

**FINANCE AND ADMINISTRATION - DISBURSING OFFICER (620)**

**FISCAL YEAR 2019**

**As Enacted by Act 250 of 2018**

**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 APPROPRIATION**

The total appropriation for DFA-Disbursing Officer for FY2019 is \$3,245,446,902.

**FUNDING SOURCE**

Primary sources of funds for appropriations are through transfers for accounting purposes, Merit Adjustment Fund, State Administration of Justice, special revenue, federal revenue, Workforce 2000, trust funds, general revenue and other miscellaneous sources.

**II) CHANGE LEVEL REQUESTS**

14 Change Levels, but all are within 5 appropriations.

**State's Contributions - Appropriation STC**

The following general revenue-funded appropriations provide for payment of dues to 17 organizations. Provides for an increase of \$30,609 for the payment of assessments/dues for the following nine organizations:

<u>Organization/Appropriation</u>	<u>FY2019 Change</u>
National Conference of State Legislators	1,899
National Governors Association	5,000
State & Local Legal Center	200
Southern Regional Education Board	6,500
National Center for State Courts	5,000
Council of State Government	5,000
National Association of Attorneys General	1,000
National Association of State Budget Officers	1,010
Multi-State Tax Commission	<u>5,000</u>
Total	\$ 30,609

**Miscellaneous Transfers - Appropriation MHT**

The following general revenue-funded appropriations total \$77,050,000 for FY2019 and are for transfers to various agencies which are authorized, if necessary, to meet obligations for which appropriations made by the General Assembly may not be sufficient. The \$1,500,000 increase over the FY2018 Budgeted level is due to changes in the following line item:

**Personal Services Overtime** - Increases \$1,500,000 for FY2019 to cover unexpected agency overtime needs not covered by appropriations made by the General Assembly.

**Miscellaneous Grants and Expenses - Appropriation VGA**

This general revenue-funded appropriation is totals \$1,689,045 for FY2019 and is for miscellaneous grants and expenses of the Department of Finance and Administration. There is no net increase or decrease, but there are changes within the following line items:

**Mid-America Museum Grant** - new line item that increases by \$25,000 to allow a grant to the Mid-America Museum.

**Museum of Discovery Grant** - decreases by \$25,000 to allow for grant to Mid-America Museum line item while preventing a net increase or decrease to the appropriation.

**Municipal Public Employees Blanket Bond Program - Appropriation 2DP**

This appropriation is funded by the Municipal Aid Fund and totals \$300,000 for FY2019. This is for payment of blanket surety bond premiums for municipalities participating in the program and is an increase of \$50,000 over FY2018.

**Surety Bond Premiums Municipal Employees** - Increases by \$50,000 for FY2019.

**Arkansas Wine Grants Program - Appropriation**

This new appropriation totals \$650,000 for FY2019 is funded by special revenue in the Arkansas Wine Grants Fund for grants to Arkansas wineries.

**Arkansas Wine Grants** - increases by \$650,000 to allow use of funds raised by special revenue for grants to Arkansas wineries.

**III) ADDITIONAL POSITIONS (Total FY2018 Authorized Positions: 0)**

Total Authorized Positions FY2019: 0

Total Base Level Positions: 0

Increase / (Decrease): 0

Extra Help Positions FY2019: 0 (Total FY2018 Authorized Extra Help: 0)

**IV) SPECIAL LANGUAGE**

**CLASSIFICATION AND USE OF APPROPRIATIONS:** Agencies receiving funds from the Marketing and Redistribution appropriation in Section 8 are required to use funds on Maintenance and General Operations. Expenses for Conferences and Travel or Professional Fees and Services are not allowed.

**TRANSFER PROVISION -MARKETING AND REDISTRIBUTION:** Agencies will receive funds equal to the proceeds derived from the disposal of property by the Marketing and Redistribution division.

**RESTRICTIONS-MISCELLANEOUS TRANSFERS:** Act does not give authority to use general revenues to fund appropriations for supplementing constitutional officers and state agencies, as provided in Section 2.

**RESTRICTIONS-TRANSFER PROVISIONS:** Transfers for Refunds to Expenditures, as provided in Section 2, are based on the availability of proceeds from insurance policies for casualty losses, overpayment of obligations, overpayment of salaries, over-allocation of federal assistance, maturity or redemption of investments, and subrogation payments received for workers' compensation claims paid. Chief Fiscal

Officer of the State has discretion to administer rules and regulations regarding these transfers.

**TRANSFER PROCEDURES-PERSONAL SERVICES OVERTIME:** The Chief Fiscal Officer of the State may transfer appropriation to any state agency if sufficient appropriation is not available to pay overtime and related personal services matching, as provided in Section 2. This transfer is subject to review by the Arkansas Legislative Council or Joint Budget Committee. The State Auditor will also be notified.

**CLASSIFICATION AND USE OF APPROPRIATIONS-REFUND TO EXPENDITURES:** Transfers to various agencies, as made possible in Section 2, must comply with the General Accounting and Budgetary Procedures Law of Arkansas.

