



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

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June 30, 2014

Senator Larry Teague, Chair
Representative Duncan Baird, Chair
Joint Budget Committee
State Capitol
Little Rock, AR 72201

Dear Co-Chairs:

Pursuant to A.C.A. §19-5-202, I am recommending to the Committee a reduction from 3.3% to 3.2% in the percentage deduction for the Constitutional Officers and State Central Services Funds effective July 1, 2014. This will raise \$16.5 million, or 0.2% above the standard 2% deduction for the State Central Services Fund, and the Constitutional Officers Fund will remain level at 1%. Based on year end actual collections and expenditures, this deduction will be adequate to address commitments and expenditures for fiscal year 2015 and will continue to stabilize funding for those agencies operating from the State Central Services Fund.

This modification will increase general revenues available for distribution to state agencies by \$6.3 million under the current Official Forecast of General Revenue for fiscal year 2015.

I would appreciate your approval of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Weiss".

Richard A. Weiss
Director

RAW:jkd

Attachment

**STATE CENTRAL SERVICES FUND
PROJECTED REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS 2013 through 2015**

	FY13 ACTUAL STATE CENTRAL SERVICES FUND (Gross GR 6,214.2) (Gross SR 1,716.3)	FY14 ESTIMATED STATE CENTRAL SERVICES FUND (Gross GR 6,203.7) (Gross SR 1,971.8)	FY15 PROJECTED STATE CENTRAL SERVICES FUND (Gross GR 6,333.6) (Gross SR 1,979.8)
YEAR END BALANCES			
PY Adj / Outlawed Warrants	\$ 12,934,325	\$ 22,535,421	\$ 23,723,759
ADJUSTED BEGINNING BALANCE	\$ 3,044,134	\$ 23,271	\$ 23,723,759
General Revenues (2/3 of 3% of Gross GR)	\$ 123,883,834	\$ 124,000,000	\$ 126,500,000
General Revenues [add'l fee per ACA 19-5-202(b)(2)(B)(i)]	\$ 18,783,719	\$ 18,800,000	\$ 12,600,000
General Revenue Transfer [per ACA 19-5-205(e)(3)(A)]	\$ -	\$ -	\$ -
TOTAL GENERAL REVENUES	\$ 142,667,553	\$ 142,800,000	\$ 139,100,000
Special Revenue Fees - (2/3 of 3%; FY14/15 include Highway 1/2 cent)	\$ 30,522,016	\$ 36,000,000	\$ 36,400,000
Special Revenue Fees - (2/3 of 1.5%)	\$ 1,871,945	\$ 1,900,000	\$ 1,900,000
Special Revenue Fees - [add'l fee per ACA 19-5-203(a)(2)(A)]	\$ 4,878,983	\$ 5,700,000	\$ 3,868,667
TOTAL SPECIAL REVENUE FEES	\$ 37,272,944	\$ 43,600,000	\$ 42,166,667
LOCAL SALES & USE TAX FEE - (2/3 of 3%)	\$ 21,428,267	\$ 21,900,000	\$ 21,900,000
Special Revenue - Specified (ACA 19-6-301)	\$ 18,772,248	\$ 18,800,000	\$ 18,800,000
\$1 Vehicle Fee (Act 974/97)	\$ 2,655,982	\$ 2,800,000	\$ 2,800,000
TOTAL SPECIAL REVENUE - SPECIFIED	\$ 21,428,209	\$ 21,600,000	\$ 21,600,000
FUND TRANSFERS IN			
Federal Indirect Cost Reimbursement	\$ 2,027,880	\$ 2,000,000	\$ 2,000,000
Ad Valorem Tax (reduced in FY14 by Act 1165 of 2013)	\$ 17,996,654	\$ 14,100,000	\$ 14,000,000
MCF Balance Transfer (Act 945/87)	\$ 47,238,688	\$ 46,508,297	\$ 48,724,693
Service Charge on Cash Funds (Act 1230/93)	\$ 135,407	\$ 140,000	\$ 140,000
Public Defender (AOJ)	\$ 5,664,582	\$ 5,796,761	\$ 6,236,168
Public Defender (Attorney Fees/Bailbonds)	\$ 2,561,613	\$ 2,687,774	\$ 2,500,000
Public Defender (DYS Transfer-Ombudsman)	\$ 87,909	\$ 90,244	\$ 90,244
AOC Dependency/Neglect (AOJ)	\$ 3,865,438	\$ 3,955,637	\$ 4,255,481
Deputy Prosecuting Attorneys	\$ 4,909,387	\$ 4,445,965	\$ 4,900,000
Merit Adjustment - Payplan Cost	\$ -	\$ -	\$ -
Budget Stabilization Trust	\$ -	\$ -	\$ -
Miscellaneous Transfers In (M&R, Motor Veh, Boating Safety)	\$ 5,271,049	\$ 3,500,000	\$ 3,500,000
Lottery Proceeds (For Legislative Audit Expenses)	\$ 271,680	\$ 285,000	\$ 285,000
Transfer from Unclaimed Property for Auditor software upgrades	\$ -	\$ -	\$ -
Non-Revenue Receipts (Earnings & Other Income)	\$ 5,030,575	\$ 6,100,000	\$ 5,000,000
TOTAL FUND TRANSFERS/OTHER INCOME	\$ 95,060,862	\$ 89,609,679	\$ 91,631,566
TOTAL	\$ 333,836,295	\$ 342,068,371	\$ 340,122,011
FUND TRANSFERS OUT			
Justice Building			
UCC Filings to County Aid Fund			
Misc (inc. Surety Bonds, Workers Comp, Claims Cmsn)	\$ (734,821)	\$ (1,500,000)	\$ (1,100,000)
BALANCE TRANSFER TO GENERAL REVENUE [ACA 19-5-205(e)(4)]	\$ -	\$ -	\$ -
TOTAL AVAILABLE FUNDING	\$ 333,101,474	\$ 340,568,371	\$ 339,022,011
FY13 ACTUAL EXP; FY14 PROJ (AS OF 6/25/14), FY15 ESTIMATE @ 88%	\$ (310,566,053)	\$ (316,844,612)	\$ (319,699,531)
ENDING FUND BALANCE	\$ 22,535,421	\$ 23,723,759	\$ 19,322,480