

# Hall of the House of Representatives

## 85th General Assembly - Regular Session, 2005

### Amendment Form

JBC 02/22/05 (5)

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#### Subtitle of House Bill No. 1542

"AN ACT FOR THE STATE INSURANCE DEPARTMENT APPROPRIATION FOR THE  
2005-2007 BIENNIUM."

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#### Amendment No. 1 to House Bill No. 1542.

Amend House Bill No. 1542 as originally introduced:

Page 1, line 23, delete " - OPERATIONS"

AND

Page 3, line 34, delete " - OPERATIONS"

AND

Delete SECTIONS 3, 4, 5, 6 and 7 of the bill in their entirety and substitute the following new sections:

"SECTION 3. APPROPRIATION - OPERATIONS. There is hereby appropriated, to the State Insurance Department, to be payable from the State Insurance Department Trust Fund, for personal services and operating expenses of the State Insurance Department - Operations for the biennial period ending June 30, 2007, the following:

| ITEM NO.                        | FISCAL YEARS |              |
|---------------------------------|--------------|--------------|
|                                 | 2005-2006    | 2006-2007    |
| (01) REGULAR SALARIES           | \$ 5,458,883 | \$ 5,614,682 |
| (02) EXTRA HELP                 | 140,000      | 140,000      |
| (03) PERSONAL SERVICES MATCHING | 1,552,011    | 1,581,498    |
| (04) OVERTIME                   | 35,000       | 35,000       |
| (05) MAINT. & GEN. OPERATION    |              |              |
| (A) OPER. EXPENSE               | 2,195,605    | 2,195,605    |
| (B) CONF. & TRAVEL              | 190,136      | 190,136      |
| (C) PROF. FEES                  | 110,871      | 110,871      |
| (D) CAP. OUTLAY                 | 100,000      | 100,000      |
| (E) DATA PROC.                  | 215,000      | 215,000      |
| (06) SPECIAL MAINTENANCE        | 50,000       | 50,000       |
| (07) PROFESSIONAL SERVICES      | 286,000      | 286,000      |



TOTAL AMOUNT APPROPRIATED \$ 10,333,506 \$ 10,518,792

SECTION 4. APPROPRIATION - FRAUD INVESTIGATION UNIT. There is hereby appropriated, to the State Insurance Department, to be payable from the State Insurance Department Trust Fund, for personal services and operating expenses of the State Insurance Department - Fraud Investigation Unit for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.                     | FISCAL YEARS      |                   |
|---------------------------------|-------------------|-------------------|
|                                 | 2005-2006         | 2006-2007         |
| (01) REGULAR SALARIES           | \$ 146,518        | \$ 150,912        |
| (02) PERSONAL SERVICES MATCHING | 43,931            | 44,787            |
| (03) MAINT. & GEN. OPERATION    |                   |                   |
| (A) OPER. EXPENSE               | 90,406            | 90,406            |
| (B) CONF. & TRAVEL              | 12,000            | 12,000            |
| (C) PROF. FEES                  | 11,000            | 11,000            |
| (D) CAP. OUTLAY                 | 0                 | 0                 |
| (E) DATA PROC.                  | 0                 | 0                 |
| TOTAL AMOUNT APPROPRIATED       | <u>\$ 303,855</u> | <u>\$ 309,105</u> |

SECTION 5. APPROPRIATION - INSURANCE FRAUD INVESTIGATION DIVISION. There is hereby appropriated, to the State Insurance Department, to be payable from the Insurance Fraud Investigation Division Trust Fund, for personal services and operating expenses of the State Insurance Department - Insurance Fraud Investigation Division for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.                     | FISCAL YEARS      |                   |
|---------------------------------|-------------------|-------------------|
|                                 | 2005-2006         | 2006-2007         |
| (01) REGULAR SALARIES           | \$ 539,163        | \$ 554,889        |
| (02) PERSONAL SERVICES MATCHING | 151,217           | 154,283           |
| (03) MAINT. & GEN. OPERATION    |                   |                   |
| (A) OPER. EXPENSE               | 172,635           | 171,635           |
| (B) CONF. & TRAVEL              | 35,000            | 35,000            |
| (C) PROF. FEES                  | 11,000            | 11,000            |
| (D) CAP. OUTLAY                 | 19,570            | 6,070             |
| (E) DATA PROC.                  | 1,000             | 1,000             |
| TOTAL AMOUNT APPROPRIATED       | <u>\$ 929,585</u> | <u>\$ 933,877</u> |

