



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

OFFICE OF THE DIRECTOR
1509 West Seventh Street, Suite 401
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-2242
Fax: (501) 682-1029
<http://www.dfa.arkansas.gov>

June 2, 2016

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, 2016.

Current projections of income and expenditures for the State Central Services Fund indicate that an additional \$21.6M 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 2017 fiscal year.

I would appreciate your approval of this request.

Sincerely,


Larry W. Walther
Director

LWW:nf

cc: AR Legislative Council