

SUMMARY BUDGET INFORMATION

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2016 AGENCY FUND TRANSFERS

**For your information, the Office of Budget has
enumerated the following fund transfers which were
made from agency treasury fund accounts but do not appear on
the Appropriation Summary as expenditures**

Agency	Blanket Surety Bond Premiums ACA §21-2-710	Claims ACA §19-10-204	Workers' Compensation Administrative Cost Reimbursement ACA §11-9-307
Crime Information Center, Arkansas	\$485	\$0	\$2,142
Crime Laboratory, State	\$635	\$0	\$81
DFA - Alcoholic Beverage Control Administration Division	\$57	\$708	\$0
DFA - Alcoholic Beverage Control Enforcement Division	\$96	\$0	\$5,176
DFA - Building Authority	\$353	\$0	\$1,735
DFA - Child Support Enforcement, Office of	\$4,512	\$753	\$6,739
DFA - Disbursing Officer	\$0	\$3,472	\$0
DFA - Management Services Division	\$2,150	\$0	\$614
DFA - Racing Commission	\$67	\$0	\$108
DFA - Revenue Services Division	\$5,868	\$100	\$7,451
Disabled Veterans' Service Office	\$5	\$0	\$0
Environmental Quality, Department of	\$1,753	\$0	\$3,163
Geological Survey, Arkansas	\$115	\$0	\$119
Health Services Permit Agency	\$43	\$4,750	\$0
Law Enforcement Standards & Training, Commission on	\$363	\$0	\$212
Martin Luther King, Jr. Commission	\$14	\$0	\$0
Military Department, State	\$2,264	\$250	\$5,448
Parole Board	\$115	\$0	\$0
Public Defender Commission, Arkansas	\$1,871	\$0	\$369
Sentencing Commission, Arkansas	\$24	\$0	\$0
State Police, Arkansas	\$4,872	\$900	\$67,230
Veterans' Affairs, Department of	\$616	\$726	\$4,049
Veterans' Child Welfare Service Office	\$10	\$0	\$0
Workers' Compensation Commission	\$487	\$0	\$457

AGENCY POSITION USAGE REPORT

Agency	FY2016 - FY2017						3 YEAR AVERAGE(FY15,FY16,FY17)					
	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
		Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
Crime Information Center, Arkansas	75	66	9	75	0	12.00 %	75	67	7	74	1	10.67 %
Crime Laboratory, State	144	136	8	144	0	5.56 %	144	134	10	144	0	6.94 %
DFA - Alcoholic Beverage Control Administration Division	12	10	2	12	0	16.67 %	12	10	1	11	1	16.67 %
DFA - Alcoholic Beverage Control Enforcement Division	20	20	0	20	0	0.00 %	20	19	1	20	0	5.00 %
DFA - Building Authority	72	58	14	72	0	19.44 %	85	63	22	85	0	25.88 %
DFA - Child Support Enforcement, Office of	840	669	171	840	0	20.36 %	840	691	149	840	0	17.74 %
DFA - Disbursing Officer	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %
DFA - Management Services Division	464	365	99	464	0	21.34 %	457	369	89	458	-1	19.26 %
DFA - Racing Commission	14	13	1	14	0	7.14 %	14	13	0	13	1	7.14 %
DFA - Revenue Services Division	1,501	1,331	170	1,501	0	11.33 %	1,494	1,344	149	1,493	1	10.04 %
Disabled Veterans' Service Office	1	0	1	1	0	100.00 %	1	0	0	0	1	100.00 %
Environmental Quality, Department of	422	336	86	422	0	20.38 %	422	347	75	422	0	17.77 %
Geological Survey, Arkansas	30	28	1	29	1	6.67 %	29	27	1	28	1	6.90 %
Health Services Permit Agency	6	5	1	6	0	16.67 %	9	6	3	9	0	33.33 %
Law Enforcement Standards & Training, Commission on	56	48	8	56	0	14.29 %	56	49	6	55	1	12.50 %
Martin Luther King, Jr. Commission	4	3	1	4	0	25.00 %	4	3	1	4	0	25.00 %
Military Department, State	666	427	202	629	37	35.89 %	668	426	203	629	39	36.23 %
Parole Board	25	24	2	26	-1	4.00 %	24	24	1	25	-1	0.00 %
Public Defender Commission, Arkansas	257	249	5	254	3	3.11 %	251	246	5	251	0	1.99 %
Sentencing Commission, Arkansas	5	3	2	5	0	40.00 %	5	3	1	4	1	40.00 %
State Police, Arkansas	1,080	969	38	1,007	73	10.28 %	1,076	972	30	1,002	74	9.67 %
Veterans' Affairs, Department of	275	127	99	226	49	53.82 %	197	131	49	180	17	33.50 %
Veterans' Child Welfare Service Office	2	2	0	2	0	0.00 %	2	2	0	2	0	0.00 %
Workers' Compensation Commission	115	93	22	115	0	19.13 %	135	96	39	135	0	28.89 %

DFA - Management Services (0610) - Budget Number of Positions may exceed the Authorized Number due to additional positions established through the authority of the Miscellaneous Federal Program Act during the 2015-2017 Biennium.

Environmental Quality (0930) - FY17 Budget amounts in Regular Salaries and Personal Services Matching may exceed the authorized amounts due to transfers from the Agency Growth Pool during the 2015-2017 Biennium.

Parole Board (0323) - Budgeted Number of Positions exceeds the Authorized Number due to a transfer from the Agency Growth Pool during the 2015-2017 Biennium

AGENCY POSITION USAGE REPORT

Public Defender Commission (0324) - FY2014-2015 Total Budgeted Positions exceed the Authorized Number due to the addition of one (1) position from the Central Growth Pool.

Veterans Affairs (0385) - Total Budgeted positions exceed Authorized amount in FY16 due to position authorized from the Central Growth Pool.

ARKANSAS CRIME INFORMATION CENTER

Enabling Laws

Act 264 of 2016
A.C.A. §12-12-201 et seq.
A.C.A. §12-12-1001 et seq.
A.C.A. §12-12-901 et seq.
A.C.A. §12-12-1601 et seq.
A.C.A. §17-44-102
A.C.A. §5-64-1106
A.C.A. §8-6-607

History and Organization

The Arkansas Crime Information Center (ACIC) was created by Act 286 of 1971 with the name of Criminal Justice and Highway Safety Information Center. It was originally placed in the Department of Finance and Administration. Act 742 of 1975 transferred the agency to the Department of Public Safety. Act 375 of 1979 changed the name of the agency to the current Arkansas Crime Information Center. Act 45 of 1981 abolished the Department of Public Safety, leaving ACIC as a separate agency with all the same functions, powers and duties.

Act 1109 of 1993 expanded the authority of ACIC to administer the Computerized Criminal History Record System. This includes arrest records for all felony and Class A misdemeanor offenses, plus the judicial disposition of each record. This is the source file for all criminal history background checks.

Act 989 of 1997 expanded the authority of ACIC to administer the Sex and Child Offender Registry. This registry of sex offenders is accessible in Arkansas and by the other 49 states for authorized purposes.

Act 1250 of 1997 expanded the authority of ACIC to administer the Crime Victim Notification System. This system, commonly referred to as the VINE system, provides offender status information from all county jails and prosecuting attorneys to the victims of crime.

Administration and Organization

Under the Director, the Agency operates with four divisions. The Administration Division is responsible for office management, accounting,

budget, purchasing, human resources and inventory. The Information Services Division is responsible for the technical development and management of the ACIC mainframe applications, telecommunications, microcomputer systems and interfaces with the National Information Systems. The Operations Division is responsible for providing technical assistance to the law enforcement community for training law enforcement agencies throughout the state, managing the Crime Victim Notification System and the JusticeXchange System, and the collection and publication of Crime Statistics. The Repository Division is responsible for Criminal History data entry, collection and management; Sex Offender Registry Management; misuse investigations; and Public Information.

Mission:

The Mission of ACIC is to provide information services to criminal justice agencies in Arkansas. If these agencies are to be effective, there must be a sharing of information. Computer technology now makes data sharing a timely and efficient process. Providing this information technology is the role of ACIC.

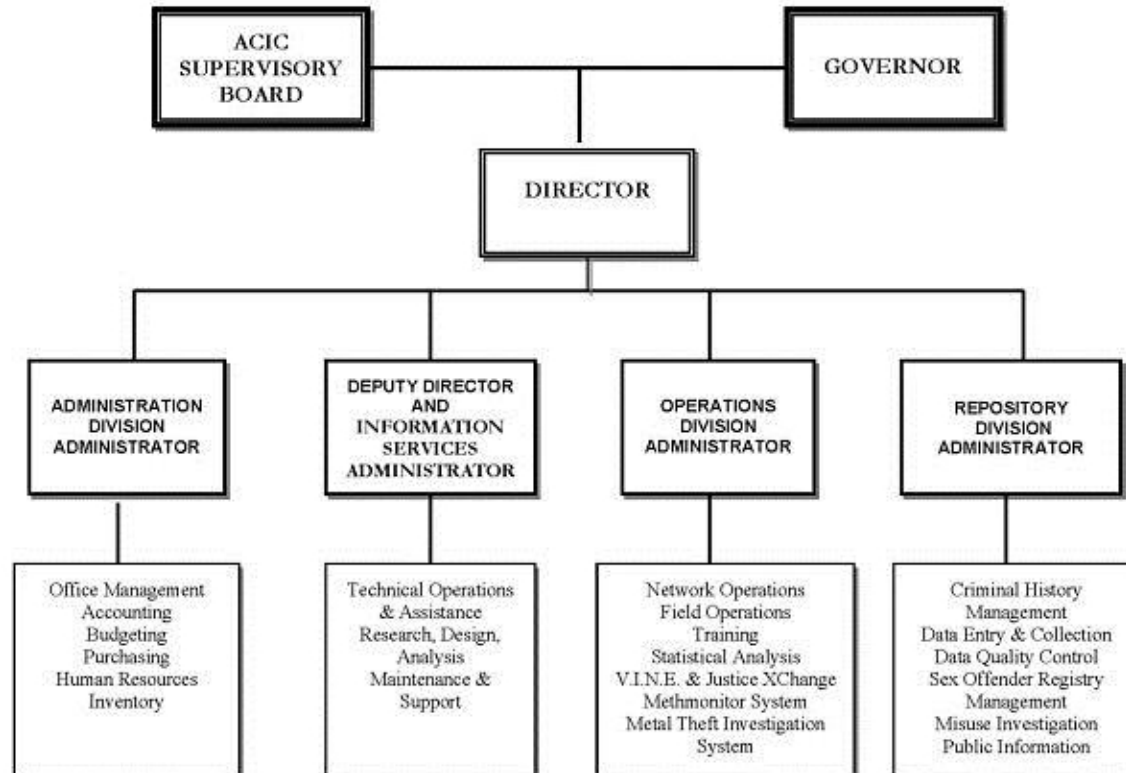
The ACIC system was developed to promote safety, the protection of property, and the equitable processing of individuals within the criminal justice system. ACIC furnishes information to governmental agencies that enforce or aid in enforcing local, state and federal laws.

Scope:

ACIC serves criminal justice agencies and officials at the local, county, state and federal levels in Arkansas. Access to information is provided through a network of over 2,000 terminals in over 260 locations statewide. ACIC also administers the state's central repository of criminal history records, the sex offender registry, collects and publishes statistics on crime and manages the crime victim notification project.

Public Benefit:

The public benefit of ACIC is to enable effective government operations and public safety through appropriate, cost-effective, coordinated, innovative and useful application of information technologies.



Agency Commentary

Appropriation 171- Operations

The Arkansas Crime Information Center's mission is to administer the State's automated Criminal Justice Information System in an efficient and cost effective manner, providing timely, accurate and reliable data, to local, state and federal criminal justice agencies. This enables these law enforcement agencies to execute their duty to protect the citizens of the State.

Appropriation in this Fund Center is used to provide and maintain a complete and accurate database of criminal history records; maintain an accurate database/registry of sex offenders; provide a secure statewide computerized network allowing criminal justice agencies to enter and retrieve information from various state and national databases; collect and report crime data statistics to the FBI, state government officials and various agencies over the state (NIBRS and N-DEX); maintain the Arkansas Victim and Notification System (VINE); maintain an electronic communication system between criminal justice agencies (Justice Xchange & AlertXpress); and maintain a real time electronic logbook of all purchases of Ephedrine or Pseudoephedrine. Funding comes from general revenue and special revenue. Special revenue consists of background check fees and DWI court fines.

The Agency is requesting a continuation of base level funding because it could not perform vital functions below base level funding.

The Agency is requesting \$50,000 each year for Capital Outlay. These requests will be used for the purchase of hardware, firewall, and servers as it becomes necessary to replace or add to equipment necessary to provide the Criminal Justice Information System.

The Agency is requesting \$500,000 each year in Contingency Appropriation. This request will be used to provide for the Criminal History Information Program, AR Sex Offender Registry, ACIC operating system, Victim Notification Program, NIBRS (online crime statistics) program, Law Enforcement National Data Exchange (N-DEX), JusticeXchange Program or the general operation of the Agency. The use of this contingency appropriation and funding would have to be approved by the Chief Fiscal Officer of the State and the Legislative Council or Joint Budget Committee.

Appropriation 944 - Systems Conference - Cash

The Agency supports an annual ACIC Systems Conference. This conference brings together the users of ACIC Systems and the ACIC Staff to provide information and education about new and upcoming changes to the System and feedback from the users. Funding is provided by registration fees charged to participants and fees paid by vendors for rental of booth space. Expenditure of appropriation is contingent upon available funds.

The Agency is requesting a continuation of Base Level funding for our Systems Conference in order to provide better services and education to the Law Enforcement Community.

Appropriation 739 - Sex/Child Offender Registration Program

The Sex and Child Offender Registration Fund was established in 1997 per A.C.A. 12-12-911. This appropriation is funded through fines received by those persons required to register as sex offenders. The funds are used by the Arkansas Crime Information Center for the operational expenses of the Sex and Child Offender Registration program.

The Agency is requesting a continuation of Base Level Funding in order to meet the operational expenses necessary in providing the Sex Offender Registration Program.

Appropriation 86Z - Scrap Metal Logbook

This appropriation is used to fund the Metal Theft Investigations System's maintenance and operating expenses. This service is provided by the Vendor, LeadsOnline. Law enforcement agencies use this database as an investigative tool. The \$150,000 needed to provide this service is deposited to the account by ADEQ per A.C.A. 8-6-607.

The Agency is requesting a continuation of Base Level since this service could not be adequately provided below current Base Level funding.

Appropriation M69 - FY13 SORNA Project

The Arkansas Crime Information Center will use the SORNA, Sex Offender Registration and Notification Act, reallocated federal funds to enhance Arkansas' ability to become more compliant with SORNA requirements. These supplemental funds are being used to pay salary for one employee who will convert all paper files into electronic files for quicker, accurate access by law enforcement and courts; purchase equipment needed for this purpose; and pay programming costs necessary to create an electronic, real time notification to law enforcement agencies of Sex Offender Status Changes.

The Agency is requesting a continuation of a previously approved Miscellaneous Federal Grant (MFG) in order to continue using federal funds provided by the Department of Justice so the State can become more compliant with federal regulations.

Appropriation 927 - Criminal History Improvements

The Agency did not request this appropriation for the 2017-2019 biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS CRIME INFORMATION CENTER
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	20	26	46	73 %
Black Employees	6	10	16	25 %
Other Racial Minorities	1	0	1	2 %
Total Minorities			17	27 %
Total Employees			63	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Crime in Arkansas	A.C.A. §12-12-207(d)	N	N	0	Posted on the Arkansas Crime Information Center website.	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
171 ACIC - Operations	6,300,471	70	7,477,900	75	8,040,594	75	7,452,959	75	8,002,959	75	7,439,023	73	7,458,511	75	8,008,511	75	7,444,575	73
739 Sex/Child Offender Registration	15,508	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0
86Z Scrap Metal Logbook	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0
944 Systems Conf-Cash in Treasury	51,506	0	60,000	0	60,000	0	60,000	0	60,000	0	60,000	0	60,000	0	60,000	0	60,000	0
M69 Sorna Project-2013-MU-BX-0025	115,316	1	13,330	0	0	0	0	0	8,935	0	8,935	0	0	0	8,935	0	8,935	0
NOT REQUESTED FOR THE BIENNIUM																		
927 Criminal History Imprv-Federal	4,446	1	0	0	134,898	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	6,637,247	72	7,851,230	75	8,535,492	75	7,812,959	75	8,371,894	75	7,807,958	73	7,818,511	75	8,377,446	75	7,813,510	73

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	5,784,549	43.6	6,630,283	49.8	5,467,424	44.8	5,467,424	44.8	5,467,424	44.8	4,386,844	39.4	3,836,844	36.2	3,900,780	36.6	
General Revenue	4000010	3,759,593	28.3	3,759,593	28.2	3,784,888	31.0	3,784,888	31.0	3,784,888	31.0	3,791,299	34.0	3,791,299	35.8	3,791,299	35.6	
Federal Revenue	4000020	115,316	0.9	13,330	0.1	0	0.0	8,935	0.1	8,935	0.1	0	0.0	8,935	0.1	8,935	0.1	
Special Revenue	4000030	3,319,971	25.0	2,610,000	19.6	2,639,427	21.6	2,639,427	21.6	2,639,427	21.6	2,652,500	23.8	2,652,500	25.0	2,652,500	24.9	
Cash Fund	4000045	50,624	0.4	60,000	0.5	60,000	0.5	60,000	0.5	60,000	0.5	60,000	0.5	60,000	0.6	60,000	0.6	
Merit Adjustment Fund	4000055	0	0.0	31,706	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Fees & Fed Reimbursements	4000250	4,337	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Other	4000370	19,398	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Transfer State Admn of Justice	4000570	63,742	0.5	63,742	0.5	98,064	0.8	98,064	0.8	98,064	0.8	98,064	0.9	98,064	0.9	98,064	0.9	
Various Program Support	4000730	150,000	1.1	150,000	1.1	150,000	1.2	150,000	1.2	150,000	1.2	150,000	1.3	150,000	1.4	150,000	1.4	
Total Funds		13,267,530	100.0	13,318,654	100.0	12,199,803	100.0	12,208,738	100.0	12,208,738	100.0	11,138,707	100.0	10,597,642	100.0	10,661,578	100.0	
Excess Appropriation/(Funding)		(6,630,283)		(5,467,424)		(4,386,844)		(3,836,844)		(4,400,780)		(3,320,196)		(2,220,196)		(2,848,068)		
Grand Total		6,637,247		7,851,230		7,812,959		8,371,894		7,807,958		7,818,511		8,377,446		7,813,510		

Variance in fund balance due to unfunded appropriation in (739) Sex/Child Offender Registration. The source of Various Program Support funding for (86Z) Scrap Metal Logbook is a transfer from ADEQ. FY2016 Actual and FY 2017 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 251 (60) of 2016.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
75	67	8	75	0	10.67 %	75	69	6	75	0	8.00 %	75	66	9	75	0	12.00 %

Analysis of Budget Request

Appropriation: 171 - ACIC - Operations

Funding Sources: MJA - Crime Information System Fund

The Arkansas Crime Information Center is responsible for the state's law enforcement and criminal justice information management system. This appropriation is used for personal services and operating expenses of the Agency. Funding comes from general revenue and special revenue. Special revenue consists of background check fees and DWI court fines.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level request is for appropriation of \$550,000 in each year of the biennium and reflects the following:

- Capital Outlay of \$50,000 each year for the purchase of hardware, firewall, and services and to replace or add equipment necessary to provide the Criminal Justice Information System as stated in the Agency IT plan;
- Contingency of \$500,000 each year to restore appropriation to FY17 authorized level.

The Executive Recommendation provides for \$50,000 in appropriation only for Capital Outlay each year of the biennium. Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects position reductions of two (2) Administrative Specialist II positions based on the personnel evaluation.

Appropriation Summary

Appropriation: 171 - ACIC - Operations
Funding Sources: MJA - Crime Information System Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,531,499	2,661,782	2,709,772	2,669,998	2,669,998	2,626,344	2,674,498	2,674,498	2,630,844
#Positions	70	75	75	75	75	73	75	75	73
Personal Services Matching 5010003	945,895	984,350	999,054	1,001,193	1,001,193	980,911	1,002,245	1,002,245	981,963
Operating Expenses 5020002	1,884,175	1,970,041	1,970,041	1,970,041	1,970,041	1,970,041	1,970,041	1,970,041	1,970,041
Conference & Travel Expenses 5050009	25,585	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Professional Fees 5060010	0	450,692	450,692	450,692	450,692	450,692	450,692	450,692	450,692
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	20,759	50,000	50,000	0	50,000	50,000	0	50,000	50,000
Contingency 5130018	0	0	500,000	0	500,000	0	0	500,000	0
Data Processing 5900044	892,558	1,201,035	1,201,035	1,201,035	1,201,035	1,201,035	1,201,035	1,201,035	1,201,035
Update/Expand 5900046	0	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Total	6,300,471	7,477,900	8,040,594	7,452,959	8,002,959	7,439,023	7,458,511	8,008,511	7,444,575

Funding Sources									
Fund Balance 4000005	5,746,040	6,578,911		5,456,052	5,456,052	5,456,052	4,386,045	3,836,045	4,399,981
General Revenue 4000010	3,759,593	3,759,593		3,784,888	3,784,888	3,784,888	3,791,299	3,791,299	3,791,299
Special Revenue 4000030	3,290,609	2,500,000		2,500,000	2,500,000	2,500,000	2,502,500	2,502,500	2,502,500
Merit Adjustment Fund 4000055	0	31,706		0	0	0	0	0	0
Other 4000370	19,398	0		0	0	0	0	0	0
Transfer State Admn of Justice 4000570	63,742	63,742		98,064	98,064	98,064	98,064	98,064	98,064
Total Funding	12,879,382	12,933,952		11,839,004	11,839,004	11,839,004	10,777,908	10,227,908	10,291,844
Excess Appropriation/(Funding)	(6,578,911)	(5,456,052)		(4,386,045)	(3,836,045)	(4,399,981)	(3,319,397)	(2,219,397)	(2,847,269)
Grand Total	6,300,471	7,477,900		7,452,959	8,002,959	7,439,023	7,458,511	8,008,511	7,444,575

FY2016 Actual and FY2017 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 251 (60) of 2016. Other funding is a transfer from the Motor Vehicle Acquisition Fund.

Change Level by Appropriation

Appropriation: 171 - ACIC - Operations
Funding Sources: MJA - Crime Information System Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	7,452,959	75	7,452,959	100.0	7,458,511	75	7,458,511	100.0
C05	Unfunded Appropriation	500,000	0	7,952,959	106.7	500,000	0	7,958,511	106.7
C08	Technology	50,000	0	8,002,959	107.4	50,000	0	8,008,511	107.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	7,452,959	75	7,452,959	100.0	7,458,511	75	7,458,511	100.0
C05	Unfunded Appropriation	0	0	7,452,959	100.0	0	0	7,458,511	100.0
C08	Technology	50,000	0	7,502,959	100.7	50,000	0	7,508,511	100.7
C13	Not Recommended	(20,282)	0	7,482,677	100.4	(20,282)	0	7,488,229	100.4
C19	Executive Changes	(43,654)	(2)	7,439,023	99.8	(43,654)	(2)	7,444,575	99.8

Justification

C05	The Agency is requesting \$500,000 for FY2018 and FY2019 in Contingency Funds. This will be used to provide for the Repository Division, Network/Operations System, or the general operations of the Agency. This appropriation is unfunded.
C08	The Agency is requesting \$50,000 in Capitol Outlay for FY2018 and FY2019. This will be used for Computer Hardware purchases for the Agency and is reflected in the Agency's IT Plan under Future Hardware Purchases.
C19	The Executive Recommendation reflects the following position reductions: Two (2) Administrative Specialist II.

Analysis of Budget Request

Appropriation: 739 - Sex/Child Offender Registration

Funding Sources: SSC - Sex and Child Offender Registration Fund

The Sex and Child Offender Registration Fund was established in 1997 per A.C.A. §12-12-911. This appropriation is funded through fines received by those persons required to register as sex offenders. The funds are used by the Arkansas Crime Information Center for the administration of the Sex and Child Offender Registration program.

The Agency Request is for Base Level in each year of the biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 739 - Sex/Child Offender Registration
Funding Sources: SSC - Sex and Child Offender Registration Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	15,508	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		15,508	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Funding Sources										
Fund Balance	4000005	36,719	50,573		10,573	10,573	10,573	0	0	0
Special Revenue	4000030	29,362	110,000		139,427	139,427	139,427	150,000	150,000	150,000
Total Funding		66,081	160,573		150,000	150,000	150,000	150,000	150,000	150,000
Excess Appropriation/(Funding)		(50,573)	(10,573)		0	0	0	0	0	0
Grand Total		15,508	150,000		150,000	150,000	150,000	150,000	150,000	150,000

Analysis of Budget Request

Appropriation: 86Z - Scrap Metal Logbook

Funding Sources: MJA - Crime Information System Fund

Agency uses this appropriation for maintenance and operation expenses of the Arkansas Real-Time Scrap Metal Logbook. Funds for this appropriation comes from fees collected from A.C.A. § 8-6-607(5).

The Agency Request is for Base Level in each year of the biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 86Z - Scrap Metal Logbook

Funding Sources: MJA - Crime Information System Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Scrap Metal Logbook 5900046	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Total	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Funding Sources									
Various Program Support 4000730	150,000	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding	150,000	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	150,000	150,000		150,000	150,000	150,000	150,000	150,000	150,000

Analysis of Budget Request

Appropriation: 944 - Systems Conf-Cash in Treasury

Funding Sources: NCD - ACIC Conference - Cash in Treasury

The Agency supports two state wide conferences from this fund: the Systems Conference and the NIBRS (National Incidence Based Reporting System) Conference. Funding is provided by registration fees charged to participants and fees paid by vendors for rental of booth space.

The Agency Request is for continuation of Base Level in each year of the biennium.

The Executive Recommendation provides for Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 944 - Systems Conf-Cash in Treasury

Funding Sources: NCD - ACIC Conference - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	48,149	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Conference & Travel Expenses	5050009	3,357	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		51,506	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Funding Sources										
Fund Balance	4000005	1,681	799		799	799	799	799	799	799
Cash Fund	4000045	50,624	60,000		60,000	60,000	60,000	60,000	60,000	60,000
Total Funding		52,305	60,799		60,799	60,799	60,799	60,799	60,799	60,799
Excess Appropriation/(Funding)		(799)	(799)		(799)	(799)	(799)	(799)	(799)	(799)
Grand Total		51,506	60,000		60,000	60,000	60,000	60,000	60,000	60,000

Analysis of Budget Request

Appropriation: M69 - Sorna Project-2013

Funding Sources: FAC - DOJ Federal Funds

The Arkansas Crime Information Center will use the SORNA, Sex Offender Registration and Notification Act, reallocated federal funds to enhance Arkansas' ability to become more compliant with SORNA requirements. These supplemental funds are being used to pay salary for one employee to convert all paper files into electronic files for quicker, accurate access by law enforcement and courts; purchase equipment needed for this purpose; and pay programming costs necessary to create an electronic, real time notification to law enforcement agencies of Sex Offender Status Changes.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency requests continuation of appropriation approved through a Miscellaneous Federal Grant (MFG) during FY2016.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: M69 - Sorna Project-2013

Funding Sources: FAC - DOJ Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	16,637	5,189	0	0	3,637	3,637	0	3,637	3,637
#Positions		1	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	5,793	4,532	0	0	1,689	1,689	0	1,689	1,689
Operating Expenses	5020002	67,458	3,609	0	0	3,609	3,609	0	3,609	3,609
Professional Fees	5060010	20,000	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	5,428	0	0	0	0	0	0	0	0
Total		115,316	13,330	0	0	8,935	8,935	0	8,935	8,935
Funding Sources										
Federal Revenue	4000020	115,316	13,330		0	8,935	8,935	0	8,935	8,935
Total Funding		115,316	13,330		0	8,935	8,935	0	8,935	8,935
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		115,316	13,330		0	8,935	8,935	0	8,935	8,935

Budget exceeds authorized amount in Regular Salaries, Personal Services Matching, and Operating Expenses due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

Appropriation: M69 - Sorna Project-2013
Funding Sources: FAC - DOJ Federal Funds

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	8,935	0	8,935	100.0	8,935	0	8,935	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	8,935	0	8,935	100.0	8,935	0	8,935	100.0

Appropriation Summary

Appropriation: 927 - Criminal History Imprv-Federal
Funding Sources: FAC - Crime Information Center - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,519	0	43,654	0	0	0	0	0	0
#Positions	1	0	0	0	0	0	0	0	0
Personal Services Matching 5010003	1,896	0	20,260	0	0	0	0	0	0
Operating Expenses 5020002	31	0	10,984	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	60,000	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	4,446	0	134,898	0	0	0	0	0	0
Funding Sources									
Fund Balance 4000005	109	0		0	0	0	0	0	0
Fees & Fed Reimbursements 4000250	4,337	0		0	0	0	0	0	0
Total Funding	4,446	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	4,446	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM

STATE CRIME LABORATORY

Enabling Laws

Act 88 of 2016
A.C.A. §12-12-301 et seq.

History and Organization

The Arkansas State Crime Laboratory (ASCL) was created by Act 517 of 1977 to provide forensic science services to the criminal justice system. Act 383 of 1991 created a Crime Laboratory Board that is comprised of eight members that meet quarterly. An Executive Director appointed by the Governor provides the day-to-day administration of the laboratory.

The Little Rock laboratory facility, which occupies approximately 69,879 square feet, is located at #3 Natural Resources Drive in Little Rock. A storage facility, including a vehicle evidence processing garage, is located adjacent to the laboratory that occupies 5,500 square feet. The ASCL has a satellite laboratory on the campus of the University of Arkansas Community College at Hope which occupies 2,304 square feet.

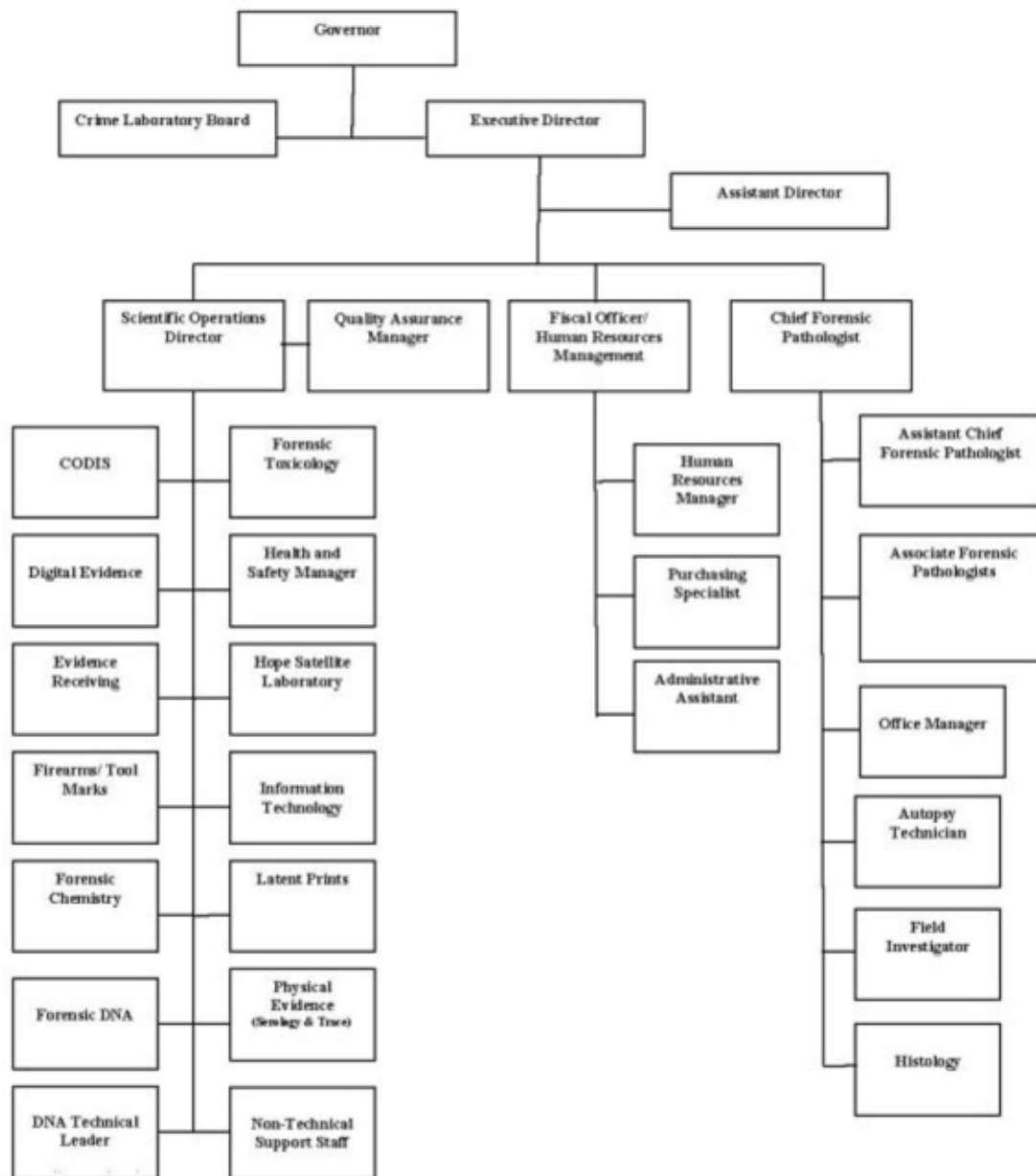
The laboratory provides the following forensic services to all law enforcement agencies, prosecuting attorneys, public defenders, as well as state agencies with investigative authority: Digital Evidence, DNA/CODIS, Drug Analysis, Firearms/Toolmarks, Forensic Pathology, Latent Prints, Physical Evidence (Serology & Trace) and Toxicology. The ASCL also provides forensic science services for federal law enforcement agencies.

The laboratory receives approximately 30,000 cases annually. One case can require multiple types of examinations that will require the services of the various disciplines in the laboratory. The Medical Examiner's Section performs approximately 1,500 autopsies per year and provides continual support to Coroners throughout the state.

The laboratory became accredited by the American Society of Crime Laboratory Directors - Lab Accreditation Board (ASCLD/LAB) in December 2004. In order to maintain accreditation, the ASCL must conduct internal audits every year and participate in an external audit every four years, as well as supply training for all analysts/examiners annually. The ASCL received ISO17025 accreditation through ASCLD/LAB in 2014. Accreditation is just one component of the ASCL's quality assurance program which also includes proficiency testing, continuing education, and other programs to help the laboratory provide better overall service to the criminal justice system. Accreditation is a means to demonstrate to law enforcement agencies, the court system and to the public that the laboratory is meeting established standards. The Medical Examiner's Office received accreditation August 15, 2010 through the National Association of Medical Examiners (NAME). NAME

accreditation demonstrates that the Medical Examiner's Office continues to develop and maintain a high caliber of medicolegal death investigations for the State of Arkansas. This accreditation was renewed in 2015.

In addition to the examination of evidence in 2015, crime laboratory analysts spent approximately 3,000 hours in the various courts throughout the State. Furthermore, the ASCL provides instructors for courses being taught at the Arkansas Law Enforcement Training Academy, the Criminal Justice Institute, the Black River Training Academy, Arkansas State Police, and hospitals throughout the state. The ASCL has developed and provides training to the Arkansas Department of Correction, the Arkansas Department of Community Correction and law enforcement throughout the state for the collection of DNA samples from individuals required to provide a sample. When requested by ASCLD/LAB, the ASCL provides subject matter experts to assist in audits of other forensic laboratories across the country.



Agency Commentary

The Arkansas State Crime Laboratory (ASCL) provides forensic science services to all law enforcement agencies, prosecuting attorneys, public defenders, as well as state agencies with investigative authority. The ASCL also provides forensic science services for federal law enforcement agencies. Services provided by the laboratory include the scientific analysis of evidence, written reports regarding the scientific findings of the analysis, and expert testimony in court. All forensic conclusions, both written and verbal are scientifically valid, accurate, consistent, and reliable. This standard of quality serves as the guiding principle for all technical and strategic decisions involving work undertaken by the ASCL. The ASCL is accredited by the American Society of Crime Laboratory Directors - Lab Accreditation Board (ASCLD/LAB) and the National Association of Medical Examiners (NAME).

The mission of the Arkansas State Crime Laboratory is to provide the highest quality forensic science services to the criminal justice community and the State of Arkansas. This is accomplished through a team of skilled and dedicated employees utilizing scientific equipment and validated methodologies. The laboratory strives to provide these services in a time frame amenable to our customers.

The ASCL continues to receive an increased number of cases each year and has been proactive in addressing this problem by implementing Lean Six Sigma. This resulted in eliminating wastes and streamlining current processes. The ASCL realized drastic improvements without adding additional staff.

Base Level Funding and Appropriation prior to existing levels

At previous levels of funding, the laboratory experienced a backlog over 18,000 cases causing serious delays in the criminal justice system. These delays caused unacceptable turn-around-time with analytical reports and drastically delayed issuance of final Death Certificates for the families of victims of crimes in Arkansas.

Current Base Level Funding has allowed the laboratory to provide the criminal justice system analytical reports and final Death Certificates in a timely manner. Current funding has also effectively reduced the backlog from 18,000 cases to approximately 4,200 cases per year.

Funding for the laboratory is provided through general revenues allocated from the Miscellaneous Agencies Fund Account. Some funding for laboratory operations comes through the Administrative Office of the Courts as well as Special State Assets Forfeiture Funds. Federal grants are utilized to support the laboratory in order to reduce the backlog and build the laboratory infrastructure. Grant funds are also utilized to provide annual training for all laboratory personnel, which is an ASCLD/LAB accreditation requirement. A special revenue fund derived from fees charged to convicted offenders is also used to partially support the Forensic Biology Sections (Physical Evidence, DNA/CODIS).

The ASCL facility is rented from the Division of Building Authority (DBA) for \$862,749/year. This rental payment absorbs approximately 45% of the laboratory's annual Maintenance & Operations budget and decreases substantially the amount left for the day-to-day operations of the laboratory.

We are requesting the following:

Appropriation 498: State Operations

We are requesting Base Level for each year of the biennium. (See above for explanation)

Appropriation 788: DNA Special

We are requesting additional appropriation of \$223,000 in operating costs; \$28,750 in Conference and Travel Expenses and an additional \$10,000 in Professional Fees. These increases are needed to continue the operations of the DNA section. The caseload continues to increase each year requiring increased supply and equipment purchases. The conference and travel increases will support accreditation requirements for analysts to attend annual training as well as allow the laboratory to keep up with the changing technologies in this field. The additional professional fees will be used to purchase proficiency tests, which are required by our accrediting body and the FBI.

Appropriation 1ED: Federal Operations

We are requesting \$1,000,000 each year in capital outlay for the purchase of new equipment and to replace outdated equipment. Funding will be made available through the United States Department of Justice.

Appropriation 1VM: Equipment

We are requesting Base Level for each year of the biennium. (See above for explanation)

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
STATE CRIME LABORATORY
FOR THE YEAR ENDED JUNE 30, 2014

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	49	72	121	91 %
Black Employees	0	10	10	8 %
Other Racial Minorities	1	1	2	1 %
Total Minorities			12	9 %
Total Employees			133	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Statewide Rape Kit Study	Act 1168 of 2015	N	Y	2	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1ED Crime Lab-Federal	787,956	7	2,749,817	7	2,745,548	7	1,751,501	7	2,751,501	7	2,751,501	7	1,751,501	7	2,751,501	7	2,751,501	7
1VM Equipment	694,840	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
498 Crime Lab State	10,656,653	136	10,928,285	137	11,154,705	137	10,937,978	137	10,937,978	137	10,937,978	137	10,946,592	137	10,946,592	137	10,946,592	137
788 DNA Special	850,021	0	990,520	0	990,520	0	990,520	0	1,252,270	0	1,252,270	0	990,520	0	1,252,270	0	1,252,270	0
Total	12,989,470	143	15,668,622	144	15,890,773	144	14,679,999	144	15,941,749	144	15,941,749	144	14,688,613	144	15,950,363	144	15,950,363	144

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	2,213,925	14.3	2,513,382	14.0		2,275,130	13.8	2,275,130	13.0	2,275,130	13.0	1,769,610	11.0	1,507,860	9.0	1,507,860	9.0
General Revenue	4000010	8,760,417	56.5	8,756,326	48.8		8,764,099	53.3	8,764,099	50.2	8,764,099	50.2	8,764,099	54.6	8,764,099	52.2	8,764,099	52.2
Federal Revenue	4000020	787,956	5.1	2,749,817	15.3		1,751,501	10.6	2,751,501	15.8	2,751,501	15.8	1,751,501	10.9	2,751,501	16.4	2,751,501	16.4
Special Revenue	4000030	3,357,851	21.7	3,494,995	19.5		3,081,891	18.7	3,081,891	17.7	3,081,891	17.7	3,175,000	19.8	3,175,000	18.9	3,175,000	18.9
Merit Adjustment Fund	4000055	0	0.0	54,190	0.3		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	7,661	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer State Admn of Justice	4000570	375,042	2.4	375,042	2.1		576,988	3.5	576,988	3.3	576,988	3.3	576,988	3.6	576,988	3.4	576,988	3.4
Total Funds		15,502,852	100.0	17,943,752	100.0		16,449,609	100.0	17,449,609	100.0	17,449,609	100.0	16,037,198	100.0	16,775,448	100.0	16,775,448	100.0
Excess Appropriation/(Funding)		(2,513,382)		(2,275,130)			(1,769,610)		(1,507,860)		(1,507,860)		(1,348,585)		(825,085)		(825,085)	
Grand Total		12,989,470		15,668,622			14,679,999		15,941,749		15,941,749		14,688,613		15,950,363		15,950,363	

FY17 Budget amount exceeds the authorized amount in (1ED) Crime Lab - Federal due to salary and matching rate adjustments during the 2015-2017 Biennium.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
144	136	8	144	0	5.56 %	144	130	14	144	0	9.72 %	144	136	8	144	0	5.56 %

Analysis of Budget Request

Appropriation: 1ED - Crime Lab-Federal

Funding Sources: FCL - State Crime Lab Federal

This appropriation is funded by grants from the United States Department of Justice. These funds enable the State Crime Lab to out-source backlog DNA casework thus allowing State Crime Lab analysts to process current DNA cases and keep the Lab's backlog at a minimum. These funds are also used to provide the training for analysts and medical examiners necessary for the Lab to maintain its accreditation status. Finally, these funds are used to pay for overtime for analysts that work in screening evidence for biological fluids prior to the actual DNA testing.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level request is for \$1,000,000 each year of the biennium in Capital Outlay for the purchase of new laboratory equipment and to replace outdated equipment. Funding will be made available through the United States Department of Justice.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 1ED - Crime Lab-Federal

Funding Sources: FCL - State Crime Lab Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	215,735	263,197	259,031	263,197	263,197	263,197	263,197	263,197	263,197
#Positions		7	7	7	7	7	7	7	7	7
Personal Services Matching	5010003	78,062	105,966	105,863	107,650	107,650	107,650	107,650	107,650	107,650
Overtime	5010006	0	54,493	54,493	54,493	54,493	54,493	54,493	54,493	54,493
Operating Expenses	5020002	310,844	655,000	655,000	655,000	655,000	655,000	655,000	655,000	655,000
Conference & Travel Expenses	5050009	38,711	171,161	171,161	171,161	171,161	171,161	171,161	171,161	171,161
Professional Fees	5060010	50	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	144,554	1,000,000	1,000,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000
Total		787,956	2,749,817	2,745,548	1,751,501	2,751,501	2,751,501	1,751,501	2,751,501	2,751,501
Funding Sources										
Federal Revenue	4000020	787,956	2,749,817		1,751,501	2,751,501	2,751,501	1,751,501	2,751,501	2,751,501
Total Funding		787,956	2,749,817		1,751,501	2,751,501	2,751,501	1,751,501	2,751,501	2,751,501
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		787,956	2,749,817		1,751,501	2,751,501	2,751,501	1,751,501	2,751,501	2,751,501

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 1ED - Crime Lab-Federal
Funding Sources: FCL - State Crime Lab Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,751,501	7	1,751,501	100.0	1,751,501	7	1,751,501	100.0
C01	Existing Program	1,000,000	0	2,751,501	157.1	1,000,000	0	2,751,501	157.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,751,501	7	1,751,501	100.0	1,751,501	7	1,751,501	100.0
C01	Existing Program	1,000,000	0	2,751,501	157.1	1,000,000	0	2,751,501	157.1

Justification

C01	The Agency is requesting capital outlay appropriation for purchasing equipment. Funding will be made available through the United States Department of Justice.
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Analysis of Budget Request

Appropriation: 1VM - Equipment

Funding Sources: SCE - Crime Lab Equipment Fund

This appropriation is funded by Special Revenue generated from forfeitures of funds and property derived through court proceedings taken in cases involving the illegal manufacture and/or distribution of narcotics. The Arkansas State Crime Laboratory receives twenty percent (20%) of all forfeitures over the first \$20,000 of forfeitures per county, per year. This appropriation is utilized to purchase equipment and replacement equipment for the regional drug labs.

The Agency Request is continuation of Base Level each year of the biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 1VM - Equipment

Funding Sources: SCE - Crime Lab Equipment Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Crime Lab Equip/Pur/Replace 5900046	694,840	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total	694,840	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Funding Sources									
Fund Balance 4000005	1,275,840	1,107,369		632,368	632,368	632,368	182,368	182,368	182,368
Special Revenue 4000030	526,369	524,999		550,000	550,000	550,000	575,000	575,000	575,000
Total Funding	1,802,209	1,632,368		1,182,368	1,182,368	1,182,368	757,368	757,368	757,368
Excess Appropriation/(Funding)	(1,107,369)	(632,368)		(182,368)	(182,368)	(182,368)	242,632	242,632	242,632
Grand Total	694,840	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Analysis of Budget Request

Appropriation: 498 - Crime Lab State

Funding Sources: HUA - Miscellaneous Agencies Fund

The Arkansas State Crime Laboratory was created by Act 517 of 1977, to provide forensic and scientific support to the criminal justice system in Arkansas. The Executive Director of the State Crime Lab is appointed by the Governor. Act 383 of 1991 created the State Crime Laboratory Board, made up of eight (8) members, including the Dean of the UAMS College of Medicine and seven (7) members appointed by the Governor with confirmation of the Senate. The Board members' terms are for seven (7) years. The Board has the authority to employ and remove the State Medical Examiner. The Arkansas State Crime Laboratory provides complete forensic laboratory services and corroborative testimony for the state's law enforcement and criminal justice community to assist in the apprehension and conviction of individuals involved in criminal cases. This appropriation supports primary operations for the Arkansas State Crime Laboratory. It is funded by general revenue through the Miscellaneous Agencies Fund, a portion of uniform filing fees collected in circuit court (A.C.A. § 16-10-313) and through a fund transfer from the Administration of Justice Fund.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is continuation of Base Level each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 498 - Crime Lab State

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,662,728	6,839,991	6,926,115	6,815,975	6,815,975	6,815,975	6,820,875	6,820,875	6,820,875
#Positions		136	137	137	137	137	137	137	137	137
Personal Services Matching	5010003	2,153,765	2,185,270	2,255,566	2,218,979	2,218,979	2,218,979	2,222,693	2,222,693	2,222,693
Operating Expenses	5020002	1,745,981	1,782,559	1,782,559	1,782,559	1,782,559	1,782,559	1,782,559	1,782,559	1,782,559
Conference & Travel Expenses	5050009	30,464	56,750	56,750	56,750	56,750	56,750	56,750	56,750	56,750
Professional Fees	5060010	63,715	63,715	63,715	63,715	63,715	63,715	63,715	63,715	63,715
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	60,000	0	0	0	0	0	0
Capital Outlay	5120011	0	0	10,000	0	0	0	0	0	0
Total		10,656,653	10,928,285	11,154,705	10,937,978	10,937,978	10,937,978	10,946,592	10,946,592	10,946,592
Funding Sources										
Fund Balance	4000005	316,018	407,185		534,454	534,454	534,454	369,454	369,454	369,454
General Revenue	4000010	8,760,417	8,756,326		8,764,099	8,764,099	8,764,099	8,764,099	8,764,099	8,764,099
Special Revenue	4000030	1,604,700	1,869,996		1,431,891	1,431,891	1,431,891	1,500,000	1,500,000	1,500,000
Merit Adjustment Fund	4000055	0	54,190		0	0	0	0	0	0
M & R Sales	4000340	7,661	0		0	0	0	0	0	0
Transfer State Admn of Justice	4000570	375,042	375,042		576,988	576,988	576,988	576,988	576,988	576,988
Total Funding		11,063,838	11,462,739		11,307,432	11,307,432	11,307,432	11,210,541	11,210,541	11,210,541
Excess Appropriation/(Funding)		(407,185)	(534,454)		(369,454)	(369,454)	(369,454)	(263,949)	(263,949)	(263,949)
Grand Total		10,656,653	10,928,285		10,937,978	10,937,978	10,937,978	10,946,592	10,946,592	10,946,592

FY2016 Actual and FY2017 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 251 (60) of 2016.

Analysis of Budget Request

Appropriation: 788 - DNA Special

Funding Sources: SDN - DNA Detection Fund

This appropriation provides for personal services and operating expenses to support the DNA database, as authorized by Act 737 of 1997, the "DNA Detection of Sexual and Violent Offenders Act", which is codified at A.C.A. § 12-12-1101 et seq. Funding for this appropriation is Special Revenue generated by a mandatory fine of not less than \$250 for persons required to submit to a DNA sample under the provisions of this legislation. The sentencing court has the discretion to waive the fine, if in its opinion the imposition of the fine would cause undue hardship.

The Agency's Change Level request is for appropriation only of \$261,750 in each year of the biennium, and includes the following:

- Operating Expenses of \$223,000 each year for increased operating costs of the DNA section due to increased the case load;
- Conference and Travel Expenses of \$28,750 each year in order to support accreditation requirements for analysts to attend training as well as keep up with changing technologies; and
- Professional Fees of \$10,000 each year to purchase proficiency tests.

The Executive Recommendation provides for Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 788 - DNA Special

Funding Sources: SDN - DNA Detection Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	833,438	960,520	960,520	960,520	1,183,520	1,183,520	960,520	1,183,520	1,183,520
Conference & Travel Expenses	5050009	2,520	5,000	5,000	5,000	33,750	33,750	5,000	33,750	33,750
Professional Fees	5060010	14,063	25,000	25,000	25,000	35,000	35,000	25,000	35,000	35,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		850,021	990,520	990,520	990,520	1,252,270	1,252,270	990,520	1,252,270	1,252,270
Funding Sources										
Fund Balance	4000005	622,067	998,828		1,108,308	1,108,308	1,108,308	1,217,788	956,038	956,038
Special Revenue	4000030	1,226,782	1,100,000		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Total Funding		1,848,849	2,098,828		2,208,308	2,208,308	2,208,308	2,317,788	2,056,038	2,056,038
Excess Appropriation/(Funding)		(998,828)	(1,108,308)		(1,217,788)	(956,038)	(956,038)	(1,327,268)	(803,768)	(803,768)
Grand Total		850,021	990,520		990,520	1,252,270	1,252,270	990,520	1,252,270	1,252,270

Change Level by Appropriation

Appropriation: 788 - DNA Special
Funding Sources: SDN - DNA Detection Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	990,520	0	990,520	100.0	990,520	0	990,520	100.0
C01	Existing Program	261,750	0	1,252,270	126.4	261,750	0	1,252,270	126.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	990,520	0	990,520	100.0	990,520	0	990,520	100.0
C01	Existing Program	261,750	0	1,252,270	126.4	261,750	0	1,252,270	126.4

Justification

C01	Agency is requesting an increase of \$223,000 per year in maintenance and operations to use for paying for equipment maintenance and laboratory supplies; an increase of \$10,000 each year in professional fees to pay for rising costs of proficiency tests required for each employee to complete annually. We are also requesting an increase of \$28,750 each year in Conference and Travel to use for sending employees of the Physical Evidence and DNA/CODIS sections to attend conferences/training that is required by the FBI's DNA Advisory Board Standards to maintain laboratory accreditation.
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DFA - ABC ADMINISTRATION

Enabling Laws

Act 143 of 2016
ACA §3-2-101 - §3-2-412
ACA §3-2-403; §3-4-608; §19-6-819

History and Organization

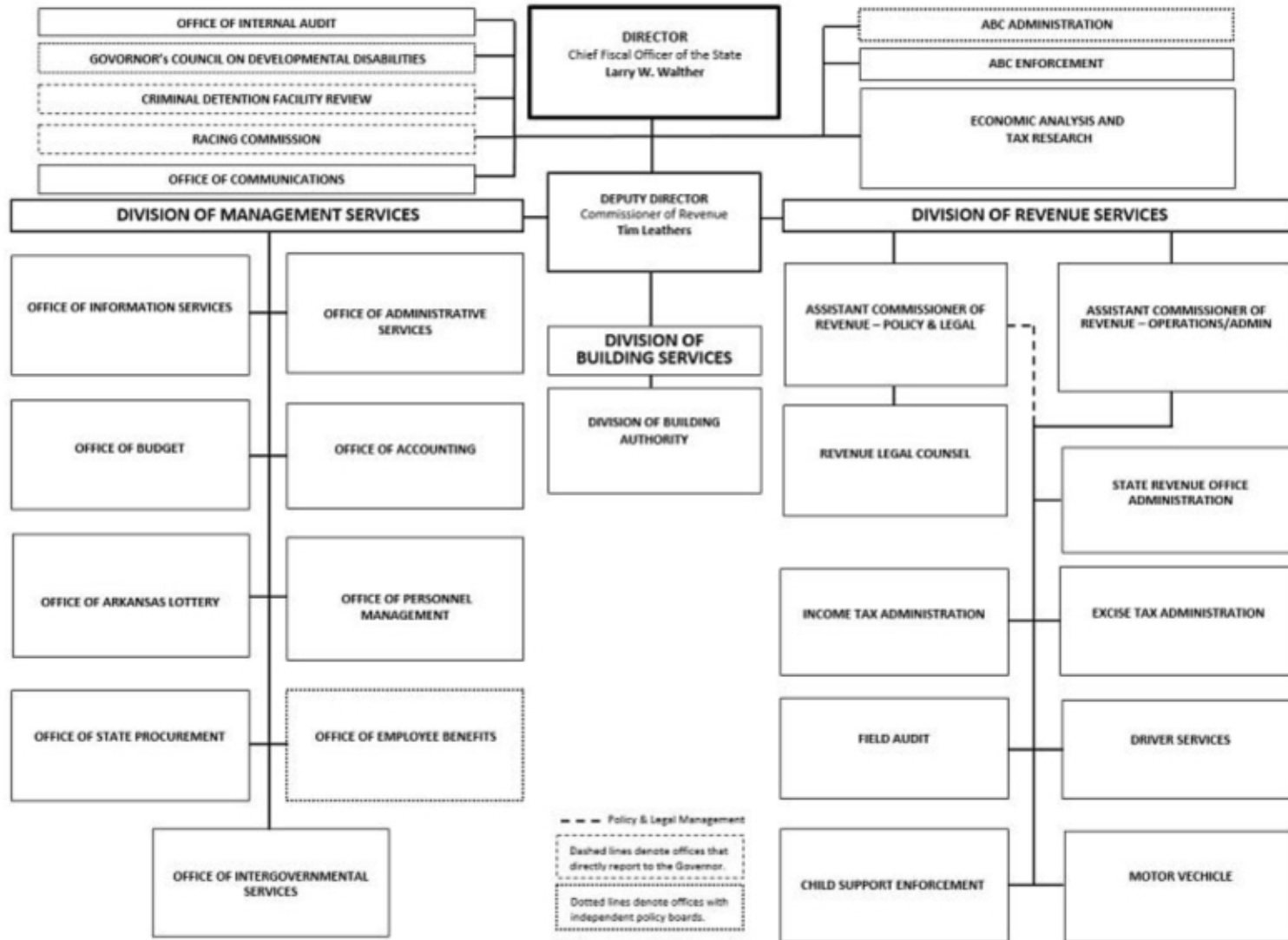
The Alcoholic Beverage Control Division has as its mission, such duties and assignments as have been given to it by the Arkansas General Assembly over the years. Those powers and duties can be briefly described as being the regulation, supervision and control of the manufacture, distribution and sale of all alcoholic beverages and the issuance of permits, and the regulation thereof, in pursuit of those duties and powers.

Established with the creation of the Department of Alcoholic Beverage Control (Act 159 of 1951) the Alcoholic Beverage Control Board originally consisted of three members appointed by the Governor to serve a six year term. Membership on the Board was increased to five members with the passage of Act 343 of 1971. The Board did have statutory authority to hire the Director of the Alcoholic Beverage Control Administration Division. Since 1971, the Director has been appointed by the Director of Department of Finance and Administration with the approval of the Governor.

The Alcoholic Beverage Control Division has adopted, through statutory processes, rules and regulations which compliment, but do not contradict, laws provided by the Arkansas General Assembly. The Alcoholic Beverage Control Division receives applications, processes those applications and, depending upon whether the qualifications are met as established by law and by regulation, the permit may be issued to the applicant.

In summary, the mission of the Alcoholic Beverage Control Division is to exercise supervision and control over a system which allows for the legal distribution of alcoholic beverage products in the State of Arkansas.

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION



Agency Commentary

The Alcoholic Beverage Control Administration Division (ABC) of the Department of Finance and Administration supervises, regulates and controls the manufacture, transportation, dispensing, sale and consumption of alcoholic beverages in the State of Arkansas.

The Alcoholic Beverage Control Administration Division State Operations appropriation (261) is funded from general revenue. The agency is requesting to transfer the E038C Education & Instruction Analyst, Grade C118, to the ABC Enforcement Division to be utilized as a X085C DFA ABC Enforcement Officer, Grade C118. The request reduces general revenue appropriation and funding in the amount of \$46,590 for FY18 and FY19. Personnel related line items make up 87.94% of the state operations general revenue appropriation.

The current Base Level for ABC Administration Cash Operations (911) and Special Revenue appropriation (F93) is sufficient for FY18 and FY19.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DFA - ABC ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

Audit findings are reported under DFA-Administrative Services.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
ABC Rules and Regulations	None	N	N	600	To provide ABC Rules and Regulations information to customers with ABC permits. Also available for download on website.	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
261 ABC Administration - State Operations	803,056	11	857,694	12	886,062	12	829,787	12	783,197	11	783,197	11	829,787	12	783,197	11	783,197	11
911 ABC Administration - Cash Operations	0	0	7,000	0	7,000	0	7,000	0	7,000	0	7,000	0	7,000	0	7,000	0	7,000	0
F93 Spirituous & Vinous Beverages	61,302	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0
Total	864,358	11	1,164,694	12	1,193,062	12	1,136,787	12	1,090,197	11	1,090,197	11	1,136,787	12	1,090,197	11	1,090,197	11

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	352,709	26.7	458,346	31.8	278,346	22.1	278,346	22.9	278,346	22.9	128,297	11.6	128,297	12.1	128,297	12.1
General Revenue	4000010	803,056	60.7	857,694	59.4	829,787	65.8	783,197	64.5	783,197	64.5	829,787	74.7	783,197	73.6	783,197	73.6
Special Revenue	4000030	165,996	12.5	125,000	8.7	150,000	11.9	150,000	12.4	150,000	12.4	150,000	13.5	150,000	14.1	150,000	14.1
Cash Fund	4000045	870	0.1	2,000	0.1	2,000	0.2	2,000	0.2	2,000	0.2	2,000	0.2	2,000	0.2	2,000	0.2
Interest	4000300	73	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		1,322,704	100.0	1,443,040	100.0	1,260,133	100.0	1,213,543	100.0	1,213,543	100.0	1,110,084	100.0	1,063,494	100.0	1,063,494	100.0
Excess Appropriation/(Funding)		(458,346)		(278,346)		(123,346)		(123,346)		(123,346)		26,703		26,703		26,703	
Grand Total		864,358		1,164,694		1,136,787		1,090,197		1,090,197		1,136,787		1,090,197		1,090,197	

Variance in fund balance is due to unfunded appropriation in (911) ABC Administration - Cash Operations.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
12	11	1	12	0	8.33 %	12	10	2	12	0	16.67 %	12	10	2	12	0	16.67 %

Analysis of Budget Request

Appropriation: 261 - ABC Administration - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

ABC administers the regulation, supervision and control of the manufacture, distribution and sale of all alcoholic beverages and the issuance of permits, and the regulation thereof.

General revenue funds 100% of the Alcoholic Beverage Control Administration's operating budget. Currently 87.94% of the Agency's budget is personnel related costs with the remaining 12.06% maintenance and operating expenses.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level for the biennium is \$829,787 in appropriation and general revenue funding each year of the 2017-2019 Biennium.

The agency is requesting to transfer an E038C Education & Instruction Analyst, Grade C118, to the ABC Enforcement Division to be utilized as a X085C DFA ABC Enforcement Officer, Grade C118. This request reduces general revenue in the amount of \$46,590 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 261 - ABC Administration - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	533,859	572,803	594,398	547,470	513,609	513,609	547,470	513,609	513,609
#Positions		11	12	12	12	11	11	12	11	11
Extra Help	5010001	1,968	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
#Extra Help		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	181,613	186,805	193,578	184,231	171,502	171,502	184,231	171,502	171,502
Operating Expenses	5020002	85,616	89,500	89,500	89,500	89,500	89,500	89,500	89,500	89,500
Conference & Travel Expenses	5050009	0	4,986	4,986	4,986	4,986	4,986	4,986	4,986	4,986
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		803,056	857,694	886,062	829,787	783,197	783,197	829,787	783,197	783,197
Funding Sources										
General Revenue	4000010	803,056	857,694		829,787	783,197	783,197	829,787	783,197	783,197
Total Funding		803,056	857,694		829,787	783,197	783,197	829,787	783,197	783,197
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		803,056	857,694		829,787	783,197	783,197	829,787	783,197	783,197

Change Level by Appropriation

Appropriation: 261 - ABC Administration - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	829,787	12	829,787	100.0	829,787	12	829,787	100.0
C07	Agency Transfer	(46,590)	(1)	783,197	94.4	(46,590)	(1)	783,197	94.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	829,787	12	829,787	100.0	829,787	12	829,787	100.0
C07	Agency Transfer	(46,590)	(1)	783,197	94.4	(46,590)	(1)	783,197	94.4

Justification

C07	The agency is requesting to transfer the E038C Education & Instruction Analyst, Grade C118, to the ABC Enforcement Division to be utilized as a X085C DFA ABC Enforcement Officer, Grade C118.
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Analysis of Budget Request

Appropriation: 911 - ABC Administration - Cash Operations

Funding Sources: NAB - ABC Administration - Cash in Treasury

This appropriation is used by the Alcoholic Beverage Control (ABC) Administration Division for Operating Expenses associated with publishing the ABC "Rules, Regulations and Decisions" handbook. Cash funds received from the sale of ABC handbooks provide funding for the appropriation.

The Agency is requesting Base Level of \$7,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 911 - ABC Administration - Cash Operations

Funding Sources: NAB - ABC Administration - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Funding Sources										
Fund Balance	4000005	4,106	5,049		49	49	49	0	0	0
Cash Fund	4000045	870	2,000		2,000	2,000	2,000	2,000	2,000	2,000
Interest	4000300	73	0		0	0	0	0	0	0
Total Funding		5,049	7,049		2,049	2,049	2,049	2,000	2,000	2,000
Excess Appropriation/(Funding)		(5,049)	(49)		4,951	4,951	4,951	5,000	5,000	5,000
Grand Total		0	7,000		7,000	7,000	7,000	7,000	7,000	7,000

Analysis of Budget Request

Appropriation: F93 - Spirituous & Vinous Beverages

Funding Sources: SSV - Alcoholic Beverage Control Fund

This appropriation is used by the Alcoholic Beverage Control (ABC) Administration Division for the general operations that involve the promotion, education, training, alcohol safety awareness and enforcement activities. The special revenues that fund this appropriation are from the registration fees paid to ABC - Administration by manufacturers, importers, or producers of spirituous and vinous beverages for each different alcoholic beverage product label.

The Agency is requesting Base Level of \$300,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: F93 - Spirituous & Vinous Beverages

Funding Sources: SSV - Alcoholic Beverage Control Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Promotion, Education, Training S 5900046	61,302	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total	61,302	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Funding Sources									
Fund Balance 4000005	348,603	453,297		278,297	278,297	278,297	128,297	128,297	128,297
Special Revenue 4000030	165,996	125,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding	514,599	578,297		428,297	428,297	428,297	278,297	278,297	278,297
Excess Appropriation/(Funding)	(453,297)	(278,297)		(128,297)	(128,297)	(128,297)	21,703	21,703	21,703
Grand Total	61,302	300,000		300,000	300,000	300,000	300,000	300,000	300,000

DFA - ABC ENFORCEMENT

Enabling Laws

Act 50 of 2016
ACA §3-2-101 - §3-2-412

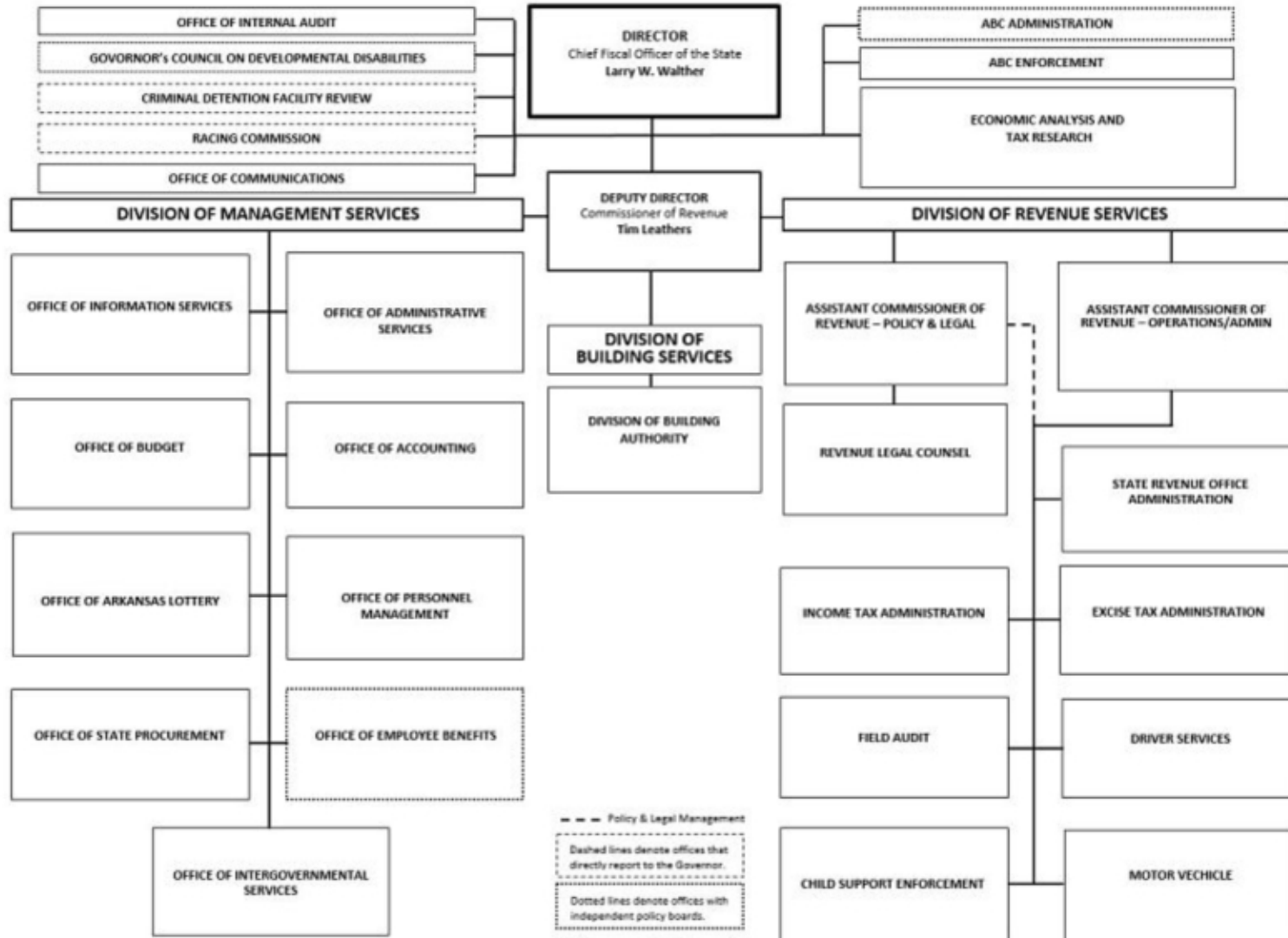
History and Organization

The mission of the Alcoholic Beverage Control Enforcement Division is to enforce all Arkansas Code Annotated Laws of the State Control Act, cigarette, sales, Rules and Regulations adopted by the Alcoholic Beverage Control Board, and the training and assistance for all law enforcement agencies as well as other organizations regarding alcoholic beverages.

Alcoholic Beverage Control Enforcement Division was established with the creation of the Alcoholic Beverage Control Department of 1935. The head of the Alcoholic Beverage Control Enforcement Division is appointed by the Director of the Department of Finance and Administration with the approval of the Governor.

In addition to enforcement, the Alcoholic Beverage Control Enforcement Division conducts background investigations of those persons, businesses and organizations who apply for licenses under the Alcoholic Beverage Control Act. The Alcoholic Beverage Control agents conduct inspections and report on permit applications in addition to the investigations of violations and apprehensions of violators. The agents also investigate and inspect the damaged shipments of any controlled beverages which have been involved in a fire, wreck, or other casualty to certify the extent and the amount of damage for the purpose of returning any taxes which have been paid to the State. The agents also answer complaints, confiscate moonshine and perform other special assignments; such as food stamp fraud when used to purchase alcoholic beverages. All Alcoholic Beverage Control Enforcement agents must be certified law enforcement officers.

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION



Agency Commentary

The Alcoholic Beverage Control Enforcement Division is responsible for enforcement of alcoholic beverage control laws and regulations within the State. ABC Enforcement agents are certified law enforcement officers.

The ABC Enforcement Division is funded from general revenue. Personnel related line items make up 88.54% of the state operations general revenue appropriation. The agency is requesting a change over base level (funding and appropriation) in the amount of \$48,544 for FY18 and FY19.

- The agency is requesting to transfer the E038C Education & Instruction Analyst, Grade C118, from the ABC Administration Division to be utilized as a X085C DFA ABC Enforcement Officer, Grade C118. 6,000 outlets are currently assigned to 18 officers and this number is expected to grow as statewide alcohol sales grow.
 - Vehicle for this position will transfer to ABC Enforcement
 - Equipping the officer will come from current operating expenses
 - Faulkner County will be moved to the Central District and the additional position will be assigned to the Central District

ABC Enforcement administered a federally funded program for Combating Underage Drinking that funding levels have been indefinitely suspended as the Federal Government uses the funds for their own internal programs. Authorized appropriation is not being requested to continue for the 2017-2019 Biennium. A Miscellaneous Federal Grant will be requested if the federal program resumes. Currently, combating underage drinking activities have continued through use of special revenues.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DFA - ABC ENFORCEMENT
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

Audit findings are reported under DFA-Administrative Services.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
217 ABC Enforcement - State Operations	1,329,351	20	1,318,905	20	1,314,417	20	1,279,941	20	1,328,485	21	1,328,485	21	1,280,069	20	1,328,613	21	1,328,613	21
NOT REQUESTED FOR THE BIENNIUM																		
15Q ABC Enforcement - Federal Operations	0	0	0	0	484,754	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,329,351	20	1,318,905	20	1,799,171	20	1,279,941	20	1,328,485	21	1,328,485	21	1,280,069	20	1,328,613	21	1,328,613	21

Funding Sources		%		%		%		%		%		%		%		%		%
General Revenue 4000010	1,329,351	100.0	1,318,905	100.0			1,279,941	100.0	1,328,485	100.0	1,328,485	100.0	1,280,069	100.0	1,328,613	100.0	1,328,613	100.0
Total Funds	1,329,351	100.0	1,318,905	100.0			1,279,941	100.0	1,328,485	100.0	1,328,485	100.0	1,280,069	100.0	1,328,613	100.0	1,328,613	100.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
Grand Total	1,329,351		1,318,905				1,279,941		1,328,485		1,328,485		1,280,069		1,328,613		1,328,613	

FY17 Budget amount exceeds the authorized amount due to matching rate adjustments during the 2015-2017 biennium.

FY16 Actual amount exceeds authorized amount due to transfer of appropriation and funding from DFA Motor Vehicle Acquisition.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
20	18	2	20	0	10.00 %	20	19	1	20	0	5.00 %	20	20	0	20	0	0.00 %

Analysis of Budget Request

Appropriation: 217 - ABC Enforcement - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Department of Finance and Administration - Alcoholic Beverage Control (ABC) Enforcement Division is responsible for enforcement of alcoholic beverage control laws and regulations within the State. All ABC Enforcement agents are certified law enforcement officers and cover approximately 6,000 permitted outlets.

General revenue funds 100% of the Alcoholic Beverage Control Enforcement's operating budget. Currently 88.54% of the Agency's budget is personnel related costs with the remaining 11.46% being maintenance and operating expenses.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level for the biennium is \$1,279,941 in FY18 and \$1,280,069 for FY19 in appropriation and general revenue funding.

The Agency's Change Level request of \$48,544 in appropriation and funding reflects the transfer of an E038C Education & Instruction Analyst, Grade C118, from the ABC Administration Division to be utilized as a X085C DFA ABC Enforcement Officer, Grade C118.

The Executive Recommendation provides for the Agency Request with appropriation and funding.

Appropriation Summary

Appropriation: 217 - ABC Enforcement - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	809,302	830,836	830,836	799,300	833,161	833,161	799,400	833,261	833,261
#Positions		20	20	20	20	21	21	20	21	21
Personal Services Matching	5010003	316,318	333,269	328,781	328,441	343,124	343,124	328,469	343,152	343,152
Operating Expenses	5020002	111,839	152,200	152,200	152,200	152,200	152,200	152,200	152,200	152,200
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	91,892	2,600	2,600	0	0	0	0	0	0
Total		1,329,351	1,318,905	1,314,417	1,279,941	1,328,485	1,328,485	1,280,069	1,328,613	1,328,613
Funding Sources										
General Revenue	4000010	1,329,351	1,318,905		1,279,941	1,328,485	1,328,485	1,280,069	1,328,613	1,328,613
Total Funding		1,329,351	1,318,905		1,279,941	1,328,485	1,328,485	1,280,069	1,328,613	1,328,613
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,329,351	1,318,905		1,279,941	1,328,485	1,328,485	1,280,069	1,328,613	1,328,613

FY17 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2015-2017 Biennium.

FY16 Actual amount in Capital Outlay exceeds authorized amount due to transfer of appropriation and funding from DFA Motor Vehicle Acquisition.

Change Level by Appropriation

Appropriation: 217 - ABC Enforcement - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,279,941	20	1,279,941	100.0	1,280,069	20	1,280,069	100.0
C07	Agency Transfer	48,544	1	1,328,485	103.8	48,544	1	1,328,613	103.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,279,941	20	1,279,941	100.0	1,280,069	20	1,280,069	100.0
C07	Agency Transfer	48,544	1	1,328,485	103.8	48,544	1	1,328,613	103.8

Justification

C07	The agency is requesting to transfer the E038C Education & Instruction Analyst, Grade C118, from the ABC Administration Division to be utilized as a X085C DFA ABC Enforcement Officer, Grade C118. 6,000 outlets are currently assigned to 18 officers and this number is expected to grow as statewide alcohol sales grows.
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Appropriation Summary

Appropriation: 1SQ - ABC Enforcement - Federal Operations

Funding Sources: FFC - ABC Enforcement Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	0	100,754	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	10,000	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	374,000	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	0	484,754	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM

DFA - BUILDING AUTHORITY

Enabling Laws

Act 240 of 2016
A.C.A. §22-2-101 - 121 et seq.

History and Organization

Division of Building Authority's (DBA) mission is to act as the State's agent in all state agency lease negotiations, provide direction and assistance to agencies in all aspects of capital improvement projects and property transfers needs, and actively maintain and operate ABA owned or managed buildings in an efficient and economical manner pursuant to laws and regulations.

HISTORY and MAJOR OBJECTIVES

DBA (formerly known as Arkansas Building Authority and State Building Services) was created July 1, 1975, by Arkansas Code Annotated § 22-2-101 through 121. During a Special Session in May, 2015, the agency was reorganized under the Department of Finance & Administration and become a division of DFA known as the Division of Building Authority (DBA). Prior to May, 2015, DBA was governed by an eleven (11) member council which set policies, guidelines, standards and procedures by which the agency operated. These same policies, guidelines Minimum Standards & Criteria and procedures are still in effect and followed by DBA under the supervision of the State's Chief Fiscal Officer and Director of DFA. DBA has a primary client base comprised of other state agencies in regards to the leasing, sale and purchase of properties; management and operations of owned or leased facilities; review and approval of building plans from the initial design review; bidding, awarding and processing of final payment for capital improvement projects. Public School Districts are an additional client base for which DBA provides Americans with Disabilities Act (ADA) accessibility reviews of construction projects. DBA, through bonds issued by Arkansas Development Finance Authority, are authorized to acquire, construct, repair, remodel, renovate lands, buildings, improvements and facilities for the benefit of state agencies. DBA is comprised of the following four (4) sections:

(1) Real Estate Services Section develops and enforces minimum leasing, sale and purchase of property standards and criteria; designs standard lease forms for use by state agencies; assists state agencies in determining and evaluating rental space needs and the allocation of space for state agencies; conducts surveys to determine available rental space; assists state agencies to ensure that rental space acquired and utilized by state agencies is essential to the efficient performance of its duties and responsibilities; administers duties and responsibilities involving the purchase or sale of property by state agencies which are under the jurisdiction of DBA to ensure that the property is sold or

purchased in a manner consistent with Arkansas laws and regulations.

(2) Construction Section supervises the bidding and awarding of construction contracts for capital improvements for or by state agencies; establishes and maintains complete construction files on all jobs, including observation reports, plans and specifications for all capital improvements; approves all proposed contracts, change orders, and final payments requests; ensures that on-site observation of all construction projects, alterations, and repairs is accomplished on a regular basis and maintain records of those observations; meets with the design professional to determine the responsibility and performance required by the contract documents; approves final payment; ensures contractors are licensed; ensures that the construction of all projects complies with the contract documents; and manages the bidders list.

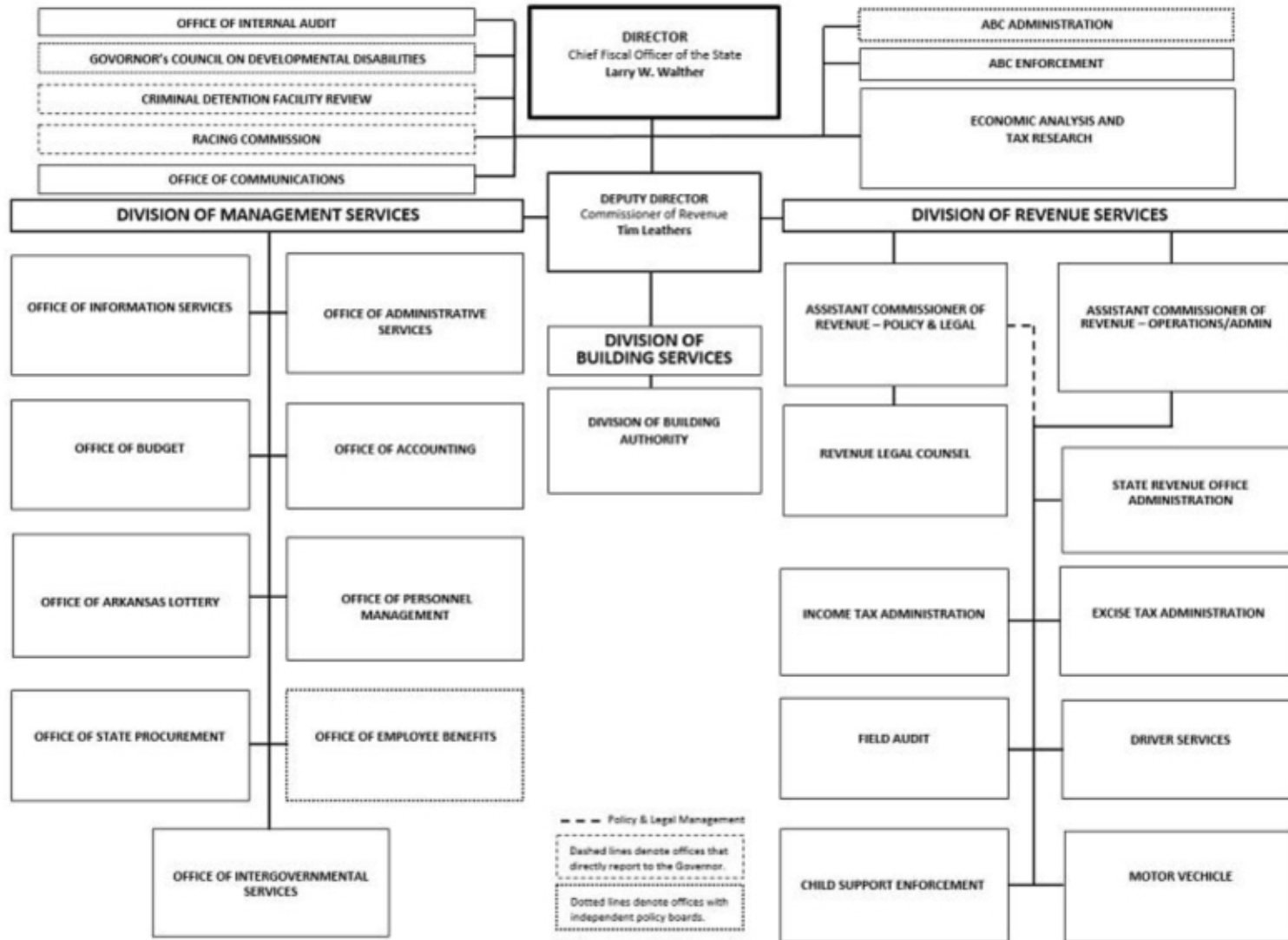
(3) Design Review Section establishes and enforces minimum design standards and criteria for all capital improvement (public works) contracts undertaken by any state agency including but not limited to flood plain management, accessibility (ADA), and building codes. This Section reviews agency capital budget requests prior to submittal to the Legislature; reviews and approves agency requests to advertise for architectural and engineering related consultants; assist agency in drafting advertisements; reviews architectural and engineering consultant qualifications; reviews and approves construction plans and specifications for bidding; reviews, approves and issues Floodplain Development Permit Applications; reviews new property purchase requests for Floodplain Management Issues; provides technical services to agencies upon request for new capital projects or renovations, space planning, ADA accessibility surveys, roof maintenance inspections and reports, mechanical and electrical system investigations, and facility condition assessment reviews. The Section also reviews and approves public school district capital improvements for compliance with the accessibility guidelines (ADA).

(4) Building Operations Section provides for the management, maintenance, and operation of DBA property as well as other public buildings. The Building Operations Section is responsible for maintenance and operation of buildings and grounds which are owned, leased, or managed by DBA. Additionally, this Section is responsible for enforcement of regulations designed to standardize the level of maintenance on all DBA facilities. The primary function of the Operations staff is to ensure the safety and comfort of state tenants through maintenance of life-safety devices, environmental comfort systems and other building related maintenance, and provide tenantable working conditions through internal maintenance staff and outside contractors.

Furthermore, the Section has been committed to creating efficiencies within its operations to reduce utility consumption for all buildings owned and operated by DBA. In this effort and since the FY08 baseline in costs was established, DBA has reduced utility consumption by 38% portfolio wide. This direct reduction in operating cost has allowed DBA to fund numerous critical & deferred maintenance capital projects for its building portfolio through its rent revenue funds referred to below as DBA Maintenance Fund - T77.

In addition, the core of DBA is supported by internal services that fulfill additional programmatic functions: The Director's staff includes Legal, Financial Management and administrative supportive services. The Financial Management office is responsible for the Agency's budgeting and contracting functions and supports DFA-OAS in the agency's accounting and purchasing functions. In 2010, the agency added the administration of the Sustainable Building Revolving Loan Fund which manages approximately \$10 million in energy projects under contract by the State. This program remains fiscally healthy and continues to fund several million dollars in projects each year.

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION



Agency Commentary

During fiscal year 2016, the Division of Building Authority made changes agency-wide to conform to the restructuring of an independent agency into a division of the Department of Finance & Administration. During this period of transition, positions and job duties were re-evaluated and duplicate positions were eliminated and current staff members were transferred to existing vacant positions in DFA-Office of Administrative Services. The agency reduced office space and eliminated duplicative office equipment and furnishings. Furthermore, all IT duties and costs were absorbed by to DFA-Office of Information Systems. By the end of the fiscal year, the end result was the elimination of 19 total positions and a reduction in annual costs of approximately \$520,000. The division continues to provide all services outlined herein and operates utilizing the following appropriations (fund centers):

Justice Building Construction Cash Fund (1320201/D31) - for debt service obligations associated with construction and renovation of the Justice Building. Funding is provided by court cost receipts transferred from the State Administration of Justice Fund to the Justice Building Construction Fund. This funding is to be used exclusively for the financing of additions, extensions, and improvements to the Justice Building. This includes the repayment of debt service obligations which were incurred in order to make improvements to the Justice Building (A.C.A. §19-5-1087).

- Base Level request

Miscellaneous Agencies Fund (HUA2601/T76) - for the administration of DBA's functions and activities pertaining to real estate services, capital improvement oversight, design review services, administrative support services, personnel and financial management. The revenues to support this fund are dispersed from State General Revenues.

- Base Level request

DBA Maintenance Fund (MWJ0101/T77) - for the property management and operation function of DBA-owned and operated buildings. The revenues for this fund are generated through rent revenues collected from DBA tenant leases (self-funded).

- Change level is reflective of Capital Outlay for the purchase of equipment, \$84,100, to replace existing equipment beyond its useful life if needed that exceeds \$5000. Also, the inclusion of a \$125,000 operating contingency in the event DBA adds another building to its management portfolio during the biennial period.

DBA Acquisition and Maintenance (MRE0401/T78) - for the acquisition and operation of additional buildings for state occupancy. Funding payable from the Real Estate Fund allows DBA to acquire buildings for general government use as opportunities arise as well as provide construction and renovation as needed. Expenditures are offset by income from the operation of properties acquired.

- \$17,200,000 each year in additional appropriation

Justice Building Operations Fund (MWJ0201/T79) - for the maintenance and operation of the Justice Building. The revenue to support this fund is dispersed from the State Central Services Fund.

- Base Level request

Justice Building Maintenance Fund (MJB0101/T80) - for critical and major maintenance projects for the Justice Building. The revenue to support this fund is generated through fees collected by the Administrative Office of the Courts.

- Reduction in appropriation is due to a capital improvement project that is currently underway at the Justice Building to expand their server room and relocate their training room. Project was bid and awarded in 2016 and will be completed in 2017.

DBA Critical Maintenance Fund (MWJ0301/T81) - for the purpose of funding urgent and critical maintenance projects for the DBA-owned and operated buildings. The revenues for this fund are transferred from the DBA Maintenance Fund (noted directly above) creating a "reserve account" from operations savings (self-funded).

- Base Level request

Sustainable Building Revolving Loan Fund (MBD0001/T82) - the loan fund is being administered by DBA for energy related capital improvement projects that exceed \$250,000 for state-owned properties.

- Base Level request

DBA Building Improvement Cash Fund (NBA0301/T86) - was created in FY15 as a result of funds received by several agencies of the State for a bankruptcy claim (Delaware) filed in 2002 through the Arkansas Attorney General's office against an asbestos company, W.R. Grace. This appropriation will be used for Building Improvements such as Asbestos.

