

**REPORT
OF THE
SUBCOMMITTEE ON PERFORMANCE EVALUATION AND EXPENDITURE
REVIEW (PEER)
OF THE ARKANSAS LEGISLATIVE COUNCIL**

June 16, 2017

Mr. Chairmen:

Your Subcommittee on Performance Evaluation and Expenditure Review (PEER) met on Wednesday, June 14, 2017, and after having reviewed the following items, reports that the Subcommittee's review and/or approval is complete unless otherwise noted.

A. Cash Fund Appropriation Increase Request – FY17

1. Department of Correction - \$1,000,000
2. Agriculture Department - \$847,200

B. Cash Fund Appropriation Increase Request – FY18

1. Cash Fund Appropriation Requests – FY18
 - a. School for the Deaf - \$150,000
 - b. Department of Veterans Affairs – Veterans Cemetery at Birdeye - \$85,000
 - c. Public Employees Retirement System - \$50,250,000
 - d. Northwest Technical Institute - \$2,900,000
 - e. Burial Association Board - \$5,000
 - f. Martin Luther King, Jr. Commission - \$19,460
 - g. Arkansas Tobacco Control - \$180,450
2. Continuation of Cash Appropriation Requests – FY18
 - a. Arkansas Economic Development Commission - \$500,000
 - b. School for the Deaf - \$13,500
 - c. State Board of Embalmers and Funeral Directors - \$10,000
 - d. Department of Veterans Affairs – AG Settlement Funds - \$57,000
 - e. Department of Veterans Affairs – State Veterans Home - \$160,000
 - f. Arkansas State Police - \$627,941
 - g. Assessment Coordination Department - \$113,650
 - h. Department of Correction - \$1,500,000
 - i. Agriculture Department - \$847,200

C. Items for Approval

1. Set-Aside Funding Release Request – FY17
 - a. Department of Veterans Affairs - \$1,200,000 for Operational Costs of the North Little Rock Veterans Home

- b. Commission on Law Enforcement Standards and Training - \$1,000,000 for repairs and updates to the training facilities
 - c. Economic Development Commission - \$1,500,000 for transfer to the Innovate Arkansas Fund
 - d. Economic Development Commission - \$600,000 for continuation of the Accelerator Program
 - e. University of Arkansas at Pine Bluff - \$422,000 for matching funds for the 1890 Research and Extension Grant programs
 - f. Department of Education - \$300,000 for additional scholarships for the Succeed Scholarship Program
 - g. University of Arkansas System - \$100,000 – to provide aid for operations of the Criminal Justice Institute
 - h. University of Arkansas at Little Rock - \$500,000 for improvements at the UALR Nanotechnology Center
 - i. Agriculture Department - \$847,000 for maintenance, improvements, upgrades and repair of property and facilities relating to County and District Fairs
2. Reallocation of Resources – FY18
 - a. Department of Human Services – **(See Attachment 1)**
 3. Appropriation and/or Fund Transfer Request – FY18
 - a. Department of Human Services – \$10,556,475 Appropriation Transfer from Residential Services Grants and Aid to Operations Extra Help in the amount of \$7,025,249; to Operating Expenses in the amount of \$549,119; and to Personal Services Matching in the amount of \$2,982,107
 4. Reduction from 2.2% to 2.1% in the Percentage Deduction for the State Central Services Fund for FY18

D. Appropriation and/or Fund Transfer Request – FY17

1. Treasurer of State - \$185,000 to Professional Fees and Services from Data Processing Systems/Services

E. Budget Classification Transfer Requests – FY17

1. Public Employees Retirement System-Operations - \$300,000 from Professional Fees to Operating Expenses
2. Fair Housing Commission-Education Trust - \$50,000 from Operating Expenses to Conference and Travel Expense
3. Insurance Department–Operations - \$20,000 from Operating Expenses to Conference and Travel Expense
4. Arkansas State Claims Commission-Operations - \$6,000 from Operating Expenses to Capital Outlay

F. Budget Classification Transfer Requests – FY18

1. Insurance Department-State Operations - \$50,000 from Operating Expenses to Conference and Travel Expense
2. Insurance Department-Fraud Investigation Unit - \$43,000 to Conference and Travel Expense from Operating Expenses in the amount of \$32,000 and from Professional Fees in the amount of \$11,000
3. Insurance Department-Fraud Investigation Division Trust Fund – Appropriation transfer from Conference and Travel Expense in the amount of \$8,026 and from Professional Fees in the amount of \$9,000 to Operating Expenses in the amount of \$532 and to Capital Outlay in the amount of \$16,494
4. Insurance Department-Public Employees Claims Section - \$6,947 from Operating Expenses to Conference and Travel Expense
5. Insurance Department-Health Information Counseling - \$10,000 from Operating Expenses to Conference and Travel Expense
6. Professional Bail Bondsman Licensing Board-Operations - \$33,000 from Professional Fees to Operating Expenses
7. Towing and Recovery Board-Operations - \$7,200 from Professional Fees to Operating Expense
8. Department of Education-Elementary & Secondary Education - \$5,500,000 from Professional Fees to Operating Expenses
9. Arkansas Geological Survey-Operations - \$6,000 from Professional Fees to Operating Expenses
10. Department of Career Education-Rehabilitation Services - \$150,000 to Capital Outlay from Operating Expenses in the amount of \$38,000 and from Professional Fees in the amount of \$112,000
11. Agriculture Department-Forestry Division-Urban Forestry Services-Federal - \$47,500 from Operating Expenses to Conference and Travel Expense in the amount of \$5,000 and to Professional Fees in the amount of \$42,000
12. Assessment Coordination Department-State Operations - \$113,650 from Operating Expenses to Professional Fees
13. Parks and Tourism-Tourism Promotion - \$250,000 from Operating Expenses to Professional Fees