**DISBURSING PROCEDURES:** The Department of Workforce Services will make quarterly reports to state agencies regarding unemployment benefits paid to former state employees. The Chief Fiscal Officer of the State will review payments and reimburse funding to the Department of Workforce Services as instructed in Section 7.

**TRANSFER PROCEDURES-CASH FUNDS:** Agencies may request a transfer of appropriation from the Chief Fiscal Officer of the State if the General Assembly does not provide appropriation for cash fund expenditures. Transfer is subject to review by the Arkansas Legislative Council or Joint Budget Committee.

**MISCELLANEOUS FEDERAL PROGRAMS:** Appropriations provided to state agencies from Section 33, Various State Agencies-Cash, are not intended for new or unanticipated federal funds or programs. Funds shall be deposited in State Treasury.

**SALARIES:** Section 33, Various State Agencies-Cash, does not give the authority to create new positions in state agencies. Salaries paid from this transfer are subject to the Regular Salaries Procedures and Restrictions Act.

**REPORTING:** The Chief Fiscal Officer of the State shall make a cumulative report of all appropriations transferred and all additional positions authorized under Miscellaneous Federal Programs, as provided in Section 5, to the Arkansas Legislative Council or Joint Budget Committee.

**TRANSFER PROCEDURES-PERSONAL SERVICES AND REGULAR SALARIES:** The Chief Fiscal Officer of the State may transfer appropriation to agencies for Personal Services or Regular Salaries if it is determined the General Assembly did not provide sufficient appropriation. Transfers will be reviewed by the PEER Subcommittee of the Arkansas Legislative Council or Joint Budget Committee. The State Auditor will also be notified. In certain cases the Chief Fiscal Officer of the State may also approve any transfers on an emergency basis and provide a report to PEER Committee.

**FUNDING TRANSFER-MERIT ADJUSTMENT FUND:** Compensation increases and appropriation transfers for agencies that are funded by general revenue shall be provided from the Merit Adjustment Fund to the fund

account determined by the Chief Fiscal Officer of the State. Actions are reviewed by the PEER Subcommittee of the Arkansas Legislative Council or Joint Budget Committee. Agencies shall make any salary savings available to fund these requests.

**PUBLIC DEFENDER:** Appropriation for Public Defender Reimbursement in Section 3 shall be expended to Public Defender of Pulaski County for defense of the mentally ill.

**CREDIT TO THE INDIGENT PATIENTS FUND:** Revenue from additional days of racing will be deposited as special revenue credited to the Indigent Patients Fund and will be used to defray healthcare costs for indigent patients in facilities located Mississippi County, Poinsett County, Cross County, St. Francis County, and Lee County. Amount available to each county is 1/5 of the total funds available, or the total amount of unreimbursed medical expenses, whichever is less.

**JUVENILE TRANSPORTATION:** Funds for Transportation of Juveniles in Section 3 are intended for grants/reimbursements to cities and counties to transport juveniles to facilities approved by the court or as provided by law. The Office of Criminal Detention Facilities Review Coordinator develops procedures to administer grants/reimbursements.

**SHERIFFS ASSOCIATION:** Arkansas Sheriffs Association to use proceeds from Section 13 for crime prevention, alcohol, and drug abuse programs. Proceeds may also be used for grants to sheriffs' offices for developing and improving education programs. Payments are made on a monthly basis.

**DISTRIBUTION OF ADMINISTRATION OF JUSTICE FUNDS:** If the Administration of Justice Fund does not have sufficient funding to meet obligations, the remaining funds in this account will be distributed to fully fund the Trial Court Administrative Assistants Fund, the District Judges Association for the District Court Coordinator, and the Court Reporter Fund, as provided in Section 60 for Allocation Restrictions. If proceeds are still available after this distribution, the balance of funds will support the remaining items found in Section 60, Allocation Restrictions, as a percentage of their share of the total appropriation. The exception to this funding formula are items pledged prior to 2001 with bond issues. These items shall not be reduced lower than their amount listed. Adjustments may be made in future months as more funds become available.

**ALLOCATION RESTRICTIONS:** Language sets funding amounts for state agencies and programs supported by State Agencies Distribution in the Administration of Justice Fund Section.

**YEARLY FUND TRANSFERS:** The Chief Fiscal Officer of the State may transfer funds from State Administration of Justice Fund to the Crime Victims Reparations Revolving Fund to provide for personal services, operating expenses, and claims for the Office of the

Attorney General-Crime Victims Reparations Program if the fund balance in the Crime Victims Reparation Revolving Fund falls below \$1 million. Transfer is limited to \$1 million from State Administration Fund balances that exceed \$7 million.

**FUNDING TRANSFER-FIRE AND POLICE PENSION:** The Arkansas Fire and Police Pension Review Board reports to the Chief Fiscal Officer of the State the financial support needed by under-funded municipal fire and police relief and pension plans as directed in Arkansas Code 24-11-217. The Chief Fiscal Officer of the State shall then immediately transfer amounts from the Revenue Holding Fund Account to the Arkansas Fire and Police Pension Guarantee Fund.