- DBA has continued to complete asbestos abatement in the 501 Building as renovation and improvements are made. Due to requirement of the State Fire Marshal, abatement is being completed as old fire proofing in the building is removed and a new fire sprinkler system is installed. The \$50,000 reduction reflects funds spent on abatement during the prior period.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DFA - BUILDING AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

Audit findings are reported under DFA - Administrative Services

Cash Fund Balance Description as of June 30, 2016

Fund Account	Balance	Type	Location
1320201	\$613,985	Checking	Regions

Statutory/Other Restrictions on use:

Financing of additions, extensions, improvements, and renovations of, and equipping of such additions extensions, and improvements of State Justice Building, Also the repayment of obligations issued by the Arkansas Development Finance Authority pursuant to the State Agencies Facilities Acquisition Act of 1991, as amended.

Statutory Provisions for Fees, Fines, Penalties:

N/A

Revenue Receipts Cycle:

Monthly

Fund Balance Utilization:

DBA pays the Semi-annual Interest, Principal, and Fees for the Justice Bonds Payments.

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2016
Required by A.C.A. 25-36-104

AGENCY: 0615 DFA - BUILDING AUTHORITY

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
LMT Contractors	\$110,291	X					
Sharp Janitorial	\$230,898	X					
Sherman Waterproofing	\$108,200	X					
Southern Maid Janitorial	\$89,126	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED	<u>4</u>
TOTAL EXPENDITURES FOR CONTRACTS AWARDED	<u>\$2,528,800</u>
% OF MINORITY CONTRACTS AWARDED	<u>25.70 %</u>

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
D31 Justice Building Construction - Cash	754,556	0	1,290,000	0	1,290,000	0	1,290,000	0	1,290,000	0	1,290,000	0	1,290,000	0	1,290,000	0	1,290,000	0
T76 DFA-Building Authority-State Operations	2,139,942	29	2,114,442	29	2,077,932	29	2,122,283	29	2,122,283	29	2,122,283	29	2,123,838	29	2,123,838	29	2,123,838	29
T77 Building Maintenance	9,267,878	38	12,968,105	40	13,125,666	40	12,893,366	40	13,102,466	40	13,102,466	40	12,893,817	40	13,102,917	40	13,102,917	40
T78 Acquisition and Maintenance	0	0	2,800,000	0	2,800,000	0	2,800,000	0	20,000,000	0	20,000,000	0	2,800,000	0	20,000,000	0	20,000,000	0
T79 Justice Building Operations	606,231	2	721,769	3	732,032	3	722,292	3	722,292	3	722,292	3	722,417	3	722,417	3	722,417	3
T80 Justice Building Maintenance	113,248	0	504,659	0	504,659	0	504,659	0	404,293	0	404,293	0	504,659	0	404,293	0	404,293	0
T81 Critical Maintenance	1,039,515	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
T82 Sustainable Bldg Design Revolv Loan Prog	0	0	10,739,371	0	10,739,371	0	10,739,371	0	10,739,371	0	10,739,371	0	10,739,371	0	10,739,371	0	10,739,371	0
T86 Cash in State Treasury	209,694	0	3,083,907	0	3,291,000	0	3,083,907	0	3,033,907	0	3,033,907	0	3,083,907	0	3,033,907	0	3,033,907	0
Total	14,131,064	69	39,222,253	72	39,560,660	72	39,155,878	72	56,414,612	72	56,414,612	72	39,158,009	72	56,416,743	72	56,416,743	72

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	20,687,028	58.4	21,312,998	34.7			22,127,253	45.2	22,127,253	45.0	22,127,253	45.0	14,365,981	34.9	43,852	0.2	43,852	0.2
General Revenue	4000010	2,139,942	6.0	2,114,442	3.4			2,122,283	4.3	2,122,283	4.3	2,122,283	4.3	2,123,838	5.2	2,123,838	7.8	2,123,838	7.8
Non-Revenue Receipts	4000040	1,500	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
ADFA Loan	4000063	(1,203,152)	(3.4)	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Interest	4000300	50,485	0.1	8,564	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Loan Repayment	4000330	(87,529)	(0.2)	4,252,557	6.9			10,739,371	21.9	10,739,371	21.8	10,739,371	21.8	10,739,371	26.1	10,739,371	39.6	10,739,371	39.6
M & R Sales	4000340	1,539	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	427,668	1.2	400,000	0.7			190,900	0.4	400,000	0.8	400,000	0.8	190,900	0.5	400,000	1.5	400,000	1.5
Rental Income	4000430	11,781,940	33.2	11,800,000	19.2			12,000,000	24.5	12,000,000	24.4	12,000,000	24.4	12,000,000	29.1	12,000,000	44.3	12,000,000	44.3
Rental Income/Fund Transfers	4000435	2,363,000	6.7	2,000,000	3.3			2,000,000	4.1	2,000,000	4.1	2,000,000	4.1	2,000,000	4.9	2,000,000	7.4	2,000,000	7.4
State Administration of Justice	4000470	1,044,293	2.9	1,044,293	1.7			1,073,528	2.2	1,073,528	2.2	1,073,528	2.2	1,073,528	2.6	1,073,528	4.0	1,073,528	4.0
Transfer from Insurance Dept	4000543	0	0.0	19,700,000	32.1			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from St Central Svcs	4000575	592,000	1.7	716,652	1.2			722,292	1.5	722,292	1.5	722,292	1.5	722,417	1.8	722,417	2.7	722,417	2.7
Transfers / Adjustments	4000683	(2,354,652)	(6.6)	(2,000,000)	(3.3)			(2,000,000)	(4.1)	(2,000,000)	(4.1)	(2,000,000)	(4.1)	(2,000,000)	(4.9)	(2,000,000)	(7.4)	(2,000,000)	(7.4)
Total Funds		35,444,062	100.0	61,349,506	100.0			48,975,627	100.0	49,184,727	100.0	49,184,727	100.0	41,216,035	100.0	27,103,006	100.0	27,103,006	100.0
Excess Appropriation/(Funding)		(21,312,998)		(22,127,253)				(9,819,749)		7,229,885		7,229,885		(2,058,026)		29,313,737		29,313,737	
Grand Total		14,131,064		39,222,253				39,155,878		56,414,612		56,414,612		39,158,009		56,416,743		56,416,743	

FY16 Actual and FY17 Budget exceeds Authorized in DFA-Building Authority-State Operations due to matching rate adjustments during the 2015-2017 Biennium. Variance in Fund Balance is due to unfunded appropriation in Acquisition and Maintenance (FC T78), Justice Building Maintenance (FC T80), Critical Maintenance (FC T81), and Cash in State Treasury (FC T86).

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
93	71	22	93	0	23.66 %	91	61	30	91	0	32.97 %	72	58	14	72	0	19.44 %

Analysis of Budget Request

Appropriation: D31 - Justice Building Construction - Cash

Funding Sources: 132 - Justice Building Construction Cash Fund

The Justice Building Construction cash appropriation provides for debt service obligations associated with construction and renovation of the Justice Building. Funding is provided by court cost receipts transferred from the State Administration of Justice Fund to the Justice Building Construction Fund. This funding is to be used exclusively for the financing of additions, extensions, and improvements to the Justice Building. This includes the repayment of debt service obligations which were incurred in order to make improvements to the Justice Building (A.C.A. §19-5-1087).

The Agency is requesting Base Level of \$1,290,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: D31 - Justice Building Construction - Cash

Funding Sources: 132 - Justice Building Construction Cash Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	17,481	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Debt Service	5120019	737,075	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Total		754,556	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000
Funding Sources										
Fund Balance	4000005	1,581,249	613,985		313,985	313,985	313,985	13,985	13,985	13,985
ADFA Loan	4000063	(1,203,152)	0		0	0	0	0	0	0
Interest	4000300	444	0		0	0	0	0	0	0
State Administration of Justice	4000470	990,000	990,000		990,000	990,000	990,000	990,000	990,000	990,000
Total Funding		1,368,541	1,603,985		1,303,985	1,303,985	1,303,985	1,003,985	1,003,985	1,003,985
Excess Appropriation/(Funding)		(613,985)	(313,985)		(13,985)	(13,985)	(13,985)	286,015	286,015	286,015
Grand Total		754,556	1,290,000		1,290,000	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: T76 - DFA-Building Authority-State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

This appropriation provides for the operations of DFA Building Authority (DBA). Functions include administration, leasing, architectural, construction, finance, engineering, and building maintenance. This appropriation is funded entirely from general revenue.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Agency requests Base Level of \$2,122,283 in FY18 and \$2,123,838 in FY19 with twenty-nine (29) budgeted base level positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: T76 - DFA-Building Authority-State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,572,814	1,544,547	1,534,528	1,543,928	1,543,928	1,543,928	1,544,828	1,544,828	1,544,828
#Positions		29	29	29	29	29	29	29	29	29
Personal Services Matching	5010003	528,308	517,740	491,249	526,200	526,200	526,200	526,855	526,855	526,855
Operating Expenses	5020002	37,243	45,955	45,955	45,955	45,955	45,955	45,955	45,955	45,955
Conference & Travel Expenses	5050009	1,577	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,139,942	2,114,442	2,077,932	2,122,283	2,122,283	2,122,283	2,123,838	2,123,838	2,123,838
Funding Sources										
General Revenue	4000010	2,139,942	2,114,442		2,122,283	2,122,283	2,122,283	2,123,838	2,123,838	2,123,838
Total Funding		2,139,942	2,114,442		2,122,283	2,122,283	2,122,283	2,123,838	2,123,838	2,123,838
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,139,942	2,114,442		2,122,283	2,122,283	2,122,283	2,123,838	2,123,838	2,123,838

Actual and Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: T77 - Building Maintenance

Funding Sources: MWJ - Building Authority Division Maintenance Fund

The Building Maintenance appropriation is funded from rental income and reimbursements from DFA Building Authority (DBA) operated buildings. It supports the property management function of state-owned and DBA-operated office buildings.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Base Level is \$12,893,366 in FY18 and \$12,893,817 in FY19 with forty (40) budgeted base level positions each year of the biennium.

The Agency's Change Level request is \$209,100 each year of the biennium and consists of the following:

- Capital Outlay increase of \$84,100 each year of the biennium for major equipment replacements and necessary repairs; unfunded appropriation to restore previously authorized levels.
- Facilities Management Contingency line item increase of \$125,000 each year of the biennium; unfunded appropriation to restore previously authorized levels.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: T77 - Building Maintenance
Funding Sources: MWJ - Building Authority Division Maintenance Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,363,525	1,429,469	1,474,802	1,430,669	1,430,669	1,430,669	1,431,020	1,431,020	1,431,020
#Positions		38	40	40	40	40	40	40	40	40
Extra Help	5010001	10,776	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
#Extra Help		2	9	9	9	9	9	9	9	9
Personal Services Matching	5010003	557,840	557,335	544,463	565,496	565,496	565,496	565,596	565,596	565,596
Overtime	5010006	210	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Operating Expenses	5020002	5,803,071	8,359,015	8,359,115	8,359,015	8,359,015	8,359,015	8,359,015	8,359,015	8,359,015
Conference & Travel Expenses	5050009	400	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Professional Fees	5060010	24,288	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	84,100	84,100	0	84,100	84,100	0	84,100	84,100
Debt Service	5120019	1,507,768	2,307,186	2,307,186	2,307,186	2,307,186	2,307,186	2,307,186	2,307,186	2,307,186
Facilities Management Contingen	5130018	0	0	125,000	0	125,000	125,000	0	125,000	125,000
Rent of Space	5900022	0	121,000	121,000	121,000	121,000	121,000	121,000	121,000	121,000
Total		9,267,878	12,968,105	13,125,666	12,893,366	13,102,466	13,102,466	12,893,817	13,102,917	13,102,917

Funding Sources										
Fund Balance	4000005	4,896,786	5,500,438		2,732,333	2,732,333	2,732,333	29,867	29,867	29,867
M & R Sales	4000340	1,539	0		0	0	0	0	0	0
Other	4000370	427,668	400,000		190,900	400,000	400,000	190,900	400,000	400,000
Rental Income	4000430	11,781,940	11,800,000		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Transfers / Adjustments	4000683	(2,339,617)	(2,000,000)		(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Total Funding		14,768,316	15,700,438		12,923,233	13,132,333	13,132,333	10,220,767	10,429,867	10,429,867
Excess Appropriation/(Funding)		(5,500,438)	(2,732,333)		(29,867)	(29,867)	(29,867)	2,673,050	2,673,050	2,673,050
Grand Total		9,267,878	12,968,105		12,893,366	13,102,466	13,102,466	12,893,817	13,102,917	13,102,917

Actual and Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2015-2017 Biennium.

Expenditure of appropriation is contingent upon available funding.

Transfer to Critical Maintenance appropriation (T81).

Change Level by Appropriation

Appropriation: T77 - Building Maintenance
Funding Sources: MWJ - Building Authority Division Maintenance Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	12,893,366	40	12,893,366	100.0	12,893,817	40	12,893,817	100.0
C01	Existing Program	209,100	0	13,102,466	101.6	209,100	0	13,102,917	101.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	12,893,366	40	12,893,366	100.0	12,893,817	40	12,893,817	100.0
C01	Existing Program	209,100	0	13,102,466	101.6	209,100	0	13,102,917	101.6

Justification

C01	Change level is reflective of Capital Outlay for the purchase of equipment, \$84,100, to replace existing equipment beyond its useful life if needed that exceeds \$5000. Also, the inclusion of a \$125,000 operating contingency in the event DBA adds another building to its management portfolio during the biennial period.								
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Analysis of Budget Request

Appropriation: T78 - Acquisition and Maintenance

Funding Sources: MRE - Building Authority Division Real Estate Fund

The purpose of this appropriation is the acquisition and operation of additional buildings for state occupancy. Funding payable from the Real Estate Fund allows the DFA Building Authority (DBA) to acquire buildings for general government use as opportunities arise as well as provide construction and renovation as needed. Expenditures would be offset by income from the operation of properties acquired.

The Base Level Request is \$2,800,000 each year of the 2017-2019 Biennium.

The Agency's Change Level request of \$17,200,000 each year in appropriation for the acquisition and operation of additional buildings for state occupancy. Funding payable from the Real Estate Fund allows DBA to acquire buildings for general government use as opportunities arise as well as provide construction and renovation as needed. Expenditures are offset by income from the operation of properties acquired.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: T78 - Acquisition and Maintenance
Funding Sources: MRE - Building Authority Division Real Estate Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Construction	5090005	0	2,500,000	2,500,000	2,500,000	19,700,000	19,700,000	2,500,000	19,700,000	19,700,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	2,800,000	2,800,000	2,800,000	20,000,000	20,000,000	2,800,000	20,000,000	20,000,000
Funding Sources										
Fund Balance	4000005	220,629	222,129		17,122,129	17,122,129	17,122,129	14,322,129	0	0
Non-Revenue Receipts	4000040	1,500	0		0	0	0	0	0	0
Transfer from Insurance Dept	4000543	0	19,700,000		0	0	0	0	0	0
Total Funding		222,129	19,922,129		17,122,129	17,122,129	17,122,129	14,322,129	0	0
Excess Appropriation/(Funding)		(222,129)	(17,122,129)		(14,322,129)	2,877,871	2,877,871	(11,522,129)	20,000,000	20,000,000
Grand Total		0	2,800,000		2,800,000	20,000,000	20,000,000	2,800,000	20,000,000	20,000,000

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: T78 - Acquisition and Maintenance
Funding Sources: MRE - Building Authority Division Real Estate Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,800,000	0	2,800,000	100.0	2,800,000	0	2,800,000	100.0
C01	Existing Program	17,200,000	0	20,000,000	714.3	17,200,000	0	20,000,000	714.3

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,800,000	0	2,800,000	100.0	2,800,000	0	2,800,000	100.0
C01	Existing Program	17,200,000	0	20,000,000	714.3	17,200,000	0	20,000,000	714.3

Justification

C01	The budget reflects new funding from the Arkansas Insurance Trust fund for the construction of a new state-owned building at 1610 West Third Street to house agencies of the State. New construction will begin following design in FY18 and will continue into FY19. The DBA purchased the existing Capitol Place Building in FY17. The plan is to raze the existing building and construct a new energy-efficient, sustainable building for operation by the DBA.
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Analysis of Budget Request

Appropriation: T79 - Justice Building Operations

Funding Sources: MWJ - Building Authority Division Maintenance Fund

This appropriation provides for the operations of the Justice Building. Funding is provided under special language provisions for a transfer from the State Central Services Fund to the DFA Building Authority (DBA) Maintenance Fund for actual expenditures up to the authorized appropriation level.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency requests Base Level of \$722,292 for FY18 and \$722,417 for FY19 and includes three (3) budgeted base level positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: T79 - Justice Building Operations
Funding Sources: MWJ - Building Authority Division Maintenance Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	72,305	98,458	108,104	98,458	98,458	98,458	98,558	98,558	98,558
#Positions	2	3	3	3	3	3	3	3	3
Personal Services Matching 5010003	31,339	38,858	39,475	39,381	39,381	39,381	39,406	39,406	39,406
Operating Expenses 5020002	502,587	584,453	584,453	584,453	584,453	584,453	584,453	584,453	584,453
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	606,231	721,769	732,032	722,292	722,292	722,292	722,417	722,417	722,417
Funding Sources									
Fund Balance 4000005	34,383	5,117		0	0	0	0	0	0
Transfer from St Central Srvs 4000575	592,000	716,652		722,292	722,292	722,292	722,417	722,417	722,417
Transfers / Adjustments 4000683	(15,035)	0		0	0	0	0	0	0
Total Funding	611,348	721,769		722,292	722,292	722,292	722,417	722,417	722,417
Excess Appropriation/(Funding)	(5,117)	0		0	0	0	0	0	0
Grand Total	606,231	721,769		722,292	722,292	722,292	722,417	722,417	722,417

Analysis of Budget Request

Appropriation: T80 - Justice Building Maintenance

Funding Sources: MJB - Justice Building Fund

The Justice Building Maintenance appropriation provides for maintenance of the Justice Building. Funding is provided by court cost receipts transferred from the State Administration of Justice Fund to be used exclusively for maintenance of the Justice Building (A.C.A. §19-5-1052).

Base Level is \$504,659 each year of the 2017-2019 Biennium.

The Agency requests to reduce Base Level by (\$100,366) each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: T80 - Justice Building Maintenance

Funding Sources: MJB - Justice Building Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Building Maintenance 5120032	113,248	504,659	504,659	504,659	404,293	404,293	504,659	404,293	404,293
Total	113,248	504,659	504,659	504,659	404,293	404,293	504,659	404,293	404,293
Funding Sources									
Fund Balance 4000005	593,624	534,669		84,303	84,303	84,303	0	0	0
State Administration of Justice 4000470	54,293	54,293		83,528	83,528	83,528	83,528	83,528	83,528
Total Funding	647,917	588,962		167,831	167,831	167,831	83,528	83,528	83,528
Excess Appropriation/(Funding)	(534,669)	(84,303)		336,828	236,462	236,462	421,131	320,765	320,765
Grand Total	113,248	504,659		504,659	404,293	404,293	504,659	404,293	404,293

Change Level by Appropriation

Appropriation: T80 - Justice Building Maintenance
Funding Sources: MJB - Justice Building Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	504,659	0	504,659	100.0	504,659	0	504,659	100.0
C03	Discontinue Program	(100,366)	0	404,293	80.1	(100,366)	0	404,293	80.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	504,659	0	504,659	100.0	504,659	0	504,659	100.0
C03	Discontinue Program	(100,366)	0	404,293	80.1	(100,366)	0	404,293	80.1

Justification

C03	Reduction in appropriation is due to a capital improvement project that is currently underway at the Justice Building to expand their server room and relocate their training room. Project was bid and awarded in 2016 and will be completed in 2017.
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Analysis of Budget Request

Appropriation: T81 - Critical Maintenance

Funding Sources: MWJ - Building Authority Division Maintenance Fund

This appropriation is used for Critical Maintenance of DFA Building Authority (DBA) owned or operated buildings. Funding is derived from rental income paid by state agencies housed in DBA operated buildings.

The Agency requests Base Level of \$5,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: T81 - Critical Maintenance

Funding Sources: MWJ - Building Authority Division Maintenance Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Building Maintenance	5120032	1,039,515	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total		1,039,515	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Funding Sources										
Fund Balance	4000005	3,551,018	4,874,503		1,874,503	1,874,503	1,874,503	0	0	0
Rental Income/Fund Transfers	4000435	2,363,000	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Funding		5,914,018	6,874,503		3,874,503	3,874,503	3,874,503	2,000,000	2,000,000	2,000,000
Excess Appropriation/(Funding)		(4,874,503)	(1,874,503)		1,125,497	1,125,497	1,125,497	3,000,000	3,000,000	3,000,000
Grand Total		1,039,515	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: T82 - Sustainable Bldg Design Revolv Loan Prog

Funding Sources: MBD - Sustainable Building Design Revolving Loan Fund

The purpose of this appropriation is to provide loans to State Agencies for the Sustainable Building Design Program A.C.A. 22-3-1901. A loan made from this program must be for a renovation of a state-owned property for an amount that exceeds two hundred fifty thousand dollars (\$250,000) with the term for repayment not to exceed ten (10) years.

Funding for this appropriation consists of funds transferred from the General Improvement Fund, federal grants, and loan repayments from state agencies.

The Agency requests Base Level of \$10,739,371 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: T82 - Sustainable Bldg Design Revolv Loan Prog

Funding Sources: MBD - Sustainable Building Design Revolving Loan Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Loans	5120029	0	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371
Total		0	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371
Funding Sources										
Fund Balance	4000005	6,574,343	6,486,814		0	0	0	0	0	0
Loan Repayment	4000330	(87,529)	4,252,557		10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371
Total Funding		6,486,814	10,739,371		10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371
Excess Appropriation/(Funding)		(6,486,814)	0		0	0	0	0	0	0
Grand Total		0	10,739,371		10,739,371	10,739,371	10,739,371	10,739,371	10,739,371	10,739,371

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: T86 - Cash in State Treasury

Funding Sources: NBA - Building Authority Division Cash Fund

The Building Improvement Fund was created in FY15 as a result of funds received by several agencies of the State for a bankruptcy claim (Delaware) filed in 2002 through the Arkansas Attorney General's office against an asbestos company, W.R. Grace. This appropriation is used for Building Improvements such as Asbestos Abatement. Funding comes from a settlement transfer from the Attorney General's office.

Base Level is \$3,083,907 each year of the 2017-2019 Biennium.

The Agency requests to reduce Base Level by (\$50,000) each year.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: T86 - Cash in State Treasury
Funding Sources: NBA - Building Authority Division Cash Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Building Improvements 5900046	209,694	3,083,907	3,291,000	3,083,907	3,033,907	3,033,907	3,083,907	3,033,907	3,033,907
Total	209,694	3,083,907	3,291,000	3,083,907	3,033,907	3,033,907	3,083,907	3,033,907	3,033,907
Funding Sources									
Fund Balance 4000005	3,234,996	3,075,343		0	0	0	0	0	0
Interest 4000300	50,041	8,564		0	0	0	0	0	0
Total Funding	3,285,037	3,083,907		0	0	0	0	0	0
Excess Appropriation/(Funding)	(3,075,343)	0		3,083,907	3,033,907	3,033,907	3,083,907	3,033,907	3,033,907
Grand Total	209,694	3,083,907		3,083,907	3,033,907	3,033,907	3,083,907	3,033,907	3,033,907

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: T86 - Cash in State Treasury
Funding Sources: NBA - Building Authority Division Cash Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	3,083,907	0	3,083,907	100.0	3,083,907	0	3,083,907	100.0
C03	Discontinue Program	(50,000)	0	3,033,907	98.4	(50,000)	0	3,033,907	98.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	3,083,907	0	3,083,907	100.0	3,083,907	0	3,083,907	100.0
C03	Discontinue Program	(50,000)	0	3,033,907	98.4	(50,000)	0	3,033,907	98.4

Justification

C03	DBA has continued to complete asbestos abatement in the 501 Building as renovations and improvements are made. Due to requirement of the State Fire Marshal, abatement is being completed as old fire proofing in the building is removed and a new fire sprinkler system is installed. The reduction reflects funds spent on abatement during the prior period.
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DFA - CHILD SUPPORT ENFORCEMENT

Enabling Laws

Act 110 of 2016
ACA §25-8-107
ACA §9-14-206 - 210

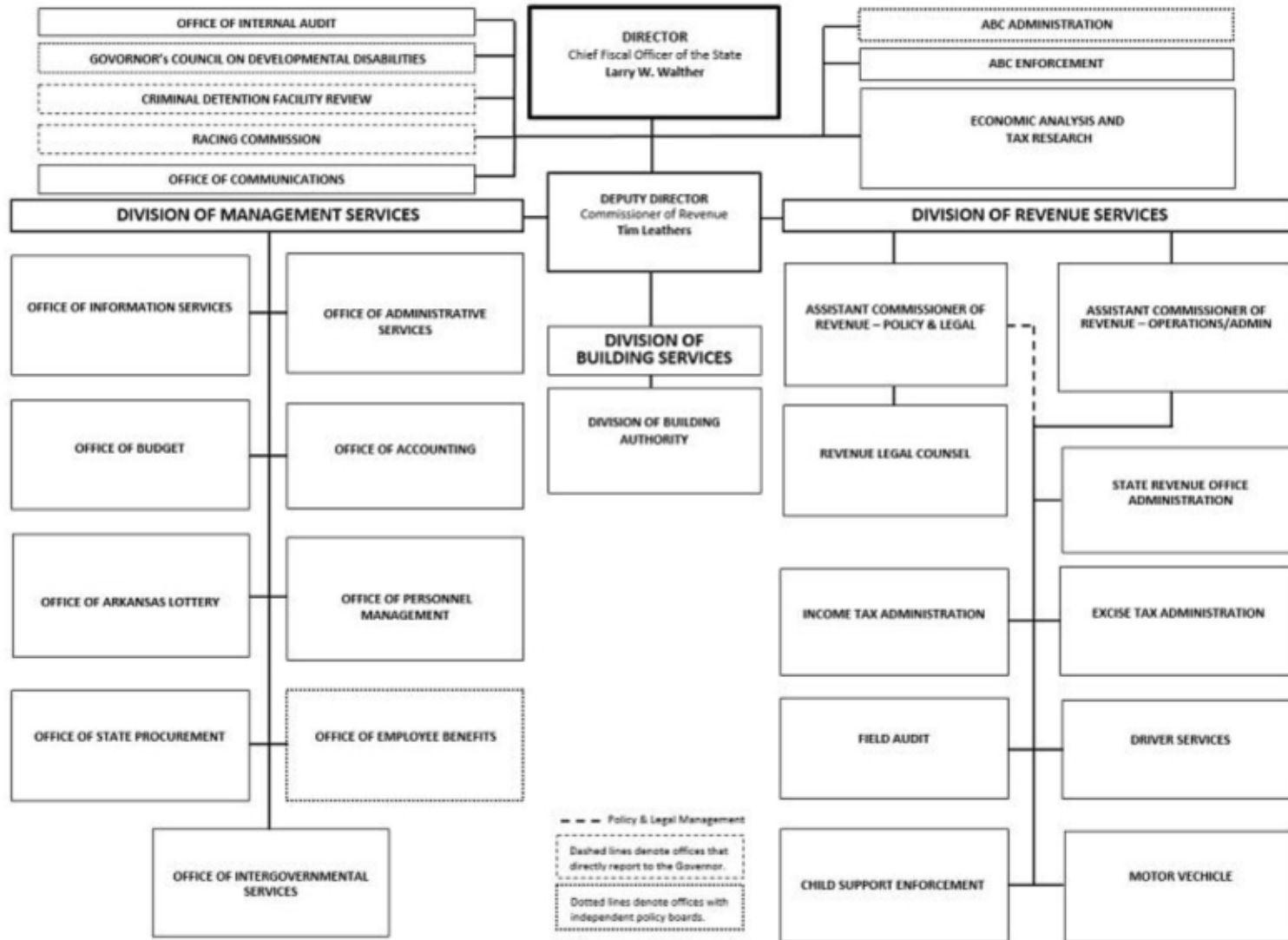
History and Organization

In 1975 the Social Security Act was amended by Congress to add part IV-D that established the Child Support Program. In order to receive federal funds for the Aid to Families with Dependent Children (AFDC) Program, each state had to establish and operate a child support program. The Arkansas program began in 1977. The mission of the program is to provide assistance to children and families in obtaining financial and medical support due them by requiring parents absent from the home to assume responsibility for the social and economic well-being of their children.

The program is responsible for locating parents, establishing paternity and orders for child and medical support, collecting and disbursing the support owed and bringing enforcement action when payments are not made. Workers assigned to the agency provide investigative and legal services on cases assigned to the agency, and provide the administrative and managerial support necessary for the organization to properly function. There are approximately 107,614 cases assigned. The cases originate in part from Transitional Employment Assistance (TEA), Medicaid and Foster Care cases referred by the Department of Human Services. Other cases are established as a result of citizens applying for service. The eligibility criteria for these cases require the custodian to have a minor child in his or her care. Approximately 43,170 additional cases are monitored for payment and disbursement services. The program is authorized for 840 positions.

The Office of Child Support Enforcement (OCSE) is located within the Department of Finance and Administration - Revenue Division.

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION



Agency Commentary

The Office of Child Support Enforcement (OCSE) is responsible for locating absent parents, establishing paternity and orders for child support, collecting and distributing the funds to the appropriate case, disbursing and child support funds, and enforcing payment of support orders. Funding for this appropriation consists of a combination of federal reimbursement, fees for collection services, and general revenue.

The agency is requesting a reduction of 32 currently authorized positions from 840 currently authorized positions; reduction of \$1,122,147 each year. The positions no longer need to be utilized due to efficiencies of the agency.

The agency is also requesting restoration of Capital Outlay in the amount of \$100,000 each fiscal year to replace equipment that is beyond repair, becomes obsolete or that becomes too expensive to maintain or repair.

Current funding levels will sufficiently cover the request.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DFA - CHILD SUPPORT ENFORCEMENT
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

Audit findings are reported under DFA-Administrative Services.

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Custodial Parent Handbook	N/A	N	N	6,000	Customer Education	0	0.00
Need Help? General Information Brochure	N/A	N	N	3,500	Public information and convenience	0	0.00
Non Custodial Parent Handbook	N/A	N	N	6,000	Customer Education	0	0.00
Paternity Acknowledgement Brochure	20-18-408 (2) (3)	N	N	15,000	Federal and State law require Hospital based Paternity. Acknowledgement Program and issuance of a form and information.	0	0.00
Paternity Acknowledgement Form	20-18-408 (2) (3)	N	N	25,000	Federal and State law require Hospital based Paternity Acknowledgement Program and issuance of a form and information.	0	0.00
Request for Child Support Services	9-14-210 (d) (2)	N	N	18,000	Public information and convenience	0	0.00

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
840	728	112	840	0	13.33 %	840	676	164	840	0	19.52 %	840	669	171	840	0	20.36 %

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2016
Required by A.C.A. 25-36-104

AGENCY: 0634 DFA - CHILD SUPPORT ENFORCEMENT

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Action Process Service	\$94,500	X					
Goddess Products, Inc.	\$106,691	X					
Hill Services	\$94,500	X					
J & J	\$94,500	X					
Protech Solutions	\$8,991,000				X		

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED	<u>5</u>
TOTAL EXPENDITURES FOR CONTRACTS AWARDED	<u>\$12,494,665</u>
% OF MINORITY CONTRACTS AWARDED	<u>72.38 %</u>

Analysis of Budget Request

Appropriation: 120 - Child Support Enforcement - Operations

Funding Sources: MCE - Child Support Enforcement Fund

The Office of Child Support Enforcement (OCSE) is a federal/state effort to collect child support from non-custodial parents. OCSE establishes and enforces orders to collect child support. The Agency determines on a case-by-case basis which of the following services will be utilized:

- Locating the non-custodial parent
- Establishing paternity
- Establishing, modifying, and terminating support/medical obligations
- Collecting and disbursing support obligations
- Enforcing delinquent child support obligations

Funding for this appropriation consists of a combination of federal funds (66%), general revenue, fees, federal incentive payments, and state share of Temporary Assistance for Needy Families (TANF) collections (34%). Currently 55% of the Agency's budget is personnel related costs with the remaining 45% operating expenses.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Base Level request is \$64,807,687 for FY18 and \$64,844,271 for FY19.

The Agency's Change Level request of \$1,022,147 each year reflects the following:

- Capital Outlay restoration of \$100,000 each year to replace equipment that is beyond repair, becomes obsolete or that becomes too expensive to maintain or repair.
- Regular Salaries and Personal Services Matching decrease of (\$1,122,147) each year due to the reduction of 32 currently authorized positions (Base Level) from 840 authorized positions. The positions no longer need to be utilized due to efficiencies of the agency.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 120 - Child Support Enforcement - Operations

Funding Sources: MCE - Child Support Enforcement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	24,140,457	27,184,642	27,745,627	27,219,542	26,439,560	26,439,560	27,249,242	26,469,260	26,469,260
#Positions		826	840	840	840	808	808	840	808	808
Extra Help	5010001	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
#Extra Help		0	15	15	15	15	15	15	15	15
Personal Services Matching	5010003	9,734,791	10,409,995	10,500,814	10,554,008	10,211,843	10,211,843	10,560,892	10,218,727	10,218,727
Operating Expenses	5020002	12,666,341	14,535,654	14,535,654	14,535,654	14,535,654	14,535,654	14,535,654	14,535,654	14,535,654
Conference & Travel Expenses	5050009	15,214	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Professional Fees	5060010	236,369	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	38,008	100,000	100,000	0	100,000	100,000	0	100,000	100,000
Data Processing and Equipment	5900046	11,246,043	11,848,483	11,848,483	11,848,483	11,848,483	11,848,483	11,848,483	11,848,483	11,848,483
Total		58,077,223	64,728,774	65,380,578	64,807,687	63,785,540	63,785,540	64,844,271	63,822,124	63,822,124

Funding Sources										
Fund Balance	4000005	9,479,293	10,337,763		10,593,042	10,593,042	10,593,042	10,291,555	10,291,555	10,291,555
General Revenue	4000010	12,984,053	12,984,053		12,984,053	12,984,053	12,984,053	12,984,053	12,984,053	12,984,053
Federal Revenue	4000020	38,845,192	39,000,000		38,622,147	37,500,000	37,500,000	38,622,147	37,500,000	37,500,000
Non-Revenue Receipts	4000040	7,105,055	13,000,000		12,900,000	13,000,000	13,000,000	12,900,000	13,000,000	13,000,000
M & R Sales	4000340	1,393	0		0	0	0	0	0	0
Total Funding		68,414,986	75,321,816		75,099,242	74,077,095	74,077,095	74,797,755	73,775,608	73,775,608
Excess Appropriation/(Funding)		(10,337,763)	(10,593,042)		(10,291,555)	(10,291,555)	(10,291,555)	(9,953,484)	(9,953,484)	(9,953,484)
Grand Total		58,077,223	64,728,774		64,807,687	63,785,540	63,785,540	64,844,271	63,822,124	63,822,124

Change Level by Appropriation

Appropriation: 120 - Child Support Enforcement - Operations
Funding Sources: MCE - Child Support Enforcement Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	64,807,687	840	64,807,687	100.0	64,844,271	840	64,844,271	100.0
C01	Existing Program	100,000	0	64,907,687	100.2	100,000	0	64,944,271	100.2
C03	Discontinue Program	(1,122,147)	(32)	63,785,540	98.4	(1,122,147)	(32)	63,822,124	98.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	64,807,687	840	64,807,687	100.0	64,844,271	840	64,844,271	100.0
C01	Existing Program	100,000	0	64,907,687	100.2	100,000	0	64,944,271	100.2
C03	Discontinue Program	(1,122,147)	(32)	63,785,540	98.4	(1,122,147)	(32)	63,822,124	98.4

Justification

C01	Restore Capital Outlay of \$100,000 each fiscal year to replace equipment that is beyond repair, becomes obsolete or that becomes too expensive to maintain or repair.
C03	Reduction of 32 currently authorized positions (Base Level) from 840 currently authorized positions; reduction of \$1,122,147 each year. The positions no longer need to be utilized due to efficiencies of the agency.

DFA - DISBURSING OFFICER

Enabling Laws

Act 251 of 2016
AR Code §19-4-101 - §19-4-2004

History and Organization

The Department of Finance and Administration's Disbursing Officer was created when the General Assembly designated the department to be disbursing officer for any miscellaneous appropriations whose purpose was not clearly chargeable to any specific state agency. The mission is to manage the disbursing officer function in a manner that ensures that non-agency specific appropriations are disbursed in a manner that is timely, consistent with legislation, and legal under the fiscal laws of the State of Arkansas, while providing an accurate record of such disbursements.

The appropriations can generally be separated into three categories - contributions, holding accounts and special purposes. The contribution appropriations allow for legislative and executive participation in conferences, councils, associations, and organizational memberships that provide intergovernmental discussion of public issues. The holding account appropriations provide appropriation for state agencies for the following purposes:

- Personal Services Matching in the event the amount appropriated by the General Assembly is not sufficient to meet obligations
- Cash fund appropriations to allow the expenditure of funds that are not exempt from Section 7 of Act 5 of 1975, but were not specifically appropriated by the General Assembly
- Regular Salaries appropriation in the event that there is not sufficient appropriation provided for by the General Assembly for any state agency due to legislative enactments on compensation levels for the biennial period in question
- A method of distributing Marketing and Redistribution proceeds from the sale of State property
- Provide overtime compensation appropriation to agencies that have had to use overtime to complete critical projects, but had no overtime appropriation to make payments
- Provide appropriation to state agencies receiving federal grants and aid or reimbursement monies that were unanticipated at the time of

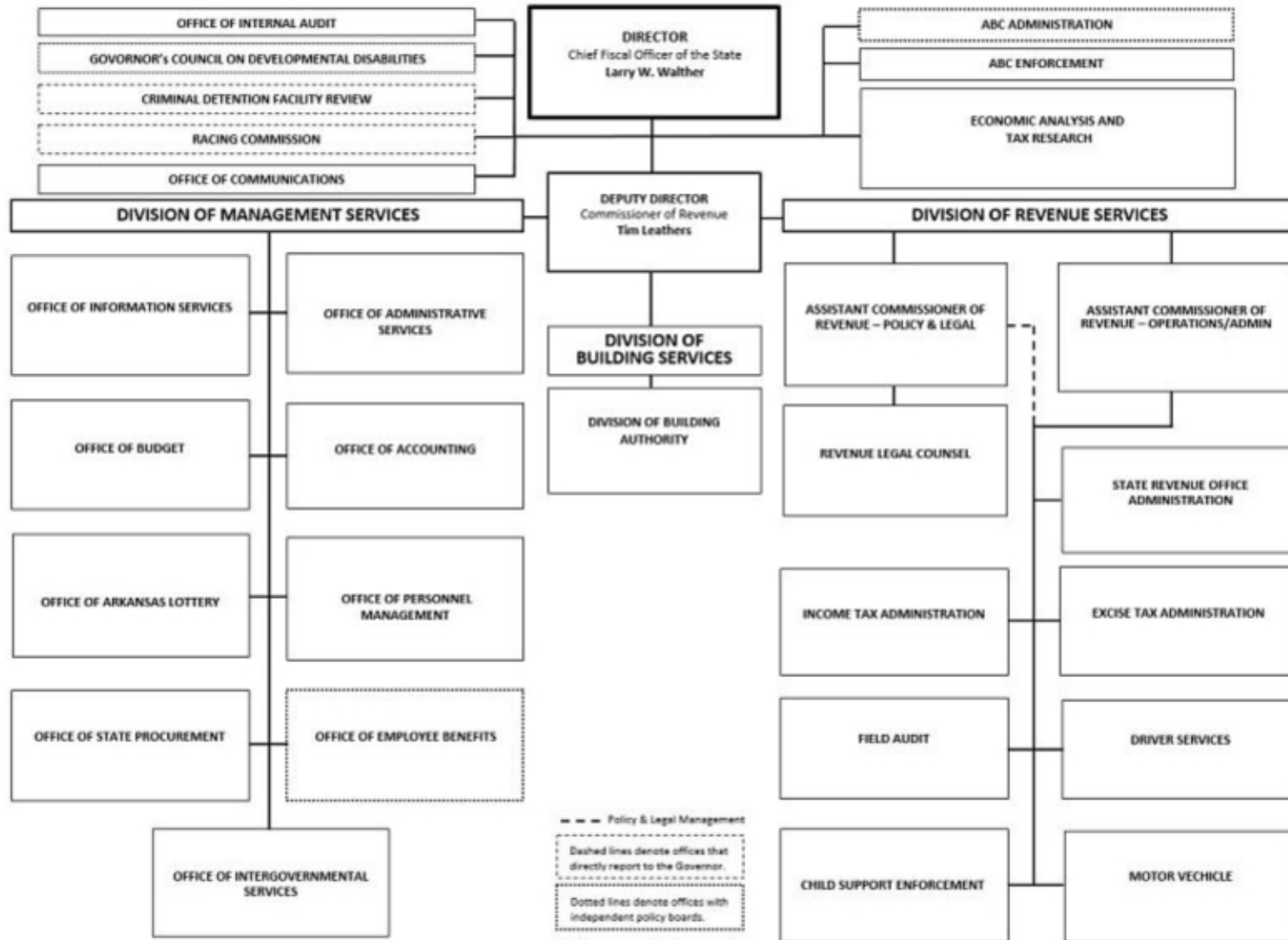
the last session of the Legislature

- A method of returning appropriation to state agencies for refunds to expenditures in accordance with Act 1027 of 1979

The special purpose appropriations provide funds that are disbursed to state agencies for the following purposes:

- Disaster assistance to individuals and families in the form of grants and temporary housing, public assistance, response assistance, catastrophic loss, and hazard mitigation as authorized by Act 511 of 1973 as amended
- Reimbursement of the Department of Workforce Services for state agency unemployment benefits paid in the previous calendar quarter
- Miscellaneous grants and expenses for Planning and Development Districts, Inter-state and Intra-state Planning Organizations, Arkansas Sheriff's Association, Agriculture Marketing Grants, University of Arkansas for Medical Sciences - Child Abuse/Rape/Domestic Violence Section, University of Arkansas for Medical Sciences - Child Welfare Restructuring, and Arkansas Children's Hospital
- Reimbursements to counties all expenses incurred in holding and bringing to trial persons charged with escape from the Department of Correction
- Emergency Medical Services programs and other programs funded by the Indigent Patients Fund
- Alleviate conditions arising in public emergencies by issuance of emergency proclamations by the Governor
- Provide both appropriation and funds for the acquisition of new and replacement vehicles for the Motor Vehicle Acquisition Program
- Provide additional funding to Arkansas Fire Departments in order to reduce homeowner insurance rates through the Fire Protection Program
- Collect uniform filing fees and court costs from City, Municipal, and County courts and distribute these funds to various State Agencies
- Distribute insurance premium taxes to police and fire departments pension programs

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION



Agency Commentary

The Disbursing Officer Agency is a collection of special use appropriations. The appropriations can generally be separated into three categories - contributions, reserves, and special purposes.

The Disbursing Officer is requesting the following change levels:

- Change Level in State Contributions decreasing appropriation and funding (\$30,508) for FY18 and increasing appropriation and funding \$101 for FY19. This pays yearly assessments from each organization as dues increase/decrease. Two organizations ceased operations during the 2015-2017 Biennium:
 - 023 - Southern Growth Policies Board
 - 2DA - Southern Governor's Association
- Appropriation and accounting/technical changes in Various Grants and Expenses:
 - Change Level decreasing appropriation and funding (\$7,525) each year for the National Conference on Uniform State Laws.
 - The Arkansas Public Administration Consortium line item change from Professional Fees 5060010 to Grants & Aid 5100004 to properly account for the expenditure.
 - Change in appropriation name from Public Defender Contract to Public Defender Reimbursement to properly reflect the proper type of payment.
 - Public Defender Line Item changed from Professional Fees 5060010 to Refunds/Reimbursements 5110014 to properly account for the expenditure.
- Arkansas Children's Hospital is requesting \$36,006 each year which represents restoring the currently authorized level of appropriation and general revenue funding for the following:

• Intensive Care Nursery	\$13,006
• Reproductive Health Monitoring	\$ 6,000
• Burn Center	\$10,000
• Hospital Payments	<u>\$ 7,000</u>
	\$36,006
- Reallocation and merger of several Personal Services Holding Accounts that are used for the same purposes. Merging the

- appropriations will lend to better accounting of additional payroll needs of the State in one place; no increase. Personal Services Stipends, Extra Help and Overtime appropriation names have been updated to properly reflect the use of the appropriations to include personal services matching. Also, the commitment items have been updated to Special Commitment Item 5900046 to reflect consistency with other personal services appropriations. Also requesting an additional \$45,000,000 each year in appropriation to provide sufficient appropriation for the implementation of the proposed State Payplan.
- An additional \$5,000,000 each year in appropriation for Personal Services - Cash Agencies each year for the implementation of the proposed State Pay Plan.
- Appropriation and general revenue funding in the amount of \$650 each year to restore the currently authorized amount for the State reimbursement of personal service expenses for the University of Arkansas Medical Sciences, Arkansas Commission on Child Abuse, Rape, and Domestic Violence. The Commission helps coordinate efforts to review and process complaints of child abuse and neglect.
- Appropriation and general revenue funding in the amount of \$2,796 each year to restore the currently authorized amount for payment of services to UAMS to assist multidisciplinary task coordinators throughout the State to review and process child abuse complaints.
- The following appropriations are not requested for the 2017-2019 Biennium:
 - 2CU - Department of Correction - Escapees Trial
 - 746 - Natural Resources Damages
 - F94 - AR Sheriff's Association Grant
 - N66 - Southern Legislative Conference
 - 515 - Regular Salaries - State Employees
 - 114 - Regular Salaries - Elected Official
 - 037 - Personal Services Matching

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DFA - DISBURSING OFFICER
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

Audit findings are reported under DFA-Administrative Services.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	None	N	N	0	None	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
019 Council of State Government	119,445	0	123,626	0	123,626	0	123,626	0	130,000	0	130,000	0	123,626	0	135,000	0	135,000	0
020 National Conference of State Legislatures	155,538	0	163,101	0	163,101	0	163,101	0	163,101	0	163,101	0	163,101	0	165,000	0	165,000	0
022 National Association of State Budget Officers	18,500	0	19,055	0	19,055	0	19,055	0	19,990	0	19,990	0	19,055	0	21,000	0	21,000	0
023 Southern Growth Policies Board	0	0	28,200	0	28,200	0	28,200	0	0	0	0	0	28,200	0	0	0	0	0
024 National Governors Association	83,800	0	104,407	0	104,407	0	104,407	0	85,000	0	85,000	0	104,407	0	90,000	0	90,000	0
025 * Personal Services Overtime	0	0	4,500,000	0	4,500,000	0	4,500,000	0	4,500,000	0	4,500,000	0	4,500,000	0	4,500,000	0	4,500,000	0
028 Interstate Planning Grants	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0
030 State and Local Legal Center	6,500	0	8,065	0	8,065	0	8,065	0	6,700	0	6,700	0	8,065	0	6,900	0	6,900	0
033 Southern States Energy Board	31,027	0	32,579	0	32,579	0	32,579	0	32,000	0	32,000	0	32,579	0	32,000	0	32,000	0
037 Personal Services Matching	0	0	4,000,000	0	4,000,000	0	4,000,000	0	0	0	0	0	4,000,000	0	0	0	0	0
040 * AR Public Administration Consortium	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0
045 Fireman & Police Officers Pension & Relief Fund	45,356,190	0	68,400,000	0	68,400,000	0	68,400,000	0	68,400,000	0	68,400,000	0	68,400,000	0	68,400,000	0	68,400,000	0
060 AGA/Vocational Program Certification Expenses	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0
061 Fire Prevention Commission Grants	24,593	0	30,000	0	30,000	0	30,000	0	30,000	0	30,000	0	30,000	0	30,000	0	30,000	0
066 Miscellaneous Federal Grants	0	0	2,500,000,000	0	2,500,000,000	0	2,500,000,000	0	2,500,000,000	0	2,500,000,000	0	2,500,000,000	0	2,500,000,000	0	2,500,000,000	0
067 Disaster Assistance Grants	5,401,983	0	13,250,000	0	13,250,000	0	13,250,000	0	13,250,000	0	13,250,000	0	13,250,000	0	13,250,000	0	13,250,000	0
070 Unemployment Compensation Claims	5,238,543	0	16,000,000	0	16,000,000	0	16,000,000	0	16,000,000	0	16,000,000	0	16,000,000	0	16,000,000	0	16,000,000	0
071 Marketing and Redistribution	391,326	0	4,500,000	0	4,500,000	0	4,500,000	0	4,500,000	0	4,500,000	0	4,500,000	0	4,500,000	0	4,500,000	0
078 Interstate Mining Compact	17,170	0	18,513	0	18,513	0	18,513	0	18,513	0	18,513	0	18,513	0	18,513	0	18,513	0
079 National Conference of Insurance Legislators	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0	10,000	0
080 National Conference on Uniform State Laws	42,203	0	57,525	0	57,525	0	57,525	0	50,000	0	50,000	0	57,525	0	50,000	0	50,000	0
081 ACH - Hospital Payments	693,000	0	693,000	0	700,000	0	693,000	0	700,000	0	700,000	0	693,000	0	700,000	0	700,000	0
092 Low Level Radioactive Waste Compact	5,000	0	25,000	0	25,000	0	25,000	0	5,000	0	5,000	0	25,000	0	5,000	0	5,000	0
110 Museum of Discovery Grant	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
114 Regular Salaries - Elected Officers	0	0	1,500,000	0	1,500,000	0	1,500,000	0	0	0	0	0	1,500,000	0	0	0	0	0
131 Child Abuse/Rape/Domestic Violence Contract	63,117	0	363,117	0	363,767	0	363,117	0	363,767	0	363,767	0	363,117	0	363,767	0	363,767	0
133 Child Welfare Restructuring (UAMS)	271,604	0	271,604	0	274,400	0	271,604	0	274,400	0	274,400	0	271,604	0	274,400	0	274,400	0
139 Information Network of Arkansas	98,704	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0
159 Administration of Justice Fund	2,803,385	0	44,920,595	0	44,920,595	0	44,920,595	0	44,920,595	0	44,920,595	0	44,920,595	0	44,920,595	0	44,920,595	0
1DC Arkansas Wine Producers Council	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0
1FB Arkansas Sheriff's Association	387,898	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0
1GD Drug Enforcement and Education	0	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
1KG Disaster Assistance - Federal	0	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1MK Baby Sharon Act Grants	9,983	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0
1NM Southern Regional Education Board	204,453	0	210,000	0	210,000	0	210,000	0	205,500	0	205,500	0	210,000	0	212,000	0	212,000	0
1QZ Organ Donation Education Grants	24,783	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
1RC National Center for State Courts	130,991	0	140,322	0	140,322	0	140,322	0	135,000	0	135,000	0	140,322	0	140,000	0	140,000	0
1XZ The Energy Council	38,400	0	38,400	0	38,400	0	38,400	0	38,400	0	38,400	0	38,400	0	38,400	0	38,400	0
1YA Multi-State Tax Commission	268,926	0	275,450	0	275,450	0	275,450	0	280,000	0	280,000	0	275,450	0	285,000	0	285,000	0
1YB Federation of Tax Administrators	16,908	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0	20,000	0
1YC National Association of Attorneys General	38,344	0	39,494	0	39,494	0	39,494	0	41,000	0	41,000	0	39,494	0	42,000	0	42,000	0
1YD Association of Racing Commissioners	17,000	0	21,000	0	21,000	0	21,000	0	21,000	0	21,000	0	21,000	0	21,000	0	21,000	0
232 ACH - Intensive Care Nursery	1,220,594	0	1,220,594	0	1,233,600	0	1,220,594	0	1,233,600	0	1,233,600	0	1,220,594	0	1,233,600	0	1,233,600	0
247 Miscellaneous Workforce Investment Programs	0	0	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0
285 Personal Services Payplan Adjustment	0	0	17,000,000	0	17,000,000	0	17,000,000	0	68,500,000	0	68,500,000	0	17,000,000	0	68,500,000	0	68,500,000	0
2DA Southern Governors Association	0	0	45,000	0	45,000	0	45,000	0	0	0	0	0	45,000	0	0	0	0	0
2DB Intrastate Metro Planning Grants	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0
2DC * Public Defender Reimbursement	34,372	0	34,372	0	34,372	0	34,372	0	34,372	0	34,372	0	34,372	0	34,372	0	34,372	0
2DE ACH - Reproductive Health Monitoring	594,000	0	594,000	0	600,000	0	594,000	0	600,000	0	600,000	0	594,000	0	600,000	0	600,000	0
2DM State Employees Blanket Bond Program	296,126	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
2DN County Public Employees Blanket Bond Program	107,450	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
2DP Municipal Public Employees Blanket Bond Program	215,810	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
2DQ Public School Employees Blanket Bond Program	104,020	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
2DT Criminal Detention Committee Expenses	3,393	0	18,639	0	18,639	0	18,639	0	18,639	0	18,639	0	18,639	0	18,639	0	18,639	0
2DV Agricultural Marketing Grants	375,000	0	375,000	0	375,000	0	375,000	0	375,000	0	375,000	0	375,000	0	375,000	0	375,000	0
2DX Fire Protection Services - Additional Funding	13,149,475	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0
2HM Planning and Development Grants	360,000	0	360,000	0	360,000	0	360,000	0	360,000	0	360,000	0	360,000	0	360,000	0	360,000	0
2MH US Olympic Committee	242	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
2YN Public Legal Aid	556,031	0	855,432	0	855,432	0	855,432	0	855,432	0	855,432	0	855,432	0	855,432	0	855,432	0
2ZJ * Personal Services Stipends	0	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0
301 Transportation of Juvenile Offenders	138,117	0	187,000	0	187,000	0	187,000	0	187,000	0	187,000	0	187,000	0	187,000	0	187,000	0
328 Merit Adjustment Fund	0	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
33M ACH - Burn Center	990,000	0	990,000	0	1,000,000	0	990,000	0	1,000,000	0	1,000,000	0	990,000	0	1,000,000	0	1,000,000	0
33N Delta Regional Authority	195,006	0	150,000	0	150,000	0	150,000	0	230,500	0	230,500	0	150,000	0	230,500	0	230,500	0
340 Workforce 2000	0	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0
342 Refund to Expenditures	0	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
36F Multi-Jurisdictional Drug Crime Task Force	1,893,025	0	5,500,000	0	5,500,000	0	5,500,000	0	5,500,000	0	5,500,000	0	5,500,000	0	5,500,000	0	5,500,000	0
471 Indigent Patient-Emergency Medical Services Pr	27,856	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0
4HJ Prostate Cancer	123,947	0	197,750	0	197,750	0	197,750	0	197,750	0	197,750	0	197,750	0	197,750	0	197,750	0
515 Regular Salaries-State Employees	0	0	1,000,000	0	1,000,000	0	1,000,000	0	0	0	0	0	1,000,000	0	0	0	0	0
54Z Innovation & Product Development	0	0	229,034	0	250,000	0	229,034	0	229,034	0	229,034	0	229,034	0	229,034	0	229,034	0
601 Juvenile Detention Facilities	400,000	0	400,000	0	400,000	0	400,000	0	400,000	0	400,000	0	400,000	0	400,000	0	400,000	0
905 Purchase of Vehicles	1,143,599	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0
914 DFA Disbursing-Miscellaneous-CashTransfers	0	0	5,050,000	0	5,050,000	0	5,050,000	0	5,050,000	0	5,050,000	0	5,050,000	0	5,050,000	0	5,050,000	0
A08 Cash Appropriation - Various Agencies	0	0	300,000,000	0	300,000,000	0	300,000,000	0	300,000,000	0	300,000,000	0	300,000,000	0	300,000,000	0	300,000,000	0
A09 Payplan Adjustment - Various Agencies	0	0	5,000,000	0	5,000,000	0	5,000,000	0	10,000,000	0	10,000,000	0	5,000,000	0	10,000,000	0	10,000,000	0
F42 * Personal Services Extra Help	0	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
NOT REQUESTED FOR THE BIENNIUM																		
2CU Department of Correction - Escapees Trial	0	0	0	0	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0
746 Natural Resources Damages	0	0	0	0	174,810	0	0	0	0	0	0	0	0	0	0	0	0	0
F94 Ar Sheriffs' Association Grant	0	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
N66 Southern Legislative Conference	0	0	0	0	60,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	84,292,377	0	3,188,214,874	0	3,189,110,102	0	3,188,214,874	0	3,238,216,293	0	3,238,216,293	0	3,188,214,874	0	3,238,246,902	0	3,238,246,902	0

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	29,911,748	26.0	30,563,340	1.0			1,675,125	0.1	1,675,125	0.1	1,675,125	0.1	1,675,125	0.1	1,675,125	0.1	1,675,125	0.1
General Revenue	4000010	6,685,948	5.8	7,188,847	0.2			7,188,847	0.2	7,190,266	0.2	7,154,260	0.2	7,188,847	0.2	7,220,875	0.2	7,184,869	0.2
Federal Revenue	4000020	0	0.0	8,000,000	0.3			8,000,000	0.3	8,000,000	0.2	8,000,000	0.2	8,000,000	0.3	8,000,000	0.2	8,000,000	0.2
Special Revenue	4000030	78,637,272	68.5	72,080,029	2.3			89,200,000	2.8	89,200,000	2.8	89,200,000	2.8	89,200,000	2.8	89,200,000	2.8	89,200,000	2.8
Cash Fund	4000045	0	0.0	5,050,000	0.2			5,050,000	0.2	5,050,000	0.2	5,050,000	0.2	5,050,000	0.2	5,050,000	0.2	5,050,000	0.2
Trust Fund	4000050	5,414,460	4.7	17,107,097	0.5			18,250,000	0.6	18,250,000	0.6	18,250,000	0.6	18,250,000	0.6	18,250,000	0.6	18,250,000	0.6
ASP Retirement Fund	4000113	(6,233,769)	(5.4)	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Budget Stabilization Trust	4000130	6,186,546	5.4	10,023,195	0.3			13,250,000	0.4	13,250,000	0.4	13,250,000	0.4	13,250,000	0.4	13,250,000	0.4	13,250,000	0.4
Fees	4000245	355,398	0.3	547,292	0.0			550,000	0.0	550,000	0.0	550,000	0.0	550,000	0.0	550,000	0.0	550,000	0.0
Fire/Police Pens & Relief Fund	4000252	685,680	0.6	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Fire Protection Prem Tax Fund	4000253	(353,140)	(0.3)	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Internet User Fees	4000310	220,516	0.2	150,000	0.0			150,000	0.0	150,000	0.0	150,000	0.0	150,000	0.0	150,000	0.0	150,000	0.0
Inter-agency Fund Transfer	4000316	(419,861)	(0.4)	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	880,579	0.8	1,000,000	0.0			1,000,000	0.0	1,000,000	0.0	1,000,000	0.0	1,000,000	0.0	1,000,000	0.0	1,000,000	0.0

Funding Sources			%		%		%		%		%		%		%
Special State Asset Forfeiture	4000465	128,526	0.1	4,574,367	0.1	5,000,000	0.2	5,000,000	0.2	5,000,000	0.2	5,000,000	0.2	5,000,000	0.2
State Administration of Justice	4000470	33,940,667	29.6	42,827,901	1.3	45,826,027	1.4	45,826,027	1.4	45,826,027	1.4	45,826,027	1.4	45,826,027	1.4
Transfer from DHS	4000510	0	0.0	300,000	0.0	300,000	0.0	300,000	0.0	300,000	0.0	300,000	0.0	300,000	0.0
Transfer from DHS-DYS	4000515	400,000	0.3	400,000	0.0	400,000	0.0	400,000	0.0	400,000	0.0	400,000	0.0	400,000	0.0
Transfer to General Revenue	4000635	(5,187,859)	(4.5)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfers Accounting Purposes	4000685	391,326	0.3	2,940,050,000	92.2	2,940,050,000	92.2	2,990,050,000	92.3	2,990,050,000	92.3	2,940,050,000	92.2	2,990,050,000	92.3
Transfers from Agencies	4000690	8,348,631	7.3	11,027,931	0.3	15,000,000	0.5	15,000,000	0.5	15,000,000	0.5	15,000,000	0.5	15,000,000	0.5
Transfers to Agencies	4000695	(45,136,951)	(39.3)	4,000,000	0.1	4,000,000	0.1	4,000,000	0.1	4,000,000	0.1	4,000,000	0.1	4,000,000	0.1
Workforce 2000	4000740	0	0.0	35,000,000	1.1	35,000,000	1.1	35,000,000	1.1	35,000,000	1.1	35,000,000	1.1	35,000,000	1.1
Total Funds		114,855,717	100.0	3,189,889,999	100.0	3,189,889,999	100.0	3,239,891,418	100.0	3,239,855,412	100.0	3,189,889,999	100.0	3,239,922,027	100.0
Excess Appropriation/(Funding)		(30,563,340)		(1,675,125)		(1,675,125)		(1,675,125)		(1,639,119)		(1,675,125)		(1,675,125)	
Grand Total		84,292,377		3,188,214,874		3,188,214,874		3,238,216,293		3,238,216,293		3,188,214,874		3,238,246,902	

* Personal Services Overtime, Personal Services Stipends and Personal Services Extra Help appropriation names have been updated to properly reflect the use of the appropriations to include personal services matching. Also, the commitment items have been updated so Special Commitment Items 5900046 to reflect consistency with other personal services appropriations.

* AR Public Administration Consortium line item has changed from Professional Fees 5060010 to Grants & Aid 5100004 to properly account for the expenditure. Change in appropriation name from Public Defender Contract to Public Defender Reimbursement. Public Defender Line Item changed from Professional Fees 5060010 to Refunds/Reimbursements 5110014 to properly account for the expenditure.

APPROPRIATIONS NOT REQUESTED FOR 2017-2019 BIENNIUM and transferred to Personal Services Payplan Adjustments (285): Regular Salaries - State Employees (515); Regular Salaries - Elected Officials (114); Personal Services Matching (037)

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Analysis of Budget Request

Appropriation: 045 - Fireman & Police Officers Pension & Relief Fund

Funding Sources: SFR - Fireman and Police Officers' Pension and Relief Fund

This appropriation is for payment of the Fireman and Police Officers' Pension and Relief Taxes, payable from the Fireman and Police Officers' Pension and Relief Fund. Funding comes from premium taxes on insurance policies (A.C.A. §24-11-301, §24-11-809).

The Agency is requesting Base Level of \$68,400,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 045 - Fireman & Police Officers Pension & Relief Fund
Funding Sources: SFR - Fireman and Police Officers' Pension and Relief Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	45,356,190	68,400,000	68,400,000	68,400,000	68,400,000	68,400,000	68,400,000	68,400,000	68,400,000
Total		45,356,190	68,400,000	68,400,000	68,400,000	68,400,000	68,400,000	68,400,000	68,400,000	68,400,000
Funding Sources										
Fund Balance	4000005	6,629,115	6,664,380		0	0	0	0	0	0
Special Revenue	4000030	57,166,223	61,735,620		68,400,000	68,400,000	68,400,000	68,400,000	68,400,000	68,400,000
ASP Retirement Fund	4000113	(6,233,769)	0		0	0	0	0	0	0
Fire Protection Prem Tax Fund	4000253	(353,140)	0		0	0	0	0	0	0
Transfer to General Revenue	4000635	(5,187,859)	0		0	0	0	0	0	0
Total Funding		52,020,570	68,400,000		68,400,000	68,400,000	68,400,000	68,400,000	68,400,000	68,400,000
Excess Appropriation/(Funding)		(6,664,380)	0		0	0	0	0	0	0
Grand Total		45,356,190	68,400,000		68,400,000	68,400,000	68,400,000	68,400,000	68,400,000	68,400,000

Analysis of Budget Request

Appropriation: 067 - Disaster Assistance Grants

Funding Sources: MMA - Disaster Assistance Fund

This appropriation provides for disaster assistance to individuals, families, and public entities as authorized by the Disaster Relief Act of 1974 and for complying with the Arkansas Emergency Services Act of 1973 (A.C.A. §12-75-101 et seq.). Expenditures from this fund are made upon Executive Order of the Governor declaring a disaster and are utilized for individual assistance, public assistance, hazard assistance, and immediate emergency response according to the State Disaster Plan prepared and maintained by the Arkansas Department of Emergency Management. Funding for this appropriation can come from Federal funds or the Budget Stabilization Trust Fund.

The Agency is requesting Base Level of \$13,250,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 067 - Disaster Assistance Grants

Funding Sources: MMA - Disaster Assistance Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	5,401,983	13,250,000	13,250,000	13,250,000	13,250,000	13,250,000	13,250,000	13,250,000	13,250,000
Total		5,401,983	13,250,000	13,250,000	13,250,000	13,250,000	13,250,000	13,250,000	13,250,000	13,250,000
Funding Sources										
Fund Balance	4000005	2,442,242	3,226,805		0	0	0	0	0	0
Budget Stabilization Trust	4000130	6,186,546	10,023,195		13,250,000	13,250,000	13,250,000	13,250,000	13,250,000	13,250,000
Total Funding		8,628,788	13,250,000		13,250,000	13,250,000	13,250,000	13,250,000	13,250,000	13,250,000
Excess Appropriation/(Funding)		(3,226,805)	0		0	0	0	0	0	0
Grand Total		5,401,983	13,250,000		13,250,000	13,250,000	13,250,000	13,250,000	13,250,000	13,250,000

Analysis of Budget Request

Appropriation: 070 - Unemployment Compensation Claims

Funding Sources: TUC - Unemployment Compensation Revolving Fund

This appropriation is utilized to reimburse the Department of Workforce Services for unemployment benefits paid to former state employees. State agencies are assessed a percent of total payroll to provide funding for this appropriation. The assessment is based on a claims experience rating for each Agency.

The Agency is requesting Base Level of \$16,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 070 - Unemployment Compensation Claims
Funding Sources: TUC - Unemployment Compensation Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Claims 5110015	5,238,543	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Total	5,238,543	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Funding Sources									
Fund Balance 4000005	1,001,994	1,142,903		0	0	0	0	0	0
Trust Fund 4000050	5,379,452	14,857,097		16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Total Funding	6,381,446	16,000,000		16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Excess Appropriation/(Funding)	(1,142,903)	0		0	0	0	0	0	0
Grand Total	5,238,543	16,000,000		16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000

Analysis of Budget Request

Appropriation: 071 - Marketing and Redistribution

Funding Sources: MPH - Property Sales Holding Fund

This appropriation provides for transfers of appropriation for state agencies for expending and disbursing the net proceeds from property sold through the Marketing and Redistribution Program (A.C.A. §25-8-106; §19-5-1010).

The Agency is requesting Base Level of \$4,500,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 071 - Marketing and Redistribution

Funding Sources: MPH - Property Sales Holding Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Marketing & Redistribution Progr: 5900025	391,326	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Total	391,326	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Funding Sources									
Transfers Accounting Purposes 4000685	391,326	4,500,000		4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Total Funding	391,326	4,500,000		4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	391,326	4,500,000		4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000

Analysis of Budget Request

Appropriation: 131 - Child Abuse/Rape/Domestic Violence Contract (UAMS)

Funding Sources: HUA - Miscellaneous Agencies Fund

This appropriation provides State reimbursement of personal service expenses for the University of Arkansas Medical Sciences, Arkansas Commission on Child Abuse, Rape, and Domestic Violence. The Commission helps coordinate efforts to review and process complaints of child abuse and neglect. This appropriation is funded by general revenue in the amount of \$63,767 each year and up to \$300,000 of the remaining appropriation may be funded by the Department of Human Services through a fund transfer authorized in Special Language.

Base Level is \$363,117 each year of the 2017-2019 Biennium.

The Agency is requesting appropriation and funding in the amount of \$650 each year to restore the currently authorized amount.

The Executive Recommendation provides for the Agency Request of appropriation and funding.

Appropriation Summary

Appropriation: 131 - Child Abuse/Rape/Domestic Violence Contract (UAMS)

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	63,117	363,117	363,767	363,117	363,767	363,767	363,117	363,767	363,767
Total		63,117	363,117	363,767	363,117	363,767	363,767	363,117	363,767	363,767
Funding Sources										
General Revenue	4000010	63,117	63,117		63,117	63,767	63,767	63,117	63,767	63,767
Transfer from DHS	4000510	0	300,000		300,000	300,000	300,000	300,000	300,000	300,000
Total Funding		63,117	363,117		363,117	363,767	363,767	363,117	363,767	363,767
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		63,117	363,117		363,117	363,767	363,767	363,117	363,767	363,767

Change Level by Appropriation

Appropriation: 131 - Child Abuse/Rape/Domestic Violence Contract (UAMS)
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	363,117	0	363,117	100.0	363,117	0	363,117	100.0
C04	Reallocation	650	0	363,767	100.2	650	0	363,767	100.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	363,117	0	363,117	100.0	363,117	0	363,117	100.0
C04	Reallocation	650	0	363,767	100.2	650	0	363,767	100.2

Justification

C04	Restore appropriation to currently authorized amount.
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Analysis of Budget Request

Appropriation: 133 - Child Welfare Restructuring (UAMS)

Funding Sources: HUA - Miscellaneous Agencies Fund

This general revenue funded appropriation provides for the payment of contractual services to assist multidisciplinary task coordinators throughout the State to review and process child abuse complaints.

Base Level is \$271,604 each year of the 2017-2019 Biennium.

The Agency is requesting appropriation and funding in the amount of \$2,796 each year to restore the currently authorized amount.

The Executive Recommendation provides for the Agency Request of appropriation and funding.

Appropriation Summary

Appropriation: 133 - Child Welfare Restructuring (UAMS)

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	271,604	271,604	274,400	271,604	274,400	274,400	271,604	274,400	274,400
Total	271,604	271,604	274,400	271,604	274,400	274,400	271,604	274,400	274,400
Funding Sources									
General Revenue 4000010	271,604	271,604		271,604	274,400	274,400	271,604	274,400	274,400
Total Funding	271,604	271,604		271,604	274,400	274,400	271,604	274,400	274,400
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	271,604	271,604		271,604	274,400	274,400	271,604	274,400	274,400

Change Level by Appropriation

Appropriation: 133 - Child Welfare Restructuring (UAMS)
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	271,604	0	271,604	100.0	271,604	0	271,604	100.0
C04	Reallocation	2,796	0	274,400	101.0	2,796	0	274,400	101.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	271,604	0	271,604	100.0	271,604	0	271,604	100.0
C04	Reallocation	2,796	0	274,400	101.0	2,796	0	274,400	101.0

Justification

C04	Restore appropriation to currently authorized amount.
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Analysis of Budget Request

Appropriation: 139 - Information Network of Arkansas

Funding Sources: MNA - Information Network of Arkansas Fund

This appropriation provides for operating expenses of the Information Network of Arkansas, which is funded by user fees. The purpose of the Information Network of Arkansas is to provide the public access to state government information and interaction with government agencies through a user-friendly electronic medium (A.C.A. §25-27-101 et seq.; §19-5-1074).

The Agency is requesting Base Level of \$150,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 139 - Information Network of Arkansas

Funding Sources: MNA - Information Network of Arkansas Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Maintenance & Operations 5900046	98,704	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Total	98,704	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Funding Sources									
Fund Balance 4000005	1,378,503	1,500,315		1,500,315	1,500,315	1,500,315	1,500,315	1,500,315	1,500,315
Internet User Fees 4000310	220,516	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding	1,599,019	1,650,315		1,650,315	1,650,315	1,650,315	1,650,315	1,650,315	1,650,315
Excess Appropriation/(Funding)	(1,500,315)	(1,500,315)		(1,500,315)	(1,500,315)	(1,500,315)	(1,500,315)	(1,500,315)	(1,500,315)
Grand Total	98,704	150,000		150,000	150,000	150,000	150,000	150,000	150,000

Analysis of Budget Request

Appropriation: 159 - Administration of Justice Fund

Funding Sources: TAJ - State Administration of Justice Fund

The Administration of Justice Fund Section (AOJF) was established in 1995 to administer the Uniform Filing Fees and Court Cost Program. The AOJF is responsible for collecting, depositing, and distributing court fees collected at the county and municipal levels.

The Uniform Filing Fees and Court Cost Program was established by Act 1256 of 1995 (A.C.A. §16-10-306 et seq.) to remedy inequities in judicial services provided to citizens of Arkansas. This Act established the AOJF, charged it to provide forms for the remittance of court fees, and prescribed the duties of the AOJF to collect, and when appropriate, refer for civil prosecution any counties or municipalities having violated the remittance and reporting requirements of the Act.

This appropriation provides for distribution of uniform court costs and filing fees collected as well as appropriation to process any refunds necessary back to the local jurisdiction. The fund balance has decreased over the past several years as a result of declining revenue and increased expenditures.

The Agency is requesting Base Level of \$44,920,595 each year of the 2017-2019 Biennium for the State Administration of Justice Fund; but with the request that the Administrative Office of the Courts take action to increase revenues or reduce expenditures from the State Administration of Justice Fund to a level that can be supported by the Fund. The fund balance has decreased over the past several years as a result of declining revenue and increased expenditures. The Fund still struggles to support the allocations funded in the past. During FY14 and continuing into FY17 a 25% reduction in the monthly distribution has been in place.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 159 - Administration of Justice Fund
Funding Sources: TAJ - State Administration of Justice Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	2,799,480	39,920,595	39,920,595	39,920,595	39,920,595	39,920,595	39,920,595	39,920,595	39,920,595
Refunds/Reimbursements	5110014	3,905	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total		2,803,385	44,920,595	44,920,595	44,920,595	44,920,595	44,920,595	44,920,595	44,920,595	44,920,595
Funding Sources										
Fund Balance	4000005	2,746,136	2,998,126		0	0	0	0	0	0
Special Revenue	4000030	8,054,964	0		0	0	0	0	0	0
State Administration of Justice	4000470	33,352,136	41,922,469		44,920,595	44,920,595	44,920,595	44,920,595	44,920,595	44,920,595
Transfers to Agencies	4000695	(38,351,725)	0		0	0	0	0	0	0
Total Funding		5,801,511	44,920,595		44,920,595	44,920,595	44,920,595	44,920,595	44,920,595	44,920,595
Excess Appropriation/(Funding)		(2,998,126)	0		0	0	0	0	0	0
Grand Total		2,803,385	44,920,595		44,920,595	44,920,595	44,920,595	44,920,595	44,920,595	44,920,595

The fund balance has decreased over the past several years as a result of declining revenue and increased expenditures. Starting in FY14 and continuing into FY17 a reduction in the monthly distribution has been in place.

Analysis of Budget Request

Appropriation: 1FB - Arkansas Sheriff's Association

Funding Sources: MCD - Arkansas Counties Alcohol & Drug Abuse & Crime Prevention Fund

The Arkansas Sheriff's Association is funded by a \$50,000 allocation from the Administration of Justice Fund and revenues generated from § 17-19-301(f)(1) which is an additional fee of six dollars (\$6.00) per bail bond for giving bond for every bail bond issued by the professional bail bond company by or through its individual licensees, sheriffs, keepers of the jail, or any persons authorized to take bail under §16-84-102. These funds are transferred to the Arkansas Counties Alcohol and Drug Abuse and Crime Prevention Fund for the purpose of developing crime prevention and alcohol and drug abuse programs.

The Agency is requesting Base Level of \$600,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1FB - Arkansas Sheriff's Association

Funding Sources: MCD - Arkansas Counties Alcohol & Drug Abuse & Crime Prevention Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	387,898	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total		387,898	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Funding Sources										
Fund Balance	4000005	2,708	2,708		0	0	0	0	0	0
Fees	4000245	355,398	547,292		550,000	550,000	550,000	550,000	550,000	550,000
State Administration of Justice	4000470	32,500	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding		390,606	600,000		600,000	600,000	600,000	600,000	600,000	600,000
Excess Appropriation/(Funding)		(2,708)	0		0	0	0	0	0	0
Grand Total		387,898	600,000		600,000	600,000	600,000	600,000	600,000	600,000

Analysis of Budget Request

Appropriation: 1GD - Drug Enforcement and Education

Funding Sources: TAF - Special State Assets Forfeiture Fund

The Arkansas Drug Director establishes through rules and regulations a procedure for proper investment, use, and disposition of moneys deposited in the Special State Assets Forfeiture Fund in accordance with the intent and purposes of sub chapters 1-6 of §5-64-505. Funds shall be distributed by the Arkansas Alcohol and Drug Abuse Coordinating Council and shall be distributed for drug interdiction, eradication, education, rehabilitation, the State Crime Laboratory, and drug courts. Moneys from the fund may not supplant other local, state, or federal funds and shall not be subject to the provisions of the Revenue Stabilization Law, §19-5-101 et seq., or the Special Revenue Fund Account, § 19-5-203(2)(A).

The Agency is requesting Base Level of \$5,000,000 each year of the 2017-2019 Biennium. Expenditure of appropriation is contingent upon available funding.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1GD - Drug Enforcement and Education

Funding Sources: TAF - Special State Assests Forfeiture Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Drug Enforcement, Education, Tr 5900046	0	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total	0	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Funding Sources									
Fund Balance 4000005	572,812	425,633		0	0	0	0	0	0
Inter-agency Fund Transfer 4000316	(275,705)	0		0	0	0	0	0	0
Special State Asset Forfeiture 4000465	128,526	4,574,367		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Funding	425,633	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Excess Appropriation/(Funding)	(425,633)	0		0	0	0	0	0	0
Grand Total	0	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 1KG - Disaster Assistance - Federal

Funding Sources: FDA - Disaster Assistance Federal Fund

This federally funded appropriation provides for unanticipated Federal Disaster Assistance from the Federal Emergency Management Agency (FEMA). The Department of Finance and Administration Disbursing Officer will process claims for Individual and Family Grants Programs administered by the Department of Human Services (DHS) - County Operations.

The Agency is requesting Base Level of \$8,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1KG - Disaster Assistance - Federal
Funding Sources: FDA - Disaster Assistance Federal Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Total	0	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Funding Sources									
Federal Revenue 4000020	0	8,000,000		8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Total Funding	0	8,000,000		8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	8,000,000		8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000

Analysis of Budget Request

Appropriation: 1MK - Baby Sharon Act Grants

Funding Sources: TCH - Baby Sharon's Children's Catastrophic Illness Grant Program Trust Fund

Act 279 of 2003 created an Income Tax Return check-off for the Baby Sharon's Children's Catastrophic Illness Grant Program Trust Fund and created the Arkansas Children's Catastrophic Illness Grant Program (A.C.A. §26-35-1201 et seq.; §19-5-1123).

Arkansas Children's Hospital promulgates all rules and regulations necessary for implementing the grant program for the fund and is used exclusively by the Arkansas Children's Hospital to assist with the medical expenses incurred by the families of children with catastrophic illnesses or injuries by awarding grants to the families who are liable for the medical expenses.

The Agency is requesting Base Level of \$2,000,000 each year of the 2017-2019 Biennium. Expenditure of appropriation is contingent upon available funding.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1MK - Baby Sharon Act Grants

Funding Sources: TCH - Baby Sharon's Catastrophic Illness Grant Program Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	9,983	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total		9,983	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Funding Sources										
Trust Fund	4000050	9,983	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Funding		9,983	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		9,983	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000

Income Tax Return check-off program, expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 1QZ - Organ Donation Education Grants

Funding Sources: TOD - Organ Donation Donor Education Trust Fund

Act 1362 of 2003 established the Organ Donation Donor Education Trust Fund to provide for organ donor education and the issuance of organ donation awareness special license plates and to provide for voluntary contributions (A.C.A. §20-17-502, 503; §26-51-451, 452; §19-5-1129).

The Director of the Department of Finance and Administration shall grant funds available and appropriated from the Organ Donor Awareness Education Trust Fund to the Arkansas Regional Organ Recovery Agency, or its successor agency, to be used for educational or informational materials and other related costs associated with informing or educating the public about organ donations and organ donation awareness.

The Agency is requesting Base Level of \$200,000 each year of the 2017-2019 Biennium. Expenditure of appropriation is contingent upon available funding.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1QZ - Organ Donation Education Grants

Funding Sources: TOD - Organ Donation Donor Education Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	24,783	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total	24,783	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Funding Sources									
Trust Fund 4000050	24,783	200,000		200,000	200,000	200,000	200,000	200,000	200,000
Total Funding	24,783	200,000		200,000	200,000	200,000	200,000	200,000	200,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	24,783	200,000		200,000	200,000	200,000	200,000	200,000	200,000

Special license plates provide voluntary contributions, expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 2DX - Fire Protection Services - Additional Funding

Funding Sources: SFP - Fire Protection Premium Tax Fund

Act 10 of the First Extraordinary Session of 1992 (A.C.A. §14-284-401 et seq.; §26-57-614) established a premium tax of 1/2 of 1% to be collected by the Insurance Commissioner on policies written for coverage on real and personal property. The tax, dedicated as special revenues, is distributed by a formula set out in Act 10 to Arkansas counties. Funds distributed to counties are used by fire departments to upgrade fire protection services as a safeguard to the lives and property of Arkansas citizens.

The Agency is requesting Base Level of \$15,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request

Appropriation Summary

Appropriation: 2DX - Fire Protection Services - Additional Funding

Funding Sources: SFP - Fire Protection Premium Tax Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	13,149,475	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total		13,149,475	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Funding Sources										
Fund Balance	4000005	7,466,751	7,225,842		0	0	0	0	0	0
Special Revenue	4000030	12,222,886	7,774,158		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Fire/Police Pens & Relief Fund	4000252	685,680	0		0	0	0	0	0	0
Total Funding		20,375,317	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Excess Appropriation/(Funding)		(7,225,842)	0		0	0	0	0	0	0
Grand Total		13,149,475	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000

Analysis of Budget Request

Appropriation: 2MH - US Olympic Committee

Funding Sources: TOC - US Olympic Committee Program Trust Fund

Act 471 of 1993 (A.C.A. §26-51-441) created the United States Olympic Committee Income Tax Check-Off Program. The Program began with the tax returns for the 1993 income year and each year thereafter. This check-off appears on State and corporate income tax returns.

The Director of the Department of Finance and Administration is authorized to accept any gifts, grants, bequests, devises, and donations made to the State of Arkansas for the purpose of funding the program and deposit them into the United States Olympic Committee Program Trust Fund (A.C.A. §19-5-915)

The Agency is requesting Base Level of \$50,000 each year of the 2017-2019 Biennium. Expenditure of appropriation is contingent upon available funding.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2MH - US Olympic Committee

Funding Sources: TOC - US Olympic Committee Program Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	242	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total	242	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources									
Trust Fund 4000050	242	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding	242	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	242	50,000		50,000	50,000	50,000	50,000	50,000	50,000

Income Tax Return check-off program, expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 2YN - Public Legal Aid

Funding Sources: SLA - Public Legal Aid Fund

This appropriation provides grants to Legal Aid of Arkansas and to the Center for Arkansas Legal Services (A.C.A. §19-6-803) for providing financial support for public legal aid organizations and is distributed as follows:

- Forty-five percent (45%) of the fund shall be paid to Legal Aid of Arkansas; and
- Fifty-five percent (55%) of the fund shall be paid to the Center for Arkansas Legal Services.

The Agency is requesting Base Level of \$855,432 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2YN - Public Legal Aid

Funding Sources: SLA - Public Legal Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	556,031	855,432	855,432	855,432	855,432	855,432	855,432	855,432	855,432
Total	556,031	855,432	855,432	855,432	855,432	855,432	855,432	855,432	855,432
Funding Sources									
State Administration of Justice 4000470	556,031	855,432		855,432	855,432	855,432	855,432	855,432	855,432
Total Funding	556,031	855,432		855,432	855,432	855,432	855,432	855,432	855,432
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	556,031	855,432		855,432	855,432	855,432	855,432	855,432	855,432

Analysis of Budget Request

Appropriation: 328 - Merit Adjustment Fund

Funding Sources: MMF - Merit Adjustment Fund

This appropriation provides additional appropriation for various state agencies and Institutions of Higher Education with supplemental personal services. If agencies do not have sufficient appropriation to cover payplan, the Disbursing Officer may transfer appropriation and/or general revenue funding as needed to that Agency.

The Agency is requesting Base Level of \$4,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 328 - Merit Adjustment Fund
Funding Sources: MMF - Merit Adjustment Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Personal Services-Merit Adjustm: 5900046	0	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total	0	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Funding Sources									
Transfers to Agencies 4000695	0	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total Funding	0	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

Analysis of Budget Request

Appropriation: 340 - Workforce 2000

Funding Sources: SWF - Workforce 2000 Development Fund

This appropriation was established to provide transfers of spending authority for Technical Colleges, Technical Institutes and Comprehensive Lifelong Learning Centers from the Work Force 2000 Development Fund. The Work Force 2000 Development Fund consists of those special revenues as specified in A.C.A. §19-6-301(163) and all other revenues as may be authorized by law, there to be used exclusively for the authorized educational activities of those entities as set out in A.C.A. §26-51-205(d)(1)(A) and A.C.A. §26-51-205(d)(1)(B) and as distributed under A.C.A. §26-51-205(d)(2).

The Agency is requesting Base Level for this appropriation of \$30,000,000 for Technical Colleges Accreditation and \$5,000,000 for Vocational Technical Accreditation each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 340 - Workforce 2000

Funding Sources: SWF - Workforce 2000 Development Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Technical Colleges Accreditation 5900047	0	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Vo-Tech Accreditation 5900048	0	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total	0	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Funding Sources									
Workforce 2000 4000740	0	35,000,000		35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Total Funding	0	35,000,000		35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	35,000,000		35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000

Analysis of Budget Request

Appropriation: 36F - Multi-Jurisdictional Drug Crime Task Force

Funding Sources: SEP - State Drug Crime Enforcement and Prosecution Grant Fund

Act 1086 of 2007 created the State Drug Crime Enforcement and Prosecution Grant Fund for the purpose of creating and funding multi-jurisdictional drug crime task forces. The fund consists of Revenues generated under A.C.A. §12-17-106 (Drug crime special assessment) and any moneys authorized by the General Assembly.

The Agency is requesting Base Level of \$5,500,000 each year of the 2017-2019 Biennium. Expenditure of appropriation is contingent upon available funding.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 36F - Multi-Jurisdictional Drug Crime Task Force
Funding Sources: SEP - State Drug Crime Enforcement and Prosecution Grant Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,884,874	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Administration Expenses	5900046	8,151	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		1,893,025	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Funding Sources										
Fund Balance	4000005	4,101,587	3,229,749		0	0	0	0	0	0
Special Revenue	4000030	1,165,343	2,270,251		5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Inter-agency Fund Transfer	4000316	(144,156)	0		0	0	0	0	0	0
Total Funding		5,122,774	5,500,000		5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Excess Appropriation/(Funding)		(3,229,749)	0		0	0	0	0	0	0
Grand Total		1,893,025	5,500,000		5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 471 - Indigent Patient-Emergency Medical Services Program

Funding Sources: SGI - Indigent Patients Hospital Fund

This appropriation provides disbursement of funds for assistance in defraying the cost of hospitalization and other medical services of indigent Arkansas patients in health care facilities in Mississippi County, Poinsett County, Cross County, St. Francis County and Lee County for which the county has not received total reimbursement. Each county certifies to the Chief Fiscal Officer of the State the amount of the unreimbursed medical expenses. The amount available to each county shall be no more than 1/5 of the total funds available or the amount certified of unreimbursed medical expenses, whichever is less.

The Arkansas Racing Commission is authorized to allow each dog racing franchise holder to conduct fifteen (15) additional days of racing during each twelve-month period. All revenue derived from the pari-mutuel tax at the fifteen (15) additional days of racing authorized by subsection (a) of A.C.A. §23-111-505 after moneys have been remitted by the franchise holder to Mid-South Community College as provided by A.C.A. §23-111-517 shall be deposited with the Treasurer of State as special revenue for credit to the Indigent Patients Fund.

The Agency is requesting Base Level of \$300,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 471 - Indigent Patient-Emergency Medical Services Program

Funding Sources: SGI - Indigent Patients Hospital Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	27,856	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total		27,856	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Funding Sources										
Special Revenue	4000030	27,856	300,000		300,000	300,000	300,000	300,000	300,000	300,000
Total Funding		27,856	300,000		300,000	300,000	300,000	300,000	300,000	300,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		27,856	300,000		300,000	300,000	300,000	300,000	300,000	300,000

Analysis of Budget Request

Appropriation: 4HJ - Prostate Cancer

Funding Sources: HUA - Miscellaneous Agencies Fund

This appropriation is funded by funds generated by Section 1(a)(4) of Act 2219 of 2005, for a grant to the Arkansas Prostate Cancer Foundation for cancer detection and research. Eight and one-third percent (8 1/3%) of the Additional Tax - Cigarettes levied in A.C.A. §26-57-1101 and Additional Tax - Tobacco products other than cigarettes levied in A.C.A. §26-57-1102 is credited to the Miscellaneous Agencies Fund for the Arkansas Prostate Cancer Foundation.