SECTION 6. APPROPRIATION - PREPAID FUNERAL BENEFITS DIVISION. There is hereby appropriated, to the State Insurance Department, to be payable from the State Insurance Department Prepaid Trust Fund, for personal services and operating expenses of the State Insurance Department - Prepaid Funeral Benefits Division for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO. | FISCAL YEARS |           |
|-------------|--------------|-----------|
|             | 2005-2006    | 2006-2007 |

|                                 |    |                |    |                |
|---------------------------------|----|----------------|----|----------------|
| (01) REGULAR SALARIES           | \$ | 163,256        | \$ | 168,104        |
| (02) PERSONAL SERVICES MATCHING |    | 47,195         |    | 48,140         |
| (03) MAINT. & GEN. OPERATION    |    |                |    |                |
| (A) OPER. EXPENSE               |    | 69,390         |    | 69,390         |
| (B) CONF. & TRAVEL              |    | 4,000          |    | 4,000          |
| (C) PROF. FEES                  |    | 27,000         |    | 27,000         |
| (D) CAP. OUTLAY                 |    | 0              |    | 0              |
| (E) DATA PROC.                  |    | 2,000          |    | 2,000          |
| TOTAL AMOUNT APPROPRIATED       | \$ | <u>312,841</u> | \$ | <u>318,634</u> |

SECTION 7. APPROPRIATION - PREPAID FUNERAL CONTRACTS RECOVERY PROGRAM. There is hereby appropriated, to the State Insurance Department, to be payable from the Prepaid Funeral Contracts Recovery Program Fund, for expenses and claims of the Prepaid Funeral Contracts Recovery Program of the State Insurance Department for the biennial period ending June 30, 2007, the sum of .....\$1,000,000.

SECTION 8. APPROPRIATION - REFUNDS OF OVERPAYMENTS. There is hereby appropriated, to the State Insurance Department, to be payable from the Miscellaneous Revolving Fund, for the payment of miscellaneous tax and fee refunds by the State Insurance Department for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.                 | FISCAL YEARS         |                      |
|-----------------------------|----------------------|----------------------|
|                             | 2005-2006            | 2006-2007            |
| (01) REFUNDS/REIMBURSEMENTS | <u>\$ 11,000,000</u> | <u>\$ 11,000,000</u> |

SECTION 9. APPROPRIATION - CONTINUING EDUCATION PROGRAM. There is hereby appropriated, to the State Insurance Department, to be payable from the Insurance Continuing Education Trust Fund, for personal services of the State Insurance Department - Continuing Education Program for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.                     | FISCAL YEARS     |                  |
|---------------------------------|------------------|------------------|
|                                 | 2005-2006        | 2006-2007        |
| (01) REGULAR SALARIES           | \$ 21,437        | \$ 22,079        |
| (02) PERSONAL SERVICES MATCHING | <u>8,021</u>     | <u>8,148</u>     |
| TOTAL AMOUNT APPROPRIATED       | <u>\$ 29,458</u> | <u>\$ 30,227</u> |

SECTION 10. APPROPRIATION - HEALTH INFORMATION COUNSELING. There is hereby appropriated, to the State Insurance Department, to be payable from the federal funds as designated by the Chief Fiscal Officer of the State, for personal services and operating expenses of the State Insurance Department - Health Information Counseling for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.           | FISCAL YEARS |            |
|-----------------------|--------------|------------|
|                       | 2005-2006    | 2006-2007  |
| (01) REGULAR SALARIES | \$ 118,401   | \$ 122,035 |

|                                 |                   |                   |
|---------------------------------|-------------------|-------------------|
| (02) PERSONAL SERVICES MATCHING | 42,289            | 42,997            |
| (03) MAINT. & GEN. OPERATION    |                   |                   |
| (A) OPER. EXPENSE               | 150,372           | 150,372           |
| (B) CONF. & TRAVEL              | 8,000             | 8,000             |
| (C) PROF. FEES                  | 3,000             | 3,000             |
| (D) CAP. OUTLAY                 | 8,000             | 8,000             |
| (E) DATA PROC.                  | 1,600             | 1,600             |
| TOTAL AMOUNT APPROPRIATED       | <u>\$ 331,662</u> | <u>\$ 336,004</u> |

