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

OFFICE OF BUDGET
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June 5, 2017

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: FY17 Appropriation and/or Fund Transfer Request(s)

Dear Co-Chairs:

I am forwarding for appropriate action as required by law, the attached Appropriation and/or Fund Transfer Request(s) that have 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:kb

Attachment(s)

F417

DENNIS MILLIGAN
TREASURER



STATE CAPITOL BUILDING
500 WOODLANE STREET, SUITE 220
LITTLE ROCK, ARKANSAS 72201

TREASURER OF STATE

May 30, 2017

Mr. Larry Walther, Chief Fiscal Officer of the State of Arkansas
Department of Finance and Administration

Mr. Walther,

We respectfully request the appropriation transfer listed below as authorized by ACT 262 of the 2016 Fiscal Session of the 90th General Assembly. This transfer is necessary to have sufficient funds to pay current and anticipated legal fees in two specific circumstances:

- 1) \$175,000 for continued legal representation related to Singer v Milligan by the Mitchell Williams Law Firm
 - a. Federal Case No. 4:15CV00408 BSM has been concluded and the jury ruled in favor of Treasurer of State Milligan. (see attachments)
 - b. State Case No. 60CV-15-4618 has started and in preliminary rulings the judge has ruled in favor of Treasurer of State Milligan.
- 2) \$10,000 for continued legal representation related to the area of investment as outlined in previous requests and approved by the Attorney General and Governor by the Rose Law Firm. (see attachments)

These amounts would reflect maximums that could be spent for the above activities to the respective entities.

The \$175,000 for the Mitchell Williams Law Firm will be to pay them for services they have rendered for representation in the Singer v Milligan federal and state lawsuits. The federal case has concluded with a jury ruling in favor of Treasurer Milligan. There is currently a notice of appeal to the Eighth Circuit by the plaintiff. The state case has had preliminary rulings by the court, but we are awaiting the final order to be agreed upon by the parties and signed by the judge (this work is currently on hold as we await this transfer to be completed).

The \$10,000 maximum for the Rose Law Firm will be for a complete review of the Treasury Investment Policy and Treasury Money Management Policy with respect to Acts 296, 555, 644 and 710 of 2017. We are currently on hold in finalizing the updating of these respective policies until we are able to have legal representation review and approve the revisions.

Transfer Amount: \$185,000

From:

Fund Group: HSC6900 – 007D Data Processing Syst/Services
Commitment Item: 506:00:10 Professional Fees & Services

To:

Fund Group: HSC6900 – 007 Maint. & Gen. Operation
Commitment Item: 506:00:10 Professional Fees & Services

While we regret the need for the transfer and the mis-forecasting of the anticipated expenses for these legal representatives, we are appreciative in advance of your positive consideration of this request. We also appreciate the advice given by the General Assembly and look forward to working with leadership in the future to prevent such circumstances from arising.

ACT 262 of the 90th General Assembly
Fiscal Session of 2016

SECTION 4. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TRANSFER PROVISION. After receiving approval from the Chief Fiscal Officer of the State, and prior review by the Arkansas Legislative Council, the Treasurer of State is authorized to transfer appropriation from any line item authorized in Section 3 Appropriation-Operations of the Treasurer's Office in this Act to any other line item authorized in Section 3.

The provisions of this section shall be in effect only from July 1, ~~2015~~ 2016 through June 30, ~~2016~~ 2017.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Milligan". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Dennis Milligan