The Agency is requesting Base Level of \$197,750 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 4HJ - Prostate Cancer

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	123,947	197,750	197,750	197,750	197,750	197,750	197,750	197,750	197,750
Total		123,947	197,750	197,750	197,750	197,750	197,750	197,750	197,750	197,750
Funding Sources										
General Revenue	4000010	123,947	197,750		197,750	197,750	197,750	197,750	197,750	197,750
Total Funding		123,947	197,750		197,750	197,750	197,750	197,750	197,750	197,750
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		123,947	197,750		197,750	197,750	197,750	197,750	197,750	197,750

Analysis of Budget Request

Appropriation: 601 - Juvenile Detention Facilities

Funding Sources: MJM - Juvenile Detention Facilities Operating Fund

Funds transferred from the Department of Human Services - Youth Services Fund Account to the Juvenile Detention Facilities Operating Fund (A.C.A. §19-5-1034) provides funding for this Department of Finance and Administration - Disbursing Officer appropriation for grants for operating expenses of fourteen local juvenile detention facilities.

The Agency is requesting Base Level of \$400,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 601 - Juvenile Detention Facilities
Funding Sources: MJM - Juvenile Detention Facilities Operating Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Total	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Funding Sources									
Transfer from DHS-DYS 4000515	400,000	400,000		400,000	400,000	400,000	400,000	400,000	400,000
Total Funding	400,000	400,000		400,000	400,000	400,000	400,000	400,000	400,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	400,000	400,000		400,000	400,000	400,000	400,000	400,000	400,000

Analysis of Budget Request

Appropriation: 905 - Purchase of Vehicles

Funding Sources: MMV - Motor Vehicle Aquisition Revolving Fund

The Department of Finance and Administration maintains a system that provides a complete inventory of existing state vehicles. This system monitors age of vehicles, annual mileage utilization, and maintenance costs. This program provides a priority ranking of vehicles to be purchased. A.C.A. §22-8-206 establishes guidelines for the purchase of automobiles.

The Agency is requesting Base Level of \$15,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 905 - Purchase of Vehicles
Funding Sources: MMV - Motor Vehicle Acquisition Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Purchase of Vehicles	5900046	1,143,599	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total		1,143,599	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Funding Sources										
Fund Balance	4000005	3,395,090	3,972,069		0	0	0	0	0	0
M & R Sales	4000340	880,579	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Transfers from Agencies	4000690	7,625,225	10,027,931		14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
Transfers to Agencies	4000695	(6,785,226)	0		0	0	0	0	0	0
Total Funding		5,115,668	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Excess Appropriation/(Funding)		(3,972,069)	0		0	0	0	0	0	0
Grand Total		1,143,599	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000

Analysis of Budget Request

Appropriation: 914 - DFA Disbursing-Miscellaneous-CashTransfers

Funding Sources: NDP - Cash in Treasury - DFA Miscellaneous

This appropriation is used to disburse funds collected on behalf of state agencies if needed.

The Agency is requesting Base Level of \$5,050,000 each year of the 2017-2019 Biennium. Expenditure of appropriation is contingent upon available funding.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 914 - DFA Disbursing-Miscellaneous-CashTransfers

Funding Sources: NDP - Cash in Treasury - DFA Miscellaneous

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Various Expenses	5900046	0	5,050,000	5,050,000	5,050,000	5,050,000	5,050,000	5,050,000	5,050,000	5,050,000
Total		0	5,050,000	5,050,000	5,050,000	5,050,000	5,050,000	5,050,000	5,050,000	5,050,000
Funding Sources										
Cash Fund	4000045	0	5,050,000		5,050,000	5,050,000	5,050,000	5,050,000	5,050,000	5,050,000
Total Funding		0	5,050,000		5,050,000	5,050,000	5,050,000	5,050,000	5,050,000	5,050,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	5,050,000		5,050,000	5,050,000	5,050,000	5,050,000	5,050,000	5,050,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: ACH - Arkansas Children's Hospital

Funding Sources: HUA - Miscellaneous Agencies Fund

This general revenue funded appropriation provides State grant assistance to the Arkansas Children's Hospital. These funds assist the hospital in providing services to children who are unable to pay, as well as providing additional services in the areas of intensive care, reproductive health research and burn unit.

Base Level is \$3,497,594 each year of the 2017-2019 Biennium.

Arkansas Children's Hospital is requesting \$36,006 each year which represents restoring the currently authorized level of appropriation and general revenue funding for the following:

- Intensive Care Nursery \$13,006
- Reproductive Health Monitoring \$ 6,000
- Burn Center \$10,000
- Hospital Payments \$ 7,000
- \$36,006

The Executive Recommendation provides for the Agency Request of appropriation and no additional general revenue funding.

Appropriation Summary

Appropriation: ACH - Arkansas Children's Hospital

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
ACH - Intensive Care Nursery 5100004	1,220,594	1,220,594	1,233,600	1,220,594	1,233,600	1,233,600	1,220,594	1,233,600	1,233,600
ACH - Reproductive Health Monit 5100004	594,000	594,000	600,000	594,000	600,000	600,000	594,000	600,000	600,000
ACH - Burn Center 5100004	990,000	990,000	1,000,000	990,000	1,000,000	1,000,000	990,000	1,000,000	1,000,000
ACH - Hospital Payments 5100004	693,000	693,000	700,000	693,000	700,000	700,000	693,000	700,000	700,000
Total	3,497,594	3,497,594	3,533,600	3,497,594	3,533,600	3,533,600	3,497,594	3,533,600	3,533,600
Funding Sources									
General Revenue 4000010	3,497,594	3,497,594		3,497,594	3,533,600	3,497,594	3,497,594	3,533,600	3,497,594
Total Funding	3,497,594	3,497,594		3,497,594	3,533,600	3,497,594	3,497,594	3,533,600	3,497,594
Excess Appropriation/(Funding)	0	0		0	0	36,006	0	0	36,006
Grand Total	3,497,594	3,497,594		3,497,594	3,533,600	3,533,600	3,497,594	3,533,600	3,533,600

Change Level by Appropriation

Appropriation: 081 - ACH - Hospital Payments
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	693,000	0	693,000	100.0	693,000	0	693,000	100.0
C01	Existing Program	7,000	0	700,000	101.0	7,000	0	700,000	101.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	693,000	0	693,000	100.0	693,000	0	693,000	100.0
C01	Existing Program	7,000	0	700,000	101.0	7,000	0	700,000	101.0

Justification

C01	Restore appropriation to currently authorized amount.
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Change Level by Appropriation

Appropriation: 232 - ACH - Intensive Care Nursery
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,220,594	0	1,220,594	100.0	1,220,594	0	1,220,594	100.0
C01	Existing Program	13,006	0	1,233,600	101.1	13,006	0	1,233,600	101.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,220,594	0	1,220,594	100.0	1,220,594	0	1,220,594	100.0
C01	Existing Program	13,006	0	1,233,600	101.1	13,006	0	1,233,600	101.1

Justification

C01	Restore appropriation to currently authorized amount.
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Change Level by Appropriation

Appropriation: 2DE - ACH - Reproductive Health Monitoring
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	594,000	0	594,000	100.0	594,000	0	594,000	100.0
C01	Existing Program	6,000	0	600,000	101.0	6,000	0	600,000	101.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	594,000	0	594,000	100.0	594,000	0	594,000	100.0
C01	Existing Program	6,000	0	600,000	101.0	6,000	0	600,000	101.0

Justification

C01	Restore appropriation to currently authorized amount.
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Change Level by Appropriation

Appropriation: 33M - ACH - Burn Center
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	990,000	0	990,000	100.0	990,000	0	990,000	100.0
C01	Existing Program	10,000	0	1,000,000	101.0	10,000	0	1,000,000	101.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	990,000	0	990,000	100.0	990,000	0	990,000	100.0
C01	Existing Program	10,000	0	1,000,000	101.0	10,000	0	1,000,000	101.0

Justification

C01	Restore appropriation to currently authorized amount.
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Analysis of Budget Request

Appropriation: BBP - Blanket Bond Program

Funding Sources: MTA-MLC-MLM-JAA Various

The Blanket Surety Bond Program was established to consolidate policies and decrease costs of surety bonds for all levels of government (Act 72 of 1997 section 5). The State Risk Manager of the Department of Insurance submits to the Department of Finance and Administration a separate billing certification of the costs of blanket bond surety premiums for the State of Arkansas and the Counties, Municipalities, and Public School Districts participating in the blanket surety bond program for public employees.

The appropriations included in the program are:

- Appropriation 2DM - State Employees Blanket Bond Program
- Appropriation 2DN - County Employees Blanket Bond Program
- Appropriation 2DP - Municipal Employees Blanket Bond Program
- Appropriation 2DQ - Public School Employees Blanket Bond Program

The Agency is requesting Base Level of \$250,000 for each appropriation in each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: BBP - Blanket Bond Program

Funding Sources: MTA-MLC-MLM-JAA Various

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Public School Employees Blanket 5900046	104,020	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
State Employees Blanket Bond Pr 5900046	296,126	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
County Public Employees Blanket 5900046	107,450	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Municipal Public Employees Blank 5900046	215,810	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total	723,406	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Funding Sources									
Transfers from Agencies 4000690	723,406	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Funding	723,406	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	723,406	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Actuals exceed Authorized on State Employees Blanket Bond Program due to prior year adjustments.

Analysis of Budget Request

Appropriation: MFP - Miscellaneous Federal Programs

Funding Sources: FXX - Miscellaneous Federal Grants

This Disbursing Officer appropriation enables state agencies to participate in federally funded programs if new or additional funds become available for an existing program already authorized by the General Assembly. Also provides for new programs, supported wholly or in part by federal funds, and such programs were not anticipated during the Regular Session of the General Assembly. Transfer of appropriation takes place upon approval of the Chief Fiscal Officer of the State and review by the Arkansas Legislative Council.

The Agency is requesting Base Level of \$2,600,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: MFP - Miscellaneous Federal Programs

Funding Sources: FXX - Miscellaneous Federal Grants

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Miscellaneous Workforce Investrn 5100004	0	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Miscellaneous Federal Grants 5100004	0	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000
Total	0	2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000
Funding Sources									
Transfers Accounting Purposes 4000685	0	2,600,000,000		2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000
Total Funding	0	2,600,000,000		2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	2,600,000,000		2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000

Analysis of Budget Request

Appropriation: MHT - Miscellaneous Transfers

Funding Sources: MXX - Miscellaneous Transfer Appropriations

The Department of Finance and Administration maintains several appropriations from which transfers to various agencies are authorized, if necessary, to meet obligations for which appropriations made by the General Assembly may not be sufficient. An Agency requesting use of any of these appropriations must certify sufficient funding to cover its resulting appropriation increase. Transfer appropriations include:

1. Overtime Compensation appropriation is established for agencies to provide for overtime compensation in emergency situations when an Agency has insufficient authority for such payments.
2. Personal Services Matching and Regular Salaries are established for agencies when the amount appropriated by the General Assembly is not sufficient to meet obligations.
3. Personal Services - Payplan Adjustment - established for agencies to provide appropriation for pay plan increases when there is insufficient salary savings to offset costs.
4. Stipend Holding - Matching and Regular Salaries - established for agencies to provide appropriation to comply with payment of stipends under United States Internal Revenue Code which governs the reporting of income and payment of withholding and matching taxes for personal services.
5. Personal Services - Payplan Extra Help - established to provide agencies Extra Help compensation in emergency situations when an agency has insufficient authority for such payments.
6. The Refund to Expenditure line item is used to provide appropriation for proceeds received from insurance carriers for casualty losses, overpayment of obligations, overpayment of salaries, over allocation of Federal Grants, maturity or redemption of investments and other items as may be specified by law.

The Agency is requesting reallocation and merger of several Personal Services Holding Accounts that are used for the same purposes. Merging the appropriations will lend to better accounting of additional payroll needs of the State in one place; no increase. Personal Services Stipends, Extra Help and Overtime appropriation names have been updated to properly reflect the use of the appropriations to include personal services matching. Also, the commitment items have been updated to Special Commitment Item 5900046 to reflect consistency with other personal services appropriations.

The Agency is also requesting an additional \$45,000,000 each year in appropriation to provide sufficient appropriation for the implementation of the proposed State Payplan.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: MHT - Miscellaneous Transfers
Funding Sources: MXX - Miscellaneous Transfer Appropriations

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries-State Employee 5010000	0	1,000,000	1,000,000	1,000,000	0	0	1,000,000	0	0
Regular Salaries - Elected Officer 5010000	0	1,500,000	1,500,000	1,500,000	0	0	1,500,000	0	0
#Positions	0	0	0	0	0	0	0	0	0
Personal Services Matching 5010003	0	4,000,000	4,000,000	4,000,000	0	0	4,000,000	0	0
Refund to Expenditures 5900045	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
* Personal Services Stipends 5900046	0	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Personal Services Payplan Adjust 5900046	0	17,000,000	17,000,000	17,000,000	68,500,000	68,500,000	17,000,000	68,500,000	68,500,000
* Personal Services Extra Help 5900046	0	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
* Personal Services Overtime 5900046	0	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Total	0	30,550,000	30,550,000	30,550,000	75,550,000	75,550,000	30,550,000	75,550,000	75,550,000
Funding Sources									
Transfers Accounting Purposes 4000685	0	30,550,000		30,550,000	75,550,000	75,550,000	30,550,000	75,550,000	75,550,000
Total Funding	0	30,550,000		30,550,000	75,550,000	75,550,000	30,550,000	75,550,000	75,550,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	30,550,000		30,550,000	75,550,000	75,550,000	30,550,000	75,550,000	75,550,000

* Personal Services Stipends, Personal Services Extra Help and Personal Services Overtime appropriation names have been updated to properly reflect the use of the appropriations to include personal services matching. Also, the commitment items have been updated to Special Commitment Item 5900046 to reflect consistency with other personal services appropriations.

APPROPRIATIONS NOT REQUESTED FOR 2017-2019 BIENNIUM and transferred to Personal Services Payplan Adjustments (285):

- Regular Salaries - State Employees (515)
- Regular Salaries - Elected Officials (114)
- Personal Services Matching (037)

Change Level by Appropriation

Appropriation: 037 - Personal Services Matching
Funding Sources: MXX - Miscellaneous Transfer Appropriations

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	4,000,000	0	4,000,000	100.0	4,000,000	0	4,000,000	100.0
C04	Reallocation	(4,000,000)	0	0	0.0	(4,000,000)	0	0	0.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	4,000,000	0	4,000,000	100.0	4,000,000	0	4,000,000	100.0
C04	Reallocation	(4,000,000)	0	0	0.0	(4,000,000)	0	0	0.0

Justification

C04	The Agency is requesting reallocation and merger of several Personal Services Holding Accounts that are used for the same purposes. Merging the appropriations will lend to better accounting of additional payroll needs of the State in one place; no increase.
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Change Level by Appropriation

Appropriation: 114 - Regular Salaries - Elected Officers
Funding Sources: MXX - Miscellaneous Transfer Appropriations

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,500,000	0	1,500,000	100.0	1,500,000	0	1,500,000	100.0
C04	Reallocation	(1,500,000)	0	0	0.0	(1,500,000)	0	0	0.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,500,000	0	1,500,000	100.0	1,500,000	0	1,500,000	100.0
C04	Reallocation	(1,500,000)	0	0	0.0	(1,500,000)	0	0	0.0

Justification

C04	The Agency is requesting reallocation and merger of several Personal Services Holding Accounts that are used for the same purposes. Merging the appropriations will lend to better accounting of additional payroll needs of the State in one place; no increase.								
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Change Level by Appropriation

Appropriation: 285 - Personal Services Payplan Adjustment
Funding Sources: MXX - Miscellaneous Transfer Appropriations

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	17,000,000	0	17,000,000	100.0	17,000,000	0	17,000,000	100.0
C02	New Program	45,000,000	0	62,000,000	364.7	45,000,000	0	62,000,000	364.7
C04	Reallocation	6,500,000	0	68,500,000	402.9	6,500,000	0	68,500,000	402.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	17,000,000	0	17,000,000	100.0	17,000,000	0	17,000,000	100.0
C02	New Program	45,000,000	0	62,000,000	364.7	45,000,000	0	62,000,000	364.7
C04	Reallocation	6,500,000	0	68,500,000	402.9	6,500,000	0	68,500,000	402.9

Justification

C02	The Agency is also requesting an additional appropriation each year to provide sufficient appropriation for the implementation of the proposed State Payplan.
C04	The Agency is requesting reallocation and merger of several Personal Services Holding Accounts that are used for the same purposes. Merging the appropriations will lend to better accounting of additional payroll needs of the State in one place; no increase.

Change Level by Appropriation

Appropriation: 515 - Regular Salaries-State Employees
Funding Sources: MXX - Miscellaneous Transfer Appropriations

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,000,000	0	1,000,000	100.0	1,000,000	0	1,000,000	100.0
C04	Reallocation	(1,000,000)	0	0	0.0	(1,000,000)	0	0	0.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,000,000	0	1,000,000	100.0	1,000,000	0	1,000,000	100.0
C04	Reallocation	(1,000,000)	0	0	0.0	(1,000,000)	0	0	0.0

Justification

C04	The Agency is requesting reallocation and merger of several Personal Services Holding Accounts that are used for the same purposes. Merging the appropriations will lend to better accounting of additional payroll needs of the State in one place; no increase.
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Analysis of Budget Request

Appropriation: STC - State's Contributions

Funding Sources: HUA - Miscellaneous Agencies Fund

This appropriation provides for dues to various organizations and is funded by general revenue. The Base Level appropriation of \$1,472,212 each year of the 2017-2019 Biennium pays yearly assessments from each organization and increases as dues increase.

Special Language authorizes transfers of appropriation and funding between State's Contributions line items and carry forward of unexpended balances in appropriation and funds.

The Agency is requesting a Change Level decreasing appropriation and funding (\$30,508) for FY18 and increasing appropriation and funding \$101 for FY19 for the following organizations:

	<u>FY2018</u>	<u>FY2019</u>
024 National Governor's Association	(\$19,407)	(\$14,407)
2DA Southern Governor's Association	(\$45,000)	(\$45,000)
020 National Conference of State Legislators	\$ 0	\$ 1,899
023 Southern Growth Policy Board	(\$28,200)	(\$28,200)
030 State & Local Legal Center	(\$ 1,365)	(\$ 1,165)
1NM Southern Regional Education Board	(\$ 4,500)	\$ 2,000
033 Southern States Energy Board	(\$ 579)	(\$ 579)
1RC National Center for State Courts	(\$ 5,322)	(\$ 322)
33N Delta Regional Authority	\$ 80,500	\$80,500
019 Council of State Government	\$ 6,374	\$11,374
1YC National Association of Attorneys General	\$ 1,506	\$ 2,506
022 National Association of State Budget Officers	\$ 935	\$ 1,945
092 Low Level Radioactive Waste Compact	(\$20,000)	(\$20,000)
1YA Multi-State Tax Commission	\$ 4,550	\$ 9,550
	(\$30,508)	\$ 101

The Executive Recommendation provides for the Agency Request for appropriation and general revenue funding.

Appropriation Summary

Appropriation: STC - State's Contributions
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
National Governors Association 5020002	83,800	104,407	104,407	104,407	85,000	85,000	104,407	90,000	90,000
Southern Governors Association 5020002	0	45,000	45,000	45,000	0	0	45,000	0	0
National Conference of Insurance 5020002	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
National Conference of State Legislators 5020002	155,538	163,101	163,101	163,101	163,101	163,101	163,101	165,000	165,000
Southern Growth Policies Board 5020002	0	28,200	28,200	28,200	0	0	28,200	0	0
State and Local Legal Center 5020002	6,500	8,065	8,065	8,065	6,700	6,700	8,065	6,900	6,900
The Energy Council 5020002	38,400	38,400	38,400	38,400	38,400	38,400	38,400	38,400	38,400
Southern Regional Education Board 5020002	204,453	210,000	210,000	210,000	205,500	205,500	210,000	212,000	212,000
Southern States Energy Board 5020002	31,027	32,579	32,579	32,579	32,000	32,000	32,579	32,000	32,000
National Center for State Courts 5020002	130,991	140,322	140,322	140,322	135,000	135,000	140,322	140,000	140,000
Delta Regional Authority 5020002	195,006	150,000	150,000	150,000	230,500	230,500	150,000	230,500	230,500
Federation of Tax Administrators 5020002	16,908	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Association of Racing Commissioners 5020002	17,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Council of State Government 5020002	119,445	123,626	123,626	123,626	130,000	130,000	123,626	135,000	135,000
Interstate Mining Compact 5020002	17,170	18,513	18,513	18,513	18,513	18,513	18,513	18,513	18,513
National Association of Attorneys 5020002	38,344	39,494	39,494	39,494	41,000	41,000	39,494	42,000	42,000
National Association of State Bar 5020002	18,500	19,055	19,055	19,055	19,990	19,990	19,055	21,000	21,000
Low Level Radioactive Waste Commission 5020002	5,000	25,000	25,000	25,000	5,000	5,000	25,000	5,000	5,000
Multi-State Tax Commission 5020002	268,926	275,450	275,450	275,450	280,000	280,000	275,450	285,000	285,000
Total	1,357,008	1,472,212	1,472,212	1,472,212	1,441,704	1,441,704	1,472,212	1,472,313	1,472,313

Funding Sources									
General Revenue 4000010	1,357,008	1,472,212		1,472,212	1,441,704	1,441,704	1,472,212	1,472,313	1,472,313
Total Funding	1,357,008	1,472,212		1,472,212	1,441,704	1,441,704	1,472,212	1,472,313	1,472,313
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,357,008	1,472,212		1,472,212	1,441,704	1,441,704	1,472,212	1,472,313	1,472,313

Southern Governors Association ceased operation on June 30, 2016.

Southern Growth Policies Board ceased operation.

Actuals may exceed Budget and Authorized due to Special Language authorizing transfers of appropriation and funding between State's Contributions line items.

Change Level by Appropriation

Appropriation: 019 - Council of State Government
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	123,626	0	123,626	100.0	123,626	0	123,626	100.0
C04	Reallocation	6,374	0	130,000	105.2	11,374	0	135,000	109.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	123,626	0	123,626	100.0	123,626	0	123,626	100.0
C04	Reallocation	6,374	0	130,000	105.2	11,374	0	135,000	109.2

Justification

C04	Adjustment to the yearly assessment from the organization.
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Change Level by Appropriation

Appropriation: 020 - National Conference of State Legislatures
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	163,101	0	163,101	100.0	163,101	0	163,101	100.0
C04	Reallocation	0	0	163,101	100.0	1,899	0	165,000	101.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	163,101	0	163,101	100.0	163,101	0	163,101	100.0
C04	Reallocation	0	0	163,101	100.0	1,899	0	165,000	101.2

Justification

C04	Adjustment to the yearly assessment from the organization.
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Change Level by Appropriation

Appropriation: 022 - National Association of State Budget Officers
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	19,055	0	19,055	100.0	19,055	0	19,055	100.0
C04	Reallocation	935	0	19,990	104.9	1,945	0	21,000	110.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	19,055	0	19,055	100.0	19,055	0	19,055	100.0
C04	Reallocation	935	0	19,990	104.9	1,945	0	21,000	110.2

Justification

C04	Adjustment to the yearly assessment from the organization.
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Change Level by Appropriation

Appropriation: 023 - Southern Growth Policies Board
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	28,200	0	28,200	100.0	28,200	0	28,200	100.0
C04	Reallocation	(28,200)	0	0	0.0	(28,200)	0	0	0.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	28,200	0	28,200	100.0	28,200	0	28,200	100.0
C04	Reallocation	(28,200)	0	0	0.0	(28,200)	0	0	0.0

Justification

C04	Policy Board no longer in existence. Southern Growth Policies Board developed and advanced visionary economic development policies by providing a forum for partnership and dialog among a diverse cross-section of the region's governors, legislators, business and academic leaders and the economic and community-development sectors.
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Change Level by Appropriation

Appropriation: 024 - National Governors Association
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	104,407	0	104,407	100.0	104,407	0	104,407	100.0
C04	Reallocation	(19,407)	0	85,000	81.4	(14,407)	0	90,000	86.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	104,407	0	104,407	100.0	104,407	0	104,407	100.0
C04	Reallocation	(19,407)	0	85,000	81.4	(14,407)	0	90,000	86.2

Justification

C04	Adjustment to the yearly assessment from the organization.
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Change Level by Appropriation

Appropriation: 030 - State and Local Legal Center
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	8,065	0	8,065	100.0	8,065	0	8,065	100.0
C04	Reallocation	(1,365)	0	6,700	83.1	(1,165)	0	6,900	85.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	8,065	0	8,065	100.0	8,065	0	8,065	100.0
C04	Reallocation	(1,365)	0	6,700	83.1	(1,165)	0	6,900	85.6

Justification

C04	Adjustment to the yearly assessment from the organization.
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Change Level by Appropriation

Appropriation: 033 - Southern States Energy Board
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	32,579	0	32,579	100.0	32,579	0	32,579	100.0
C04	Reallocation	(579)	0	32,000	98.2	(579)	0	32,000	98.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	32,579	0	32,579	100.0	32,579	0	32,579	100.0
C04	Reallocation	(579)	0	32,000	98.2	(579)	0	32,000	98.2

Justification

C04	Adjustment to the yearly assessment from the organization.
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Change Level by Appropriation

Appropriation: 092 - Low Level Radioactive Waste Compact
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	25,000	0	25,000	100.0	25,000	0	25,000	100.0
C04	Reallocation	(20,000)	0	5,000	20.0	(20,000)	0	5,000	20.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	25,000	0	25,000	100.0	25,000	0	25,000	100.0
C04	Reallocation	(20,000)	0	5,000	20.0	(20,000)	0	5,000	20.0

Justification

C04	Adjustment to the yearly assessment from the organization.
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Change Level by Appropriation

Appropriation: 1NM - Southern Regional Education Board
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	210,000	0	210,000	100.0	210,000	0	210,000	100.0
C04	Reallocation	(4,500)	0	205,500	97.9	2,000	0	212,000	101.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	210,000	0	210,000	100.0	210,000	0	210,000	100.0
C04	Reallocation	(4,500)	0	205,500	97.9	2,000	0	212,000	101.0

Justification

C04	Adjustment to the yearly assessment from the organization.
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Change Level by Appropriation

Appropriation: 1RC - National Center for State Courts
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	140,322	0	140,322	100.0	140,322	0	140,322	100.0
C04	Reallocation	(5,322)	0	135,000	96.2	(322)	0	140,000	99.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	140,322	0	140,322	100.0	140,322	0	140,322	100.0
C04	Reallocation	(5,322)	0	135,000	96.2	(322)	0	140,000	99.8

Justification

C04	Adjustment to the yearly assessment from the organization.
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Change Level by Appropriation

Appropriation: 1YA - Multi-State Tax Commission
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	275,450	0	275,450	100.0	275,450	0	275,450	100.0
C04	Reallocation	4,550	0	280,000	101.7	9,550	0	285,000	103.5

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	275,450	0	275,450	100.0	275,450	0	275,450	100.0
C04	Reallocation	4,550	0	280,000	101.7	9,550	0	285,000	103.5

Justification

C04	Adjustment to the yearly assessment from the organization.
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Change Level by Appropriation

Appropriation: 1YC - National Association of Attorneys General
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	39,494	0	39,494	100.0	39,494	0	39,494	100.0
C04	Reallocation	1,506	0	41,000	103.8	2,506	0	42,000	106.3

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	39,494	0	39,494	100.0	39,494	0	39,494	100.0
C04	Reallocation	1,506	0	41,000	103.8	2,506	0	42,000	106.3

Justification

C04	Adjustment to the yearly assessment from the organization.
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Change Level by Appropriation

Appropriation: 2DA - Southern Governors Association
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	45,000	0	45,000	100.0	45,000	0	45,000	100.0
C04	Reallocation	(45,000)	0	0	0.0	(45,000)	0	0	0.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	45,000	0	45,000	100.0	45,000	0	45,000	100.0
C04	Reallocation	(45,000)	0	0	0.0	(45,000)	0	0	0.0

Justification

C04	Southern Governors Association ceased operation on June 30, 2016.								
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Change Level by Appropriation

Appropriation: 33N - Delta Regional Authority
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	150,000	0	150,000	100.0	150,000	0	150,000	100.0
C04	Reallocation	80,500	0	230,500	153.7	80,500	0	230,500	153.7

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	150,000	0	150,000	100.0	150,000	0	150,000	100.0
C04	Reallocation	80,500	0	230,500	153.7	80,500	0	230,500	153.7

Justification

C04	Adjustment to the yearly assessment from the organization.
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Analysis of Budget Request

Appropriation: VGE - Various Grants and Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

General revenue provides funding for the projects, programs and grants appropriated in this Miscellaneous Grants and Expenses appropriation.

Base Level is \$1,686,570 each year of the 2017-2019 Biennium.

The Agency is requesting a Change Level decreasing appropriation and funding (\$7,525) each year for the following organization:

		<u>FY2018</u>	<u>FY2019</u>
080	National Conference on Uniform State Laws	(\$7,525)	(\$7,525)

The Agency is also requesting the following accounting/technical corrections:

- The Arkansas Public Administration Consortium line item change from Professional Fees 5060010 to Grants & Aid 5100004 to properly account for the expenditure.
- Change in appropriation name from Public Defender Contract to Public Defender Reimbursement to properly reflect the proper type of payment.
- Public Defender Line Item changed from Professional Fees 5060010 to Refunds/Reimbursements 5110014 to properly account for the expenditure.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: VGE - Various Grants and Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
National Conference on Uniform 5020002	42,203	57,525	57,525	57,525	50,000	50,000	57,525	50,000	50,000
Criminal Detention Committee Ex 5020002	3,393	18,639	18,639	18,639	18,639	18,639	18,639	18,639	18,639
Museum of Discovery Grant 5100004	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Intrastate Metro Planning Grants 5100004	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Transportation of Juvenile Offen 5100004	138,117	187,000	187,000	187,000	187,000	187,000	187,000	187,000	187,000
Planning and Development Grant 5100004	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000
Interstate Planning Grants 5100004	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
AGA/Vocational Program Certific: 5100004	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
* AR Public Administration Conso 5100004	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Arkansas Wine Producers Counci 5100004	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Agricultural Marketing Grants 5100004	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000
* Public Defender Reimbursemen 5110014	34,372	34,372	34,372	34,372	34,372	34,372	34,372	34,372	34,372
Innovation & Product Developme 5900046	0	229,034	250,000	229,034	229,034	229,034	229,034	229,034	229,034
Fire Prevention Commission Gran 5900046	24,593	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Total	1,372,678	1,686,570	1,707,536	1,686,570	1,679,045	1,679,045	1,686,570	1,679,045	1,679,045
Funding Sources									
General Revenue 4000010	1,372,678	1,686,570		1,686,570	1,679,045	1,679,045	1,686,570	1,679,045	1,679,045
Total Funding	1,372,678	1,686,570		1,686,570	1,679,045	1,679,045	1,686,570	1,679,045	1,679,045
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,372,678	1,686,570		1,686,570	1,679,045	1,679,045	1,686,570	1,679,045	1,679,045

* AR Public Administration Consortium line item has changed from Professional Fees 5060010 to Grants & Aid 5100004 to properly account for the expenditure. Change in appropriation name from Public Defender Contract to Public Defender Reimbursement. Public Defender Line Item changed from Professional Fees 5060010 to Refunds/Reimbursements 5110014 to properly account for the expenditure..

Change Level by Appropriation

Appropriation: 080 - National Conference on Uniform State Laws
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	57,525	0	57,525	100.0	57,525	0	57,525	100.0
C04	Reallocation	(7,525)	0	50,000	86.9	(7,525)	0	50,000	86.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	57,525	0	57,525	100.0	57,525	0	57,525	100.0
C04	Reallocation	(7,525)	0	50,000	86.9	(7,525)	0	50,000	86.9

Justification

C04	Adjustment to the yearly assessment from the organization.
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Analysis of Budget Request

Appropriation: VSA - Various State Agencies - Cash

Funding Sources: 999 - Various State Agencies - Cash

The Cash Appropriations line item allows the Department of Finance and Administration to establish cash funded appropriation for any state agency that receives funds that were not anticipated during the deliberations of the General Assembly. A report of all such transactions is made monthly to the Arkansas Legislative Council for review. The Personal Services line item allows the transfer of appropriation to agencies who have an unanticipated need for Regular Salaries or Personal Services Matching appropriation during the biennium. The agencies must have the necessary funding to cover any cost for which the appropriation is transferred.

Base Level is \$305,000,000 each year of the 2017-2019 Biennium.

The Agency is requesting an additional \$5,000,000 each year in appropriation for Personal Services - Various Cash Agencies each year for the implementation of the proposed State Payplan.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: VSA - Various State Agencies - Cash

Funding Sources: 999 - Various State Agencies - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Cash Appropriation - Various Age 5900033	0	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
Payplan Adjustment - Various Ag 5900046	0	5,000,000	5,000,000	5,000,000	10,000,000	10,000,000	5,000,000	10,000,000	10,000,000
Total	0	305,000,000	305,000,000	305,000,000	310,000,000	310,000,000	305,000,000	310,000,000	310,000,000
Funding Sources									
Transfers Accounting Purposes 4000685	0	305,000,000		305,000,000	310,000,000	310,000,000	305,000,000	310,000,000	310,000,000
Total Funding	0	305,000,000		305,000,000	310,000,000	310,000,000	305,000,000	310,000,000	310,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	305,000,000		305,000,000	310,000,000	310,000,000	305,000,000	310,000,000	310,000,000

Change Level by Appropriation

Appropriation: A09 - Payplan Adjustment - Various Agencies
Funding Sources: 999 - Various State Agencies - Cash

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,000,000	0	5,000,000	100.0	5,000,000	0	5,000,000	100.0
C02	New Program	5,000,000	0	10,000,000	200.0	5,000,000	0	10,000,000	200.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,000,000	0	5,000,000	100.0	5,000,000	0	5,000,000	100.0
C02	New Program	5,000,000	0	10,000,000	200.0	5,000,000	0	10,000,000	200.0

Justification

C02	Additional appropriation for Personal Services - Various Cash Agencies each year for the implementation of the proposed State Payplan.								
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Appropriation Summary

Appropriation: 2CU - Department of Correction - Escapees Trial

Funding Sources: MLD - Trial Expense Assistance Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	0	0	100,000	0	0	0	0	0	0
Total	0	0	100,000	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR 2017-2019 BIENNIUM.

Program is now established in DOC/DCC.

Appropriation Summary

Appropriation: 746 - Natural Resources Damages

Funding Sources: TNR - Natural Resources Damages Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	0	174,810	0	0	0	0	0	0
Total	0	0	174,810	0	0	0	0	0	0
Funding Sources									
Fund Balance 4000005	174,810	174,810		174,810	174,810	174,810	174,810	174,810	174,810
Total Funding	174,810	174,810		174,810	174,810	174,810	174,810	174,810	174,810
Excess Appropriation/(Funding)	(174,810)	(174,810)		(174,810)	(174,810)	(174,810)	(174,810)	(174,810)	(174,810)
Grand Total	0	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR 2017-2019 BIENNIUM.

Appropriation Summary

Appropriation: F94 - Ar Sheriffs' Association Grant
Funding Sources: SFA - Arkansas Sheriff Association Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	0	500,000	0	0	0	0	0	0
Total	0	0	500,000	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR 2017-2019 BIENNIUM.

Funding mechanism was not established.

Appropriation Summary

Appropriation: N66 - Southern Legislative Conference

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Southern Leg Conference 5900046	0	0	60,000	0	0	0	0	0	0
Total	0	0	60,000	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR 2017-2019 BIENNIUM.

Appropriation was not funded.

DFA - MANAGEMENT SERVICES

Enabling Laws

Act 248 of 2016
A.C.A. §19-4-101 - §19-4-2004

History and Organization

Mission Statement - The Management Services Division provides leadership and assistance to all state agencies to ensure the uniformity, accountability, and efficiency in the management of human, financial and material resources necessary for those agencies to perform their missions.

The Department of Finance and Administration (DFA) in its present organization form was created by Act 38 of 1971 during the 68th Arkansas General Assembly. Effective February 4, 1971, the Administration Department and its functions, powers and duties were transferred to the newly created Department of Finance and Administration.

The Department consists of two major Divisions: The Management Services Division and the Revenue Services Division. The Management Services Division is composed of the Offices of Accounting, Budget, Personnel Management, Procurement and Intergovernmental Services. Other offices that play a major role in State Government are the Office of Administrative Services, the Office of Internal Audit, the Office of Information Services, and the Employee Benefits Division. In addition, the Racing Commission and the Alcoholic Beverage Control Administration Division were also transferred to the newly created Department of Finance and Administration. Act 729 of 1981 transferred the Alcoholic Beverage Control Enforcement Division from the Department of Public Safety to the Department of Finance and Administration.

Central Administration activity of the Department of Finance and Administration oversees the departmental goal which is to instill good management practices in Arkansas State Government and to provide the money to run it. As the Chief Fiscal Officer of the State, the DFA Director is charged with the responsibility of making certain that expenditures, use of property, purchases, and use of personnel are carried out in accordance with the laws of the State. Most of the responsibilities in this area are directed and authorized by Act 876 of the 69th General Assembly (General Accounting and Budgetary Procedures Law, §19-4-101 et seq.).

Central Administration includes the Department of Finance and Administration top-level administration personnel and economic analysis. It is devoted to furthering the department goals with special emphasis placed upon services to agencies and citizens of the State.

The Department has two distinct functions within State Government. One function is to serve as the central collector of state revenues. The other function is to operate control management systems for State Government by providing assistance to all state agencies. This includes the management of their funds, personnel, and property, while exercising certain statutory controls over the agencies in these areas.

The Management Services Division has a primary goal of providing other agencies of State Government with services to assist them in meeting their primary goals and objectives. It continues to administer statutorily required controls in a manner that ensures agencies in State Government are operating legally, deriving maximum use of personnel, money and equipment available to them, and providing maximum service to the taxpayers. The Management Services Division has as its central objective the following program areas:

- 1) Accounting - Provide efficient and responsible fiscal management of all state programs or activities. Maintain a financial system providing information on all transactions of all state agencies for accounting and management services, apply sound pre-auditing procedures and maintain the State's accounting system in a timely and accurate manner. Additionally, the Office of Internal Audit (OIA) has merged with the Office of Accounting. The main goal for the OIA is to provide agency management with objective, proactive advice and value-added recommendations that assists them in the achievement of their goals and objectives and provide for strong accountability of state resources. To achieve this goal set forth for the OIA, a three-fold audit approach is utilized. This approach includes the performance of agency audits, Executive Order 98-04 "Compliance Audits and Special Reviews" that may be requested by agency management.
- 2) Budget - Develop, analyze, recommend, present and execute State budget matters, assist state agencies in budgetary matters and enforce the deficit prohibition law.
- 3) Personnel Management - Develop procedures and methods for the continued efficient operation of the Arkansas Personnel Management Program. Maintain personnel records for all classified agencies and payroll records for all state agencies. Provide broad spectrum training opportunities for state and local government employees and provide technical assistance and guidance to all state agencies.
- 4) Procurement - Implement the State procurement program and establish policies, procedures and controls for that program and administer a quality assurance program. Maintain a State surplus property program through the Marketing and Redistribution section.
- 5) Intergovernmental Services - Administer federal grants directed to local governments, state agencies and non-profit organizations for the improvement of narcotics and general law enforcement, drug treatment within state prisons, services for victims of crime, and prison construction. Provide an opportunity for organizations and individuals to review and comment on federally supported programs prior to their implementation.

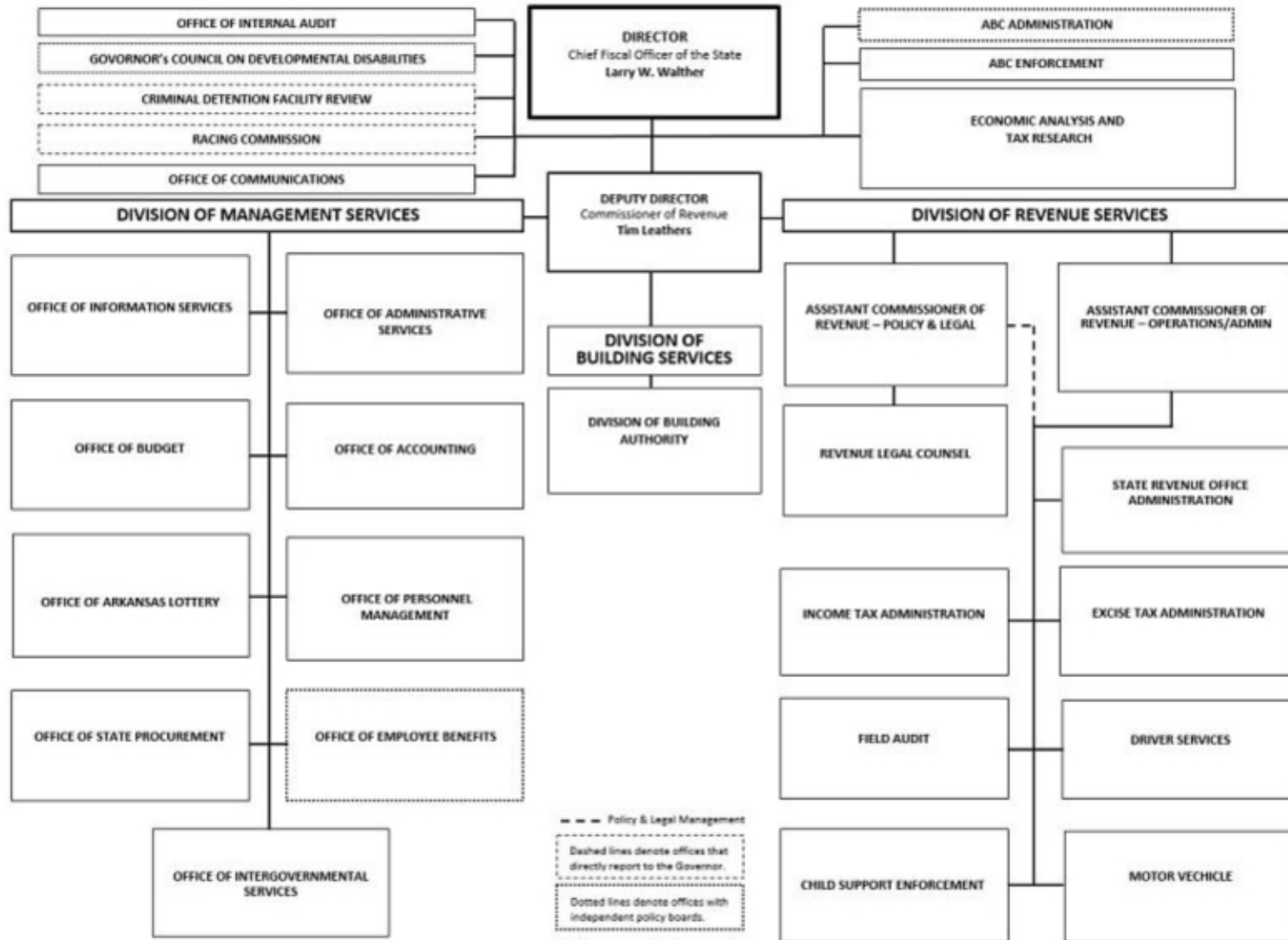
The Office of Administrative Services has with it human resources, fiscal accounting, purchasing and asset management, Administration of Justice Fund, State Vehicle Management Information and Acquisition System, state vehicle complaints, and state messenger service. This

Office performs numerous management-related functions for the Department of Finance and Administration, the Governor's Office, and smaller boards and commissions.

The Employee Benefits Division makes available to State and Public School Employees group health and life insurance. State employees also have the option of selecting other optional benefits, including deferred compensation. The Division oversees that customer service is available from the vendors for the participating members.

The Office of Information Services (OIS) is responsible for management of departmental information technology (IT) resources. This encompasses the Management Services and Revenue Services Divisions, and the Office of Child Support Enforcement. Functional areas include administration (including DFA web site maintenance and the AASIS Service Center), applications development and maintenance, and operations and support (computer operations, and local area network and desktop support).

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION



Agency Commentary

The Management Services Division of the Department of Finance and Administration has a primary goal of providing other agencies of State Government with services to assist them in meeting their primary goals and objectives. It continues to administer statutorily required controls in a manner that ensures agencies in State Government are operating legally, deriving maximum use of personnel, money and equipment available to them, while providing maximum service to the taxpayer.

The Agency is requesting an increase over Base Level of \$19,823,754 for FY18 and FY19:

- Requesting the transfer of 3 positions from Agency 0630 DFA Revenue Division to Agency 0610 - DFA Management Services - Office of Information Systems (OIS). These positions are functional and technical IT positions and in a consolidation effort the agency has moved Cash Control Scanning Operations into OIS Imaging Section; \$151,247 each year. (272 - State Central Services)
- Reduction of 8 currently authorized positions from 464 currently authorized positions; reduction of (\$294,295) each year. The positions no longer need to be utilized due to efficiencies of the agency. (272 - State Central Services (7) and 252 - Federal (1))
- The Office for Victims of Crime provides an annual grant from the Crime Victims Fund to each State and eligible territory for the financial support of services to crime victims by eligible crime victim assistance programs; \$18,252,952 each year. The VOCA award to Arkansas increased approximately \$14 million over the FY14 VOCA award. This will cause at least three times the normal number of sub-grants under VOCA and will not only increase spending but necessitates the purchase of an electronic Grants Management System to support the operations of the grant. (1DF - Federal Funds)
- \$213,850 in FY18 and FY19 to restore the required General Revenue appropriation and funding matching obligation for two programs from the Department of Justice: Non-Victim Assistance Grants (251) and Victims of Crime Justice Assistance (34Z - Miscellaneous Agencies Fund).
- Marketing and Redistribution asks for a reallocation of resources from Operating Expenses to Capital Outlay in the amount of \$50,000 each year. This will allow for replacement of warehouse equipment that is beyond repair, becomes obsolete or that becomes too expensive to maintain or repair. (274 - Property Sales Holding Fund)
- Increase the DFA Management Services cash fund appropriation \$1,500,000 each year to have in place the mechanism to provide ongoing needs of an External Public Procurement Consultant for DHS critical procurements. Funds will be transferred from DHS. (907 - Cash Funds)

In conclusion, the Agency requests discontinuing the following federal appropriation that is no longer funded:

- IT Projects - Federal (83Q)

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF FINANCE AND ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2014

Findings

Based on review of positions held by and salary adjustments made for a DFA Marketing and Redistribution (M&R) employee, it appears the employee's spouse, who is a DFA administrator, and other DFA administrators facilitated increases to the M&R employee's annual salary by transferring multiple employee positions between cost centers. Additionally, a labor market rate adjustment was arranged to single out the M&R employee for an additional \$5,040 salary increase in the second year of employment. These actions resulted in questionable salary increases totaling \$11,064 during two years of employment.

After a vehicle registration was processed for a customer at the Jacksonville State Revenue Office, \$700 was discovered missing from the total transaction of \$2,638. The custodian of funds stated she verified the cash payment with the customer, recounted the money after the customer left, and discovered the missing funds. The Jacksonville Police Department was notified, but due to lack of evidence, no charges were filed. The employee was temporarily suspended for not following proper procedures.

A portion of daily funds collected, totaling \$596, could not be located at the Texarkana State Revenue Office when the Office Manager was preparing the deposit at the end of the day. The Office Manager and another employee were unable to locate the unaccounted-for funds and reported the incident to the Texarkana Police Department. Due to lack of evidence, the Police Department and Internal Audit were unable to determine parties responsible; therefore, no charges were filed.

Recommendations

We recommend the Agency strengthen internal controls by establishing a policy prohibiting any particular administrator or manager from participating in decisions that may affect promotions, transfers, and salary adjustments for a related employee.

Agency Response:

All personnel actions that occurred in the finding above followed Arkansas law, DFA policy and the criteria for the administration of the State Pay Plan. DFA management acknowledges the fact that it appeared the administrator could have influenced the decision to promote and adjust her husband's annual salary. DFA has instituted a policy that prior to hiring any relative of a current employee the facts of the situation are reviewed and approved by the Director of the Department of Finance and Administration. Personnel actions such as promotions, transfers, etc. of employees with relatives in the department are reviewed by the Director to ensure no undue influence or the appearance of influence will occur in the process.

We recommend the Agency emphasize the importance of following proper procedures when processing cash transactions.

Agency Response:

DFA Revenue Office Management has emphasized the importance of following procedures to the staff in the Jacksonville office and this will be a topic of discussion at the annual Revenue Agent meeting in June 2016.

We recommend the Agency stress the importance of following proper procedures when handling state funds.

Agency Response:

DFA Revenue Office Management has emphasized the importance of following procedures to the staff in the Texarkana office and this will be a topic of discussion at the annual Revenue Agent meeting in June 2016.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF FINANCE AND ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2014

Findings

Sound information systems controls require that procedures be in place to ensure adequate segregation of duties is maintained and access is limited to only those transactions necessary for users to complete their job duties. Several security weaknesses were identified in the Arkansas Integrated Revenue System/Drivers Services Motor Vehicle Systems (AIRS-DSMV) that could increase the risk of error, fraud, and misuse of information resources:

- Seven users had the ability to issue a customer credit and approve refunds.
- Ability to apply a direct credit to a customer account was given to users for whom this ability is not necessary to complete their job duties.

Recommendations

We recommend Agency management improve user security administration internal controls.

Agency Response:

DFA agrees with the finding and will change the security role authorizations to correct the issues described above by November 30, 2015.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF FINANCE AND ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2014

Findings

Review of Selected Federal Awards

For the Year Ended June 30, 2014

Arkansas Governor's Developmental Disabilities Council

Developmental Disabilities Basic Support and Advocacy Grants

Activities Allowed or Unallowed; Allowable Costs/Cost Principles

ALA staff reviewed control procedures, in accordance with OMB Circular A-133 § 300 (b), to determine if they were designed, implemented, and operating effectively. ALA staff also reviewed costs for compliance with 2 CFR § 225, Appendix A, the approved State Plan, and requirements of the Developmental Disabilities Act.

The review of 65 transactions to determine if management review and approval were documented and if costs were allowable revealed the following:

- 49 transactions did not include documented management review or approval.
- Supporting documentation could not be provided for 11 transactions totaling \$71,921.
- In five instances, totaling \$1,105, the expense was coded to an incorrect fund representing another grant period, which implies that the expense was outside the appropriate obligation period and, therefore, unallowable.

Arkansas Governor's Developmental Disabilities Council (Continued)

Developmental Disabilities Basic Support and Advocacy Grants (Continued)

Allowable Costs/Cost Principles

In order for salaries and wages to be charged to a federal grant, an Agency must ensure compliance with the requirements of 2 CFR § 225, Appendix B - Selected Items of Cost. Personnel activity reports or equivalent documentation must:

- a) Reflect an after-the-fact distribution of the actual activity of each employee.
- b) Account for the total activity for which each employee is compensated.
- c) Be prepared at least monthly and coincide with one or more pay periods.
- d) Be signed by the employee.

Recommendations

ALA staff recommend the Agency establish and implement control procedures to ensure review and approval are appropriately documented prior to payment. In addition, the Agency should maintain all required documentation and properly code expenses to ensure financial information is accurately reflected.

Management Response: The Council agrees with the finding. On July 30, 2015, the Department of Finance and Administration (DFA) became the designated state agency for DDC. All policies and procedures are due to the cessation of the federal grant. Review of financial transactions will be made by the DFA Internal Audit section after review by the DFA Management Services Administrative Services staff. The Agency has established and implemented control procedures to ensure review and approval are appropriately documented prior to payment. The Agency has maintained all required documentation and properly coded expenses to ensure financial information is accurately reflected since overview from DFA beginning July 30, 2015. The Agency, with the overview of DFA, is requiring proper documented management review. All transactions must have supporting documentation with expenses being coded to correct funds of the grant period.

ALA staff recommend the Agency establish and implement control procedures to ensure adequate documentation is maintained to support the accuracy and allowability of its allocation of salaries and wages.

Management Response: We agree with the finding. The four employees are no longer employed by the agency. The July 27, 2015, cease and desist letter from the Administration on Intellectual Developmental Disabilities, the funding source, stopped grant funds for all Council activities and programs. All policies and procedures are being reviewed due to the cessation of the federal grant. Review of all financial transactions will be made by the DFA Internal Audit section after review by the DFA Management Services Administrative Services staff. DFA Management Office of Administrative Services is now overseeing all Agency control procedures to ensure adequate documentation is maintained to support the accuracy and allowability of its

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF FINANCE AND ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2014

Findings

ALA staff reviewed 12 transactions representing three payroll periods for four employees to determine if the distribution of salaries and wages was adequately supported. This review revealed that in four instances, a timesheet or other acceptable record was not available to support the time allocated to the grant for salaries and wages. As a result, salaries and wages could not be confirmed as accurate or allowable.

Arkansas Governor's Developmental Disabilities Council (Continued)

Developmental Disabilities Basic Support and Advocacy Grants (Continued)

Cash Management

ALA staff reviewed four federal draws to determine if the draw requests were adequately supported and based on immediate cash requirements, in accordance with 31 CFR § 205.33. This review revealed that three draws, totaling \$186,939, did not contain sufficient, appropriate evidence, and ALA staff were unable to determine if the draws were based on immediate cash requirements. However, the three draws were prior to a review conducted by DFA internal audit, which assisted the Agency in establishing new control procedures. To determine if the new procedures were operating effectively, ALA staff reviewed two additional draws subsequent to the newly-established procedures and found no exceptions.

ALA staff also performed a review of control procedures for six subrecipient reimbursement requests to determine if the required DDC request form was used and approval by DDC staff was documented. Our review revealed the following:

- One reimbursement, totaling \$3,543, was made without the required DDC request form.
- Two reimbursements, totaling \$14,859, were made without documented approval.

Because of staff turnover, the Agency requested DFA assistance in developing internal control procedures to ensure grants are properly administered going forward. The Agency also requested assistance in calculating amounts that may be required to be returned to the federal awarding agency. DFA review revealed that funds totaling \$284,183 were drawn in excess of immediate cash needs. The Agency returned these

Recommendations

allocation of salaries and wages.

The federal awarding agency has withdrawn the Agency's grant funding. A recommendation to address the exceptions noted is not considered necessary.

Management Response: The Council agrees with the finding. Review of all financial transactions, including cash management, will be made by the DFA Internal Audit section after review by the DFA Management Services Administrative Services staff. The Agency has established and implemented control procedures to ensure review and approval is appropriately documented prior to payment. All transactions must have supporting documentation with expenses being coded to correct funds of the grant period.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF FINANCE AND ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2014

Findings

funds on April 9, 2015.

Arkansas Governor's Developmental Disabilities Council (Continued)

Developmental Disabilities Basic Support and Advocacy Grants (Continued)

Subrecipient Monitoring

ALA staff reviewed control procedures, in accordance with OMB Circular A-133 § 300 (b), to determine if they were designed, implemented, and operating effectively. In addition, the review included ensuring the Agency was in compliance with its grants manual that states onsite visits will be conducted at least once during the budget year to determine if services are being delivered according to the goals, objectives, and procedures in a subrecipient's approved work plan. ALA staff requested documentation to confirm the Agency conducted onsite visits. However, the Agency could not provide the documentation because onsite visits had not been conducted.

In addition, ALA staff reviewed nine subrecipient reimbursements to determine if the Agency monitored subrecipients as required by OMB Circular A-133 § 400 (d). The review revealed six reimbursements totaling \$55,629 did not have sufficient, appropriate evidence supporting the reimbursement claim request indicating the Agency was not providing adequate review or monitoring. Claim requests represented travel, salaries, and miscellaneous supplies.

ALA staff also reviewed six subrecipient agreements to determine if the Agency had provided the required federal award identifying information also outlined in OMB Circular A-133 § 400 (d). The review revealed the Agency failed to provide the information in all six agreements.

To provide additional monitoring, the Agency requires subrecipients to submit quarterly financial and performance reports. ALA staff review of six subrecipients revealed that limited quarterly financial and performance reports were submitted, suggesting that the Agency is not properly monitoring its subrecipients to ensure federal awards are being used for the intended purpose.

Failure to maintain adequate documentation, notify subrecipients of all required federal award information, and provide subrecipients with adequate oversight and monitoring

Recommendations

ALA staff recommend the Agency establish and implement procedures to ensure that onsite reviews of subrecipients are performed. ALA staff also recommend the Agency establish and implement control procedures to ensure subrecipients are properly notified of all required federal award information. In addition, the Agency should establish and implement control procedures to ensure subrecipients are delivering services as intended to meet the purpose of the federal award.

Management Response: We agree with this finding. DFA Office of Intergovernmental Services has assisted with the agency federal grant funding source, Administration Intellectual Developmental Disabilities (AIDD)-Administration of Community Living (ACL) Grants Office, to establish new control procedures. New internal controls and procedures have been established by DFA to ensure grants are monitored properly in the future. All policies and procedures are being reviewed due to the cessation of the federal grant. Review of all financial transactions will be made by the DFA Internal Audit section after review by the DFA Management Services Administrative Services staff. The Agency has maintained all required documentation and properly code expenses to ensure financial information is accurately reflected since overview from DFA beginning July 30, 2015. All transactions must have supporting documentation with expenses being coded to correct funds of the grant period.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF FINANCE AND ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2014

Findings

Recommendations

funding.

Arkansas Governor's Developmental Disabilities Council (Continued)

Developmental Disabilities Basic Support and Advocacy Grants (Continued)

Reporting

ALA staff reviewed control procedures, in accordance with OMB Circular A-133 § 300 (b), to determine if they were designed, implemented, and operating effectively and selected all four quarterly SF-425 federal financial reports for review to verify documented approval/certification by the Agency Director for compliance. The Agency could not locate one report, for the quarter ended September 30, 2013, and two reports, for quarters ended December 31, 2013 and June 30, 2014, did not contain documented approval/certification by the Agency Director.

ALA staff also reviewed the three quarterly reports available to determine if the Agency was submitting accurate and complete financial information to the federal awarding agency, as required by 45 CFR § 92.20(b)(1). This review revealed the following discrepancies:

- Revenue information recorded in AASIS did not agree with the federal draws (revenue) reported in the Payment Management System (PMS), the tool used by grantees to request federal draws from their federal awarding agencies.

The Agency properly established separate funds in AASIS for each award period. However, when the requested draws were received and deposited, controls were not adequate to ensure they were deposited into the correct fund. As a result, draws representing several award periods became commingled.

- Expenditures reported on the SF-425 were understated and did not agree with expenditures recorded in AASIS.

Because the Agency is a Service Bureau, its access to certain expenditure information in AASIS is restricted, which contributed to the discrepancy. Agency staff were unaware of the restriction and, therefore, unaware that the expenditure listing downloaded from AASIS was incomplete.

ALA staff recommend the Agency establish and implement control procedures to ensure that quarterly reports are properly documented as approved/certified. ALA staff also recommend the Agency provide adequate training to staff to ensure financial information reported is accurate and complete.

Management Response: We agree with the finding. All policies and procedures are being reviewed due to the cessation of the federal grant. Review of all financial transactions will be made by the DFA Internal Audit section after review by the DFA Management Services Administrative Services staff. DFA Office of Intergovernmental Services will assist the Agency in establishing new control procedures. New internal controls and procedures have been established by DFA to ensure grants are monitored properly in the future. DFA will provide oversight to ensure all quarterly reports are properly documented and approved.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF FINANCE AND ADMINISTRATION
 FOR THE YEAR ENDED JUNE 30, 2014

Findings

Recommendations

The deficiencies noted were the result of inadequate staff training and knowledge.

Employment Summary

	Male	Female	Total	%
White Employees	101	159	260	72 %
Black Employees	20	71	91	25 %
Other Racial Minorities	7	5	12	3 %
Total Minorities			103	28 %
Total Employees			363	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Budget Instruction Packet	None	N	N	200	Assist State Agencies in the preparation of annual operations budgets. Electronic copy available on DFA Website.	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Biennial Budget Book	None	N	N	25	Contains detailed information regarding agency changes, funding and positions for each agency, as well as capital projects. Assist State Agencies in the preparation of annual operations budgets. Electronic copy available on DFA Website.	0	0.00
Biennial Budget Instruction Packet	A.C.A. 19-4-304	N	N	200	Provide information and assistance to state agencies in the preparation of biennial budget requests. Electronic copy available on DFA Website.	0	0.00
Biennial Budget Manuals	A.C.A. 19-4-305	Y	N	3,000	Compile agency requests and Governor's recommendations for Legislative Council/Joint Budget Committee. Electronic copy available on DFA Website.	0	0.00
COBRA Packets	None	N	N	18,000	Federal legislation requires former employees or dependents have insurance benefits after termination of group benefits. Continuing coverage information is provided to individuals.	0	0.00
Comprehensive Annual Financial Report (CAFR)	A.C.A. 19-5-517	N	N	400	To provide the detailed information of the State's financial status and to ensure proper handling of the taxpayers' money.	0	0.00
EBD Buzz	None	N	N	350,000	Newsletter to be sent quarterly on insurance updates and information.	0	0.00
Enrollment Guide for Arkansas Public School Employees	None	N	N	100	The enrollment guide provides information regarding open enrollment, rates and benefit changes. Electronic copy available on DFA website.	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Enrollment Guide for Arkansas State and Public School Retired Employees	None	N	N	500	The enrollment guide provides information regarding open enrollment, rates and benefit changes. 250 State / 250 Public School. Electronic copy available on DFA website.	0	0.00
Enrollment Guide for Arkansas State Employees	None	N	N	100	The enrollment guide provides information regarding open enrollment, rates and benefit changes. Electronic copy available on DFA website.	0	0.00
Facts about the Arkansas State Budget	None	N	N	1,000	Informational brochure for the public. Electronic copy available on DFA Website.	0	0.00
Summary Plan Description	None	N	N	250	The Department of Labor requires that a summary of the plan be available to all employees. The summary plan description describes insurance benefits for the State and Public School Employees enrolled in the plan. Electronic copy available on DFA website.	0	0.00

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2016
Required by A.C.A. 25-36-104

AGENCY: 0610 DFA - MANAGEMENT SERVICES

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Custom Travel	\$11,872	X					
Goddess Products, Inc.	\$52,552	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED 2

TOTAL EXPENDITURES FOR CONTRACTS AWARDED \$78,011,311

% OF MINORITY CONTRACTS AWARDED 0.07 %

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1DF Victims of Crime Justice Assistance - Federal	8,172,839	7	32,052,855	7	13,799,903	7	13,747,323	7	32,000,275	7	32,000,275	7	13,747,401	7	32,000,353	7	32,000,353	7
1GA Purchase / Corporate Travel Card Program	1,029,764	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
251 Dept of Justice Non-Victim Assistance Grants - S	314,672	0	989,810	0	1,000,000	0	989,810	0	1,000,000	0	1,000,000	0	989,810	0	1,000,000	0	1,000,000	0
252 Dept of Justice Non-Victim Assistance Grants - f	1,867,454	4	9,929,484	4	9,929,484	4	9,801,522	4	9,766,678	3	9,766,678	3	9,801,522	4	9,766,678	3	9,766,678	3
272 DFA Management Services - Operations	25,073,110	342	29,055,288	377	28,725,950	377	29,089,008	377	28,980,804	373	28,980,804	373	29,095,278	377	28,987,074	373	28,987,074	373
274 Marketing and Redistribution	725,895	16	1,301,013	16	1,301,013	16	1,259,520	16	1,259,520	16	1,259,520	16	1,260,379	16	1,260,379	16	1,260,379	16
278 Employee Benefits Division	2,464,400	32	3,114,897	34	3,114,897	34	3,096,661	34	3,096,661	34	3,096,661	34	3,099,238	34	3,099,238	34	3,099,238	34
279 Information Technology	23,980,511	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0
2HG Personnel Management - Employee Awards	0	0	32,280	0	32,280	0	32,280	0	32,280	0	32,280	0	32,280	0	32,280	0	32,280	0
34Z Victims of Crime Justice Assistance - State	0	0	155,536	0	359,196	0	155,536	0	359,196	0	359,196	0	155,536	0	359,196	0	359,196	0
574 Statewide Payroll Paying	0	0	2,100,000,000	0	2,100,000,000	0	2,100,000,000	0	2,100,000,000	0	2,100,000,000	0	2,100,000,000	0	2,100,000,000	0	2,100,000,000	0
907 DFA Management Services - Misc Cash	798,428	18	2,969,328	21	3,068,152	21	2,973,920	21	4,473,920	21	4,473,920	21	2,973,920	21	4,473,920	21	4,473,920	21
U35 Developmental Disabilities Council - State	0	0	38,254	0	38,254	0	36,447	0	36,447	0	36,447	0	36,447	0	36,447	0	36,447	0
U36 Developmental Disabilities Council - Federal	71,325	2	1,421,896	5	1,421,896	5	1,356,834	5	1,356,834	5	1,356,834	5	1,356,834	5	1,356,834	5	1,356,834	5
NOT REQUESTED FOR THE BIENNIUM																		
83Q IT Projects - Federal	0	0	2,406,608	0	2,406,608	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	64,498,398	421	2,217,467,249	464	2,199,197,633	464	2,196,538,861	464	2,216,362,615	459	2,216,362,615	459	2,196,548,645	464	2,216,372,399	459	2,216,372,399	459

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	2,745,718	4.1	3,141,713	0.1	3,200,041	0.1	3,200,041	0.1	3,200,041	0.1	3,468,277	0.2	3,468,277	0.2	3,468,277	0.2	
General Revenue	4000010	374,311	0.6	1,183,600	0.1	1,181,793	0.1	1,395,643	0.1	1,395,643	0.1	1,181,793	0.1	1,395,643	0.1	1,395,643	0.1	
Federal Revenue	4000020	10,769,668	15.9	45,810,843	2.1	24,905,679	1.1	43,123,787	1.9	43,123,787	1.9	24,905,757	1.1	43,123,865	1.9	43,123,865	1.9	
State Central Services	4000035	51,516,820	76.2	62,202,465	2.8	62,217,949	2.8	62,109,745	2.8	62,109,745	2.8	62,226,796	2.8	62,118,592	2.8	62,118,592	2.8	
Non-Revenue Receipts	4000040	4,245,963	6.3	6,356,557	0.3	6,500,000	0.3	6,500,000	0.3	6,500,000	0.3	6,500,000	0.3	6,500,000	0.3	6,500,000	0.3	
Cash Fund	4000045	436,094	0.6	435,906	0.0	500,000	0.0	500,000	0.0	500,000	0.0	500,000	0.0	500,000	0.0	500,000	0.0	
Agency Payroll Paying Accounts	4000085	0	0.0	2,100,000,000	94.6	2,100,000,000	95.5	2,100,000,000	94.6	2,100,000,000	94.6	2,100,000,000	95.4	2,100,000,000	94.6	2,100,000,000	94.6	
Interest	4000300	31,559	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Inter-agency Fund Transfer	4000316	(905,258)	(1.3)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Intra-agency Fund Transfer	4000317	650,000	1.0	1,536,206	0.1	1,501,676	0.1	1,501,676	0.1	1,501,676	0.1	1,501,676	0.1	1,501,676	0.1	1,501,676	0.1	
M & R Sales	4000340	1,201	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Transfer from DHS	4000510	0	0.0	0	0.0	0	0.0	1,500,000	0.1	1,500,000	0.1	0	0.0	1,500,000	0.1	1,500,000	0.1	
Transfer to DFA Disbursing	4000610	(2,225,965)	(3.3)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Total Funds		67,640,111	100.0	2,220,667,290	100.0	2,200,007,138	100.0	2,219,830,892	100.0	2,219,830,892	100.0	2,200,284,299	100.0	2,220,108,053	100.0	2,220,108,053	100.0	

Excess Appropriation/(Funding)	(3,141,713)	(3,200,041)		(3,468,277)	(3,468,277)	(3,468,277)	(3,735,654)	(3,735,654)	(3,735,654)
Grand Total	64,498,398	2,217,467,249		2,196,538,861	2,216,362,615	2,216,362,615	2,196,548,645	2,216,372,399	2,216,372,399

1DF - Budget exceeds Authorized Appropriation due to a transfer from the Miscellaneous Federal Grant Holding Account.

272 - FY17 Budget amount exceeds Authorized amount due to salary and matching rate adjustments during the 2015-2017 biennium.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
445	370	75	445	0	16.85 %	464	372	94	466	-2	19.83 %	464	365	99	464	0	21.34 %

Budget Number of Positions may exceed the Authorized Number due to additional positions established through the authority of the Miscellaneous Federal Program Act during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 1DF - Victims of Crime Justice Assistance - Federal

Funding Sources: FVD - Victims of Crime Justice Assistance

This federally funded appropriation for the Victims of Crime Justice Assistance Program includes salary, operating expenses and the administration of federal funds received through the Victims of Crime Act (VOCA), STOP Violence Against Women and Family Violence Prevention and the Family Violence Prevention and Services Act (FVPSA). The program provides for statewide violence prevention activities.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level for the biennium is \$13,747,323 in FY18 and \$13,747,401 for FY19.

The Agency is requesting the following for the 2017-2019 Biennium:

- Annual grant has been awarded from the Crime Victims Fund to each State and eligible territory for the financial support of services to crime victims by eligible crime victim assistance programs; \$18,252,952 each year. The VOCA award to Arkansas increased will cause at least three times the normal number of sub-grants under VOCA and will not only increase spending but necessitates the purchase of an electronic Grants Management System to support the operations of the grant. The funds to pay for the system are included in the grant award.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1DF - Victims of Crime Justice Assistance - Federal
Funding Sources: FVD - Victims of Crime Justice Assistance

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	264,986	521,777	296,777	257,914	482,914	482,914	257,969	482,969	482,969
#Positions		7	7	7	7	7	7	7	7	7
Extra Help	5010001	0	6,272	6,272	6,272	6,272	6,272	6,272	6,272	6,272
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	93,986	191,658	109,010	95,293	177,941	177,941	95,316	177,964	177,964
Overtime	5010006	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Operating Expenses	5020002	34,737	150,000	125,000	125,000	150,000	150,000	125,000	150,000	150,000
Conference & Travel Expenses	5050009	502	13,000	8,000	8,000	13,000	13,000	8,000	13,000	13,000
Professional Fees	5060010	0	74,219	74,219	74,219	74,219	74,219	74,219	74,219	74,219
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	7,778,628	30,440,304	13,100,000	13,100,000	30,440,304	30,440,304	13,100,000	30,440,304	30,440,304
Refunds/Reimbursements	5110014	0	78,125	78,125	78,125	78,125	78,125	78,125	78,125	78,125
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Grants Mgmt System	5900046	0	575,000	0	0	575,000	575,000	0	575,000	575,000
Total		8,172,839	32,052,855	13,799,903	13,747,323	32,000,275	32,000,275	13,747,401	32,000,353	32,000,353
Funding Sources										
Federal Revenue	4000020	8,448,862	32,052,855		13,747,323	32,000,275	32,000,275	13,747,401	32,000,353	32,000,353
Inter-agency Fund Transfer	4000316	(276,023)	0		0	0	0	0	0	0
Total Funding		8,172,839	32,052,855		13,747,323	32,000,275	32,000,275	13,747,401	32,000,353	32,000,353
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		8,172,839	32,052,855		13,747,323	32,000,275	32,000,275	13,747,401	32,000,353	32,000,353

Budget exceeds Authorized Appropriation in several line items due to a transfer from the Miscellaneous Federal Grant Holding Account.

Inter-agency fund transfers to Agencies.

Change Level by Appropriation

Appropriation: 1DF - Victims of Crime Justice Assistance - Federal
Funding Sources: FVD - Victims of Crime Justice Assistance

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	13,747,323	7	13,747,323	100.0	13,747,401	7	13,747,401	100.0
C06	Restore Position/Approp	18,252,952	0	32,000,275	232.8	18,252,952	0	32,000,353	232.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	13,747,323	7	13,747,323	100.0	13,747,401	7	13,747,401	100.0
C06	Restore Position/Approp	18,252,952	0	32,000,275	232.8	18,252,952	0	32,000,353	232.8

Justification

C06	The Office for Victims of Crime provides an annual grant from the Crime Victims Fund to each State and eligible territory for the financial support of services to crime victims by eligible crime victim assistance programs. The VOCA award to Arkansas increased approximately \$14 million over the FY14 VOCA award. This will cause at least three times the normal number of sub-grants under VOCA and will not only increase spending but necessitates the purchase of an electronic Grants Management System to support the operations of the grant.
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Analysis of Budget Request

Appropriation: 1GA - Purchase / Corporate Travel Card Program

Funding Sources: MPC - Purchase & Travel Card Program Fund

This appropriation is funded by a miscellaneous revolving fund and is used for rebates from vendor banks, distribution to participating agencies and for operating expenses connected with the administration of the Purchase and Corporate Travel Card Program.

Arkansas Agency Travel Card Program

The Department of Finance and Administration (DFA) - Office of State Procurement (OSP), State Agencies and Institutions of Higher Education have developed and implemented the Arkansas Agency Travel Card Program for employees that have valid business related travel expenses. The Office of State Procurement has responsibility for the development of policy and procedures. Agencies and Higher Education Institutions are responsible for the development of procedures consistent with State policies implementing the program.

Card holders use the card for any authorized travel related expense at any establishment or merchant that accepts the VISA card. The Arkansas Travel Regulations govern most aspects of the State Travel Card Program.

Arkansas Purchasing Card Program

The State of Arkansas and participating organizations have implemented the Arkansas Purchasing Card Program (P-Card) with US Bank VISA Purchasing Card to simplify, streamline, and facilitate the purchase and payment process.

The P-Card is a fast, flexible purchasing tool offering an enhancement to the existing purchasing processes and provides an extremely efficient and effective method for purchasing and paying for supplies with a total maximum per cycle limit that will be determined on an individual basis. The default maximum charges per individual card holder are \$2,000 per cycle. The P-Card is to be used only for official business purchases for the State of Arkansas. Any attempt to use the P-Card for a purchase in excess of the set card limit will result in the purchase being rejected by the bank and the vendor.

The Agency is requesting Base Level of \$4,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1GA - Purchase / Corporate Travel Card Program

Funding Sources: MPC - Purchase & Travel Card Program Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	1,029,764	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total		1,029,764	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Funding Sources										
Fund Balance	4000005	142,158	143,443		0	0	0	0	0	0
Non-Revenue Receipts	4000040	1,218,618	3,856,557		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Inter-agency Fund Transfer	4000316	(187,569)	0		0	0	0	0	0	0
Total Funding		1,173,207	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Excess Appropriation/(Funding)		(143,443)	0		0	0	0	0	0	0
Grand Total		1,029,764	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

Inter-Agency Transfers - Rebates to Agencies

Analysis of Budget Request

Appropriation: 251 - Dept of Justice Non-Victim Assistance Grants - State

Funding Sources: HUA - Miscellaneous Agencies Fund

This general revenue funded appropriation provides city and county governments and state agencies with matching funds to implement programs authorized under the Federal Drug Law Enforcement Program. This appropriation provides matching funds to the sub-grantees of the Federal Law Enforcement Block Grant, Violent Offender, and Substance Abuse Treatment Programs.

Base Level is \$989,810 each year of the 2017-2019 Biennium.

The Agency is requesting a Change Level increase of \$10,190 each year to restore the required general revenue appropriation and funding matching obligation for corresponding federal appropriation (252), also administered by DFA Management Services.

The Executive Recommendation provides for the Agency Request of appropriation and general revenue funding.

Appropriation Summary

Appropriation: 251 - Dept of Justice Non-Victim Assistance Grants - State

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	314,672	989,810	1,000,000	989,810	1,000,000	1,000,000	989,810	1,000,000	1,000,000
Total		314,672	989,810	1,000,000	989,810	1,000,000	1,000,000	989,810	1,000,000	1,000,000
Funding Sources										
General Revenue	4000010	374,311	989,810		989,810	1,000,000	1,000,000	989,810	1,000,000	1,000,000
Inter-agency Fund Transfer	4000316	(59,639)	0		0	0	0	0	0	0
Total Funding		314,672	989,810		989,810	1,000,000	1,000,000	989,810	1,000,000	1,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		314,672	989,810		989,810	1,000,000	1,000,000	989,810	1,000,000	1,000,000

Inter-agency fund transfers to Community Corrections & Corrections

Change Level by Appropriation

Appropriation: 251 - Dept of Justice Non-Victim Assistance Grants - State
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	989,810	0	989,810	100.0	989,810	0	989,810	100.0
C01	Existing Program	10,190	0	1,000,000	101.0	10,190	0	1,000,000	101.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	989,810	0	989,810	100.0	989,810	0	989,810	100.0
C01	Existing Program	10,190	0	1,000,000	101.0	10,190	0	1,000,000	101.0

Justification

C01	Restore the required General Revenue appropriation and funding matching obligation for the Department of Justice Non-Victim Assistance Grants Program.
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Analysis of Budget Request

Appropriation: 252 - Dept of Justice Non-Victim Assistance Grants - Federal

Funding Sources: FIG - DFA Federal Funds

Department of Finance and Administration - Intergovernmental Services is responsible for the management of a federal grant program that supports improvements in the State's criminal justice system. This grant program provides funds to cities and counties, prosecuting attorneys, state courts and state agencies. Grant programs operated through Intergovernmental Services include the Edward Byrne Memorial Drug Law Enforcement Program (DLEP) for narcotics enforcement and violent crime control.

This grant program has varying eligibility requirements, and a twenty-five percent match requirement. Grant funds are made available for application after the State receives notification of a state level grant award. All federal grant funds are made available through the U. S. Department of Justice.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$9,801,522 each year of the 2017-2019 Biennium.

The Agency is requesting a reduction of one (1) currently authorized position from four (4) currently authorized positions; reduction of (\$34,844) each year. The position no longer needs to be utilized due to efficiencies of the agency.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 252 - Dept of Justice Non-Victim Assistance Grants - Federal

Funding Sources: FIG - DFA Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	160,183	262,809	262,809	166,640	142,425	142,425	166,640	142,425	142,425
#Positions		4	4	4	4	3	3	4	3	3
Personal Services Matching	5010003	70,772	90,046	90,046	58,253	47,624	47,624	58,253	47,624	47,624
Operating Expenses	5020002	25,932	168,129	168,129	168,129	168,129	168,129	168,129	168,129	168,129
Conference & Travel Expenses	5050009	0	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Professional Fees	5060010	0	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,610,567	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Refunds/Reimbursements	5110014	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,867,454	9,929,484	9,929,484	9,801,522	9,766,678	9,766,678	9,801,522	9,766,678	9,766,678
Funding Sources										
Federal Revenue	4000020	2,249,481	9,929,484		9,801,522	9,766,678	9,766,678	9,801,522	9,766,678	9,766,678
Inter-agency Fund Transfer	4000316	(382,027)	0		0	0	0	0	0	0
Total Funding		1,867,454	9,929,484		9,801,522	9,766,678	9,766,678	9,801,522	9,766,678	9,766,678
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,867,454	9,929,484		9,801,522	9,766,678	9,766,678	9,801,522	9,766,678	9,766,678

Inter-agency fund transfers to Agencies.

Change Level by Appropriation

Appropriation: 252 - Dept of Justice Non-Victim Assistance Grants - Federal
Funding Sources: FIG - DFA Federal Funds

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	9,801,522	4	9,801,522	100.0	9,801,522	4	9,801,522	100.0
C03	Discontinue Program	(34,844)	(1)	9,766,678	99.6	(34,844)	(1)	9,766,678	99.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	9,801,522	4	9,801,522	100.0	9,801,522	4	9,801,522	100.0
C03	Discontinue Program	(34,844)	(1)	9,766,678	99.6	(34,844)	(1)	9,766,678	99.6

Justification

C03	Reduction of 1 currently authorized position (Base Level) from 4 currently authorized positions; reduction of \$34,844 each year. The position no longer needs to be utilized due to efficiencies of the agency.
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Analysis of Budget Request

Appropriation: 272 - DFA Management Services - Operations

Funding Sources: HSC - State Central Services

This State Central Services funded appropriation provides for operations of the Management Services Division of the Department of Finance and Administration. The Management Services Division provides state agencies with assistance in accounting, budgeting, personnel, purchasing, and administering statutorily required controls. The Division includes the Office of the Director, Economic Analysis and Tax Research, Office of Administrative Services, Office of Accounting, Office of Budget, Office of Personnel Management, Office of State Procurement, Office of Internal Audit, Office of Information Systems, Office of Intergovernmental Services and the Criminal Detention Facilities Coordinator.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

Base Level for the biennium is \$29,089,008 for FY18 and \$29,095,278 for FY19.

The Agency is requesting the following:

- Regular Salaries and Personal Services Matching of \$151,247 each year for the transfer of 3 positions from Agency 0630 - DFA Revenue Services to DFA Management Services - Office of Information Systems (OIS). These positions are functional and technical IT positions and in a consolidation effort moved Cash Control Scanning Operations into OIS Imaging Section.
- Reduction of (\$259,451) in Regular Salaries and Personal Services Matching corresponding to seven (7) currently authorized positions out of 377 total authorized. The positions no longer need to be utilized due to efficiencies of the agency.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 272 - DFA Management Services - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	17,034,080	19,182,320	18,859,018	19,129,261	19,057,533	19,057,533	19,133,661	19,061,933	19,061,933
#Positions		342	377	377	377	373	373	377	373	373
Extra Help	5010001	7,736	41,512	41,512	41,512	41,512	41,512	41,512	41,512	41,512
#Extra Help		1	20	20	20	20	20	20	20	20
Personal Services Matching	5010003	5,650,552	6,166,164	6,160,128	6,252,943	6,216,467	6,216,467	6,254,813	6,218,337	6,218,337
Overtime	5010006	6	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	2,114,357	2,569,193	2,569,193	2,569,193	2,569,193	2,569,193	2,569,193	2,569,193	2,569,193
Conference & Travel Expenses	5050009	3,342	377,599	377,599	377,599	377,599	377,599	377,599	377,599	377,599
Professional Fees	5060010	263,037	713,500	713,500	713,500	713,500	713,500	713,500	713,500	713,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		25,073,110	29,055,288	28,725,950	29,089,008	28,980,804	28,980,804	29,095,278	28,987,074	28,987,074

Funding Sources										
State Central Services	4000035	25,071,909	29,055,288		29,089,008	28,980,804	28,980,804	29,095,278	28,987,074	28,987,074
M & R Sales	4000340	1,201	0		0	0	0	0	0	0
Total Funding		25,073,110	29,055,288		29,089,008	28,980,804	28,980,804	29,095,278	28,987,074	28,987,074
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		25,073,110	29,055,288		29,089,008	28,980,804	28,980,804	29,095,278	28,987,074	28,987,074

The FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 biennium.

Change Level by Appropriation

Appropriation: 272 - DFA Management Services - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	29,089,008	377	29,089,008	100.0	29,095,278	377	29,095,278	100.0
C03	Discontinue Program	(259,451)	(7)	28,829,557	99.1	(259,451)	(7)	28,835,827	99.1
C07	Agency Transfer	151,247	3	28,980,804	99.6	151,247	3	28,987,074	99.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	29,089,008	377	29,089,008	100.0	29,095,278	377	29,095,278	100.0
C03	Discontinue Program	(259,451)	(7)	28,829,557	99.1	(259,451)	(7)	28,835,827	99.1
C07	Agency Transfer	151,247	3	28,980,804	99.6	151,247	3	28,987,074	99.6

Justification

C03	Reduction of 7 currently authorized positions (Base Level) from 377 currently authorized positions; reduction of \$259,451 each year. The positions no longer need to be utilized due to efficiencies of the agency.
C07	The Revenue Division is transferring 3 positions to Agency 0610 - DFA Management Services - Office of Information Systems (OIS). These positions are functional and technical IT positions and in a consolidation effort moved Cash Control Scanning Operations into OIS Imaging Section.

Analysis of Budget Request

Appropriation: 274 - Marketing and Redistribution

Funding Sources: MPH - Property Sales Holding Fund

This appropriation provides for operation of the Department of Finance and Administration - Management Services Division - Marketing and Redistribution (M&R) Program. State agencies are required to dispose of furnishings, equipment, vehicles and other inventory items through M&R. State and public agencies have first option to purchase these items. Funding for this service is provided via fees charged for goods and services offered through the M&R Warehouse.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$1,259,520 for FY18 and \$1,260,379 for FY19.

Marketing and Redistribution requests a reallocation of resources from Operating Expenses to Capital Outlay in the amount of \$50,000 each year. This will allow for replacement of warehouse equipment that is beyond repair, becomes obsolete or that becomes too expensive to maintain or repair.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 274 - Marketing and Redistribution

Funding Sources: MPH - Property Sales Holding Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	463,897	534,697	534,697	505,000	505,000	505,000	505,700	505,700	505,700
#Positions		16	16	16	16	16	16	16	16	16
Extra Help	5010001	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	167,404	207,711	207,711	195,915	195,915	195,915	196,074	196,074	196,074
Operating Expenses	5020002	94,257	528,605	528,605	528,605	478,605	478,605	528,605	478,605	478,605
Conference & Travel Expenses	5050009	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Professional Fees	5060010	337	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	50,000	50,000	0	50,000	50,000
Total		725,895	1,301,013	1,301,013	1,259,520	1,259,520	1,259,520	1,260,379	1,260,379	1,260,379

Funding Sources										
Fund Balance	4000005	948,495	1,023,980		2,222,967	2,222,967	2,222,967	3,463,447	3,463,447	3,463,447
Non-Revenue Receipts	4000040	3,027,345	2,500,000		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Transfer to DFA Disbursing	4000610	(2,225,965)	0		0	0	0	0	0	0
Total Funding		1,749,875	3,523,980		4,722,967	4,722,967	4,722,967	5,963,447	5,963,447	5,963,447
Excess Appropriation/(Funding)		(1,023,980)	(2,222,967)		(3,463,447)	(3,463,447)	(3,463,447)	(4,703,068)	(4,703,068)	(4,703,068)
Grand Total		725,895	1,301,013		1,259,520	1,259,520	1,259,520	1,260,379	1,260,379	1,260,379

Change Level by Appropriation

Appropriation: 274 - Marketing and Redistribution
Funding Sources: MPH - Property Sales Holding Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,259,520	16	1,259,520	100.0	1,260,379	16	1,260,379	100.0
C04	Reallocation	0	0	1,259,520	100.0	0	0	1,260,379	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,259,520	16	1,259,520	100.0	1,260,379	16	1,260,379	100.0
C04	Reallocation	0	0	1,259,520	100.0	0	0	1,260,379	100.0

Justification

C04	Reallocation from Operating Expenses to Capital Outlay. Replace warehouse equipment that is beyond repair, becomes obsolete or that becomes too expensive to maintain or repair.
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Analysis of Budget Request

Appropriation: 278 - Employee Benefits Division

Funding Sources: HSC - State Central Services

The Department of Finance and Administration - Employees Benefit Division (EBD) manages the group health and life programs, other select benefit programs for active and retired state and public school employees, and builds quality programs that operate in an efficient manner to ensure responsive customer service, promote product education, affordability and accessibility.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Employee Benefits Division is requesting Base Level of \$3,096,661 for FY18 and \$3,099,238 for FY19.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 278 - Employee Benefits Division

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,210,602	1,412,710	1,412,710	1,410,411	1,410,411	1,410,411	1,412,511	1,412,511	1,412,511
#Positions		32	34	34	34	34	34	34	34	34
Personal Services Matching	5010003	453,072	508,926	508,926	492,989	492,989	492,989	493,466	493,466	493,466
Overtime	5010006	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	800,023	1,130,172	1,130,172	1,130,172	1,130,172	1,130,172	1,130,172	1,130,172	1,130,172
Conference & Travel Expenses	5050009	703	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Professional Fees	5060010	0	54,089	54,089	54,089	54,089	54,089	54,089	54,089	54,089
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,464,400	3,114,897	3,114,897	3,096,661	3,096,661	3,096,661	3,099,238	3,099,238	3,099,238
Funding Sources										
State Central Services	4000035	2,464,400	3,114,897		3,096,661	3,096,661	3,096,661	3,099,238	3,099,238	3,099,238
Total Funding		2,464,400	3,114,897		3,096,661	3,096,661	3,096,661	3,099,238	3,099,238	3,099,238
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,464,400	3,114,897		3,096,661	3,096,661	3,096,661	3,099,238	3,099,238	3,099,238

Analysis of Budget Request

Appropriation: 279 - Information Technology

Funding Sources: HSC - State Central Services

The Department of Finance and Administration (DFA) - Office of Information Services (OIS) facilitates a more effective and efficient management of the Department's information technology assets. Funded from State Central Services, this appropriation provides for data processing, development, implementation, enhancement, and operation of automated systems within the Department of Finance and Administration. The AASIS Billings line item represents Department of Information Systems bills and related expenses for the AASIS Service Center.