SECTION 11. APPROPRIATION - CONSUMER INFORMATION SYSTEM - CASH. There is hereby appropriated, to the State Insurance Department, to be payable from the cash fund deposited in the State Treasury as determined by the Chief Fiscal Officer of the State, for operating expenses of the State Insurance Department - Consumer Information System for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.                  | FISCAL YEARS      |                   |
|------------------------------|-------------------|-------------------|
|                              | 2005-2006         | 2006-2007         |
| (01) MAINT. & GEN. OPERATION |                   |                   |
| (A) OPER. EXPENSE            | \$ 93,000         | \$ 93,000         |
| (B) CONF. & TRAVEL           | 5,000             | 5,000             |
| (C) PROF. FEES               | 75,000            | 75,000            |
| (D) CAP. OUTLAY              | 0                 | 0                 |
| (E) DATA PROC.               | 0                 | 0                 |
| TOTAL AMOUNT APPROPRIATED    | <u>\$ 173,000</u> | <u>\$ 173,000</u> |

SECTION 12. APPROPRIATION - TRAVEL AND SUBSISTENCE - CASH. There is hereby appropriated, to the State Insurance Department, to be payable from the cash fund deposited in the State Treasury as determined by the Chief Fiscal Officer of the State, for travel and subsistence expenses of the State Insurance Department for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.                        | FISCAL YEARS     |                  |
|------------------------------------|------------------|------------------|
|                                    | 2005-2006        | 2006-2007        |
| (01) TRAVEL & SUBSISTENCE EXPENSES | <u>\$ 88,222</u> | <u>\$ 88,222</u> |

SECTION 13. APPROPRIATION - PUBLIC EMPLOYEE CLAIMS SECTION. There is hereby appropriated, to the State Insurance Department, to be payable from the Miscellaneous Agencies Fund Account, for personal services and operating expenses of the State Insurance Department - Public Employee Claims Section for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.                     | FISCAL YEARS |            |
|---------------------------------|--------------|------------|
|                                 | 2005-2006    | 2006-2007  |
| (01) REGULAR SALARIES           | \$ 835,909   | \$ 860,860 |
| (02) PERSONAL SERVICES MATCHING | 255,163      | 260,028    |
| (03) MAINT. & GEN. OPERATION    |              |            |
| (A) OPER. EXPENSE               | 333,909      | 240,209    |

|                           |                     |                     |
|---------------------------|---------------------|---------------------|
| (B) CONF. & TRAVEL        | 13,000              | 13,000              |
| (C) PROF. FEES            | 1,000               | 1,000               |
| (D) CAP. OUTLAY           | 10,000              | 10,000              |
| (E) DATA PROC.            | 4,000               | 4,000               |
| TOTAL AMOUNT APPROPRIATED | <u>\$ 1,452,981</u> | <u>\$ 1,389,097</u> |

SECTION 14. APPROPRIATION - STATE EMPLOYEE CLAIMS. There is hereby appropriated, to the State Insurance Department, to be payable from the Workers' Compensation Revolving Fund, for the payment of state employee claims by the State Insurance Department - State Employee Claims for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.                | FISCAL YEARS         |                      |
|----------------------------|----------------------|----------------------|
|                            | 2005-2006            | 2006-2007            |
| (01) STATE EMPLOYEE CLAIMS | <u>\$ 10,150,000</u> | <u>\$ 10,150,000</u> |

SECTION 15. APPROPRIATION - PUBLIC SCHOOL EMPLOYEE CLAIMS. There is hereby appropriated, to the State Insurance Department, to be payable from the Miscellaneous Revolving Fund, for the payment of public school employee claims by the State Insurance Department - Public School Employee Claims for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.                        | FISCAL YEARS      |                   |
|------------------------------------|-------------------|-------------------|
|                                    | 2005-2006         | 2006-2007         |
| (01) PUBLIC SCHOOL EMPLOYEE CLAIMS | <u>\$ 450,000</u> | <u>\$ 450,000</u> |

SECTION 16. APPROPRIATION - COUNTY EMPLOYEE CLAIMS. There is hereby appropriated, to the State Insurance Department, to be payable from the Miscellaneous Revolving Fund, for the payment of county employee claims by the State Insurance Department - County Employee Claims for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.                 | FISCAL YEARS      |                   |
|-----------------------------|-------------------|-------------------|
|                             | 2005-2006         | 2006-2007         |
| (01) COUNTY EMPLOYEE CLAIMS | <u>\$ 100,000</u> | <u>\$ 100,000</u> |

