

FINANCE AND ADMINISTRATION - DISBURSING OFFICER (620)
FISCAL YEAR 2014 & 2015 - Executive 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 BUDGET

The total budget for DFA-Disbursing Officer is \$3,187,368,362 the first year and \$3,187,387,288 the second year.

FUNDING SOURCE

Primary sources of funds is through transfers for accounting purposes (92%), State Administration of Justice (1%), special revenue (2%), federal revenue (>1%), Workforce 2000 (1%), trust funds (>1%) general revenue (>1%) and other miscellaneous sources.

II) APPROPRIATIONS / CHANGES:

1. STC - STATE'S CONTRIBUTIONS: Funded with general revenue for \$1,424,325 the first year and \$1,439,568 the second year, appropriation has **increased general revenue funding of \$19,906 the first year and \$35,149 the second year for increases in membership dues to nine (9) organizations.**

2. VGE - VARIOUS GRANTS AND EXPENSES: Funded with general revenues for \$2,053,853 the first year and \$2,057,536 the second year appropriation has **increased general revenue funding of \$299,179 in FY14 and \$302,862 in FY15 for three (3) organizations.**

3. 2WY - MUNICIPAL FIRE & POLICE PENSION & RELIEF FUNDS: Funded from a transfer from the General Revenue Holding Fund, appropriation has an **increase of \$2,000,000 each FY to cover "Additional Supplement" payments from the Arkansas Fire and Police Pension Guarantee Fund.**

4. MXX - MISCELLANEOUS TRANSFERS: Appropriation maintained by DFA from which transfers to various agencies are authorized, if necessary, to meet obligations, has a **reallocation of \$500,000 each year from the Overtime Holding Account, to establish an Extra Help Holding Account.** Extra Help Holding Account will be utilized in emergency situations when agencies have insufficient appropriation authority for such payments.

III) POSITIONS

Total positions for FY 2015: 0

Total positions for FY 2014: 0

Total budgeted positions for FY 2013: 0

IV) SPECIAL LANGUAGE

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

2. Transfer Provision - Marketing and Redistribution (M&R): States DFA M&R shall transfer appropriation amounts to agencies equal to proceeds derived from disposal of property by DFA M&R.

3. Transfer procedures - matching: 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.

4. Transfer of Appropriation- Elected Officers: Governs appropriation transfers for regular salaries from Miscellaneous Transfer Appropriation.

5. Transfer of Appropriation-Regular Salaries: Governs appropriation transfers for various state agency employees from Miscellaneous Transfer Appropriation.

6. Restrictions - Miscellaneous Transfers: States no General Revenues are to accompany any "miscellaneous appropriation transfers".

7. Restrictions - transfer provisions: Governs appropriation transfers to various state agencies for items related to overpayment of obligations.

8. Transfer procedures- overtime: Governs appropriation transfers to various state agencies.

9. Classification and use of appropriations: States appropriation transfers from "refund to expenditures" to state agencies re: "overpayment of obligations" are to be used for same purpose.

10. Disbursing procedures: Stipulates disbursing procedures to Employment Security Department for "unemployment compensation" reimbursements.

11. Transfer procedures - cash funds: Governs cash fund appropriation transfers to state agencies.

12. Miscellaneous Federal Grant Programs Act: States cash funds appropriated are not to be used for new or unanticipated federal funds or programs and shall be deposited in State Treasury.

13. Salaries: States Cash fund appropriation transfers are not to be used to create new positions above those in biennial operations Act.

14. Reporting: States CFO shall file with ALC or JBC cumulative report summarizing all appropriations transferred and positions authorized under Miscellaneous Federal Programs for previous two fiscal years prior to start of budget hearings each biennium.

15. Transfer procedures- Personal Services and Regular Salaries: Governs appropriation transfer for regular salaries and personal

services matching to various state agencies. Requires review by Performance Evaluation and Expenditure Review Subcommittee.

16. Funding Transfer - Merit Adjustment Fund: States 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).

17. Public Defender: States appropriation shall be expended only for contracting with Public Defender of Pulaski County for defense of mentally ill.

18. Credit to the Indigent Patients Fund: Continuation of language in Arkansas Code 23-111-505 (b) and (c) regarding handling, amount and use of funds in Indigent Patients Fund.

19. 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.

20. Sheriffs Association: States a lump monthly sum of 1/12th of annual appropriation shall be provided for alcohol, drug abuse and crime prevention programs.

21. Distribution of Administration of Justice Funds: Outlines distribution method to State agencies if balance is inadequate to fund monthly allocations; includes language regarding repayment of bond issues.

22. Allocation restrictions: Lists allocation of funds appropriated for State Agencies Distribution.

23. Yearly Find Transfers: States 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).

24. Funding Transfer - Fire and Police Pension: States Chief Fiscal Officer (CFO) of the State is authorized to transfer funds from Revenue Holding Fund Account for under-funded fire and police pension relief and pension plans.

25. Fund restrictions - Fire and Police Pension: States funds distributed to under funded pension programs shall not be used to enhance benefits of its recipients.

26. Workforce 2000 distribution: States 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.

27. Juvenile Detention Facilities - Allocation: Allocates \$400,000 each FY to 14 juvenile detention facilities; allocations will be on a pro-rata basis.

28. Transfer authorized for ACH - Intensive Care Nursery:

Authorizes transfer 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 Arkansas Children's Hospital.

29. Transfer authorized for ACH - Medicaid Payments:

Authorizes transfer 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 Arkansas Children's Hospital.

30. Transfer authorized for ACH - Reproductive Health

Monitoring: Authorizes transfer 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 Arkansas Children's Hospital.

31. Transfer of funds authorized for ACH: Authorizes transfer 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.

32. Transfer authorized for ACH: Authorizes transfer 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.

33. Arkadelphia 2025 Commission: Describes powers and duties.

34. State's Contributions: Authorizes transfers between State's Contributions line items & carry-forward of unexpended balances.

35. 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.

36. 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.

37. Transfer authorized for ACH: Authorizes transfer not to exceed \$1M from Miscellaneous Agencies Fund to DHS Grants Fund Account for Children's Hospital Burn Center.

38. Innovation and project development fund transfers: States transfers from the general revenue fund account within DFA-Disbursing Officer (established for use by Department of Information Systems) 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.

39. Work Force 2000 Distribution: Governs distribution of Workforce 2000 funds.

40. Transfer Procedures - Extra Help: Language allows any agency without sufficient appropriation for payment of Extra Help for the period ending June 30, 2014, to request a transfer from a new Extra Help line item within the Miscellaneous Transfers appropriation. Transfers require approval of CFO and prior review by Legislative Council / Joint Budget Committee. **New**