The Agency is requesting Base Level of \$30,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 279 - Information Technology

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Information Technology Services 5900044	17,695,740	23,500,000	23,500,000	23,500,000	23,500,000	23,500,000	23,500,000	23,500,000	23,500,000
AASIS Billings 5900046	6,284,771	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
Total	23,980,511	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Funding Sources									
State Central Services 4000035	23,980,511	30,000,000		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total Funding	23,980,511	30,000,000		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	23,980,511	30,000,000		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000

Analysis of Budget Request

Appropriation: 2HG - Personnel Management - Employee Awards

Funding Sources: HSC - State Central Services

This appropriation provides authority for payment of awards made through the Arkansas Employee Suggestion System (A.C.A. §21-11-101 et seq.). Through this program, state employees are encouraged to submit cost saving ideas for State Government. Employees eligible to participate in the Employee Suggestion System Program are those who are full-time state employees of all departments, agencies, institutions, boards, commissions or other agencies of the State supported by state and/or federal funds.

Up to \$5,000 in cash awards is given for suggestions that provide tangible monetary savings. Awards are paid in an amount equal to 10% of the first year's estimated net cost savings. There is a maximum award possible for tangible savings of \$5,000 and a Certificate of Recognition. Certificates are given for suggestions providing intangible benefits such as more efficient procedures and forms and improved employee morale, employee health or safety. Awards for intangible savings range from a Certificate of Recognition to \$100.

Funds disbursed for awards from the State Central Services Fund are reimbursed from funds of the benefiting Agency.

The Agency is requesting Base Level of \$32,280 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2HG - Personnel Management - Employee Awards

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	4,951	4,951	4,951	4,951	4,951	4,951	4,951	4,951
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Employee Awards 5900046	0	27,329	27,329	27,329	27,329	27,329	27,329	27,329	27,329
Total	0	32,280	32,280	32,280	32,280	32,280	32,280	32,280	32,280
Funding Sources									
State Central Services 4000035	0	32,280		32,280	32,280	32,280	32,280	32,280	32,280
Total Funding	0	32,280		32,280	32,280	32,280	32,280	32,280	32,280
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	32,280		32,280	32,280	32,280	32,280	32,280	32,280

Analysis of Budget Request

Appropriation: 34Z - Victims of Crime Justice Assistance - State

Funding Sources: HUA - Miscellaneous Agencies Fund

This general revenue funded appropriation provides the state match for the Victims of Crime Justice Assistance Program which receives federal funds through the Victims of Crime Act (VOCA), STOP Violence Against Women and Family Violence Prevention and the Family Violence Prevention and Services Act (FVPSA). The program provides for statewide violence prevention activities.

This appropriation provides for the required State match obligation for corresponding federal appropriation (1DF), also administered by DFA Management Services.

Base Level is \$155,536 each year of the 2017-2019 Biennium.

The Agency is requesting a Change Level increase of \$203,660 each year to restore the required general revenue appropriation and funding matching obligation for corresponding federal appropriation (1DF), also administered by DFA Management Services.

The Executive Recommendation provides for the Agency Request of appropriation and general revenue funding.

Appropriation Summary

Appropriation: 34Z - Victims of Crime Justice Assistance - State

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	155,536	359,196	155,536	359,196	359,196	155,536	359,196	359,196
Total	0	155,536	359,196	155,536	359,196	359,196	155,536	359,196	359,196
Funding Sources									
General Revenue 4000010	0	155,536		155,536	359,196	359,196	155,536	359,196	359,196
Total Funding	0	155,536		155,536	359,196	359,196	155,536	359,196	359,196
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	155,536		155,536	359,196	359,196	155,536	359,196	359,196

Change Level by Appropriation

Appropriation: 34Z - Victims of Crime Justice Assistance - State
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	155,536	0	155,536	100.0	155,536	0	155,536	100.0
C01	Existing Program	203,660	0	359,196	230.9	203,660	0	359,196	230.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	155,536	0	155,536	100.0	155,536	0	155,536	100.0
C01	Existing Program	203,660	0	359,196	230.9	203,660	0	359,196	230.9

Justification

C01	Restore the required General Revenue appropriation and funding matching obligation for the Victims of Crime Justice Assistance Grants Program.
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Analysis of Budget Request

Appropriation: 574 - Statewide Payroll Paying

Funding Sources: PAY - State Payroll Fund

This appropriation provides the authority for disbursement of personal services of the various state agencies as a result of the consolidation to one federal identification number for all state agencies in the State of Arkansas. Actual expenditures are reflected at the individual agency level.

The Agency is requesting Base Level of \$2,100,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 574 - Statewide Payroll Paying

Funding Sources: PAY - State Payroll Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Statewide Payroll Paying 5900046	0	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Total	0	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Funding Sources									
Agency Payroll Paying Accounts 4000085	0	2,100,000,000		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Total Funding	0	2,100,000,000		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	2,100,000,000		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000

Analysis of Budget Request

Appropriation: 907 - DFA Management Services - Misc Cash

Funding Sources: NFA - DFA Miscellaneous Paying - Cash in Treasury

This appropriation is used to provide spending authority for various activities such as the DFA Office of Personnel Management - Inter-Agency Training Program, DFA Office of State Procurement seminars, vendor fees and rebates, and DFA - Employee Benefits Division. The source of funding for this appropriation is registration fees collected from participants attending training sessions, seminars, payment of vendor fees, and other miscellaneous reimbursements and revenues.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$2,973,920 each year of the 2017-2019 Biennium.

The Agency's Change Level request is to increase the cash fund appropriation \$1,500,000 each year for the Office of State Procurement (OSP) to have in place the mechanism to provide ongoing needs of an External Public Procurement Consultant for DHS critical procurements. Funds will be transferred from DHS.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 907 - DFA Management Services - Misc Cash
Funding Sources: NFA - DFA Miscellaneous Paying - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	480,565	704,276	799,644	704,976	704,976	704,976	704,976	704,976	704,976
#Positions		18	21	21	21	21	21	21	21	21
Personal Services Matching	5010003	217,001	262,330	265,786	266,222	266,222	266,222	266,222	266,222	266,222
Operating Expenses	5020002	87,065	888,222	888,222	888,222	888,222	888,222	888,222	888,222	888,222
Conference & Travel Expenses	5050009	0	71,800	71,800	71,800	71,800	71,800	71,800	71,800	71,800
Professional Fees	5060010	100	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	13,697	1,017,700	1,017,700	1,017,700	1,017,700	1,017,700	1,017,700	1,017,700	1,017,700
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
External Consultant Contracts	5900046	0	0	0	0	1,500,000	1,500,000	0	1,500,000	1,500,000
Total		798,428	2,969,328	3,068,152	2,973,920	4,473,920	4,473,920	2,973,920	4,473,920	4,473,920

Funding Sources										
Fund Balance	4000005	1,655,065	1,974,290		977,074	977,074	977,074	4,830	4,830	4,830
Cash Fund	4000045	436,094	435,906		500,000	500,000	500,000	500,000	500,000	500,000
Interest	4000300	31,559	0		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	650,000	1,536,206		1,501,676	1,501,676	1,501,676	1,501,676	1,501,676	1,501,676
Transfer from DHS	4000510	0	0		0	1,500,000	1,500,000	0	1,500,000	1,500,000
Total Funding		2,772,718	3,946,402		2,978,750	4,478,750	4,478,750	2,006,506	3,506,506	3,506,506
Excess Appropriation/(Funding)		(1,974,290)	(977,074)		(4,830)	(4,830)	(4,830)	967,414	967,414	967,414
Grand Total		798,428	2,969,328		2,973,920	4,473,920	4,473,920	2,973,920	4,473,920	4,473,920

Change Level by Appropriation

Appropriation: 907 - DFA Management Services - Misc Cash
Funding Sources: NFA - DFA Miscellaneous Paying - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,973,920	21	2,973,920	100.0	2,973,920	21	2,973,920	100.0
C01	Existing Program	1,500,000	0	4,473,920	150.4	1,500,000	0	4,473,920	150.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,973,920	21	2,973,920	100.0	2,973,920	21	2,973,920	100.0
C01	Existing Program	1,500,000	0	4,473,920	150.4	1,500,000	0	4,473,920	150.4

Justification

C01	To have appropriation in place for ongoing needs of an External Public Procurement Consultant for DHS critical procurements. Funds will be transferred from DHS.
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Analysis of Budget Request

Appropriation: U35 - Developmental Disabilities Council - State

Funding Sources: HUA - Miscellaneous Agencies Fund

The purpose of the program is to provide advocacy, capacity building, and systemic change activities that support the development and improvement of a consumer and family centered system of community services for individuals with developmental disabilities. The Developmental Disabilities Council State appropriation is funded from general revenue and is used to match the federal grant, from the U.S. Department of Health and Human Services - Administration for Children and Families.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$36,447 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: U35 - Developmental Disabilities Council - State

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	28,470	28,470	28,407	28,407	28,407	28,407	28,407	28,407
#Positions		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	0	9,784	9,784	8,040	8,040	8,040	8,040	8,040	8,040
Total		0	38,254	38,254	36,447	36,447	36,447	36,447	36,447	36,447
Funding Sources										
General Revenue	4000010	0	38,254		36,447	36,447	36,447	36,447	36,447	36,447
Total Funding		0	38,254		36,447	36,447	36,447	36,447	36,447	36,447
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	38,254		36,447	36,447	36,447	36,447	36,447	36,447

Analysis of Budget Request

Appropriation: U36 - Developmental Disabilities Council - Federal

Funding Sources: FKM - DFA Federal Funds

The purpose of the program is to provide advocacy, capacity building, and systemic change activities that support the development and improvement of a consumer and family centered system of community services for individuals with developmental disabilities. The Developmental Disabilities Council federal appropriation is funded from a federal grant, from the U.S. Department of Health and Human Services - Administration for Children and Families, that is matched with general revenue funds.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level request for this appropriation is \$1,356,834 each year of the 2017-2019 Biennium with five (5) budgeted base level positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: U36 - Developmental Disabilities Council - Federal

Funding Sources: FKM - DFA Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	35,687	252,731	252,731	205,633	205,633	205,633	205,633	205,633	205,633
#Positions	2	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	15,764	88,368	88,368	70,404	70,404	70,404	70,404	70,404	70,404
Operating Expenses 5020002	13,424	259,025	259,025	259,025	259,025	259,025	259,025	259,025	259,025
Conference & Travel Expenses 5050009	6,450	10,843	10,843	10,843	10,843	10,843	10,843	10,843	10,843
Professional Fees 5060010	0	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Grants and Aid 5100004	0	690,929	690,929	690,929	690,929	690,929	690,929	690,929	690,929
Total	71,325	1,421,896	1,421,896	1,356,834	1,356,834	1,356,834	1,356,834	1,356,834	1,356,834
Funding Sources									
Federal Revenue 4000020	71,325	1,421,896		1,356,834	1,356,834	1,356,834	1,356,834	1,356,834	1,356,834
Total Funding	71,325	1,421,896		1,356,834	1,356,834	1,356,834	1,356,834	1,356,834	1,356,834
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	71,325	1,421,896		1,356,834	1,356,834	1,356,834	1,356,834	1,356,834	1,356,834

Appropriation Summary

Appropriation: 83Q - IT Projects – Federal

Funding Sources: FOI - IT Projects Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Info Tech Services & Equipment 5900046	0	2,406,608	2,406,608	0	0	0	0	0	0
Total	0	2,406,608	2,406,608	0	0	0	0	0	0
Funding Sources									
Federal Revenue 4000020	0	2,406,608		0	0	0	0	0	0
Total Funding	0	2,406,608		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	2,406,608		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM

DFA - RACING COMMISSION

Enabling Laws

Act 195 of 2016

ACA §23-110-101 - §23-110-415; ACA §23-111-101 - §23-111-516; ACA §23-113-101 - §23-113-604

History and Organization

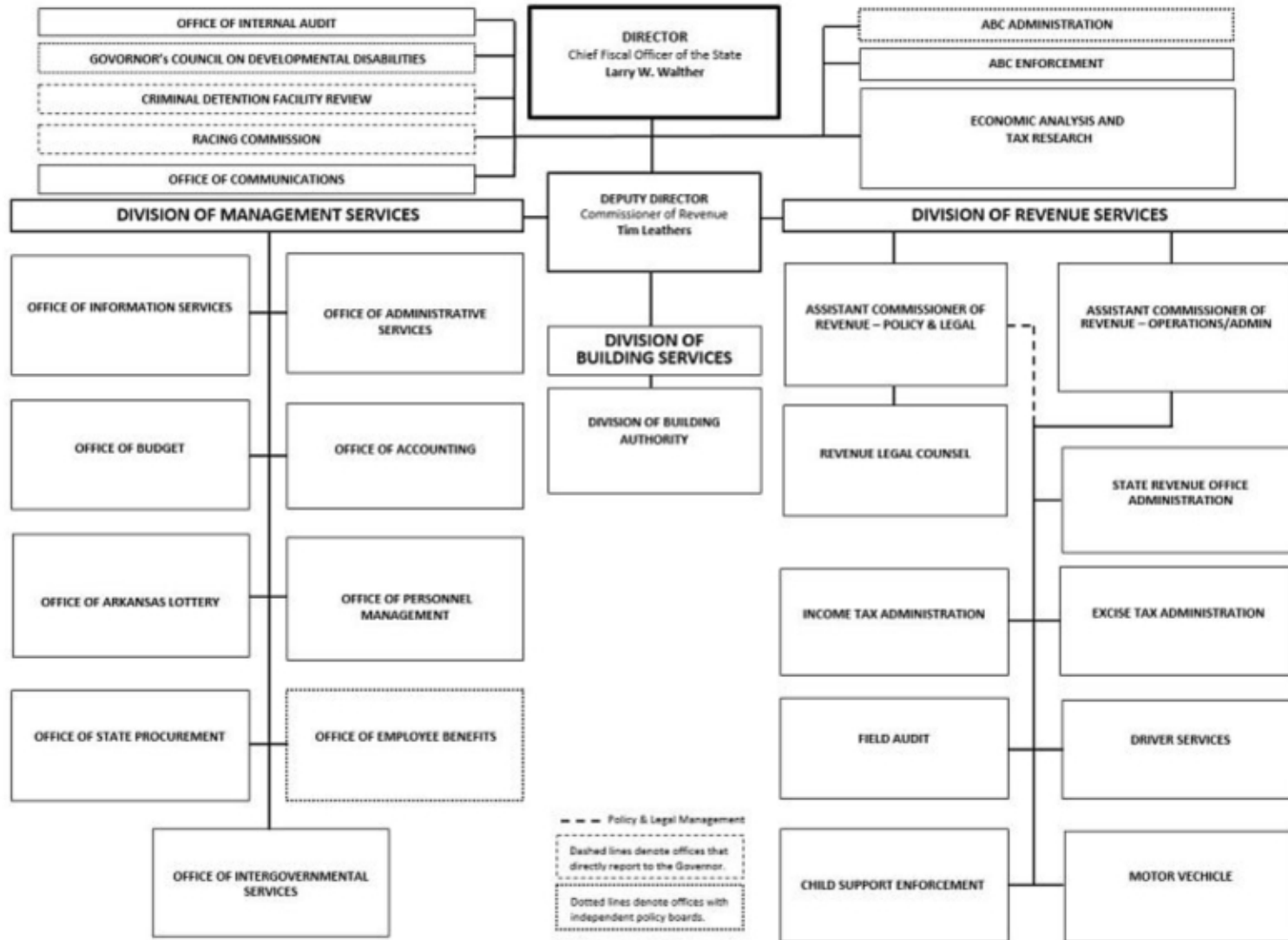
The mission of the Racing Commission is to regulate thoroughbred and greyhound racing in the State of Arkansas as provided in the enabling legislation; whereby, the best interests of the State and its citizens are preserved and protected.

Amendment 46 to the Arkansas Constitution authorizes horse and pari-mutuel betting in Hot Springs. Act 46 of 1935 established the Arkansas Racing Commission. The Commission is composed of five members, one from each congressional district and one at large, appointed by the Governor for terms of five years. The Commission has the sole jurisdiction over thoroughbred horse and greyhound dog racing. Acts 339 of 1935 and 191 of 1957 stipulate the rules and regulations concerning greyhound racing. The Commission is authorized to grant franchises; approve racing dates; issue permits and licenses; hold hearings and take other action as necessary to supervise, regulate and effectively control the sport of racing in the State of Arkansas.

Act 1151 of 2005, otherwise known as "Games of Skill" legislation, provided for expanded gaming at the race tracks in the State of Arkansas.

In the 2010 racing season, the Thoroughbred Owners and Breeders Association changed the protocol required for the American Graded Stakes Races. Compliance is a condition of a race maintaining its eligibility for grading. Oaklawn currently has eleven such races. The new requirements include a new pre-test known as TC02 administered about one hour before the race and a post-test that will include an additional 17 drug screenings to the current 140.

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION



Agency Commentary

The Arkansas Racing Commission is composed of seven members each appointed by the Governor for terms of five years. Each congressional district is represented and members of the commission shall have been a resident of Arkansas for not less than ten years and shall be a qualified voter at the time of his or her appointment.

The Commission has sole jurisdiction over thoroughbred horse and greyhound dog racing. The Commission is authorized to grant franchises, approve racing dates, issue permits and licenses, hold hearings and take other action as necessary to effectively supervise, regulate and control the sport of racing in the State of Arkansas. Act 1151 of 2005, otherwise known as "Games of Skill" legislation, provided for expanded electronic gaming at the race tracks in the State of Arkansas.

The Racing Commission State Operations appropriation (146) is funded from general revenue. The agency is requesting a change over Base Level (funding and appropriation) in the amount of \$71,111 for FY18 and FY19. The increase in Extra Help and Personal Services Matching is to ensure enough funds and appropriation are in place for any additional veterinarian needs for the racing seasons at Southland and Oaklawn.

The current Base Level for Racing Commission Cash Operations (7WJ) is sufficient for FY18 and FY19.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DFA - RACING COMMISSION
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

Audit findings are reported under DFA-Administrative Services.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Electronic Games of Skill Regulations	23-113-201	N	N	100	The regulations must be kept up to date and widely distributed in order to protect the State, the franchises and the gaming public from the actions of illegal/illegal actions of those playing games of skill. It also ensures operating games according to the regulations & standards prescribed by law.	0	0.00
Instant Racing Rules	23-113-603; 23-111-101; 23-110-101	N	N	100	The rules and regulations, when amended, must be filed as prescribed by the Arkansas Administrative Procedures Act. The franchises operating the instant racing games must have up to date regulations available for their employees at all times to insure compliance with Commission regulations.	0	0.00
Medication rules and Penalties for Greyhounds	23-111-204	N	N	300	The current publication of medication rules protects the health of the animals competing in the races and the participants who wager on the races. It also protects the industry by preventing the legitimate owners from being cheated by those who would drug animals.	0	0.00
Medication rules and Penalties for Horses	23-110-202	N	N	300	The current publication of medication rules protects the health of the animals competing in the races and the participants who wager on the races. It also protects the industry by preventing the legitimate owners from being cheated by those who would drug animals.	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Pari-mutuel Wagering Rules for Greyhound Racing	23-111-101 - 517	N	N	100	The rules and regulations, when amended, must be filed as prescribed by the Arkansas Administrative Procedures Act. In addition, the franchises operating simulcast wagering must have up to date regulations available for their employees at all times to insure compliance with Commission regulations.	0	0.00
Pari-mutuel Wagering Rules for Horse Racing	23-110-101 - 415	N	N	100	The rules and regulations, when amended, must be filed as prescribed by the Arkansas Administrative Procedures Act. In addition, the franchises operating simulcast wagering must have up to date regulations available for their employees at all times to insure compliance with Commission regulations.	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
146 Division of Racing - Operations	1,389,169	14	1,530,343	14	1,565,637	14	1,507,509	14	1,578,620	14	1,507,509	14	1,507,635	14	1,578,746	14	1,507,635	14
7WJ License Applications	66,880	0	241,000	0	241,000	0	241,000	0	241,000	0	312,111	0	241,000	0	241,000	0	312,111	0
Total	1,456,049	14	1,771,343	14	1,806,637	14	1,748,509	14	1,819,620	14	1,819,620	14	1,748,635	14	1,819,746	14	1,819,746	14

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	587,722	27.7	665,597	28.4			574,597	25.7	574,597	24.9	574,597	25.7	483,597	22.6	483,597	21.9	412,486	19.9
General Revenue 4000010	1,389,169	65.5	1,530,343	65.2			1,507,509	67.5	1,578,620	68.5	1,507,509	67.5	1,507,635	70.4	1,578,746	71.4	1,507,635	72.8
Cash Fund 4000045	144,755	6.8	150,000	6.4			150,000	6.7	150,000	6.5	150,000	6.7	150,000	7.0	150,000	6.8	150,000	7.2
Total Funds	2,121,646	100.0	2,345,940	100.0			2,232,106	100.0	2,303,217	100.0	2,232,106	100.0	2,141,232	100.0	2,212,343	100.0	2,070,121	100.0
Excess Appropriation/(Funding)	(665,597)		(574,597)				(483,597)		(483,597)		(412,486)		(392,597)		(392,597)		(250,375)	
Grand Total	1,456,049		1,771,343				1,748,509		1,819,620		1,819,620		1,748,635		1,819,746		1,819,746	

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
14	14	0	14	0	0.00 %	14	14	0	14	0	0.00 %	14	13	1	14	0	7.14 %

Analysis of Budget Request

Appropriation: 146 - Division of Racing - Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Arkansas Racing Commission is composed of seven members each appointed by the Governor for terms of five years. Each congressional district is represented and members of the commission shall have been a resident of Arkansas for not less than ten years and shall be a qualified voter at the time of his or her appointment.

The Commission has sole jurisdiction over thoroughbred horse and greyhound dog racing. The Commission is authorized to grant franchises, approve racing dates, issue permits and licenses, hold hearings and take other action as necessary to effectively supervise, regulate and control the sport of racing in the State of Arkansas. Act 1151 of 2005, otherwise known as "Games of Skill" legislation, provided for expanded electronic gaming at the race tracks in the State of Arkansas.

The Racing Commission State Operations appropriation (146) is funded from general revenue. Currently 82% of the Agency's budget is personnel related costs with the remaining 18% maintenance and operating expenses.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level for the biennium is \$1,507,509 in FY18 and \$1,507,635 for FY19.

The agency is requesting a change over Base Level (funding and appropriation) in the amount of \$71,111 for FY18 and FY19. The increase in Extra Help and Personal Services Matching is to ensure enough funds and appropriation are in place for any additional veterinarian needs for the racing seasons at Southland and Oaklawn.

The Executive Recommendation provides for Base Level. The additional appropriation has been reflected in the DFA Racing Cash Fund Appropriation to be funded from any "new" additional fees approved that are directed to the cash fund. Current funding sources are not to be utilized for this purpose.

Appropriation Summary

Appropriation: 146 - Division of Racing - Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	630,930	641,960	662,850	635,716	635,716	635,716	635,816	635,816	635,816
#Positions		14	14	14	14	14	14	14	14	14
Extra Help	5010001	249,179	310,000	310,000	310,000	375,000	310,000	310,000	375,000	310,000
#Extra Help		21	31	31	31	31	31	31	31	31
Personal Services Matching	5010003	277,102	274,536	288,940	257,946	264,057	257,946	257,972	264,083	257,972
Overtime	5010006	4,753	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Operating Expenses	5020002	210,521	235,847	235,847	235,847	235,847	235,847	235,847	235,847	235,847
Conference & Travel Expenses	5050009	1,755	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Professional Fees	5060010	14,929	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,389,169	1,530,343	1,565,637	1,507,509	1,578,620	1,507,509	1,507,635	1,578,746	1,507,635
Funding Sources										
General Revenue	4000010	1,389,169	1,530,343		1,507,509	1,578,620	1,507,509	1,507,635	1,578,746	1,507,635
Total Funding		1,389,169	1,530,343		1,507,509	1,578,620	1,507,509	1,507,635	1,578,746	1,507,635
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,389,169	1,530,343		1,507,509	1,578,620	1,507,509	1,507,635	1,578,746	1,507,635

Change Level by Appropriation

Appropriation: 146 - Division of Racing - Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,507,509	14	1,507,509	100.0	1,507,635	14	1,507,635	100.0
C01	Existing Program	71,111	0	1,578,620	104.7	71,111	0	1,578,746	104.7

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,507,509	14	1,507,509	100.0	1,507,635	14	1,507,635	100.0
C01	Existing Program	0	0	1,507,509	100.0	0	0	1,507,635	100.0

Justification

C01	The increase in Extra Help and Personal Services Matching to ensure enough funds and appropriation are in place for any additional veterinarian needs for racing seasons at Southland and Oaklawn.
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Analysis of Budget Request

Appropriation: 7WJ - License Applications

Funding Sources: NRC - DFA Racing - Cash in Treasury

Act 1151 of 2005, otherwise known as "Electronic Games of Skill" legislation, provided for expanded gaming at the race tracks in the State of Arkansas. This cash funded appropriation provides for the application process and background investigations for issuing licenses to individuals and industries in the Electronic Games of Skill areas at Oaklawn & Southland Parks.

Applicants, by regulation, are required to pay a license fee and the costs of the background investigations. License fees are deposited to general revenue. The costs of the background investigations are retained by the Department of Finance and Administration - Division of Racing to pay for the actual costs of the investigations, postage and licensing material and unexpected refunds.

The Racing Commission Cash Operations appropriation provides for the application process and background investigations for issuing licenses to individuals and industries in the Electronic Games of Skill areas at Oaklawn & Southland Parks.

The Agency is requesting Base Level of \$241,000 for each year of the 2017-2019 Biennium.

The Executive Recommendation is to provide cash appropriation for the \$71,111 requested for FY18 and FY19 in the State Operations appropriation (146). The additional appropriation is to be funded from any "new" additional fees approved that are directed to the cash fund. Current funding sources are not to be utilized for this purpose. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 7WJ - License Applications
Funding Sources: NRC - DFA Racing - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Extra Help 5010001	0	0	0	0	0	65,000	0	0	65,000
#Extra Help	0	0	0	0	0	0	0	0	0
Personal Services Matching 5010003	0	0	0	0	0	6,111	0	0	6,111
Operating Expenses 5020002	66,880	231,000	231,000	231,000	231,000	231,000	231,000	231,000	231,000
Conference & Travel Expenses 5050009	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements 5110014	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	66,880	241,000	241,000	241,000	241,000	312,111	241,000	241,000	312,111
Funding Sources									
Fund Balance 4000005	587,722	665,597		574,597	574,597	574,597	483,597	483,597	412,486
Cash Fund 4000045	144,755	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding	732,477	815,597		724,597	724,597	724,597	633,597	633,597	562,486
Excess Appropriation/(Funding)	(665,597)	(574,597)		(483,597)	(483,597)	(412,486)	(392,597)	(392,597)	(250,375)
Grand Total	66,880	241,000		241,000	241,000	312,111	241,000	241,000	312,111

Change Level by Appropriation

Appropriation: 7WJ - License Applications
Funding Sources: NRC - DFA Racing - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	241,000	0	241,000	100.0	241,000	0	241,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	241,000	0	241,000	100.0	241,000	0	241,000	100.0
C19	Executive Changes	71,111	0	312,111	129.5	71,111	0	312,111	129.5

Justification

C19	The Executive Recommendation is to provide cash appropriation for the \$71,111 requested for FY18 and FY19 in the State Operations appropriation (146). The additional appropriation is to be funded from any "new" additional fees approved that are directed to the cash fund. Current funding sources are not to be utilized for this purpose.
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DFA - REVENUE SERVICES DIVISION

Enabling Laws

Act 117 of 2016

Arkansas Code Annotated:

§2-8-101 et seq.	§2-20-101 et seq.	§2-35-101 et seq.
§2-40-101 et seq.	§3-4-201 et seq.	§3-5-101 et seq.
§3-7-101 et seq.	§3-9-101 et seq.	§8-7-901
§8-7-908	§8-9-402 et seq.	§14-164-101
§15-4-1001 et seq.	§15-4-1201 et seq.	§15-4-1508
§15-4-1602	§15-4-1701 et seq.	§15-4-1901 et seq.
§15-5-1301 et seq.	§17-21-101 et seq.	§23-113-101 et seq.
§23-114-101 et seq.	§26-5-101 et seq.	§26-17-203
§26-18-101 et seq.	§26-19-101 et seq.	§26-36-301 et seq.
§26-51-101 et seq.	§26-52-101 et seq.	§26-53-101 et seq.
§26-55-101 et seq.	§26-56-101 et seq.	§26-57-201 et seq.
§26-57-901 et seq.	§26-58-101 et seq.	§26-59-101 et seq.
§26-60-101 et seq.	§26-62-101 et seq.	§26-74-101 et seq.
§26-75-101 et seq.	§27-14-101 et seq.	§27-15-101 et seq.
§26-52-301 et seq.	§26-53-126	§27-16-101 et seq.
§27-19-101 et seq.	§27-20-101 et seq.	§27-23-101 et seq.
§27-50-801 et seq.	§27-50-901 et seq.	

Act 555 of 1965, Act 142 of 1949 and Act 134 of 1911

History and Organization

Act 88 of 1925 that created the Office of Insurance and Revenues first established the Revenue Division. Act 115 of 1927 separated the powers of the Insurance Commissioner and changed the title to Commissioner of Revenues. Act 38 of 1971 transferred the Department of Revenues to the Department of Finance and Administration. The Revenue Division is responsible for administration and enforcement of state taxing laws, vehicle and driver licenses imposed under Arkansas law. The following nine major offices properly administer the varied tax

laws, license laws and other functions of Revenue Division operations:

1) Office of the Assistant Commissioner for Policy and Legal

This office consists of three sections: Assistant Commissioner, Hearings and Appeals and Taxpayer Assistance. The Office of Assistant Commissioner for Policy and Legal was created in 1995. This office is responsible for policy and legal matters for the Revenue Division. The Hearings and Appeals Section was created by Act 401 of 1979 and is responsible for reviewing all written protests submitted by taxpayers and making findings on proposed assessments. The Taxpayer Assistance Office was created in 1993 and assists taxpayers in resolving problems with the various offices in the Revenue Division.

2) Office of Income Tax

The Office of Income Tax consists of four sections: Administration, Individual Income Tax, Corporate Income Tax and Income Tax Systems. Individual Income Tax administers tax laws as they apply to individuals, fiduciaries, partnerships and estates. Corporate Income Tax administers tax laws applying to corporations doing business in the State. Income Tax Systems processes income tax returns and provides income tax data entry.

3) Office of Field Audit

Act 235 of 1935 gave the Revenue Commissioner the duty of employing Field Auditors and Collectors. The Office is organized into nine sections; Administration, five Audit Districts covering the State, Audit Coordination, Collections and Nexus. The Audit Districts are responsible for performing audits and collection of delinquent taxes in their district. Audit Coordination organizes requests for information and audits between the various tax sections and the Audit Districts. The Collections Section collects delinquent and deficient taxes as well as insufficient fund checks. Act 1151 of 2005, the Local Option Horse Racing and Greyhound Racing Electronic Games of Skill Act added audit responsibilities to Field Audit for games of skill.

4) Office of Motor Vehicle

This Office was first authorized to issue licenses by Act 134 of 1911. Act 142 of 1949 required motor vehicle titles. The Office of Motor Vehicle administers licensing, registration and titling of all vehicles subject to registration. The Office consists of five sections; Administration, Systems Support, Direct Services, International Registration Plan and Registration and Title. The Systems Support section provides customer service for motor vehicle automated systems. The International Registration Plan section registers and licenses all Arkansas trucks under the International Registration Plan. The Direct Services section files all direct liens and provides information on motor vehicles to the general public and to law enforcement on a 24 hour basis. The Registration and Title section provides data entry for titles, renewals and registrations, maintains control records for licenses and fees issued and examines applications for title for completeness and proper documentation. It microfilms all documents submitted with applications for title.

5) Office of Excise Tax Administration

This Office administers tax laws of the State. The Office consists of five sections; Administration, Sales Tax, Motor Fuel Tax, Miscellaneous

Tax and Tax Credits. Sales Tax administers taxes on sales, use, mixed drink and beverage excise for State and Local governments. Motor Fuel administers taxes on motor fuel. Miscellaneous Tax administers various tax laws such as cigarette, real estate transfer, amusement, vending and severance. Tax Credits administers the various tax credit programs. Act 388 of 2007, the Charitable Bingo and Raffles Enabling Act, added the tax administration of Bingo and Raffles to the office.

6) Office of Driver Services

Act 555 of 1965 established the Driver Licensing Bureau. Act 311 of 1977 created the color photo driver license program. This Office consists of six sections; Administration, Issuance, Technical Services, Safety Responsibility, Driver Control and Commercial Driver License. The Issuance section is responsible for procedures for issuance of licenses to qualified individuals and for maintaining driver license records. The Technical Services section is responsible for data entry, Traffic Violation Reports and Revenue Micrographics. The Safety Responsibility section administers the financial responsibility laws. Driver Control monitors problem drivers statewide. The Commercial Driver License section administers that program.

7) Office of Assistant Commissioner for Operations and Administration

This Office consists of three sections; Office of the Assistant Commissioner, Cashier and General Services. The Cashier section prepares deposits of all monies for deposit with the State Treasurer. The General Services section is responsible for audits all State Revenue Offices, reconciles bank accounts and processes revenues collected by State Revenue Offices, building maintenance and security, central supply, processing all revenues paid by mail and all incoming and outgoing mail.

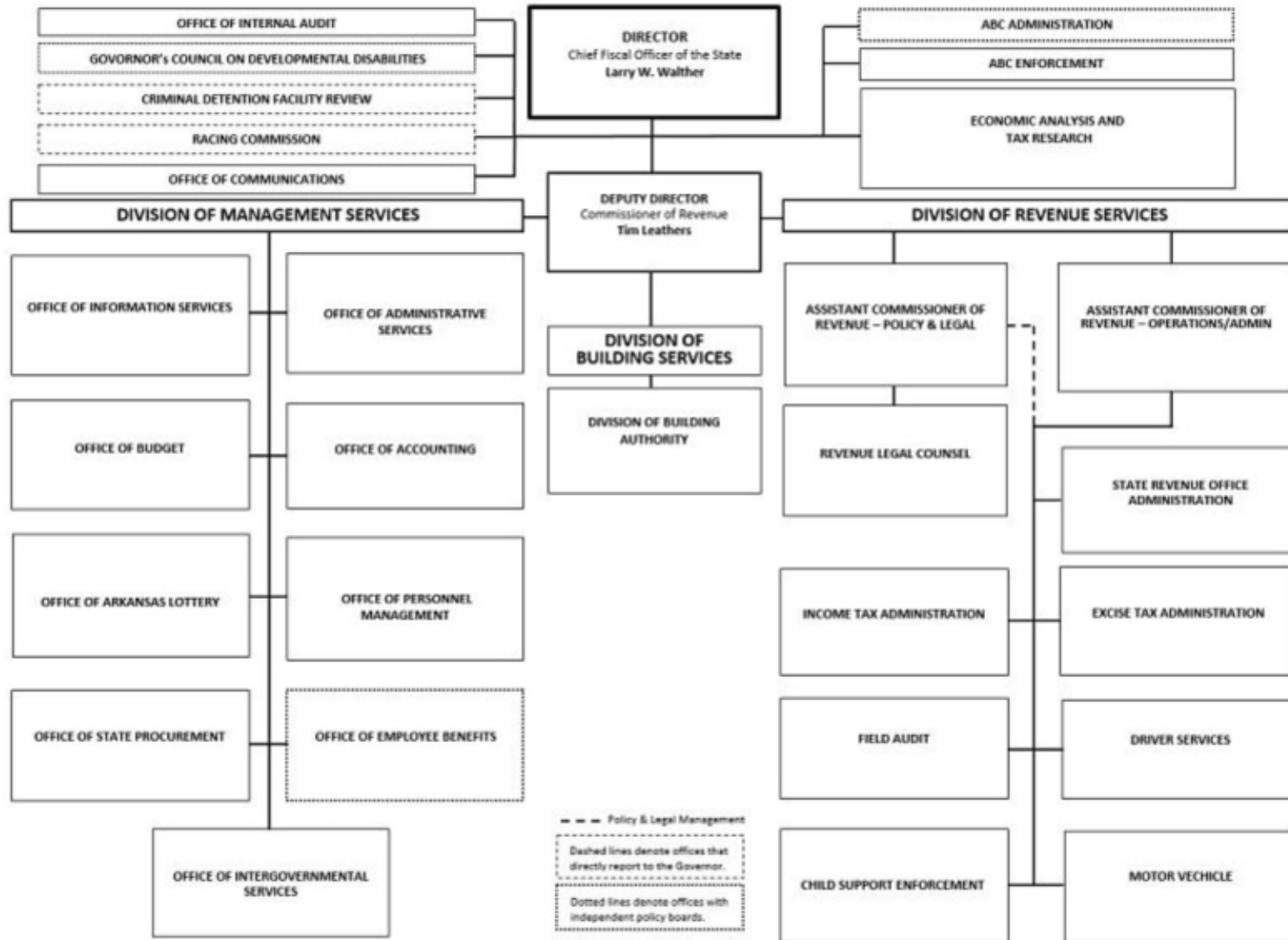
8) Office of Revenue Legal Counsel

This Office provides legal counsel for the Revenue Division and the operating offices of the Revenue Division. It represents the Division in litigation involving taxes, fees, licenses and programs administered by the Division.

9) Office of State Revenue Office Administration

This office was created to meet the requirements of Act 465 of 1967 that allows individuals to apply in person in their County of residence for automobile registration and renewal. The Office consists of six sections; Administration and five districts dividing the State.

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION



Agency Commentary

DFA Revenue Services Division is funded primarily from the State Central Services Fund and collects taxes, assures taxpayer compliance with the revenue laws of the State, maintains driver history records and titles and licenses motor vehicles. Fees are also collected for the Commercial Driver's License Program and dedicated as special revenue to support this program.

Sections of the Revenue Services Division include the following offices:

- Assistant Commissioner for Operations, Administration, Policy and Legal
- Revenue Legal Counsel
- Income Tax
- Field Audit
- Motor Vehicle
- Excise Tax Administration
- Driver Services / Commercial Driver's License
- State Revenue Office Administration

The Revenue Division is requesting the transfer of 3 positions to Agency 0610 - DFA Management Services - Office of Information Systems (OIS). These positions are functional and technical IT positions and in a consolidation effort moved Cash Control Scanning Operations into OIS Imaging Section; reduction of \$151,247 each year. (281 - State Central Services)

The agency is also requesting a reduction of 35 currently authorized positions from 1,501 currently authorized positions; reduction of \$1,129,722 each year. The positions no longer need to be utilized due to efficiencies of the agency. (281 - State Central Services)

Several Operating Expenses have increased over the years and the Revenue Division continues to absorb these increases by adjusting the budget in several areas. One increase being requested to re-authorize Capital Outlay for replacement of 20 aging and high mileage vehicles each year; \$500,000 for FY18 and FY19. (281 - State Central Services)

Lastly, an increase of \$2,000,000 each year is needed in the Commercial Drivers License Program appropriation to cover anticipated cost increase associated with a new contract for a Drivers License Issuance System. An RFP will be done to seek a new vendor. The current vendor will no longer be providing this type of service. (1JN - Commercial Drivers License Fund)

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DFA - REVENUE SERVICES DIVISION
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

Audit findings are reported under DFA-Administrative Services.

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Ad Valorem Assessment Return	26-26-1601	N	N	250,000	Statutory requirement to file annual return	0	0.00
Amusement Machine Tax Register	26-57-404	N	N	200	Statutory requirement to register annually	0	0.00
Beauty Pageant Renewal-BPG	17-21-101	N	N	100	Statutory requirement to register annually	0	0.00
Beef Promotion Assessment Report	2-35-401	N	N	1,350	Statutory requirement to file monthly report	0	0.00
Beer Excise Tax Report	3-7-104(6)(A)	N	N	500	Statutory requirement to file monthly report	0	0.00
Bingo Distributor Return-BIN	23-114-101	N	N	3	Statutory requirement to file monthly report	0	0.00
Bingo/Raffle Annual License Renewal-BRR	23-114-101	N	N	500	Statutory requirement to register annually	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Bingo/Raffle Distributor License form- BRR	23-114-101	N	N	500	Statutory requirement to register annually	0	0.00
Brucellosis & Swine Testing Report	2-40-206	N	N	1,000	Statutory requirement to file monthly report	0	0.00
Catfish Feed Assessment Report	Act 790 of 1999	N	N	200	Statutory requirement to file a report on the 15th day following collection	0	0.00
Cigarette Excise Tax Report	26-57-201	N	N	1,000	Statutory requirement to file monthly report	0	0.00
Cigarette Paper Tax Report	26-57-801	N	N	1,000	Statutory requirement to file monthly report	0	0.00
Coin-Operated Vending Tax Register	Act 928 of 1997	N	N	2,000	Statutory requirement to register annually	0	0.00
Construction Permit Fee Report	Act 474 of 1999	N	N	200	Statutory requirement to file a report on the 15th day following collection	0	0.00
Corn & Grain Sorghum Assessment Report	Act 271 of 1997	N	N	200	Statutory requirement to file monthly report	0	0.00
Driver License Renewal Notice	None	N	N	520,000	To remind people when their license expires	0	0.00
Electronic Game of Skill Tax Report-EGS	23-113-501	N	N	2	Statutory requirement to file monthly report	0	0.00
Estimated & Withholding Forms	26-51-806	N	N	155,500	Statutory requirement to file	0	0.00
Gross Receipts Tax Regulations	26-52-105	N	N	15,000	To provide sales and use tax reporting information and guidelines	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
IFTA Quarterly Report	26-55-1102	N	N	25,000	IFTA Agreement requires that all accounts must file a quarterly report	0	0.00
IFTA Renewal Application	26-55-1102	N	N	3,500	IFTA Agreement requires that all accounts must file an annual renewal	0	0.00
Imported Wine Tax Report	3-7-104(4)(5)	N	N	200	Statutory requirement to file monthly report	0	0.00
Income Tax Booklet	26-51-806	N	N	405,000	Statutory requirement to file annual return	0	0.00
Liquor Excise Tax Report	3-7-104	N	N	500	Statutory requirement to file monthly report	0	0.00
LPG Renewal Application	26-56-304	N	N	1,200	Required by the Motor Fuel Tax Law	0	0.00
Moving to Arkansas	None	N	N	1,000	Help new residents understand their tax obligations	0	0.00
Native Wine Tax Report	3-5-409	N	N	100	Statutory requirement to file monthly report	0	0.00
Natural Gas Purchaser Report-NGS	26-58-116	N	N	500	Statutory requirement to file monthly report	0	0.00
Natural Gas Severance Producer Report-NGS	26-58-115	N	N	500	Statutory requirement to file monthly report	0	0.00
Oil & Brine Museum Fund Report	26-58-302	N	N	300	Statutory requirement to file monthly report	0	0.00
Property Tax Refund Claim Form	26-51-601	N	N	150,000	Statutory requirement to file a claim for refund annually	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Registration Renewal Notice	27-14-1014	N	N	1,975,000	Required by law to notify owner of expiration	0	0.00
Rice Promotion Assessment Report	2-20-507	N	N	1,600	Statutory requirement to file monthly report	0	0.00
Sales & Use Tax Reporting Form	26-52-105	N	N	131,800	Statutory Requirement to file monthly/quarterly/annual report	0	0.00
Severance Tax Report	26-58-111	N	N	6,000	Statutory requirement to file monthly report	0	0.00
Soft Drink Assessment Report	26-57-901	N	N	2,500	Statutory requirement to file monthly report	0	0.00
Soybean Promotion Assessment Report	2-20-406	N	N	2,500	Statutory requirement to file monthly report	0	0.00
Starting a New Business	None	N	N	1,000	Provide business operators with a source of information concerning state business tax obligations	0	0.00
Telecommunications Tax Report-TEL	23-17-119	N	N	100	Statutory requirement to file monthly report	0	0.00
Timber Processing Tax	26-58-111	N	N	5,000	Statutory requirement to file monthly report	0	0.00
Tobacco Excise Tax Report	26-57-201	N	N	1,000	Statutory requirement to file monthly report	0	0.00
Vehicle Certificate of Title	27-14-713	N	N	1,000,000	Required by law to convey ownership	0	0.00
Vehicle Registration Certificate	27-14-713	N	N	2,500,000	Required by law to be carried in vehicle	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Waste Tire Assessment Report	23-3-510	N	N	20,000	Statutory requirement to file monthly report	0	0.00
Wheat Promotion Assessment Report	2-20-606	N	N	2,000	Statutory requirement to file monthly report	0	0.00

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES
 Fiscal Year 2016
 Required by A.C.A. 25-36-104

AGENCY: 0630 DFA - REVENUE SERVICES DIVISION

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Goddess Products, Inc.	\$226,536	X					
Various Janitorial Contracts	\$220,534	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED 2

TOTAL EXPENDITURES FOR CONTRACTS AWARDED \$17,551,682

% OF MINORITY CONTRACTS AWARDED 0.75 %

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1JN Commercial Drivers License Program	325,939	10	2,777,370	10	2,777,370	10	2,748,203	10	4,748,203	10	4,748,203	10	2,749,064	10	4,749,064	10	4,749,064	10
236 Individual Income Tax & Ad Valorem Property T	367,934,892	0	680,000,000	0	680,000,000	0	680,000,000	0	680,000,000	0	680,000,000	0	680,000,000	0	680,000,000	0	680,000,000	0
237 Corporate Income Tax	68,943,739	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0
239 Gasoline Tax Refunds	24,362	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
240 Interstate Motor Fuel Tax Refunds	312,315	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0
241 Miscellaneous Tax Refunds	104,875,001	0	260,000,000	0	260,000,000	0	260,000,000	0	260,000,000	0	260,000,000	0	260,000,000	0	260,000,000	0	260,000,000	0
281 Revenue Services Division - Operations	91,804,403	1,450	99,854,074	1,491	99,854,074	1,491	98,861,117	1,491	98,079,848	1,453	98,079,848	1,453	98,930,867	1,491	98,149,598	1,453	98,149,598	1,453
F10 MV Special Plates	2,230,963	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
M50 Revenue Miscellaneous Cash	5,454,198	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
Total	641,905,812	1,460	1,273,131,444	1,501	1,273,131,444	1,501	1,272,109,320	1,501	1,273,328,051	1,463	1,273,328,051	1,463	1,272,179,931	1,501	1,273,398,662	1,463	1,273,398,662	1,463

Funding Sources		%		%		%		%		%		%		%		%
Fund Balance	4000005	12,015,760	1.9	6,282,306	0.5		6,004,936	0.5	6,004,936	0.5	6,004,936	0.5	3,756,733	0.3	3,756,733	0.3
Special Revenue	4000030	2,558,138	0.4	2,500,000	0.2		500,000	0.0	2,500,000	0.2	2,500,000	0.2	500,000	0.0	2,500,000	0.2
State Central Services	4000035	91,804,403	14.2	99,854,074	7.8		98,861,117	7.7	98,079,848	7.7	98,079,848	7.7	98,930,867	7.8	98,149,598	7.7
Cash Fund	4000045	7,685,161	1.2	9,000,000	0.7		9,000,000	0.7	9,000,000	0.7	9,000,000	0.7	9,000,000	0.7	9,000,000	0.7
Tax Refunds	4000485	542,090,309	83.6	1,161,500,000	90.8		1,161,500,000	91.0	1,161,500,000	90.9	1,161,500,000	90.9	1,161,500,000	91.2	1,161,500,000	91.1
Transfer from St Central Srvs	4000575	(7,965,653)	(1.2)	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		648,188,118	100.0	1,279,136,380	100.0		1,275,866,053	100.0	1,277,084,784	100.0	1,277,084,784	100.0	1,273,687,600	100.0	1,274,906,331	100.0
Excess Appropriation/(Funding)		(6,282,306)		(6,004,936)			(3,756,733)		(3,756,733)		(3,756,733)		(1,507,669)		(1,507,669)	
Grand Total		641,905,812		1,273,131,444			1,272,109,320		1,273,328,051		1,273,328,051		1,272,179,931		1,273,398,662	

M50 - Actual exceeds Authorized Appropriation due to a transfer from the Cash Fund Holding Account.

Special Language authorizes the Chief Fiscal Officer of the State at end of the fiscal year to transfer into the State Central Services Fund the excess of the Commercial Driver License Fund funds over an amount equal to the three (3) most recent fiscal year budgets of the Commercial Driver License Fund to defray state support for related purposes, including but not limited to personal services and operating expenses, as required to carry out the functions, powers and duties of the Revenue Division.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
1,480	1377	103	1480	0	6.96 %	1,501	1325	176	1501	0	11.73 %	1,501	1331	170	1501	0	11.33 %

Analysis of Budget Request

Appropriation: 1JN - Commercial Drivers License Program

Funding Sources: SDL - Commercial Driver License Fund

This appropriation provides for operating expenses of the Arkansas Commercial Driver License Program and for other related purposes as required by the Director of the Department of Finance and Administration (DFA) in carrying out the functions, powers, and duties of the DFA - Revenue Services Division. Fees collected for licenses issued are dedicated as special revenue to support this program.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level for the biennium is \$2,748,203 in FY18 and \$2,749,064 in FY19.

The Agency is requesting a change level of \$2,000,000 each year in the Commercial Drivers License Program appropriation to cover anticipated cost increase associated with a new contract for a Drivers License Issuance System. An RFP will be done to seek a new vendor. The current vendor will no longer be providing this type of service.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1JN - Commercial Drivers License Program

Funding Sources: SDL - Commercial Driver License Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	225,602	305,561	305,561	280,809	280,809	280,809	281,509	281,509	281,509
#Positions		10	10	10	10	10	10	10	10	10
Personal Services Matching	5010003	100,295	119,457	119,457	115,042	115,042	115,042	115,203	115,203	115,203
Operating Expenses	5020002	42	2,352,352	2,352,352	2,352,352	4,352,352	4,352,352	2,352,352	4,352,352	4,352,352
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		325,939	2,777,370	2,777,370	2,748,203	4,748,203	4,748,203	2,749,064	4,749,064	4,749,064
Funding Sources										
Fund Balance	4000005	12,015,760	6,282,306		6,004,936	6,004,936	6,004,936	3,756,733	3,756,733	3,756,733
Special Revenue	4000030	2,558,138	2,500,000		500,000	2,500,000	2,500,000	500,000	2,500,000	2,500,000
Transfer to State Central Srvs	4000575	(7,965,653)	0		0	0	0	0	0	0
Total Funding		6,608,245	8,782,306		6,504,936	8,504,936	8,504,936	4,256,733	6,256,733	6,256,733
Excess Appropriation/(Funding)		(6,282,306)	(6,004,936)		(3,756,733)	(3,756,733)	(3,756,733)	(1,507,669)	(1,507,669)	(1,507,669)
Grand Total		325,939	2,777,370		2,748,203	4,748,203	4,748,203	2,749,064	4,749,064	4,749,064

Special Language authorizes the Chief Fiscal Officer of the State at end of the fiscal year to transfer into the State Central Services Fund the excess of the Commercial Driver License Fund funds over an amount equal to the three (3) most recent fiscal year budgets of the Commercial Driver License Fund to defray state support for related purposes, including but not limited to personal services and operating expenses, as required to carry out the functions, powers and duties of the Revenue Division.

Change Level by Appropriation

Appropriation: 1JN - Commercial Drivers License Program
Funding Sources: SDL - Commercial Driver License Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,748,203	10	2,748,203	100.0	2,749,064	10	2,749,064	100.0
C08	Technology	2,000,000	0	4,748,203	172.8	2,000,000	0	4,749,064	172.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,748,203	10	2,748,203	100.0	2,749,064	10	2,749,064	100.0
C08	Technology	2,000,000	0	4,748,203	172.8	2,000,000	0	4,749,064	172.8

Justification

C08	Request is in anticipation of increased cost of new contract for a Drivers License Issuance System. An RFP will be done to seek a new vendor. The current vendor will no longer be providing this type of service. In current approved biennial technology plan, Major Applications tab.
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Analysis of Budget Request

Appropriation: 236 - Individual Income Tax & Ad Valorem Property Tax Rebates

Funding Sources: TGI - Individual Income Tax Withholding Fund

The Department of Finance and Administration - Revenue Services Division processes refunds for taxes paid from various sources. Appropriations to the Agency for Refunds/Reimbursements provide the mechanism necessary to refund collections of the various taxes as may be necessary.

This appropriation is used to refund individual taxpayers in such amounts as may be determined by the Chief Fiscal Officer of the State or the courts and for property tax rebates levied on the assessed value of all taxable real property, personal property, and utility property in the State.

The Agency is requesting Base Level of \$680,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 236 - Individual Income Tax & Ad Valorem Property Tax Rebates

Funding Sources: TGI - Individual Income Tax Withholding Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	367,934,892	680,000,000	680,000,000	680,000,000	680,000,000	680,000,000	680,000,000	680,000,000	680,000,000
Total	367,934,892	680,000,000	680,000,000	680,000,000	680,000,000	680,000,000	680,000,000	680,000,000	680,000,000
Funding Sources									
Tax Refunds 4000485	367,934,892	680,000,000		680,000,000	680,000,000	680,000,000	680,000,000	680,000,000	680,000,000
Total Funding	367,934,892	680,000,000		680,000,000	680,000,000	680,000,000	680,000,000	680,000,000	680,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	367,934,892	680,000,000		680,000,000	680,000,000	680,000,000	680,000,000	680,000,000	680,000,000

Analysis of Budget Request

Appropriation: 237 - Corporate Income Tax

Funding Sources: TGC - Corporate Income Tax Withholding Fund

The Department of Finance and Administration - Revenue Services Division processes refunds for taxes paid from various sources. Appropriations to the Agency for Refunds/Reimbursements provide the mechanism necessary to refund collections of the various taxes as may be necessary.

This appropriation is used to make income tax refunds to corporate taxpayers in such amounts as may be determined by the Chief Fiscal Officer of the State or the courts.

The Agency is requesting Base Level of \$200,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 237 - Corporate Income Tax
Funding Sources: TGC - Corporate Income Tax Withholding Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	68,943,739	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Total	68,943,739	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000

Funding Sources		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Tax Refunds 4000485		68,943,739	200,000,000		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Total Funding		68,943,739	200,000,000		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		68,943,739	200,000,000		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000

Analysis of Budget Request

Appropriation: 239 - Gasoline Tax Refunds

Funding Sources: TBC - Gasoline Tax Refund Fund

The Department of Finance and Administration - Revenue Services Division processes refunds for taxes paid from various sources. Appropriations to the Agency for Refunds/Reimbursements provide the mechanism necessary to refund collections of the various taxes as may be necessary.

This appropriation is used for making motor fuel tax refunds that come from the fuel tax of 21½ cents a gallon on gasoline and 22½ cents a gallon on diesel. A refund results from an overpayment on taxes paid on fuel by a distributor or a supplier.

The Agency is requesting Base Level of \$1,500,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 239 - Gasoline Tax Refunds

Funding Sources: TBC - Gasoline Tax Refund Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Claims 5110015	24,362	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total	24,362	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Funding Sources									
Tax Refunds 4000485	24,362	1,500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total Funding	24,362	1,500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	24,362	1,500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000

Analysis of Budget Request

Appropriation: 240 - Interstate Motor Fuel Tax Refunds

Funding Sources: TBB - Interstate Motor Fuel Tax Refund Fund

The Department of Finance and Administration - Revenue Services Division processes refunds for taxes paid from various sources. Appropriations to the Agency for Refunds/Reimbursements provide the mechanism necessary to refund collections of the various taxes as may be necessary.

The Interstate Motor Fuel Tax Refund fund consists of the amount, estimated quarterly, which is transferred monthly from gross motor fuel taxes and gross special motor fuel tax collections, to be used to pay refunds to interstate users of motor fuels and special motor fuels as set out in A.C.A. §26-55-714 and §26-56-215. The interstate users of motor fuel tax refunds are generated from an over purchase of tax paid fuel, usually diesel, which is used on the highway by a vehicle over 26,001 pounds, purchased by truckers in the State of Arkansas, but where majority of the miles were traveled in another state.

The Agency is requesting Base Level of \$20,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 240 - Interstate Motor Fuel Tax Refunds

Funding Sources: TBB - Interstate Motor Fuel Tax Refund Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	312,315	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total	312,315	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Funding Sources									
Tax Refunds 4000485	312,315	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total Funding	312,315	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	312,315	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000

Analysis of Budget Request

Appropriation: 241 - Miscellaneous Tax Refunds

Funding Sources: MTA - Miscellaneous Revolving Fund

The Department of Finance and Administration - Revenue Services Division processes refunds for taxes paid from various sources. Appropriations to the Agency for Refunds/Reimbursements provide the mechanism necessary to refund collections of the various taxes as may be necessary. Some of the sources that fall into the category of miscellaneous tax refunds are:

- Cigarette and Tobacco Excise Taxes
- Alcoholic Beverage Excise Taxes
- Promotion Assessments
- Severance Tax
- Amusement Machine Tax
- Soft Drink Tax
- Real Property Transfer Tax
- Waste Tire Fee
- Vending Device Decal Act of 1997
- Construction Nonresidential Surcharge

The Agency is requesting Base Level of \$260,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 241 - Miscellaneous Tax Refunds

Funding Sources: MTA - Miscellaneous Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	104,875,001	260,000,000	260,000,000	260,000,000	260,000,000	260,000,000	260,000,000	260,000,000	260,000,000
Total	104,875,001	260,000,000	260,000,000	260,000,000	260,000,000	260,000,000	260,000,000	260,000,000	260,000,000
Funding Sources									
Tax Refunds 4000485	104,875,001	260,000,000		260,000,000	260,000,000	260,000,000	260,000,000	260,000,000	260,000,000
Total Funding	104,875,001	260,000,000		260,000,000	260,000,000	260,000,000	260,000,000	260,000,000	260,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	104,875,001	260,000,000		260,000,000	260,000,000	260,000,000	260,000,000	260,000,000	260,000,000

Analysis of Budget Request

Appropriation: 281 - Revenue Services Division - Operations

Funding Sources: HSC - State Central Services

This State Central Services funded appropriation provides for the operation of the Department of Finance and Administration - Revenue Services Division which collects taxes, assures taxpayer compliance with the revenue laws of the State, maintains driver history records and titles and licenses motor vehicles. Sections of the Revenue Services Division include the following offices:

- Assistant Commissioner for Operations and Administration
- Assistant Commissioner for Policy and Legal
- Revenue Legal Counsel
- Income Tax
- Field Audit
- Motor Vehicle
- Excise Tax Administration
- Driver Services
- State Revenue Office Administration

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level for the biennium is \$98,861,117 in FY18 and \$98,930,867 for FY19.

The Revenue Division is requesting the following:

- Regular Salaries and Personal Services Matching reduction of (\$1,281,269) each year for the transfer of 3 positions to Agency 0610 - DFA Management Services - Office of Information Systems (OIS) and the reduction of 35 currently authorized positions from 1,491 authorized positions that no longer need to be utilized due to efficiencies of the agency. The transferred positions are functional and technical IT positions and in a consolidation effort moved Cash Control Scanning Operations into OIS Imaging Section.
- Re-authorize Capital Outlay of \$500,000 each year for replacement of 20 aging and high mileage vehicles.

The Executive Recommendation provides for the Agency Request.

The Executive Recommendation provides for the Agency Request for Capital Outlay to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Appropriation Summary

Appropriation: 281 - Revenue Services Division - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	48,929,936	51,986,806	51,986,806	51,254,534	50,368,708	50,368,708	51,311,234	50,425,408	50,425,408
#Positions		1,450	1,491	1,491	1,491	1,453	1,453	1,491	1,453	1,453
Extra Help	5010001	42,209	564,466	564,466	564,466	564,466	564,466	564,466	564,466	564,466
#Extra Help		6	221	221	221	221	221	221	221	221
Personal Services Matching	5010003	18,444,693	19,336,168	19,336,168	19,387,483	18,992,040	18,992,040	19,400,533	19,005,090	19,005,090
Overtime	5010006	1,722	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Operating Expenses	5020002	23,701,754	27,232,184	27,232,184	27,232,184	27,232,184	27,232,184	27,232,184	27,232,184	27,232,184
Conference & Travel Expenses	5050009	71,515	115,450	115,450	115,450	115,450	115,450	115,450	115,450	115,450
Professional Fees	5060010	29,466	157,000	157,000	157,000	157,000	157,000	157,000	157,000	157,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	4,185	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Capital Outlay	5120011	578,923	312,000	312,000	0	500,000	500,000	0	500,000	500,000
Total		91,804,403	99,854,074	99,854,074	98,861,117	98,079,848	98,079,848	98,930,867	98,149,598	98,149,598
Funding Sources										
State Central Services	4000035	91,804,403	99,854,074		98,861,117	98,079,848	98,079,848	98,930,867	98,149,598	98,149,598
Total Funding		91,804,403	99,854,074		98,861,117	98,079,848	98,079,848	98,930,867	98,149,598	98,149,598
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		91,804,403	99,854,074		98,861,117	98,079,848	98,079,848	98,930,867	98,149,598	98,149,598

Actual exceeds Authorized Appropriation in Capital Outlay due to a transfer from DFA Motor Vehicle Acquisition.

Change Level by Appropriation

Appropriation: 281 - Revenue Services Division - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	98,861,117	1,491	98,861,117	100.0	98,930,867	1,491	98,930,867	100.0
C01	Existing Program	500,000	0	99,361,117	100.5	500,000	0	99,430,867	100.5
C03	Discontinue Program	(1,129,722)	(35)	98,231,395	99.4	(1,129,722)	(35)	98,301,145	99.4
C07	Agency Transfer	(151,547)	(3)	98,079,848	99.2	(151,547)	(3)	98,149,598	99.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	98,861,117	1,491	98,861,117	100.0	98,930,867	1,491	98,930,867	100.0
C01	Existing Program	500,000	0	99,361,117	100.5	500,000	0	99,430,867	100.5
C03	Discontinue Program	(1,129,722)	(35)	98,231,395	99.4	(1,129,722)	(35)	98,301,145	99.4
C07	Agency Transfer	(151,547)	(3)	98,079,848	99.2	(151,547)	(3)	98,149,598	99.2

Justification

C01	Re-authorize Capital Outlay for replacement of 20 aging and high mileage vehicles each year; \$500,000 for FY18 and FY19.
C03	Reduction of 35 Base Level positions. The positions no longer need to be utilized due to efficiencies of the agency.
C07	The Revenue Division is transferring 3 positions to Agency 0610 - DFA Management Services - Office of Information Systems (OIS). These positions are functional and technical IT positions and in a consolidation effort moved Cash Control Scanning Operations into OIS Imaging Section.

Analysis of Budget Request

Appropriation: F10 - MV Special Plates

Funding Sources: NMV - MV Special Plates - Cash in Treasury

The installation of the Cash Management System (CMS) / Arkansas Integrated Revenue System (AIRS) has provided additional opportunities to change business processes to allow better internal controls to safeguard state assets. This appropriation was set up to make the necessary changes in the business processes for disbursing the Motor Vehicle Special License Plates fees to the proper entities.

The Agency is requesting Base Level of \$4,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: F10 - MV Special Plates
Funding Sources: NMV - MV Special Plates - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
MV Special Plates-Administrative 5900046	2,230,963	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total	2,230,963	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Funding Sources									
Cash Fund 4000045	2,230,963	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total Funding	2,230,963	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,230,963	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

Analysis of Budget Request

Appropriation: M50 - Revenue Miscellaneous Cash

Funding Sources: NMV - Cash In Treasury (IRP/UCR Fees, Prepaid E911 Service Charge)

The Department of Finance and Administration, Revenue Services Division receives and collects fees from the International Registration Plan (IRP) , Unified Carrier Registration (UCR) and E911 Service Charge. The majority of fees and service charges are distributed to other entities for distribution and other purposes as authorized by law.

The Agency is requesting Base Level of \$5,000,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: M50 - Revenue Miscellaneous Cash

Funding Sources: NMV - Cash In Treasury (IRP/UCR Fees, Prepaid E911 Service Charge)

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Distribution of Fees / Service Ch: 5900046	5,454,198	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total	5,454,198	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Funding Sources									
Cash Fund 4000045	5,454,198	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Funding	5,454,198	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	5,454,198	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

Actual exceeds Authorized Appropriation due to a transfer from the Cash Fund Holding Account.

DISABLED VETERANS' SERVICE OFFICE

Enabling Laws

Act 119 of 2016

History and Organization

The Disabled Veterans Service Office is responsible for ascertaining benefits for Arkansas' veterans, their families and survivors. The Agency is located within the Disabled American Veterans (DAV) National Service Office which is housed inside of the VA Regional Office, Building 65, Room 121 at 2200 Fort Roots Drive, North Little Rock, Arkansas.

Act 376 of 1951 provided appropriation to be expended by the Disabled Veterans' Service Office to assist such claimants in preparation of their claims for benefits from federal, state and local agencies. We have a long history of advocacy and successful representation of veterans and their dependents seeking benefits and services from the Department of Veterans' Affairs (VA) and other governmental agencies. In keeping with the purpose of our creation, we are required to develop and prosecute claims in writing, in person, and by video/teleconferencing with the agencies, which serve our clients.

The Disabled Veterans Service Office assists claimants in filing for the following benefits:

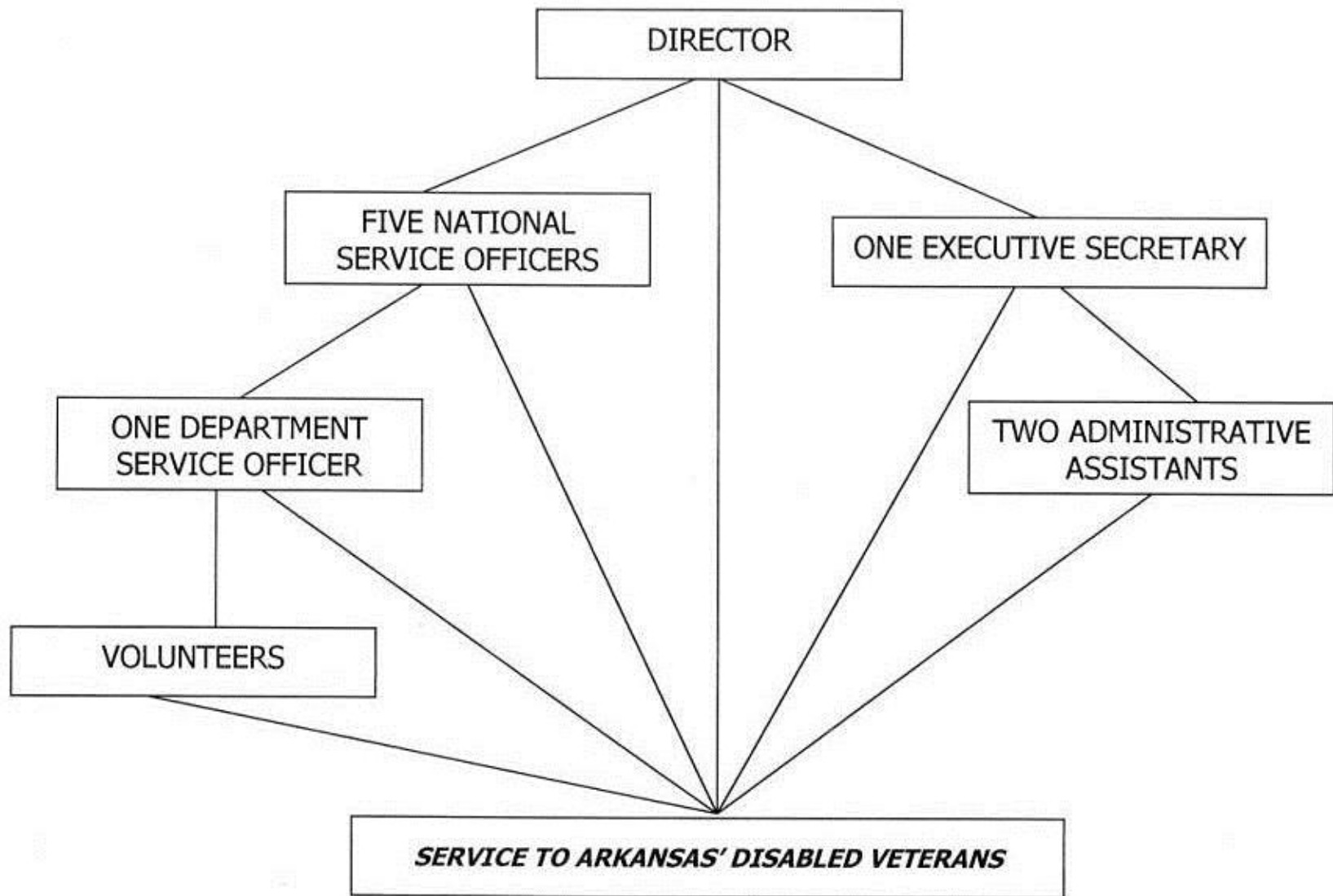
- | | | |
|--------------------------------|-----------------------------|---|
| 1. VA Compensation | 11. Hospitalization | 21. Pre-COVA preparation |
| 2. VA Pension | 12. Discharge Upgrade | 22. Reimbursed Medical Expenses |
| 3. Education & Training | 13. TAP/DTAP | 23. EEOC recoveries |
| 4. Vocational Rehabilitation | 14. Injuries from treatment | 24. REPS benefits |
| 5. Aid & Attendance Allowance | 15. Injuries from training | 25. Soldiers & Sailors Civil Relief Act |
| 6. VA Clothing Allowance | 16. Military Retirement | 26. Arkansas State benefits |
| 7. Automobile Grants | 17. CRSC/CRDP | 27. U.S. Insurance Programs |
| 8. Housing Grants | 18. Dependency Benefits | 28. Widow's Benefits |
| 9. Waivers for VA Overpayments | 19. Domiciliary Entrance | 29. Burial Assistance |
| 10. ChampVA Benefits | 20. Relief from VA co-pays | 30. Unemployment Compensation |

Our effort to realize our purpose expands well beyond the office and extends deep within the veterans community through our Mobile Service

Office Program. This outreach program was designed so that many disabled veterans, who are unable to physically travel to our office, can still obtain claim assistance when our Mobile Service Office (MSO) is in their area.

This Agency is also responsible for conducting the Service Officer Training Conference, an annual event that enables all Department Service Officers (DSOs) and Chapter Service Officers (CSOs) the opportunity to become certified, or recertified, for coverage under the National Organization's Indemnification of the Department and Chapter Service Programs. Once certified, these service officers may assist this Agency in providing benefit information to claimants and helping claimants to prepare claims for submission to VA. The training is designed to enhance the knowledge and professionalism of the DSOs and CSOs and will help the Agency offer the best service possible to our claimants. Over 100 service officers receive certification on a biennial basis.

Many of Arkansas' disabled veterans take advantage of our Transportation Network that is administered by our Department Office. A host of volunteers work under our Transportation Network to transport sick and disabled veterans to and from VA medical facilities for treatment. The majority of the veterans who use this program are seeking care for their service-connected disabilities. Others have limited resources, are too ill to drive, or may have no access to public transportation.



Agency Commentary

As no additional requests are being presented at this time, the Disabled Veterans Service Office is seeking to continue appropriations at Base Level. This Agency will maintain all past services as declared in the History and Organization segment of this presentation.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DISABLED VETERANS SERVICE OFFICE
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	0	1	1	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			1	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016					FY2016 - 2017						
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
1	1	0	1	0	0.00 %	1	1	0	1	0	0.00 %	1	0	1	1	0	100.00 %

Analysis of Budget Request

Appropriation: 052 - Disabled Veterans - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Disabled Veterans Service Office offers assistance to veterans in the preparation of their claims to the U.S. Government for compensation and other benefits, and is primarily supported by the Disabled American Veterans Service Office. The Office also provides transportation services to veterans for outpatient appointments when no other options are available. The State provides appropriation and general revenue funding for one clerical position, as well as for Operating Expenses and Conference & Travel Expenses.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Base Level and total request is for appropriation of \$33,853 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 052 - Disabled Veterans - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	18,503	21,827	22,045	21,827	21,827	21,827	21,827	21,827	21,827
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	9,041	9,875	9,994	9,998	9,998	9,998	9,998	9,998	9,998
Operating Expenses	5020002	866	1,304	1,304	1,304	1,304	1,304	1,304	1,304	1,304
Conference & Travel Expenses	5050009	0	724	724	724	724	724	724	724	724
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		28,410	33,730	34,067	33,853	33,853	33,853	33,853	33,853	33,853
Funding Sources										
General Revenue	4000010	28,410	33,730		33,853	33,853	33,853	33,853	33,853	33,853
Total Funding		28,410	33,730		33,853	33,853	33,853	33,853	33,853	33,853
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		28,410	33,730		33,853	33,853	33,853	33,853	33,853	33,853

DEPARTMENT OF ENVIRONMENTAL QUALITY

Enabling Laws

Act 249 of 2016

The Arkansas Department of Environmental Quality ("ADEQ") is organized into three regulatory offices that focus on specific elements of the environment. Listed below are those offices together with their controlling laws as are codified in The Arkansas Code of 1987 Annotated.

OFFICE OF AIR:

Ark. Code Ann. 8-3-101 et seq., 8-4-101 et seq., 8-4-201 et seq., 8-4-301 et seq., 8-10-302 et seq., 20-27-1001 et seq.

OFFICE OF WATER:

Ark. Code Ann. 8-3-101 et seq., 8-4-101 et seq., 8-4-201 et seq., 8-5-201 et seq., 19-5-1140

OFFICES OF LAND RESOURCES:

MINING:

Ark. Code Ann. 15-57-201 et seq., 15-57-301 et seq., 15-57-401 et seq., 15-58-101 et seq., 15-58-201 et seq., 15-58-301 et seq., 15-58-401 et seq., 15-58-501 et seq.

REGULATED WASTE:

SOLID WASTE:

Ark. Code Ann. 8-6-201 et seq., 8-6-501 et seq., 8-6-601 et seq., 8-6-901 et seq., 8-6-1001 et seq., 8-6-1101 et seq., 8-6-1201 et seq., 8-6-1301 et seq., 8-6-1401 et seq., 8-6-1501 et seq., 8-6-1601 et seq., 8-6-1701 et seq., 8-6-1801 et seq., 8-6-1901 et seq., 8-9-101 et seq., 8-9-201 et seq., 8-9-301 et seq., 8-9-401 et seq., 8-9-501 et seq., 8-9-601 et seq.,

HAZARDOUS WASTE:

Ark. Code Ann. 8-7-101 et seq., 8-7-201 et seq., 8-7-501 et seq., 8-7-701 et seq., 8-7-1101 et seq., 8-7-1301 et seq., 8-7-1401 et seq.

PETROLEUM STORAGE TANKS:

Ark. Code Ann. 8-7-801 et seq., 8-7-901 et seq.

Other statutes covering the organization and administration of ADEQ include: Ark. Code Ann. " 8-1-101 *et seq.*, 8-1-201 *et seq.*, 8-4-301 *et seq.*, 8-5-801 *et seq.*, 19-5-930, 19-5-959, 19-5-961, 19-5-979, 19-5-980, 19-5-983, 19-5-992, 19-5-1027, 19-5-1028, 19-5-1029, 19-5-1031, 19-5-1071, 19-5-1111, 19-5-1137, 19-5-1140, 19-6-434, 19-6-452, 19-6-463, 25-14-101

History and Organization

I. ADEQ History and Mission

The Arkansas Department of Environmental Quality (formerly the Department of Pollution Control and Ecology) was officially established in 1971. As part of the overall reorganization of state government, Act 38 established the Arkansas Department of Pollution Control and Ecology as a cabinet-level unit of state government, changed the name of the Commission to the Arkansas Pollution Control and Ecology Commission, and designated the Commission as the environmental policy-making body for the state.

With the passage of Acts 744 and 1230 in 1991, the Agency was officially renamed the Arkansas Department of Environmental Quality (ADEQ), the Pollution Control and Ecology Commission was restructured, and the powers and duties of the Commission and ADEQ were clarified. The Commission is now composed of the directors of six state agencies-the Health Department, Forestry Commission, Game and Fish Commission, Geological Survey, Oil and Gas Commission, and Natural Resources Commission-and seven private citizens appointed by the Governor and confirmed by the Senate. Each of the four congressional districts existing at the time of the 1991 law must be represented by at least one private-sector appointee on the Commission, with no congressional district having more than two Commissioners.

The Arkansas Department of Environmental Quality is the primary environmental regulatory agency for the state of Arkansas. The Agency is responsible for implementing the State's environmental laws and regulations as established by the Arkansas legislature and the Arkansas Pollution Control and Ecology Commission. In large part, the programs implemented by ADEQ are either authorized or approved by delegated authority from our federal counterparts-primarily the Environmental Protection Agency and the Office of Surface Mining.

The mission of ADEQ is "[t]o protect, enhance and restore the natural environment for the well-being of all Arkansans." ADEQ has a two-part vision of the future: "[w]e envision Arkansas with clean air, water and land, where all Arkansans strive to conserve and protect these assets for the benefit and enjoyment of this and future generations" and "[w]e envision the Arkansas Department of Environmental Quality as a respected steward of the environment, where pro-active, results-oriented staff, operating in a professional atmosphere, inspire Arkansans to conserve and protect our natural resources." ADEQ has advanced reviews of environmental programs to seek improvements in environmental outcomes and work processes to increase effectiveness and alignment of resources. We have set goals that seek to support environmentally responsible economic growth, enhance Arkansas's unique environment, and accelerate permitting processes and environmental cleanups. Our strategies include maximizing resource potential, deploying lean principles, leveraging e-technology, strengthening core programs, and

modernizing outreach methods.

II. Organization

ADEQ is undergoing a reorganization that is designed to achieve multiple internal efficiencies-including consolidating resource savings, streamlining work processes, improving response time with Arkansans, and increasing inter-divisional cooperation. ADEQ is utilizing our current work force to its maximum efficiency and evaluating whether to fill open positions. As part of our reorganization, we have realigned the twelve divisions in the agency into three program divisions and two support divisions. The three program divisions are the Office of Air Quality (OAQ), the Office of Water Quality (OWQ), and the Office of Land Resources (OLR). The two support offices are the Office of Law and Policy (OLP) and the Office of Operations and Outreach (OOO). ADEQ's reorganization is part of an overall plan to be proactive in establishing cost-saving measures within ADEQ.

a. Office of Air Quality

The Office of Air Quality (OAQ) serves many functions. OAQ has received all delegable air programs under the Clean Air Act-including a minor source program, the Title V program for major sources of air pollutants, the New Source Performance Standards (NSPS) Program, the National Emissions Standards for Hazardous Air Pollutants (NESHAP) Program, the Air Toxics Program, and Existing Source Performance Standards. The OAQ also maintains an ambient air monitoring network to evaluate air quality in the state and periodically conducts studies to assess impacts of policies on air quality. The OAQ relies upon federal grant dollars and required state matching funds, fees, and general revenue. The OAQ also has two grant programs: the GoRED! program and the Arkansas Asbestos Grant program. The OAQ seeks to utilize current resources to facilitate programs at the agency and to seek out federal funding opportunities.

b. Office of Water Quality

The core function of the Office of Water Quality (OWQ) is our permitting program, which is responsible for permitting a range of activities from agriculture to wastewater treatment facilities. These permits are key to economic development-one of the governor's priority issues. In fact, permitting engineers are often asked by the Arkansas Economic Development Commission to help provide information to industries considering a move to the state. In addition, the OWQ's Planning Branch is responsible for developing the state's water quality standards that protect our water resources and provide the scientific basis for permit limits. While this function itself is not directly a priority for the governor, it plays a crucial role in our mission of protecting and enhancing the state's waters while supporting economic growth in the state.

c. Office of Land Resources

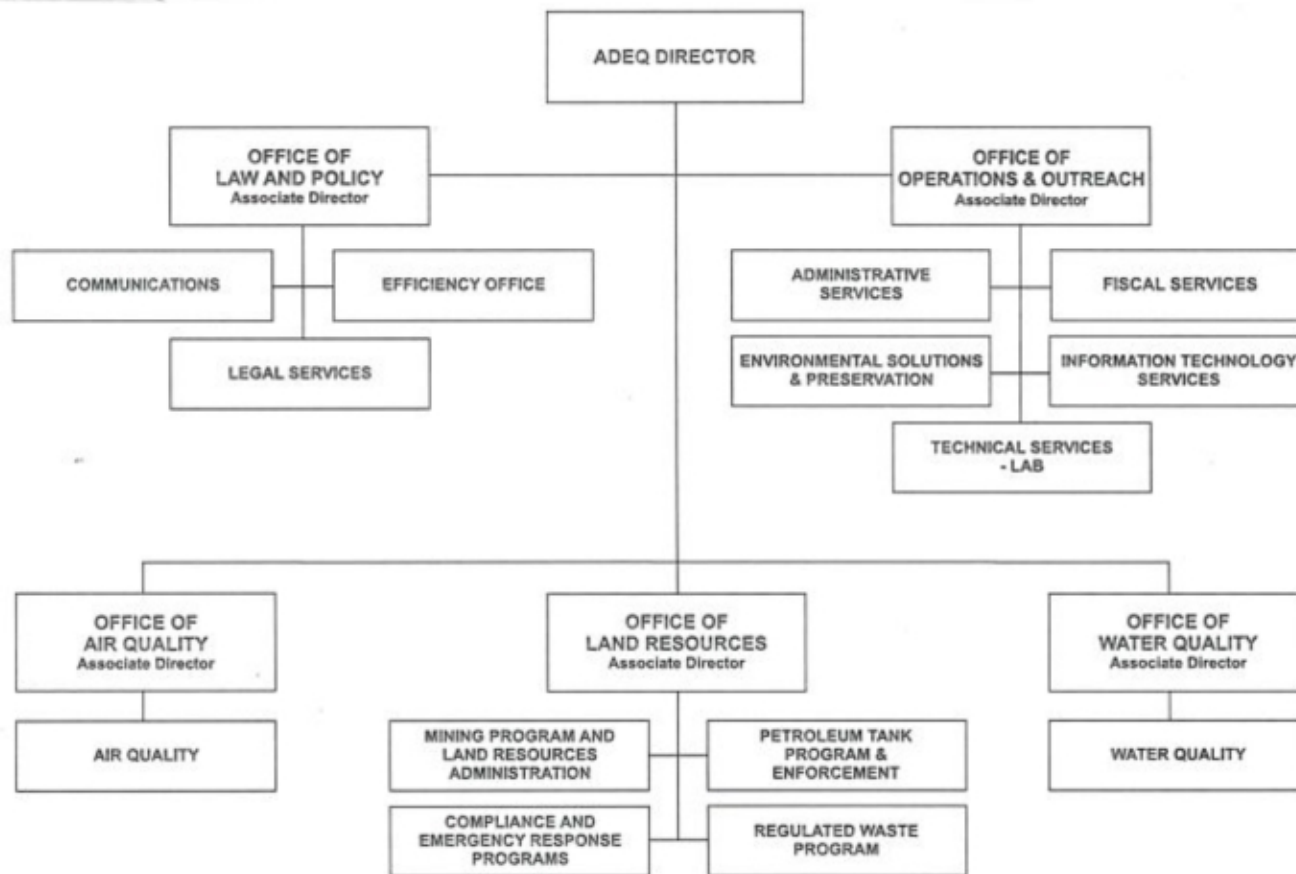
Program and Administration, and Compliance and Emergency Response Programs. The primary functions of these program areas include, but are not limited to, permitting, compliance evaluations, emergency response, brownfield investigations/re-use, licensing of operators and environmental professionals, superfund cleanup of national priority sites within Arkansas, investigation and cleanup of state priority sites within Arkansas, tank cleanups, enforcement, and various program administration (e.g., state authorization, rulemaking, financial assurance, and budget).

d. Office of Operations and Outreach

The Office of Operations and Outreach (OOO) supports all ADEQ offices and consists of Administrative Services (including Human Resources), Fiscal Services, Environmental Solutions and Preservation, Information Technology Services, and Technical Services (including our Laboratory). The Environmental Solutions and Preservation team offers technical and educational assistance to communities, industries, schools, and groups to develop management practices for disposal of solid waste and tires. ADEQ's Watershed Group works alongside citizens and groups developing educational and best management practices for maintaining and improving watersheds.

e. Office of Law and Policy

The Office of Law and Policy (OLP) supports the agency's legal functions, federal and state policy analysis, and regulatory technical studies. OLP also handles internal and external communication-including business assistance, coordinating and expanding economic development opportunities, and engaging community involvement in federal and state regulatory hearings to meet statutes.



Agency Commentary

The Arkansas Department of Environmental Quality (ADEQ) is undergoing a reorganization that is designed to achieve multiple internal efficiencies-including consolidating resource savings, streamlining work processes, improving response time with Arkansans, and increasing inter-divisional cooperation. ADEQ is utilizing our current work force to its maximum efficiency and evaluating whether to fill open positions. As part of our reorganization, we have realigned the twelve divisions in the agency into three program divisions and two support divisions. The three program divisions are the Office of Air Quality, the Office of Water Quality, and the Office of Land Resources. The two support offices are the Office of Law and Policy and the Office of Operations and Outreach. ADEQ's reorganization is part of an overall plan to be

proactive in establishing cost-saving measures within ADEQ.

During the 2015-17 biennium, ADEQ maintained its efforts in the program areas of air, water, land, and environmental management. The budget request found in the following pages continues currently mandated programs and addresses emerging environmental issues. Special emphasis is placed on covering projected needs for the biennium through reallocation of base level funding and appropriation.

ADEQ's budget includes annual contingency appropriations, which are considered non-operating expenses that are utilized for specific purposes and funded as needed. ADEQ's contingency appropriations are utilized for various purposes such as cleanup, remediation activities, closure activities, reclamation work, and funding grants for solid waste management activities, recycling, and waste tires collection and handling efforts. Even though some requests currently reflect appropriation in excess of estimated funding, we are requesting approval of the total amount shown on the Biennial Budget Request forms as monies may become available during the biennium from existing or alternate sources to fully fund any or all of these. The following chart reflects annual contingency appropriation and bond forfeitures:

The following paragraphs briefly describe the program's needs requested as changes over the Base Level budget, including reclassifications.

Office of Air Quality

The Office of Air Quality (OAQ) is responsible for enhancing and protecting human health and the environment by protecting the air we breathe. This is accomplished through the safe management of air pollutants emitted into the air.

OAQ's responsibilities involve maintenance of the National Ambient Air Quality Standards (NAAQS); air quality monitoring; modeling and development of emission standards; the permitting, inspection, and enforcement of emission limits for stationary sources; and asbestos abatement regulation. OAQ is composed of the Permitting, Compliance (inspection), Enforcement and Asbestos, and Planning Branches.

All areas in Arkansas are currently in attainment with the NAAQS or are designated unclassifiable; however, there are several locations at risk of nonattainment with the 2012 fine particulate matter (PM_{2.5}) NAAQS and the 2015 ozone NAAQS. PM_{2.5} design values for Pulaski County for 2013-2015 approach 90% of the PM_{2.5} NAAQS. All monitored locations, even remote rural locations, are within 89% of the 2015 ozone NAAQS. Crittenden County-which has been in and out of nonattainment status as ozone NAAQS have become more stringent-has design values reaching 95% of the 2015 ozone NAAQS and is subject to specific air quality program requirements through a multi-year air quality maintenance plan to reduce the potential for it to fall back into nonattainment. The United States Environmental Protection Agency (EPA) evaluates whether the NAAQS should be revised every five years. As the NAAQS become more stringent and areas fall into nonattainment, revisions to existing state regulations will be required to implement new pollution control strategies to attain and maintain the NAAQS.

