

FINANCE AND ADMINISTRATION--DISBURSING OFFICER
Agency (620) - 2007-09 BIENNIUM

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The Department of Finance and Administration Disbursing Officer executes transfers and disburses appropriations whose purpose is not clearly chargeable to any specific state agency.

TOTAL BIENNIAL BUDGET

The total budget for DFA-Disbursing Officer is \$621,990,104 the first year and \$622,518,414 the second year.

FUNDING SOURCE

Primary sources of funds is through transfers for accounting purposes (70%), Merit Adjustment Fund (6%), State Administration of Justice (6%), special revenue (6%), federal revenue (3%), Workforce 2000 (3%), trust funds (2%) general revenue (>1%) and other miscellaneous sources.

II) CHANGES/APPROPRIATIONS

1. Fireman & Police Officer's Pension & Relief Fund appropriation funded with premium taxes on insurance policies for \$60,400,000 each year has an increase of \$30,000,000 in unfunded appropriation to adequately disburse all available funds.

2. Disaster Assistance Grants appropriation funded with federal dollars for \$13,250,000 each year, has an increase of \$3,750,000 each year for future unanticipated federal disaster assistance and escalating costs.

3. Administration of Justice Fund, funded with court costs, fees and special revenues for \$39,319,132 each year, has a reduction of \$125,134 each year to align the funding and appropriation amounts actually dispersed from the fund.

4. Legislative Balances General Improvement appropriation, funded with general improvement funds, has an increase in appropriation of \$2,000,000 over the biennium (\$1,000,000 for the 84th session, \$1,000,000 for the 85th session) to disburse the remaining balance of funds in both General Improvement Distribution Acts (2003 and 2005).

5. Fire Protection Services funded with special revenues for \$15,000,000 each year, has an increase in appropriation of \$4,000,000 each year to provide for sufficient distribution to counties to upgrade fire protection services.

6. Workforce 2000 appropriation, funded with transfers from the Workforce 2000 Fund for \$35,000,000 each year, has an increase of \$15,000,000 in appropriation each year for Technical Colleges Accreditation and a \$4,000,000 increase in appropriation each year for Vocational Technical Accreditation.

7. Juvenile Detention Facilities appropriation, funded with a transfer from DHHS-Youth Services Fund, for \$400,000 each year has a reallocation of \$400,000 between the remaining 14 juvenile detention facilities, since Phillips County Juvenile Detention Facility is no longer in existence.

8. Purchase of Vehicles appropriation, funded with general improvement funds, marketing and redistribution sales and agency transfers for \$15,000,000 each year has an **increase in general**

revenue funding of \$2,590,000 each year.

9. Annual Career Service Recognition appropriation, funded with federal and special revenue, cash and other funds for \$6,671,633 the first year and \$7,179,591 the second year has an **increase in general revenue funding** of \$3,191,594 the first year and \$3,433,315 the second year Merit Adjustment Fund, and an increase in appropriation of \$542,785 the first year and \$1,050,743 the second year for payments to classified employees upon attainment of more than 10 continuous years of service.

10. Children's Hospital appropriation, funded with general revenues for \$3,533,600 each year, has an **increase in general revenue funding** and appropriation of \$1,400,000 each year for the Reproductive health Monitoring Grant and the Burn Center.

11. State's Contributions appropriation, funded with general revenue for \$1,221,459 the first year and \$1,281,811 the second year has an **increase in general revenue funding** and appropriation of \$168,033 the first year and \$228,385 the second year for increases in membership dues to 11 organizations.

12. Discontinuation of Aviation and Aerospace Commission appropriation.

13. Discontinuation of Katrina Donations appropriation.

14. Discontinuation of Energy Management Information System appropriation.

15. Various State Agencies - cash appropriation - Pay plan adjustment decreased to \$5M each year.

16. Miscellaneous Transfers appropriation - personal services - Pay plan adjustment line item decreased to \$15,000,000 the first year, \$17,000,000 the second year.