SECTION 17. APPROPRIATION - CITY EMPLOYEE CLAIMS. There is hereby appropriated, to the State Insurance Department, to be payable from the Miscellaneous Revolving Fund, for the payment of city employee claims by the State Insurance Department - City Employee Claims for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.               | FISCAL YEARS      |                   |
|---------------------------|-------------------|-------------------|
|                           | 2005-2006         | 2006-2007         |
| (01) CITY EMPLOYEE CLAIMS | <u>\$ 425,000</u> | <u>\$ 425,000</u> |

SECTION 18. APPROPRIATION - GOVERNMENTAL BONDING BOARD. There is hereby appropriated, to the State Insurance Department, to be payable from the

Fidelity Bond Trust Fund, for operating expenses of the State Insurance Department - Governmental Bonding Board for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.                  | FISCAL YEARS        |                     |
|------------------------------|---------------------|---------------------|
|                              | 2005-2006           | 2006-2007           |
| (01) MAINT. & GEN. OPERATION |                     |                     |
| (A) OPER. EXPENSE            | \$ 5,000            | \$ 5,000            |
| (B) CONF. & TRAVEL           | 0                   | 0                   |
| (C) PROF. FEES               | 0                   | 0                   |
| (D) CAP. OUTLAY              | 0                   | 0                   |
| (E) DATA PROC.               | 0                   | 0                   |
| (02) REFUNDS/REIMBURSEMENTS  | 150,000             | 150,000             |
| (03) CLAIMS                  | 1,000,000           | 1,000,000           |
| (04) INVESTMENTS             | 760,637             | 760,637             |
| (05) PROFESSIONAL SERVICES   | 50,000              | 50,000              |
| (06) REINSURANCE             | <u>139,218</u>      | <u>139,218</u>      |
| TOTAL AMOUNT APPROPRIATED    | <u>\$ 2,104,855</u> | <u>\$ 2,104,855</u> |

SECTION 19. APPROPRIATION - ARKANSAS MULTI-AGENCY INSURANCE TRUST FUND OPERATIONS. There is hereby appropriated, to the State Insurance Department, to be payable from the Arkansas Multi-Agency Insurance Trust Fund, for expenses and payment of claims by the State Insurance Department - Arkansas Multi-Agency Insurance Trust Fund (AMAIT) Operations for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.                                   | FISCAL YEARS         |                      |
|---|----------------------|----------------------|
|   | 2005-2006            | 2006-2007            |
| (01) FOR EXPENSES & CLAIMS FROM AMAIT<br>FUND | <u>\$ 10,000,000</u> | <u>\$ 10,000,000</u> |

SECTION 20. APPROPRIATION - SCHOOL MOTOR VEHICLE OPERATIONS. There is hereby appropriated, to the State Insurance Department, to be payable from the School Vehicle Insurance Reserve Trust Fund, for expenses and payment of claims by the State Insurance Department - School Motor Vehicle Operations for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.            | FISCAL YEARS        |                     |
|------------------------|---------------------|---------------------|
|                        | 2005-2006           | 2006-2007           |
| (01) EXPENSES & CLAIMS | <u>\$ 5,000,000</u> | <u>\$ 5,000,000</u> |

SECTION 21. APPROPRIATION - PUBLIC ELEMENTARY AND SECONDARY SCHOOL INSURANCE OPERATIONS. There is hereby appropriated, to the State Insurance Department, to be payable from the Public Elementary and Secondary School Insurance Fund, for expenses and payment of claims by the State Insurance Department - Public Elementary and Secondary School Insurance Operations for the biennial period ending June 30, 2007, the following:

| ITEM<br>NO.            | FISCAL YEARS |              |
|------------------------|--------------|--------------|
|                        | 2005-2006    | 2006-2007    |
| (01) EXPENSES & CLAIMS | \$ 9,000,000 | \$ 9,000,000 |

AND

Delete SECTIONS 9 and 10 of the bill in their entirety

AND

Immediately following SECTION 8, add an additional section to read as follows:

"SECTION 9. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TRANSFER PROVISION. In the event the State Insurance Department is unable to maintain a full roster of examination personnel during the 2005-2007 Biennium, and upon approval of the Chief Fiscal Officer of the State, the resulting unused appropriations in Regular Salaries, Extra Help, and Personal Services Matching may be transferred to the Professional Services special line item for the purpose of contracting with qualified individuals or firms for examination assistance.

The provisions of this section shall be in effect only from July 1, 2005 through June 30, 2007."

AND

Appropriately renumber the sections of the bill.

The Amendment was read \_\_\_\_\_  
 By: Joint Budget Committee  
 PDA/PDA - 03-07-2005 18:01  
 PDA034

\_\_\_\_\_  
 Chief Clerk