



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

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August 26, 2014

Senator Bruce Maloch, Co-Chair
Representative Stephen Meeks, Co-Chair
Performance Evaluation & Expenditure Review Committee
Arkansas Legislative Council
State Capitol Building
Little Rock, AR 72201

RE: FY15 Cash Fund Appropriation Increase Request(s)

Dear Co-Chairs:

I am forwarding for appropriate action as required by law, the attached Cash Fund Appropriation Increase Request(s) that have received my approval as Chief Fiscal Officer of the State.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Weiss".

Richard A. Weiss
Director

RAW:knh

Attachment(s)

August 7, 2014

Mr. Brandon Sharp
Administrator, DFA Office of Budget
4th Floor, DFA Building
Little Rock, AR 72201

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Dear Mr. Sharp:

By this letter, I am requesting an increase of \$3 million to the \$500,000 Treasury Cash Fund appropriation for rebates under the Gaseous Fuels Rebate Program within the Arkansas Energy Office (AEO) which was submitted to, and successfully reviewed by the Performance Evaluation and Expenditure Review (PEER) Committee of the Legislative Council at their June 2014 meeting.

The Northwest Arkansas Economic Development District (NWAEDD) has notified the Arkansas Economic Development Commission (AEDC) of their intent to award an additional grant for the purpose of funding projects in Northwest Arkansas under the Gaseous Fuels Rebate Program in the amount of \$1.375 million for additional fuel filling stations and to offer rebates to vehicle owners across the entire state who wish to purchase or convert to clean burning fuels on private and fleet vehicles.

Additionally, the AEO has been notified of efforts by other regions of the State to secure further funding for similar projects around the state. The sources of this additional funding have expressed a desire to run the funding through the AEO's Gaseous Fuels Rebate Program rather than trying to create a duplicate program in another agency, therefore, we feel this request is the best approach to cover all known proposals. If these efforts are successful, the appropriation needs of the program will approach the \$3 million mark.

The AEO has a desire to fund additional stations in all areas of the state as funds become available and where possible, will make every effort to make awards to those stations that stand higher in the ranking system from the original applicants. We do however realize that as time progresses, new opportunities may present themselves for stations that are not currently ranked. In those cases, we will consider what is best for the state and the source of funding and respond appropriately.

The rebates allowed under the program are for \$4,500 or fifty percent (50%) of the conversion/incremental cost; whichever is the lesser, for vehicles and \$400,000 or 75 percent (75%) of the construction cost, whichever is the lesser, for refueling stations.

The rebates are part of the requirements of Act 532 of 2013 for the statewide program. The AEO received \$1,050,000 total funding from the 89th General Assembly for refueling stations and vehicle purchases/conversions. After giving the rebates for four refueling stations; two at Springdale, and one at Ft. Smith and West Memphis, only minimal funding remains available for the vehicle component of the program.

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Page 2

The appropriation herein requested will allow the AEO to strengthen the vehicle component of the rebate program and will offer the opportunity for additional refueling station rebates at this time instead of having to wait for possible funding from future legislative actions.

Respectfully,

A handwritten signature in black ink, appearing to read 'Harold Sharp', with a long horizontal flourish extending to the right.

**Harold Sharp
AEDC Budget Director**

**cc: Emily Shumate, Budget Analyst
J D Lowery, Energy Office Director
Mitchell Simpson, Gaseous Fuels Program Coordinator**