

FINANCE AND ADMINISTRATION - MANAGEMENT SERVICES (610)
2009-11 BIENNIUM - LEGISLATIVE RECOMMENDATION

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The function of the Division of Management Services is to operate control management systems for State Government by providing assistance to all State Agencies in the management of their funds, personnel, and property, while exercising certain statutory controls over the agencies in these areas.

TOTAL BIENNIAL BUDGET

The total budget of the Division of Management Services is \$2,188,850,886 for the first year and \$2,189,332,117 the second year of the biennium.

FUNDING SOURCE

The primary source of funding is through Agency payroll paying accounts (96% or \$2.1 billion). State Central Services Fund comprises 3% of this amount. Remaining revenue sources are federal funds of 1%, General Revenues of >1%, with the rest coming from cash funds, fund balances, and non-revenue receipts.

II) CHANGES/APPROPRIATIONS

1. The operations appropriation, funded from the State Central Services fund for \$20,689,980 the first year and \$21,027,579 the second year has an increase of \$1,314,289 the first year and \$1,342,589 the second year of the biennium. Increases include:

a. Restoration of 2 currently authorized clerical positions for unanticipated needs of the Division (\$58,505 the first year and \$59,616 the second year).

b. Transfer of 21 currently authorized positions from the Revenue Division to Management Services Division - Office of Information Systems to allow for consolidation of IT positions into one office (\$1,051,465 the first year and \$1,072,933 the second year).

c. Transfer of 5 currently authorized positions within Management Services from the Intergovernmental Services - State IT Planning appropriation (**general revenue** \$504,319 FY10 and \$510,040 FY11).

e. Decrease of \$300,000 each year to discontinue the data processing line item which is no longer needed.

2. Purchase and Corporate Travel Card Program appropriation has a reallocation of \$600,000 each year from operating expenses, conference and travel and professional fees to refunds/reimbursement line item, with a increase of \$400,000 each year in the refund/reimbursement line item to provide sufficient appropriation to provide rebates back to state agencies.

3. Drug law Enforcement Program - Federal has a reallocation of \$6,000 each year from data processing to operating expenses to properly classify network services expenditures.

4. The Employee Benefits Division appropriation, funded from the State Central Services fund for \$3,104,142 the first year and \$3,142,023 the second year has a change level increase of \$98,856 in FY10 and \$100,893 in FY11 for two additional registered nurses to continue the expansion of services to members and to implement

a series of member health education and learning programs.

5. Victims of Crime Justice Assistance - state - general revenue funded program has a restoration of appropriation and general revenue funding of \$359,196 each year for state match required by the Dept of Justice.

6. **General revenue** Information Technology Planning appropriation has a transfer of the 5 positions to the operations appropriation funded by state central services, resulting in a reduction of \$504,319 the first year and \$510,040 the second year.

7. AASIS operations appropriation (**State central services funded**), has an addition of 1 position transferred from Department of Information Systems (\$147,758 in FY10 and \$148,133 in FY11).

III) ADDITIONAL POSITIONS

Total positions for FY 2007-2009: 425

Total positions for FY 2009-2011: 451

Increase/(Decrease): 26

IV) SPECIAL LANGUAGE

1. Requires Department of Finance and Administration to consult with legislative auditor and director of budget function of Bureau of Legislative Research during process for any new statewide accounting system.

2. States funds appropriated for Drug Law Enforcement Matching grants shall be used for matching funds for administering Federal grants. Provides 100% match for state agencies, 60% match for local governments. Amounts transferred to state agencies or paid to local governments determined by Arkansas Alcohol and Drug Abuse Coordinating Council or oversight agency designated by the Governor. Includes carry-forward provision for any unexpended balances.

3. Carry forward of maintenance and operation funding for budget preparation required for presentation to the Legislative Council.

4. Carry Forward of funding for purchase of Data Processing Services and AASIS billings from Data processing with report to Legislative Council of balances carried forward.

5. Loan provision from Budget Stabilization Trust Fund to Marketing and Redistribution Property Sale Holding Fund.

6. Contingency restriction regarding Marketing and Redistribution Special Maintenance Expenditures Commitment Item **deleted**.

7. States the Legislative Auditor and the Chief Fiscal Officer of the State shall jointly select the independent auditor to audit the Comprehensive Annual Financial Report (CAFR).

8. Language related to Carry forward for CAFR **deleted**.

9. Language allowing supplemental fund transfers for CAFR **deleted**.