



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

**OFFICE OF THE DIRECTOR**  
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June 1, 2015

Senator Bruce Maloch, Co-Chair  
Representative David Meeks, Co-Chair  
Performance Evaluation & Expenditure Review Committee  
Arkansas Legislative Council  
State Capitol Building  
Little Rock, AR 72201

RE: FY16 State Central Services Percentage Deductions Request

Dear Co-Chairs:

I am forwarding for appropriate action as required by law, the percentage deduction required to meet the obligations and commitments of the State Central Services Fund that has received my approval as Chief Fiscal Officer of the State.

Sincerely,

A handwritten signature in cursive script that reads "Larry W. Walther".

Larry W. Walther  
Director

LWW:es

Attachment(s)



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May 22, 2015

Senator Bill Sample, Chair  
Representative David L. Branscum, Chair  
Arkansas Legislative Council  
State Capitol  
Little Rock, AR 72201

Dear Co-Chairs:

Pursuant to A.C.A. §19-5-202, I am recommending continuing the current percentage deduction (2.2%) for the State Central Services Fund for Fiscal Year 2016, effective July 1, 2015.

Current projections of income and expenditures for the State Central Services Fund indicate that an additional \$20.2M will be needed to address the commitments and expenditures of the Fund. Continuing with the current deduction of 2.2% on both general and special revenues will provide sufficient funding for agencies operating from the Fund.

This deduction for the State Central Services Fund has been included in the general revenues available for distribution to state agencies under the current Official Forecast of General Revenue for the 2016 fiscal year.

I would appreciate your approval of this request.

Sincerely,

A handwritten signature in black ink that reads "Larry W. Walther".

Larry W. Walther  
Director

LWW:jkd

cc: AR Legislative Council

STATE CENTRAL SERVICES FUND  
 PROJECTED REVENUES AND EXPENDITURES  
 FOR THE FISCAL YEARS 2014-2016  
 AND THE 2016-2017 BIENNIIUM

	FY14 ACTUAL STATE CENTRAL SERVICES FUND (Gross GR 6,203.7) (Gross SR 1,971.8)	FY16 PROJECTED STATE CENTRAL SERVICES FUND (Gross GR 6,398.4) (Gross SR 2,055.5)	FY16 BUDGETED STATE CENTRAL SERVICES FUND (Gross GR 6,337.0) (Gross SR 2,082.7)	FY17 BUDGETED STATE CENTRAL SERVICES FUND (Gross GR 6,500.6) (Gross SR 2,133.7)
YEAR END BALANCES				
PY Adj / Outlawed Warrants	\$ 22,535,421	\$ 19,222,438	\$ 21,996,953	\$ 18,458,325
ADJUSTED BEGINNING BALANCE	\$ 611,130	\$ -	\$ -	\$ -
General Revenues (2/3 of 3% of Gross GR)	\$ 124,770,651	\$ 127,968,000	\$ 126,740,000	\$ 130,012,000
General Revenues (edit1 fee per ACA 19-5-202(b)(2)(B)(i))	\$ 18,715,598	\$ 12,796,800	\$ 12,674,000	\$ 13,001,200
General Revenue Transfer (per ACA 19-5-205(e)(3)(A))	\$ -	\$ -	\$ -	\$ -
TOTAL GENERAL REVENUES	\$ 143,486,249	\$ 140,764,800	\$ 139,414,000	\$ 143,013,200
Special Revenue Fees - (2/3 of 3%; FY14/15 include Highway 1/2 cent)	\$ 36,196,158	\$ 37,100,000	\$ 37,600,000	\$ 38,600,000
Special Revenue Fees - (2/3 of 1.5%)	\$ 1,861,265	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000
Special Revenue Fees - (edit1 fee per ACA 19-5-203(a)(2)(A))	\$ 5,739,521	\$ 7,420,000	\$ 7,520,000	\$ 7,720,000
TOTAL SPECIAL REVENUE FEES	\$ 43,796,945	\$ 48,420,000	\$ 47,020,000	\$ 48,220,000
LOCAL SALES & USE TAX FEE - (2/3 of 3%)	\$ 21,863,467	\$ 21,900,000	\$ 21,900,000	\$ 21,900,000
Special Revenue - Specified (ACA 19-6-301)	\$ 17,946,429	\$ 18,800,000	\$ 18,800,000	\$ 18,800,000
\$1 Vehicle Fee (Act 974/87)	\$ 2,656,934	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000
TOTAL SPECIAL REVENUE - SPECIFIED	\$ 20,603,363	\$ 21,600,000	\$ 21,600,000	\$ 21,600,000
FUND TRANSFERS IN				
Federal Indirect Cost Reimbursement	\$ 981,640	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Ad Valorem Tax (reduced in FY14 by Act 1165 (2013))	\$ 12,635,693	\$ 16,836,845	\$ 16,936,845	\$ 16,936,845
MCF Balance Transfer (Act 945/87)	\$ 47,195,593	\$ 52,804,856	\$ 46,112,388	\$ 51,226,499
Service Charge on Cash Funds (Act 1230/83)	\$ 114,229	\$ 140,000	\$ 140,000	\$ 140,000
Public Defender (AOJ)	\$ 5,852,732	\$ 4,365,317	\$ 4,365,317	\$ 4,365,317
Public Defender (Attorney Fees/Bailbonds)	\$ 2,446,632	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Public Defender (DYS Transfer-Ombudsman)	\$ 90,244	\$ 90,244	\$ 90,244	\$ 90,244
AOC Dependency/Neglect (AOJ)	\$ 3,993,831	\$ 2,978,837	\$ 2,978,837	\$ 2,978,837
Deputy Prosecuting Attorneys	\$ 5,022,713	\$ 4,900,000	\$ 5,022,713	\$ 5,022,713
Merit Adjustment - Payplan Cost	\$ -	\$ -	\$ -	\$ -
Budget Stabilization Trust	\$ -	\$ -	\$ -	\$ -
Miscellaneous Transfers In (M&R, Motor Veh, Boating Safety)	\$ 2,233,393	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
Lottery Proceeds (For Legislative Audit Expenses)	\$ 1,150,840	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000
Transfer from Unclaimed Property for Auditor software upgrades	\$ -	\$ -	\$ -	\$ -
Transfer from DFA-Revenue Commercial Drivers License Fund (Act 824/15)	\$ -	\$ -	\$ -	\$ -
Non-Revenue Receipts (Earnings & Other Income)	\$ 2,635,917	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
TOTAL FUND TRANSFERS/OTHER INCOME	\$ 84,333,449	\$ 95,116,100	\$ 93,899,605	\$ 93,860,455
TOTAL	\$ 337,230,023	\$ 345,023,338	\$ 345,830,558	\$ 347,051,980
FUND TRANSFERS OUT				
Justice Building	\$ -	\$ -	\$ -	\$ -
UCC Filings to County Aid Fund	\$ -	\$ -	\$ -	\$ -
Misc (Inc. Surety Bonds, Workers Comp, Claims Cman)	\$ (1,670,261)	\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)
TOTAL AVAILABLE FUNDING	\$ 335,559,762	\$ 343,523,338	\$ 345,830,558	\$ 347,051,980
FY13 & FY14 ACTUAL EXP. FY15 - FY17 @ 88% EST	\$ (316,337,324)	\$ (321,526,385)	\$ (327,372,233)	\$ (327,372,233)
ENDING FUND BALANCE	\$ 19,222,438	\$ 21,998,953	\$ 18,458,325	\$ 19,679,747

\* - Decrease in MCF Transfer due to salary increases for Constitutional Officers instituted by the Independent Citizens Commission