In addition to NAAQS implementation, OAQ is also faced with new EPA regulations on greenhouse gas emissions and regional haze. OAQ

must also address revised EPA requirements with regards to startup, shutdown, and malfunction provisions as a result of sue-and-settle tactics by third-party organizations.

OAQ requests \$450,000.00 for each of the fiscal years 2018 and 2019 for Assistance Grants and Aid appropriation to fulfill OAQ's obligations and responsibilities for the DERA Grant program.

OAQ also requests \$200,000.00 to fulfill its obligations and responsibilities under the Multipurpose Grant. Of this grant, \$102,000.00 will be allocated to personnel costs. Another \$49,000.00 of the grant will be moved into operating. And the remaining \$50,000.00 will go to professional services and fees. This grant supports ongoing priority activities aimed at protecting and improving air quality. It also supports research, education, and outreach to fellow agencies, governing officials, and the public on the impacts of crop residue management techniques and prescribed fire management on our air quality. The Multipurpose Grant is a one-time source of funding for projects in fiscal years 2017, 2018, and 2019. It is entirely federally funded and requires no state match (no General Revenue). We will be moving previously budgeted travel and professional services to cover the shortage in the DERA appropriations and newly awarded Multipurpose Grant.

Additionally, OAQ requests \$160,000.00 for fiscal year 2017 and \$125,000.00 for fiscal year 2018 in appropriation for Professional and Administrative Fees to help continue to fund a contract with the University of Arkansas Agriculture extension service.

Also, OAQ requests \$150,000.00 for fiscal year 2018 and \$50,000.00 for fiscal year 2019 from the asbestos control fund, which assists communities in the abatement of asbestos containing sites.

Finally, OAQ requests \$25,000.00 of capital outlay appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by OAQ's inspectors to conduct facility inspections and investigate complaints statewide. These are not additional vehicles. They will be purchased to replace vehicles sent to M&R.

Office of Water Quality

The Office of Water Quality's (OWQ) mission is to restore and maintain water quality in all waters of the state consistent with the economic well-being of all its citizens. The requests above Base Level will enhance our ability to fulfill that mission while meeting state and federally mandated performance targets.

OWQ is comprised of the Permitting, Compliance, Enforcement, and Planning Branches. All of OWQ is responsible for water quality related programs such as: the National Pollutant Discharge Elimination System (NPDES) permitting, which includes storm water; saltwater disposal; water quality planning and standards; groundwater quality protection; clean lakes; and concentrated animal feeding operations. OWQ coordinates permitting, compliance, enforcement, and planning efforts internally, with other state and federal natural resource and health agencies, and with local citizens.

Under the authority of the Arkansas Water and Air Pollution Control Act (Act 472 of 1949, as amended A.C.A. § 8-4-203, et seq.), ADEQ is charged with the duty to issue permits to prevent, control, or abate pollution and carries this out through the Permitting Branch. NPDES permits are issued in accordance with federal regulations and are intended to control point source discharges. In addition, OWQ issues No-Discharge permits to prevent pollution from entering waters of the State.

OWQ's Compliance Branch performs site inspections of permitted NPDES, No-Discharge, and Oil & Gas operation facilities to determine the status of compliance with state and federal regulations. Compliance Branch inspectors respond to complaints as well as emergency response cases involving spills that may impact waters of the State. Compliance Branch inspectors work with the Planning Branch to collect water samples from ambient monitoring stations located throughout the state. In order to carry out its charge in overseeing oil and gas exploration activities, OWQ has assigned dedicated staff within the Compliance and Enforcement Branches to conduct inspections and enforcement activities related to oil and gas development.

Under Section 303(d) of the federal Clean Water Act, states are to develop lists of impaired waterbodies or stream segments every two years. This list is developed by the Planning Branch through a process which includes reviewing water quality data collected from streams throughout the state and evaluating the data against assessment criteria and water quality regulations. ADEQ has recently submitted the 2016 list of impaired stream segments to EPA for review and approval.

In order to address the pollutant impairing a given waterbody, the Clean Water Act requires states to develop a Total Maximum Daily Load (TMDL). A TMDL is a calculation of the amount of a pollutant that an impaired waterbody can receive and still meet water quality standards. During the next biennium, EPA will continue to require ADEQ to develop TMDLs for impaired stream segments at a cost which could exceed \$500,000.00 per year.

EPA has also required the state to develop numeric nutrient criteria for a single class of waters in three to five years. Currently, the Planning Branch is conducting field work and analysis to determine appropriate criteria for its Extraordinary Resource Waters. Additional 106 Monitoring Initiative Funds have been applied for in order to carry out this task.

Because OWQ is funded largely through federal EPA grants (2TQ), program work plans are developed internally and approved in cooperation with EPA Region 6.

OWQ requests \$108,000.00 to fulfill its obligations and responsibilities under the Multipurpose Grant from EPA which will be used in support of a collaborative effort to address water quality concerns in the Buffalo River watershed. The Multipurpose Grant is a one-time grant that will be funding these projects in fiscal years 2017, 2018, and 2019. The Multipurpose Grant is entirely federally funded and requires no state match (no General Revenue).

OWQ conducts a robust monitoring program for the waters of Arkansas. In order to support this effort on an on-going basis, OWQ requests \$40,000.00 in capital outlay appropriation each fiscal year to replace vehicles and equipment as it becomes inoperable (i.e., samplers, multi-probe monitoring devices, incubators, sterilizers, etc.). We have a variety of aging equipment and we repair it as best we can before it is replaced. We need appropriation available, however, in the event that the equipment can no longer be repaired.

Office of Land Resources

The Office of Land Resources (OLR) combines the former divisions of solid waste, hazardous waste, mining, and regulated storage tanks program areas. Each of these sections has specific statutory authority governing their respective programs, which enhances and protects health and the environment through rulemaking, permitting, compliance monitoring, enforcement, and site remediation, while encouraging waste minimization, pollution prevention activities, clean-up/remediation, restoration, and reuse.

OLR is divided into four separate sections: Regulated Waste Programs, Compliance Monitoring Program, Petroleum Tanks Program and Enforcement, and Mining Program and Administration.

OLR requests \$200,000.00 in capital outlay appropriation for FY18 to purchase a mobile command center using funds from TET0100 ADEQ Environment Settlement (2UR). No funds from General Revenue will be used. The mobile command center will be stocked with computer technology. The primary usage is for an incident command and control center at the site of an emergency incident. It can also serve our public outreach needs-including environmental education and outreach to schools, festivals, fairs, and conferences.

OLR requests \$15,000.00 capital outlay appropriation for FY18 to purchase a smart board from SHW0000 (2TT). No funds from General Revenue will be used. Using a smart board in meetings will help facilitate collaborative activities such as mapping, analysis, and brainstorming. The smart board will greatly assist OLR in planning environmental projects and setting action goals. The smart board will also be extremely instrumental agency-wide in LEAN processes and value stream mapping. The smart board will enhance ADEQ's efficiency and effectiveness in administering the environmental program for Arkansas.

Regulated Waste Programs

The Regulated Waste Programs regulate the management of waste that could pose a potential risk to people and the environment if improperly managed. The Regulated Waste Programs are comprised of three branches: Programs, Groundwater, and Permitting/Corrective Action. The branches work together to regulate active manufacturing and waste management facilities, solid waste operator licensing, landfill post-closure activities, the tax credit program, and engineering standards. The three branches also conduct investigations and ensure clean-up of hazardous substance sites that are either abandoned or inactive, and compile hazardous and solid waste related data for public review.

The Regulated Waste Programs implement the federal and state hazardous waste management program goals through a state program

authorized by EPA. Specific performance measures include establishing appropriate controls (permits, enforcement orders, or remedial action plans) at targeted waste management facilities; monitoring compliance; providing increased compliance assistance and outreach to industry, small businesses, and the public; and implementing timely, fair, and effective enforcement against violators.

The Regulated Waste Programs also administer hazardous substance site cleanup programs implemented under the federal CERCLA statute ("Superfund") and state law, specifically the 1985 Remedial Action Trust Fund Act. These programs are funded by federal grants and state trust funds. The Regulated Waste Programs will continue to improve and enhance the use of risk management techniques, and will stress strong integration of the technical requirements of all these programs.

The Arkansas Remedial Action Trust Fund Hazardous Substance Site Priority List identifies hazardous sites for which expenditures are authorized from the Hazardous Substance Remedial Action Trust Fund. The site priority list includes fifteen National Priority List (NPL) sites and twelve State Priority List (SPL) sites. State funds supplement federal funds during the investigative and site remediation phase of NPL Sites. Upon completion of the site remediation phase, the state assumes 100% of the operations and maintenance costs. State and Responsible Party funds finance the investigative and remediation phases of SPL Sites. The Regulated Waste Programs conduct annual reviews on land-based units and five year reviews on all NPL and SPL sites to ensure the final remedies are effective.

The Regulated Waste Programs request \$25,000.00 of capital outlay appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department's field staff to conduct facility inspections and investigate complaints statewide. These are not additional vehicles. They will be purchased to replace those sent to M&R.

Compliance Monitoring Program

The Compliance Monitoring Program is responsible for programs necessary to regulate active manufacturing and hazardous waste management facilities and provide for the inspections of existing and proposed solid waste management facilities, regulated storage tanks, and mining sites in Arkansas. This section also conducts site inspections and evaluations of potential Brownfield sites and sites in the Superfund Program.

The Compliance Monitoring Program provides technical assistance to hazardous waste management facilities and landfill owners/operators, while also providing a solid waste liaison service to the Regional Solid Waste Management Districts, mining owners and operators, and petroleum tank owners and operators. This program area also conducts workshops that educate and assist the public, industry, and local governments. It offers compliance assistance through regular inspections and audits of permitted facilities as well.

The Compliance Monitoring Program is implemented in part through a state program authorized by EPA that provides federal funding for the hazardous waste inspections. The CERCLA site assessment inspections are implemented under the Superfund and state Law, specifically the 1985 Remedial Action Trust Fund Act. The CERCLA program operates using federal funds. The Solid Waste inspections are implemented

under state law and funded using General Revenue. The Regulated Storage Tank inspections are implemented under a state program utilizing federal funds from EPA. The Mining inspections are implemented under the Open Cut Land Reclamation Act utilizing federal funds.

The Emergency Response section is also located within the Compliance Monitoring Program. The Emergency Response Section assists with incidents that have the potential to cause harm to public health and the environment generally involving the uncontrolled release of a hazardous substance into the environment.

The Brownfield Program is also located within the Compliance Monitoring Program. The Brownfield Program is implemented under the 1997 Voluntary Cleanup Act-a state law. This program is funded by federal grants.

The Compliance Monitoring Program requests \$25,000.00 in capital outlay appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department's field staff to conduct facility inspections and investigate complaints statewide. These are not additional vehicles. They will be purchased to replace those sent to M&R.

Petroleum Tanks Program and Enforcement

The Petroleum Tanks Program is responsible for the implementation of state and federal laws and regulations concerning the installation, repair, upgrading, and closure of regulated underground storage tanks in Arkansas. It is also responsible for registering, collecting fees, and responding to environmental concerns associated with certain aboveground petroleum storage tanks. The Petroleum Tanks Program oversees and conducts clean-up activities to correct environmental problems at leaking tank sites, conducts trust fund certification and financial assurance reviews for regulated tanks, licenses UST contractors and individuals, trains and certifies UST operators, and reimburses qualified tank owners for trust fund-eligible corrective actions and third-party claims resulting from leaking tanks.

The enforcement actions for OLR program areas are implemented in this section. The goal is to enforce all environmental standards and ensure timely, fair, and effective enforcement for alleged violators of the standards of OLR.

The Petroleum Tanks Program and Enforcement section conducts outreach and compliance workshops to educate the regulated community, to maintain the solvency of the Petroleum Storage Tank Trust Fund, and to provide efficient and timely processing of new and amended notification forms and tank fee collections.

The Petroleum Tanks Program and Enforcement requests \$25,000.00 in capital outlay appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department's field staff to conduct facility inspections and investigate complaints statewide. These are not additional vehicles. They will be purchased to replace those sent to M&R.

Mining Program and Administration

The Mining Program and Administration section protects the environment from the adverse effects of surface mining activities by ensuring that the reclamation and restoration of affected lands results in future productive use. Performance of these measures can be gauged by determining the acres of known environmentally impacted land returned to productive use.

The Mining Program and Administration is responsible for permitting activities necessary to ensure compliance with state law. These responsibilities include a state program authorized under Public Law 95-87 to regulate all surface coal-mining operations in Arkansas and the Abandoned Mine Lands Program that receives federal grant monies to reclaim dangerous, abandoned pre-law coal mines. The Non-Coal section is responsible for ensuring compliance with the Arkansas Open-Cut Land Reclamation Act and the Arkansas Quarry Operation, Reclamation and Safe Closure Act. The Open Cut Land Reclamation Act also includes responsibilities in permitting of mining operations within the channel of streams in Arkansas.

The administration duties such as budgeting and purchasing are responsibilities of the Mining Program and Administration. This program area serves OLR on all budgeting and purchasing needs.

Office of Law and Policy

The Office of Law and Policy (OLP) supports all of ADEQ. It has three divisions: Legal Services, Communications, and the Efficiency Office. During the last biennium, the Director has put in place a Chief Technical Officer to enhance ADEQ's scientific reputation and capability. The Chief Technical Officer is leading scientific review, creation of thought leaders, technical management of key special projects, and research into significant issues in order to adopt changes.

Legal Services

Legal Services is responsible for all legal aspects of ADEQ and supports all divisions of ADEQ. Legal Services represents ADEQ in all administrative enforcement actions and permit appeals initiated by regulated entities and citizens in communities in which regulated facilities are located. Additionally, Legal Services advises ADEQ on personnel issues and other internal matters, represents ADEQ in fee collection, determines cost recovery actions and bankruptcy matters, maintains original signed orders, and represents ADEQ in civil litigation that seeks enforcement of the state's environmental laws and regulations. Finally, Legal Services drafts regulations and legislation.

Communications

Communications is responsible for handling public information requests, providing education to communities and businesses, crafting presentations, and developing all internal communications within ADEQ. Additionally, Communications is responsible for small business

assistance-including permitting and regulatory education, non-regulatory environmental assistance, and instituting pollution prevention measures.

The Efficiency Office

The Efficiency Office includes ADEQ's metrics and records management. The Efficiency Office scans all of ADEQ's documents as electronic records and makes them available to the public. Also, the Efficiency Office incorporates efficiency efforts internally and gathers city and county specific data within Arkansas as it pertains to ADEQ.

The Efficiency Office requests \$25,000.00 in capital outlay appropriation for FY18 to purchase a large format scanner. The current large format scanner has two major issues. First, the scanner is not compatible with ADEQ's current records management software. Second, the scanner is out of warranty because it is over a decade old. Thus, if the scanner malfunctions, then ADEQ will have to pay for all repair costs. Because this scanner will serve the entire agency, it will be budgeted in a Shared Resources cost center. A reallocation was made from Professional Fees (character 10) to Capital Outlay (character 11). Therefore there is no additional funding being requested.

Office of Operations and Outreach

The Office of Operations and Outreach (OOO) supports all ADEQ offices and includes Administrative Services, Fiscal Services, Environmental Solutions and Preservation, Information Technology Services, and Technical Services (which includes our Laboratory).

Administrative Services

Administrative Services includes human resources, building management, and fleet management. The human resources team handles job applications and benefits for our team members. The building management team ensures that our buildings and native landscape are well kept. The fleet management team keeps track of scheduling and maintenance of department vehicles.

Fiscal Services

Fiscal Services manages ADEQ's financial activities. Its staff oversees purchasing, accounts receivable, accounts payable, grants administration, budget preparation and monitoring, and asset management. ADEQ uses public tax money and recovers the costs of regulatory work by charging fees to license and permit holders.

Environmental Solutions and Preservation

The Environmental Solutions and Preservation (ESP) team offers technical and educational assistance to communities, industries, schools, and groups to develop management practices for recycling and disposal of solid waste. The Watershed Group works alongside citizens and groups developing educational and best management practices for maintaining and improving watersheds. ESP also serves the Regional Solid Waste Management Districts (RSWMDs) in Arkansas by providing support through the Tire Grants Program and the Recycling and E-Waste Recycling Distribution Programs.

Information Technology Services

Information Technology Services (ITS) is responsible for designing, developing, and maintaining ADEQ's information technology infrastructure. ITS encompasses a wide array of duties such as designing and maintaining ADEQ's computer network, developing mission critical software, and providing desktop user assistance to ADEQ's approximately 400 staff members.

ITS will continue utilizing the Performance Partnership Trust fund (2UQ) balance to complete the .NET application upgrade and development of the integrated information system, which plays an integral part in consolidating data from multiple environmental areas by facility or incident.

EPA designed the National Environmental Information Exchange Network to facilitate the electronic transmission of environmental data between entities. ADEQ is working with EPA and other states to develop and implement data exchange templates across all of our delegated programs to eliminate duplicate data entry into both state and federal systems as well as improve data quality. EPA is providing grant funds to ADEQ to accomplish some of this work.

The IT services team has furthered advancement in technology to drive reduced overall operating costs, provide increased transparency in work processes to both internal and external view, and adopt smart tools for increased accuracy in information captured and stored. Deployment of eportal and mobile applications that occurred during the previous biennium are expected to continue to expand utilization in all program offices. Capital outlay is requested to advance smart tools and enhanced functionality of existing applications.

ITS requests \$80,000.00 in capital outlay appropriation from trust funds for each fiscal year (not from General Revenue). The equipment purchased will allow for replacement of aging backup, network, and security systems.

ITS requests \$300,000.00 in capital outlay appropriation for FY18 in order to obtain new imaging software (not from General Revenue). It should be noted that this appropriation is accounted for in the FY17 budget. If this is appropriated for FY17, then this appropriation will not be needed for FY18. This imaging software is needed in order to make our electronic records system more effective and efficient.

Technical Services

Technical Services (TS) is responsible for testing Arkansas's environment and providing input on environmental projects involving air, water, soil, hazardous waste, solid waste, and biological samples. TS also certifies environmental labs for the state, analyzes fish and other biological samples, and provides analytical assistance for stream restoration and wastewater plant operation.

TS provides scientific advice ADEQ Offices concerning a myriad of projects related to federal environmental protection laws that could potentially affect the environment. TS offers technical services to citizens to effectively manage non-point source pollution as well. Because TS is funded largely through federal EPA grants (2TQ), program work plans are developed internally and approved in cooperation with EPA Region 6.

With EPA tightening National Ambient Air Quality Standards, ADEQ's air monitoring system-operated by TS-will need to continue to generate high quality air monitoring for ozone, particulate matter, sulfur dioxide, nitrogen oxides, and carbon monoxide. TS requests \$200,000.00 and \$210,000.00 for fiscal years 2018 and 2019 respectively for capital outlay appropriation to replace aging air monitoring equipment used for collecting data for the ambient air network program (not from General Revenue). Equipment needs include monitoring trailers with installation costs, data loggers, speciation equipment, particulate monitoring equipment ovens and new air monitoring systems for a proposed program the EPA is asking to implement. Each additional monitoring location EPA requests will cost approximately \$72,000.00.

TS also requests \$390,000.00 for fiscal year 2018 and \$435,000.00 for fiscal year 2019 for capital outlay appropriation to replace aging laboratory equipment used for environmental testing (not from General Revenue). Equipment needs include two quadrupole gas chromatograph/mass spectrometer, a DI Water system, a gas chromatograph/ PID+FID, analytical balances, a mercury analyzer, a Solid Phase Extraction apparatus, an automated nutrients analyzer, a microwave digester, an ion chromatograph, a muffle furnace, a hot block digester, and a laboratory steam scrubber.

Office of the Director

The Office of the Director provides management leadership throughout ADEQ to advance scientifically sound and efficient environmental programs and outcomes. The Office of the Director has prioritized and streamlined accountable ADEQ management and policy leadership. It supports multi-agency collaboratives formed in energy and resource management. The Office of the Director has spearheaded the realignment of leadership and reorganization within ADEQ to enhance accountability, while operating within existing budget constraints and the reallocation of resources.

SHARED RESOURCES

This area reflects ADEQ's overhead costs-such as utilities, phone services, vehicle maintenance, field office leases, and other costs that are necessary for all the programs to operate. These costs are shared by funding sources allocated through General Revenue distribution, trust funds, federal programs, and special revenue generating programs. General Revenues, special revenues, and federal funding have historically

supported department overhead costs.

Pollution Control and Ecology Commission Hearing Officer

This office was created by Act 921 of 1993, which authorized the Pollution Control and Ecology Commission to hire a full-time, independent administrative hearing officer. The Hearing Officer conducts adjudicatory proceedings initiated by an applicant, violator, or third party on permitting, enforcement, and other decisions rendered by ADEQ. The Hearing Officer manages the Commission's office and its staff, and serves as legal counsel (along with the Attorney General's office) to the Commission. The Act also transferred the Commission Secretary from the Agency to this office. Act 1077 of 1993 provided that appropriations for this office are payable from the ADEQ Trust Fee Fund (344), and designates ADEQ as the disbursing officer for funds appropriated by this Act.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	164	130	294	88 %
Black Employees	8	26	34	10 %
Other Racial Minorities	7	0	7	2 %
Total Minorities			41	12 %
Total Employees			335	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2TP ADEQ - State Operations	4,633,486	71	5,071,986	73	5,124,666	75	5,161,883	74	5,161,883	74	5,032,321	71	5,168,666	74	5,168,666	74	5,039,104	71
2TQ ADEQ - Federal Operations	5,947,180	86	9,273,035	90	9,822,035	91	9,187,309	93	9,457,309	93	9,425,060	92	9,189,895	93	9,469,895	93	9,437,646	92
2TR Waste Water Licensing	76,259	1	152,130	1	163,597	1	152,215	1	152,215	1	152,215	1	152,215	1	152,215	1	152,215	1
2TS Land Reclamation	0	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0
2TT Hazardous Waste Permit Program	1,132,627	17	1,498,067	19	1,486,306	19	1,535,793	20	1,555,793	20	1,555,793	20	1,536,133	20	1,556,133	20	1,556,133	20
2TU Reclamation of Abandoned Mines - State	1,491,456	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0
2TV Surface Coal Mining	0	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0
2TW Mining Reclamation	211	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0
2TX Fee Administration	11,472,565	169	13,805,036	175	14,047,551	178	13,187,462	170	13,570,221	173	13,261,428	165	13,192,136	170	13,574,895	173	13,266,102	165
2TY Solid Waste Performance Bonds	1,137,490	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
2TZ Hazardous Waste Cleanup	561,832	6	8,170,680	6	8,136,024	6	7,656,756	6	7,736,756	6	7,736,756	6	7,656,756	6	7,736,756	6	7,736,756	6
2UA Emergency Response Program	0	0	372,655	0	372,655	0	372,655	0	372,655	0	372,655	0	372,655	0	372,655	0	372,655	0
2UB Asbestos Control Program	440,906	6	490,019	6	491,449	6	490,531	6	490,531	6	490,531	6	490,531	6	390,531	6	390,531	6
2UC Solid Waste Mgmt/Recycling Prog	7,486,652	19	8,484,848	19	8,526,653	19	8,209,283	16	8,234,283	16	8,234,283	16	8,210,219	16	8,235,219	16	8,235,219	16
2UD Reg. Substance Storage Tank	770,760	16	944,053	17	957,691	17	946,459	17	946,459	17	924,632	16	946,707	17	946,707	17	924,880	16
2UE Petroleum Storage Tank Trust	6,280,308	5	21,847,070	5	21,817,788	5	21,848,300	5	21,848,300	5	21,848,300	5	21,849,161	5	21,849,161	5	21,849,161	5
2UF Regulated Storage Tank Program	40,695	0	3,925,000	0	3,925,000	0	3,925,000	0	3,925,000	0	3,925,000	0	3,925,000	0	3,925,000	0	3,925,000	0
2UG Landfill Post Closure Program	2,739,063	4	17,789,782	4	17,791,306	4	17,791,073	4	17,791,073	4	17,791,073	4	17,791,320	4	17,791,320	4	17,791,320	4
2UH Waste Tire Recycling Program	5,313,513	0	6,425,000	0	6,425,000	0	6,425,000	0	6,425,000	0	6,425,000	0	6,425,000	0	6,425,000	0	6,425,000	0
2UJ St Mktg Brd for Recyclables Prog	12,968	0	28,876	0	28,876	0	28,876	0	28,876	0	28,876	0	28,876	0	28,876	0	28,876	0
2UK Environmental Education Program	163,672	1	273,497	1	272,976	1	273,772	1	273,772	1	273,772	1	273,772	1	273,772	1	273,772	1
2UN Small Business Loans	0	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0
2UP Sm Bus Revolving Loan Prog Exp	1,553	0	19,660	0	19,660	0	19,660	0	19,660	0	19,660	0	19,660	0	19,660	0	19,660	0
2UQ Performance Partnership Syst Exp	94,142	0	563,000	0	600,000	0	577,000	0	563,000	0	563,000	0	577,000	0	563,000	0	563,000	0
2UR Environmental Settlement Trust	258,188	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0
2US Computer/Electronic Recycling	127,233	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
344 PCE Comm Admn Hearing Officer	204,472	2	286,138	2	285,970	2	286,881	2	286,881	2	286,881	2	286,881	2	286,881	2	286,881	2
36A Fee Administration Non-Haz Clean Up	12,395	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
467 PCE Commission Expenses	3,937	0	3,936	0	4,477	0	3,936	0	3,936	0	3,936	0	3,936	0	3,936	0	3,936	0
F72 Performance Bond Fund	0	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
M98 Nonmunicipal Domestic Sewage Treatment	16,700	0	2,100,000	0	2,100,000	0	2,100,000	0	55,000	0	55,000	0	2,100,000	0	55,000	0	55,000	0
Total	50,420,263	402	114,859,468	416	115,734,680	422	113,514,844	413	112,233,603	416	111,741,172	403	113,531,519	413	112,160,278	416	111,667,847	403

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	92,539,811	64.0	94,190,108	57.8	48,160,242	41.1	48,160,242	41.7	48,160,242	41.8	30,830,807	30.8	30,383,891	31.0	30,714,511	31.3
General Revenue	4000010	4,256,115	2.9	4,256,114	2.6	4,637,861	4.0	4,637,861	4.0	4,508,299	3.9	4,762,602	4.8	4,762,602	4.9	4,633,040	4.7
Federal Revenue	4000020	7,479,542	5.2	20,418,035	12.5	20,332,309	17.3	20,602,309	17.8	20,570,060	17.8	20,334,895	20.3	20,614,895	21.1	20,582,646	21.0
Special Revenue	4000030	27,551,643	19.1	25,996,138	15.9	25,996,881	22.2	25,996,881	22.5	25,996,881	22.5	25,996,881	26.0	25,996,881	26.6	25,996,881	26.5
Non-Revenue Receipts	4000040	501,059	0.3	415,000	0.3	410,000	0.3	410,000	0.4	410,000	0.4	410,000	0.4	410,000	0.4	410,000	0.4
Trust Fund	4000050	3,239,382	2.2	5,322,655	3.3	5,322,655	4.5	3,257,655	2.8	3,257,655	2.8	5,322,655	5.3	3,257,655	3.3	3,257,655	3.3
Bond Forfeitures	4000120	1,137,490	0.8	3,950,000	2.4	3,950,000	3.4	3,950,000	3.4	3,950,000	3.4	3,950,000	3.9	3,950,000	4.0	3,950,000	4.0
Interest	4000300	38,109	0.0	50,660	0.0	50,660	0.0	50,660	0.0	50,660	0.0	50,660	0.1	50,660	0.1	50,660	0.1
Loan Repayment	4000330	0	0.0	550,000	0.3	550,000	0.5	550,000	0.5	550,000	0.5	550,000	0.5	550,000	0.6	550,000	0.6
M & R Sales	4000340	74,082	0.1	110,000	0.1	110,000	0.1	110,000	0.1	110,000	0.1	110,000	0.1	110,000	0.1	110,000	0.1
Other	4000370	7,793,138	5.4	7,761,000	4.8	7,776,000	6.6	7,776,000	6.7	7,776,000	6.7	7,776,000	7.8	7,776,000	7.9	7,776,000	7.9
Total Funds		144,610,371	100.0	163,019,710	100.0	117,296,608	100.0	115,501,608	100.0	115,339,797	100.0	100,094,500	100.0	97,862,584	100.0	98,031,393	100.0
Excess Appropriation/(Funding)		(94,190,108)		(48,160,242)		(3,781,764)		(3,268,005)		(3,598,625)		13,437,019		14,297,694		13,636,454	
Grand Total		50,420,263		114,859,468		113,514,844		112,233,603		111,741,172		113,531,519		112,160,278		111,667,847	

Budgeted exceeds Authorized in (2TZ) Hazardous Waste Cleanup, (2UE) Petroleum Storage Tank Trust, (2UK) Environmental, and (344) PCE Comm Admn Hearing Officer due to salary and matching rate adjustments during the 2015-2017 Biennium.

Variance in fund balance is due to unfunded appropriation in (2TZ) Hazardous Waste Cleanup, (2UE) Petroleum Storage Tank Trust, (2UG) Landfill Post Closure Program, (2UH) Waste Tire Recycling Program, (2UK) Environmental Education Program, (2UQ) Performance Partnership Syst Exp, and (2US) Computer/Electronic Recycling.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
423	368	55	423	0	13.00 %	422	337	86	423	-1	20.14 %	422	336	86	422	0	20.38 %

FY17 Budget amounts in Regular Salaries and Personal Services Matching may exceed the authorized amounts due to transfers from the Agency Growth Pool during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 2TP - ADEQ - State Operations

Funding Sources: HMA - ADEQ Fund

The Agency utilizes this appropriation for the general operations of various programs and for matching of federal grants. This appropriation is funded by general revenue, and other non-revenue receipt deposits along with contributions from other agencies.

ADEQ is charged with the duty to issue permits to prevent the discharge of wastes into waters of the state. In conjunction with drilling activities, the Agency issues permits for land application activities, reserve pits, and storage facilities associated with salt-water injection wells. The Agency also performs site inspections and responds to citizen complaints.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Agency Request is for Base Level of \$5,161,883 for FY18 and \$5,168,666 for FY19 with \$4,633,925 in FY18 and \$4,818,666 in FY19 in general revenue funding.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation, in addition to providing for the Agency Request, reflects the reduction of one (1) ADEQ Enforcement Coordinator (C120), one (1) ADEQ Inspector (C118), and one (1) Administrative Specialist II (C109) position based on the personnel evaluation and the reduction of General Revenue Funding of \$129,562 each year of the biennium.

Appropriation Summary

Appropriation: 2TP - ADEQ - State Operations

Funding Sources: HMA - ADEQ Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,170,863	3,498,962	3,537,581	3,552,679	3,552,679	3,459,659	3,557,835	3,557,835	3,464,815
#Positions		71	73	75	74	74	71	74	74	71
Extra Help	5010001	0	25,674	25,674	25,674	25,674	25,674	25,674	25,674	25,674
#Extra Help		0	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	1,072,268	1,157,952	1,172,013	1,194,132	1,194,132	1,157,590	1,195,759	1,195,759	1,159,217
Operating Expenses	5020002	354,139	353,183	353,183	353,183	353,183	353,183	353,183	353,183	353,183
Conference & Travel Expenses	5050009	32,116	32,115	32,115	32,115	32,115	32,115	32,115	32,115	32,115
Professional Fees	5060010	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		4,633,486	5,071,986	5,124,666	5,161,883	5,161,883	5,032,321	5,168,666	5,168,666	5,039,104

Funding Sources										
Fund Balance	4000005	403,015	522,766		117,958	117,958	117,958	0	0	0
General Revenue	4000010	4,252,178	4,252,178		4,633,925	4,633,925	4,504,363	4,758,666	4,758,666	4,629,104
Non-Revenue Receipts	4000040	501,059	415,000		410,000	410,000	410,000	410,000	410,000	410,000
Total Funding		5,156,252	5,189,944		5,161,883	5,161,883	5,032,321	5,168,666	5,168,666	5,039,104
Excess Appropriation/(Funding)		(522,766)	(117,958)		0	0	0	0	0	0
Grand Total		4,633,486	5,071,986		5,161,883	5,161,883	5,032,321	5,168,666	5,168,666	5,039,104

Base Level positions exceeds Budget Number of Positions due to the transfer of Base Level position from (2TX) Fee Administration..

Change Level by Appropriation

Appropriation: 2TP - ADEQ - State Operations
Funding Sources: HMA - ADEQ Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,161,883	74	5,161,883	100.0	5,168,666	74	5,168,666	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	5,161,883	74	5,161,883	100.0	5,168,666	74	5,168,666	100.0
C13	Not Recommended	(36,542)	0	5,125,341	99.3	(36,542)	0	5,132,124	99.3
C19	Executive Changes	(93,020)	(3)	5,032,321	97.5	(93,020)	(3)	5,039,104	97.5

Justification

C19	The Executive Recommendation reflects the reduction of one (1) ADEQ Enforcement Coordinator C120, (1) ADEQ Inspector C118, and (1) Administrative Specialist II C109 position based on the personnel evaluation.
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Analysis of Budget Request

Appropriation: 2TQ - ADEQ - Federal Operations

Funding Sources: FYP - Federal Funds

ADEQ utilizes this appropriation for the federal portion of program activities. Federal funding is received from the Environmental Protection Agency (EPA) and the US Department of Interior. The Agency operates under the grants with varying amounts of state matching requirements.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$9,187,309 in FY18 and \$9,189,895 in FY19.

The Agency's Change Level requests totaling \$270,000 in FY18 and \$280,000 in FY19 reflect the following:

- Reallocation of \$20,000 Conference & Travel Expenses and \$79,000 Professional Fees to Grants and Aid and Operating Expenses to align with Agency needs.
- Capital Outlay increase of \$270,000 in FY18 and \$280,000 in FY19 to replace equipment and vehicles.

The Executive Recommendation provides for the Agency Request for Capital Outlay to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects the reduction of one (1) Chemist (C117) position based on the personnel evaluation.

Appropriation Summary

Appropriation: 2TQ - ADEQ - Federal Operations

Funding Sources: FYP - Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,566,364	3,900,933	4,321,805	4,091,654	4,091,654	4,059,405	4,093,754	4,093,754	4,061,505
#Positions		86	90	91	93	93	92	93	93	92
Extra Help	5010001	6,953	148,585	148,585	148,585	148,585	148,585	148,585	148,585	148,585
#Extra Help		3	62	62	62	62	62	62	62	62
Personal Services Matching	5010003	1,264,216	1,340,680	1,468,808	1,420,483	1,420,483	1,420,483	1,420,969	1,420,969	1,420,969
Operating Expenses	5020002	779,036	1,740,060	1,740,060	1,740,060	1,789,060	1,789,060	1,740,060	1,789,060	1,789,060
Conference & Travel Expenses	5050009	36,654	231,126	231,126	231,126	211,126	211,126	231,126	211,126	211,126
Professional Fees	5060010	75,307	755,401	755,401	755,401	676,401	676,401	755,401	676,401	676,401
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	136,269	400,000	400,000	400,000	450,000	450,000	400,000	450,000	450,000
Capital Outlay	5120011	82,381	756,250	756,250	400,000	670,000	670,000	400,000	680,000	680,000
Total		5,947,180	9,273,035	9,822,035	9,187,309	9,457,309	9,425,060	9,189,895	9,469,895	9,437,646

Funding Sources										
Federal Revenue	4000020	5,947,180	9,273,035		9,187,309	9,457,309	9,425,060	9,189,895	9,469,895	9,437,646
Total Funding		5,947,180	9,273,035		9,187,309	9,457,309	9,425,060	9,189,895	9,469,895	9,437,646
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		5,947,180	9,273,035		9,187,309	9,457,309	9,425,060	9,189,895	9,469,895	9,437,646

Base Level positions exceeds Budget Number of Positions due to the transfer of Base Level positions from (2TX) Fee Administration.

Change Level by Appropriation

Appropriation: 2TQ - ADEQ - Federal Operations
Funding Sources: FYP - Federal Funds

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	9,187,309	93	9,187,309	100.0	9,189,895	93	9,189,895	100.0
C01	Existing Program	270,000	0	9,457,309	102.9	280,000	0	9,469,895	103.0
C04	Reallocation	0	0	9,457,309	102.9	0	0	9,469,895	103.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	9,187,309	93	9,187,309	100.0	9,189,895	93	9,189,895	100.0
C01	Existing Program	270,000	0	9,457,309	102.9	280,000	0	9,469,895	103.0
C04	Reallocation	0	0	9,457,309	102.9	0	0	9,469,895	103.0
C19	Executive Changes	(32,249)	(1)	9,425,060	102.6	(32,249)	(1)	9,437,646	102.7

Justification

C01	The Office of Air Quality requests \$450,000 and \$450,000 for the fiscal years ending June 30, 2018 and June 30, 2019, respectively for Assistance Grants and Aid appropriation to fulfill the Division's obligations and responsibilities for the DERA Grant program. The Office of Air Quality is also requesting \$25,000 Capital Outlay appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department's inspectors to conduct facility inspections and investigate complaints statewide. The Office of Water Quality requests \$20,000 in Capital Outlay appropriation each fiscal year to replace equipment as it becomes inoperable, i.e., samplers, multiprobe monitoring devices, incubators, sterilizers, etc. We have a variety of aging equipment and we repair it as best we can before it is replaced. However, we need appropriation available in the event the equipment can no longer be repaired. The Office of Land Resources requests \$25,000 Capital Appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department's inspectors to conduct facility inspections and investigate complaints statewide. The Technical Services Division is requesting 200,000 and \$210,000 for fiscal years ending June 30, 2018 and 2019 respectively for Capital Outlay appropriation to replace aging air monitoring equipment used for collecting data for the ambient air network program. FY18 equipment includes monitoring trailers with installation costs, data loggers, speciation equipment, particulate monitoring equipment, ovens, and new air monitoring systems for a proposed program the EPA is asking us to implement. FY19 equipment needs will include monitoring trailers with installation costs, data loggers, speciation equipment, particulate monitoring equipment, ovens, and new air monitoring systems for a proposed program the EPA is asking us to implement. Each location EPA requests will add approximately \$72,000.
C04	The Office of Air Quality requests to reallocate \$29,000 from Character 10 Professional and Administrative Fees and \$20,000 from Character 09 Travel to Character 2 Contractual Services for each fiscal year. The Office of Air Quality also requests to reallocate \$50,000 from Character 10 Professional and Administrative Fees to Character 4 Assistance Grants and Aid for each fiscal year. Each of these requests are made to allow the Division to better meet their Federal Grant Program obligations.
C19	The Executive Recommendation reflects the reduction of one (1) Chemist C117 position based on the personnel evaluation.

Analysis of Budget Request

Appropriation: 2TR - Waste Water Licensing

Funding Sources: MWW - Waste Water Licensing Fund

This appropriation is utilized to operate the Waste Water Licensing Program. Pursuant to A.C.A. §8-5-209, funding is derived from licensing fees collected from wastewater treatment plant operations.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Agency Request is for Base Level of \$152,215 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TR - Waste Water Licensing

Funding Sources: MWW - Waste Water Licensing Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	50,778	52,316	61,547	52,137	52,137	52,137	52,137	52,137	52,137
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	17,998	18,093	20,329	18,357	18,357	18,357	18,357	18,357	18,357
Operating Expenses	5020002	7,018	26,632	26,632	26,632	26,632	26,632	26,632	26,632	26,632
Conference & Travel Expenses	5050009	465	5,089	5,089	5,089	5,089	5,089	5,089	5,089	5,089
Professional Fees	5060010	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		76,259	152,130	163,597	152,215	152,215	152,215	152,215	152,215	152,215
Funding Sources										
Fund Balance	4000005	442,136	477,300		425,170	425,170	425,170	372,955	372,955	372,955
Special Revenue	4000030	111,423	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding		553,559	577,300		525,170	525,170	525,170	472,955	472,955	472,955
Excess Appropriation/(Funding)		(477,300)	(425,170)		(372,955)	(372,955)	(372,955)	(320,740)	(320,740)	(320,740)
Grand Total		76,259	152,130		152,215	152,215	152,215	152,215	152,215	152,215

Analysis of Budget Request

Appropriation: 2TS - Land Reclamation

Funding Sources: TLR - Land Reclamation Fund

The Agency utilizes this appropriation for Reclamation Projects, which would be funded by bond forfeitures on non-coal activities, such as sand and gravel (A.C.A. §15-57-319). Bonds are required on land to be mined in the event the land is not reclaimed to the specifications of the Department of Environmental Quality.

Agency Request is for Base Level of \$950,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TS - Land Reclamation

Funding Sources: TLR - Land Reclamation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Reclamation Contracts 5900043	0	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Total	0	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Funding Sources									
Bond Forfeitures 4000120	0	950,000		950,000	950,000	950,000	950,000	950,000	950,000
Total Funding	0	950,000		950,000	950,000	950,000	950,000	950,000	950,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	950,000		950,000	950,000	950,000	950,000	950,000	950,000

Analysis of Budget Request

Appropriation: 2TT - Hazardous Waste Permit Program

Funding Sources: SHW - Hazardous Waste Permit Fund

This appropriation is used to operate the Hazardous Waste Permit Program. Fees were established to recover the costs of processing permit applications and permit renewal proceedings; on-site inspections and monitoring; the certification of personnel to operate hazardous waste treatment, storage, or disposal facilities; and other departmental activities to assure that generators of hazardous waste and facilities are complying with current law (A.C.A. §19-6-434).

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$1,535,793 in FY18 and \$1,536,133 in FY19.

The Agency's Change level request of \$20,000 each year reflects the following:

- Increase of \$25,000 in Capital Outlay for replacement vehicles.
- Reduction totaling (\$20,000) in Operating Expenses (\$15,000) and Professional Fees (\$5,000) to offset increases in Capital Outlay request.
- Technology increase of \$15,000 for smart board purchase. This request is located in the Agency's IT Plan.

In addition to the Agency's Change level request, the Executive Recommendation provides for the Agency Request for Capital Outlay to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Appropriation Summary

Appropriation: 2TT - Hazardous Waste Permit Program

Funding Sources: SHW - Hazardous Waste Permit Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	774,281	872,030	867,200	911,089	911,089	911,089	911,339	911,339	911,339
#Positions		17	19	19	20	20	20	20	20	20
Extra Help	5010001	0	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	257,733	290,988	284,057	309,655	309,655	309,655	309,745	309,745	309,745
Overtime	5010006	0	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Operating Expenses	5020002	91,171	197,304	197,304	197,304	182,304	182,304	197,304	197,304	197,304
Conference & Travel Expenses	5050009	7,967	47,700	47,700	47,700	47,700	47,700	47,700	47,700	47,700
Professional Fees	5060010	1,475	53,000	53,000	53,000	48,000	48,000	53,000	48,000	48,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	20,000	20,000	0	40,000	40,000	0	25,000	25,000
Total		1,132,627	1,498,067	1,486,306	1,535,793	1,555,793	1,555,793	1,536,133	1,556,133	1,556,133
Funding Sources										
Fund Balance	4000005	4,240,979	4,567,056		4,443,989	4,443,989	4,443,989	4,283,196	4,263,196	4,263,196
Special Revenue	4000030	1,272,002	1,200,000		1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Other	4000370	186,702	175,000		175,000	175,000	175,000	175,000	175,000	175,000
Total Funding		5,699,683	5,942,056		5,818,989	5,818,989	5,818,989	5,658,196	5,638,196	5,638,196
Excess Appropriation/(Funding)		(4,567,056)	(4,443,989)		(4,283,196)	(4,263,196)	(4,263,196)	(4,122,063)	(4,082,063)	(4,082,063)
Grand Total		1,132,627	1,498,067		1,535,793	1,555,793	1,555,793	1,536,133	1,556,133	1,556,133

Base Level positions exceeds Budget Number of Positions due to the transfer of Base Level position from (2TX) Fee Administration.

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 2TT - Hazardous Waste Permit Program
Funding Sources: SHW - Hazardous Waste Permit Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,535,793	20	1,535,793	100.0	1,536,133	20	1,536,133	100.0
C01	Existing Program	25,000	0	1,560,793	101.6	25,000	0	1,561,133	101.6
C04	Reallocation	(20,000)	0	1,540,793	100.3	(5,000)	0	1,556,133	101.3
C08	Technology	15,000	0	1,555,793	101.3	0	0	1,556,133	101.3

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,535,793	20	1,535,793	100.0	1,536,133	20	1,536,133	100.0
C01	Existing Program	25,000	0	1,560,793	101.6	25,000	0	1,561,133	101.6
C04	Reallocation	(20,000)	0	1,540,793	100.3	(5,000)	0	1,556,133	101.3
C08	Technology	15,000	0	1,555,793	101.3	0	0	1,556,133	101.3

Justification

C01	The Office of Land Resources request \$25,000 Capital Appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department's inspectors to conduct facility inspections and investigate complaints statewide.
C04	The Office of Land Resources request to reallocated \$5,000 from Character 10 Professional and Administrative Fees to Character 11 Capital Outlay to help pay for the replacement vehicles for each fiscal year. The Office of Land Resources request to reallocated \$15,000 from Character 02 Electricity to Character 11 Capital Outlay in FY18 only.
C08	The Office of Land Resources request \$15,000 Capital Appropriation for FY18 to purchase a Smart Board. Using a smart board in meetings helps facilitate collaborative activities such as mapping, analysis and brainstorming. The smart board will greatly assist the Office of Land Resources in planning environmental projects and setting action goals. The smart board will also be extremely instrumental agency-wide in LEAN process; value stream mapping. The smart board will enhance ADEQ's efficiency and effectiveness in administering the environmental program for the State of Arkansas.

Analysis of Budget Request

Appropriation: 2TU - Reclamation of Abandoned Mines - State

Funding Sources: MAE - Abandoned Mine Reclamation Fund

The Agency utilizes this appropriation for bond forfeitures on coal or lignite mined lands. When mine land in Arkansas is cut for coal or lignite, a bond must be put up in the amount agreed upon by the Agency for reclamation of the area. In the event reclamation efforts fail, the bond is forfeited and the Agency is responsible for contracting for the reclamation work. The Mining Reclamation Fund may only be used to accomplish reclamation of land covered by forfeitures of performance bonds.

Agency Request is for Base Level of \$5,700,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TU - Reclamation of Abandoned Mines - State

Funding Sources: MAE - Abandoned Mine Reclamation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Abandoned Mine Reclamation Cc 5900043	1,491,456	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Total	1,491,456	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Funding Sources									
Federal Revenue 4000020	1,491,456	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Total Funding	1,491,456	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,491,456	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000

Analysis of Budget Request

Appropriation: 2TV - Surface Coal Mining

Funding Sources: MAF - Surface Coal Mining Operation Fund

The Agency utilizes this appropriation to administer and enforce the Arkansas Surface Coal Mining Reclamation Code. Pursuant to A.C.A. § 15-58-508, permit fees collected from coal and lignite-mining operations fund the appropriation.

Agency Request is for Base Level of \$15,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TV - Surface Coal Mining

Funding Sources: MAF - Surface Coal Mining Operation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Funding Sources										
Fund Balance	4000005	109,772	110,772		96,772	96,772	96,772	82,772	82,772	82,772
Other	4000370	1,000	1,000		1,000	1,000	1,000	1,000	1,000	1,000
Total Funding		110,772	111,772		97,772	97,772	97,772	83,772	83,772	83,772
Excess Appropriation/(Funding)		(110,772)	(96,772)		(82,772)	(82,772)	(82,772)	(68,772)	(68,772)	(68,772)
Grand Total		0	15,000		15,000	15,000	15,000	15,000	15,000	15,000

Analysis of Budget Request

Appropriation: 2TW - Mining Reclamation

Funding Sources: TMA - Mine Reclamation Trust Fund

The Agency utilizes this appropriation for bond forfeitures on coal or lignite mined lands. When mine land in Arkansas is cut for coal or lignite, a bond must be put up in the amount agreed upon by the Agency for reclamation of the area. In the event reclamation efforts fail, the bond is forfeited and the Agency is responsible for contracting for the reclamation work. The Mining Reclamation Fund may only be used to accomplish reclamation of land covered by forfeitures of performance bonds.

Agency Request is for Base Level of \$1,520,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TW - Mining Reclamation

Funding Sources: TMA - Mine Reclamation Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Mining Reclamation Contractual 5900043	211	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Total	211	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Funding Sources									
Federal Revenue 4000020	211	1,520,000		1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Total Funding	211	1,520,000		1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	211	1,520,000		1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000

Analysis of Budget Request

Appropriation: 2TX - Fee Administration

Funding Sources: TPE - ADEQ Fee Trust Fund

Act 817 of 1983 (A.C.A. §8-1-103), as amended, authorized the Agency to establish and collect permit fees for Air, Water, and Solid Waste permitting, monitoring and inspecting activities. During the 79th General Assembly, various limits on permits were included, with the Agency revising the rate structures. The fees, as established by the Agency in accordance with stipulations set out in the Act, were increased effective in October of 1993. Further, the Federal Clean Air Act has required a permit fee system to cover the costs of compliance with this law.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$13,187,462 in FY18 and \$13,192,136 in FY19.

The Agency's Change Level requests totaling \$382,759 each year reflect the following:

- Reallocation of \$25,000 in FY18 from Professional and Administrative Fees to Capital Outlay in order to purchase a large scanner. This request is located in the Agency's IT Plan.
- Capital Outlay increase of \$20,000 each year to purchase equipment.
- Regular Salaries and Personal Services Matching of \$362,759 each year for the restoration of three (3) ADEQ Deputy Director (N908) positions from Growth Pool.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation in addition to providing for the Agency Request reflects the reduction of four (4) Administrative Specialist II (C109), one (1) Grants Analyst (C117), one (1) ADEQ Enforcement Coordinator (C120), one (1) ADEQ Enforcement Analyst (C119), and one (1) Administrative Specialist III (C109).

Appropriation Summary

Appropriation: 2TX - Fee Administration
Funding Sources: TPE - ADEQ Fee Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,672,695	7,548,039	7,725,901	7,139,707	7,422,271	7,204,053	7,143,507	7,426,071	7,207,853
#Positions		169	175	178	170	173	165	170	173	165
Extra Help	5010001	0	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
#Extra Help		0	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	2,374,001	2,582,919	2,647,572	2,503,677	2,583,872	2,493,297	2,504,551	2,584,746	2,494,171
Operating Expenses	5020002	807,471	1,307,170	1,307,170	1,307,170	1,307,170	1,307,170	1,307,170	1,307,170	1,307,170
Conference & Travel Expenses	5050009	35,371	152,389	152,389	152,389	152,389	152,389	152,389	152,389	152,389
Professional Fees	5060010	419,046	989,519	989,519	989,519	964,519	964,519	989,519	989,519	989,519
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,163,981	1,180,000	1,180,000	1,050,000	1,095,000	1,095,000	1,050,000	1,070,000	1,070,000
Total		11,472,565	13,805,036	14,047,551	13,187,462	13,570,221	13,261,428	13,192,136	13,574,895	13,266,102

Funding Sources										
Fund Balance	4000005	15,223,027	15,535,928		13,410,892	13,410,892	13,410,892	11,903,430	11,520,671	11,829,464
Special Revenue	4000030	11,785,466	11,680,000		11,680,000	11,680,000	11,680,000	11,680,000	11,680,000	11,680,000
Total Funding		27,008,493	27,215,928		25,090,892	25,090,892	25,090,892	23,583,430	23,200,671	23,509,464
Excess Appropriation/(Funding)		(15,535,928)	(13,410,892)		(11,903,430)	(11,520,671)	(11,829,464)	(10,391,294)	(9,625,776)	(10,243,362)
Grand Total		11,472,565	13,805,036		13,187,462	13,570,221	13,261,428	13,192,136	13,574,895	13,266,102

Budget positions exceeds Base Level number due to the transfer of Budget positions to (2TP) ADEQ- State Operations, (2TQ) ADEQ- Federal Operations, and (2TT) Hazardous Waste Permit Program.

Change Level by Appropriation

Appropriation: 2TX - Fee Administration
Funding Sources: TPE - ADEQ Fee Trust Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	13,187,462	170	13,187,462	100.0	13,192,136	170	13,192,136	100.0
C01	Existing Program	20,000	0	13,207,462	100.2	20,000	0	13,212,136	100.2
C04	Reallocation	(25,000)	0	13,182,462	100.0	0	0	13,212,136	100.2
C06	Restore Position/Approp	362,759	3	13,545,221	102.7	362,759	3	13,574,895	102.9
C08	Technology	25,000	0	13,570,221	102.9	0	0	13,574,895	102.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	13,187,462	170	13,187,462	100.0	13,192,136	170	13,192,136	100.0
C01	Existing Program	20,000	0	13,207,462	100.2	20,000	0	13,212,136	100.2
C04	Reallocation	(25,000)	0	13,182,462	100.0	0	0	13,212,136	100.2
C06	Restore Position/Approp	362,759	3	13,545,221	102.7	362,759	3	13,574,895	102.9
C08	Technology	25,000	0	13,570,221	102.9	0	0	13,574,895	102.9
C13	Not Recommended	(90,575)	0	13,479,646	102.2	(90,575)	0	13,484,320	102.2
C19	Executive Changes	(218,218)	(8)	13,261,428	100.6	(218,218)	(8)	13,266,102	100.6

Justification

C01	The Office of Water Quality request \$20,000 Capital Appropriation each fiscal year is requesting \$20,000 in Capital Outlay ADEQ Permit Fees (2TX) appropriation each year to replace equipment as it becomes inoperable, i.e., samplers, multi-probe monitoring devices, incubators, sterilizers, etc. We have a variety of aging equipment and we repair it as much as possible before it is replaced.
C04	The Efficiency Office request to reallocate from Character 10 Professional and Administrative Fees to Character 11 Capital Outlay \$25,000 to purchase a large scanner for FY 18 only.
C06	Restoration of three (3) ADEQ Deputy Director (N908) positions from Growth Pool.
C08	The Efficiency Office request Capital Appropriation for \$25,000 to purchase a large scanner for FY 18 only. The records keeping section of the Law and Policy support office needs a new large format scanner. The current large format scanner has two major issues. First, the large format scanner is not compatible with ADEQ's current records management software. Second, the large format scanner is out of warranty because it is over a decade old. Thus, if the scanner malfunctions, then ADEQ will have to pay for all repair costs.
C19	Elimination of four (4) Administrative Specialist II (C109), one (1) Grants Analyst (C117), one (1) ADEQ Enforcement Coordinator (C120), one (1) ADEQ Enforcement Analyst (C119), and one (1) Administrative Specialist III (C109).

Analysis of Budget Request

Appropriation: 2TY - Solid Waste Performance Bonds

Funding Sources: MWP - Solid Waste Performance Bond Fund

The Agency utilizes this appropriation for payment to contractors for the proper closure of solid waste facilities. If a city, county, or individual in Arkansas were to open a landfill, a performance bond would be put up to insure proper closure of the site once it is complete; however, if the site does not meet requirements of the Pollution Control and Ecology Commission the bond is forfeited and the Agency contracts the remediation work.

Agency Request is for Base Level of \$3,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TY - Solid Waste Performance Bonds

Funding Sources: MWP - Solid Waste Performance Bond Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Solid Waste Performance Bonds 5900043	1,137,490	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total	1,137,490	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Funding Sources									
Bond Forfeitures 4000120	1,137,490	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total Funding	1,137,490	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,137,490	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Analysis of Budget Request

Appropriation: 2TZ - Hazardous Waste Cleanup

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

The Hazardous Substance Remedial Action Trust Fund was established by Act 479 of 1985 (A.C.A. §8-7-509). Funding is derived from fees, donations, damages, and any other monies legally designated for the fund. The Agency utilizes this appropriation for administrative costs and expenses of providing for inspection, identification, containment, abatement, treatment, and control of hazardous substance sites. In addition, ten percent (10%) of the monies collected for the Hazardous Substance Remedial Action Trust Fund are deposited into the Environmental Education Fund up to \$275,000 per fiscal year. This appropriation contains \$4,000,000 of unfunded contingency appropriation that is utilized when necessary and funded for corrective actions.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$7,656,756 each year of the biennium.

The Agency's Change Level reflects Capital Outlay of \$80,000 each year to replace aging servers and the backup and archival system. This request is located in the Agency's IT Plan.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2TZ - Hazardous Waste Cleanup

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	219,337	235,817	209,256	235,643	235,643	235,643	235,643	235,643	235,643
#Positions		6	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	76,815	80,775	72,680	82,025	82,025	82,025	82,025	82,025	82,025
Operating Expenses	5020002	26,316	405,191	405,191	405,191	405,191	405,191	405,191	405,191	405,191
Conference & Travel Expenses	5050009	626	35,960	35,960	35,960	35,960	35,960	35,960	35,960	35,960
Professional Fees	5060010	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	515,000	515,000	0	80,000	80,000	0	80,000	80,000
Contractual Services	5900043	201,843	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000
Data Processing Purchases	5900044	36,895	453,937	453,937	453,937	453,937	453,937	453,937	453,937	453,937
Total		561,832	8,170,680	8,136,024	7,656,756	7,736,756	7,736,756	7,656,756	7,736,756	7,736,756

Funding Sources										
Fund Balance	4000005	5,694,313	8,065,423		1,394,743	1,394,743	1,394,743	0	0	0
Trust Fund	4000050	2,932,942	1,500,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Total Funding		8,627,255	9,565,423		2,894,743	2,894,743	2,894,743	1,500,000	1,500,000	1,500,000
Excess Appropriation/(Funding)		(8,065,423)	(1,394,743)		4,762,013	4,842,013	4,842,013	6,156,756	6,236,756	6,236,756
Grand Total		561,832	8,170,680		7,656,756	7,736,756	7,736,756	7,656,756	7,736,756	7,736,756

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium. Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 2TZ - Hazardous Waste Cleanup
Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	7,656,756	6	7,656,756	100.0	7,656,756	6	7,656,756	100.0
C08	Technology	80,000	0	7,736,756	101.0	80,000	0	7,736,756	101.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	7,656,756	6	7,656,756	100.0	7,656,756	6	7,656,756	100.0
C08	Technology	80,000	0	7,736,756	101.0	80,000	0	7,736,756	101.0

Justification

C08	The Computer Services Division is requesting capital outlay appropriation from (2TZ) trust funds in the amount of \$80,000 for each fiscal year. The equipment purchased will allow for replacement of aging servers and the backup and archival system.
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Analysis of Budget Request

Appropriation: 2UA - Emergency Response Program

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

This appropriation was created by Act 452 of 1985 (A.C.A. §8-7-401) in order to give spending authorization to the Emergency Response Program. Act 1824 of 2005 repealed A.C.A. §8-7-401 and provided for funds collected as civil penalties to be deposited in the Hazardous Substance Remedial Action Trust Fund (A.C.A. §8-4-103), and provided for the Emergency Response Program to be funded from the Hazardous Substance Remedial Action Trust. Funds are used for the purchase/reimbursement of any commodities and/or services necessary in taking emergency response actions in connection with a release or a threatened release of hazardous substances. Further, the Director is not authorized to spend in excess of \$250,000 on any single response action without the Pollution Control & Ecology Commission approval.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Agency Request is for Base Level of \$372,655 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UA - Emergency Response Program

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Contractual Services 5900043	0	372,655	372,655	372,655	372,655	372,655	372,655	372,655	372,655
Total	0	372,655	372,655	372,655	372,655	372,655	372,655	372,655	372,655
Funding Sources									
Trust Fund 4000050	0	372,655		372,655	372,655	372,655	372,655	372,655	372,655
Total Funding	0	372,655		372,655	372,655	372,655	372,655	372,655	372,655
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	372,655		372,655	372,655	372,655	372,655	372,655	372,655

Analysis of Budget Request

Appropriation: 2UB - Asbestos Control Program

Funding Sources: SAC - Asbestos Control Fund

The Asbestos Control Program utilizes this appropriation to provide spending authority for responsibilities placed on the Agency through Act 394 of 1985 (A.C.A. §20-27-1001). This Act called for the Agency to adopt, administer, and enforce a program for licensing contractors engaged in the removal of asbestos materials from facilities. Pursuant to A.C.A. §19-6-452, funding is derived from an annual contractor's license fee of \$500 and a fee of \$35 for asbestos removal workers to cover program costs.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$490,531 FY18 and \$390,531 FY19.

The Agency's Change level request is for a decrease of (\$100,000) in FY19 Grants and Aid to align with agency needs.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UB - Asbestos Control Program

Funding Sources: SAC - Asbestos Control Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	211,464	223,442	224,192	222,894	222,894	222,894	222,894	222,894	222,894
#Positions		6	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	77,375	80,935	81,615	81,995	81,995	81,995	81,995	81,995	81,995
Operating Expenses	5020002	1,569	29,452	29,452	29,452	29,452	29,452	29,452	29,452	29,452
Conference & Travel Expenses	5050009	498	4,090	4,090	4,090	4,090	4,090	4,090	4,090	4,090
Professional Fees	5060010	0	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	150,000	150,000	150,000	150,000	150,000	150,000	150,000	50,000	50,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		440,906	490,019	491,449	490,531	490,531	490,531	490,531	390,531	390,531
Funding Sources										
Fund Balance	4000005	1,701,405	1,553,547		1,363,528	1,363,528	1,363,528	1,172,997	1,172,997	1,172,997
Special Revenue	4000030	293,048	300,000		300,000	300,000	300,000	300,000	300,000	300,000
Total Funding		1,994,453	1,853,547		1,663,528	1,663,528	1,663,528	1,472,997	1,472,997	1,472,997
Excess Appropriation/(Funding)		(1,553,547)	(1,363,528)		(1,172,997)	(1,172,997)	(1,172,997)	(982,466)	(1,082,466)	(1,082,466)
Grand Total		440,906	490,019		490,531	490,531	490,531	490,531	390,531	390,531

Change Level by Appropriation

Appropriation: 2UB - Asbestos Control Program
Funding Sources: SAC - Asbestos Control Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	490,531	6	490,531	100.0	490,531	6	490,531	100.0
C03	Discontinue Program	0	0	490,531	100.0	(100,000)	0	390,531	79.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	490,531	6	490,531	100.0	490,531	6	490,531	100.0
C03	Discontinue Program	0	0	490,531	100.0	(100,000)	0	390,531	79.6

Justification

C03	The Office Air Quality's Asbestos Program only needs \$50,000 in Character 04 Grants and Aid in FY19.
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Analysis of Budget Request

Appropriation: 2UC - Solid Waste Mgmt/Recycling Prog

Funding Sources: TWS - Solid Waste Management Recycling Fund

Act 849 of 1989 (A.C.A. §8-6-605) established a Solid Waste Management and Recycling Fund to assist counties, cities, and solid waste authorities in the development of solid waste management plans, programs, and facilities that integrate recycling as a functional part of the solid waste management system. During the 79th General Assembly, additional legislation was adopted strengthening the recycling aspect of solid waste management. Funding is derived from landfill disposal fees collected pursuant to legislative enactments.

This appropriation contains unfunded contingency appropriation for Electronic Waste Recycling Infrastructure. Pursuant to A.C.A. §8-6-614, funding is derived from landfill disposal fees.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$8,209,283 in FY18 and \$8,210,219 FY19.

The Agency's Change level request of \$25,000 in Capital Outlay is for the purchase of replacement vehicles.

The Executive Recommendation provides for the Agency Request for Capital Outlay to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Appropriation Summary

Appropriation: 2UC - Solid Waste Mgmt/Recycling Prog
Funding Sources: TWS - Solid Waste Management Recycling Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	910,195	876,039	904,831	680,874	680,874	680,874	681,631	681,631	681,631
#Positions	19	19	19	16	16	16	16	16	16
Personal Services Matching 5010003	302,324	291,612	304,625	236,212	236,212	236,212	236,391	236,391	236,391
Operating Expenses 5020002	2,606,465	126,529	126,529	126,529	126,529	126,529	126,529	126,529	126,529
Conference & Travel Expenses 5050009	4,654	15,668	15,668	15,668	15,668	15,668	15,668	15,668	15,668
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements 5110014	3,663,014	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000
Capital Outlay 5120011	0	25,000	25,000	0	25,000	25,000	0	25,000	25,000
Electronic Waste Recycling Infra. 5900046	0	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total	7,486,652	8,484,848	8,526,653	8,209,283	8,234,283	8,234,283	8,210,219	8,235,219	8,235,219
Funding Sources									
Fund Balance 4000005	17,039,902	17,163,429		13,678,581	13,678,581	13,678,581	10,469,298	10,444,298	10,444,298
Special Revenue 4000030	7,610,179	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Funding	24,650,081	22,163,429		18,678,581	18,678,581	18,678,581	15,469,298	15,444,298	15,444,298
Excess Appropriation/(Funding)	(17,163,429)	(13,678,581)		(10,469,298)	(10,444,298)	(10,444,298)	(7,259,079)	(7,209,079)	(7,209,079)
Grand Total	7,486,652	8,484,848		8,209,283	8,234,283	8,234,283	8,210,219	8,235,219	8,235,219

Budget positions exceeds Base Level number due to the transfer of Budget positions to (2TQ) ADEQ - Federal Operations.

Change Level by Appropriation

Appropriation: 2UC - Solid Waste Mgmt/Recycling Prog
Funding Sources: TWS - Solid Waste Management Recycling Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	8,209,283	16	8,209,283	100.0	8,210,219	16	8,210,219	100.0
C01	Existing Program	25,000	0	8,234,283	100.3	25,000	0	8,235,219	100.3

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	8,209,283	16	8,209,283	100.0	8,210,219	16	8,210,219	100.0
C01	Existing Program	25,000	0	8,234,283	100.3	25,000	0	8,235,219	100.3

Justification

C01	The Office of Land Resources request \$25,000 Capital Appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department's inspectors to conduct facility inspections and investigate complaints statewide.
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Analysis of Budget Request

Appropriation: 2UD - Reg. Substance Storage Tank

Funding Sources: SRS - Regulated Substance Storage Tank Program Fund

Acts 172 and 173 of 1989, as amended, designated the Department of Environmental Quality as the implementing agency for the Regulated Storage Tank Program. Pursuant to A.C.A. §8-7-808, this appropriation is funded by fees collected from the annual registration of underground and above ground storage tanks and from the licensure of installers of storage tanks.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency is requesting Base Level of \$946,459 in FY18 and \$946,707 in FY19.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation, in addition to providing for the Agency Request, reflects the reduction of one (1) Administrative Specialist II (C109) position based on the personnel evaluation.

Appropriation Summary

Appropriation: 2UD - Reg. Substance Storage Tank

Funding Sources: SRS - Regulated Substance Storage Tank Program Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	525,169	639,934	648,615	639,105	639,105	617,278	639,305	639,305	617,478
#Positions		16	17	17	17	17	16	17	17	16
Personal Services Matching	5010003	205,865	227,986	232,943	231,221	231,221	231,221	231,269	231,269	231,269
Operating Expenses	5020002	39,533	71,128	71,128	71,128	71,128	71,128	71,128	71,128	71,128
Conference & Travel Expenses	5050009	193	5,005	5,005	5,005	5,005	5,005	5,005	5,005	5,005
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		770,760	944,053	957,691	946,459	946,459	924,632	946,707	946,707	924,880
Funding Sources										
Fund Balance	4000005	1,889,509	2,086,625		2,092,572	2,092,572	2,092,572	2,096,113	2,096,113	2,117,940
Special Revenue	4000030	967,876	950,000		950,000	950,000	950,000	950,000	950,000	950,000
Total Funding		2,857,385	3,036,625		3,042,572	3,042,572	3,042,572	3,046,113	3,046,113	3,067,940
Excess Appropriation/(Funding)		(2,086,625)	(2,092,572)		(2,096,113)	(2,096,113)	(2,117,940)	(2,099,406)	(2,099,406)	(2,143,060)
Grand Total		770,760	944,053		946,459	946,459	924,632	946,707	946,707	924,880

Change Level by Appropriation

Appropriation: 2UD - Reg. Substance Storage Tank
Funding Sources: SRS - Regulated Substance Storage Tank Program Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	946,459	17	946,459	100.0	946,707	17	946,707	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	946,459	17	946,459	100.0	946,707	17	946,707	100.0
C19	Executive Changes	(21,827)	(1)	924,632	97.7	(21,827)	(1)	924,880	97.7

Justification

C19	The Executive Recommendation reflects the reduction of one (1) Administrative Specialist II C109 position based on the personnel evaluation.
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Analysis of Budget Request

Appropriation: 2UE - Petroleum Storage Tank Trust

Funding Sources: TPT - Petroleum Storage Tank Trust Fund

The Petroleum Storage Tank Trust Fund was established by Act 173 of 1989, as amended (A.C.A. §8-7-901). This fund provides a procedure for reimbursement of remediation costs or damages as a result of leaking tanks. Funding for the program is derived from an environmental assurance fee which is assessed at a rate not to exceed three-tenths of one cent for each gallon of motor fuel or distillate special fuel purchased or imported into Arkansas (A.C.A. §8-7-906). The environmental assurance fee is paid by the first distributor or supplier receiving fuel from a terminal in Arkansas, or if the fuel will never be stored in a terminal in this State, then by the distributor or supplier who first imports the fuel into the State by truck.

The Agency utilizes this appropriation to pay reimbursements to owner operators for taking corrective action or to pay third parties for compensatory damages caused by accidental releases from qualified storage tanks, and to pay reasonable and necessary costs and expenses of the department for taking corrective action caused by accidental releases from a storage tank of unknown ownership or when corrective action is not taken by the owner or operator in a timely manner.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$21,848,300 in FY18 and \$21,849,161 in FY19.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2UE - Petroleum Storage Tank Trust

Funding Sources: TPT - Petroleum Storage Tank Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	268,016	262,660	238,364	262,510	262,510	262,510	263,210	263,210	263,210
#Positions		5	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	82,169	81,449	76,463	82,829	82,829	82,829	82,990	82,990	82,990
Operating Expenses	5020002	4,853,569	18,999,800	18,999,800	18,999,800	18,999,800	18,999,800	18,999,800	18,999,800	18,999,800
Conference & Travel Expenses	5050009	0	3,005	3,005	3,005	3,005	3,005	3,005	3,005	3,005
Professional Fees	5060010	1,076,554	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		6,280,308	21,847,070	21,817,788	21,848,300	21,848,300	21,848,300	21,849,161	21,849,161	21,849,161
Funding Sources										
Fund Balance	4000005	22,793,339	24,015,047		9,667,977	9,667,977	9,667,977	0	0	0
Other	4000370	7,502,016	7,500,000		7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Total Funding		30,295,355	31,515,047		17,167,977	17,167,977	17,167,977	7,500,000	7,500,000	7,500,000
Excess Appropriation/(Funding)		(24,015,047)	(9,667,977)		4,680,323	4,680,323	4,680,323	14,349,161	14,349,161	14,349,161
Grand Total		6,280,308	21,847,070		21,848,300	21,848,300	21,848,300	21,849,161	21,849,161	21,849,161

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium. Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 2UF - Regulated Storage Tank Program

Funding Sources: FYP - Federal Funds

Acts 172 and 173 of 1989 created the Regulated Storage Tank Program and placed the responsibilities of the program under the direction of the Department of Environmental Quality. The Agency utilizes this appropriation for contractual services on corrective actions with federal funding derived from the Environmental Protection Agency. This funding requires a 90/10 federal/state match ratio.

Agency Request is for Base Level of \$3,925,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UF - Regulated Storage Tank Program

Funding Sources: FYP - Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regulated Storage Tank & Contr. 5900043	40,695	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000
Total	40,695	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000
Funding Sources									
Federal Revenue 4000020	40,695	3,925,000		3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000
Total Funding	40,695	3,925,000		3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	40,695	3,925,000		3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000

Analysis of Budget Request

Appropriation: 2UG - Landfill Post Closure Program

Funding Sources: TLP - Landfill Post Closure Trust Fund

The Landfill Post-Closure Program was created by Act 747 of 1991 (A.C.A. §8-6-1001) to address corrective actions, which may be necessary to properly clean up a previously closed landfill, so that no harm is caused to the public health or the environment. Funding is derived from landfill disposal fees and transportation fees, as well as fees imposed on solid waste generated in the State but not disposed of in a solid waste facility within the State.

Pursuant to Act 938 of 1997 (A.C.A. §8-6-1002), funding for all programs is capped at \$25,000,000, with no additional funds collected for the Landfill Post Closure Trust Fund once this level is reached; however, collections are reinstated once the fund diminishes to \$15,000,000. In addition, for administrative purposes, the Agency may utilize these funds at a level not exceeding \$300,000 annually, with an annual escalator not exceeding 3%. During FY09 the fund balance was capped at \$25,000,000; therefore, no additional funds will be collected for the Landfill Post Closure Trust Fund until the fund balance diminishes to \$15,000,000. Current funding is derived from interest earned on the monies in the Landfill Post Closure Trust Fund.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$17,791,073 in FY18 and \$17,791,320 in FY19.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2UG - Landfill Post Closure Program

Funding Sources: TLP - Landfill Post Closure Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	238,352	243,532	244,192	243,532	243,532	243,532	243,732	243,732	243,732
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	74,997	74,954	75,818	76,245	76,245	76,245	76,292	76,292	76,292
Operating Expenses	5020002	75,809	30,923	30,923	30,923	30,923	30,923	30,923	30,923	30,923
Conference & Travel Expenses	5050009	0	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Contractual Services	5900043	2,349,905	17,434,373	17,434,373	17,434,373	17,434,373	17,434,373	17,434,373	17,434,373	17,434,373
Total		2,739,063	17,789,782	17,791,306	17,791,073	17,791,073	17,791,073	17,791,320	17,791,320	17,791,320

Funding Sources										
Fund Balance	4000005	20,229,843	17,524,520		764,738	764,738	764,738	0	0	0
Special Revenue	4000030	0	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Interest	4000300	33,740	30,000		30,000	30,000	30,000	30,000	30,000	30,000
Total Funding		20,263,583	18,554,520		1,794,738	1,794,738	1,794,738	1,030,000	1,030,000	1,030,000
Excess Appropriation/(Funding)		(17,524,520)	(764,738)		15,996,335	15,996,335	15,996,335	16,761,320	16,761,320	16,761,320
Grand Total		2,739,063	17,789,782		17,791,073	17,791,073	17,791,073	17,791,320	17,791,320	17,791,320

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 2UH - Waste Tire Recycling Program

Funding Sources: TTG - Waste Tire Grant Fund

The Waste Tire Recycling Program was created by Act 749 of 1991, as amended by Act 1292 of 1997 (A.C.A. §8-9-404). Funding for this program is derived from a fee imposed on the sale of each automobile and truck tire sold at retail at a rate of \$2.00 per tire, and an additional \$3.00 per truck tire. The fee imposed, less 5% retained by the tire retailer is used for grants to the State's regional solid waste districts. Of the total funds collected, 8% is transferred to the Agency's Permit Fee Fund for administrative program support. In addition to the fee imposed on new tires, a \$1.00 fee is imposed on all waste tires imported into Arkansas.

This appropriation is used to disburse Tire Recycling Grant Funds to the Regional Solid Waste Management Districts and contains unfunded contingency appropriation in the amount of \$1,000,000 that is disbursed when funds are available.

The Agency Request is for Base Level of \$6,425,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2UH - Waste Tire Recycling Program

Funding Sources: TTG - Waste Tire Grant Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	5,313,513	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000
Total		5,313,513	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000
Funding Sources										
Fund Balance	4000005	1,411,687	1,318,333		283,333	283,333	283,333	0	0	0
Special Revenue	4000030	5,220,159	5,390,000		5,390,000	5,390,000	5,390,000	5,390,000	5,390,000	5,390,000
Total Funding		6,631,846	6,708,333		5,673,333	5,673,333	5,673,333	5,390,000	5,390,000	5,390,000
Excess Appropriation/(Funding)		(1,318,333)	(283,333)		751,667	751,667	751,667	1,035,000	1,035,000	1,035,000
Grand Total		5,313,513	6,425,000		6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 2UJ - St Mktg Brd for Recyclables Prog

Funding Sources: SMB - State Marketing Board Fund

The State Marketing Board for Recyclables Program was created by the 78th General Assembly through Act 749 of 1991 (A.C.A. §8-9-201 and §8-6-607). The Board's responsibilities includes development of a program coordinating all existing marketing programs for recyclables as well as an overall marketing plan for Arkansas recyclables; establishment of an inventory of markets for recyclables in Arkansas and surrounding states with maintenance of current market prices and trends; working with new and existing industries to encourage the use of recyclables in the manufacturing processes; and advising and assisting of state and local officials in all areas of recyclables marketing.

Act 755 of 1991 (A.C.A. §8-6-607), as amended, provides the Board's funding from 25% of the disposal fees collected from landfills where a private industry bears the expense of operating and maintaining the landfill solely for the disposal of wastes generated by the industry. The remaining 75% of the disposal fees, which fund the Solid Waste Management and Recycling Program, are found in appropriation (2UC) Solid Waste Management Recycling Program .

The Base Level request for Regular Salaries reflects board member Stipend payments and corresponding Personal Services Matching.

The Agency Request is for Base Level of \$28,876 each year in the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UJ - St Mktg Brd for Recyclables Prog

Funding Sources: SMB - State Marketing Board Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	840	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
#Positions		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	64	115	115	115	115	115	115	115	115
Operating Expenses	5020002	11,189	13,846	13,846	13,846	13,846	13,846	13,846	13,846	13,846
Conference & Travel Expenses	5050009	875	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415
Professional Fees	5060010	0	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		12,968	28,876	28,876	28,876	28,876	28,876	28,876	28,876	28,876
Funding Sources										
Fund Balance	4000005	234,591	308,641		369,765	369,765	369,765	430,889	430,889	430,889
Special Revenue	4000030	87,018	90,000		90,000	90,000	90,000	90,000	90,000	90,000
Total Funding		321,609	398,641		459,765	459,765	459,765	520,889	520,889	520,889
Excess Appropriation/(Funding)		(308,641)	(369,765)		(430,889)	(430,889)	(430,889)	(492,013)	(492,013)	(492,013)
Grand Total		12,968	28,876		28,876	28,876	28,876	28,876	28,876	28,876

Analysis of Budget Request

Appropriation: 2UK - Environmental Education Program

Funding Sources: MEE - Environmental Education Fund

The appropriation for the Environmental Education Program was created by the 78th General Assembly to provide environmental education materials and training. Funding is derived from 10% of the revenue collected for the Hazardous Substance Remedial Action Trust Fund up to \$275,000 per fiscal year (A.C.A. §8-7-509(d)).

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$273,772 each year in the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2UK - Environmental Education Program

Funding Sources: MEE - Environmental Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	53,362	51,834	51,329	51,834	51,834	51,834	51,834	51,834	51,834
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	17,010	16,702	16,686	16,977	16,977	16,977	16,977	16,977	16,977
Operating Expenses	5020002	91,904	152,961	152,961	152,961	152,961	152,961	152,961	152,961	152,961
Conference & Travel Expenses	5050009	1,396	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Professional Fees	5060010	0	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		163,672	273,497	272,976	273,772	273,772	273,772	273,772	273,772	273,772
Funding Sources										
Fund Balance	4000005	278,777	218,525		30,028	30,028	30,028	0	0	0
Other	4000370	103,420	85,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding		382,197	303,525		130,028	130,028	130,028	100,000	100,000	100,000
Excess Appropriation/(Funding)		(218,525)	(30,028)		143,744	143,744	143,744	173,772	173,772	173,772
Grand Total		163,672	273,497		273,772	273,772	273,772	273,772	273,772	273,772

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium. Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 2UN - Small Business Loans

Funding Sources: TBL - Small Business Revolving Loan Fund

The Small Business Revolving Loan Program was created by the 81st General Assembly through Act 691 of 1997 (A.C.A. §8-5-801 et seq.). This Act authorized the Agency to establish and administer the Small Business Revolving Loan Fund to encourage the investment in pollution control and prevention technologies. Funding for this program is derived from interest earnings and repayment streams of the small business loans. The personal services and operating expenses of the Small Business Revolving Loan Program are found in appropriation (2UP) Small Business Revolving Loan Program Expenses. The Agency utilizes this appropriation to issue small business loans.

The Agency Request is for Base Level of \$550,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UN - Small Business Loans

Funding Sources: TBL - Small Business Revolving Loan Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Loans 5120029	0	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Total	0	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Funding Sources									
Loan Repayment 4000330	0	550,000		550,000	550,000	550,000	550,000	550,000	550,000
Total Funding	0	550,000		550,000	550,000	550,000	550,000	550,000	550,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	550,000		550,000	550,000	550,000	550,000	550,000	550,000

Analysis of Budget Request

Appropriation: 2UP - Sm Bus Revolving Loan Prog Exp

Funding Sources: TBL - Small Business Revolving Loan Fund

The Small Business Revolving Loan Program was created by the 81st General Assembly through Act 691 of 1997 (A.C.A. §8-5-801 et seq.). This Act authorized the Agency to establish and administer the Small Business Revolving Loan Fund to encourage the investment in pollution control and prevention technologies. Funding for this program is derived from interest earned on the monies in Small Business Revolving Loan Fund. The loan expenses of the Small Business Revolving Loan Program are found in appropriation (2UN) Small Business Loans. This appropriation provides for the operating expenses of the Small Business Revolving Loan Program.

The Agency Request is for Base Level of \$19,660 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UP - Sm Bus Revolving Loan Prog Exp

Funding Sources: TBL - Small Business Revolving Loan Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	309	11,010	11,010	11,010	11,010	11,010	11,010	11,010	11,010
Conference & Travel Expenses 5050009	1,244	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650
Professional Fees 5060010	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	1,553	19,660	19,660	19,660	19,660	19,660	19,660	19,660	19,660
Funding Sources									
Interest 4000300	1,553	19,660		19,660	19,660	19,660	19,660	19,660	19,660
Total Funding	1,553	19,660		19,660	19,660	19,660	19,660	19,660	19,660
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,553	19,660		19,660	19,660	19,660	19,660	19,660	19,660

Analysis of Budget Request

Appropriation: 2UQ - Performance Partnership Syst Exp

Funding Sources: TPP - Performance Partnership Trust Fund

This appropriation was created by Act 1210 of 1999 (A.C.A. §19-5-1102) to provide for expenses of designing and establishing a management organization, utilizing the principles of the National Environmental Performance Partnership System advocated by the U.S. Environmental Protection Agency which integrates environmental indicators, management information, along with performance-based budgeting and accounting to measure Agency performance. The fund enables the Agency to examine infrastructure, develop integrated approaches to environmental management, and implement a multi-year redesign of the Agency's regulatory databases.

Initial funding was derived from fund transfers beginning in FY00 of \$500,000 each fiscal year from the Landfill Post Closure Trust Fund. The transfers were authorized for five (5) years, with the cessation of the fund transfers occurring in FY04. Current funding is derived from interest earned on the monies in the Performance Partnership Trust Fund. This program will cease when the fund balance is depleted.

Base Level is \$577,000 each year of the biennium.

The Agency's Change level request provides for a decrease of (\$14,000) each year in order to align with agency needs.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2UQ - Performance Partnership Syst Exp

Funding Sources: TPP - Performance Partnership Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Performance Integrated Syst 5900046	94,142	563,000	600,000	577,000	563,000	563,000	577,000	563,000	563,000
Total	94,142	563,000	600,000	577,000	563,000	563,000	577,000	563,000	563,000
Funding Sources									
Fund Balance 4000005	654,042	562,716		716	716	716	0	0	0
Interest 4000300	2,816	1,000		1,000	1,000	1,000	1,000	1,000	1,000
Total Funding	656,858	563,716		1,716	1,716	1,716	1,000	1,000	1,000
Excess Appropriation/(Funding)	(562,716)	(716)		575,284	561,284	561,284	576,000	562,000	562,000
Grand Total	94,142	563,000		577,000	563,000	563,000	577,000	563,000	563,000

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 2UQ - Performance Partnership Syst Exp
Funding Sources: TPP - Performance Partnership Trust Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	577,000	0	577,000	100.0	577,000	0	577,000	100.0
C03	Discontinue Program	(14,000)	0	563,000	97.6	(14,000)	0	563,000	97.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	577,000	0	577,000	100.0	577,000	0	577,000	100.0
C03	Discontinue Program	(14,000)	0	563,000	97.6	(14,000)	0	563,000	97.6

Justification

C03	The request to discontinue \$14,000 will more accurately align appropriation with department revenue projections for this fund. This request is consistent with ADEQ's continuing efforts to promote accurate long term fiscal planning and efficient reorganization within the department.
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Analysis of Budget Request

Appropriation: 2UR - Environmental Settlement Trust

Funding Sources: TET - ADEQ Environmental Settlement Trust Fund

The ADEQ Environmental Settlement Trust Fund was created by Act 1416 of 2001 (A.C.A. §19-5-1111) for expenses authorized through various settlement agreements benefiting the State of Arkansas as administered through the ADEQ. The fund consists of income received by the State of Arkansas pursuant to settlement agreements for environmental or natural resource damages, interest earnings, and other designated revenue.

The Agency Request is for Base Level of \$750,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UR - Environmental Settlement Trust

Funding Sources: TET - ADEQ Environmental Settlement Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Environmental Settlement Trust - 5900046	258,188	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Total	258,188	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Funding Sources									
Trust Fund 4000050	258,188	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Total Funding	258,188	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	258,188	750,000		750,000	750,000	750,000	750,000	750,000	750,000

Analysis of Budget Request

Appropriation: 2US - Computer/Electronic Recycling

Funding Sources: MER - Computer and Electronic Recycling Fund

The Computer and Electronic Recycling Fund was created by Act 1410 of 2001 (A.C.A. § 19-5-1217). This appropriation is used to promote market research and development grants to determine the most efficient process for collecting, transporting and processing various scrap electronic equipment. This appropriation is funded through Marketing and Redistribution proceeds from computer or electronic equipment sales throughout the state.

The Agency Request is for Base Level of \$250,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2US - Computer/Electronic Recycling

Funding Sources: MER - Computer and Electronic Recycling Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Computer & Electronics Recycling 5900046	127,233	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total	127,233	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Funding Sources									
Fund Balance 4000005	193,474	140,323		323	323	323	0	0	0
M & R Sales 4000340	74,082	110,000		110,000	110,000	110,000	110,000	110,000	110,000
Total Funding	267,556	250,323		110,323	110,323	110,323	110,000	110,000	110,000
Excess Appropriation/(Funding)	(140,323)	(323)		139,677	139,677	139,677	140,000	140,000	140,000
Grand Total	127,233	250,000		250,000	250,000	250,000	250,000	250,000	250,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 344 - PCE Comm Admn Hearing Officer

Funding Sources: TPE - ADEQ Fee Trust Fund

The Hearing Officer Division was created by Act 921 of 1993 (A.C.A. §8-1-203), which authorized the Pollution Control and Ecology Commission to hire a full-time, independent administrative hearing officer for the purposes of adjudicatory review of Agency decisions concerning permit issuance or revocation, and assessment of civil penalties. Act 1077 of 1993 provided appropriations for this Division payable from the Agency's Fee Fund. Funding for this appropriation is derived from special revenues transferred from the Agency's Fee Fund. (A.C.A §8-1-204)

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$286,881 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 344 - PCE Comm Admn Hearing Officer

Funding Sources: TPE - ADEQ Fee Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	152,060	149,639	149,285	149,639	149,639	149,639	149,639	149,639	149,639
#Positions		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	43,456	42,360	42,546	43,103	43,103	43,103	43,103	43,103	43,103
Operating Expenses	5020002	7,979	49,217	49,217	49,217	49,217	49,217	49,217	49,217	49,217
Conference & Travel Expenses	5050009	777	6,922	6,922	6,922	6,922	6,922	6,922	6,922	6,922
Professional Fees	5060010	200	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		204,472	286,138	285,970	286,881	286,881	286,881	286,881	286,881	286,881
Funding Sources										
Special Revenue	4000030	204,472	286,138		286,881	286,881	286,881	286,881	286,881	286,881
Total Funding		204,472	286,138		286,881	286,881	286,881	286,881	286,881	286,881
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		204,472	286,138		286,881	286,881	286,881	286,881	286,881	286,881

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 36A - Fee Administration Non-Haz Clean Up

Funding Sources: TPE - ADEQ Fee Trust Fund

This appropriation was created by the 86th General Assembly in Act 1281 of 2007. This appropriation gives ADEQ the ability to cleanup non-hazardous sites which pose a threat to the environment of the State of Arkansas. The ADEQ Fee Trust Fund provides the funding for the appropriation; however, funding is restricted to interest earnings only from the ADEQ Fee Trust Fund.