**FUND RESTRICTIONS-FIRE AND POLICE PENSION:** Under-funded local pension programs may not use funds distributed in appropriation, authorized in the Firemen's and Police Officers' Pension and Relief Fund Section, to enhance benefits of the recipients.

**WORK FORCE 2000 DISTRIBUTION:** The Chief Fiscal Officer of the State shall transfers funds from the Work Force 2000 Development Fund to the fund accounts that support technical colleges and lifelong learning centers. Institutions receive these funds in addition to the appropriations and allocations provided by the General Assembly for personal services and operating expenses.

**JUVENILE DETENTION FACILITIES-ALLOCATION:** Language sets allocations to county juvenile detention facilities throughout the state. The distributions may be adjusted depending on actual funding provided. Should a facility close, the excess funds will be shared among the remaining facilities based on the proportion of funding they receive.

**TRANSFER OF FUNDS FOR THE PROGRAM-CA/R/DV-UAMS:** The Department of Human Services may provide UAMS with a maximum of \$300,000 to expand services of the Child Abuse/Rape/Domestic Violence section.

**ARKADELPHIA 2025 COMMISSION:** Creates commission comprised of elected officials, business leaders, and citizens in Arkadelphia to determine the needs of the city, raise and spend funds to meet needs, and coordinate activities among all levels of government and the private sector. Commission is subject to audit by the Division of Legislative Audit.

**STATE'S CONTRIBUTIONS:** The director of the Department of Finance and Administration may transfer appropriation and funding between items in the State's Contributions Section. Excess funds may be carried forward.

**TRANSFER PROCEDURES-PERSONAL SERVICES STIPENDS:** Agencies that process payroll through AASIS shall request a transfer from Various State Agencies by the Chief Fiscal Officer of the State if the agencies do not have sufficient appropriation for personal services or personal services matching. If the transfer exceeds \$10,000 the Arkansas Legislative Council or Joint Budget Committee must review.

**POSITION ESTABLISHMENT:** The Chief Fiscal Officer of the State has the authority to establish positions to process payroll through AASIS.

The positions do not count toward total number of authorized positions for an agency, and the positions are not eligible for retirement or health insurance benefits. There is a limit of 250 positions in a year.

**TRANSFER AUTHORIZED-ARKANSAS CHILDREN'S HOSPITAL:** The Arkansas Children's Hospital may request a transfer of no more than \$1,000,000 from the Miscellaneous Agencies Fund Account for the hospital's burn center, \$700,000 for the Children's Hospital Payments, \$600,000 for the Reproductive Health Monitoring, and \$233,000 for the Intensive Care Nursery each year. They may also request no more than \$1,000,000 from the Miscellaneous Agencies Account for the Intensive Care Nursery to the DHS Grants Fund Account. Funds match federal funds for supplemental Medicaid payments to the hospital.

**INNOVATION AND PROJECT DEVELOPMENT FUND TRANSFERS:** Federal rules require an innovation and project development appropriation and general revenue fund account for the Department of Information Systems. The agency is responsible for maintaining documentation of project billings. Fund transfers may be made from the General Revenue Fund Account, with approval from the Chief Fiscal Officer and prior review from the Arkansas Legislative Council and Joint Budget Committee.

**WORK FORCE 2000 DISTRIBUTION:** Language transferred from Department of Workforce Education regarding distribution of Workforce 2000 funds.

**TRANSFER PROCEDURES-PERSONAL SERVICES EXTRA HELP:** Agencies may request the Chief Fiscal Officer of the State to transfer appropriation from personal services related to Extra Help in Section 2 if the agencies do not have sufficient appropriation. Transfer is subject to review by the Arkansas Legislative Council or Joint Budget Committee and the State Auditor must be notified.

**INTRASTATE METRO PLANNING GRANTS:** The West Central Arkansas Economic Development District is included in funding for Intrastate metro Planning Grants from Section 3.

**FUND USAGE AUTHORIZED:** The Arkansas Children's Hospital may request the Department of Human Services-Division of Medical Services to retain \$1,000,000 in a Grant Fund Account for matching federal funds on Medicaid payments to the hospital.

**TRANSFER PROCEDURES - MEDICAL MARIJUANA IMPLEMENTATION AND**

**REGULATION:** If sufficient appropriation is not provided by the General Assembly for implementation and regulation of the Arkansas Medical Marijuana Amendment of 2016 agencies may request a transfer of appropriation from the Chief Fiscal Officer of the State. Transfer is subject to approval of the Chief Fiscal Officer of the State.

**FUND TRANSFER AUTHORITY:** The Chief Fiscal Officer of the State may transfer from the Medical Marijuana Implementation and Operations Fund to various state agencies' funds amounts necessary to fund

expenses for implementation, administration, and/or enforcement of the Arkansas Medical Marijuana Amendment of 2016.

Revised: November 2017