

**FINANCE AND ADMINISTRATION - DISBURSING OFFICER (620)
2009-11 BIENNIUM - LEGISLATIVE RECOMMENDATION**

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 \$3,188,200,107 the first year and \$3,187,812,386 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. Administration of Justice Fund appropriation, funded with court costs, fees and special revenues for \$39,117,616 has an increase of \$3,424,086 each year for the Auditor of State Trial Court Administrative Assistants Fund, District Judges Association for the District Court Coordinator and a District Judges Pilot Program, the Public Legal Aid Fund, and court security by the Administrative Office of the Courts.

2. **New appropriation** Multi-jurisdictional Drug Crime Task Force, funded with special revenues of \$5,500,000 each fiscal year. State funds awarded can be used (after 20% local match is met) by localities for salaries and personal Services Match; maintenance & general operations; purchase of evidentiary controlled substances or info, witness and informant compensation, rent, utilities, telecommunications, fuel, vehicle maintenance and repair, in state training and travel expenses.

3. Discontinuation of Shared Benefit Holding appropriation.

4. Discontinuation of Supplemental County Aid appropriation.

5. Discontinuation of Supplemental Municipal Aid appropriation.

6. Discontinuation of Annual Career Service Recognition appropriation.

7. State's Contributions appropriation, funded with general revenue for \$1,346,253 the first year and \$1,375,308 the second year has an **increase in general revenue funding** and appropriation of \$64,442 the first year and \$93,497 the second year for increases in membership dues to 8 organizations.

8. Various Grants and Expenses appropriation, funded with general revenues for \$2,006,911 the first year and \$2,007,711 the second year provides funding for projects, programs and grants has an **increase in general revenue funding** of \$6,042 in FY10 and \$6,842 in FY11 for National Conference of Uniform State Laws annual dues.

b. New line item - Innovation & Project Development, funded with general revenue of \$450,000 each year, added to reduce

costs through a common business strategy, improve collaboration, and provide a common look for the public in the delivery of services.

9. Miscellaneous Federal Grants line item in Miscellaneous Federal Programs appropriation has an increase of \$2,350,000,000 to accommodate receipt of American Recovery and Reinvestment Act of 2009 federal funds (ARRA 2009).

10. Various State Agencies Cash Transfer appropriation has an increase of 250,000,000 to accommodate receipt of ARRA 2009 funds.

11. Disaster Assistance Grants appropriation has an increase of \$12,000,000 to provide supplemental appropriation for that purpose.

12. Provides \$500,000 in supplemental appropriation for the current fiscal year only, payable from Miscellaneous Revolving Fund, for the Governor's Emergency Proclamations.

13. Provides \$25,000,000 in supplemental appropriation, payable from the Disaster Assistance Fund, for disaster assistance grants for fiscal year 2009.

III) ADDITIONAL POSITIONS

Total positions for FY 2007-2009: 0

Total positions for FY 2009-2011: 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. **Deletes** language regarding Annual Career Recognition Payments

4. **Deletes** funding Provision from Merit Adjustment Fund (MAJ) for Annual Career Recognition Payments.

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. Public Defender appropriation shall be expended only for contracting with Public Defender of Pulaski County for defense of mentally ill.
20. Continuation of language in Arkansas Code 23-111-505 (b) and (c) regarding handling, amount and use of funds in Indigent Patients Fund.
21. Juvenile Transportation to 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.
22. Sheriffs Association - lump sum of 1/12th of annual appropriation shall be provided for alcohol, drug abuse and crime prevention programs.
23. 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.
24. Allocation restrictions of funds appropriated for State Agencies Distribution.
25. 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 (CVRF) for personal services and operating expenses of

Attorney General - Crime Victims Reparations Program (AG-CVRP).

26. 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.

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

28. 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.

29. Carry forward of funds for Fire Prevention Commission

30. **Deletes** Disbursing restrictions language stating Arkansas Sports Hall of Fame must certify to CFO \$3.5M for construction prior to fund disbursement.

31. 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.

32. 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).

33. 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.

34. 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.

35. 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.

36. 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.

37. Language creating the Arkadelphia 2025 Commission.

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

39. 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.

40. 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.

41. Authorizes transfer not to exceed \$1M from Miscellaneous Agencies Fund to DHHS Grants Fund Account for Children's Hospital Burn Center.

42. Deletes language amending Arkansas Code 12-75-114 concerning Governor - Disaster emergency responsibilities because it is codified.

43. New Language stating innovation and project development fund transfers are to be used for state enterprise innovation projects that would enhance the technology operations of the State that cannot be cost allocated to federal programs.

44. Language transferred from Department of Workforce Education regarding distribution of Workforce 2000 funds.

45. New Language transferring \$2,000,000 from the Budget Stabilization Trust Fund to the Executive Discretionary Division of the 87th Session Projects Account of the General Improvement Fund to fund Arkansas Delta Training and Education Consortium.