G. Miscellaneous Federal Grant Appropriation Requests – FY18

1. FY18 MFG Requests
 - a. Agriculture Department-Forestry Commission-Best Management Practices Assessment - \$36,800
 - b. Agriculture Department-Produce Safety Program Planning - \$745,832 – 4 Positions
 - c. Department of Human Services-State Targeted Response Opioid Crisis Grant - \$3,901,295 – 3 Positions
 - d. Geological Survey-Data Preservation - \$2,000
 - e. Insurance Department-MIPPA (Medicare Improvement for Patients and Providers) - \$245,566
 - f. Department of Health-Agency for Toxic Substances and Disease Registry (ATSDR) Partnership - \$174,231 – 1 Position

- g. State Military Department-Fort Chaffee - \$15,052,189
 - h. Department of Health-Partnerships for Colorectal Screening - \$530,125
 - i. Department of Health-State and Tribal Youth Suicide Prevention - \$114,907 -2 Positions
 - j. Agriculture Department-Forestry Commission-Consolidated Payment Grant - \$165,000
 - k. Agriculture Department-Forestry Commission-Forest Legacy - \$144,300
 - l. DHS-Division of Child Care & Early Childhood Education-Head Start/Child Care Partnership \$3,801,625 – 2 Positions
2. Continuation of Miscellaneous Federal Grants for Fiscal Year 2018
- a. Arkansas State Police - AWIN - \$3,830,940
 - b. Department of Human Services-Prescription Drug Overdose Death Prevention - \$380,017 – 1 Position
 - c. Department of Health-Non PPHF - \$715,405 – 10 Positions
 - d. Department of Health-Ebola Supplemental - \$649,217
 - e. Insurance Department-Rate Review Cycle IV - \$129,000
 - f. Department of Career Education-Rehabilitation Services-Arkansas Promise 2013 - \$1,025,068 – 2 Positions
 - g. Economic Development Commission-Arkansas MEP Center - \$235,278
 - h. Department of Veterans Affairs-Veterans Home Construction Program - \$15,629,942
 - i. Crime Information Center-SORNA Project - \$116,365
 - j. Department of Community Correction-Residential Substance Abuse Treatment - \$132,393,- 1 Position
 - k. Office of Health Information Technology-Expanding Behavioral Health Interoperability - \$84,052
 - l. Office of Health Information Technology-Health Information Interoperable Exchange - \$2,684,651
 - m. Office of Attorney General-Cooperative Disability Investigation Unit - \$391,459 – 3 Positions

H. Merit Adjustment Fund/Pay Plan Holding Account Transfer Requests – FY17

- 1. Dietetics Licensing Board -\$700
- 2. Geological Survey - \$850
- 3. Department of Environmental Quality - \$15,000
- 4. Department of Higher Education - \$4,500
- 5. Riverside Vocational Technical School - \$7,000
- 6. Department of Labor - \$44,000
- 7. Northwest Technical Institute - \$2,357
- 8. Securities Department - \$10,000

I. Tobacco Settlement Account Funding Request for Carry Forward of Funds

- 1. Department of Human Services - Medicaid Expansion Program
- 2. Minority Health Commission – Targeted State Needs Program

- J. Emergency Review of Pay Plan Request – Assessment Coordination Department (**See Attachment 2**)
- K. Uniform Exemption Request – FY18 - Commission on Law Enforcement Standards and Training - \$40,000

Respectfully submitted by Subcommittee Co-Chairs, Senator Bruce Maloch and Representative David Meeks.

DEPARTMENT OF HUMAN SERVICES
TRANSFER REQUEST SUMMARY
FISCAL YEAR 2018

Attachment 1

DIRECTOR'S OFFICE	AGING & ADULT SERVICES	CHILDREN & FAMILY SERVICES	CHILD CARE SERVICES	BEHAVIORAL HEALTH SERVICES	MEDICAL SERVICES	COUNTY OPERATIONS	DEV. DISABILITIES SERVICES	SERVICES FOR THE BLIND	YOUTH SERVICES	TOTAL
APPROPRIATION TRANSFERS										
A. WITHIN DIVISIONS										
	REGULAR SALARIES								535,400.00	535,400.00
	EXTRA HELP									
	PERSONAL SERVICES MATCHING									
	OPERATING EXPENSE								739,059.00	739,059.00
	PROFESSIONAL FEES & SERVICES									
	CAPITAL OUTLAY									
	STATEWIDE PREV / INTERV. YOUTH									
DYS FEDERAL CHILD AND YOUTH SERVICE GRANTS										
A. TOTAL										
									(1,275,469.00)	(1,275,469.00)