Agency Request is for Base Level of \$100,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 36A - Fee Administration Non-Haz Clean Up

Funding Sources: TPE - ADEQ Fee Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Contractual Services 5900043	12,395	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total	12,395	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Funding Sources									
Trust Fund 4000050	12,395	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding	12,395	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	12,395	100,000		100,000	100,000	100,000	100,000	100,000	100,000

Analysis of Budget Request

Appropriation: 467 - PCE Commission Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

The Pollution Control and Ecology Commission utilizes this appropriation for Commission training expenses and is funded by General Revenue.

The Agency Request is for Base Level of \$3,936 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 467 - PCE Commission Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
PC&E Commission Expenses 5900046	3,937	3,936	4,477	3,936	3,936	3,936	3,936	3,936	3,936
Total	3,937	3,936	4,477	3,936	3,936	3,936	3,936	3,936	3,936
Funding Sources									
General Revenue 4000010	3,937	3,936		3,936	3,936	3,936	3,936	3,936	3,936
Total Funding	3,937	3,936		3,936	3,936	3,936	3,936	3,936	3,936
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,937	3,936		3,936	3,936	3,936	3,936	3,936	3,936

Analysis of Budget Request

Appropriation: F72 - Performance Bond Fund

Funding Sources: TWB - Water Performance Bond Fund

The Water Performance Bond Fund was created pursuant to Act 402 of 2014 as a depository trust fund for funds appropriated by the General Assembly, all forfeitures collected under A.C.A. 8-4-201 et seq., grants made by a person or the federal government, gifts and donations, and interest earned on the funds deposited into the fund for the enforcement of laws pertaining to domestic sewage treatment.

The Agency may use these funds to hire a third-party contractor to (1) take remedial action against parties not in compliance with domestic sewage treatment laws, (2) effect the closure of domestic sewage treatment works, (3) maintain and operate a nonmunicipal sewage treatment works, and (4) take any other action the Director of the Arkansas Department of Environmental Quality determines to be necessary to enforce sewage treatment standards set forth by law.

The Agency Request is for Base Level of \$500,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: F72 - Performance Bond Fund

Funding Sources: TWB - Water Performance Bond Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Non-Municipal Domestic Sewage 5900043	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources									
Trust Fund 4000050	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: M98 - Nonmunicipal Domestic Sewage Treatment

Funding Sources: TDS- Nonmunicipal Domestic Sewage Treatment Works Trust Fund

This fund was established as a trust fund for environmental liabilities which can occur. Once fully funded it will be able to provide funds to the state to address underperforming or bankrupt systems. Funding source is fees paid in by the non municipal or rural property owners associations.

Base Level is \$2,100,000 each year of the biennium.

The Agency Request is for a decrease of (\$2,045,000) each year to align with Agency needs.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: M98 - Nonmunicipal Domestic Sewage Treatment

Funding Sources: TDS- Nonmunicipal Domestic Sewage Treatment Works Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Remediation 5900046	16,700	2,100,000	2,100,000	2,100,000	55,000	55,000	2,100,000	55,000	55,000
Total	16,700	2,100,000	2,100,000	2,100,000	55,000	55,000	2,100,000	55,000	55,000
Funding Sources									
Fund Balance 4000005	0	19,157		19,157	19,157	19,157	19,157	0	0
Trust Fund 4000050	35,857	2,100,000		2,100,000	35,000	35,000	2,100,000	35,000	35,000
Total Funding	35,857	2,119,157		2,119,157	54,157	54,157	2,119,157	35,000	35,000
Excess Appropriation/(Funding)	(19,157)	(19,157)		(19,157)	843	843	(19,157)	20,000	20,000
Grand Total	16,700	2,100,000		2,100,000	55,000	55,000	2,100,000	55,000	55,000

Change Level by Appropriation

Appropriation: M98 - Nonmunicipal Domestic Sewage Treatment
Funding Sources: TDS- Nonmunicipal Domestic Sewage Treatment Works Trust Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,100,000	0	2,100,000	100.0	2,100,000	0	2,100,000	100.0
C03	Discontinue Program	(2,045,000)	0	55,000	2.6	(2,045,000)	0	55,000	2.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,100,000	0	2,100,000	100.0	2,100,000	0	2,100,000	100.0
C03	Discontinue Program	(2,045,000)	0	55,000	2.6	(2,045,000)	0	55,000	2.6

Justification

C03	The request to discontinue \$2,045,000 will more accurately align appropriation with department revenue projections for this fund. This request is consistent with ADEQ's continuing efforts to promote accurate long term fiscal planning and efficient reorganization within the department.
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ARKANSAS GEOLOGICAL SURVEY

Enabling Laws

Act 45 of 2016

A.C.A. §15-55-201, et seq.

Act 708 of 2013

A.C.A §17-32-201, et seq.

History and Organization

The first geologic surveys made from State-appropriated funds go back to 1857-60. A second survey was made from 1871-74. In 1881, the Geological Survey of Arkansas was established under the direction of Dr. John C. Branner and lasted until 1893. During this period, Herbert Clark Hoover, who later became President of the United States, assisted Dr. Branner. For the next 30 years, the Department of Geology conducted a few geologic surveys at the University of Arkansas. In 1923 the Geological Survey of Arkansas was once again established by Act 573 of 1923 under the direction of George C. Branner, the son of John Branner. In 1945, reorganization changed the agency name to the Arkansas Resources and Development Commission, Division of Geology, under the direction of Harold B. Foxhall.

From 1951 to 1995 Norman F. Williams was Director and State Geologist. Reorganization in 1955 established the agency as the Arkansas Geological and Conservation Commission. Act 16 of 1963 changed the name of the organization to the Arkansas Geological Commission. In 1995, William V. Bush became Director and State Geologist. In 2003, Mac B. Woodward was appointed Director and State Geologist. In January 2005 Bekki White was appointed Director and State Geologist. Act 129 of 2007 changed the agency name back to Arkansas Geological Survey.

The mission of the Arkansas Geological Survey is to increase the knowledge of the geology of the State, to stimulate the orderly development and utilization of the State's mineral, water, and fossil fuel resources, while protecting the environment.

The Arkansas Geological Survey (AGS) is organized into four sections: Administrative Services, Information Services, and Technical Services, and the Board of Registration for Professional Geologists, all of which are under the direct supervision of the State Geologist.

The Administrative Services Section consists of fiscal services, human resources and support personnel services. This section provides all

the administrative support for the agency.

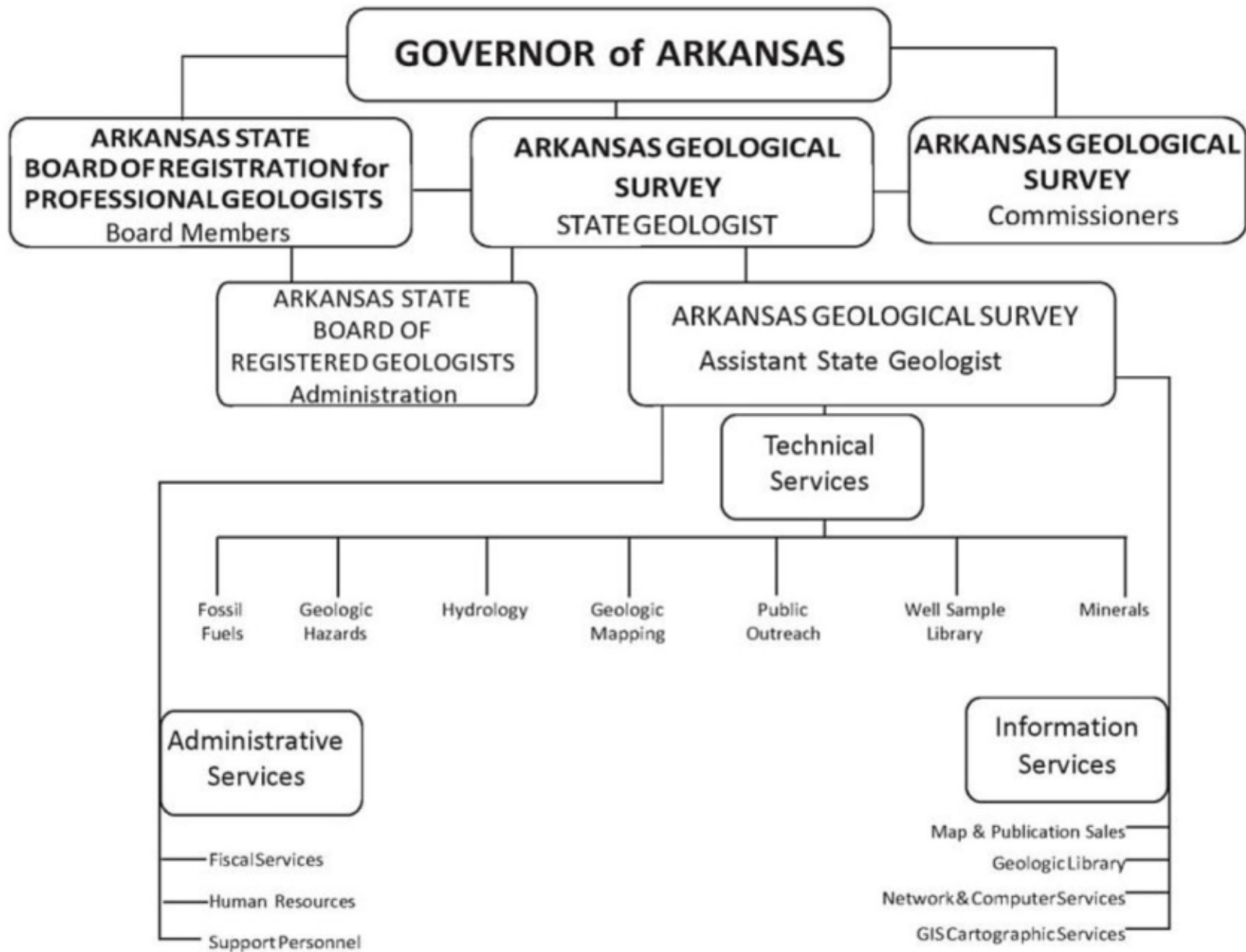
The Information Services Section's primary function is the distribution of information prepared and maintained by the Technical Services Section. This is accomplished through four offices: Map and Publication Sales, Geological Library, Network & Computer Services and GIS Cartographic Services.

The Technical Services Section is composed of the geologic staff and technical support personnel. Its primary responsibilities are: 1) to search for and provide information on the State's mineral, fossil-fuel (coal, oil and gas), and water resources; 2) to encourage the orderly development of these resources; 3) to maintain current geologic map coverage of the State; and 4) to study and report on the geologic factors affecting the State's environment.

Technical Services is divided into six major activities: Fossil Fuels (oil & gas, lignites & coals); Geohazards (earthquakes, landslides, karst); Hydrology; Geologic Mapping (surface, subsurface); and Public Outreach Minerals (Industrial, metallic, non-metallic). Also under this section is the Well Sample Library.

In 2013, the Arkansas Board of Registration for Professional Geologists was transferred to the Arkansas Geological Survey through A.C.A. § 25-2-104. The primary mission of the Board is to regulate the public practice of geology in Arkansas by registration and certification of qualified geologists and promulgate and enforce the regulations that provide the standards for practicing geology in Arkansas.

In addition to the major activities in the Geological Services Section, the Agency has several cooperative projects with the US Geological Survey (USGS). The AGS has three cooperative programs with the Water Resources Division of the USGS: Groundwater Survey Program, Stream Gauging Program (surface water), and Water Quality Program. Each of these is a 50-50 cooperative program in which the costs are split, but with the majority of the work being done by USGS personnel using their equipment and facilities. These programs provide base-line water data to the public and other users of water data needed in management and protection activities. The selection of sample sites is coordinated with other government agencies that collect water data, in order to eliminate duplication and establish site selection priorities in strategic areas for the public welfare.



Agency Commentary

The Arkansas Geological Survey (AGS) was created by Act 16 of 1963. Agency activities are divided into three major sections: 1) Administrative Services, 2) Technical Services, and 3) Information Services. Activities are primarily supported by General Revenue Funds, except Map and Publication Sales which operates on a revolving cash fund, and the Geology Learning Center which is funded by donations. The AGS receives federally funded grants which operate under a miscellaneous federal grant program. The Earthquake Education and Outreach Program is funded through a grant from State Farm Insurance Group. The AGS also participates in cooperative (50/50 matching) water programs with the U.S. Geological Survey.

The Survey's mission is to serve the people of Arkansas by providing geological information in order to develop and enable effective management of the State's mineral, fossil fuel and water resources while protecting the environment.

The **Administrative Services** section supports the AGS with fiscal services, human resources, and personnel services. This section provides all the administrative support for the agency as well as physical plant and vehicle maintenance.

The **Technical Services** section is composed of the geologic staff and support personnel. Its primary responsibilities are: 1) to search for and provide information on the State's mineral, fossil-fuel, and water resources; 2) to encourage the orderly development of these resources; 3) to maintain current geologic map coverage of the State; and 4) to study and report on the geologic factors affecting the State's environment.

Technical Services is divided into six major activities: **Fossil Fuels** (oil & gas, lignite & coal); **Geohazards** (earthquakes, landslides, karst); **Minerals** (Industrial, metallic, non-metallic); **Hydrology** (water); **Geologic Mapping** (surface, subsurface); and **Educational Outreach** (Outreach efforts such as the Geology Learning Center fall under this Section but is not an official program). A support group within the Information Services consisting of Information Technology (IT) and Geographic Information Systems (GIS) assists the geologic staff in collecting and preparing geologic data.

Current geologic map coverage of the State is maintained and other geologic studies are conducted as needed. The current Geologic Map of Arkansas was produced at a 1:500,000 scale. Current **geologic mapping** focuses on smaller areas so that investigations based on the geology are more precise. The geologic information compiled and maintained is necessary for exploration, planning and protection of the mineral resources, and as the framework for numerous environmental studies. The AGS has several ongoing and future mapping projects throughout the State in which part of the work has mineral resource evaluation (identification and location) as a component to the project.

The **Fossil Fuels Section** is responsible for the identification and geologic assessment of the state's fossil fuel resources including oil,

condensates, natural gas, coal and lignite. The totality of these resources directly impacts the existing and future economies of the State of Arkansas. For example, the AGS took a leading role in supplying geologic information and research pertaining to the recent development of the Fayetteville Shale natural gas resource. The Fayetteville Shale is responsible for infusing over \$22 billion and 9,500 direct and indirect jobs into the state's economy according to Kathy Deck, Director of the Walton's Center for Business and Economic Research, University of Arkansas, Fayetteville. The AGS also routinely assesses undeveloped areas within the state for the undiscovered potential of oil and natural gas resources and encourages industry to explore these areas by providing new geologic research. The state's coal and lignite resources are routinely assessed and information has been provided to the state's legislature regarding coal-to-liquids potential and newly emerged clean coal technologies.

The **Geohazards Section** is responsible for the study of geologic hazards or geohazards in the State of Arkansas. A geohazard is a geologic condition, either natural or manmade, that poses a potential danger to life and property. Arkansas has its share of geohazards, including earthquakes, landslides, karst (sinkholes), man-induced subsidence (mine collapses and yard-holes), floods and radon. Occurrences of geohazards are investigated (delineated and documented) by the AGS Geohazards Section. This ongoing research leads to a better understanding of geologic hazards for mitigation and educational outreach activities in Arkansas. The AGS owns and operates the Arkansas Seismic Network (ASN). The ASN consists of six state-of-the-art permanent broadband seismic stations strategically placed within selected state parks across Arkansas. The goal of the ASN is to establish better and more uniform earthquake detection outside of the New Madrid Seismic Zone (NMSZ). The ASN is operated and maintained in cooperation with the Arkansas Geological Survey (AGS), Center for Earthquake Research and Information (CERI) at the University of Memphis, and Arkansas State Parks (ASP). Information on geohazards is provided to the public through the AGS website via a series of publications and maps.

The **Minerals** section provides information on the State's minerals and encourages their orderly development. The agency serves as a point of contact for industry personnel gathering information on the mineral resources we have available in the state. Continuing the American standard of living requires the mining of 7.1 billion tons of rocks and minerals annually to make the things we use and depend on every day (Mineral Information Institute data). That's 3.7 million pounds for every person in the USA and with 300 million people in the USA who expect to live comfortably and affordably, mining has to occur somewhere. Although accurate production data are not readily available, bromine brine, crushed stone (sandstone, limestone, dolostone, and syenite), sand, and gravel have been the most valuable industrial materials mined in recent years. The agency website has a searchable database on the mine locations, commodities and status, and the agencies core and well cutting repository. Descriptions of the industrial minerals and metallic mineral and USGS annual reports on the non-fuel resources can also be located on our website.

The **Hydrology or water** section continues to provide information to the public regarding depth to water producing formations and amounts of water available. The AGS has created a web accessible file of over 150,000 water well completion reports that have been scanned. This

agency is working with the USGS to get water well information into a common data system.

Educational outreach is particularly important for the public. General interest projects that lead to publications pertaining to minerals, rocks, and fossils are especially popular with the public. The AGS has recently begun a State Park Series and a Roadside Geology Guide Series. These publications along with geology trail guides are frequently requested by the public. The AGS maintains a good working relationship with the public by answering questions daily regarding: 1) mineral, rock, and fossil identification, 2) the geology of their property, 3) water availability, 4) oil and gas, and 5) questions pertaining to earthquakes. The AGS visits classrooms in Arkansas and provides presentations to an average of 42 schools per year. We continue to produce posters, pocket guides, and other resources for the teachers and the general public. We also work with Educational Cooperatives and Stem Centers in the state to lead three teacher workshops in the summer pertaining to geology, and following the Arkansas Science Curriculum, so that teachers can meet their earth science goals in the classroom.

The **Information Services** section's primary functions are preparation, storage, and distribution of data, reports, and maps prepared and maintained by the Technical Services section. This is accomplished through the Map and Publication Sales Office, Geological Library, and Network and Computer Services. With the increasing demand for maps in digital format, we are, in an orderly fashion, digitizing the geology of Arkansas.

The **Map Re-Sale** appropriation provides for the authorization to operate from a revolving cash fund, using a portion of the money collected from the sale of maps, publications, and reproduction charges.

The **Geological Library** is the repository of geologic and mineral information collected for more than 150 years. Most of this information is in a paper format. A data archival system is being established to provide for the storage, preservation, and archival of subsurface and surface geological data, samples, and publications. This information provides a "catalogue" of AGS information that is easily accessible. The purpose of this program is to insure that this data is preserved for future generations of Arkansas citizens.

The **Network and Computer Services** allows the Survey to function more efficiently in-house as well as to provide information to the public via our website. The AGS is in the process of developing databases and geodatabases. We have developed a geodatabase of all field points and geological data pertaining to geologic mapping. Databases of geophysical well logs, cores, cuttings, and water well logs have been developed and are available to the public.

The AGS has three **Cooperative Programs with the U.S. Geological Survey (USGS) Water Resources Division**. These cooperative programs with the Water Resources Division include 1) Stream Gauging Program (surface water), 2) Water Quality Program, and 3) Ground Water Survey. These programs provide for collection, evaluation, and development of data relating to the State's surface and ground water

agencies that regulate and manage the State's water resources. Specifically, these funds are used to collect and analyze surface and ground water samples (Water Quality Program); installation and monitoring of continuous-record stream gauging stations (Stream Gauging Program); and research in subsurface geology relating to ground water (Ground Water Survey). The Ground Water Survey includes regular water-level measurements of wells in the critical Sparta Aquifer in south Arkansas and the Quaternary Aquifer in east Arkansas.

The **State Geologic Mapping Program** receives federal funds from the Department of the Interior for geologic mapping, research and data collection, and data preservation. Within this program are three grants awarded to the AGS: 1) STATEMAP, 2) National Geological and Geophysical Data Preservation Program, 3) Brown Dense Research.

STATEMAP is a cooperative (50/50 matching) grant with the USGS National Cooperative Geologic Mapping Program that pays the salary of one field geologist to conduct geologic field studies and mapping with an AGS staff geologist in north-central Arkansas. The program involves the geologic mapping of three quadrangles selected by the State Mapping Advisory Committee. This cooperative project is part of the National Geologic Mapping Act mandated by Congress in 1992. The AGS has participated in this grant program since 1996. This on-going project will aid in the development and management of the mineral resources of the area and greatly expand the knowledge of the geology of the state.

The National Geological and Geophysical Data Preservation Program (NGGDPP) is a cooperative (50/50 matching) grant with the USGS. It allows the AGS to hire an extra help person to digitize and preserve reports in the library. This program was authorized by Section 351 of the Energy Policy Act of 2005 (Public Law 109-58, Sec. 351). Objectives of the Program as outlined in the Act are to: 1) Archive geologic, geophysical, and engineering data, maps, well logs, and samples; 2) provide a national catalog of such archival material; and 3) provide technical and financial assistance related to the archival material. This project will aid the Survey in preserving and digitizing data in the library and provide an accessible database for the public.

The **National Coal Resources Data System (NCRDS)** began as a cooperative venture between the USGS and State geological agencies in 1975 and focused on the stratigraphy and chemistry of coal. The NCRDS is now a database in the USGS Energy Resources Program to provide information of rock formations from U.S. coal fields. This program now provides a grant to collect, interpret, correlate, and encode other energy related stratigraphic (rock formation) data. The AGS received a grant to characterize the Brown Dense, a subsurface producing zone, within the Smackover Formation.

The **Geology Learning Center (Museum Expenses)** is an appropriation that provides for the authorization to spend money donated to the AGS Geology Learning Center (GLC). The GLC is part of the educational arm of the agency with the purpose of giving student and citizens of all ages' exposure to rocks, minerals, fossils, and fossil fuels. The GLC has five display areas and receives funding and exhibit material from donations.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS GEOLOGICAL SURVEY
FOR THE YEAR ENDED JUNE 30, 2014

Findings

Recommendations

None

None

Performance Audit Findings

ARKANSAS GEOLOGICAL SURVEY

Findings and Conclusions:

U.S. Geological Survey_Research and Data Collection (CFDA 15.808)

National Cooperative Geologic Mapping Program (CFDA15.810)

Activities Allowed or Unallowed and Allowable Costs/Cost Principles

ALA staff reviewed control procedures, in accordance with OMB Circular A-133 § 300(b), to determine if they were designed, implemented, and operating effectively and if the Agency approves all purchases and documents the process with an approval date and the signature of its Executive Administrator or his/her designee.

Regarding the grant associated with the U.S. Geological Survey_Research and Data Collection Program, ALA staff review of a sample of 11 invoices revealed that 7 invoices lacked an approval date and signature. Additionally, documentation for one invoice revealed the purchase had been requested and authorized by the same individual. ALA staff review of the sample associated with the National Cooperative Geologic Mapping Program revealed 1 of the 15 invoices lacked an approval date and signature.

In September 2014, the Agency hired an accountant to assist with establishing and implementing the necessary control policies and procedures. As a result of the hire, ALA staff elected to expand the sample for the U.S. Geological Survey_Research and Data Collection Program and selected items from fiscal year 2015 to determine if the approval process was being documented. Review of an additional eight invoices revealed two invoices lacked an approval date and signature; however, these invoices were processed prior to the hiring of the accountant. The remaining six invoices that were processed subsequent to the hiring of the accountant contained an approval date and signature as required.

Although there was a lack of documented review and approval of purchases during fiscal year 2014, it appears that the Agency has taken steps to strengthen and improve internal control policies and procedures for this process.

Recommendations:

ALA staff recommend the Agency continue to maintain internal control processes for documenting review and approval of all purchases.

Management Response: Policies and procedures have been established to ensure that internal controls are followed. The new policy requires all purchase requests to go through the Authorized Purchasing Official (APO). The APO will manage federal awards purchases in compliance with laws, regulations, and provisions of contracts or grant agreements as well as DFA-OSP guidelines.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	16	10	26	93 %
Black Employees	0	1	1	4 %
Other Racial Minorities	1	0	1	3 %
Total Minorities			2	7 %
Total Employees			28	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
166 State Operations	1,919,518	27	1,998,524	27	2,078,098	27	2,006,245	27	2,006,245	27	2,006,245	27	2,007,348	27	2,007,348	27	2,007,348	27
169 Map Resale	2,442	0	35,000	0	100,000	0	35,000	0	35,000	0	35,000	0	35,000	0	35,000	0	35,000	0
210 State Geologic Mapping Program	88,636	1	135,000	1	219,406	1	135,115	1	135,115	1	135,115	1	135,115	1	135,115	1	135,115	1
54U State Farm Grant	1,953	0	6,505	0	36,000	0	6,505	0	6,505	0	6,505	0	6,505	0	6,505	0	6,505	0
873 Geology Museum	0	0	1,125	0	9,025	0	1,125	0	1,125	0	1,125	0	1,125	0	1,125	0	1,125	0
F44 Reg for Prof Geo	43,016	1	62,560	1	63,149	1	62,734	1	62,734	1	62,734	1	62,734	1	62,734	1	62,734	1
N32 Geological Research - Landslide/Sinkhole	36,523	1	111,105	1	110,000	1	111,331	1	111,331	1	111,331	1	112,067	1	112,067	1	112,067	1
Total	2,092,088	30	2,349,819	30	2,615,678	30	2,358,055	30	2,358,055	30	2,358,055	30	2,359,894	30	2,359,894	30	2,359,894	30

Funding Sources		%		%		%		%		%		%		%		%
Fund Balance	4000005	183,388	7.9	224,930	8.7		223,397	8.7	223,397	8.7	223,397	8.7	228,776	8.8	228,776	8.8
General Revenue	4000010	1,919,518	82.8	1,998,524	77.7		2,006,245	77.8	2,006,245	77.8	2,006,245	77.8	2,007,348	77.6	2,007,348	77.6
Federal Revenue	4000020	88,636	3.8	135,000	5.2		135,115	5.2	135,115	5.2	135,115	5.2	135,115	5.2	135,115	5.2
Non-Revenue Receipts	4000040	10,368	0.4	58,644	2.3		58,644	2.3	58,644	2.3	58,644	2.3	58,644	2.3	58,644	2.3
Cash Fund	4000045	45,814	2.0	45,800	1.8		45,800	1.8	45,800	1.8	45,800	1.8	45,800	1.8	45,800	1.8
Interest	4000300	128	0.0	318	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Inter-agency Fund Transfer	4000316	69,166	3.0	110,000	4.3		110,000	4.3	110,000	4.3	110,000	4.3	110,000	4.3	110,000	4.3
Total Funds		2,317,018	100.0	2,573,216	100.0		2,579,201	100.0	2,579,201	100.0	2,579,201	100.0	2,585,683	100.0	2,585,683	100.0
Excess Appropriation/(Funding)		(224,930)		(223,397)			(221,146)		(221,146)		(221,146)		(225,789)		(225,789)	
Grand Total		2,092,088		2,349,819			2,358,055		2,358,055		2,358,055		2,359,894		2,359,894	

Variance in fund balance is due to unfunded appropriation in (54U) State Farm Grant and (873) Geology Museum. Budget exceeds Authorized Appropriation due to salary adjustments in (N32) Geological Research.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
29	27	2	29	0	6.90 %	30	28	2	30	0	6.67 %	30	28	1	29	1	6.67 %

Analysis of Budget Request

Appropriation: 166 - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Arkansas Geological Survey's (AGS) appropriation for State Operations is funded entirely by general revenue. In this program, data is accumulated, analyzed, and disseminated to provide knowledge of the geology and hydrogeology of the State to stimulate orderly development and encourage effective management and utilization of the State's minerals, fossil fuels, and water resources in an environmentally responsible manner.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

Base Level is \$2,006,245 in FY2018 and \$2,007,348 in FY2019.

The Agency's Change Level request includes a reallocation of \$1,854 each year from Operating Expenses to Water Quality Program and Ground Water Survey to better align with agency needs.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 166 - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,185,208	1,250,223	1,308,038	1,250,823	1,250,823	1,250,823	1,251,723	1,251,723	1,251,723
#Positions	27	27	27	27	27	27	27	27	27
Extra Help 5010001	11,701	11,600	12,000	11,600	11,600	11,600	11,600	11,600	11,600
#Extra Help	7	18	18	18	18	18	18	18	18
Personal Services Matching 5010003	402,441	413,699	435,058	420,820	420,820	420,820	421,023	421,023	421,023
Operating Expenses 5020002	289,799	212,791	212,791	212,791	210,937	210,937	212,791	210,937	210,937
Conference & Travel Expenses 5050009	6,579	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Professional Fees 5060010	0	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Water Quality Program 5900046	0	19,500	19,500	19,500	20,085	20,085	19,500	20,085	20,085
Stream Gauging 5900047	0	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Ground Water Survey 5900048	0	31,711	31,711	31,711	32,980	32,980	31,711	32,980	32,980
Mineral Exploration 5900050	23,790	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total	1,919,518	1,998,524	2,078,098	2,006,245	2,006,245	2,006,245	2,007,348	2,007,348	2,007,348
Funding Sources									
General Revenue 4000010	1,919,518	1,998,524		2,006,245	2,006,245	2,006,245	2,007,348	2,007,348	2,007,348
Total Funding	1,919,518	1,998,524		2,006,245	2,006,245	2,006,245	2,007,348	2,007,348	2,007,348
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,919,518	1,998,524		2,006,245	2,006,245	2,006,245	2,007,348	2,007,348	2,007,348

Change Level by Appropriation

Appropriation: 166 - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,006,245	27	2,006,245	100.0	2,007,348	27	2,007,348	100.0
C04	Reallocation	0	0	2,006,245	100.0	0	0	2,007,348	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,006,245	27	2,006,245	100.0	2,007,348	27	2,007,348	100.0
C04	Reallocation	0	0	2,006,245	100.0	0	0	2,007,348	100.0

Justification

C04	Reallocation of \$1,854 from Operating Expenses to Water Quality Program and Ground Water Survey.
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Analysis of Budget Request

Appropriation: 169 - Map Resale

Funding Sources: MWA - Geology Map Resale Revolving Fund

The Arkansas Geological Survey utilizes this appropriation to operate a Map Resale Program. Funding for the Arkansas Geological Survey's Map Resale appropriation is obtained from the sale of geological and topographical maps to the general public. These proceeds are deposited into the Agency's revolving fund, as authorized in A.C.A. §19-4-1804.

The Agency Request is for Base Level of \$35,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 169 - Map Resale

Funding Sources: MWA - Geology Map Resale Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Resale Revolving Fund	5900046	2,442	35,000	100,000	35,000	35,000	35,000	35,000	35,000	35,000
Total		2,442	35,000	100,000	35,000	35,000	35,000	35,000	35,000	35,000
Funding Sources										
Fund Balance	4000005	33,430	41,356		65,000	65,000	65,000	88,644	88,644	88,644
Non-Revenue Receipts	4000040	10,368	58,644		58,644	58,644	58,644	58,644	58,644	58,644
Total Funding		43,798	100,000		123,644	123,644	123,644	147,288	147,288	147,288
Excess Appropriation/(Funding)		(41,356)	(65,000)		(88,644)	(88,644)	(88,644)	(112,288)	(112,288)	(112,288)
Grand Total		2,442	35,000		35,000	35,000	35,000	35,000	35,000	35,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 210 - State Geologic Mapping Program

Funding Sources: FAL - Geology Federal

The Arkansas Geological Survey (AGS) utilizes this appropriation for the federal portion of the following program activities: National Coal Resources Data System (NCRDS) project to collect, interpret, correlate and encode point-source coal and other energy-related stratigraphic data; the State Geologic Mapping Program to coordinate collection of data and formulation of maps displaying the location and quantity of minerals in specific areas of the State; and the Geothermal ARRA grant awarded to allow the Geological Survey to populate the National Geothermal Data System. Federal funding is received from the US Department of Energy and the US Department of Interior.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$135,115 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 210 - State Geologic Mapping Program

Funding Sources: FAL - Geology Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	33,510	37,332	37,332	37,332	37,332	37,332	37,332	37,332	37,332
#Positions		1	1	1	1	1	1	1	1	1
Extra Help	5010001	13,055	22,000	11,591	22,000	22,000	22,000	22,000	22,000	22,000
#Extra Help		1	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	15,390	15,098	14,483	15,213	15,213	15,213	15,213	15,213	15,213
Operating Expenses	5020002	26,681	60,570	156,000	60,570	60,570	60,570	60,570	60,570	60,570
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		88,636	135,000	219,406	135,115	135,115	135,115	135,115	135,115	135,115
Funding Sources										
Federal Revenue	4000020	88,636	135,000		135,115	135,115	135,115	135,115	135,115	135,115
Total Funding		88,636	135,000		135,115	135,115	135,115	135,115	135,115	135,115
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		88,636	135,000		135,115	135,115	135,115	135,115	135,115	135,115

FY17 Budget amount in Extra Help and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 54U - State Farm Grant

Funding Sources: NGC - Geology Private Grants

The State Farm Grant is a privately funded grant donated by State Farm in order to increase earthquake awareness throughout the State. The appropriation provides outreach to the citizens of the State in the form of town hall meetings. In these meetings a geologist will give a presentation on earthquake basics and preparedness techniques.

The Agency Request is for Base Level of \$6,505 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 54U - State Farm Grant

Funding Sources: NGC - Geology Private Grants

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,953	6,505	36,000	6,505	6,505	6,505	6,505	6,505	6,505
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,953	6,505	36,000	6,505	6,505	6,505	6,505	6,505	6,505
Funding Sources										
Fund Balance	4000005	8,057	6,215		0	0	0	0	0	0
Interest	4000300	111	290		0	0	0	0	0	0
Total Funding		8,168	6,505		0	0	0	0	0	0
Excess Appropriation/(Funding)		(6,215)	0		6,505	6,505	6,505	6,505	6,505	6,505
Grand Total		1,953	6,505		6,505	6,505	6,505	6,505	6,505	6,505

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 873 - Geology Museum

Funding Sources: NGC - Geology Cash

The Geology Museum and Learning Center (GLC) is funded by donations collected by the Agency. The GLC is part of the educational arm of the Agency with the purpose of giving students and citizens exposure to rocks, minerals, fossils, and fossil fuels through its five (5) display areas.

The Agency Request is for Base Level of \$1,125 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 873 - Geology Museum

Funding Sources: NGC - Geology Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Museum Expenses 5900046	0	1,125	9,025	1,125	1,125	1,125	1,125	1,125	1,125
Total	0	1,125	9,025	1,125	1,125	1,125	1,125	1,125	1,125
Funding Sources									
Fund Balance 4000005	1,080	1,097		0	0	0	0	0	0
Interest 4000300	17	28		0	0	0	0	0	0
Total Funding	1,097	1,125		0	0	0	0	0	0
Excess Appropriation/(Funding)	(1,097)	0		1,125	1,125	1,125	1,125	1,125	1,125
Grand Total	0	1,125		1,125	1,125	1,125	1,125	1,125	1,125

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: F44 - Reg for Prof Geo

Funding Sources: NGC - Prof Geo Board

The Board of Registration for Professional Geologists was created by Act 701 of 1987. The primary duty of the Board is to regulate the public practice of geology in the State of Arkansas by registration and certification of qualified geologists. The Board is cash funded from application, registration, and renewal fees charged pursuant to Arkansas Code Annotated §17-32-307.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$62,734 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: F44 - Reg for Prof Geo

Funding Sources: NGC - Prof Geo Board

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	21,097	30,713	31,020	30,713	30,713	30,713	30,713	30,713	30,713
#Positions		1	1	1	1	1	1	1	1	1
Extra Help	5010001	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	9,741	12,072	12,354	12,246	12,246	12,246	12,246	12,246	12,246
Operating Expenses	5020002	12,128	14,775	14,775	14,775	14,775	14,775	14,775	14,775	14,775
Conference & Travel Expenses	5050009	50	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		43,016	62,560	63,149	62,734	62,734	62,734	62,734	62,734	62,734
Funding Sources										
Fund Balance	4000005	140,821	143,619		126,859	126,859	126,859	109,925	109,925	109,925
Cash Fund	4000045	45,814	45,800		45,800	45,800	45,800	45,800	45,800	45,800
Total Funding		186,635	189,419		172,659	172,659	172,659	155,725	155,725	155,725
Excess Appropriation/(Funding)		(143,619)	(126,859)		(109,925)	(109,925)	(109,925)	(92,991)	(92,991)	(92,991)
Grand Total		43,016	62,560		62,734	62,734	62,734	62,734	62,734	62,734

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: N32 - Geological Research - Landslide/Sinkhole

Funding Sources: NCG - Landslides/Sinkholes Research

The Arkansas Geological Survey has received an increase in reports of mudslides and sinkholes in various areas of the State. The Agency's goal is to provide knowledge of these geohazards to the State of Arkansas, various stakeholders, and the general public in order to further its mission of environmentally responsible management of the State's geological resources.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency provides for Base Level of \$111,331 in FY2018 and \$112,067 in FY2019.

The Executive Recommendation provides for the Agency Request. Expenditure of Appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: N32 - Geological Research - Landslide/Sinkhole

Funding Sources: NCG - Landslides/Sinkholes Research

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	25,770	40,313	39,199	40,313	40,313	40,313	40,913	40,913	40,913
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	10,753	13,969	13,978	14,195	14,195	14,195	14,331	14,331	14,331
Geological Research	5900046	0	56,823	56,823	56,823	56,823	56,823	56,823	56,823	56,823
Total		36,523	111,105	110,000	111,331	111,331	111,331	112,067	112,067	112,067
Funding Sources										
Fund Balance	4000005	0	32,643		31,538	31,538	31,538	30,207	30,207	30,207
Inter-agency Fund Transfer	4000316	69,166	110,000		110,000	110,000	110,000	110,000	110,000	110,000
Total Funding		69,166	142,643		141,538	141,538	141,538	140,207	140,207	140,207
Excess Appropriation/(Funding)		(32,643)	(31,538)		(30,207)	(30,207)	(30,207)	(28,140)	(28,140)	(28,140)
Grand Total		36,523	111,105		111,331	111,331	111,331	112,067	112,067	112,067

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.
Expenditure of appropriation is contingent upon available funding.

HEALTH SERVICES PERMIT AGENCY

Enabling Laws

Act 137 of 2016
Arkansas Code Annotated §20-8-101 et seq.

History and Organization

Health Services Permit Agency

Arkansas Code annotated §20-8-101 et seq. authorizes the Health Services Permit Agency as an independent agency under the supervision and control of the Governor. With direction from a nine (9) member Health Services Permit Commission, the Agency is responsible for implementing the State's Health Services Program which includes a Permit of Approval (POA) process. The current POA process evolved from federal initiatives in the sixties resulting in passage of an Arkansas Act 593 of 1987, as amended, created the Health Services Permit Commission (Commission) and the Health Services Permit Agency (Agency) to implement the State's long term care planning and review program. Act 1800 of 2001 added one member to represent the Hospice Association to the Commission, which is composed of the following membership appointed by the Governor and confirmed by the Senate:

- A member from the Arkansas Hospital Association
- A member from the Arkansas Health Care Association
- A member from the Arkansas Chapter, American Association of Retired Persons
- A member from the Arkansas Home Care Association of Arkansas
- A member from the Arkansas Residential Assisted Living Association
- A representative of the Department of Human Services
- A consumer knowledgeable in business health insurance
- A practicing physician and
- A representative from the Arkansas Hospice Association

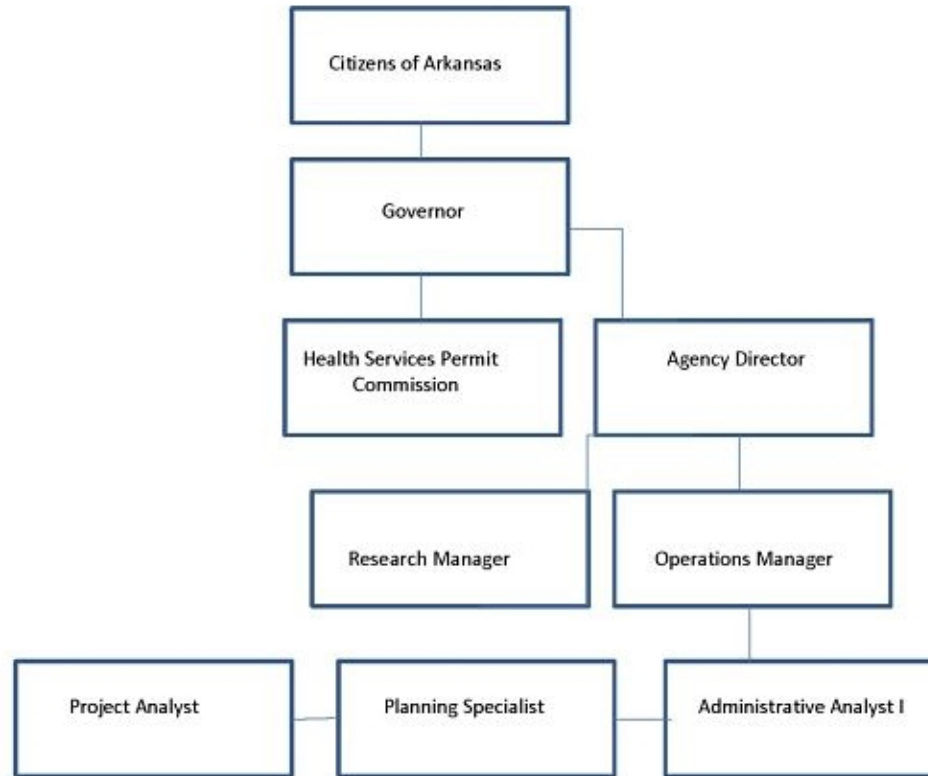
Mission Statement:

The Commission /Agency mission is to ensure appropriate distribution of health care providers through the regulation of new services, protection of quality care and negotiation of competing interests so that community needs are appropriately met without unnecessary duplication and expense.

The following agency goals and objectives are currently being supported organizationally.

- Evaluate the availability and adequacy of health facilities and health services as they relate to long term care facilities, home health agencies and hospice agencies and facilities in Arkansas.
- Designate those areas of the state and specify categories of health services that are underserved or over served, and exempt certain underserved areas or categories of service from the permit of approval process.

Develop policies and adopt criteria for the review of applications and issuing of permits of approval



Agency Commentary

Health Services Permit Agency is requesting a Change Level 01. The change level request is for additional \$17,500 in appropriations for operational expenses. The additional request is a result of the Executive Order 15-19. The Executive order moved the Arkansas Governor's Developmental Disabilities Council (DDC) to DF&A. Prior to their move, all operational expenses were shared. Since their departure the agency is now 100% responsible for all expenses. Approval of this request will eliminate the need for the agency to request a supplemental appropriation request during the annual session(s). Once the additional appropriation is received the agency will be able to continue to operate efficiently.

The Agency does not request additional revenue, the agency will fund the additional operational expenses from special revenue, and maintain its current base levels for salaries/fringe, travel and professional fees. The Agency will continue its role in implementing the policies and procedures adopted by the Health Services Permit Commission and reviewing all Permit of Approval applications.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
HEALTH SERVICES PERMIT AGENCY
FOR THE YEAR ENDED JUNE 30, 2014

Findings

Ark. Code Ann. § 19-4-1108 requires that agencies retain documents supporting expenditures of the State. The Agency had inadequate or incomplete supporting documentation for 3 expenditures tested in fiscal year 2013, totaling \$6,783, and 12 expenditures tested in fiscal year 2014, totaling \$115,109. All expenditures were related to the Developmental Disabilities Council (DDC). Arkansas Legislative Audit (ALA) staff could not verify that the expenditures were for correct amounts or for allowable costs.

According to Section R1-19-4-702 of the DFA Financial Management Guide, if an Agency pays an invoice in the subsequent fiscal year to when goods are received, that invoice should be recorded as a payable and attributed to the prior fiscal year budget. The Agency

Recommendations

We recommend the Agency maintain detailed documentation to support all expenditures made during the fiscal year.

Agency Response:

The Governor's DDC agrees with the finding. On July 30, 2015, the Department of Finance and Administration (DFA) became the designated state agency for the DDC. All policies and procedures are being reviewed as part of the restructuring of the office due to the cessation of the federal grant. Review of all financial transactions will be made by the DFA CAFR section after review by the DFA Management Services Administrative Services staff.

We recommend the Agency review and implement DFA regulations regarding the recording of payables.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 HEALTH SERVICES PERMIT AGENCY
 FOR THE YEAR ENDED JUNE 30, 2014

Findings

paid \$9,191 (\$4,595 related to DDC) in expenditures in fiscal year 2014 that should have been recorded as a payable in fiscal year 2013. Additionally, the Agency paid \$57,787 (all related to the DDC) in expenditures in fiscal year 2015 that should have been recorded as a payable for fiscal year 2014. Accounts payable and expenditures at the end of fiscal year 2013 and fiscal year 2014 are understated.

Recommendations

Agency Response:

The Governor's DDC agrees with the finding. On July 30, 2015, DFA became the designated state agency for the DDC. All policies and procedures are being reviewed as part of the restricting of the office due to the cessation of the federal grant. Review of all financial transactions will be made by the DFA CAFR section after review by the DFA Management Services Administrative Services staff.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	0	1	1	20 %
Black Employees	1	3	4	80 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	80 %
Total Employees			5	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Arkansas Permit of Approval Rulebook	A.C.A. 2-8-104	N	N	4	Distributed by request and published on agency web site to keep the public informed of the Rules and Regulations regarding Permits of Approval, and of the changes to those rules.	0	0.00
Health Care Facilities and Services Need	A.C.A. 20-8-104	N	N	4	Distributed by request and published on agency web site to keep the public informed of the need for health services in the State.	0	0.00
Health Services Permit Agency Annual Report	A.C.A. 20-8-110	Y	Y	3	Distributed by request, to keep the public, Governor, and General Assembly informed of activities of agency.	0	0.00

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
11	8	3	11	0	27.27 %	11	5	6	11	0	54.55 %	6	5	1	6	0	16.67 %

Analysis of Budget Request

Appropriation: 844 - Health Serv Permit Agency-State

Funding Sources: HUA - General Revenue/Fees

The Agency uses this appropriation to review all applications for permits of approval, for nursing homes, residential care facilities, etc., addressing such issues as need, staffing, and economic feasibility. The State Operations appropriation is funded from general revenue and fees from certificate of need applications as authorized by Arkansas Code Annotated §20-8-108.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Agency is requesting a Change Level Request of \$17,500 each year of the 2017-2019 Biennium in the Operating Expenses line item. The increase is needed due to Executive Order 15-19 that moved the Arkansas Governor's Developmental Disabilities Council (DDC) to Department of Finance and Administration during FY16. Prior to the move, all operating expenses were shared between Health Services and the DDC.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 844 - Health Serv Permit Agency-State

Funding Sources: HUA - General Revenue/Fees

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	271,315	268,021	222,179	300,275	300,275	300,275	300,275	300,275	300,275
#Positions		5	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	87,376	105,758	70,941	107,350	107,350	107,350	107,350	107,350	107,350
Operating Expenses	5020002	61,339	60,627	60,627	60,627	78,127	78,127	60,627	78,127	78,127
Conference & Travel Expenses	5050009	2,740	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274
Professional Fees	5060010	363	20,267	20,267	20,267	20,267	20,267	20,267	20,267	20,267
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		423,133	456,947	376,288	490,793	508,293	508,293	490,793	508,293	508,293
Funding Sources										
Fund Balance	4000005	279,786	171,165		90,711	90,711	90,711	8,555	0	0
General Revenue	4000010	276,096	322,493		354,637	354,637	354,637	354,637	354,637	354,637
Permit of Approval Fees	4000375	38,416	54,000		54,000	54,000	54,000	54,000	54,000	54,000
Total Funding		594,298	547,658		499,348	499,348	499,348	417,192	408,637	408,637
Excess Appropriation/(Funding)		(171,165)	(90,711)		(8,555)	8,945	8,945	73,601	99,656	99,656
Grand Total		423,133	456,947		490,793	508,293	508,293	490,793	508,293	508,293

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 844 - Health Serv Permit Agency-State
Funding Sources: HUA - General Revenue/Fees

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	490,793	6	490,793	100.0	490,793	6	490,793	100.0
C01	Existing Program	17,500	0	508,293	103.6	17,500	0	508,293	103.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	490,793	6	490,793	100.0	490,793	6	490,793	100.0
C01	Existing Program	17,500	0	508,293	103.6	17,500	0	508,293	103.6

Justification

C01	The change level request is for additional \$17,500 in appropriations for operational expenses. The additional request is a result of the Executive Order 15-19. The Executive order moved the Arkansas Governor's Developmental Disabilities Council (DDC) moved to DF&A. Prior to their move, all operational expenses were shared. Since their departure the agency is now 100% responsible for all expenses. Approval of this request will eliminate the need for the agency to request a supplemental appropriation request during the annual session(s). Once the additional appropriation is received the agency will be able to continue to operate efficiently.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2016 TO FISCAL YEAR 2017**

Agency: Health Services Permit Agency

Program: Health Serv Permit Agency-State

Act #: 403 of 2015 Section(s) #: 2 & 5

Estimated Carry Forward Amount \$ 212,792.00 Funding Source: Special Revenue

Accounting Information:

Business Area: 0665 Funds Center: 844 Fund: HUA Functional Area: HHS

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

These funds are necessary for the operations of the agency. The funds are generated from fines and fees collected pursuant to A.C.A. 20-8-108 and deposited into the Miscellaneous Agencies Fund. They will carry forward into FY17.

Actual Funding Carry Forward Amount \$ 171,165.00

Current status of carry forward funding:

The funds will be used to support the operations of the Agency for FY17.

Tracy Steele
Director

08-11-2016
Date

LAW ENFORCEMENT STANDARDS & TRAINING

Enabling Laws

Act 238 of 2016
A.C.A. §12-9-101 et seq.

History and Organization

The Commission on Law Enforcement Standards and Training (CLEST) is committed to providing the law enforcement profession in the State of Arkansas with the very best training and standards available. Furthermore, CLEST recognizes its responsibility to the citizens of our State and is dedicated to maintaining and enforcing these standards by utilizing the latest in law enforcement instructional methods, techniques and technology, and through emphasizing professional ethics and personal accountability. CLEST is comprised of the Arkansas Law Enforcement Training Academy (ALETA East Camden), Northwest Arkansas Law Enforcement Training Academy (NW ALETA Springdale), and the Office of Law Enforcement Standards (OLES Little Rock).

The Arkansas Law Enforcement Training Academy was established by the 1963 Arkansas General Assembly passage of Act 526, although operational funding would be delayed by two years. Concerned law enforcement administrators continued to work towards establishing an academy capable of providing training to law enforcement officers within the state. The successful passing of Act 514 provided the necessary appropriations for operations. Moreover, the academy was also placed under the supervision and the direction of a three-member board appointed by the Governor (Act 172).

Land owned by the United States Government and utilized as the Shumaker Ordinance Plant was converted to private enterprise by Brown & Root of Houston, Texas. It was decided that a portion of this land would be donated to the State Department of Education, with the understanding that 13.6 acres would be utilized for the law enforcement training academy. Consequently, the ALETA was provided with permanent facilities in East Camden. The original structure was formerly utilized as Bachelor Officers Quarters at the Naval Depot and it is still currently part of today's facility. It has since been modified and converted in order to house, feed, and train law enforcement officers from around the entire state.

The International Paper Company donated 56.9 additional adjoining acres to the ALETA (East Camden) in 1971. On August 26, 1986, the total acreage of the academy was increased by a donation of 2.21 acres by Highland Resources Incorporated (formerly known as HRI

Vehicle Operation facility. This final land purchase brought the total acreage to the current 101.39 acres being utilized today.

The Arkansas Law Enforcement Training Academy proudly graduated thirty-four police officers in Basic Class 68-A, a three-week course conducted from January 28 - February 16, 1968. By the early 1970's, it was realized that the existing facilities were inadequate. Planning for expansion began and the \$1.3 million dollar construction of new facilities was completed in March, 1976.

Governor David Pryor signed House Bill 577 (enacted by the Seventieth General Assembly) on March 18, 1975 that created the Executive Commission on Law Enforcement Standards. This became known as Act 452 of 1975, later compiled as AR Statute Ann. 42-1001-1009, and presently Arkansas Code of 1987 Annotated 12-9-101 through 12-9-109.

The Commission was composed of five members that were appointed by the Governor to serve five-year terms, which were staggered. Act 452 required the Commission to formally meet a minimum of four times a year, adopt rules and regulations to govern its operations, and select one of its members as Chairman. Moreover, the Commission is authorized to enter into contracts or do such things as may be necessary and incidental to the administration of the Act. The Minimum Standards became effective January 1, 1978.

Act 45 of 1981 abolished the Department of Public Safety and transferred the Arkansas Law Enforcement Training Academy under the newly created Arkansas Commission on Law Enforcement Standards and Training. This same act also abolished the Executive Commission on Law Enforcement Standards and transferred that agency to the Arkansas Commission on Law Enforcement Standards and Training. This Act became effective July 1, 1981 and established the eventual and present ten-member Commission board.

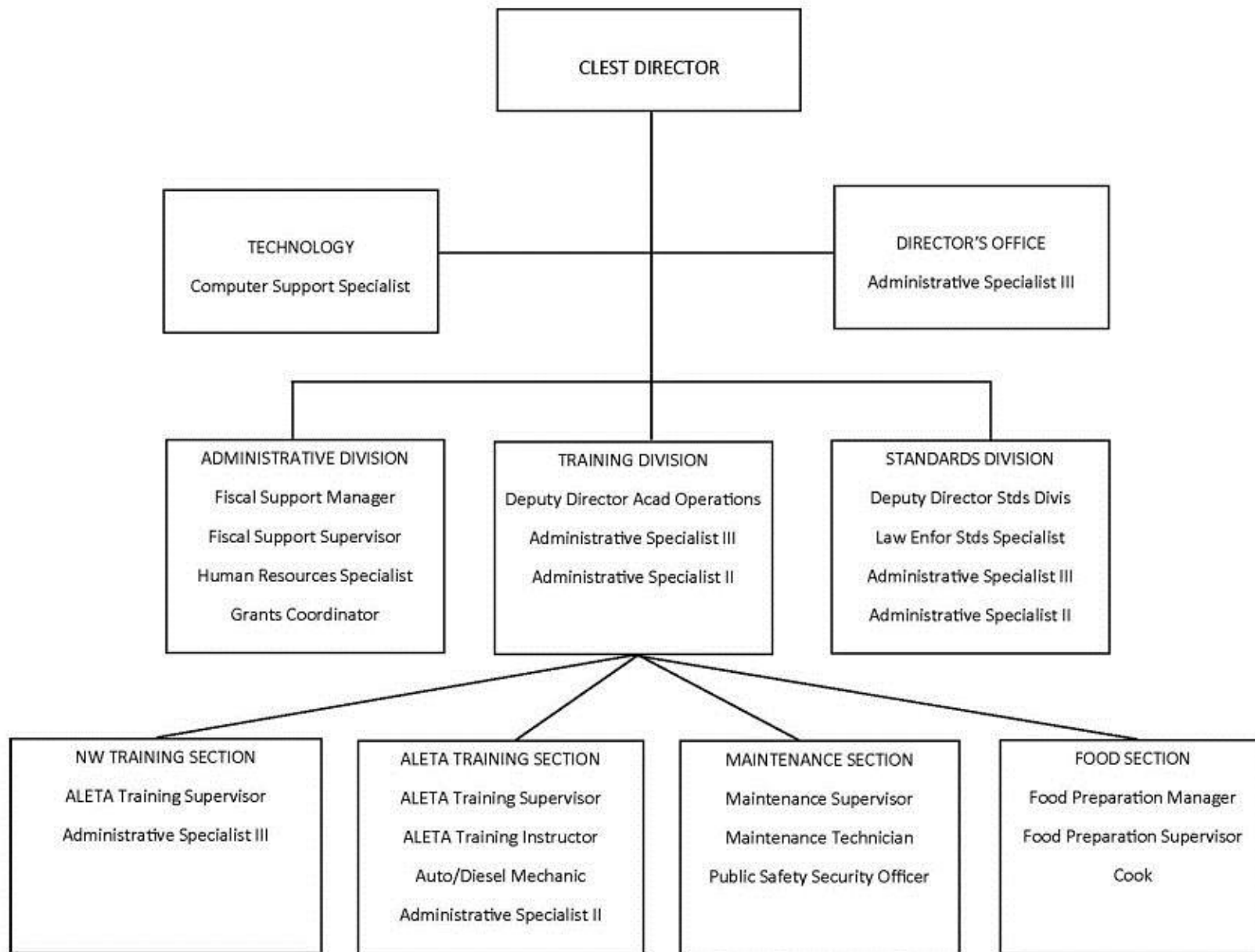
The Arkansas Law Enforcement Training academy graduated 691 new officers from January 2014-June-2016. In the same time period, ALETA trained 2148 incumbent officers and certified 2669 hours in specialized/advanced training. The number of new officers and incumbent officers receiving training at ALETA continues to increase.

As the number of law enforcement officers hired in the State of Arkansas increased, so did the need for additional training facilities. The need for a satellite facility was apparent. Utilizing the Jones Family Center in Springdale, the NW Arkansas Law Enforcement Training Academy held its first Basic Police Training Course in 1997. Plans were submitted and approved by the legislature to construct a permanent facility for the NW Academy. In 1998, approximately 72 acres of land was purchased. In February 2001, construction began on the 12,000 square foot facility which was completed in the fall of 2001. The NW-ALETA is now equipped with main offices, complete showers and restroom facilities, three classrooms, gymnasium, and secured armory. Furthermore, the property continues to maintain two simulation houses and school bus for practical training, as well as the 30-lane firing range and explosive breaching pits.

The NW-ALETA campus graduated 179 new officers from January 2014-June-2016. In the same time period, NW-ALETA trained 1718 incumbent officers and certified 1054 hours in specialized/advanced training. The NW-ALETA campus continues to partner with agencies in

the area in expanding training opportunities for officers.

The fall of 2013 brought forth a partnership with the Arkansas Community Corrections to create a course that would provide new probation/parole officers with the most effective and up-to-date training available. On December 6, 2013, the partnership proudly graduated Class 13P-01 from the very first Basic Parole and Probation course. Due to the overwhelming success of this course, the ALETA continues to provide additional parole courses and expand the curriculum. From January 2014-June 2016, ALETA graduated 176 new Probation and Parole Officers.



Agency Commentary

Today, there are higher standards for the selection of police officers in Arkansas than ever before and stricter accountability by the Commission on Law Enforcement Standards and Training (CLEST). In addition, with the ever increasing attrition in the profession, there is little doubt that smaller communities feel the shortage of new officers more than most. This is why the structure of training law enforcement officers in Arkansas is critical to ensure that the integrity and capabilities of our Arkansas officers remain strong. CLEST is comprised of the Arkansas Law Enforcement Training Academy, Camden (ALETA), Northwest Arkansas Law Enforcement Training Academy, (NW ALETA) Springdale, and the Office of Law Enforcement Standards, Little Rock (OLES). ALETA/NW ALETA continues to see increases in the number of students due to the rising attrition in law enforcement. The more officers we train, the higher the costs. For our Standards office, higher attrition in the profession equates to additional audits and compliance data entry, issuance and withdrawal of certifications, etc. However, we are continuously analyzing these costs and identifying efficiency efforts.

The mission of the Arkansas Commission on Law Enforcement Standards and Training is to encourage the professional competency of law enforcement officers in the State of Arkansas by providing standards for employment and training; by providing, sponsoring, or conducting training; by conducting or stimulating studies and research designed to improve the administration of law enforcement, and by implementing the Commission's regulations. We must be sensitive to the needs of Arkansas law enforcement officers in the areas of standards and training and work diligently to afford officers every opportunity to successfully fulfill their obligations to the citizens of the State of Arkansas.

Continuous improvement is our motto.....we are obligated to continue to improve our facilities, equipment, technology, and staff so that we can serve officers and agencies professionally and progressively. We certify and deliver training to all Arkansas law enforcement officers. We also train probation/parole officers, jailers, coroners, constables, and telecommunication operators.

Training and regulating law enforcement officers is a big responsibility that must be met with the competency of solid staff and the technology and facilities that can accommodate the mission. We strive to create more efficient operations.

The Agency is requesting the following:

Law Enforcement Standards & Training - Operations (172)

The Agency is requesting Base Level each year of the biennium.

Special Training - Cash (D48)

The Agency is requesting \$50,000 in Capital Outlay for each year of the biennium to replace equipment due to age of our facilities and various equipment malfunctions such as kitchen equipment, maintenance equipment, facilities equipment.

911 Training & Education (86M)

The Agency is requesting \$117,901 in appropriation only in capital outlay each year of the biennium to utilize funds received from the AR ETS/911 Board.

Fallen Law Enforcement Officers (F63)

The Agency is requesting Base Level each year of the biennium.

Receiving the Base Level is critical to the operations of the Commission on Law Enforcement Standards and Training. Of utmost importance is the upgrades and maintenance to the Records Management System that maintains certification and training records for all officers in the State of Arkansas. With the demand for professional oversight of law enforcement officers, it is critical that we have the technology that allows for accountability in auditing the minimum requirements for officers. Opening the online portals of our Records Management System to law enforcement agencies will lend to increased efficiency and compliance to the Rules. This also allows CLEST to maintain more current revolving records of all Arkansas law enforcement officers and agencies.

Of equal importance, is ensuring that police officers in this state are adequately trained to meet the needs of the citizens of the State of Arkansas. The ALETA and NW ALETA campuses are seeing increases in the number of students receiving training. At the ALETA campus alone, more than 2800 officers have received state sponsored training since January 2014, with 6729 training hours being certified. At NW ALETA campus, more than 1800 officers received state sponsored training since January 2014, with 3562 training hours being certified. With the ever increasing numbers of officers being trained as well as the additional criminal justice entities that have sought our assistance in training and standards, we must receive the Base Level for each biennium or we would not be able to offer this vital function.

CLEST provides basic and advanced training to new police officers, probation officers, parole officers, dispatchers, jailers, constables, and coroners. CLEST is responsible for overseeing and enforcing the promulgated Rules set by the Commission. CLEST is the central repository for all training and certification of officers in Arkansas. If Base Level funding is not received, we could not meet our obligations.

Attorney General Funding (C64)

The Agency is not requesting to continue this appropriation in this biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS COMMISSION ON LAW ENFORCEMENT STANDARDS AND TRAINING
FOR THE YEAR ENDED JUNE 30, 2014

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	20	22	42	86 %
Black Employees	2	4	6	12 %
Other Racial Minorities	1	0	1	2 %
Total Minorities			7	14 %
Total Employees			49	100 %

Cash Fund Balance Description as of June 30, 2016

Fund Account	Balance	Type	Location
1080200	\$126,897	Checking	Farmer's Bank & Trust, Camden, AR. 71701

Statutory/Other Restrictions on use:

A.C.A. 19-6-109 (c) All nonrevenue receipts from the sale of property or income shall be credited to the fund from which the agency draws its support.

Statutory Provisions for Fees, Fines, Penalties:

0

Revenue Receipts Cycle:

Funds are deposited in bank account when received by agency.

Fund Balance Utilization:

Funds are being used for purchase of students uniforms, food for the students, also to upgrade, repair and maintain our main complex.

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Report	A.C.A. §12-9-101	N	N	0	As required by Arkansas Code	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	
172 Law Enforcement Standards-Operations	3,284,558	52	3,289,926	54	3,438,735	55	3,301,965	54	3,301,965	54	3,301,965	54	3,304,173	54	3,304,173	54	3,304,173	54	
86M 911 Training & Education	153,610	1	225,135	1	212,335	1	147,396	1	265,297	1	265,297	1	147,396	1	265,297	1	265,297	1	
D48 Special Training-Cash	191,867	0	330,000	0	438,675	0	330,000	0	380,000	0	380,000	0	330,000	0	380,000	0	380,000	0	
F63 Fallen Law Enforcement Officers	0	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	
NOT REQUESTED FOR THE BIENNIUM																			
C64 AG Funding - Cash	4,842	0	0	0	94,624	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	3,634,877	53	3,870,061	55	4,209,369	56	3,804,361	55	3,972,262	55	3,972,262	55	3,806,569	55	3,974,470	55	3,974,470	55	

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	179,787	4.7	230,953	5.8			95,296	2.5	95,296	2.5	95,296	2.5	126,033	3.3	8,132	0.2	8,132	0.2
General Revenue	4000010	3,266,103	84.5	3,289,926	83.0			3,301,965	86.0	3,301,965	86.0	3,301,965	86.0	3,304,173	85.3	3,304,173	88.0	3,304,173	88.0
Special Revenue	4000030	2,977	0.1	19,478	0.5			18,800	0.5	18,800	0.5	18,800	0.5	16,900	0.4	16,900	0.5	16,900	0.5
Cash Fund	4000045	206,539	5.3	225,000	5.7			225,000	5.9	225,000	5.9	225,000	5.9	225,000	5.8	225,000	6.0	225,000	6.0
Miscellaneous Transfers	4000355	210,424	5.4	200,000	5.0			200,000	5.2	200,000	5.2	200,000	5.2	200,000	5.2	200,000	5.3	200,000	5.3
Total Funds		3,865,830	100.0	3,965,357	100.0			3,841,061	100.0	3,841,061	100.0	3,841,061	100.0	3,872,106	100.0	3,754,205	100.0	3,754,205	100.0
Excess Appropriation/(Funding)		(230,953)		(95,296)				(36,700)		131,201		131,201		(65,537)		220,265		220,265	
Grand Total		3,634,877		3,870,061				3,804,361		3,972,262		3,972,262		3,806,569		3,974,470		3,974,470	

The miscellaneous transfer comes from a fund transfer from the Arkansas Emergency Telephone Service Board.

FY17 Budget amount in Regular Salaries and Personal Services Matching for 86M exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Variances in fund balance due to unfunded appropriation in (D48) Special Training - Cash and (F63) Fallen Law Enforcement Officers.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
56	52	4	56	0	7.14 %	56	48	8	56	0	14.29 %	56	48	8	56	0	14.29 %

Analysis of Budget Request

Appropriation: 172 - Law Enforcement Standards-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

This General Revenue appropriation provides for the operations of the Commission on Law Enforcement Standards and Training (CLEST). CLEST provides basic training for new officers and specialized training for certified police officers at the Arkansas Law Enforcement Training Academy (ALETA) near East Camden and in Springdale, while providing field training classes as requested around the State. CLEST and ALETA's goal is to establish the role of the law enforcement officer as a professional, thereby presenting the citizens of the State of Arkansas with officers who have the knowledge and skills to detect, prevent and reduce crime.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for continuation of Base Level in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 172 - Law Enforcement Standards-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,748,715	1,831,310	1,838,989	1,833,211	1,833,211	1,833,211	1,835,011	1,835,011	1,835,011
#Positions		52	54	55	54	54	54	54	54	54
Personal Services Matching	5010003	664,899	679,260	695,014	689,398	689,398	689,398	689,806	689,806	689,806
Operating Expenses	5020002	826,763	751,496	821,872	751,496	751,496	751,496	751,496	751,496	751,496
Conference & Travel Expenses	5050009	14,190	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500
Professional Fees	5060010	10,204	10,360	15,360	10,360	10,360	10,360	10,360	10,360	10,360
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	19,787	0	50,000	0	0	0	0	0	0
Total		3,284,558	3,289,926	3,438,735	3,301,965	3,301,965	3,301,965	3,304,173	3,304,173	3,304,173
Funding Sources										
General Revenue	4000010	3,266,103	3,289,926		3,301,965	3,301,965	3,301,965	3,304,173	3,304,173	3,304,173
Miscellaneous Transfers	4000355	18,455	0		0	0	0	0	0	0
Total Funding		3,284,558	3,289,926		3,301,965	3,301,965	3,301,965	3,304,173	3,304,173	3,304,173
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,284,558	3,289,926		3,301,965	3,301,965	3,301,965	3,304,173	3,304,173	3,304,173

Miscellaneous transfers are refunds and reimbursements to the Agency.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2016 TO FISCAL YEAR 2017**

Agency: Law Enforcement Standards & Training Commission

Program: Law Enforcement Standards-Operations

Act #: 29 Section(s) #: 2 & 7

Estimated Carry Forward Amount \$ 0.00 Funding Source: Miscellaneous Agencies

Accounting Information:

Business Area: 0950 Funds Center: 172 Fund: HUA Functional Area: SFTY

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

There will be no funds available for carry forward.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

All funds expensed in FY16.

Jami L. Cook
Director

08-12-2016
Date

Analysis of Budget Request

Appropriation: 86M - 911 Training & Education

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency uses this appropriation for personal services and operating expenses of the Arkansas Commission on Law Enforcement Standards and Training - 911 Training Education. Funding for this appropriation comes from a fund transfer of \$200,000 from the Arkansas Emergency Telephone Service Board.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level Request is for appropriation only of \$117,901 in Capital Outlay for each year of the biennium in order to utilize funds received from the ETS/911 Board.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 86M - 911 Training & Education

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	51,254	49,085	38,458	49,085	49,085	49,085	49,085	49,085	49,085
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	16,480	15,951	13,778	16,212	16,212	16,212	16,212	16,212	16,212
Operating Expenses	5020002	44,987	55,099	55,099	55,099	55,099	55,099	55,099	55,099	55,099
Conference & Travel Expenses	5050009	19,139	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Professional Fees	5060010	9,250	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	12,500	78,000	78,000	0	117,901	117,901	0	117,901	117,901
Total		153,610	225,135	212,335	147,396	265,297	265,297	147,396	265,297	265,297
Funding Sources										
Fund Balance	4000005	60,205	98,564		73,429	73,429	73,429	126,033	8,132	8,132
Miscellaneous Transfers	4000355	191,969	200,000		200,000	200,000	200,000	200,000	200,000	200,000
Total Funding		252,174	298,564		273,429	273,429	273,429	326,033	208,132	208,132
Excess Appropriation/(Funding)		(98,564)	(73,429)		(126,033)	(8,132)	(8,132)	(178,637)	57,165	57,165
Grand Total		153,610	225,135		147,396	265,297	265,297	147,396	265,297	265,297

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Funding for this appropriation comes from a \$200,000 transfer from the Arkansas Emergency Telephone Service Board.

Change Level by Appropriation

Appropriation: 86M - 911 Training & Education
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	147,396	1	147,396	100.0	147,396	1	147,396	100.0
C01	Existing Program	117,901	0	265,297	180.0	117,901	0	265,297	180.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	147,396	1	147,396	100.0	147,396	1	147,396	100.0
C01	Existing Program	117,901	0	265,297	180.0	117,901	0	265,297	180.0

Justification

C01	The agency is requesting \$117,901 in Capital Outlay to purchase simulators for the 911 program.
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Analysis of Budget Request

Appropriation: D48 - Special Training-Cash

Funding Sources: 108 - Law Enforcement Standards and Training - Cash

The Commission on Law Enforcement Standards and Training uses this cash appropriation for Operating Expenses and Capital Outlay associated with Special Training. Fees are collected from state agencies for the use of the Training Academy's facilities for special training of their police officers and for meals purchased by the Fire Training Academy for students enrolled in training. The Commission uses this appropriation to buy uniforms (up to \$40,000 annually pursuant to A.C.A. §12-9-111), purchase equipment and supplies, and for facility maintenance.

The Agency's Change Level Request is for appropriation of \$50,000 in each year of the biennium to replace equipment.

Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: D48 - Special Training-Cash

Funding Sources: 108 - Law Enforcement Standards and Training - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	186,190	330,000	368,675	330,000	330,000	330,000	330,000	330,000	330,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	472	0	20,000	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	5,205	0	50,000	0	50,000	50,000	0	50,000	50,000
Total		191,867	330,000	438,675	330,000	380,000	380,000	330,000	380,000	380,000
Funding Sources										
Fund Balance	4000005	112,195	126,867		21,867	21,867	21,867	0	0	0
Cash Fund	4000045	206,539	225,000		225,000	225,000	225,000	225,000	225,000	225,000
Total Funding		318,734	351,867		246,867	246,867	246,867	225,000	225,000	225,000
Excess Appropriation/(Funding)		(126,867)	(21,867)		83,133	133,133	133,133	105,000	155,000	155,000
Grand Total		191,867	330,000		330,000	380,000	380,000	330,000	380,000	380,000

Change Level by Appropriation

Appropriation: D48 - Special Training-Cash

Funding Sources: 108 - Law Enforcement Standards and Training - Cash

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	330,000	0	330,000	100.0	330,000	0	330,000	100.0
C01	Existing Program	50,000	0	380,000	115.2	50,000	0	380,000	115.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	330,000	0	330,000	100.0	330,000	0	330,000	100.0
C01	Existing Program	50,000	0	380,000	115.2	50,000	0	380,000	115.2

Justification

C01	The agency is requesting \$50,000.00 in Capital Outlay for each year of the biennium to replace equipment due to age of our facilities and various equipment malfunctions such as kitchen equipment, maintenance equipment, facilities equipment.
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Analysis of Budget Request

Appropriation: F63 - Fallen Law Enforcement Officers

Funding Sources: SLS - Fallen Law Enforcement Officers' Beneficiary Fund

This appropriation provides for personal services, operating expenses, and grants to provide support and assistance to beneficiaries of fallen law enforcement officers. Funding for this appropriation is special revenue generated by special license plate fees (A.C.A. § 27-24-1315, § 27-24-1413, § 27-24-1414).

The Agency Request is for continuation of Base Level in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: F63 - Fallen Law Enforcement Officers

Funding Sources: SLS - Fallen Law Enforcement Officers' Beneficiary Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Fallen Law Enforcement Officers 5900046	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Funding Sources									
Fund Balance 4000005	2,545	5,522		0	0	0	0	0	0
Special Revenue 4000030	2,977	19,478		18,800	18,800	18,800	16,900	16,900	16,900
Total Funding	5,522	25,000		18,800	18,800	18,800	16,900	16,900	16,900
Excess Appropriation/(Funding)	(5,522)	0		6,200	6,200	6,200	8,100	8,100	8,100
Grand Total	0	25,000		25,000	25,000	25,000	25,000	25,000	25,000

Appropriation Summary

Appropriation: C64 - AG Funding - Cash

Funding Sources: 108 - AG Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Cash - Attorney General 5900046	4,842	0	94,624	0	0	0	0	0	0
Total	4,842	0	94,624	0	0	0	0	0	0
Funding Sources									
Fund Balance 4000005	4,842	0		0	0	0	0	0	0
Total Funding	4,842	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	4,842	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM

MARTIN LUTHER KING, JR COMMISSION

Enabling Laws

Act 109 of 2016
A.C.A. §25-24-101 et seq.

History and Organization

The Martin Luther King, Jr. Commission was created by Act 1216 of 1993. The Commission is an offspring of the Martin Luther King Federal Holiday Commission and was established under then Governor Bill Clinton by executive order. The Commission was created to promote the legacy and philosophy of Dr. Martin Luther King, Jr. Initially, the Commission had one staff person, and was housed within the Governor's Office at the State Capitol. Then Governor Jim Guy Tucker appointed the 25-member board and recommended that Tracy Steele serve as Executive Director. Senator Steele served as Executive Director until November 2006, and in March, 2008, a new Executive Director, DuShun Scarbrough, was appointed by the Commission. The current headquarters for the Commission is 501 Woodlane, Suite 122S, Little Rock, AR 72201.

In 1997, a mission statement, a stated purpose, goals and objectives, and the Junior Commission Board were developed. Because of its limited resources, a consensus determined that the Commission would focus on youth oriented projects first, and then expand. Violence and crime among youth was one of the critical concerns with the people of Arkansas. Then Governor Jim Guy Tucker called a special legislative session to deal with the problem of juvenile crime. The Commission formed the Junior Commission Board, which is composed of Arkansas high school and college students who have demonstrated strong qualities of leadership and community service. The Junior Commissioners have particular influence in advising the Commission in projects dealing with youth. Junior Commissioners have since been replaced with the development of Youth Commissioners. Each board member is able to choose 1 youth commissioner to represent their district. Each youth commissioner is a high school student who demonstrates strong leadership qualities and a desire to serve the community. Youth commissioners serve in a variety of areas including public speaking, volunteering, mentoring in our Dream Keepers, and Leadership, Education, and Acceptance of Diversity, or L.E.A.D. programs, established in 2008 by Executive Director, DuShun Scarbrough, and advising the commission on projects dealing with youth.

Mission Statement

The mission of the Arkansas Martin Luther King, Jr. Commission is to promote understanding and acceptance of nonviolence and human

equality as a way of building community among all Arkansans.

Purpose

The purpose of the Arkansas Martin Luther King, Jr. Commission is to:

- Promote racial harmony, understanding community service, respect, and goodwill, among all citizens
- Promote principles of nonviolence
- Promote awareness and appreciation of the Civil Rights Movement and advocate the principles and legacy of Dr. Martin Luther King, Jr.
- Develop, coordinate, and advise the Governor and General Assembly of ceremonies and activities throughout the State relating to the observance of Dr. King's holiday

The Martin Luther King, Jr. Commission continues to reach out to people throughout the state until Dr. King's dream is accepted and realized by every Arkansan.



Agency Commentary

The Arkansas Martin Luther King, Jr. Commission is a state agency empowered to serve all Arkansans. It was created in 1993 by Act 1216 of the Arkansas General Assembly to promote the legacy and philosophy of Dr. Martin Luther King, Jr. throughout the State of Arkansas and abroad. The Arkansas MLK, Jr. Commission works closely with the King Center for Nonviolent Social Change in Atlanta, Georgia and other social service entities alike.

The Arkansas MLK, Jr. Commission is guided by Dr. King's teachings and philosophy of love, tolerance, and nonviolence while striving for social improvement in Arkansas, helping communities and organizations achieve new levels of leadership and public service.

The Arkansas MLK, Jr. Commission works directly with youth and others encouraging them to embrace alternatives to violence and discover their common humanity. Through activities that stress racial and cultural diversity, the Arkansas MLK, Jr. Commission offers Arkansas youth a new understanding of the important roles that they play in the communities, now and in the future.

Promote racial harmony, understanding, community service, respect, and goodwill among all Arkansans

Promote Dr. Martin Luther King, Jr.'s Six Principles Of Nonviolence

1. Nonviolence is a way of life for courageous people
 2. Nonviolence seeks to win friendship and understanding
 3. Nonviolence seeks to defeat injustice not people
 4. Nonviolence holds that suffering can educate and transform
 5. Nonviolence chooses love instead of hate
 6. Nonviolence believes that the universe is on the side of justice
- Promote awareness and appreciation of the Civil Rights movement and advocacy of Dr. Martin Luther King, Jr.'s philosophy and legacy
 - Develop, coordinate, and advise the Governor and General Assembly of ceremonies and activities throughout the state relating to the observance of Dr. King's Holiday
 - Promote understanding and acceptance of nonviolence and human equality as a way of building community among all Arkansans

Funding for appropriation for the Arkansas Martin Luther King, Jr. Commission is state general revenue and cash funds from donations, grants, and other like monetary contributions. The Arkansas MLK, Jr. Commission's appropriation is used to further the organization's efforts in enhancing the awareness of peace and harmonious living among all Arkansans.

The Arkansas MLK, Jr. Commission has consistently shown growth each year since Executive Director - DuShun Scarbrough - assumed office in March 2008. The Arkansas MLK, Jr. Commission holds several community outreach projects across the state throughout the year to further in promoting the legacy of Dr. King, to augment the agency's observance of Dr. King's holiday.

Previously in preparing for the 2015 - 2017 Biennial, the Arkansas MLK, Jr. Commission requested an increase of \$8,710.00 in Operating Expenses for FY16 and FY17, which included \$980.00 for office rent increase and \$7,730.00 to purchase four (4) computers and related software each fiscal year. The existing computers/operating system are no longer supported by Microsoft. The replacement equipment and related software can found on the agency's state IT plan under Hardware-Future Purchases and Software-Future Purchases.

The Arkansas MLK, Jr. Commission requests Base Level appropriation for the Treasury Cash appropriation in an effort to retain said appropriation to continue the success experienced with agency being touted for hosting "largest 'Day of Service' event" in the nation (January 20, 2015) as well as being selected # 4 in the nation for being one of the "Best cities for volunteering" the (January 15, 2016).

The Commission requests Base Level appropriation for the 2017-2019 Biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
MARTIN LUTHER KING, JR. COMMISSION
FOR THE YEAR ENDED JUNE 30, 2014

Findings

The Agency had inadequate internal controls over cash receipts regarding funds received relating to a bus trip to Washington, D.C., in 2013 for the Presidential Inauguration. Specifically, the Agency was not in compliance with DFA Financial Management Guide section R4-19-4-501 in the following areas:

- Cash receipts were not issued sequentially.
- A duplicate copy of receipts issued was not maintained in numerical order in each receipt book.
- The cash log did not include sufficient detail to allow an audit trail of individual receipts

Recommendations

We recommend the Agency review DFA Financial Management Guide section R4-19-501 and implement controls to ensure the accountability of all funds received.

Agency Response:

We acknowledge that there were some cash receipts which were not issued sequentially and that some duplicates were not maintained in numerical order. We dispute that there was any irregularity with regard to the receipts of funds from those who took the trip. Many of the arrangements for the trip were conducted away from the office. This resulted in more than one cash receipt book being utilized. There were duplicates, but frequently the original was kept and the participant received the duplicate copy. We maintain that not a single dime

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 MARTIN LUTHER KING, JR. COMMISSION
 FOR THE YEAR ENDED JUNE 30, 2014

Findings

to deposit.

As a result, 42 of 267 receipts could not be located by the Agency. Arkansas Legislative Audit (ALA) staff were unable to confirm if these receipts were issued, voided, or missing. Receipts provided by the Agency totaling \$120,450 were reconciled to deposit by ALA staff. The lack of appropriate reconciliation of receipts to deposit by the Agency placed these assets at risk and made it difficult to detect any undeposited receipts.

Recommendations

was misappropriated. In view of the review, the agency, in the unlikely event that a similar trip will be undertaken in the future, will resort to electronic paper devices. That is, we will utilize PayPal for all transactions, and we will adhere strictly to Management Guide Section R4-19-501 and implement controls to ensure accountability of all funds received.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	0	0	0	0 %
Black Employees	2	1	3	100 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			3	100 %
Total Employees			3	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
125 Martin Luther King - State Operations	226,765	3	262,865	4	261,764	4	264,398	4	264,398	4	264,398	4	264,398	4	264,398	4	264,398	4
54S Martin Luther King - Treasury Cash	74,056	0	91,118	0	91,050	0	91,123	0	91,123	0	91,123	0	91,123	0	91,123	0	91,123	0
Total	300,821	3	353,983	4	352,814	4	355,521	4	355,521	4	355,521	4	355,521	4	355,521	4	355,521	4

Funding Sources		%		%		%		%		%		%		%		%
Fund Balance 4000005	33,452	11.1	525	0.1			525	0.1	525	0.1	525	0.1	520	0.1	520	0.1
General Revenue 4000010	226,765	75.3	233,167	65.8			236,395	66.4	236,395	66.4	236,395	66.4	237,395	66.7	237,395	66.7
Cash Fund 4000045	41,129	13.6	120,816	34.1			119,121	33.5	119,121	33.5	119,121	33.5	118,121	33.2	118,121	33.2
Total Funds	301,346	100.0	354,508	100.0			356,041	100.0	356,041	100.0	356,041	100.0	356,036	100.0	356,036	100.0
Excess Appropriation/(Funding)	(525)		(525)				(520)		(520)		(520)		(515)		(515)	
Grand Total	300,821		353,983				355,521		355,521		355,521		355,521		355,521	

Budget amount in 125 Marthin Luther King - State Operations exceeds the authorized amount due to Regular Salaries and Personal Services Matching rate adjustments during the 2015-2017 Biennium.

Budget amount in 54S Martin Luther King - Treasury Cash exceeds the authorized amount due to Peronal Services Mathing rate adjustments during the 2015-2017 Biennium.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
4	3	1	4	0	25.00 %	4	3	1	4	0	25.00 %	4	3	1	4	0	25.00 %

Analysis of Budget Request

Appropriation: 125 - Martin Luther King - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Martin Luther King, Jr. Commission was established by Arkansas Code Annotated §24-24-101. The Commission consists of thirteen (13) members: five (5) members appointed by the Governor; four (4) members appointed by the President Pro Tempore of the Senate; and four (4) members appointed by the Speaker of the House of Representatives. The Governor shall select annually a chair from the membership of the commission.

The responsibility of the Commission is to promote racial harmony, understanding, respect and goodwill among all citizens; promote principles of nonviolence; promote awareness and appreciation of the civil rights movement and advocacy of the principles and legacy of Dr. King; develop, coordinate, and advise the Governor and the General Assembly of appropriate ceremonies and activities related to Dr. King's birthday; and to receive donations and contributions from individuals and public and private organizations to carry out its responsibilities. Funding to support the activities of the Commission is derived from General Revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency is requesting Base Level appropriation of \$264,398 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 125 - Martin Luther King - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	129,980	149,968	149,277	150,568	150,568	150,568	150,568	150,568	150,568
#Positions		3	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	49,472	54,113	53,703	55,046	55,046	55,046	55,046	55,046	55,046
Operating Expenses	5020002	47,313	58,484	58,484	58,484	58,484	58,484	58,484	58,484	58,484
Conference & Travel Expenses	5050009	0	300	300	300	300	300	300	300	300
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		226,765	262,865	261,764	264,398	264,398	264,398	264,398	264,398	264,398
Funding Sources										
General Revenue	4000010	226,765	233,167		236,395	236,395	236,395	237,395	237,395	237,395
Cash Fund	4000045	0	29,698		28,003	28,003	28,003	27,003	27,003	27,003
Total Funding		226,765	262,865		264,398	264,398	264,398	264,398	264,398	264,398
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		226,765	262,865		264,398	264,398	264,398	264,398	264,398	264,398

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 54S - Martin Luther King - Treasury Cash

Funding Sources: NMK - Martin Luther King - Cash in Treasury

One of the responsibilities of the Commission is to receive donations and contributions in order to carry out its duties of promoting racial harmony, understanding, respect and goodwill, with these revenues deposited into a cash fund account pursuant to Arkansas Code Annotated §25-24-102. The Commission continues to apply for grants in support of community-based programs and services for the prevention of youth crime and violence.

The Agency is requesting Base Level appropriation of \$91,123 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 54S - Martin Luther King - Treasury Cash

Funding Sources: NMK - Martin Luther King - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Extra Help	5010001	15,946	15,900	15,900	15,900	15,900	15,900	15,900	15,900	15,900
#Extra Help		3	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	1,593	1,294	1,226	1,299	1,299	1,299	1,299	1,299	1,299
Operating Expenses	5020002	56,517	67,924	67,924	67,924	67,924	67,924	67,924	67,924	67,924
Conference & Travel Expenses	5050009	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Professional Fees	5060010	0	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		74,056	91,118	91,050	91,123	91,123	91,123	91,123	91,123	91,123
Funding Sources										
Fund Balance	4000005	33,452	525		525	525	525	520	520	520
Cash Fund	4000045	41,129	91,118		91,118	91,118	91,118	91,118	91,118	91,118
Total Funding		74,581	91,643		91,643	91,643	91,643	91,638	91,638	91,638
Excess Appropriation/(Funding)		(525)	(525)		(520)	(520)	(520)	(515)	(515)	(515)
Grand Total		74,056	91,118		91,123	91,123	91,123	91,123	91,123	91,123

FY17 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2015-2017 Biennium.

STATE MILITARY DEPARTMENT

Enabling Laws

Act 196 of 2016
Article XI of the Arkansas State Constitution

History and Organization

Article XI of the State Constitution provides for the establishment of a State Militia. Act 50 of 1969 repealed the old military code established by Act 85 of 1929. The military code provides for the training, organization, and discipline of the militia and National Guard. The act further establishes a system of military justice and provides for the construction, operation, and maintenance of armories and other military facilities in the state.

