

**REPORT OF THE SPECIAL LANGUAGE SUBCOMMITTEE
OF THE
ARKANSAS LEGISLATIVE COUNCIL/JOINT BUDGET COMMITTEE**

B.1

October 28, 2020

Co-Chairs:

The Special Language Subcommittee met on October 27, 2020 and makes the recommendations listed below to the Arkansas Legislative Council/Joint Budget Committee.

Recommendations: October 27

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Proposed Special Language for the Department of Labor and Licensing		
Attachment 1		Legislative Recommendation
Labor Department		Legislative Recommendation
1B/1	SHARED SERVICES	
Department of Labor and Licensing – Boards and Commissions		
1B/4	ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY - PROMOTIONAL ITEMS	Executive Recommendation
1B/5	ARKANSAS ABSTRACTERS' BOARD - PROFESSIONAL FEES	Executive Recommendation
1B/6	PROFESSIONAL BAIL BONDS COMPANY AND PROFESSIONAL BAIL BONDSMAN LICENSING BOARD - FUND TRANSFER	Executive Recommendation
1B/7	STATE BOARD OF BARBER EXAMINERS - APPLICANT PROXIMITY TO EXISTING BARBER COLLEGES	Executive Recommendation
Workers' Compensation Commission		
1B/8	INVESTMENTS	Executive Recommendation
1B/9	REFUND TO EXPENDITURE	Executive Recommendation
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1/4	USE OF ELECTION EXPENSES APPROPRIATION	Executive Recommendation
1/5	TRANSFER OF FUNDS	Executive Recommendation
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1/60	TRANSFER PROVISION – LINE ITEMS - COMMISSION FOR PARENT COUNSEL	Executive Recommendation
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Game & Fish Commission

1G/25	PAYMENT OF REWARDS	Agency Request
1G/26	TRANSFER PROVISION	Agency Request
1G/27	PROMOTIONAL ITEMS	Agency Request

Arkansas Department of Transportation

1H/1	REGULAR SALARIES	Agency Request
1H/2	OVERTIME	Agency Request
1H/3	TRANSFERS AUTHORIZED	Agency Request
1H/4	PERSONAL SERVICES MATCHING TRANSFER	Agency Request

Parks, Heritage, and Tourism

2/1	SHARED SERVICES	Legislative Recommendation
2/4	PROMOTIONAL AND EDUCATIONAL MATERIALS	Executive Recommendation
2/5	NATURAL AND CULTURAL RESOURCES COUNCIL	Executive Recommendation

State Parks & Tourism

2/6	PARK BUDGET ALLOCATION	Executive Recommendation
2/7	SPECIAL MAINTENANCE	Executive Recommendation
2/9	CASH PRIZES - STATE PARKS	Executive Recommendation
2/10	MISSISSIPPI RIVER DOMESTIC - INTERNATIONAL MARKETING PLAN	Executive Recommendation
2/11	PURCHASE OF UNIFORMS	Executive Recommendation
2/12	TOURISM ATTRACTION FEASIBILITY GRANT PROGRAM	Executive Recommendation
2/14	SMALL FESTIVAL FUNDING	Executive Recommendation

Respectfully submitted by Subcommittee Co-Chairs Senator Jonathan Dismang and
Representative Lanny Fite

Proposed Special Language for the Department of Labor and Licensing

SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. EXPENDITURE AND TRANSFER LIMITATIONS. (i) Notwithstanding any other transfer provisions authorized by law, the expenditures for each individual Board, Commission, Section or Division in the Department of Labor and Licensing combined with fund transfers for the individual board, commission, section, or division, such as but not limited to Shared Services Transfers, shall not exceed the net collections of the individual board, commission, section, or division in any fiscal year as set out in this section.

(ii) The calculations for each individual entities expenditures, transfers and net collections or revenue shall be determined separately for each board, commission, section or division and at no time shall a combined calculation be utilized.

(iii) The total expenditures for a fiscal year for each entity shall be determined by the average expenditures of the last three completed fiscal years combined with any current fiscal year budgeted fund transfer.

(iv) The net collections or revenue for a fiscal year for each entity shall be determined by the average revenue collections of the last three completed fiscal years.

(v) At no time shall a fund transfer in a fiscal year cause the total expenditures, as set out in subsection (iii) of this section, to exceed the net collections or revenue, as set out in subsection (iv) of this section.