B. BETWEEN DIVISIONS
REGULAR SALARIES
EXTRA HELP
PERSONAL SERVICES MATCHING
OPERATING EXPENSE
DATA PROCESSING SERVICES
DCO SHELTER PLUS CARE
B. TOTAL

459,609.00										459,609.00
(33,159.00)										(33,159.00)
	43,053.00									43,053.00
	(34,260.00)									(34,260.00)
			(258,809.00)							(258,809.00)
					(180,252.00)					(180,252.00)
							(112,358.00)			(112,358.00)
								25,530.00		25,530.00
										79,685.00
-459,609.00	(33,159.00)	(34,260.00)	43,053.00	(258,809.00)	(180,252.00)	(112,358.00)	25,530.00	79,685.00	25,530.00	-79,685.00

TOTAL FUND TRANSFERS										
(1)	(2)	(1)	(2)	(11)	(4)	(1)	(10)	0	0	(32)
24	0	0	3	0	3	1	0	0	1	32
23	(2)	(1)	1	(11)	(3)	2	(10)	0	1	0

TRANSFER 1 OF 4
Authority-Section 11(c), Act 903 of 2017
PREPARED BY DFA - OFFICE OF BUDGET
08-JUN-17

**ALC Report
For Emergency Review of
Pay Plan Request**

Attachment 2

June 5, 2017

On June 5, 2017, Senator Bill Sample and Representative David Branscum, Co-Chairs of the Legislative Council, and Senator Bruce Maloch and Representative David Meeks, Co-Chairs of the PEER Subcommittee, received written notification from Larry Walther, the Chief Fiscal Officer of the State, requesting Emergency Review of a Pay Plan Appropriation Request.

Under Rule 16 of the Rules of the Arkansas Legislative Council, on June 5, 2017, the Co-Chairs of the Legislative Council and PEER Subcommittee unanimously determined that emergency review of the Pay Plan request was necessary to enable the agencies to perform essential services. As such, the Co-Chairs of the Legislative Council and the Co-Chairs of the PEER Subcommittee may act on behalf of the Legislative Council in regard to this request, and state herein that this request shall be filed as reviewed and reported to the Legislative Council at its next regularly scheduled meeting in accordance with Rule 16.

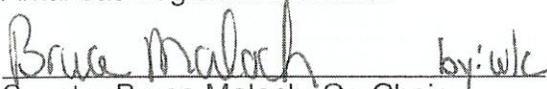
Below is a summary of the Pay Plan request that were given emergency review.

Pay Plan Appropriation Requests – FY17
Assessment Coordination Department - \$180,000

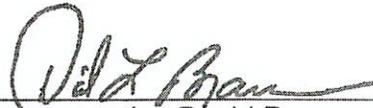
Respectfully Submitted,



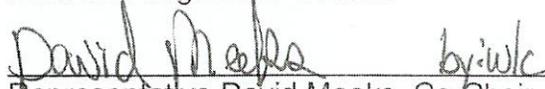
Senator Bill Sample, Co-Chair
Arkansas Legislative Council

 by: wlc

Senator Bruce Maloch, Co-Chair
ALC PEER Subcommittee



Representative David Branscum, Co-Chair
Arkansas Legislative Council

 by: wlc

Representative David Meeks, Co-Chair
ALC PEER Subcommittee



STATE OF ARKANSAS
**Department of Finance
and Administration**

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June 5, 2017

Senator Bill Sample, Chair
Representative David L. Branscum, Chair
Arkansas Legislative Council
State Capitol
Little Rock, AR 72201

RE: Emergency Action Procedures Request

Dear Co-Chairs:

This is to inform you that there is one item for Legislative Council review that require your immediate attention. Because of the time-sensitive nature of these items, the Department of Finance and Administration respectfully requests an expedited review.

This item is a request for Regular Salaries and Personal Services Matching appropriation. This request is needed to meet current payroll obligations for the Assessment Coordination Department.

I ask that you please institute emergency action procedures for consideration of these matters and sign them out of Committee per Rule 17 of the Rules of the Arkansas Legislative Council.

Sincerely,

A handwritten signature in cursive script that reads "Larry W. Walther".

Larry W. Walther
Director

LWW:wkt

**REQUEST FOR SALARY and/or
PERSONAL SERVICES MATCHING APPROPRIATION
Fiscal Year 2017**

Agency Assessment Coordination Department

<u>Fund</u>	<u>Funds Center</u>	<u>Commitment Item</u>	<u>Additional Appropriation</u>
HUA4700	258	501:00:00	\$140,000
HUA4700	258	501:00:03	\$40,000

TOTAL \$180,000

Reason for requested increase:

Additional appropriation is needed in Regular Salaries and Personal Services Matching to meet the remainder of FY17 payroll obligations.

Agency # 0490