On March 31, 1917, the Arkansas National Guard was first mobilized for service in World War I. The Guard also served in World War II as well as the Korean Conflict, the Berlin Crisis, and the Persian Gulf Desert Storm Operation. Currently the Arkansas Guard is involved in operations in Afghanistan and Iraq. The Guard was reorganized after World War II and the U.S. Government deeded Camp Robinson to the State of Arkansas. Act 121 of 1951 accepted the title to the Camp with improvements and appurtenances. In 1963, the Guard underwent reorganization, and has remained basically unchanged since.

In 1973, the Department was included in the newly created Department of Public Safety. In 1981, Act 45 abolished the Department of Public Safety and returned the Military Department as a separate line agency responsible to the Governor. In addition, Act 45 merged the Arkansas Civil Air Patrol with the Military Department.

In 1985, the Department was authorized by Act 984 to establish regular positions to be payable from the State Military Department Training Site Federal Fund for maintenance, operation, and security of facilities and equipment which are supported from 100% federal funds.

In 1990, the National Guard Marksmanship Center relocated to Camp Robinson from the State of Tennessee. The Center is supported from 100% federal funds.

The Arkansas National Guard comprises of two armed services: the Arkansas Air National Guard and the Arkansas Army National Guard. The Arkansas Air National Guard consists of two wings and four geographically separate units located at the Little Rock Air Base, Camp Robinson and Fort Smith. The Arkansas Army National Guard consists of four major subordinate commands: a joint force headquarters, an operational

brigade, a recruiting and retention command and a training institution. There are approximately 9,426 assigned military personnel in the Arkansas National Guard.

Arkansas statutes provide that the Governor is the Commander-In-Chief of the National Guard, except when the Guard is federalized by the power of the President. The Governor has the power to promote duties and regulations for the Guard and Militia and can call them up in times of invasion, disaster, insurrection, riot, or breach of peace. The Governor can appoint an Adjutant General of the State who shall be Commander of the State Militia.

The Adjutant General provides for the orderly administration of the National Guard through the direction provided by twenty separate organizational units. The personnel supporting these divisions are a combination of state and federal employees based on the function of the support. The organizational structure is depicted on the attached chart.

The State Military Department is responsible for all matters relating to the command, control, and supervision of the Militia, National Guard or other military organization under the jurisdiction of the Governor. It provides Army and Air military units/individuals to protect life and property; to preserve the peace, provide for order and safety of all the citizens of Arkansas in the event of civil disorders, natural disasters, and any other emergencies; to provide facilities and operation/maintenance of buildings and grounds, military ranges, warehousing, and fire/security protection to supported National Guard Units; to provide procurement and resource management, military personnel/administration management, and military plans, operations and training management; and to provide budget/funding support for the operation of the Arkansas Civil Air Patrol. The Arkansas Civil Air Patrol conducts air search and rescue for downed aircraft in the state as well as training programs across the state in aeronautics and aviation.

The Arkansas National Guard also serves a federal mission in that it is available upon the order of the President to serve in any capacity as he may designate. The State Military Department is responsible to provide trained and equipped units capable of expansion to war strength and available for service in time of war or national emergency; to provide military support to civil authorities in support of civil defense, civil assistance, and disaster relief missions; to provide and coordinate plans for assigned land defense missions; to provide for organizing and training the militia, if required; to provide direction and monitorship over the use of federal funds in support of the National Guard; and to provide assistance to all military family members in the state which are beyond the area of existing military facilities support.

The National Guard Professional Education Center located at Camp Robinson is supported from 100% federal funds and provides a structured education program for National Guard and federal technicians. Students attending the Center receive specialized training designed for full time employees of the National Guard nationwide, including U.S. territories.

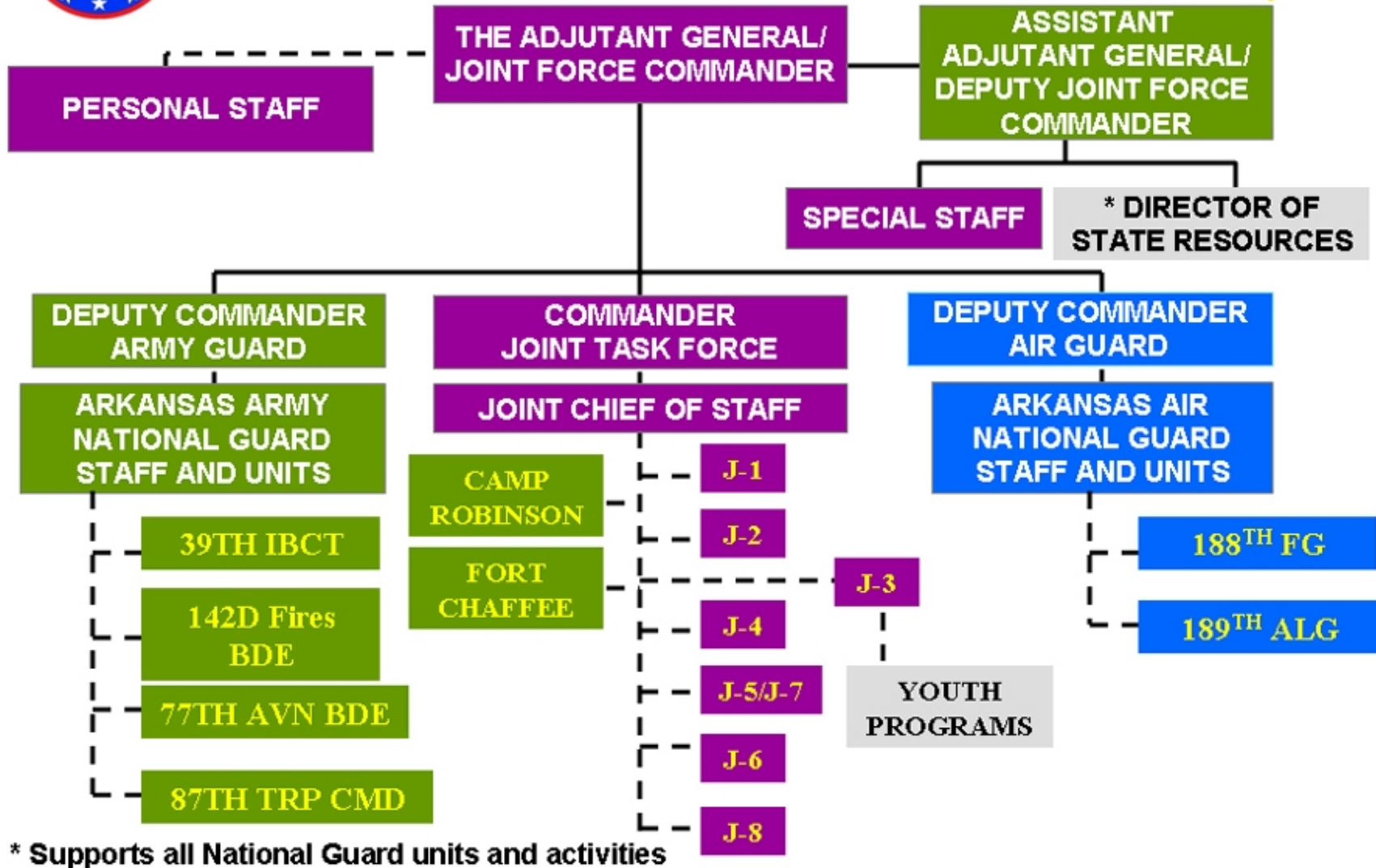
The National Guard Marksmanship Center located at Camp Robinson is supported from 100% federal funds and provides a structured marksmanship training program for individuals and teams from National Guard Units nationwide, including sponsoring the national Winston P. Wilson Marksmanship Matches conducted at Camp Robinson each year.

The Civilian Student Training Program located at Camp Robinson was established by A.C.A. §12-8-104. It is a comprehensive, rigorous program for males, 13 to 17 years of age, set in a military environment providing values, skills, education, and self-discipline to at-risk youth so they may redirect their lives, continue their education, obtain employment and succeed as responsible, productive citizens. Students are referred through Juvenile Court in a probationary status.

The Arkansas National Guard Youth Challenge Program located at Camp Robinson was established in September 1993 and is 75% federally funded and 25% state funded. It is a 22-week residential program for high school dropouts to enable participants to receive a Graduation Equivalency Diploma (GED) and assistance in pursuing further education or employment.



ARKANSAS MILITARY DEPARTMENT (JOINT FORCES HEADQUARTERS, ARKANSAS)



Agency Commentary

The State Military Department provides a trained, professional staff of state employees that will ensure well-maintained armories and facilities, trained personnel and administrators so that National Guard soldiers can maintain ready units, responsive to the needs of the nation, state, and community. The Agency also supports two programs for the state's at-risk youth: the Civilian Student Training Program for male juvenile offenders and the Youth Challenge Program for high school dropouts. Funding for this Agency consists of general revenue, revolving funds, general improvement funds, federal reimbursements, and fees.

Agency Base Level is requested to maintain the State Army/Air National Guard, which is comprised of approximately 10,000 professional Soldiers and Airmen. We are well-equipped with war-fighting and disaster response skills to ensure mission success, whether on foreign soil or performing civil support missions here in Arkansas. We remain committed to responding to our domestic operational needs.

The Arkansas National Guard is funded and equipped to support its federal wartime mission and its state mission as well.

Total expenditures for FY16 were \$382.9 million in operational cost & construction. Of that total, \$362 million is in Federal reimbursements, which includes \$50 million in Cooperative Funding Agreement (CFA) monies.

The Arkansas National Guard is a community-based organization. We continue to build partnerships throughout Arkansas by working with community leaders to add tremendous value to the state through strengthening ties between Soldiers, Airmen, and the citizens of Arkansas.

While at home, the Guard falls under the leadership of our state commander in chief, the Arkansas Governor, and our state adjutant general. The state mission, for which the Guard is best known, is providing support to civil authorities in the event of natural disasters and other state emergencies.

There is no doubt the Soldiers and Airmen of the Arkansas National Guard will continue to add value to communities and provide military forces adaptable to any situation at home or abroad. We stand ready to meet the needs of our nation and our fellow citizens. After all, we are Arkansans. We are the Arkansas National Guard.

The Arkansas Army National Guard Agency requests a change level increase of \$1,201,525 in year one and \$1,200,937 in year two in State General revenue dollars in addition to current base level funding in State General Revenue.

The agency is requesting state general revenue funding of \$10,593,188 for year one and \$10,616,224 for year two of the biennium.

266 - Civilian Student Training Program

Acts 375 and 1133 of 1993 established the Civilian Student Training Program (CSTP) located at Camp Robinson. Base level is requested in order for CSTP to continue to offer rehabilitation for juveniles (11-17 years of age) who are referred to the Program by juvenile justices throughout the state. This appropriation is funded by general revenue to support the operations and employee services of the residential juvenile training and behavior management facility. The course consists of a nine-week resident phase, followed by a 12-month post-resident phase. Each class has a maximum capacity of 72 students, or 360 annually. Facts support the effectiveness of CSTP; the average recidivism rate of children sent to juvenile detention is 50 percent, while the average for those sent to CSTP is 10 to 15 percent. Of 320 students enrolled, 90.6 percent graduated while 36 earned their GED.

CSTP is 100 percent state funded. Academic teachers are certified by the State of Arkansas and maintain their certification by completing 60 hours a year of professional development. Training instructors must have a minimum of 48 hours of training that covers non-violent crisis intervention, van driving training, drill and ceremonies, physical fitness, barracks maintenance, policies and procedures.

The Agency's Appropriation Change Level requests total \$65,000 each year of the biennium:

- The Agency is requesting \$15,000 each year in extra-help in order to maintain staff to student ratio for safety of staff and students court ordered into the program.
- The Agency is requesting Capital Outlay of \$50,000 each year for replacement and/or purchase of equipment essential to the maintenance and operation of the Student Training program (CSTP).

268 - General Operations

The State Operations appropriation provides for the administration of the Arkansas Military Department. The continuation of base level is necessary to pay staffing costs, maintenance, and general operation expenses in support of the Agency headquarters and National Guard training complex at Camp Robinson as well as the administration and up keep for armories in communities around the State.

The Agency's Appropriation Change Level requests total \$1,050,967 in General Revenue each year of the biennium:

- The Agency is re-allocating \$30,249 each year in special maintenance and officer candidate school in order to assist with budget request.
- The Agency is requesting an increase of \$2,216 in personal services and matching in order to maintain a staff of positions to perform critical obligations to the Arkansas National Guard.

- The Agency is requesting an increase of \$1,000,000 in building and grounds maintenance. This will be matched by the Cooperative Funding agreement (CFA) which is 100% federally reimbursed. The majority of the 52 armories were built in the 1940's-1950's era and are in desperate need of repairs and need to be made ADA compliant. Without this additional funding, the State of Arkansas is turning away \$1,000,000 Federal reimbursements.
- The Agency is requesting an increase of \$4,000 in travel each year due to the required training needs of our Civil Air Patrol and the Directorate of State Resources.
- The Agency is requesting an increase of \$25,000 each year in extra-help to meet the needs of various programs such as the 189th Air-wing, which is 85/15 federally reimbursed, the Chapel, Police Force, Public Affairs Office and/or the Directorate of State Resources.
- The Agency is requesting capital outlay in the amount of \$50,000 each year for the replacement and/or purchase of equipment essential to the maintenance and operation of Camp Robinson and/or Fort Chaffee.

269 - Military Call-Up and Court Martial

Base level is requested to be maintained in order for this appropriation to continue to provide Emergency Military Call-Up and Military Court Martial expenses. Funding for this program is provided by transfers from the Budget Stabilization Trust Fund.

- The Agency is requesting an increase of \$20,000 in appropriation only in each year of the biennium to utilize fines collected in accordance with A.C.A. 12-64-609.

270 - Federal Training Site

Base level is requested in order to provide appropriation only for Regular Salaries for State positions to support operations of the Camp Robinson Federal Training Site. These positions are 100% federally reimbursed through the Cooperative Funding agreement (CFA).

The Agency's Appropriation Change Level requests total a net increase of \$2,169,436 and \$2,168,569 in appropriation only for years one and two of the biennium, respectively and includes:

- Decreases of \$957,394 in the first year and \$958,261 in the second year in Regular Salaries and Personal Services Matching reflect the reduction of thirty (30) agency personnel.
- The Agency is requesting to restore Regular Salaries and Personal Services Matching in the amount of \$3,126,830 each year for restoring ninety (90) positions in order to allow flexibility of mission ready needs.

275 - Federal Training Site Grant

Base level is requested to be maintained in order for this appropriation to be used for operational costs of the 100% Cooperative Funding agreement (CFA) Federal reimbursed Camp Robinson Federal Training Site Grant Program.

- The Agency is requesting an increase of \$3,000,000 in Capital Outlay each year of the biennium for the replacement needs and/or purchase of equipment essential to the maintenance and operations of Camp Robinson.

34Y - Military Family Trust

Base level is requested to be maintained in order for this appropriation to provide for direct financial assistance to families of deployed soldiers. The funding comes from taxpayer donations.

- The Agency is requesting a \$40,183 increase each year of the biennium to provide additional financial assistance to soldiers.

393 - Cash Operations

Base level is requested to be maintained in order for this appropriation to continue. It is funded from cash funds derived from rentals and fees for usage of the facilities at Camp Robinson, sportsman hunting passes, administrative citations and the commercial harvesting of timber.

The Agency's Appropriation Change Level requests total \$213,533 each year of the biennium:

- The Agency is reallocating \$12,110 each year to assist with budget request.
- The Agency is requesting \$2,000 in Conferences & Travel and \$24,027 for Architect & Engineering needs (appropriation only) to match current cash in treasury.
- The Agency requests Capital Outlay in the amount of \$199,616 each year for replacement and/or purchase of equipment essential to the maintenance and operations of Camp Robinson to match current cash in treasury.

443 - Counter Drug Asset Forfeiture

Base level is requested to be maintained in order for this appropriation only to the Agency in order to continue to assist federal counter drug operations and receives a portion of the proceeds derived from the sale of seized assets. The Arkansas National Guard counter drug program

supports civil authorities in the fight against illegal drugs in our communities. Intelligence analysts for the Arkansas counter drug program provide vast amounts of support and hours of assistance to state, federal and local law enforcement agencies. These funds must be used for law enforcement operations and training in accordance with the U.S. Department of Justice's Code.

- The Agency request to decrease appropriation by \$9,126 each year to match current cash in treasury.

455 - Military Support Revolving

Base level is requested to be maintained in order for this appropriation only to continue to support non-emergency Military Call-Up to support military training activities. Funding for the Military Support Revolving Fund, established by Act 959 of 1999, consists of fund transfers and deposits from federal agencies.

- Base level is requested to be maintained in order for this appropriation to continue to provide support for this program.

575 - Fort Chaffee Training Site

Base level is requested to be maintained in order for this appropriation only to continue to be used for operational costs of the 100% federally reimbursed Fort Chaffee Federal Training Site Grant Program.

- The Agency is requesting an increase in Capital Outlay appropriation only of \$2,000,000 each year of the biennium to purchase tractors, brush trucks and other equipment to maintain roads and training ranges. This is 100% funded by the Cooperative Funding agreement (CFA) which is Federally reimbursed.

576 - National Guard Museum

Base level is requested to be maintained in order for this appropriation to continue to support the ARNG Museum. The program receives general revenue from the Miscellaneous Agencies Fund for personal services and operational costs of the Arkansas National Guard Museum.

- The Agency is requesting an increase of \$7,495 in appropriation and General Revenue funding each year of the biennium for Operating Expenses to meet the growing needs of the Museum for educational supplies, office supplies, wireless telecommunications and newspaper clipping service and for a new exhibit.

577 - Arkansas National Guard Youth Challenge Program

Base level is requested to be maintained in order for this appropriation to continue to support the program. The Youth Challenge Program

(YCP) is voluntary program housed at Camp Robinson, and is open to young men and women 16-18 years old from across the state. The mission is to reach out to non-adjudicated at-risk youth and provide them with the structure and educational development they need to get ahead in life.

The program has operated since 1993: 3,135 have graduated with 2,025 earning their GED. The YCP consists of a 22-week resident, followed by a 12-month post-resident program. The program is a cost efficient and effective alternative to what the outcome may be by not reaching out to these young people.

While the Cadets attend the program, the school continues to receive funds associated with the child as a student in their school.

Teachers must possess a bachelor's degree, be certified by the State of Arkansas and maintain their certification by completing 60 hours a year of professional development. Teachers must also attend the National Youth Challenge Basic course, Crisis Prevention and Interventions and CPR courses.

The Arkansas National Guard Youth Challenge Program provides the personal services and operational costs to support a residential educational training program for high school dropouts to enable them to receive a General Educational Development (GED) Diploma and assistance for further education or employment. The Program is designed for two (2) cycles per year to accommodate a total of 200 students per year.

The Agency's Appropriation Change Level requests total \$312,253 in the first year and \$309,899 in the second year of the biennium:

This program is 75% funded through the Cooperative Funding agreement (CFA) which is 100% federally reimbursed

- The Agency is requesting an increase of \$10,000 each year in extra-help and \$2,233 in FY17 and \$2,232 in FY18 in Personal Services and Matching in order to maintain a required staff to student ratio for safety of staff and students in the program.
- The Agency is requesting an increase of \$277,253 in year one and \$274,899 in year two of the biennium for the cost of feeding participants.
- The Agency is requesting an increase in Capital Outlay appropriation of \$25,000 each year for the replacement needs and/or purchase of equipment essential to the maintenance and operations of the Youth Challenge Program.

556 - Federal Armory Assistance

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE MILITARY DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	245	84	329	77 %
Black Employees	60	39	99	23 %
Other Racial Minorities	1	1	2	0 %
Total Minorities			101	23 %
Total Employees			430	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	
266 Civilian Student Training Program	3,325,170	55	3,571,221	61	3,706,822	61	3,595,495	61	3,660,495	61	3,660,495	61	3,600,696	61	3,665,696	61	3,665,696	61	
268 General Operations	6,092,082	73	6,536,067	73	6,659,067	120	6,555,638	73	7,606,605	73	7,606,605	73	6,559,599	73	7,610,566	73	7,610,566	73	
269 Military Call-up and Court Martial	289,215	1	2,540,000	0	2,540,000	0	2,540,000	0	2,560,000	0	2,560,000	0	2,540,000	0	2,560,000	0	2,560,000	0	
270 Federal Training Site	9,937,380	226	13,365,652	255	18,704,122	334	13,413,635	255	15,583,071	315	15,583,071	315	13,419,654	255	15,588,223	315	15,588,223	315	
275 Federal Training Site Grant	20,560,645	0	43,028,044	0	43,028,044	0	40,028,044	0	43,028,044	0	43,028,044	0	40,028,044	0	43,028,044	0	43,028,044	0	
34Y Military Family Relief Trust	3,526	0	149,453	0	149,453	0	149,453	0	189,636	0	189,636	0	149,453	0	189,636	0	189,636	0	
393 Cash Operations	253,007	0	1,956,469	0	1,713,690	0	1,513,690	0	1,727,223	0	1,727,223	0	1,513,690	0	1,727,223	0	1,727,223	0	
443 Counter Drug Asset Forfeiture	8,709	0	64,847	0	64,847	0	64,847	0	55,721	0	55,721	0	64,847	0	55,721	0	55,721	0	
455 Military Support Revolving	194,047	0	334,020	0	553,423	0	334,020	0	334,020	0	334,020	0	334,020	0	334,020	0	334,020	0	
575 Fort Chaffee Training Site	11,539,467	89	20,811,985	101	20,127,885	101	18,145,181	101	20,145,181	101	20,145,181	101	18,146,496	101	20,146,496	101	20,146,496	101	
576 National Guard Museum	83,547	1	81,368	1	100,110	1	81,558	1	89,053	1	89,053	1	81,558	1	89,053	1	89,053	1	
577 AR National Guard Youth Challenge Program	2,780,950	52	3,267,000	49	2,905,173	49	2,887,747	49	3,200,000	49	3,200,000	49	2,890,101	49	3,200,000	49	3,200,000	49	
NOT REQUESTED FOR THE BIENNIUM																			
556 Federal Armory Assistance	22,624	0	0	0	166,692	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	55,090,369	497	95,706,126	540	100,419,328	666	89,309,308	540	98,179,049	600	98,179,049	600	89,328,158	540	98,194,678	600	98,194,678	600	

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	5,851,205	9.6	5,566,782	5.6			3,473,034	3.8	3,473,034	3.5	3,473,034	3.6	2,354,734	2.6	2,314,551	2.4	1,263,584	1.3
General Revenue	4000010	9,835,989	16.2	9,354,887	9.4			9,391,663	10.4	10,593,188	10.7	9,391,663	9.6	9,415,287	10.5	10,616,224	10.8	9,415,287	9.9
Federal Revenue	4000020	44,145,816	72.8	79,655,931	80.3			73,655,464	81.5	81,059,090	81.9	80,824,900	82.8	73,661,088	82.5	81,062,081	82.8	80,829,657	84.7
Cash Fund	4000045	169,129	0.3	188,041	0.2			273,403	0.3	273,403	0.3	273,403	0.3	273,403	0.3	273,403	0.3	273,403	0.3
Merit Adjustment Fund	4000055	0	0.0	24,278	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Budget Stabilization Trust	4000130	289,215	0.5	2,540,000	2.6			2,540,000	2.8	2,560,000	2.6	2,560,000	2.6	2,540,000	2.8	2,560,000	2.6	2,560,000	2.7
Income Tax Donations	4000283	17,565	0.0	100,000	0.1			100,000	0.1	100,000	0.1	100,000	0.1	100,000	0.1	100,000	0.1	100,000	0.1
Intra-agency Fund Transfer	4000317	330,913	0.5	1,749,241	1.8			601,232	0.7	601,232	0.6	601,232	0.6	610,444	0.7	610,444	0.6	610,444	0.6
M & R Sales	4000340	17,319	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Military Support Revolving	4000342	0	0.0	0	0.0			334,020	0.4	334,020	0.3	334,020	0.3	334,020	0.4	334,020	0.3	334,020	0.4
Total Funds		60,657,151	100.0	99,179,160	100.0			90,368,816	100.0	98,993,967	100.0	97,558,252	100.0	89,288,976	100.0	97,870,723	100.0	95,386,395	100.0
Excess Appropriation/(Funding)		(5,566,782)		(3,473,034)				(1,059,508)		(814,918)		620,797		39,182		323,955		2,808,283	
Grand Total		55,090,369		95,706,126				89,309,308		98,179,049		98,179,049		89,328,158		98,194,678		98,194,678	

Budget exceeds Authorized Appropriation in (393) Cash Operations due to a transfer from the Cash Fund Holding Account.

Budget exceeds Authorized Appropriation in (575) Fort Chaffee Training Site due to a transfer from the Miscellaneous Federal Grant Holding Account.

Budget exceeds Authorized Appropriation in (577) AR National Guard Youth Challenge Program due to a transfer from the Miscellaneous Federal Grant Holding Account.

Variance in Fund Balance is due to unfunded appropriation in (266) Civilian Student Training Program, (393) Cash Operations, (443) Counter Drug Asset Forfeiture, (576) National Guard Museum, and (577) AR National Guard Youth Challenge Program.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
674	419	210	629	45	37.83 %	666	432	197	629	37	35.14 %	666	427	202	629	37	35.89 %

Analysis of Budget Request

Appropriation: 266 - Civilian Student Training Program

Funding Sources: HMD - State Military Department

Acts 375 and 1133 of 1993 established the Civilian Student Training Program (CSTP) located at Camp Robinson. CSTP offers rehabilitation for juveniles (11-17 years of age) who are referred to the Program by juvenile justices throughout the state. With full staff and funding, the Program can accommodate an annual maximum population of 330 students. This appropriation is funded by general revenue to support the operations and employee services of the residential juvenile training and behavior management facility.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level request is for appropriation and new general revenue of \$65,000 in each year of the biennium and reflects the following:

- Extra Help of \$15,000 each year to maintain staff to student ratio for safety of staff and students;
- Capital Outlay of \$50,000 each year for replacement and/or purchase of equipment essential to the maintenance and operation of the Student Training Program.

The Executive Recommendation provides for Agency Request in appropriation only.

Appropriation Summary

Appropriation: 266 - Civilian Student Training Program

Funding Sources: HMD - State Military Department

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,787,148	1,947,131	1,977,379	1,961,351	1,961,351	1,961,351	1,965,551	1,965,551	1,965,551
#Positions		55	61	61	61	61	61	61	61	61
Extra Help	5010001	20,776	25,000	25,000	25,000	40,000	40,000	25,000	40,000	40,000
#Extra Help		2	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	714,135	765,986	771,339	776,040	776,040	776,040	777,041	777,041	777,041
Overtime	5010006	432	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Operating Expenses	5020002	702,378	816,854	816,854	816,854	816,854	816,854	816,854	816,854	816,854
Conference & Travel Expenses	5050009	3,879	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250
Professional Fees	5060010	13,921	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	82,501	0	100,000	0	50,000	50,000	0	50,000	50,000
Total		3,325,170	3,571,221	3,706,822	3,595,495	3,660,495	3,660,495	3,600,696	3,665,696	3,665,696
Funding Sources										
General Revenue	4000010	3,325,170	3,571,221		3,595,495	3,660,495	3,595,495	3,600,696	3,665,696	3,600,696
Total Funding		3,325,170	3,571,221		3,595,495	3,660,495	3,595,495	3,600,696	3,665,696	3,600,696
Excess Appropriation/(Funding)		0	0		0	0	65,000	0	0	65,000
Grand Total		3,325,170	3,571,221		3,595,495	3,660,495	3,660,495	3,600,696	3,665,696	3,665,696

Change Level by Appropriation

Appropriation: 266 - Civilian Student Training Program
Funding Sources: HMD - State Military Department

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	3,595,495	61	3,595,495	100.0	3,600,696	61	3,600,696	100.0
C01	Existing Program	65,000	0	3,660,495	101.8	65,000	0	3,665,696	101.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	3,594,165	61	3,594,165	100.0	3,599,366	61	3,599,366	100.0
C01	Existing Program	66,330	0	3,660,495	101.8	66,330	0	3,665,696	101.8

Justification

C01	The agency is requesting an increase of \$15,000 each year in Extra Help in order to maintain a required staff to student ratio for safety of staff and students who are court ordered into the program. The agency is requesting Capital Outlay in the amount of \$50,000 each year for the replacement needs and/or purchase of equipment essential to the maintenance and operations of the Civilian Student Training Program (CSTP).
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Analysis of Budget Request

Appropriation: 268 - General Operations

Funding Sources: HMD - State Military Department

The State Operations appropriation provides for the administration of the Arkansas Military Department. The staffing costs and maintenance and general operation expenses in support of the Agency headquarters and National Guard training complex at Camp Robinson as well as the administration and up keep for armories in communities around the State are included in this fund center.

For several years the Agency, through the Cooperative Agreement with the National Guard Bureau, has received federal reimbursement for expenditures from this appropriation. These funds were deposited into the Special Military Fund and used to supplement general revenue for operations of the Agency. The Cooperative Agreement was amended and beginning in Federal FY11 the Agency no longer receives federal reimbursement for expenditures from this appropriation. Therefore, the Agency will be funded from general revenue, and the balance of the Special Military Fund only until such time that the fund depleted.

The Agency's Change Level request is for appropriation and new General Revenue of \$1,050,967 each year of the biennium and reflects the following:

- Extra Help of \$25,000 and Personal Services and Matching of \$2,216 each year to help meet the needs of various programs
- Operating Expenses of \$1,000,000 each year for repairs to 52 armories built in the 1940's-1950's era and need repairs to become ADA compliant;
- Conference and Travel Expenses of \$4,000 each year to meet the required training needs of the Civil Air Patrol and the Directorate of State Resources;
- Capital Outlay of \$50,000 each year for the replacement and/or purchase of equipment essential to the maintenance and operation of Camp Robinson and Fort Chaffee;
- Special Maintenance re-allocation of \$29,249 each year to offset needs in other commitment items; and
- Officer Candidate School re-allocation of \$1,000 each year to offset needs in other commitment items.

The Executive Recommendations provides for Agency Request in appropriation only.

Appropriation Summary

Appropriation: 268 - General Operations

Funding Sources: HMD - State Military Department

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,505,930	2,778,956	2,782,064	2,782,887	2,782,887	2,782,887	2,785,387	2,785,387	2,785,387
#Positions		73	73	120	73	73	73	73	73	73
Extra Help	5010001	54,132	60,000	60,000	60,000	85,000	85,000	60,000	85,000	85,000
#Extra Help		9	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	996,686	1,017,662	1,037,554	1,033,302	1,035,518	1,035,518	1,034,763	1,036,979	1,036,979
Overtime	5010006	159	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Operating Expenses	5020002	2,361,115	2,500,000	2,500,000	2,500,000	3,500,000	3,500,000	2,500,000	3,500,000	3,500,000
Conference & Travel Expenses	5050009	10,000	10,000	10,000	10,000	14,000	14,000	10,000	14,000	14,000
Professional Fees	5060010	62,982	127,700	127,700	127,700	127,700	127,700	127,700	127,700	127,700
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	68,488	0	100,000	0	50,000	50,000	0	50,000	50,000
Special Maintenance	5120032	29,092	29,249	29,249	29,249	0	0	29,249	0	0
Officer Candidate School	5900046	0	1,000	1,000	1,000	0	0	1,000	0	0
Purchase of Flags	5900048	3,498	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Total		6,092,082	6,536,067	6,659,067	6,555,638	7,606,605	7,606,605	6,559,599	7,610,566	7,610,566

Funding Sources										
Fund Balance	4000005	3,211,770	3,199,942		3,322,942	3,322,942	3,322,942	2,264,003	2,264,003	1,213,036
General Revenue	4000010	5,732,022	4,885,548		4,895,467	5,946,434	4,895,467	4,909,826	5,960,793	4,909,826
Merit Adjustment Fund	4000055	0	24,278		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	330,913	1,749,241		601,232	601,232	601,232	610,444	610,444	610,444
M & R Sales	4000340	17,319	0		0	0	0	0	0	0
Total Funding		9,292,024	9,859,009		8,819,641	9,870,608	8,819,641	7,784,273	8,835,240	6,733,306
Excess Appropriation/(Funding)		(3,199,942)	(3,322,942)		(2,264,003)	(2,264,003)	(1,213,036)	(1,224,674)	(1,224,674)	877,260
Grand Total		6,092,082	6,536,067		6,555,638	7,606,605	7,606,605	6,559,599	7,610,566	7,610,566

Intra-agency Fund Transfer is from Special Military Fund MBL0000 in accordance with ACA 19-5-1007

Change Level by Appropriation

Appropriation: 268 - General Operations
Funding Sources: HMD - State Military Department

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	6,555,638	73	6,555,638	100.0	6,559,599	73	6,559,599	100.0
C01	Existing Program	1,081,216	0	7,636,854	116.5	1,081,216	0	7,640,815	116.5
C04	Reallocation	(30,249)	0	7,606,605	116.0	(30,249)	0	7,610,566	116.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	6,555,638	73	6,555,638	100.0	6,559,599	73	6,559,599	100.0
C01	Existing Program	1,081,216	0	7,636,854	116.5	1,081,216	0	7,640,815	116.5
C04	Reallocation	(30,249)	0	7,606,605	116.0	(30,249)	0	7,610,566	116.0

Justification

C01	The Agency is requesting an increase of \$1,000,000 in Operating Expenses for building and grounds maintenance. This will be matched by the Cooperative Funding agreement (CFA) which is 100% Federally reimbursed. The majority of the 52 armories were built in the 1940's-1950's and are in desperate need of repairs in order to be ADA compliant. Without this additional funding, the State of Arkansas would be turning away \$1,000,000 in Federal reimbursements. The Agency is requesting travel in the amount of \$4,000 each year due to the needs of our Civil Air Patrol (CAP) and the Directorate of State Resources (DSR) required training needs. The Agency is requesting an increase of \$2,216 in personal services and matching in order to maintain a staff of positions to perform critical obligations to the Arkansas National Guard. The Agency is requesting an increase of \$25,000 each year in extra-help in order maintain the needs of various programs such as the 189th Air-Wing, which is 85/15 Federally reimbursed through the Cooperative Funding agreement (CFA), the Chapel, Police Force, Public Affairs and/or the Directorate of State Resources (DSR). The Agency is requesting Capital Outlay of \$50,000 each year for the replacement and/or purchase of equipment essential to the maintenance and operation of Camp Roinson or Fort Chaffee.
C04	The Agency is re-allocating \$30,249 each year in special maintenance and officer candidate school in order to assist with budget requests.

Analysis of Budget Request

Appropriation: 269 - Military Call-up and Court Martial

Funding Sources: HMD - State Military Department

This appropriation provides for emergency Military Call-Up and Military Court Martial expenses. Funding for this program is provided by transfers from the Budget Stabilization Trust Fund.

The Agency Change Level Request is for \$20,000 in Emergency Call-Up for each year of the biennium to utilize fines collected in accordance with ACA 12-64-609.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 269 - Military Call-up and Court Martial

Funding Sources: HMD - State Military Department

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Emergency Call Up	5900046	275,248	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Court Martial Expenses	5900047	13,967	40,000	40,000	40,000	60,000	60,000	40,000	60,000	60,000
Total		289,215	2,540,000	2,540,000	2,540,000	2,560,000	2,560,000	2,540,000	2,560,000	2,560,000
Funding Sources										
Budget Stabilization Trust	4000130	289,215	2,540,000		2,540,000	2,560,000	2,560,000	2,540,000	2,560,000	2,560,000
Total Funding		289,215	2,540,000		2,540,000	2,560,000	2,560,000	2,540,000	2,560,000	2,560,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		289,215	2,540,000		2,540,000	2,560,000	2,560,000	2,540,000	2,560,000	2,560,000

Change Level by Appropriation

Appropriation: 269 - Military Call-up and Court Martial
Funding Sources: HMD - State Military Department

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,540,000	0	2,540,000	100.0	2,540,000	0	2,540,000	100.0
C01	Existing Program	20,000	0	2,560,000	100.8	20,000	0	2,560,000	100.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,540,000	0	2,540,000	100.0	2,540,000	0	2,540,000	100.0
C01	Existing Program	20,000	0	2,560,000	100.8	20,000	0	2,560,000	100.8

Justification

C01	The Agency is requesting an increase of \$20,000 in appropriation only in each year of the biennium to utilize fines collected in accordance with A.C.A. 12-64-609.
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Analysis of Budget Request

Appropriation: 270 - Federal Training Site

Funding Sources: FMF - State Military Federal

This appropriation provides Regular Salaries, Overtime, and Personal Services Matching costs for state positions funded 100% with federal funds to support operations of the Camp Robinson Federal Training Site.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level requests include Regular Salaries and Personal Services Matching appropriation of \$2,169,436 in FY18 and \$2,168,569 in FY19 and reflect the restoration of 90 positions as well as a reduction of 30 currently budgeted positions to allow flexibility of mission ready needs. This represents a net increase of 60 positions.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 270 - Federal Training Site

Funding Sources: FMF - State Military Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,440,639	7,818,148	11,637,710	7,822,173	9,329,550	9,329,550	7,827,011	9,333,688	9,333,688
#Positions		226	255	334	255	315	315	255	315	315
Extra Help	5010001	517,274	1,320,787	1,320,787	1,320,787	1,320,787	1,320,787	1,320,787	1,320,787	1,320,787
#Extra Help		49	84	84	84	84	84	84	84	84
Personal Services Matching	5010003	2,929,855	3,378,717	4,897,625	3,422,675	4,084,734	4,084,734	3,423,856	4,085,748	4,085,748
Overtime	5010006	46,471	648,000	648,000	648,000	648,000	648,000	648,000	648,000	648,000
Operating Expenses	5020002	3,141	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Conference & Travel Expenses	5050009	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		9,937,380	13,365,652	18,704,122	13,413,635	15,583,071	15,583,071	13,419,654	15,588,223	15,588,223
Funding Sources										
Federal Revenue	4000020	9,937,380	13,365,652		13,413,635	15,583,071	15,583,071	13,419,654	15,588,223	15,588,223
Total Funding		9,937,380	13,365,652		13,413,635	15,583,071	15,583,071	13,419,654	15,588,223	15,588,223
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		9,937,380	13,365,652		13,413,635	15,583,071	15,583,071	13,419,654	15,588,223	15,588,223

Change Level by Appropriation

Appropriation: 270 - Federal Training Site
Funding Sources: FMF - State Military Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	13,413,635	255	13,413,635	100.0	13,419,654	255	13,419,654	100.0
C03	Discontinue Program	(957,394)	(30)	12,456,241	92.9	(958,261)	(30)	12,461,393	92.9
C06	Restore Position/Approp	3,126,830	90	15,583,071	116.2	3,126,830	90	15,588,223	116.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	13,413,635	255	13,413,635	100.0	13,419,654	255	13,419,654	100.0
C03	Discontinue Program	(957,394)	(30)	12,456,241	92.9	(958,261)	(30)	12,461,393	92.9
C06	Restore Position/Approp	3,126,830	90	15,583,071	116.2	3,126,830	90	15,588,223	116.2

Justification

C03	The Agency is decreasing regular salaries and personal services and matching of \$957,394 in the first year and \$958,261 in the second year to reflect the reduction of thirty (30) positions in the agency.
C06	The agency is requesting to restore \$3,126,830 each year for ninety (90) positions to allow flexibility in position needs. This is funded by the Cooperative Funding Agreement (CFA) which is 100% Federally reimbursed.

Analysis of Budget Request

Appropriation: 275 - Federal Training Site Grant

Funding Sources: FMF - State Military Federal

The State Military Department's appropriation for operational costs of the Camp Robinson Federal Training Site Grant Program is 100% federally funded.

The Agency's Change Level request totals \$3,000,000 in Capital Outlay for each year of the biennium for the replacement needs and/or purchase of equipment essential to the maintenance and operations of Camp Robinson.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 275 - Federal Training Site Grant

Funding Sources: FMF - State Military Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	17,646,193	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999
Conference & Travel Expenses	5050009	37,498	362,945	362,945	362,945	362,945	362,945	362,945	362,945	362,945
Professional Fees	5060010	1,837,098	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,039,856	3,000,000	3,000,000	0	3,000,000	3,000,000	0	3,000,000	3,000,000
Total		20,560,645	43,028,044	43,028,044	40,028,044	43,028,044	43,028,044	40,028,044	43,028,044	43,028,044
Funding Sources										
Federal Revenue	4000020	20,560,645	43,028,044		40,028,044	43,028,044	43,028,044	40,028,044	43,028,044	43,028,044
Total Funding		20,560,645	43,028,044		40,028,044	43,028,044	43,028,044	40,028,044	43,028,044	43,028,044
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		20,560,645	43,028,044		40,028,044	43,028,044	43,028,044	40,028,044	43,028,044	43,028,044

Change Level by Appropriation

Appropriation: 275 - Federal Training Site Grant
Funding Sources: FMF - State Military Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	40,028,044	0	40,028,044	100.0	40,028,044	0	40,028,044	100.0
C01	Existing Program	3,000,000	0	43,028,044	107.5	3,000,000	0	43,028,044	107.5

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	40,028,044	0	40,028,044	100.0	40,028,044	0	40,028,044	100.0
C01	Existing Program	3,000,000	0	43,028,044	107.5	3,000,000	0	43,028,044	107.5

Justification

C01	The Agency is requesting \$3,000,000 in Capital Outlay each year of the biennium for replacement needs and/or purchase of equipment essential to the maintenance and operation of Camp Robinson. This is funded by the Cooperative Funding agreement (CFA) which is 100% Federal reimbursement.
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Analysis of Budget Request

Appropriation: 34Y - Military Family Relief Trust

Funding Sources: TFM - Military Family Relief Trust

This appropriation is for direct financial assistance for families of deployed soldiers. Funding comes from taxpayer donations.

The Agency's Change Level request is for additional appropriation of \$40,183 in Operating Expenses each year of the biennium to provide additional financial assistance to soldiers.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 34Y - Military Family Relief Trust

Funding Sources: TFM - Military Family Relief Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,526	149,453	149,453	149,453	189,636	189,636	149,453	189,636	189,636
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		3,526	149,453	149,453	149,453	189,636	189,636	149,453	189,636	189,636
Funding Sources										
Fund Balance	4000005	175,598	189,637		140,184	140,184	140,184	90,731	50,548	50,548
Income Tax Donations	4000283	17,565	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding		193,163	289,637		240,184	240,184	240,184	190,731	150,548	150,548
Excess Appropriation/(Funding)		(189,637)	(140,184)		(90,731)	(50,548)	(50,548)	(41,278)	39,088	39,088
Grand Total		3,526	149,453		149,453	189,636	189,636	149,453	189,636	189,636

Change Level by Appropriation

Appropriation: 34Y - Military Family Relief Trust
Funding Sources: TFM - Military Family Relief Trust

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	149,453	0	149,453	100.0	149,453	0	149,453	100.0
C01	Existing Program	40,183	0	189,636	126.9	40,183	0	189,636	126.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	149,453	0	149,453	100.0	149,453	0	149,453	100.0
C01	Existing Program	40,183	0	189,636	126.9	40,183	0	189,636	126.9

Justification

C01	The Agency is requesting a \$40,183 increase each year of the biennium to provide additional financial assistance to soldiers through tax donations and interest earned.
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Analysis of Budget Request

Appropriation: 393 - Cash Operations

Funding Sources: NMD - Military Oprs Cash in Treasury

This appropriation is for operating expenses of the State Military Department and funded from Cash in Treasury Funds that are derived from rentals and fees for usage of the facilities at Camp Robinson and the commercial harvesting of timber.

The Agency's Change Level request is for appropriation of \$213,533 in each year of the biennium and reflects the following:

- Operating Expenses reduced by \$12,110 each year to offset needs in other commitment items;
- Conference and Travel Expenses of \$2,000 each year to match current cash in treasury;
- Professional Fees of \$24,027 each year to match current cash in treasury; and
- Capital Outlay of \$199,616 each year for replacement and/or purchase of equipment essential to the maintenance and operations of Camp Robinson to match current cash in treasury.

The Executive Recommendation provides for Agency Request.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 393 - Cash Operations

Funding Sources: NMD - Military Oprs Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	60,100	1,515,874	1,502,690	1,502,690	1,490,580	1,490,580	1,502,690	1,490,580	1,490,580
Conference & Travel Expenses	5050009	2,761	5,500	5,500	5,500	7,500	7,500	5,500	7,500	7,500
Professional Fees	5060010	29,861	66,546	5,500	5,500	29,527	29,527	5,500	29,527	29,527
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	160,285	368,549	200,000	0	199,616	199,616	0	199,616	199,616
Total		253,007	1,956,469	1,713,690	1,513,690	1,727,223	1,727,223	1,513,690	1,727,223	1,727,223
Funding Sources										
Fund Balance	4000005	1,873,324	1,787,462		9,908	9,908	9,908	0	0	0
Cash Fund	4000045	167,145	178,915		273,403	273,403	273,403	273,403	273,403	273,403
Total Funding		2,040,469	1,966,377		283,311	283,311	283,311	273,403	273,403	273,403
Excess Appropriation/(Funding)		(1,787,462)	(9,908)		1,230,379	1,443,912	1,443,912	1,240,287	1,453,820	1,453,820
Grand Total		253,007	1,956,469		1,513,690	1,727,223	1,727,223	1,513,690	1,727,223	1,727,223

Expenditure of appropriation is contingent upon available funding.

Budget exceeds Authorized Appropriation in Operating Expenses, Professional Fees, and Capital Outlay due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 393 - Cash Operations
Funding Sources: NMD - Military Oprs Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,513,690	0	1,513,690	100.0	1,513,690	0	1,513,690	100.0
C01	Existing Program	225,643	0	1,739,333	114.9	225,643	0	1,739,333	114.9
C04	Reallocation	(12,110)	0	1,727,223	114.1	(12,110)	0	1,727,223	114.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,513,690	0	1,513,690	100.0	1,513,690	0	1,513,690	100.0
C01	Existing Program	225,643	0	1,739,333	114.9	225,643	0	1,739,333	114.9
C04	Reallocation	(12,110)	0	1,727,223	114.1	(12,110)	0	1,727,223	114.1

Justification

C01	The Agency is requesting \$2,000 in conferences & travel and \$24,027 for architect & engineering needs (appropriation only) to match current cash in treasury. The Agency is requesting Capital Outlay in the amount of \$199,616 (appropriation only) for replacement and/or purchase of equipment essential to the maintenance and operations of Camp Robinson to match current cash in treasury.
C04	The Agency is re-allocating \$12,110 each year to assist with budget request.

Analysis of Budget Request

Appropriation: 443 - Counter Drug Asset Forfeiture

Funding Sources: NMD - Counter Drug Cash in Treasury

The Counter Drug Asset Forfeiture Program employs funds held in the Department's cash fund in State Treasury account. The Department assists in federal counter drug operations and receives a portion of the proceeds derived from the sale of seized assets. These funds must be used for law enforcement operations and training in accordance with the U.S. Department of Justice's Code.

The Agency's Change Level request is for a total reduction in appropriation for Counter Drug Asset Forfeiture of \$9,126 each year of the biennium to match current cash in treasury.

The Executive Recommendation provides for Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 443 - Counter Drug Asset Forfeiture

Funding Sources: NMD - Counter Drug Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Counterdrug Asset Forfeiture 5900046	8,709	64,847	64,847	64,847	55,721	55,721	64,847	55,721	55,721
Total	8,709	64,847	64,847	64,847	55,721	55,721	64,847	55,721	55,721
Funding Sources									
Fund Balance 4000005	62,446	55,721		0	0	0	0	0	0
Cash Fund 4000045	1,984	9,126		0	0	0	0	0	0
Total Funding	64,430	64,847		0	0	0	0	0	0
Excess Appropriation/(Funding)	(55,721)	0		64,847	55,721	55,721	64,847	55,721	55,721
Grand Total	8,709	64,847		64,847	55,721	55,721	64,847	55,721	55,721

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 443 - Counter Drug Asset Forfeiture
Funding Sources: NMD - Counter Drug Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	64,847	0	64,847	100.0	64,847	0	64,847	100.0
C03	Discontinue Program	(9,126)	0	55,721	85.9	(9,126)	0	55,721	85.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	64,847	0	64,847	100.0	64,847	0	64,847	100.0
C03	Discontinue Program	(9,126)	0	55,721	85.9	(9,126)	0	55,721	85.9

Justification

C03	The agency is decreasing \$9,126 each year to match current cash in treasury.
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Analysis of Budget Request

Appropriation: 455 - Military Support Revolving

Funding Sources: MSR - Military Support Revolving Fund

This appropriation is used for non-emergency Military Call-Up to support military training activities. Funding for the Military Support Revolving Fund, established by A.C.A. § 19-5-1095, consists of fund transfers and deposits from federal agencies.

The Agency is requesting Base Level each year of the biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 455 - Military Support Revolving

Funding Sources: MSR - Military Support Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Non-Emergency Call-Up Expense 5900046	194,047	334,020	553,423	334,020	334,020	334,020	334,020	334,020	334,020
Total	194,047	334,020	553,423	334,020	334,020	334,020	334,020	334,020	334,020
Funding Sources									
Fund Balance 4000005	528,067	334,020		0	0	0	0	0	0
Military Support Revolving 4000342	0	0		334,020	334,020	334,020	334,020	334,020	334,020
Total Funding	528,067	334,020		334,020	334,020	334,020	334,020	334,020	334,020
Excess Appropriation/(Funding)	(334,020)	0		0	0	0	0	0	0
Grand Total	194,047	334,020		334,020	334,020	334,020	334,020	334,020	334,020

Analysis of Budget Request

Appropriation: 575 - Fort Chaffee Training Site

Funding Sources: FMF - State Military Federal

This appropriation is 100% federally funded for personnel and operational costs of the Fort Chaffee Training Site.

The Agency's Change Level request is for \$2,000,000 in Capital Outlay each year of the biennium to purchase tractors, brush trucks and other equipment to maintain roads and training ranges.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 575 - Fort Chaffee Training Site

Funding Sources: FMF - State Military Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,612,424	3,020,135	2,535,599	2,535,078	2,535,078	2,535,078	2,536,116	2,536,116	2,536,116
#Positions		89	101	101	101	101	101	101	101	101
Extra Help	5010001	94,294	302,408	302,408	302,408	302,408	302,408	302,408	302,408	302,408
#Extra Help		11	35	35	35	35	35	35	35	35
Personal Services Matching	5010003	1,208,824	1,364,907	1,165,343	1,183,160	1,183,160	1,183,160	1,183,437	1,183,437	1,183,437
Overtime	5010006	42,905	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000
Operating Expenses	5020002	6,662,429	11,058,500	11,058,500	11,058,500	11,058,500	11,058,500	11,058,500	11,058,500	11,058,500
Conference & Travel Expenses	5050009	6,865	238,160	238,160	238,160	238,160	238,160	238,160	238,160	238,160
Professional Fees	5060010	611,509	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	300,217	2,000,000	2,000,000	0	2,000,000	2,000,000	0	2,000,000	2,000,000
Total		11,539,467	20,811,985	20,127,885	18,145,181	20,145,181	20,145,181	18,146,496	20,146,496	20,146,496

Funding Sources										
Federal Revenue	4000020	11,539,467	20,811,985		18,145,181	20,145,181	20,145,181	18,146,496	20,146,496	20,146,496
Total Funding		11,539,467	20,811,985		18,145,181	20,145,181	20,145,181	18,146,496	20,146,496	20,146,496
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		11,539,467	20,811,985		18,145,181	20,145,181	20,145,181	18,146,496	20,146,496	20,146,496

Budget exceeds Authorized Appropriation in Regular Salaries and Personal Services Matching by authority of a Miscellaneous Federal Grant.

Change Level by Appropriation

Appropriation: 575 - Fort Chaffee Training Site
Funding Sources: FMF - State Military Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	18,145,181	101	18,145,181	100.0	18,146,496	101	18,146,496	100.0
C01	Existing Program	2,000,000	0	20,145,181	111.0	2,000,000	0	20,146,496	111.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	18,145,181	101	18,145,181	100.0	18,146,496	101	18,146,496	100.0
C01	Existing Program	2,000,000	0	20,145,181	111.0	2,000,000	0	20,146,496	111.0

Justification

C01	The Agency requests Capital Outlay of \$2,000,000 (appropriation only) each year of the biennium for replacement and/or purchase of equipment essential to the maintenance and operation of Fort Chaffee. This is funded by the Cooperative Funding Agreement (CFA) which is 100% Federal reimbursement.								
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Analysis of Budget Request

Appropriation: 576 - National Guard Museum

Funding Sources: HUA - Miscellaneous Agencies Fund

This appropriation receives general revenue from the Miscellaneous Agencies Fund for personal services and operational costs of the Arkansas National Guard Museum.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level request totals \$7,495 in appropriation and new General Revenue in Operating Expenses each year of the biennium to meet the growing needs of the museum for educational supplies, office supplies, wireless telecommunications, and newspaper clipping service and for a new exhibit.

The Executive Recommendation provides for Agency Request for appropriation only.

Appropriation Summary

Appropriation: 576 - National Guard Museum

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	39,796	38,082	53,448	38,082	38,082	38,082	38,082	38,082	38,082
#Positions	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	14,417	13,936	17,312	14,126	14,126	14,126	14,126	14,126	14,126
Operating Expenses 5020002	26,848	24,450	24,450	24,450	31,945	31,945	24,450	31,945	31,945
Conference & Travel Expenses 5050009	0	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Purchase of Flags 5900048	2,486	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total	83,547	81,368	100,110	81,558	89,053	89,053	81,558	89,053	89,053
Funding Sources									
General Revenue 4000010	83,547	81,368		81,558	89,053	81,558	81,558	89,053	81,558
Total Funding	83,547	81,368		81,558	89,053	81,558	81,558	89,053	81,558
Excess Appropriation/(Funding)	0	0		0	0	7,495	0	0	7,495
Grand Total	83,547	81,368		81,558	89,053	89,053	81,558	89,053	89,053

Change Level by Appropriation

Appropriation: 576 - National Guard Museum
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	81,558	1	81,558	100.0	81,558	1	81,558	100.0
C01	Existing Program	7,495	0	89,053	109.2	7,495	0	89,053	109.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	81,558	1	81,558	100.0	81,558	1	81,558	100.0
C01	Existing Program	7,495	0	89,053	109.2	7,495	0	89,053	109.2

Justification

C01	The Agency is requesting an increase of \$7,495 each year in Operating Expenses to meet the growing needs of the Museum and for a new exhibit.
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Analysis of Budget Request

Appropriation: 577 - AR National Guard Youth Challenge Program

Funding Sources: HMD - State Military Department

The Arkansas National Guard Youth Challenge Program provides for the personal services and operational costs to support a residential educational training program for high school dropouts to enable them to receive a General Educational Development (GED) Diploma and assistance for further education or employment. The Program is designed for two (2) cycles per year to accommodate a total of 200 students per year. This appropriation is funded by general revenue and federal reimbursements on a 25/75 split.

The Agency's Change Level request totals \$312,253 in FY18 and \$309,899 in FY19 with new General Revenue of \$78,063 in FY18 and \$77,475 in FY19 and reflects the following:

- Extra Help of \$10,000 each year in order to maintain a required staff to student ratio for the safety of staff and students;
- Operating Expenses of \$277,253 in FY18 and \$274,899 in FY19 for the increased cost of feeding participants; and
- Capital Outlay of \$25,000 each year for the replacement needs and/or purchase of equipment essential to the maintenance and operations of the Youth Challenge Program.

The Executive Recommendation provides for Agency Request for appropriation only.

Appropriation Summary

Appropriation: 577 - AR National Guard Youth Challenge Program

Funding Sources: HMD - State Military Department

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,369,942	1,542,686	1,478,216	1,550,621	1,550,621	1,550,621	1,552,521	1,552,521	1,552,521
#Positions		52	49	49	49	49	49	49	49	49
Extra Help	5010001	9,982	10,000	10,000	10,000	20,000	20,000	10,000	20,000	20,000
#Extra Help		1	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	560,528	608,314	581,457	616,626	616,626	616,626	617,080	617,080	617,080
Overtime	5010006	202	500	500	500	500	500	500	500	500
Operating Expenses	5020002	806,027	1,000,319	700,000	700,000	977,253	977,253	700,000	974,899	974,899
Conference & Travel Expenses	5050009	3,348	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees	5060010	8,529	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	22,392	95,181	125,000	0	25,000	25,000	0	25,000	25,000
Total		2,780,950	3,267,000	2,905,173	2,887,747	3,200,000	3,200,000	2,890,101	3,200,000	3,200,000

Funding Sources										
General Revenue	4000010	695,250	816,750		819,143	897,206	819,143	823,207	900,682	823,207
Federal Revenue	4000020	2,085,700	2,450,250		2,068,604	2,302,794	2,068,604	2,066,894	2,299,318	2,066,894
Total Funding		2,780,950	3,267,000		2,887,747	3,200,000	2,887,747	2,890,101	3,200,000	2,890,101
Excess Appropriation/(Funding)		0	0		0	0	312,253	0	0	309,899
Grand Total		2,780,950	3,267,000		2,887,747	3,200,000	3,200,000	2,890,101	3,200,000	3,200,000

Budget exceeds Authorized Appropriation in Regular Salaries, Personal Services Matching, and Operating Expenses due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

Appropriation: 577 - AR National Guard Youth Challenge Program
Funding Sources: HMD - State Military Department

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,887,747	49	2,887,747	100.0	2,890,101	49	2,890,101	100.0
C01	Existing Program	312,253	0	3,200,000	110.8	309,899	0	3,200,000	110.7

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,886,861	49	2,886,861	100.0	2,889,215	49	2,889,215	100.0
C01	Existing Program	313,139	0	3,200,000	110.8	310,785	0	3,200,000	110.8

Justification

C01	The Agency requests \$10,000 each year of the biennium in extra help in order to maintain staff to student ratio for safety of staff and students in the program. The Agency is requesting an increase of \$277,253 in FY18 and \$274,899 in FY19 for food cost used to feed the youth who are in the program. The Agency requests Capital Outlay appropriation in the amount of \$25,000 each year for the replacement needs and/or purchase of equipment essential to the maintenance and operations of the Youth Challenge Program. This youth program is a 75/25 split. 75% of the program revenues are funded through the Cooperative Funding Agreement (CFA).
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Appropriation Summary

Appropriation: 556 - Federal Armory Assistance

Funding Sources: FMF - State Military Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	22,624	0	166,692	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	22,624	0	166,692	0	0	0	0	0	0
Funding Sources									
Federal Revenue 4000020	22,624	0		0	0	0	0	0	0
Total Funding	22,624	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	22,624	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIU

PAROLE BOARD

Enabling Laws

Act 54 of 2016
A.C.A. §16-93-201, et seq.

History and Organization

The Parole Board is dedicated to the process of promoting public safety by the return of offenders into the community through supervised, conditional release. The goal is to guide and monitor the transition from confinement to the successful completion of supervision within the community. The State Board of Parole and Community Rehabilitation was created by Act 937 of 1989, with three (3) full-time Members and four (4) part-time Members.

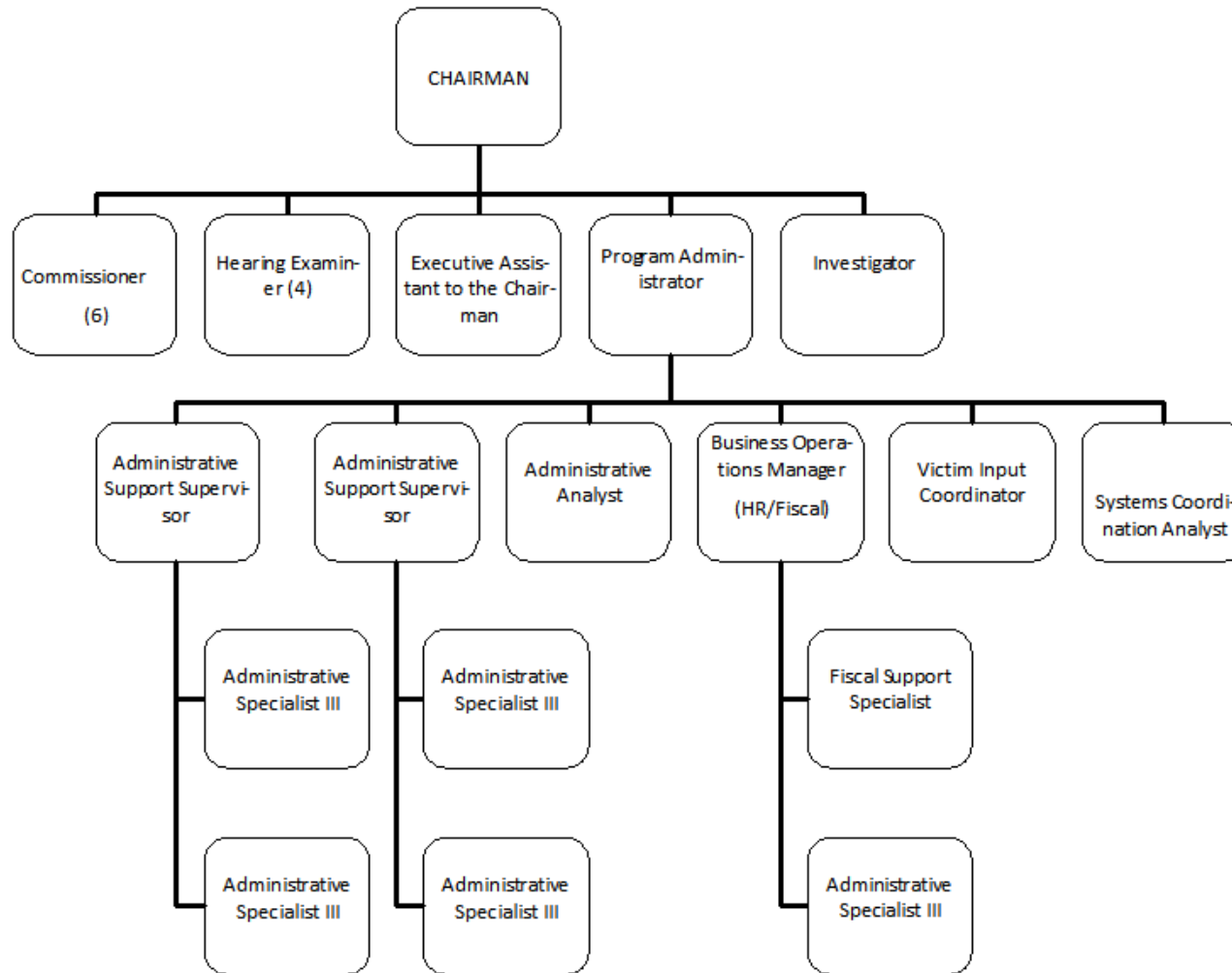
During the 79th General Assembly Regular Session the name of the State Board of Parole and Community Rehabilitation was changed to Post Prison Transfer Board. This was followed by Act 285 & 361 of 1995, to provide that the Post Prison Transfer Board be comprised of five (5) full-time Members and two (2) part-time Members. Act 979 of 1999, authorized a change to six (6) full-time Members and one (1) part-time Member. The staff consist of three (3) Revocation Hearing Examiners and seven (7) Clerks for a total of 16 authorized positions.

During the 85th General Assembly Regular Session, Act 1033 of 2005 changed the name of the Post Prison Transfer Board to the Parole Board and authorized three (3) additional clerical staff. The staff consist of three (3) Revocation Hearing Examiners, five (5) Administrative Assistants, three (3) Secretaries, one (1) Management Project Analyst and one (1) Agency Manager for a total of 19 authorized positions.

During the 86th General Assembly Regular Session, Act 697 of 2007 authorized two (2) additional support staff members and changed the composition of Board to seven (7) full-time members to be appointed from the state at large by the Governor and confirmed by the Senate. The support staff consist of three (3) Revocation Hearing Examiners, five (5) Administrative Assistants, three (3) Secretaries, one (1) Fiscal Agency Manager, one (1) Management Project Analyst, one (1) User Support Specialist, and one (1) Investigator for a total of 22 authorized positions.

In 2013 and again in 2014, the Board added additional staff to cope with increased workload and to further support its automation efforts. The Parole Board currently consists of seven (7) full-time Board Members, four (4) Revocation Hearing Judges, one (1) Executive Assistant, one (1) Program Administrator, one (1) Investigator, one (1) Victim Input Coordinator, one (1) Business Operations Manager, one (1) Systems Coordination Analyst, one (1) Administrative Analyst, two (2) Administrative Support Supervisors, five (5) Administrative Assistants,

and one (1) Fiscal Support Specialist for a total of 26 authorized positions.



Agency Commentary

The Arkansas Parole Board (APB) is responsible for conducting parole hearings throughout the State, making decisions on the conditional release of inmates from correctional facilities, and reviewing all pardon and executive clemency applications and making non-binding recommendations to the Governor. APB is responsible for granting, denying, suspending, and revoking parole in accordance with legislative criteria and Board policy. The Chairman of the Parole Board also serves as an ex-officio member of the Board of Corrections.

In recent years, the Agency has adjusted to meet an ever-changing environment. As a result, we have implemented and/or dealt with the following:

- Evidenced-based practices
- Expanded reporting requirements
- Automation and mobility efforts
- Data-driven decision making
- Dramatic changes in parole and revocation policies
- Increases in staffing

The Agency has taken calculated steps to efficiently use its current base level of funding through implementation of a number of cost saving measures. These include re-negotiating the lease agreement for the building that currently houses the operations of APB. There has also been a reduction in the cost of purchasing ink for personal printers, as well as an agency-wide effort to utilize the free-standing copiers in place to effectuate print jobs. The Parole Board has discontinued the use of the majority of its aging vehicle fleet in an attempt to reduce costs associated with maintenance, reducing the size of the agency's fleet from seven (7) cars to three (3).

The agency's total appropriation and additional general revenue funding request for FY18 is \$65,015 and \$70,415 for FY19. The breakdown is as follows:

Increase in Salaries and Match

The agency is requesting \$52,015 in FY18 and FY19 for the continuation of the Victim Input Coordinator C118 that was approved by OPM as a growth pool position in FY16.

Increases in Operating Expenses

The agency is requesting an increase in Operating Expenses in the amount of \$7,200 for FY18 and \$12,600 for FY19. The FY18 request will

be used to purchase laptops for the four (4) Revocation Hearing Judges (RHJ's) to replace previously purchased equipment which will have reached the end of its life cycle. The FY19 request will be used to purchase seven (7) laptops to provide for the Arkansas Parole Board Commissioners and Chairman of the Board. Both the Board and RHJ's rely heavily on this equipment to effectuate fulfillment of their job requirements. The need for up-to-date portable computer equipment is paramount in the Board and the RHJ's abilities to complete daily job tasks and responsibilities that include the following:

- accessing and reviewing pertinent Electronic Offender Management Information System (eOMIS) data while on site at facilities located across the State of Arkansas;
- voting electronically by the Board; and
- the ability of the RHJ's to electronically sign documents as needed at any time during the work day regardless of each person's location.

The agency is also requesting an additional \$300 in both FY18 and FY19 to cover the cost of postage. Currently, the Agency is processing over one hundred (100) appeals per month on average. Although the cost of postage decreased two cents (\$0.02) in April 2016, the number of appeals processed daily by the APB has continued to increase.

The total amount above base level requested by the Agency in Operating Expenses is \$7,500 in FY18 and \$12,900 in FY19.

Conference and Travel Expenses

The Agency is requesting an increase of \$5,500 in FY18 and FY19 for Conference and Travel expenses. The increase will be put toward training senior staff in (1) evidence-based practices; (2) data-driven decision making; (3) recidivism reduction; and (4) stake-holder collaboration as required by A.C.A 16-23-201. This request will also supply additional funds to provide specialized training for Revocation Hearing Judges in administrative law and general development opportunities for clerical staff in adhering to the requirements necessary to maintain the Arkansas Parole Board's certification by the American Correctional Association.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS PAROLE BOARD
FOR THE YEAR ENDED JUNE 30, 2013

<u>Findings</u>	<u>Recommendations</u>
<p>Effective internal controls provide for the safeguarding of assets. During our test of equipment, seven exceptions were noted:</p> <ul style="list-style-type: none">• The Agency was unable to reconcile five asset numbers assigned in AASIS to the inventory tag numbers assigned by the Agency. Although we were able to sight equipment with the Agency's inventory tag number that matched the description of the item in AASIS, no documentation was available to verify these assets were the assets listed in AASIS.• A sixth asset was sighted that was not tagged with any identifying asset number.• The seventh asset was unable to be located. <p>Lack of proper internal controls over capital assets could allow for the misappropriation of state assets and result in inaccurate accounting records.</p>	<p>To ensure that all assets are properly tagged and accounted for, we recommend Agency management: 1) conduct a complete asset inventory, 2) identify any assets that need to be added or deleted from the fixed asset listing in AASIS, 3) reconcile the Agency's inventory tag numbers to the asset numbers in AASIS, and 4) submit any missing information to the Department of Finance and Administration (DFA) for upload to AASIS. We further recommend that Agency management submit a list of any assets that cannot be accounted for to DFA for approval to remove the assets from the Agency's fixed asset listing.</p> <p><u>Agency Response:</u> We have begun implementing several steps to address this issue which include:</p> <ul style="list-style-type: none">• We are identifying any asset that needs to be added or deleted from the fixed asset listing• We are also reconciling the Agency's inventory tag numbers to the asset numbers in AASIS and submitting any missing information to DFA.• We will submit a list of any assets that cannot be accounted for to DFA for approval to remove the assets from the Agency's fixed asset listing. <p>We are confident that these efforts, along with closer monitoring by staff, will address current issues and prevent future ones.</p>

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	6	7	13	52 %
Black Employees	2	10	12	48 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			12	48 %
Total Employees			25	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Report	ACA §16-93-202	Y	Y	0	Information Purposes	0	0.00
Monthly Board Reports	ACA §16-93-210	Y	Y	0	Monitor Parole Applications and Outcomes	0	0.00

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
24	23	1	24	0	4.17 %	25	26	0	26	-1	-4.00 %	25	24	2	26	-1	4.00 %

Budgeted Number of Positions exceeds the Authorized Number due to a transfer from the Agency Growth Pool during the 2015-2017 Biennium

Analysis of Budget Request

Appropriation: 306 - Parole Board Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Parole Board consists of seven members, which are appointed by the Governor and confirmed by the Senate for a seven-year term. Board members regularly conduct parole hearings throughout the State of Arkansas and make decisions on conditional releases of inmates in correctional facilities. The Board is also responsible for reviewing all pardon and executive clemency applications and making non-binding recommendations to the Governor. The Chairman of the Parole Board also serves as an ex-officio member of the Board of Corrections.

Funding for Parole Board is from general revenue. The Parole Board is authorized to receive assistance from the Department of Correction (DOC) and the Department of Community Correction (DCC), as provided by Section 3 of Act 54 of 2016.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015. The Base Level request for Regular Salaries includes board member stipend payments. The Technology related requests are documented in the Agency's Information Technology (IT) Plan.

The Agency's Change Level Request is for new general revenue funding and appropriation totaling \$65,015 in FY18 and \$70,415 in FY19 and includes the following:

- Regular Salaries and Personal Services Matching of \$52,015 in FY18 and FY19 for the restoration of one (1) Victim Input Coordinator (C118 - growth pool position);
- Operating Expenses totaling \$7,500 in FY18 and \$12,900 in FY19, including \$7,200 FY18 and \$12,600 FY19 for the purchase of laptops and \$300 each year for postage; and
- Conference & Travel of \$5,500 in FY18 and FY19 for increased specialized training for the senior and clerical staff, and Revocation Hearing Judges.

The Executive Recommendation provides for the Agency Request in appropriation and general revenue funding, with exception of \$5,500 each year for Conference and Travel, for an increasing totaling \$59,515 in FY18 and \$64,915 in FY19.

Appropriation Summary

Appropriation: 306 - Parole Board Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,446,277	1,471,843	1,416,043	1,445,444	1,483,726	1,483,726	1,445,644	1,483,926	1,483,926
#Positions		26	26	25	25	26	26	25	26	26
Personal Services Matching	5010003	434,828	457,053	444,667	454,261	467,994	467,994	454,307	468,040	468,040
Operating Expenses	5020002	286,882	262,811	334,673	262,811	270,311	270,311	262,811	275,711	275,711
Conference & Travel Expenses	5050009	1,322	4,500	5,000	4,500	10,000	4,500	4,500	10,000	4,500
Professional Fees	5060010	32,944	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	75,000	0	0	0	0	0	0
Total		2,202,253	2,276,207	2,355,383	2,247,016	2,312,031	2,306,531	2,247,262	2,317,677	2,312,177
Funding Sources										
General Revenue	4000010	2,202,253	2,258,696		2,247,016	2,312,031	2,306,531	2,247,262	2,317,677	2,312,177
Merit Adjustment Fund	4000055	0	17,511		0	0	0	0	0	0
Total Funding		2,202,253	2,276,207		2,247,016	2,312,031	2,306,531	2,247,262	2,317,677	2,312,177
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,202,253	2,276,207		2,247,016	2,312,031	2,306,531	2,247,262	2,317,677	2,312,177

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.
 FY17 Budget Positions exceed the Authorized Positions due to a transfer from the Agency Growth Pool during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 306 - Parole Board Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,247,016	25	2,247,016	100.0	2,247,262	25	2,247,262	100.0
C01	Existing Program	5,800	0	2,252,816	100.3	5,800	0	2,253,062	100.3
C06	Restore Position/Approp	52,015	1	2,304,831	102.6	52,015	1	2,305,077	102.6
C08	Technology	7,200	0	2,312,031	102.9	12,600	0	2,317,677	103.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,247,016	25	2,247,016	100.0	2,247,262	25	2,247,262	100.0
C01	Existing Program	300	0	2,247,316	100.0	300	0	2,247,562	100.0
C06	Restore Position/Approp	52,015	1	2,299,331	102.3	52,015	1	2,299,577	102.3
C08	Technology	7,200	0	2,306,531	102.6	12,600	0	2,312,177	102.9

Justification

C01	Agency is requesting \$300 for Postage due to the increase of offender Appeals. \$5,500 for Conference and Travel in FY18 and FY19 for specialized training for the senior and clerical staff, and Revocation Hearing Judges.
C06	Agency received one (1) C118 Victim Input Coordinator (growth pool position) in FY16 due to Executive Assistant to the Director fulfilling both duties as Executive Assistant to the Director and Victim Input Coordinator.
C08	Agency is requesting \$7,200 to purchase laptops for the Revocation Hearing Judges (4) due to current inventory expiring life-cycle in FY18. \$12,600 for FY19 to purchase laptops for the Parole Board Members (7) due to current inventory due to expiring life-cycle

ARKANSAS PUBLIC DEFENDER COMMISSION

Enabling Laws

Act 235 of 2016
A.C.A. §16-87-201 - 214; Act 1193 of 1993

History and Organization

The Arkansas Public Defender Commission was created by Act 1193 of 1993 (codified at A.C.A. §16-87-201 through 214) in response to the Arkansas Supreme Court's ruling in *Independence County v. State*, 312 Ark. 472, 850 S.W. 2d 842 (1993). In that case, the Court held that ensuring indigents a right to counsel was a function of the State of Arkansas, and not a county obligation. Prior to that time, counties typically contracted with local attorneys to provide representation. Resources were limited, and seldom were there sufficient funds for counsel to engage experts or investigative services.

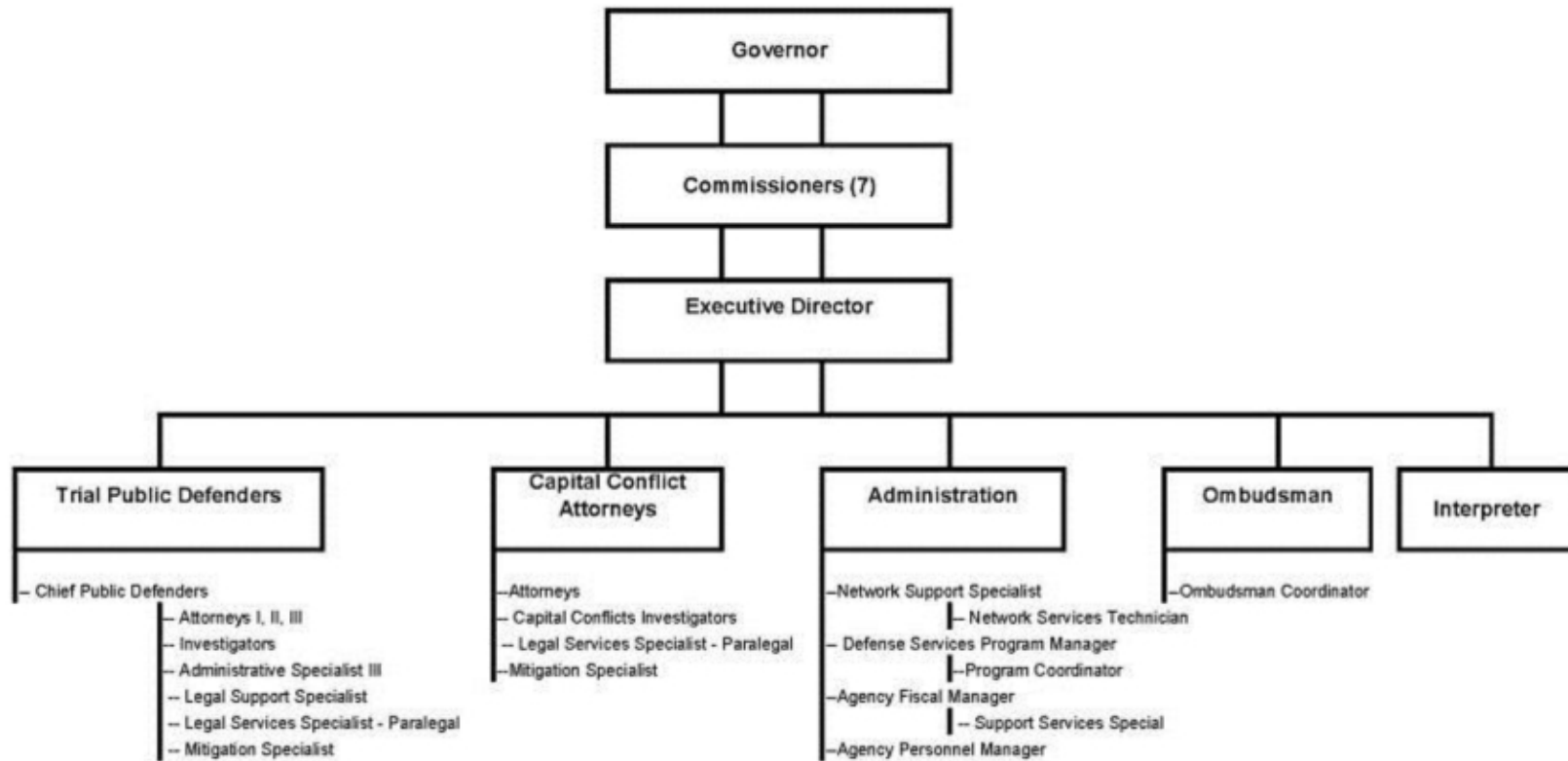
After passage of the Act, the Commission began the takeover of the public defender system in order to help rectify the inconsistencies in representation provided by the counties. It also began implementation of a system that would attempt to provide investigative services as well as experts in the field of mental health. This was a step toward improving the adversarial system rather than having defense counsel rely upon the testimony of State witnesses. The State began to provide support services to its Public Defenders which included paralegals, psychiatrists, psychologists, pathologists, investigators, mitigation specialists, translators, weapons experts, and handwriting experts to name a few. However, with the authority to provide these support services to its Public Defenders, the Commission also assumed the duties associated therewith, including allocating resources, recommendations to local judges whom to employ as Public Defenders, salaries, and payment to private counsel to handle conflict cases.

Much has changed in the legal field since the inception of the Arkansas Public Defender System. While the attrition rate for new attorneys and support staff has been minimum, the duties of the Public Defender have multiplied greatly. Crime rates have risen at a rapid pace as have the number of arrests associated with the criminal actions. Courts that at one time met once a month now meets weekly. Criminal dockets that at one time were handled by one judge in a district are now divided amongst three or four judges. The caseloads in District Courts have exploded, and with the merging of City Courts, Public Defenders frequently appear in two (2) courts in one day, in different counties. The emergence of drug courts, veteran courts, juvenile drug courts, DWI courts and domestic battery courts coupled with new sentencing programs stretch the Office of the Public Defender even further. There are even some in the judiciary who are of the belief the State of Arkansas should or will be obligated to appear in child support proceedings brought by the State as well as post-conviction proceedings such as Rule 37's.

Attorneys employed by the Commission are mandated to appear in a myriad of Courts in our State, handling capital, conflicts, misdemeanors, felonies, diversions, revocations, juvenile delinquencies and family in need of services cases, adult protective services, and mental commitments. They are required to appear in Circuit Criminal, Circuit Juvenile, Circuit Probate and District Courts. Outside our metropolitan areas, travel is a daily occurrence. Some of these cases, such as family in need of services cases as well as adult protective services representation are constantly being reviewed, and are very time-consuming. A number of the adult protective services cases can be ongoing for years.

The history of this organization is intriguing when one realizes how it has benefitted the legal system in our State in less than twenty years. It is a vital component to our adversarial system. However, the path the agency is allowed to take in the future is much more vital if we truly believe every citizen is entitled to effective legal representation. (And we should have this belief as our Supreme Court has mandated such.) Lawsuits against states across North America challenging the funding provided by legislatures are now extremely prevalent and growing with actions being filed in Georgia, Washington, Florida, New Mexico, Ohio, New York, Idaho and Louisiana.

The Commission is obligated to seek additional positions not only in the area of attorneys, but also mitigation as well as investigations. The legal issues become more complicated as the case numbers public defenders are obligated to handle continue to grow. Lawyers for this agency continue to perform the task not only of attorney, but also investigator, mitigationist and receptionist. We now find ourselves actively involved in representing a great majority of Arkansas' fifty-five (55) Miller/Jackson defendants (Juvenile Life Without Parole) which are now being returned to the sentencing court for hearings. It is anticipated these cases could take up to two (2) years to complete barring any interlocutory appeals.



Agency Commentary

The Public Defender Commission’s (“Commission”) change level requests are made with the goal of increasing the availability, the effectiveness, and the efficiency of both the Commission, the Trial Public Defender’s Offices throughout the State of Arkansas, the Capital Conflicts Office and the Dependent Neglect Appellate Office. These requests are mindful of our Constitutional mandate of providing effective representation, and are made in an effort to more efficiently and effectively expend the State’s limited resources. Finally, the requests are made in light of recent United States Supreme Court decisions, and Arkansas Supreme Court opinions which substantially affect the role of the attorneys and their representation of clients. Courts have increasingly scrutinized the effectiveness of counsel and have been particularly critical of over-burdensome case-loads and the lack of resources provided for the representation of indigent defendants. The Commission is aware of the need to provide finality to its cases as well as to provide effective assistance to counsel; hence, the following requests are made with those objectives in mind.

It is beneficial for members to be provided some insight as to how our criminal justice system has changed since the State of Arkansas assumed the duties of providing a state-wide public defender system in 1998. We have witnessed the profound expansion of "specialty courts". These consist of drug courts and veteran's courts to name a few. We are also at the middle stages of converting our district court (formerly municipal court) judges to full-time positions. When this occurs in a district which consists of only one (1) county, there occurs an increase to the public defender system of appearing in court at least on a weekly basis as well as a greater number of clients with whom to meet. If a specialty court occurs in a district consisting of more than one county, thereby creating additional court appearances for each county, it then becomes a logistical and mathematical dilemma for a system which has seen such an increase in case loads without providing for additional attorneys, support staff and investigators. This agency is now experiencing that problem.

Public Defenders, like prosecutors, are essential to the workings of the Judicial System. It is estimated based upon the monthly numbers reported by our local offices, that the Public Defender system represents approximately 90-95% of those persons prosecuted by the State of Arkansas in which an attorney is involved for the defendant. Without effective legal representation, the criminal justice system in Arkansas could not function properly, and would ridicule the requirements of the Sixth Amendment to the United States Constitution and certainly create an unworkable criminal justice system. If we are unprepared due to unmanageable case loads or inadequate funding, justice is compromised for all parties, and our Sixth Amendment rights are no longer anything but casual conversation.

In 2001, this agency maintained 138 attorney positions. At that time, the Arkansas Crime Information Center, in its Crime Index by Month for the calendar year, reported an offense total of 109,829. These figures include the offenses of Murder, Rape, Aggravated Assault, Burglary, Theft, Motor Vehicle Theft and Arson. At the end of fiscal year 2014, the Arkansas Public Defender Commission employed 161 attorney positions. The statistics from the Arkansas Crime Information Center, which are preliminary at this point, report offense totals for the calendar year at 213,281. For comparison purposes, the number of full-time law enforcement positions for 2001 was 7650. The ending total of full-time law enforcement officers in 2014 was 10,968. (www.acic.org). The correlation is with an increased number of law enforcement officers, there will be an added number of arrests and a greater burden being placed upon the judicial and public defender system.

Of the current budget for the Arkansas Public Defender System, over 99% of the budgeted funds are committed to salaries, match and professional fees. Less than the remaining 1% is devoted to operation, travel, and fees paid back to the individual counties as required by law. One example of how the agency's funds are used is detailed below.

When someone is charged with capital murder in Arkansas, the law requires two (2) attorneys who are qualified to handle a death-penalty case be appointed. Recent licensed members of the Arkansas Bar would not meet these qualifications. The attorneys are required to proceed under the premise that the prosecutor will seek the death penalty until it is formally waived. The law further requires investigation and acquisition of mitigation evidence on behalf of the defendant. The courts have also recognized death penalty cases are unlike all other criminal cases as the potential outcome carries a penalty which no other criminal case authorizes. A great amount of time and expense is

incurred in preparing a mitigation case which often is the basis for convincing the prosecutor the need to waive the death penalty. Even then, it is not done so for several months or, as has happened, even the week before trial. This office has encountered the death penalty being waived on the morning trial is commenced. Nevertheless, based upon the law, a mitigation case had been formulated with a great amount of work and resources at a substantial cost. The failure to do so would result, in the event of a guilt finding, probable reversal and a new trial.

Expenses for the Arkansas Public Defender Commission continue to increase from the standpoint of mental health experts, provision of transcripts and medical records. As a legal system, we are only now beginning to recognize the depths of mental illness, especially in those charged with heinous crimes. While the system has recognized the possibility of mental issues as a defense in criminal cases, the last ten (10) years has seen a realization that a great percentage of those in our criminal justice system suffer from mental illness and substance abuse issues. This is no longer an area where the criminal defense attorney can substitute his/her lay opinion as to the defendant's fitness to proceed in place of those trained in the field. It requires someone who is trained to make this determination, and it requires much more than a 30 minute consultation, the majority of which is used to attain background information, with a doctor who is seeing 15-20 patients on the same date. There is ample information which supports the theory that we, as controllers of our legal system, can no longer close our eyes to the problems brought about by mental illness. Therein lies the necessity of engaging experts in this field.

Conflicts are a daily problem we encounter which necessitates the appointment of an attorney with no public defender office affiliation. Using Pulaski County as an example, it is quite common for three defendants to be arrested for commission of a crime while acting in concert with each other. Even more likely is the fact that each of them will be determined to be indigent thereby requiring the appointment of an attorney. Following the Model Rules of Professional Conduct, the local public defender office will represent one of the defendants and the local public defender conflicts office will represent another. Thereafter, it is the statutory obligation of the Public Defender Commission to appoint outside counsel for the third defendant at a cost to the agency. This problem is exacerbated outside of Pulaski and Washington counties where the agency does not have conflict offices due to budgetary and position constraints. This necessity continues to grow with the appointment of the Public Defender Commission to the *Miller/Jackson* (juvenile life without parole) defendants.

Trial Public Defender

Personnel

The Commission is requesting the addition of three (3) attorneys, ten (10) paralegals, ten (10) capital conflict investigators, and ten (10) mitigation specialists. Being unable to acquire the needed attorney positions thereby creates a need to provide assistance to those we have working for us. By adding these positions, the agency would be able to alleviate and prevent the attorney from serving the roles of secretary, investigator and mitigationist. Most of our public defenders are performing all of these functions on a daily basis.

