansas one of seven states with this innovative technology. This ensures each draw is secure and random while also ensuring the draw will take place even in a scenario in which employees may not be on site due to weather or other factors.

**Office of Child Support** - The Office of Child Support portal through which parents make child support payments was initially designed to operate on a desktop computer when it was launched ten years ago. The portal was updated this year to operate conveniently and properly on each individual device, whether it's an i-phone, Android phone, i-pad, laptop or desktop computer. This ensures a better and less time-consuming experience for the customer.

**Office of Information Services (OIS)** - OIS is currently working closely with DFA's Budget team to launch a new Budget and Planning solution for the state. We believe this new system will streamline budget-related communication between agencies and DFA. It will also include real time updates from AASIS, the state's accounting system.

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### Significant Department Projects

**CARES Act Funding** – DFA's Accounting team distributed \$150 million from CARES to Arkansas cities and counties. The state also received \$1.25 billion from CARES for discretionary grants. DFA and the CARES Committee partnered with Arkansas-based CTEH to ensure proposals met formal U.S. Treasury requirements for an eligible project. Working closely with the legislature and the Governor's Office, the CARES Committee funded a wide variety of worthy projects. The remaining balance from the initial \$1.25 billion is now approximately \$154,000.

**American Rescue Plan Funding** - The state will receive \$1.57 billion in American Rescue Plan discretionary funding. Half of that amount was recently received from Treasury while the remaining portion will follow in a year.

We have again partnered with CTEH to ensure we are funding projects that clearly meet the thorough list of requirements from Treasury.

Additionally, DFA's Accounting team is again issuing American Rescue Plan funds to non-entitlement cities.....those with a population under 50,000. We are in contact with these 488 communities across the state, which recently received the first half of the funding for which they are eligible, which was \$107 million. The remaining portion, another \$107 million, will follow in approximately 12 months due to rules from Treasury.

DFA is currently accepting proposals on behalf of the Steering Committee for those organizations or agencies that are interested. To date, DFA has received a total of ten, a combination of formal and informal proposals.

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## Transformation Examples

For years DFA has contracted with an Arkansas-based company to scan and digitize certain aspects of tax returns. However, the Revenue Division recently determined this work may be completed in-house with existing positions and the purchase of new technology. This will be significantly less than the \$1.6 million annual contract that was in place. We anticipate it will save several hundred thousand dollars each year.

DFA launched a new contract beginning July 1 for the specific type of paper on which Titles are printed. The new contractor will provide the paper at a significant savings to the state versus the previous contract. For the seven-year contract, we anticipate total savings of \$627,662.

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## Staffing

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
2648	2547	2530	2459	2450	2265	2251

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## Legislative Initiatives

DFA analyzed a total 335 legislative bills and amendments that potentially affected DFA during the session. In addition, DFA produced 237 Fiscal Impact Statements.

Through our legislative sponsors, DFA introduced 39 bills, of which 19 were signed into law.