III) ADDITIONAL POSITIONS

Total positions for FY 2005-2007: 0

Total positions for FY 2007-2009: 0

Increase/ (Decrease): 0

IV) SPECIAL LANGUAGE

1. Classification & use of Appropriations - transfers from DFA Marketing & Redistribution (M&R) to various state agencies can only be used for agencies' maintenance and general operation.

2. Transfer Provision - DFA M&R shall transfer appropriation amounts to agencies equal to proceeds derived from disposal of property by DFA M&R.

3. Annual Career Recognition Payments - allows appropriation transfers to various agencies for regular salaries or personal services matching or both.

4. Funding Provision - Merit Adjustment Fund (MAJ) - transfers from MAJ will fund state agencies supported by General Revenues for salary increases, personal services appropriation, cost of living adjustments and higher education institutions.

5. Transfer procedures-matching- language governs transfers from Miscellaneous Transfer Appropriation to various state agencies for Personal Services Matching; amounts over \$1,000 require prior review of Legislative Council/Joint Budget Committee.

6. Transfer of Appropriation-Elected Officers - language governs appropriation transfers for regular salaries from Miscellaneous Transfer Appropriation.
7. Transfer of Appropriation-Regular Salaries - language governs appropriation transfers for various state agency employees from Miscellaneous Transfer Appropriation.
8. Restrictions - no General Revenues are to accompany any "miscellaneous appropriation transfers".
9. Restrictions- transfer provisions-language governs appropriation transfers to various state agencies for items related to overpayment of obligations.
10. Transfer procedures-overtime -language governs appropriation transfers to various state agencies.
11. Classification and use of appropriations - appropriation transfers from "refund to expenditures" to state agencies re: "overpayment of obligations" to be used for same purpose.
12. Disbursing procedures to Employment Security Department for "unemployment compensation" reimbursements.
13. Transfer procedures-language governs cash fund appropriation transfers to state agencies.
14. Miscellaneous Federal Grant Programs Act - cash funds appropriated are not to be used for new or unanticipated federal funds or programs and shall be deposited in State Treasury.
15. Salaries Cash fund appropriation transfers not to be used to create new positions above those in biennial operations Act.
16. Reporting-CFO shall file with ALC or JBC cumulative report summarizing all appropriations transferred and positions authorized under Miscellaneous Federal Programs for previous 2 fiscal years prior to start of budget hearings each biennium.
17. Transfer procedures-language governs appropriation transfer for regular salaries and personal services matching to various state agencies. Requires review by Performance Evaluation and Expenditure Review Subcommittee.
18. Funding Transfer - funding of state agencies supported by General Revenues for salary increases, personal services, cost of living adjustments and higher ed. institutions shall be provided for by a transfer from the Merit Adjustment Fund (MAJ).
19. **Deletes** Findings & Intent language, which states legislative intent of the creation of the Energy Management Information System is to save the cost of energy consumed in state-owned facilities and details energy conservation plan.
20. **Deletes** Appropriation transfer procedures, which permits transfers from state agencies to Utility payments appropriation to ensure timely payment of utility services for state agencies.
21. Public Defender appropriation shall be expended only for contracting with Public Defender of Pulaski County for defense of mentally ill.
22. Continuation of language in Arkansas Code 23-111-505 (b) and

(c) regarding handling, amount and use of funds in Indigent Patients Fund.

23. Juvenile Detention Facilities - States funds shall be used to provide grants/reimbursements to counties and made in accordance with procedures of Office of Criminal Detention Facilities Review Coordinator.

24. Sheriffs Association - lump sum of 1/12th of annual appropriation shall be provided for alcohol, drug abuse and crime prevention programs.

25. Administration of Justice Fund - Allocation restrictions. Outlines distribution method to State agencies if balance is inadequate to fund monthly allocations; includes language regarding repayment of bond issues.

26. Allocation restrictions of funds appropriated for State Agencies Distribution (deletes Code Revision Commission).

27. CFO shall transfer an amount not to exceed \$1,000,000 from fund balances that exceed \$7,000,000 from the State Administration of Justice Fund to the Crime Victims Reparations fund for personal services and operating expenses of Attorney General - Crime Victims Reparations Program (AG-CVRP).