(vi) Any fund transfers combined with expenditures shall not be greater than revenue collections that could create the need for a board, commission, section or division to raise fees, fines, penalties, or any other collection method in order to continue to provide the services for which they were created.

(vii) Any expenditures for a board, commission, section or division authorized by the General Assembly through the budget hearing and appropriation process, that is specifically requested and approved to be payable out of that individual entity's accumulated fund balances for expenses other than normal operating expense shall be exempt from this section and that expenditure from fund balances shall not be used to calculate the expenditures as set out in subsection (iii) of this section.

(viii) The provisions as set forth in this section does not prevent any individual board, commission, section, or division, from promulgating new or update rules or submitting a request to raise or lower fees, fines, penalties, or any other collection method.

(ix) In the event that an individual board, commission, section, or division has a fiscal year where expenditures combined with budget transfers out exceeds collections or revenue as set out in subsection (v) of this section and that individual board, commission, section, or division has a current fund balance greater than the average expenditures as calculated in subsection (iii) of this section, then that individual board, commission, section, or division is exempt from the provision of this section and may utilize those fund balances to exceed the expenditure combined with transfers out limitation.

(x) The provisions of this section shall be in effect only from July 1, 2021 through June 30, 2022.

SHARED SERVICES.

(a)(1)(A) The Chief Fiscal Officer of the State may create paying accounts on his or her books and on the books of the Treasurer of State and the Auditor of State for the payment of personal services and operating expenses by the Department of Labor and Licensing.

(B) Upon prior approval of the Arkansas Legislative Council, or if meeting in Legislative Session the Joint Budget Committee, the Chief Fiscal Officer of the State shall direct the transfer of funds and appropriations to the Shared Services Paying Account appropriation section of this act and the transfer of positions to the Regular Salaries – Shared Services appropriation section of this act on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State.

(2) The transfer authority provided in subdivision (a)(1) of this section for efficiencies and to eliminate duplication of services are limited only to those services that are provided for multiple divisions of a department, including without limitation to administration, human resources, procurement, communications, fleet operations, and information services.

(3) The transfer authority provided to the department in subdivision (a)(1) of this section may be used to make transfers only within the department's appropriation act or between other appropriation acts authorized for the department.

(b)(1) Each department utilizing the Shared Services Paying Account section or Regular Salaries – Shared Services section of this act shall submit a report to be included in the Budget Manuals for hearings, conducted by the General Assembly, listing all shared services transfers of positions, funds, and appropriation under this section, which shall be submitted as instructed by the Department of Finance and Administration - Office of Budget for uniformity.

(2) A report submitted under subdivision (b)(1) of this section shall include the following:

(A) The position number, authorized position title, class code, grade, business area, and name of the division, section, or unit for the position being transferred to the Regular Salaries – Shared Services section of this act; and

(B) The fund center, appropriation, appropriation amount, commitment item or items, business area, and name of the division, section, or unit for the fund or appropriation being transferred to the Shared Services Paying

Account.

(c)(1) It is the intent of the Ninety-Second General Assembly that the authority under this section to transfer positions is intended for use for the time period prior to Fiscal Year ~~2022~~ 2023 to allow cabinet-level departments to establish a centralized Regular Salaries - Shared Services section, with the recommendation that the position transfer authority granted under this section be discontinued after that time.

(2) The Bureau of Legislative Research shall bring the recommendation in subdivision (c)(1) of this section to the attention of the chairs conducting the ~~2021~~ 2022 Regular Fiscal Session pre-session budget hearings, the chairs of the Special Language Subcommittee, and the members of the Special Language Subcommittee during pre-session budget hearings.

(d) Determining the maximum number of employees and the maximum amount of appropriation and general revenue funding for a cabinet-level department each fiscal year is the prerogative of the General Assembly and is usually accomplished by delineating the maximums in the appropriation act or acts and establishing authorized positions and the general revenue allocations authorized for each fund and fund account by amendment to the Revenue Stabilization Law. Further, the General Assembly has determined that the cabinet-level departments created under Acts 2019, No. 910, may operate more efficiently if some flexibility is provided as authorized under this section. Therefore, it is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval of the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, as provided by this section. The requirement of approval by the Legislative Council or Joint Budget Committee is not a severable part of this section. If the requirement of approval by the Legislative Council or Joint Budget Committee is ruled unconstitutional by a court of competent jurisdiction, this entire section is void.

(e) The provisions of this section shall be in effect from the date of passage through June 30, ~~2021~~ 2022.