

**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.