28. **Deletes language** that allows a fund transfer of \$500,000 from the State Administration of Justice Fund to the Crime Victims Reparations Revolving Fund to provide for personal services, operating expenses and claims for the AG - CVRP.

29. Chief Fiscal Officer (CFO) of the State allowed to transfer funds from Revenue Holding Fund Account for under-funded fire and police pension relief and pension plans.

30. Fund restrictions: states funds distributed to under funded pension programs shall not be used to enhance benefits of its recipients.

31. Workforce 2000 distribution - after amount available is determined, Chief Fiscal Officer shall transfer funds from Workforce 2000 Development Fund to fund account from which technical college, institute or learning center draws its general revenue support.

32. Carry forward of funds for Fire Prevention Commission

33. Disbursing restrictions-Arkansas Sports Hall of Fame must certify to CFO \$3.5M for construction prior to fund disbursement

34. Transfer authorized for Arkansas Children's Hospital (ACH) not to exceed \$1M each FY from Miscellaneous Agencies Fund Account from funds made available for Intensive Care Nursery to DHS Grants Fund Account to be used to match federal Medicaid funds for costs-based reimbursement for helicopter patient transport.

35. Juvenile Detention Facilities - Allocates \$400,000 each FY to 14 juvenile detention facilities; allocations will be on a pro-rata basis. (Phillips County detention facilities deleted).

36. Transfer authorized for ACH - not to exceed \$233,600 each FY from Miscellaneous Agencies Fund Account from funds made

available for Intensive Care Nursery to DHS Grants Fund Account. To be used to match federal funds used for supplemental Medicaid payments to Children's Hospital.

37. Transfer authorized for ACH- not to exceed \$700,000 each FY from Miscellaneous Agencies Fund Account from funds made available for Children's Hospital Payments to DHS Grants Fund Account. To be used to match federal funds used for supplemental Medicaid payments to Children's Hospital.

38. Transfer authorized for ACH - not to exceed \$600,000 each FY from Miscellaneous Agencies Fund Account from funds made available for Reproductive Health Monitoring to DHS Grants Fund Account. To be used to match federal funds used for supplemental Medicaid payments to Children's Hospital.

39. Transfer of funds authorized for Arkansas Children's Hospital not to exceed \$300,000 each FY in funding from the Department of Human Services for expansion of services by the Child/Rape/Domestic Violence Section of the University of Arkansas-Medical Sciences.

40. Language creating the Arkadelphia 2025 Commission.

41. Language allowing transfers between State's Contributions line items & carry-forward of unexpended balances.

42. Transfer Procedures - per diem matching allows DFA to transfer from appropriation provided in personal services and personal services matching in Various State Agencies - U.S. Internal Revenue Code (IRC) and Treasury Regulations to comply with the payment of stipends under Internal Revenue Code and U.S. Treasury Regulations.

43. Position establishment - allows DFA to establish positions necessary to process payroll through AASIS and administer program to comply with certain U.S. Revenue Code and Treasury Regulations.

44. New language authorizes transfer not to exceed \$1M from Miscellaneous Agencies Fund to DHHS Grants Fund Account for Children's Hospital Burn Center.

45. New Language amends Arkansas Code 12-75-114 concerning Governor - Disaster emergency responsibilities.

46. New Language adds Fund Balance Monitoring and Review by DFA.

47. New Language amends Arkansas Code 19-5-1006(b) concerning the Disaster Assistance Fund - aggregate sum not to exceed \$13,250,000 per fiscal year.

48. New Language authorizes transfer of \$618,080 in fund balances from the State Administration of Justice Fund to the State Central Services Fund to provide funds to implement local security and emergency preparedness plans for circuit and district courts by the Administrative Office of the Courts.

49. New Language authorizes transfer of \$2,361,962 in fund balances from the State Administration of Justice Fund to the Constitutional Officers Fund to provide funds for a pilot program for District Court Judges that are State employees.