The three (3) attorney positions are necessary to handle a growing criminal case load involving violent crimes and to assist in the re-sentencings of the *Miller/Jackson* defendants which are expected to continue for the next 18-24 months. There are 55 of these cases statewide of which the Public Defender Commission will be representing at least 90% of these defendants. As an example of the type of problems these re-sentencings are creating for the Arkansas Public Defender system, there are 18 *Miller/Jackson* defendants in Pulaski County alone. Of those, the local public defender's office has conflicts in representing over one-half (1/2) of them. This agency will be required to appoint outside counsel to represent these defendants.

The investigator, mitigationist and paralegal positions are vital to assisting the attorney in his/her ability to adequately provide effective assistance of counsel as mandated by the United States Supreme Court. Presently, this agency has three (3) capital conflict investigators which are required by law to be appointed in cases where the defendant is charged with capital murder. As of June 15, 2016, according to the Administrative Office of the Courts, there had been 89 capital murder filings throughout the state for the fiscal year ending June 30, 2016.

Mitigation specialists are also required to be appointed in capital cases, and the failure to do so will result in a potential reversal of the case, and the ordering of a new trial. This agency has eight (8) mitigation positions to assist the public defenders throughout the entire state. The approval of this request will alleviate the necessity of the agency seeking outside assistance to provide a mitigation specialist in capital cases.

Most of our districts throughout the State have only one (1) paralegal responsible for handling the work throughout up to six (6) counties, and a several attorneys. The agency has instructed our attorneys to seek the assistance of local county government. The results have been less than forthcoming. The general perception is the public defender system is the obligation of the State of Arkansas, and the financial obligation for new positions should be its obligation.

The need for these positions is a grave reality. The number requested will not bring our State close to providing the necessary assistance our public defenders need, but is a realistic step toward addressing the serious problems that bestow the Arkansas Public Defender system. The number of serious felony offenses, including capital murder, continues to grow as evidenced by the ACIC statistics referred to herein. According to the Substance Abuse and Mental Health Services Administration (SAMHSA.gov), the serious mental health issues in Arkansas are prevalent. The mental health issues are inherently high in those charged with violent criminal acts. Trial public defenders are constantly trying to divide their time between the criminal act and the mental health issues affecting their clients. This trend continues to grow annually.

Changes in our court systems occur on a yearly basis. Courts typically schedule court appearances a year in advance, and attempt to accommodate prosecutors and public defenders with the schedule. Inherently, throughout the year, courts add more court appearance dates which strains the local public defender's offices further. They likewise schedule their calendars in compliance with the Court's initial calendar. When more court dates are added, there are not a sufficient number of public defenders to accommodate another court date, ultimately resulting in displeasure from a member of the judiciary. Every attempt is made by the public defender to accommodate the desires of the Court, but oftentimes, there just are not sufficient personnel to accommodate every setting.

The District Court system, which includes their expanded jurisdiction and the addition of full time Judges and staff, has and will continue to increase the workload and responsibility of public defenders. When City Courts merge into District Courts, the number of appointments for a public defender rises substantially, and has increased the number of locations an attorney has to appear. Further, the advent of the Hope Court, Diversion Courts, more Drug Courts, Juvenile Drug Courts, Veterans Courts and Swift Courts, while all good things, has vastly increased the time commitments on our staff. Rather than have court a few days a week, many of our public defenders have to be in various courts nearly all day every day.

The United State's Supreme Court has now specifically ruled attorneys must provide effective assistance of counsel at plea bargains, *Laffler v. Cooper*, 566 U.S. 132S. Ct. 1376, No. 10-209, 2012 WL 932019 (March 21, 2012); and must explain immigration consequences to pleas as well, *Padilla v. Kentucky*, 130 S.Ct. 1473 (2010). *Laffler* is common sense but its effect now that it is formally recognized is that high caseloads are extremely problematic. The Commission needs attorneys with expertise in immigration law to serve as a resource to all of our staff. We propose adding two attorneys for this purpose.

The addition of attorneys and staff to the commission is further implicated by the recent US Supreme Court cases *Jackson v. Hobbs* and *Miller v. Alabama* where it was held that the Eighth Amendment forbids a sentencing scheme that mandates life in prison without possibility of parole for juvenile homicide offenders. These cases necessitate a re-sentencing with the appointment of an attorney, mitigationist and investigator. The agency simply does not have the necessary resources to address the issues we now face.

M & O Request

We are requesting a small increase to allow for the necessary start up equipment for the thirty-three (33) new employees requested in this same budget. We will need office furniture, supplies, membership fees, subscription dues, and computers.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS PUBLIC DEFENDER COMMISSION
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	158	128	286	92 %
Black Employees	12	11	23	8 %
Other Racial Minorities	0	1	1	0 %
Total Minorities			24	8 %
Total Employees			310	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Reports	ACA §16-87-203	Y	Y	40	Required by Law	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1VA Ombudsman Program	93,315	1	89,534	1	90,636	1	89,900	1	89,900	1	89,900	1	89,900	1	89,900	1	89,900	1
337 Public Defender-Operations	2,632,590	19	2,852,895	19	2,821,166	19	2,862,447	19	2,862,447	19	2,862,447	19	2,863,430	19	2,863,430	19	2,863,430	19
530 Public Defender -Trial Office	21,263,050	231	21,614,900	234	21,735,207	234	21,690,377	234	23,967,731	267	23,024,176	252	21,701,190	234	23,871,294	267	22,976,489	252
Total	23,988,955	251	24,557,329	254	24,647,009	254	24,642,724	254	26,920,078	287	25,976,523	272	24,654,520	254	26,824,624	287	25,929,819	272

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	1,525,691	5.8	2,096,563	8.0		1,785,331	6.9	1,785,331	6.4	1,785,331	6.6	1,167,414	4.6	1,167,414	4.2	1,167,414	4.4
State Central Services	4000035	17,332,335	66.4	17,366,346	65.9		14,926,880	57.8	17,204,234	61.3	16,260,679	59.9	15,037,187	59.4	17,207,291	62.6	16,312,486	61.4
Bail Bond Fees	4000115	1,341,941	5.1	1,200,000	4.6		1,100,000	4.3	1,100,000	3.9	1,100,000	4.1	1,100,000	4.3	1,100,000	4.0	1,100,000	4.1
State Administration of Justice	4000470	4,490,217	17.2	4,490,217	17.0		6,908,027	26.8	6,908,027	24.6	6,908,027	25.4	6,908,027	27.3	6,908,027	25.1	6,908,027	26.0
Transfer from DHS-DYS	4000515	93,315	0.4	89,534	0.3		89,900	0.3	89,900	0.3	89,900	0.3	89,900	0.4	89,900	0.3	89,900	0.3
User / Attorney Fees	4000725	1,302,019	5.0	1,100,000	4.2		1,000,000	3.9	1,000,000	3.6	1,000,000	3.7	1,000,000	4.0	1,000,000	3.6	1,000,000	3.8
Total Funds		26,085,518	100.0	26,342,660	100.0		25,810,138	100.0	28,087,492	100.0	27,143,937	100.0	25,302,528	100.0	27,472,632	100.0	26,577,827	100.0
Excess Appropriation/(Funding)		(2,096,563)		(1,785,331)			(1,167,414)		(1,167,414)		(1,167,414)		(648,008)		(648,008)		(648,008)	
Grand Total		23,988,955		24,557,329			24,642,724		26,920,078		25,976,523		24,654,520		26,824,624		25,929,819	

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
244	239	6	245	-1	2.05 %	254	250	4	254	0	1.57 %	257	249	5	254	3	3.11 %

FY2014-2015 Total Budgeted Positions exceed the Authorized Number due to the addition of one (1) position from the Central Growth Pool.

Analysis of Budget Request

Appropriation: 1VA - Ombudsman Program

Funding Sources: HSC - State Central Services

The Ombudsman Division of the Arkansas Public Defender Commission was created during the 82nd General Assembly for the purpose of insuring that children placed within the custody of the Department of Human Services (DHS) - Division of Youth Services are receiving necessary services designed to keep them safe both mentally and physically. One position in the Ombudsman Division of the Arkansas Public Defender Commission is funded from funds transferred by the DHS. This transfer is for the benefit of the Juvenile Ombudsman Program of the Public Defender Commission.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for base level of \$89,900 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1VA - Ombudsman Program

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	72,136	69,059	69,735	69,059	69,059	69,059	69,059	69,059	69,059
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	21,179	20,475	20,901	20,841	20,841	20,841	20,841	20,841	20,841
Total		93,315	89,534	90,636	89,900	89,900	89,900	89,900	89,900	89,900
Funding Sources										
Transfer from DHS-DYS	4000515	93,315	89,534		89,900	89,900	89,900	89,900	89,900	89,900
Total Funding		93,315	89,534		89,900	89,900	89,900	89,900	89,900	89,900
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		93,315	89,534		89,900	89,900	89,900	89,900	89,900	89,900

Analysis of Budget Request

Appropriation: 337 - Public Defender-Operations

Funding Sources: HSC - State Central Services

The Arkansas Public Defender Commission was established in 1993 to address a variety of problems and concerns related to the representation of indigent criminal defendants in Capital Conflicts and Appeals to the Supreme Court in the State of Arkansas. The State Operations appropriation is funded from the State Central Services Fund.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Agency Request is for base level of \$2,862,447 for FY2018 and \$2,863,430 for FY2019.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 337 - Public Defender-Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,381,095	1,268,374	1,240,725	1,270,674	1,270,674	1,270,674	1,271,474	1,271,474	1,271,474
#Positions		19	19	19	19	19	19	19	19	19
Extra Help	5010001	5,301	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
#Extra Help		2	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	401,906	380,183	376,103	387,435	387,435	387,435	387,618	387,618	387,618
Operating Expenses	5020002	244,656	247,648	247,648	247,648	247,648	247,648	247,648	247,648	247,648
Conference & Travel Expenses	5050009	17,381	19,690	19,690	19,690	19,690	19,690	19,690	19,690	19,690
Professional Fees	5060010	582,251	925,000	925,000	925,000	925,000	925,000	925,000	925,000	925,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,632,590	2,852,895	2,821,166	2,862,447	2,862,447	2,862,447	2,863,430	2,863,430	2,863,430
Funding Sources										
State Central Services	4000035	2,632,590	2,852,895		2,862,447	2,862,447	2,862,447	2,863,430	2,863,430	2,863,430
Total Funding		2,632,590	2,852,895		2,862,447	2,862,447	2,862,447	2,863,430	2,863,430	2,863,430
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,632,590	2,852,895		2,862,447	2,862,447	2,862,447	2,863,430	2,863,430	2,863,430

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 530 - Public Defender -Trial Office

Funding Sources: HSC - State Central Services

The Trial Public Defender Office of the Arkansas Public Defender Commission was created by Act 1341 of 1997 and provides for the establishment of a statewide public defender system in Arkansas. The Trial Public Defender Office operates under the supervision of the Executive Director of the Arkansas Public Defender Commission. Duties of all public defenders are to provide for competent, effective, and uniform representation of indigent criminal defendants throughout the State. The Commission utilizes over sixty-one (61) job share positions.

The Trial Public Defender Office is funded from a share of those funds remitted by the cities and counties from court costs and filing fees for deposit into the State Administration of Justice Fund. A portion of those funds is then allocated for deposit into the State Central Services Fund for the benefit of the Public Defender Commission per Arkansas Code §16-10-310. Arkansas Code §17-19-301 (e) allows for a fee to be charged and collected by all bail bond companies on each bond. The additional revenue helps defray the cost of the public defender system, both statewide and in each individual county.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Base Level Request is \$21,690,377 in FY2018 and \$21,701,190 in FY2019.

The Agency's Change Level Request provides for \$2,277,354 in FY2018 and \$2,170,104 in FY2019 and includes the following:

- Regular Salaries and Personal Services Matching increases of \$1,738,537 each year associated with the addition of three (3) attorneys, ten (10) paralegals, ten (10) capital conflict investigators, and ten (10) mitigation specialists.
- Operating Expenses to support the overhead associated with thirty-three (33) positions total \$528,917 in FY2018 and \$421,667 in FY2019. These expenses include additional office space, office furniture, office supplies, membership fees, subscriptions and dues, telephone and parking costs, computers, software, and Internet connect. The technology-related portion of this request is in compliance with the Agency's IT plan.
- Conference Fee and Travel for the three (3) newly requested attorney positions totaling \$9,900 each year to support required continuing

education training requirements.

The Executive Recommendation provides for Base Level in addition to the following:

- Regular Salaries and Personal Services Matching increases of \$1,016,988 each year associated with the addition of three (3) attorneys, five (5) paralegals, five (5) capital conflict investigators, and five (5) mitigation specialists.
- Operating Expenses to support the overhead associated with eighteen (18) positions total \$306,911 in FY2018 and \$248,411 in FY2019. These expenses include additional office space, office furniture, office supplies, membership fees, subscriptions and dues, telephone and parking costs, computers, software, and Internet connect. The technology-related portion of this request is in compliance with the Agency's IT plan.
- Conference Fee and Travel for the three (3) newly requested attorney positions totaling \$9,900 each year to support required continuing education training requirements.

Appropriation Summary

Appropriation: 530 - Public Defender -Trial Office

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	15,066,467	14,860,987	14,868,478	14,858,307	16,137,780	15,612,105	14,867,107	16,146,580	15,620,905
#Positions		231	234	234	234	267	252	234	267	252
Extra Help	5010001	12,790	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
#Extra Help		2	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	4,518,744	4,501,968	4,614,784	4,580,125	5,039,189	4,843,315	4,582,138	5,041,202	4,845,328
Operating Expenses	5020002	322,863	392,845	392,845	392,845	921,762	699,756	392,845	814,512	641,256
Conference & Travel Expenses	5050009	24,044	24,100	24,100	24,100	34,000	34,000	24,100	34,000	34,000
Professional Fees	5060010	481,141	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Public Defender Comm. Prgms.	5900046	658,600	770,000	770,000	770,000	770,000	770,000	770,000	770,000	770,000
Bail Bond Co. Public Def. Prgm.	5900047	178,401	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total		21,263,050	21,614,900	21,735,207	21,690,377	23,967,731	23,024,176	21,701,190	23,871,294	22,976,489
Funding Sources										
Fund Balance	4000005	1,525,691	2,096,563		1,785,331	1,785,331	1,785,331	1,167,414	1,167,414	1,167,414
State Central Services	4000035	14,699,745	14,513,451		12,064,433	14,341,787	13,398,232	12,173,757	14,343,861	13,449,056
Bail Bond Fees	4000115	1,341,941	1,200,000		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
State Administration of Justice	4000470	4,490,217	4,490,217		6,908,027	6,908,027	6,908,027	6,908,027	6,908,027	6,908,027
User / Attorney Fees	4000725	1,302,019	1,100,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Funding		23,359,613	23,400,231		22,857,791	25,135,145	24,191,590	22,349,198	24,519,302	23,624,497
Excess Appropriation/(Funding)		(2,096,563)	(1,785,331)		(1,167,414)	(1,167,414)	(1,167,414)	(648,008)	(648,008)	(648,008)
Grand Total		21,263,050	21,614,900		21,690,377	23,967,731	23,024,176	21,701,190	23,871,294	22,976,489

FY2016 Actual and FY2017 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 251 (60) of 2016.
 FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 530 - Public Defender -Trial Office
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	21,690,377	234	21,690,377	100.0	21,701,190	234	21,701,190	100.0
C01	Existing Program	2,124,861	33	23,815,238	109.8	2,124,861	33	23,826,051	109.8
C08	Technology	152,493	0	23,967,731	110.5	45,243	0	23,871,294	110.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	21,690,377	234	21,690,377	100.0	21,701,190	234	21,701,190	100.0
C01	Existing Program	1,446,495	18	23,136,872	106.7	1,446,495	18	23,147,685	106.7
C08	Technology	83,178	0	23,220,050	107.1	24,678	0	23,172,363	106.8
C13	Not Recommended	(195,874)	0	23,024,176	106.1	(195,874)	0	22,976,489	105.9

Justification

C01	The Commission is requesting the addition of three (3) attorneys, ten (10) paralegals ten (10) capital conflict investigators, and ten (10) mitigation specialists. The three (3) attorney positions are necessary to handle a growing criminal caseload involving violent crimes and to assist in the re-sentencings of the Miller/Jackson defendants which are expected to continue for the next 18-24 months. There are 55 of these cases statewide of which the Public Defender Commission will be representing at least 90% of these defendants. As an example of the type of problems these re-sentencings are creating for the Arkansas Public Defender system, there are 18 Miller/Jackson defendants in Pulaski County alone. Of those, the local public defender's office has conflicts in representing over one-half (1/2) of them. This agency will be required to appoint outside counsel to represent these defendants. The investigator, mitigationist and paralegal positions are vital to assisting the attorney in his/her ability to adequately provide effective assistance of counsel as mandated by the United States Supreme Court. Mitigation specialists are also required to be appointed in capital cases, and the failure to do so will result in a potential reversal of the case, and the ordering of a new trial. The approval of this request will alleviate the necessity of the agency seeking outside assistance to provide a mitigation specialist in capital cases. The need for these positions is a grave reality. The number requested will not bring our State close to providing the necessary assistance our public defenders need, but is a realistic step toward addressing the serious problems that bestow the Arkansas Public Defender system. The number of serious felony offenses, including capital murder, continues to grow. This agency has sought attorney positions in the past with minimal acquisition. If it is unable to acquire attorney positions, we believe it vital to provide assistance to the attorneys we have in the form of clerical, investigatory and mitigation. By adding the requested positions, much needed assistance can be provided to legal representatives assisting Arkansas' indigent population in need of legal services. The request for the new additional positions includes Salary and Personnel Service Match and Operating Expenses. The Operating and Training Expense of \$386,325 respectively in FY2018 and FY2019 is for additional office space, office furniture, office supplies, membership fees, subscriptions and dues, telephone and parking costs associated for the overall thirty-three (33) new positions.
C08	The thirty-three (33) new positions in FY2018 will require a computer, software and connection to the internet. The estimate for this request is \$152,493 in FY2018 and \$45,243 in FY2019. This request will not be needed if the positions are not added. The computers can be found in the Commission IT Plan in the IT Support Cost section for Future Hardware Purchases, and the software is found in the IT Support Cost under section Future Software Purchases.

ARKANSAS SENTENCING COMMISSION

Enabling Laws

Act 56 of 2016
A.C.A. §16-90-801 - 16-90-804

History and Organization

The purpose of the Arkansas Sentencing Commission is to establish, maintain and revise sentencing guidelines and to monitor and assess the effect of legislation and policy on correctional resources, and to educate the criminal justice community and the public regarding sentencing laws and policy.

As defined in A.C.A. §16-90-802, the Arkansas Sentencing Commission's powers and duties are:

- To adopt the initial sentencing standards grid and seriousness reference table within the new sentencing structure and to make any necessary revisions thereto;
- To establish transfer eligibility for the offenses at the seriousness levels with the more serious offenders serving one-half of their sentences and the less serious serving one-third;
- To monitor compliance with standards, assess impact on correctional resources and determine if the state sentencing policy is furthered;
- To make legislative recommendations on revisions to the target offense group, classifications of crimes, and appropriate changes to sentencing laws, policies and/or practices;
- "Strategic planning" with the Board of Correction to further the goals of equitable sentencing and rational use of correctional resources;
- To collect data relative to sentencing in coordination with the Administrative Office of the Courts, the Arkansas Crime Information Center, the circuit clerks of the State and the Departments of Correction and Community Correction;
- To develop a research and analysis system to determine the feasibility, impact on resources and budget consequences of proposed and existing legislation affecting sentence length;
- To produce an annual report to include compliance with the sentencing guidelines, including county-by-county and statewide data, sentence to the Arkansas Department of Correction (ADC) and the Department of Community Correction (DCC), average sentence length by offense type and seriousness level, percentage of upward departures; average number of months above the recommended sentence, and a comparison with data from prior years beginning with 2012;
- To prepare and conduct annual continuing legal education seminars regarding the sentencing guidelines to be presented to judges,

- prosecuting attorneys and their deputies, and public defenders and their deputies; and
- To collaborate with the Administrative Office of the Courts to produce and implement an integrated sentencing and departure form that shall include demographic information including the race and ethnicity of the offender and victim(s), the placement decision, sentence length, any departure from the sentencing guidelines on placement and sentence length, the number of months above or below the presumptive sentence, justification for departure and signature of the judge and prosecuting attorney.

The Sentencing Commission has adopted the initial sentencing grid and the seriousness reference table; continues to establish transfer eligibility for all offenses created or modified by the General Assembly after each legislative session; reviews and revises the guidelines as deemed necessary. The Commission also continues to work with the Departments of Correction and Community Correction in developing a continuum of sanctions which makes the most efficient use of the correctional resources of the State.

The Sentencing Commission works with the Departments of Correction and Community Correction in producing projections on the inmate, parole and probation populations of the State. Commission staff monitors these projections for accuracy on a monthly basis. The Commission also does extensive analysis and tracking of sentencing trends. The population projections and sentencing trends are used to produce impact assessments of proposed legislation for the General Assembly during each legislative session.

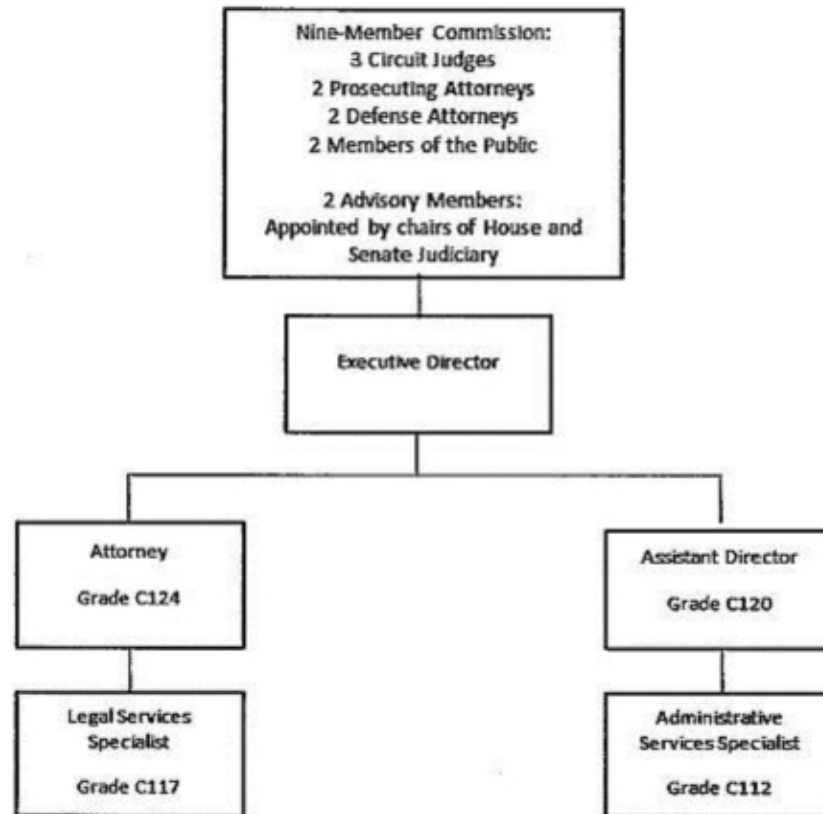
The Sentencing Commission provides daily research assistance to judges, defense attorneys and prosecutors throughout the State. The Commission provides timely updates on new developments in criminal law to all criminal justice constituents.

The Sentencing Commission, in collaboration with the Administrative Office of the Courts and other criminal justice agencies, developed an integrated Sentencing Order which the circuit courts began using on January 2, 2012. The Commission has also developed an electronic database of the Sentencing Order to collect data for the annual report. Reports for annual sentencing data through the end of the calendar year 2014 have been submitted to the legislature.

The Sentencing Commission staff conducts training seminars on the use of the sentencing guidelines and the Sentencing Order. The Commission also provides other Continuing Legal Education training for attorneys practicing in the criminal law field. This training emphasizes all segments of the criminal justice system and the correctional resources of the State. These training sessions include segments on programs available at the ADC, understanding how to compute time on sentences and transfer eligibility, Parole Board procedures, and a tour of the local DCC facility with an emphasis on the therapeutic community treatment model available for offenders with substance abuse behavior. Increased knowledge and understanding of available alternative sanctions helps divert nonviolent offenders from the more costly prison beds. This training is certified by the Arkansas Continuing Legal Education Board.

The Sentencing Commission is composed of nine voting members: three (3) circuit judges, two (2) prosecuting attorneys, two (2) defense attorneys, and two (2) members of the general public. There are also two (2) advisory members, who serve at the will of the Chairs of the House and Senate Judiciary Committee. The Commission currently has five (5) full time staff positions. The Executive Director is responsible

for compiling the work of the Commission and drafting suggested legislation. The Assistant Director, Attorney and Legal Services Specialist are responsible for data entry, data transference and analysis, impact studies and research on various sentencing practices. The Assistant Director also serves as the Agency Fiscal Officer. The Attorney and Legal Services Specialist are responsible for educational efforts, legal research, data collection from judicial districts throughout the State, and other special projects. The Administrative Services Specialist provides administrative, secretarial, and accounting support to the staff and commission.



Agency Commentary

The purpose of the Arkansas Sentencing Commission is to establish, maintain, and revise sentencing guidelines, to monitor, and assess the effect of legislation and policy on correctional resources, and to educate the criminal justice community and public regarding sentencing laws

and policy.

In accordance with Governor Asa Hutchinson's Executive Policy Statement, the Arkansas Sentencing Commission conducted a review of expenditures and programs with a purpose of budget reduction. Through the past two years, the Arkansas Sentencing Commission has done a considerable amount of reallocation, cutting expenses in order to absorb the cost of maintaining the new technology and producing the guidelines compliance reports required by Act 570 of 2011. The Sentencing Commission has cut legal research access through Lois Law and statistical analysis through SPSS, opting for free alternatives instead. Additionally, retirement of two longtime employees will result in budget savings of almost 5% because the salaries on the two positions will return to entry level.

The Agency's Change Level request is for appropriation of \$30,000 in Professional Fees in both years of the biennium in anticipation of changes potentially required to the Sentencing Order Program and Database due to changes in sentencing policy in the upcoming legislative session.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS SENTENCING COMMISSION
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	0	3	3	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			3	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Arkansas Sentencing Seminar Manual	A.C.A. 16-90-802(d)(10)	N	Y	100	Continuing legal education regarding the sentencing guidelines. Presented to judges, prosecuting attorneys and deputies, and public defenders and their deputies.	0	0.00
Commission Annual Report	A.C.A. 16-90-802(d)	N	N	2,500	Legislative mandate and for information on commission activities and findings.	0	0.00
Sentencing Standards Grid, Offenses Seriousness Rankings, and Related Material (Bench Book)	A.C.A. 16-90-802 et seq.	N	Y	100	Policy manual for sentencing standards used by criminal justice practitioners in criminal proceedings. This manual is also available via the Internet.	100	65.00

Agency Position Usage Report

FY2014 - 2015					FY2015 - 2016					FY2016 - 2017							
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
5	5	0	5	0	0.00 %	5	3	2	5	0	40.00 %	5	3	2	5	0	40.00 %

Analysis of Budget Request

Appropriation: 806 - Sentencing Commission State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Arkansas Sentencing Commission was established by Acts 532 & 550 of 1993 as codified at Arkansas Code 16-90-801 - 16-90-804 for the purpose of instituting sentencing standards to ensure that sanctions imposed following conviction are proportional to the seriousness of the offense of conviction and the extent of the offender's criminal history. The Commission has developed the sentencing grid, the seriousness reference table and established transfer eligibility for all offenses. The Commission provides impact assessments of proposed legislation for the Governor and General Assembly through a professional service contract with the Institute on Crime, Justice and Correction. This contract also has provided training to the staff of the Sentencing Commission and the Department of Correction in the use of a software program that is utilized in data analysis of criminal justice laws, policies and procedures. The Commission consists of nine (9) Commissioners that are appointed by the Governor for a five-year term.

This is the operating appropriation of the Commission. It is funded entirely by general revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015. The Base Level request for Regular Salaries includes board member stipend payments.

For the 2017-2019 Biennium, the Board is requesting \$30,000 unfunded general revenue appropriation in Professional Fees in anticipation of changes potentially required to the Sentencing Order Program and Database due to changes in sentencing policy in the upcoming legislative session.

The Executive Recommendation provides for the Base Level each year.

Appropriation Summary

Appropriation: 806 - Sentencing Commission State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	239,015	235,816	250,904	235,816	235,816	235,816	235,816	235,816	235,816
#Positions		5	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	75,821	77,335	81,477	78,652	78,652	78,652	78,652	78,652	78,652
Operating Expenses	5020002	56,605	61,917	61,917	61,917	61,917	61,917	61,917	61,917	61,917
Conference & Travel Expenses	5050009	4,103	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550
Professional Fees	5060010	70,000	71,000	71,000	71,000	101,000	71,000	71,000	101,000	71,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		445,544	450,618	469,848	451,935	481,935	451,935	451,935	481,935	451,935
Funding Sources										
General Revenue	4000010	445,544	450,618		451,935	451,935	451,935	451,935	451,935	451,935
Total Funding		445,544	450,618		451,935	451,935	451,935	451,935	451,935	451,935
Excess Appropriation/(Funding)		0	0		0	30,000	0	0	30,000	0
Grand Total		445,544	450,618		451,935	481,935	451,935	451,935	481,935	451,935

Change Level by Appropriation

Appropriation: 806 - Sentencing Commission State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	451,935	5	451,935	100.0	451,935	5	451,935	100.0
C05	Unfunded Appropriation	30,000	0	481,935	106.6	30,000	0	481,935	106.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	451,935	5	451,935	100.0	451,935	5	451,935	100.0
C05	Unfunded Appropriation	0	0	451,935	100.0	0	0	451,935	100.0

Justification

C05	The Sentencing Commission is requesting additional appropriation to allow for professional fees needed to adjust the Sentencing Order Program and the Sentencing Order Database if required by legislation in the 2017 legislative session.
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ARKANSAS STATE POLICE

Enabling Laws

Act 265 of 2016
A.C.A. §12-8-101 et seq.

History and Organization

The Department of Arkansas State Police evolved from the original Arkansas State Rangers created in 1935. Act 231 of 1945 abolished the Arkansas State Police Department and created the current Department of Arkansas State Police. Act 38 of 1971 transferred the Arkansas State Police to the Department of Public Safety as the Police Services Division. The Department remained as an operating Division of the Department of Public Safety until Act 45 of 1981 abolished the Department of Public Safety and the Department of Arkansas State Police (ASP) was returned to its status as a separate agency.

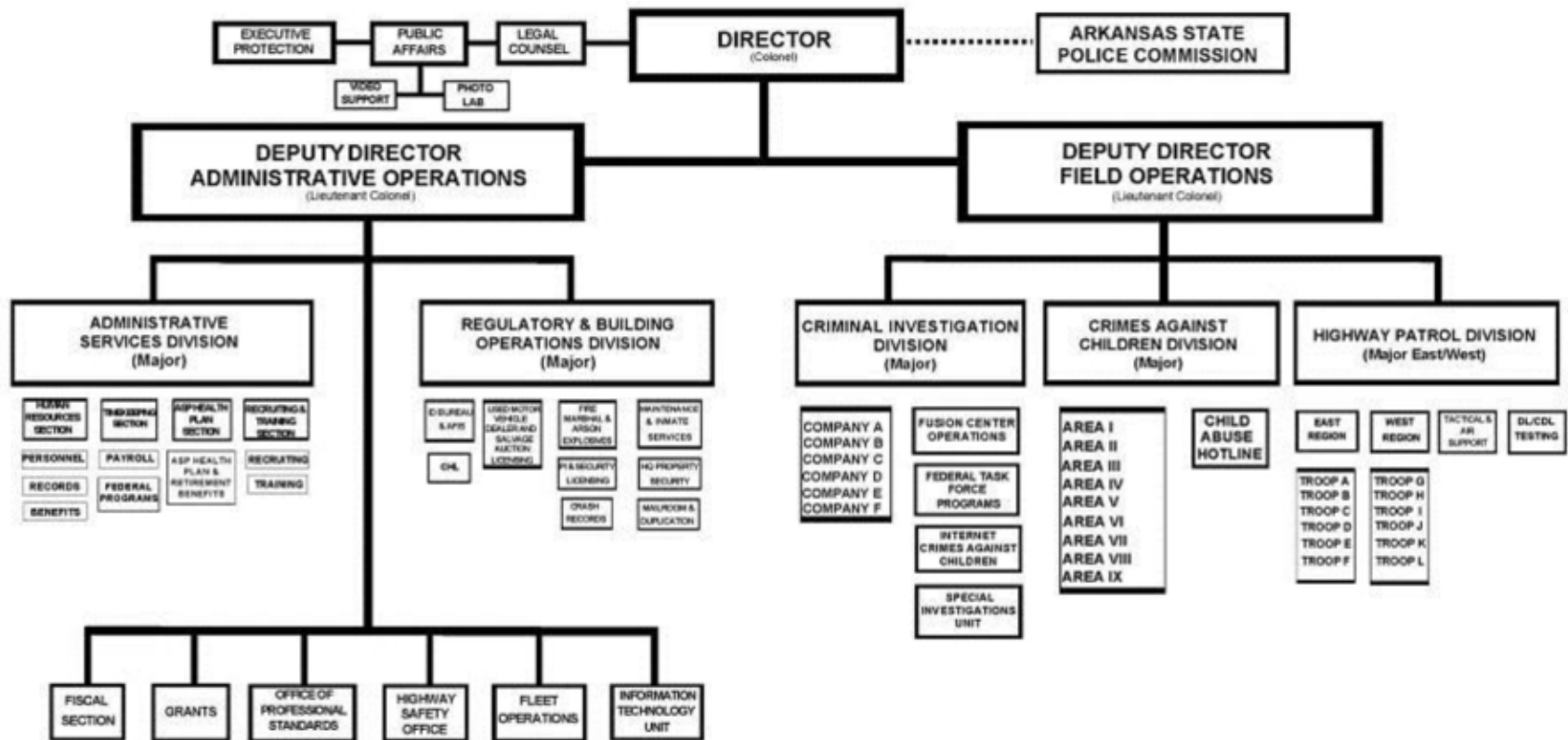
The statutory responsibilities of the Department of Arkansas State Police are described in A.C.A. §12-8-101 et seq. Stated simply, the Department of Arkansas State Police is responsible for enforcement of the traffic laws, criminal laws, investigation of motor vehicular crashes, cases of child abuse, maltreatment and neglect, protection of the public and public property and apprehension of criminals. Additionally, the ASP is responsible for driver's license testing and other regulatory functions.

The Director of the Arkansas State Police is appointed by the Governor (A.C.A. §12-8-104). The Director's primary duties are: to promote rules and regulations necessary for the efficient operation of the Arkansas State Police; supervise and control for the purpose of discipline and proper management of all members and employees of the Arkansas State Police; and to appoint, with approval of the Arkansas State Police Commission, all members of the Arkansas State Police.

The Arkansas State Police Commission is composed of seven (7) members appointed by the Governor for a term of seven (7) years, each with the advice and consent of the Arkansas Senate. Act 149 of 1999 now requires that four (4) of the Commissioners be appointed from the congressional districts with three (3) being appointed at large, and no more than two (2) Commissioners being appointed from the same congressional district. Terms are staggered so that one term expires January 14 each year. One member (elected by the Commission) serves as Chairman. The Arkansas State Police Commission is required to conduct monthly meetings and is empowered (A.C.A. §12-8-103) to approve or disapprove each promotion or demotion and review each application for employment. In addition, the Commission hears appeals and approves or disapproves any disciplinary action and acts as administrators for the Arkansas State Police Uniformed Employee Health Plan (A.C.A. §12-8-210).

The ASP is organized into six (6) distinct areas of operational responsibilities as follows: (see organizational chart)

Director's Office
Administrative Services Division
Highway Patrol Division
Crimes Against Children Division
Criminal Investigation Division
Regulatory Services



Agency Commentary

The Arkansas State Police Director's Office provides overall administration of the agency. Executive Protection, Public Affairs, and Legal Counsel report to the Agency Director. There are two Lieutenant Colonels: Deputy Director of Administrative Operations and Deputy Director of Field Operations.

Administrative Operations: includes Fleet Operations, Information Technology, Office of Professional Standards, Grants Management, Fiscal, Highway Safety Office, Administrative Services Division, and Regulatory and Building Operations Division.

ASP Fleet Operations is responsible for maintaining the Agency's fleet of 905 vehicles. Fleet Operations includes the Install Shop, which is responsible for equipping vehicles, and the Auto Shop, which is responsible for daily maintenance and collision repairs.

Information Technology provides technology development, support, and maintenance for ASP operations. Major IT applications include Mobile Officer Virtual Environment (MOVEAR - software platform that runs E-Citation, E-Crash, ATLAS, E-Vault and E-Forms), Automated Fingerprint Identification System (AFIS), Arkansas Fusion Center, and In-Car Video Storage.

The Arkansas State Police Colonel is the Governor's representative for Highway Safety. The Highway Safety Office administers state and federal Highway Safety funds and oversees Highway Safety program efforts for the State of Arkansas. This office develops an annual Highway Safety Plan, which identifies traffic related highway safety problems in Arkansas and recommends effective programs in reducing traffic fatalities, injuries, and crashes.

The Administrative Services Division (ASD) operates the human resource functions for the agency, which includes recruiting, hiring, promotions and all personnel transactions. The ASD conducts all trooper applicant testing, promotional testing, and provides training throughout the agency, including troop school and in-service training. This division administers the uniformed health insurance plan and monitors the ASP Retirement System.

The Regulatory & Building Operations Division (RBOD) is responsible for regulatory administration concerning licensing/permits for used motor vehicles dealers, concealed handguns, private investigators, security guards, alarm technicians and fireworks establishments. The division manages the Arkansas Automated Fingerprint Identification System (AFIS) and Identification Bureau (ID), which is responsible for collection of all arrest records for the state as well as all non-criminal justice related background checks. Also, the State Fire Marshal Office and Crash Records Repository are located here.

Field Operations: includes Highway Patrol Division, Crimes Against Children Division, and Criminal Investigation Division.

The Highway Patrol Division (HPD) is comprised of twelve (12) troop headquarters located throughout the state. The HPD is responsible for patrolling the Arkansas Highway System, responding to calls for service, and investigating motor vehicle crashes. Selected troops have personnel assigned to Interstate Criminal Patrol teams. These teams place a special focus on identifying criminal activity traveling the Arkansas Highway System. The HPD also coordinates canine activities, including handler training throughout the agency. The HPD administers Arkansas driver's license tests and commercial driver's license testing programs. The HPD also manages the agency's tactical and air support unit, which includes the SWAT Team, ERT Team, Crisis Negotiation Team, Mobile Incident Command Center, and the Ballistic Engineered Armored Response Vehicle (BEAR). Aviation assets are managed by HPD and provide both fixed wing and rotor wing aircraft for a multitude of law enforcement and executive protection missions.

The Crimes Against Children Division (CACD) is comprised of the Child Abuse Hotline Section and the Investigation Section.

- The hotline operates 24 hours a day and seven days a week with a toll free number for the public and mandated reporters to report child maltreatment and other crimes against children (800-482-5964). The hotline receives over 5,100 calls per month. Investigations are initiated as a result from the reports that meet criteria of state and federal statutes. Calls are dispatched to either the Department of Human Services, Children and Family Services Division or Arkansas State Police CACD.
- The Investigation Section is comprised of ten (10) areas throughout Arkansas, responsible for the receipt and investigation of reports involving sexual abuse and severe physical maltreatment of children. The CACD Investigation Section works with law enforcement to prosecute crimes against children.

The Criminal Investigation Division (CID) is comprised of six (6) companies located throughout Arkansas. The Division provides investigative support to city, county, state and federal law enforcement agencies. CID manages the "Morgan Nick" Critical Incident Command Center and the Internet Crimes Against Children Unit. The Division investigates white-collar crimes and cases of public corruption via referrals from the Division of Legislative Audit or through various Prosecuting Attorneys.

The State of Arkansas Fusion Center is located within the Arkansas State Police Central Headquarters facility in Little Rock, Arkansas. The mission of the Arkansas State Fusion Center is to provide an integrated, multi-discipline, information sharing network to collect, analyze, and disseminate information to stakeholders in a timely manner in order to protect the citizens and the critical infrastructure of Arkansas.

Appropriation 519 - State Police Operations

This is the primary operating appropriation for the Department of Arkansas State Police. Our largest expense here is Salary Line Items, which account for 86% of this appropriation (\$78,735,529). The budget remaining for operations is \$13 million. Of this, \$3 million is budgeted for fuel; \$2.8 million on annual recurring costs; \$1.4 million is budgeted for vehicle equipping, maintenance, and repairs; and \$100,000 is set aside for essential training for the entire Agency.

Funding for this appropriation is General Revenue (\$60,105,656), Special Revenue (\$18 million), Federal Revenue (\$62,000), and Other (\$3.6 million).

If base is not continued, Agency will not be able to provide services to the public at the current level. In addition, change level requests are:

Positions:

1. Agency requests restoration of 48 positions for the biennium:
 - 42 Commissioned
 - 6 Civilian

General Revenue Requests:

1. Arkansas State Police requests an increase in appropriation and general revenue funding of \$1,709,872 for FY18 and \$2,226,577 for FY19 to cover the following items:
 - Capital Items: 1 canine, 1 polygraph machine, Fire Marshal software upgrade and night vision goggles.
 - IT Needs for Security Awareness Training, SSL certificates, servers, warranty costs, laptops, desktops, printers, scanners, monitors, docking stations, network switches, CACD voice recorder replacement, and Troop circuit upgrades.
 - CACD: salary and operational cost to add 22 positions.

Special Revenue Requests:

1. Arkansas State Police requests new special revenue funding of \$5,549,234 and appropriation increases of \$9,258,744 for FY18 and new special revenue funding of \$7,300,000 and appropriation increases of \$8,465,010 in FY19 to cover the following:
 - ASP Uniformed Health Plan: Agency requests a change in fee (Direct Lien Filing Fee and Lien Filing for Title Lien) to support costs of the Uniformed Health Plan.
 - Commissioned Salaries: Agency requests a change in fee (Driver's Record Information) to support increase in entry-level salary for commissioned personnel.
 - Appropriation only of \$3,709,510 for FY18 and \$1,165,010 for FY19 to cover:
 - Capital Items: upgrade PI Security and Used Motor Vehicle software
 - IT Needs: in-car laptops, docking stations, and scanners.

519 Summary

Total Appropriation Change Level request in FY18 is \$10,968,616.

Total New General Revenue request in FY18 is \$1,709,872.

Total Appropriation Change Level request in FY19 is \$1,980,014.

Total New General Revenue request in FY19 is \$2,226,577.

Appropriation 345 - AFIS Operations, Maintenance & Equipment

This appropriation is utilized by Arkansas State Police to conduct criminal history background checks and for operations of MOVEAR (Mobile Officer Virtual Environment of Arkansas).

Current funding levels historically allow for processing of the criminal history background checks for the State of Arkansas as well as equipment/technology upgrades such as: facial recognition software, latent workflow modifications, mobile AFIS machines, and livescan machines (which are placed throughout the State for local law enforcement use).

Using the resources that are available, the agency is reallocating funds within this appropriation to maintain the new statewide system MOVEAR. Federal funds were utilized for development of this new technology but a revenue stream is needed for the maintenance and continued operations of this system. This system provides vital functions in traffic citations, crash reporting, evidence handling, and criminal backgrounds throughout the State.

Funding for this appropriation comes from special revenues collected from the fees for criminal history background checks.

Agency requests base level be approved allowing continued operations of the Criminal Background System. In addition, the Agency's Change Level request totals \$1,523,960 in FY18 and \$1,571,048 in FY19 and reflects the following:

- Capital Items: software and workflow redesign of the CBC system, live scan machines, and upgrade to Face Detective/Face Expert System.

Appropriation 521 - ASP Federal Programs

This appropriation is utilized by ASP to support the operations of Internet Crimes Against Children (ICAC) program.

Current levels provide extensive training for ICAC personnel and utilization of new technology in the apprehension of Internet child predators. The State of Arkansas relies on this Federal program due to limited state resources earmarked for this vital program. Local law enforcement benefits through the sub-grant process provided by these Federal funds.

Federal revenue is received through grant awards for this program.

In order to continue vital functions detailed above, ASP requests continuation of base. The Agency's change level request totals \$455,304 for FY18 and \$375,693 for FY19 and reflects the following:

- Overtime and Fringe
- Operating Expenses for software maintenance, subscriptions/licenses, and data processing supplies.
- Grants and Aid: sub grants for ICAC affiliates.
- Capital Items: chip off kit, servers, forensic workstations, analyzer, and recovery devices.

Appropriation 524 - Confiscated Funds

This appropriation is utilized by the State Police for one time Agency needs in compliance with Federal and State governing law for Asset Forfeitures. Arkansas State Police utilizes these funds for Interdiction programs, special purpose equipment, capital improvements, evidence handling, weapons, and other Agency needs. Over the past few years, ASP has utilized these funds to successfully replace outdated body armor, acquire accident reconstruction equipment, replace damaged roofs at agency facilities, and pay sales tax for vehicle purchases.

Current level funding is received sporadically and used for one-time needs. Funding allowed the Agency to work Interdiction overtime targeting drug trafficking across the State. Agency personnel obtained extensive Interdiction training to enhance efforts in drug traffic control. ASP is now able to provide new technology for accident reconstruction services to local law enforcement. The Bear Cat G3, a small armored vehicle, was purchased to provide a new level of resources in tactical operations around the state and in support of local law enforcement.

Funding for this appropriation comes from Federal and State Asset Forfeitures.

Agency requests continuation at current authorization allowing the Agency to continue providing vital functions for the State of Arkansas.

Appropriation 526 - Criminal Background Checks

This appropriation is utilized by Arkansas State Police to conduct criminal history background checks and for operations of MOVEAR (Mobile Officer Virtual Environment of Arkansas).

Current funding levels historically allow for processing of the criminal history background checks for the State of Arkansas as well as the Federal charge for FBI background checks.

Using the resources that are available, the agency is reallocating funds within this appropriation to maintain the new statewide system MOVEAR. Federal funds were utilized for development of this new technology but a revenue stream is needed for the maintenance and continued operations of this system. This system provides vital functions in traffic citations, crash reporting, evidence handling, and criminal backgrounds throughout the State.

Funding for this appropriation comes from special revenues collected from the fees for criminal history background checks and the Federal charge for FBI background checks.

In order to continue vital functions detailed above, ASP requests continuation of base. The Agency's Change Level request totals \$2,539,925 for FY18 and \$2,296,663 for FY19 and reflects the following:

- Agency requests restoration of 4 positions for the biennium:
 - 1 for the ID Bureau
 - 3 for MOVEAR
- Operating Expenses for increased volume in FBI transactions, equipping mobile technicians for MOVEAR, providing mobile data and ACIC transactions in law enforcement vehicles.
- Capital Items: software and workflow redesign of the CBC system, fingerprint acquisition machines, and the purchase of three vehicles for MOVEAR mobile technicians.

Appropriation 1AJ - ASP Methamphetamine Federal Grant (METH)

This appropriation will not be utilized by ASP in this biennium. This Federal program is no longer funded.

Appropriation 1FD - Highway Safety Program (State)

This appropriation is utilized by ASP through the Highway Safety Office to purchase child safety seats and provide education/administration of the Child Passenger Protection Program as required by law.

Funding is special revenue (75% of funds collected from child passenger protection fines). Law requires 50% of annual expenditures from the fund be utilized for the purchase of child passenger safety seats. Remaining funds are to be used for educating state and local law enforcement on proper installation of child safety seats, promoting public awareness, and for highway safety planning and administration.

Agency requests continuation of Base Level in order to continue public education and awareness efforts, and to provide child safety seats for the public. These services to the public could not be provided without current authorization.

Appropriation 1FJ - Highway Safety Program (Federal)

This appropriation is utilized by Arkansas State Police Highway Safety Office for the administration of the State Highway Safety Program.

Current levels allow the Agency to administer Federal Highway Safety funds and oversee the Highway Safety Program efforts supported by those funds for the State of Arkansas. The Highway Safety Office develops an annual Highway Safety Plan, which identifies traffic related safety problems in Arkansas and recommends programs most effective in reducing traffic fatalities, injuries, and crashes.

This program is funded solely with federal funds from the National Highway Traffic Safety Administration (NHTSA).

Agency requests base in order to continue vital program objectives affecting public safety for the State. The Agency's Change Level request totals \$5,570,014 for FY18 and FY19 and reflects the following:

- Salary Items: extra help for MOVEAR, overtime for the Selective Traffic Enforcement Program (STEP), and appropriate fringe.
- Operating Expenses for anticipated future awards.
- Capital Items: servers, database and software licenses, mapping plotter, location tool, ESRI ARC GIS data appliance, CDL computer system, switches with IP licenses, computers, and networking equipment.
- Grants/Aid: sub grants for the MAP21 program.

Appropriation 2EG - Homeland Security

This appropriation is utilized for federal grants in support of Arkansas Fusion Center, ASP SWAT, and ASP Bomb Squad.

Current levels allow for technology enhancements, updated training, and vital software support for the Arkansas Fusion Center to aid in information sharing in matters regarding Homeland Security. ASP SWAT and Bomb Teams have benefited from vital training and obtaining cutting edge technology, such as bomb robots, night vision goggles, bomb suits, x-ray generator, and radiation detection devices.

This program is funded solely with federal funds from Department of Homeland Security.

Agency requests continuation of base in order to maintain these programs, which provide vital services State wide. The Agency's Change Level request totals \$794,264 for FY18 and \$402,543 for FY19 and reflects the following:

- Operating Expenses for public safety equipment maintenance, subscriptions, and software maintenance.
- Training: Fusion Center and Bomb Squad programs.
- Capital Items: explosive mitigation / remediator, bomb suits, carbon fire disrupter, and night vision optics.

Appropriation 9KA - ASP AWIN General Revenue

This appropriation is utilized by Department of Information Systems for the maintenance of the AWIN System. AWIN provides communication services for all first responders within the state.

For the past couple years, expenses have exceeded revenue, and it was necessary for the program to receive additional funding from other sources. Biennial budget request represents the bare minimum needed to operate AWIN, and does not include any needed technology or equipment upgrades.

This appropriation is funded with general revenue through the Arkansas State Police.

Base is necessary, in addition to Change Level request, in order to continue operations of the AWIN system. The Agency's change level request totals \$1,049,464 for FY18 and \$1,087,976 for FY19 and reflects the following:

- Operating Expenses for increased utility cost, repair of aging equipment, increased overhead, and increase in tower leases.

Appropriation F97 - CHCL Cash Fund

This appropriation is utilized by Arkansas State Police to provide extra help salary and fringe for the Concealed Handgun Licensing Program. Funding for this appropriation is one-time funds received by the Attorney General's Office.

Continuation of cash appropriation of \$55,766 approved through PEER is necessary to support the continued operation of CHCL.

Appropriation U62 - AWIN Operations Cash Fund

This appropriation is utilized by Arkansas State Police to help with the operations of the Arkansas Wireless Information Network (AWIN).

Continuation of cash appropriation of \$1,000,000 approved through PEER is necessary to assist with AWIN operations.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS STATE POLICE
FOR THE YEAR ENDED JUNE 30, 2014

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	558	255	813	84 %
Black Employees	79	56	135	14 %
Other Racial Minorities	11	5	16	2 %
Total Minorities			151	16 %
Total Employees			964	100 %

Cash Fund Balance Description as of June 30, 2016

Fund Account	Balance	Type	Location
NSP0400	\$51,665	Treasury Cash Fund	Treasury

Statutory/Other Restrictions on use:

N/A

Statutory Provisions for Fees, Fines, Penalties:

N/A

Revenue Receipts Cycle:

N/A

Fund Balance Utilization:

Funds received from the Attorney General for the operations of Concealed Handgun Licensing.

Fund Account	Balance	Type	Location
NSP0500	\$384,520	Treasury Cash Fund	Treasury

Statutory/Other Restrictions on use:

N/A

Statutory Provisions for Fees, Fines, Penalties:

N/A

Revenue Receipts Cycle:

N/A

Fund Balance Utilization:

Funds received from Attorney General for AWIN Operations.

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
ASP Uniformed Employee Health Insurance Plan	Act 267 of 2014	Y	Y	1	Required by Statute	0	0.00

Change in Fee Schedule

CURRENT FEE STRUCTURE

PROPOSED CHANGE

Description	Fee Amount	Estimated Receipts 2016-2017	Authorizing Act or AR Code	Fee Amount	Estimated Receipts		Reason for Change
					2017-2018	2018-2019	
Direct Lien Filing Fee	\$1.00	\$279,500	27-14-806 (a) (3)	\$4.50	\$1,257,750	\$1,257,750	Establish funding stream for ASP Uniformed Health Insurance
Lien Filing for Title Lien	\$0.50	\$182,084	27-14-602 (b) (3)	\$4.00	\$1,456,667	\$1,456,667	Establish funding stream for ASP Uniformed Health Insurance
Drivers Record Information	\$7.00	\$1,203,362	27-23-117 (3)	\$9.00	\$10,830,258	\$10,830,258	Establish funding stream for ASP commissioned salary increases

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1FD Highway Safety Program - State	284,204	1	385,921	1	390,226	1	386,032	1	386,032	1	386,032	1	386,435	1	386,435	1	386,435	1
1FJ Highway Safety Program - Federal	11,302,865	10	37,964,681	13	42,293,521	13	37,966,428	13	43,536,442	13	43,536,442	13	37,971,364	13	43,541,378	13	43,541,378	13
2EG Homeland Security-Federal	219,134	0	176,839	0	1,042,472	0	97,457	0	891,721	0	891,721	0	97,457	0	500,000	0	500,000	0
345 Automated Fingerprint Identification System (AFIS)	1,829,942	0	3,175,520	0	3,593,922	0	1,175,520	0	2,699,480	0	2,699,480	0	1,175,520	0	2,746,568	0	2,746,568	0
519 ASP-Operations	86,566,851	1,011	82,994,623	983	96,918,515	1,056	78,955,716	981	89,924,332	1,051	87,800,740	1,015	79,344,357	981	91,324,371	1,051	89,187,256	1,015
521 Various Federal Programs	375,960	0	141,006	0	1,145,442	0	124,353	0	579,657	0	579,657	0	124,353	0	500,046	0	500,046	0
524 Confiscated Funds Transfer	0	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
526 Criminal Background Checks	1,913,895	9	3,330,637	9	3,413,315	10	2,634,794	9	5,174,719	13	5,140,917	12	2,638,142	9	4,934,805	13	4,900,631	12
9KA AR Wireless Information Network (AWIN)	6,189,088	0	6,269,921	0	7,254,247	0	6,269,921	0	7,319,385	0	7,319,385	0	6,269,921	0	7,357,888	0	7,357,888	0
F97 CHCL Cash Fund	47,616	0	51,665	0	0	0	0	0	55,766	0	55,766	0	0	0	55,766	0	55,766	0
U62 AWIN Operations Cash Fund	615,603	0	1,000,000	0	0	0	0	0	1,000,000	0	1,000,000	0	0	0	1,000,000	0	1,000,000	0
NOT REQUESTED FOR THE BIENNIUM																		
1AJ Methamphetamine Investigation - Federal	0	0	0	0	750,108	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	109,345,158	1,031	138,490,813	1,006	159,801,768	1,080	130,610,221	1,004	154,567,534	1,078	152,410,140	1,041	131,007,549	1,004	155,347,257	1,078	153,175,968	1,041

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	17,202,310	13.6	17,583,728	10.9	22,578,484	13.7	22,578,484	12.9	22,578,484	13.1	34,409,793	19.5	21,087,164	12.1	21,534,686	12.6	
General Revenue	4000010	66,294,744	52.2	66,375,577	41.2	66,375,577	40.2	69,134,913	39.4	66,375,577	38.4	66,375,577	37.5	69,690,121	40.0	66,375,577	38.7	
Federal Revenue	4000020	12,012,296	9.5	38,396,863	23.8	38,254,238	23.2	45,073,820	25.7	45,073,820	26.1	38,259,174	21.6	44,607,424	25.6	44,607,424	26.0	
Special Revenue	4000030	22,782,063	17.9	27,366,613	17.0	27,715,664	16.8	27,715,664	15.8	27,715,664	16.0	27,715,664	15.7	27,715,664	15.9	27,715,664	16.2	
Cash Fund	4000045	0	0.0	0	0.0	0	0.0	50,726	0.0	50,726	0.0	0	0.0	50,726	0.0	50,726	0.0	
Merit Adjustment Fund	4000055	0	0.0	390,465	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Grant/SubGrant Refunds	4000273	1,000,000	0.8	1,000,000	0.6	0	0.0	1,000,000	0.6	1,000,000	0.6	0	0.0	1,000,000	0.6	1,000,000	0.6	
Investments	4000315	1,320	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
M & R Sales	4000340	40,567	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Other	4000370	4,424,138	3.5	3,784,603	2.3	3,784,603	2.3	3,784,603	2.2	3,784,603	2.2	3,784,603	2.1	3,784,603	2.2	3,784,603	2.2	
Special State Asset Forfeiture	4000465	0	0.0	3,000,000	1.9	3,000,000	1.8	3,000,000	1.7	3,000,000	1.7	3,000,000	1.7	3,000,000	1.7	3,000,000	1.8	
Transfer from DHS	4000510	2,911,448	2.3	2,911,448	1.8	2,911,448	1.8	2,911,448	1.7	2,911,448	1.7	2,911,448	1.6	2,911,448	1.7	2,911,448	1.7	
Transfer State Admn of Justice	4000570	260,000	0.2	260,000	0.2	400,000	0.2	400,000	0.2	400,000	0.2	400,000	0.2	400,000	0.2	400,000	0.2	
Total Funds		126,928,886	100.0	161,069,297	100.0	165,020,014	100.0	175,649,658	100.0	172,890,322	100.0	176,856,259	100.0	174,247,150	100.0	171,380,128	100.0	
Excess Appropriation/(Funding)		(17,583,728)		(22,578,484)		(34,409,793)		(21,082,124)		(20,480,182)		(45,848,710)		(18,899,893)		(18,204,160)		
Grand Total		109,345,158		138,490,813		130,610,221		154,567,534		152,410,140		131,007,549		155,347,257		153,175,968		

WITHOUT FEE INCREASE

Variance in fund balance due to unfunded appropriation in (9KA) AR Wireless Information Network (AWIN) and (F97) CHCL Cash Fund.

FY2016 Actual and FY2017 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 251 (60) of 2016.

Budget exceeds Authorized Appropriation in (F97) and (U62) due to a transfer from the Cash Fund Holding Account.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1FD Highway Safety Program - State	284,204	1	385,921	1	390,226	1	386,032	1	386,032	1	386,032	1	386,435	1	386,435	1	386,435	1
1FJ Highway Safety Program - Federal	11,302,865	10	37,964,681	13	42,293,521	13	37,966,428	13	43,536,442	13	43,536,442	13	37,971,364	13	43,541,378	13	43,541,378	13
2EG Homeland Security-Federal	219,134	0	176,839	0	1,042,472	0	97,457	0	891,721	0	891,721	0	97,457	0	500,000	0	500,000	0
345 Automated Fingerprint Identification System (AFIS)	1,829,942	0	3,175,520	0	3,593,922	0	1,175,520	0	2,699,480	0	2,699,480	0	1,175,520	0	2,746,568	0	2,746,568	0
519 ASP-Operations	86,566,851	1,011	82,994,623	983	96,918,515	1,056	78,955,716	981	89,924,332	1,051	87,800,740	1,015	79,344,357	981	91,324,371	1,051	89,187,256	1,015
521 Various Federal Programs	375,960	0	141,006	0	1,145,442	0	124,353	0	579,657	0	579,657	0	124,353	0	500,046	0	500,046	0
524 Confiscated Funds Transfer	0	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
526 Criminal Background Checks	1,913,895	9	3,330,637	9	3,413,315	10	2,634,794	9	5,174,719	13	5,140,917	12	2,638,142	9	4,934,805	13	4,900,631	12
9KA AR Wireless Information Network (AWIN)	6,189,088	0	6,269,921	0	7,254,247	0	6,269,921	0	7,319,385	0	7,319,385	0	6,269,921	0	7,357,888	0	7,357,888	0
F97 CHCL Cash Fund	47,616	0	51,665	0	0	0	0	0	55,766	0	55,766	0	0	0	55,766	0	55,766	0
U62 AWIN Operations Cash Fund	615,603	0	1,000,000	0	0	0	0	0	1,000,000	0	1,000,000	0	0	0	1,000,000	0	1,000,000	0
NOT REQUESTED FOR THE BIENNIUM																		
1AJ Methamphetamine Investigation - Federal	0	0	0	0	750,108	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	109,345,158	1,031	138,490,813	1,006	159,801,768	1,080	130,610,221	1,004	154,567,534	1,078	152,410,140	1,041	131,007,549	1,004	155,347,257	1,078	153,175,968	1,041

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	17,202,310	13.6	17,583,728	10.9	22,578,484	13.7	22,578,484	12.5	22,578,484	12.7	34,409,793	19.5	25,387,164	13.9	25,834,686	14.4	
General Revenue	4000010	66,294,744	52.2	66,375,577	41.2	66,375,577	40.2	69,134,913	38.4	66,375,577	37.5	66,375,577	37.5	69,690,121	38.1	66,375,577	36.9	
Federal Revenue	4000020	12,012,296	9.5	38,396,863	23.8	38,254,238	23.2	45,073,820	25.0	45,073,820	25.4	38,259,174	21.6	44,607,424	24.4	44,607,424	24.8	
Special Revenue	4000030	22,782,063	17.9	27,366,613	17.0	27,715,664	16.8	32,015,664	17.8	32,015,664	18.1	27,715,664	15.7	32,015,664	17.5	32,015,664	17.8	
Cash Fund	4000045	0	0.0	0	0.0	0	0.0	50,726	0.0	50,726	0.0	0	0.0	50,726	0.0	50,726	0.0	
Merit Adjustment Fund	4000055	0	0.0	390,465	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Grant/SubGrant Refunds	4000273	1,000,000	0.8	1,000,000	0.6	0	0.0	1,000,000	0.6	1,000,000	0.6	0	0.0	1,000,000	0.5	1,000,000	0.6	
Investments	4000315	1,320	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
M & R Sales	4000340	40,567	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Other	4000370	4,424,138	3.5	3,784,603	2.3	3,784,603	2.3	3,784,603	2.1	3,784,603	2.1	3,784,603	2.1	3,784,603	2.1	3,784,603	2.1	
Special State Asset Forfeiture	4000465	0	0.0	3,000,000	1.9	3,000,000	1.8	3,000,000	1.7	3,000,000	1.7	3,000,000	1.7	3,000,000	1.6	3,000,000	1.7	
Transfer from DHS	4000510	2,911,448	2.3	2,911,448	1.8	2,911,448	1.8	2,911,448	1.6	2,911,448	1.6	2,911,448	1.6	2,911,448	1.6	2,911,448	1.6	
Transfer State Admn of Justice	4000570	260,000	0.2	260,000	0.2	400,000	0.2	400,000	0.2	400,000	0.2	400,000	0.2	400,000	0.2	400,000	0.2	
Total Funds		126,928,886	100.0	161,069,297	100.0	165,020,014	100.0	179,949,658	100.0	177,190,322	100.0	176,856,259	100.0	182,847,150	100.0	179,980,128	100.0	
Excess Appropriation/(Funding)		(17,583,728)		(22,578,484)		(34,409,793)		(25,382,124)		(24,780,182)		(45,848,710)		(27,499,893)		(26,804,160)		
Grand Total		109,345,158		138,490,813		130,610,221		154,567,534		152,410,140		131,007,549		155,347,257		153,175,968		

WITH FEE INCREASE

Variance in fund balance due to unfunded appropriation in (9KA) AR Wireless Information Network (AWIN) and (F97) CHCL Cash Fund.

FY2016 Actual and FY2017 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 251 (60) of 2016.

Budget exceeds Authorized Appropriation in (F97) and (U62) due to a transfer from the Cash Fund Holding Account.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
1,070	973	27	1000	70	9.07 %	1,080	975	25	1000	80	9.72 %	1,080	969	38	1007	73	10.28 %

Analysis of Budget Request

Appropriation: 1FD - Highway Safety Program - State

Funding Sources: SCP - State Police Equipment Fund

Arkansas State Police utilizes this program, through the Highway Safety Office, to purchase child safety seats and provide education/administration of the Child Passenger Protection Program. This appropriation is funded from special revenues collected through the Arkansas Child Passenger Protection Fund.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$37 increase in FY18 and an additional \$31 increase in FY17 in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$759 per month in FY18 and \$790 per month in FY19. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency's Request is for continuation of Base Level in both years of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1FD - Highway Safety Program - State
Funding Sources: SCP - State Police Equipment Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	61,531	63,030	65,675	62,751	62,751	62,751	62,751	62,751	62,751
#Positions	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	20,875	29,008	30,668	29,398	29,398	29,398	29,801	29,801	29,801
Operating Expenses 5020002	7,925	56,350	56,350	56,350	56,350	56,350	56,350	56,350	56,350
Conference & Travel Expenses 5050009	0	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	193,873	219,533	219,533	219,533	219,533	219,533	219,533	219,533	219,533
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	284,204	385,921	390,226	386,032	386,032	386,032	386,435	386,435	386,435
Funding Sources									
Fund Balance 4000005	330,756	216,461		200,000	200,000	200,000	199,889	199,889	199,889
Special Revenue 4000030	169,909	369,460		385,921	385,921	385,921	385,921	385,921	385,921
Total Funding	500,665	585,921		585,921	585,921	585,921	585,810	585,810	585,810
Excess Appropriation/(Funding)	(216,461)	(200,000)		(199,889)	(199,889)	(199,889)	(199,375)	(199,375)	(199,375)
Grand Total	284,204	385,921		386,032	386,032	386,032	386,435	386,435	386,435

Analysis of Budget Request

Appropriation: 1FJ - Highway Safety Program - Federal

Funding Sources: SMP - Department of Arkansas State Police Fund

This appropriation is utilized by Arkansas State Police Highway Safety Office for the administration of the State Highway Safety Program. This program is funded with federal funds from the National Highway Traffic Safety Administration (NHTSA).

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$37 increase in FY18 and an additional \$31 increase in FY17 in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$759 per month in FY18 and \$790 per month in FY19. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency's Change Level requests total \$5,570,014 in both years of the biennium and reflect the following:

- Extra Help of \$10,490 and Personal Services Matching of \$942 each year for MOVEAR;
- Overtime of \$629,355 and Personal Services Matching of \$194,911 each year for the Selective Traffic Enforcement Program (STEP);
- Operating Expenses of \$1,352,316 each year for anticipated future awards;
- Grants and Aid of \$3,000,000 each year for sub-grants for the MAP21 Program; and
- Capital Outlay of \$382,000 each year for servers, database and software licenses, mapping plotter, location tool, ESRI Mapping software, GIS Data Appliance software, CDL computer system, switches with IP licenses, and networking equipment. Details can be found in the Agency IT plan.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1FJ - Highway Safety Program - Federal
Funding Sources: SMP - Department of Arkansas State Police Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	439,355	547,261	534,283	544,979	544,979	544,979	545,079	545,079	545,079
#Positions	10	13	13	13	13	13	13	13	13
Extra Help 5010001	33,870	66,140	82,640	66,140	76,630	76,630	66,140	76,630	76,630
#Extra Help	3	4	4	4	4	4	4	4	4
Personal Services Matching 5010003	294,123	343,783	523,796	347,812	543,665	543,665	352,648	548,501	548,501
Overtime 5010006	395,954	178,812	708,167	178,812	808,167	808,167	178,812	808,167	808,167
Operating Expenses 5020002	3,259,358	3,630,243	6,571,436	3,630,243	4,982,559	4,982,559	3,630,243	4,982,559	4,982,559
Conference & Travel Expenses 5050009	25,729	114,858	257,615	114,858	114,858	114,858	114,858	114,858	114,858
Professional Fees 5060010	1,743,457	3,442,750	3,442,750	3,442,750	3,442,750	3,442,750	3,442,750	3,442,750	3,442,750
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	5,105,574	29,640,834	29,640,834	29,640,834	32,640,834	32,640,834	29,640,834	32,640,834	32,640,834
Capital Outlay 5120011	5,445	0	532,000	0	382,000	382,000	0	382,000	382,000
Total	11,302,865	37,964,681	42,293,521	37,966,428	43,536,442	43,536,442	37,971,364	43,541,378	43,541,378
Funding Sources									
Federal Revenue 4000020	11,302,865	37,964,681		37,966,428	43,536,442	43,536,442	37,971,364	43,541,378	43,541,378
Total Funding	11,302,865	37,964,681		37,966,428	43,536,442	43,536,442	37,971,364	43,541,378	43,541,378
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	11,302,865	37,964,681		37,966,428	43,536,442	43,536,442	37,971,364	43,541,378	43,541,378

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 1FJ - Highway Safety Program - Federal
Funding Sources: SMP - Department of Arkansas State Police Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	37,966,428	13	37,966,428	100.0	37,971,364	13	37,971,364	100.0
C01	Existing Program	6,355,308	0	44,321,736	116.7	6,355,308	0	44,326,672	116.7
C03	Discontinue Program	(8,010)	0	44,313,726	116.7	(8,010)	0	44,318,662	116.7
C04	Reallocation	(2,156,751)	0	42,156,975	111.0	(2,156,751)	0	42,161,911	111.0
C08	Technology	1,379,467	0	43,536,442	114.7	1,379,467	0	43,541,378	114.7

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	37,966,428	13	37,966,428	100.0	37,971,364	13	37,971,364	100.0
C01	Existing Program	6,356,026	0	44,322,454	116.7	6,356,026	0	44,327,390	116.7
C03	Discontinue Program	(8,728)	0	44,313,726	116.7	(8,728)	0	44,318,662	116.7
C04	Reallocation	(2,156,751)	0	42,156,975	111.0	(2,156,751)	0	42,161,911	111.0
C08	Technology	1,379,467	0	43,536,442	114.7	1,379,467	0	43,541,378	114.7

Justification

C01	Agency requests increase in Operating Expenses, Extra Help, Fringe, Overtime, and Grants/Aid. New federal grant awards anticipated for existing federal Highway Safety programs.
C04	In both years of the biennium, 2,156,751 will be reallocated to offset CI01 increase. Reallocation comes from change in funding levels for existing federal Highway Safety programs.
C08	Agency requests increase in Operating Expenses and Capital Outlay for anticipated new federal grant awards for existing federal Highway Safety programs involving IT components. Programs include: E-Citation, E-Crash, and Video Storage (In-Car Cameras).

Analysis of Budget Request

Appropriation: 2EG - Homeland Security-Federal

Funding Sources: FLA - ASP Federal

This appropriation is utilized for Department of Homeland Security Grants. This program is funded with federal funds from the Arkansas Department of Emergency Management (ADEM).

The Agency's Change Level request totals \$794,264 in FY18 and \$402,543 in FY19 and reflects the following:

- Operating Expenses of \$218,631 in FY18 and \$159,317 in FY19, which includes reallocation to assist with Change Level requests, for public safety equipment maintenance, subscriptions, and software maintenance;
- Conference and Travel Expenses of \$82,219 in FY18 and \$33,226 in FY19 for increased training and conference needs; and
- Capital Outlay of \$493,414 in FY18 and \$210,000 in FY19, which includes reallocation to assist with Change Level requests, for explosive mitigation/remediator bomb suits, carbon fire disrupter, and night vision optics.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2EG - Homeland Security-Federal

Funding Sources: FLA - ASP Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	75,717	40,683	402,461	40,683	259,314	259,314	40,683	200,000	200,000
Conference & Travel Expenses	5050009	67,100	56,774	153,857	56,774	138,993	138,993	56,774	90,000	90,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	76,317	79,382	486,154	0	493,414	493,414	0	210,000	210,000
Total		219,134	176,839	1,042,472	97,457	891,721	891,721	97,457	500,000	500,000
Funding Sources										
Federal Revenue	4000020	219,134	176,839		97,457	891,721	891,721	97,457	500,000	500,000
Total Funding		219,134	176,839		97,457	891,721	891,721	97,457	500,000	500,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		219,134	176,839		97,457	891,721	891,721	97,457	500,000	500,000

Change Level by Appropriation

Appropriation: 2EG - Homeland Security-Federal
Funding Sources: FLA - ASP Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	97,457	0	97,457	100.0	97,457	0	97,457	100.0
C01	Existing Program	820,689	0	918,146	942.1	497,314	0	594,771	610.3
C03	Discontinue Program	(11,726)	0	906,420	930.1	(94,771)	0	500,000	513.0
C04	Reallocation	(14,699)	0	891,721	915.0	0	0	500,000	513.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	97,457	0	97,457	100.0	97,457	0	97,457	100.0
C01	Existing Program	820,689	0	918,146	942.1	497,314	0	594,771	610.3
C03	Discontinue Program	(11,726)	0	906,420	930.1	(94,771)	0	500,000	513.0
C04	Reallocation	(14,699)	0	891,721	915.0	0	0	500,000	513.0

Justification

C01	Agency requests increase in Operating Expenses for public safety equipment, analytical tools, and forensic software. Increase in training for forensic analysts, data sharing conferences and Homeland Security training. FY18 Capital Outlay request provides for the purchase of bomb suits and carbon fire disrupter. FY19 Capital includes night vision optics.
C03	Agency anticipates these awards will end.
C04	Agency will be reallocating 14,699 in FY18 to offset C01 changes.

Analysis of Budget Request

Appropriation: 345 - Automated Fingerprint Identification System (AFIS)

Funding Sources: SEF - State Police Equipment Fund

The Automated Fingerprint Identification System (AFIS) provides state of the art computer filing, recording and matching of fingerprint records. It provides law enforcement agencies throughout the state with the technology to quickly and accurately process fingerprint records through twenty-two (22) remote live-scan stations located across the state. This appropriation is funded through special revenues collected from fees for Criminal History Background Checks.

The Agency Change Level request is for \$1,523,960 in FY18 and \$1,571,048 in FY19 for Capital Outlay for software and workflow redesign of the CBC system and new Live Scan machines in FY18 and upgrades to Face Detective/Face Expert System in FY19. Costs associated with these requests are documented in the department's Information Technology (IT) Plan.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 345 - Automated Fingerprint Identification System (AFIS)

Funding Sources: SEF - State Police Equipment Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,048,493	1,163,420	1,581,822	1,163,420	1,163,420	1,163,420	1,163,420	1,163,420	1,163,420
Conference & Travel Expenses	5050009	12,090	12,100	12,100	12,100	12,100	12,100	12,100	12,100	12,100
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	769,359	2,000,000	2,000,000	0	1,523,960	1,523,960	0	1,571,048	1,571,048
Total		1,829,942	3,175,520	3,593,922	1,175,520	2,699,480	2,699,480	1,175,520	2,746,568	2,746,568
Funding Sources										
Fund Balance	4000005	5,098,710	5,371,541		5,596,021	5,596,021	5,596,021	7,531,091	6,007,131	6,007,131
Special Revenue	4000030	2,102,773	3,400,000		3,110,590	3,110,590	3,110,590	3,110,590	3,110,590	3,110,590
Total Funding		7,201,483	8,771,541		8,706,611	8,706,611	8,706,611	10,641,681	9,117,721	9,117,721
Excess Appropriation/(Funding)		(5,371,541)	(5,596,021)		(7,531,091)	(6,007,131)	(6,007,131)	(9,466,161)	(6,371,153)	(6,371,153)
Grand Total		1,829,942	3,175,520		1,175,520	2,699,480	2,699,480	1,175,520	2,746,568	2,746,568

Change Level by Appropriation

Appropriation: 345 - Automated Fingerprint Identification System (AFIS)
Funding Sources: SEF - State Police Equipment Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,175,520	0	1,175,520	100.0	1,175,520	0	1,175,520	100.0
C08	Technology	1,523,960	0	2,699,480	229.6	1,571,048	0	2,746,568	233.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,175,520	0	1,175,520	100.0	1,175,520	0	1,175,520	100.0
C08	Technology	1,523,960	0	2,699,480	229.6	1,571,048	0	2,746,568	233.6

Justification

C08	FY18 request includes increase in technology to cover software and workflow redesign of \$1.4M and five Live Scan Machines at \$24,792 each to equal \$123,960. FY19 request includes upgrade to face detective/face expert system of \$1.1M and five Live Scan Machines at \$24,792 each to equal \$123,960. This is included in the IT Plan for FY18/19.								
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Analysis of Budget Request

Appropriation: 519 - ASP-Operations

Funding Sources: SMP - Department of Arkansas State Police Fund

This appropriation is the primary operating account for the Department of Arkansas State Police. Approximately 74% of the total funding comes from general revenue. The remaining 26% is derived from a variety of sources, including Federal reimbursement, DWI/Court Awards, transfer from Department of Human Services to support the Crimes Against Children Division (CACD), miscellaneous revenue sources and a broad spectrum of special revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$37 increase in FY18 and an additional \$31 increase in FY17 in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$759 per month in FY18 and \$790 per month in FY19. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Special revenue sources include Arkansas Drivers License Fees, Commercial Drivers License Fees, license fees for security guards and private investigators, permit fees for concealed weapons and used motor vehicle dealer license fees.

The Agency's Change Level requests total \$10,968,616 in FY18 and \$11,980,014 in FY19 including general revenue funding of \$1,709,872 in FY18 and \$2,226,577 in FY19 and reflect the following:

- Regular Salaries \$2,565,662 in FY18 and \$2,565,762 in FY19 and Personal Services Matching of \$6,932,146 in FY18 and \$6,958,217 in FY19 which reflect restoration of 48 positions and 22 new positions;
- Operating Expenses of \$789,570 in FY18 and \$1,469,020 in FY19 for increasing operating costs and vehicle maintenance, equipping, and repairs;
- Conference and Travel Expenses of \$38,000 in FY18 and \$27,000 in FY19 for increased costs of training and conference travel; and
- Capital Outlay of \$643,238 in FY18 and \$960,015 in FY19 for one canine, one polygraph machine, night vision goggles, and an upgrade to the Fire Marshal Software.

The Agency is also proposing three (3) fee increases which include an increase in the Direct Lien Filing Fee from \$1.00 to \$3.50 and an increase in the Lien Filing for Title Lien Fee from \$0.50 to \$3.50 to support costs of the Uniformed Health Plan and an increase in the Drivers Record Request Fee from \$7.00 to \$9.00 to support the implementation of an increase in the entry level salary of commissioned personnel.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects a position reduction of two (2) Administrative Specialist I and

thirty-four (34) ASP Corporal positions based on the personnel evaluation.

The Executive Recommendation provides for Agency Request for appropriation with no additional general revenue.

Appropriation Summary

Appropriation: 519 - ASP-Operations

Funding Sources: SMP - Department of Arkansas State Police Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018 Base Level	2017-2018 Agency	2017-2018 Executive	2018-2019 Base Level	2018-2019 Agency	2018-2019 Executive
Regular Salaries	5010000	44,704,384	44,721,127	47,867,773	44,507,216	47,072,878	45,701,802	44,525,316	47,091,078	45,719,902
#Positions		1,011	983	1,056	981	1,051	1,015	981	1,051	1,015
Extra Help	5010001	73,391	100,000	150,000	100,000	100,000	100,000	100,000	100,000	100,000
#Extra Help		10	16	16	16	16	16	16	16	16
Personal Services Matching	5010003	25,137,269	25,475,567	30,725,703	22,745,125	29,677,271	28,924,755	23,115,666	30,073,883	29,307,944
Overtime	5010006	198,131	60,000	97,450	60,000	60,000	60,000	60,000	60,000	60,000
Operating Expenses	5020002	10,184,527	11,101,000	14,740,155	11,101,000	11,890,570	11,890,570	11,101,000	12,570,020	12,570,020
Conference & Travel Expenses	5050009	162,165	100,000	409,749	100,000	138,000	138,000	100,000	127,000	127,000
Professional Fees	5060010	116,698	217,375	415,685	217,375	217,375	217,375	217,375	217,375	217,375
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	5,865,286	1,094,554	2,387,000	0	643,238	643,238	0	960,015	960,015
Covert Ops	5900047	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Total		86,566,851	82,994,623	96,918,515	78,955,716	89,924,332	87,800,740	79,344,357	91,324,371	89,187,256

Funding Sources										
Fund Balance	4000005	6,576,050	6,188,000		12,607,039	12,607,039	12,607,039	22,766,183	13,507,439	13,921,159
General Revenue	4000010	60,105,656	60,105,656		60,105,656	61,815,528	60,105,656	60,105,656	62,332,233	60,105,656
Federal Revenue	4000020	114,337	114,337		66,000	66,000	66,000	66,000	66,000	66,000
Special Revenue	4000030	18,322,655	21,847,153		21,847,153	21,847,153	21,847,153	21,847,153	21,847,153	21,847,153
Merit Adjustment Fund	4000055	0	390,465		0	0	0	0	0	0
M & R Sales	4000340	40,567	0		0	0	0	0	0	0
Other	4000370	4,424,138	3,784,603		3,784,603	3,784,603	3,784,603	3,784,603	3,784,603	3,784,603
Transfer from DHS	4000510	2,911,448	2,911,448		2,911,448	2,911,448	2,911,448	2,911,448	2,911,448	2,911,448
Transfer State Admn of Justice	4000570	260,000	260,000		400,000	400,000	400,000	400,000	400,000	400,000
Total Funding		92,754,851	95,601,662		101,721,899	103,431,771	101,721,899	111,881,043	104,848,876	103,036,019
Excess Appropriation/(Funding)		(6,188,000)	(12,607,039)		(22,766,183)	(13,507,439)	(13,921,159)	(32,536,686)	(13,524,505)	(13,848,763)
Grand Total		86,566,851	82,994,623		78,955,716	89,924,332	87,800,740	79,344,357	91,324,371	89,187,256

WITHOUT FEE INCREASE

FY2016 Actual and FY2017 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 251 (60) of 2016.

Other sources of funding includes transfers from the motor vehicle fund.

Appropriation Summary

Appropriation: 519 - ASP-Operations
Funding Sources: SMP - Department of Arkansas State Police Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	44,704,384	44,721,127	47,867,773	44,507,216	47,072,878	45,701,802	44,525,316	47,091,078	45,719,902
#Positions		1,011	983	1,056	981	1,051	1,015	981	1,051	1,015
Extra Help	5010001	73,391	100,000	150,000	100,000	100,000	100,000	100,000	100,000	100,000
#Extra Help		10	16	16	16	16	16	16	16	16
Personal Services Matching	5010003	25,137,269	25,475,567	30,725,703	22,745,125	29,677,271	28,924,755	23,115,666	30,073,883	29,307,944
Overtime	5010006	198,131	60,000	97,450	60,000	60,000	60,000	60,000	60,000	60,000
Operating Expenses	5020002	10,184,527	11,101,000	14,740,155	11,101,000	11,890,570	11,890,570	11,101,000	12,570,020	12,570,020
Conference & Travel Expenses	5050009	162,165	100,000	409,749	100,000	138,000	138,000	100,000	127,000	127,000
Professional Fees	5060010	116,698	217,375	415,685	217,375	217,375	217,375	217,375	217,375	217,375
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	5,865,286	1,094,554	2,387,000	0	643,238	643,238	0	960,015	960,015
Covert Ops	5900047	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Total		86,566,851	82,994,623	96,918,515	78,955,716	89,924,332	87,800,740	79,344,357	91,324,371	89,187,256

Funding Sources										
Fund Balance	4000005	6,576,050	6,188,000		12,607,039	12,607,039	12,607,039	22,766,183	17,807,439	18,221,159
General Revenue	4000010	60,105,656	60,105,656		60,105,656	61,815,528	60,105,656	60,105,656	62,332,233	60,105,656
Federal Revenue	4000020	114,337	114,337		66,000	66,000	66,000	66,000	66,000	66,000
Special Revenue	4000030	18,322,655	21,847,153		21,847,153	26,147,153	26,147,153	21,847,153	26,147,153	26,147,153
Merit Adjustment Fund	4000055	0	390,465		0	0	0	0	0	0
M & R Sales	4000340	40,567	0		0	0	0	0	0	0
Other	4000370	4,424,138	3,784,603		3,784,603	3,784,603	3,784,603	3,784,603	3,784,603	3,784,603
Transfer from DHS	4000510	2,911,448	2,911,448		2,911,448	2,911,448	2,911,448	2,911,448	2,911,448	2,911,448
Transfer State Admn of Justice	4000570	260,000	260,000		400,000	400,000	400,000	400,000	400,000	400,000
Total Funding		92,754,851	95,601,662		101,721,899	107,731,771	106,021,899	111,881,043	113,448,876	111,636,019
Excess Appropriation/(Funding)		(6,188,000)	(12,607,039)		(22,766,183)	(17,807,439)	(18,221,159)	(32,536,686)	(22,124,505)	(22,448,763)
Grand Total		86,566,851	82,994,623		78,955,716	89,924,332	87,800,740	79,344,357	91,324,371	89,187,256

WITH FEE INCREASE

FY2016 Actual and FY2017 Budgeted Appropriations that receive Administration of Justice Funds have been reduced proportionately based on available funding in accordance with A.C.A. 16-10-312. Base level appropriations reflect the maximum allocations authorized by Act 251 (60) of 2016. Other sources of funding includes transfers from the motor vehicle fund.

Change Level by Appropriation

Appropriation: 519 - ASP-Operations
Funding Sources: SMP - Department of Arkansas State Police Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	78,955,716	981	78,955,716	100.0	79,344,357	981	79,344,357	100.0
C01	Existing Program	7,358,265	22	86,313,981	109.3	6,954,426	22	86,298,783	108.8
C06	Restore Position/Approp	2,890,851	48	89,204,832	113.0	2,908,838	48	89,207,621	112.4
C08	Technology	719,500	0	89,924,332	113.9	2,116,750	0	91,324,371	115.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	78,955,716	981	78,955,716	100.0	79,344,357	981	79,344,357	100.0
C01	Existing Program	7,358,265	22	86,313,981	109.3	6,954,426	22	86,298,783	108.8
C06	Restore Position/Approp	1,519,775	12	87,833,756	111.2	1,537,662	12	87,836,445	110.7
C08	Technology	719,500	0	88,553,256	112.2	2,116,750	0	89,953,195	113.4
C13	Not Recommended	(752,516)	0	87,800,740	111.2	(765,939)	0	89,187,256	112.4

Justification

C01	Agency requests increase of \$7,358,265 in FY18 and \$6,954,426 in FY19. Increases include: Personal Services Matching increase of \$2.5 million for proposed fee increase for ASP Uniformed Health Insurance, increase of 22 positions and operating cost for Crimes Against Children, and agency capital needs.
C06	Agency requests restoration of 48 positions: 42 commissioned and 6 civilian.
C08	Agency requests increase of \$719,500 in FY18 and \$2,116,750 in FY19. Increases include: computers, scanners, docking stations, in-car cameras, printers, modems, servers, and switches.

Analysis of Budget Request

Appropriation: 521 - Various Federal Programs

Funding Sources: FLA - ASP Federal

This federally funded appropriation is utilized by Arkansas State Police to support various programs received as grants from the United States Department of Justice. The Agency anticipates receiving federal funding from Internet Crimes Against Children (ICAC) grants.

The Agency's Change Level requests total \$455,304 in FY18 and \$375,693 in FY19 and reflect the following:

- Overtime of \$14,960 and Personal Services Matching of \$4,633 each year for increased expenses;
- Operating Expenses of \$125,003 in FY18 and \$55,297 in FY19 for software maintenance, subscriptions/licenses, and data processing supplies;
- Conference and Travel Expenses of \$31,197 in FY18 and a reduction of \$5,103 in FY19;
- Grants and Aid of \$133,853 in FY18 and \$125,000 in FY19 for sub-grants for ICAC affiliates; and
- Capital Outlay of \$145,658 in FY18 and \$135,000 in FY19 for a chip off kit, servers, forensic work stations, analyzer, and recovery devices.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 521 - Various Federal Programs

Funding Sources: FLA - ASP Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Personal Services Matching	5010003	520	13	5,179	13	4,646	4,646	13	4,646	4,646
Overtime	5010006	1,607	40	16,500	40	15,000	15,000	40	15,000	15,000
Operating Expenses	5020002	78,728	55,297	310,995	55,297	180,300	180,300	55,297	156,500	156,500
Conference & Travel Expenses	5050009	114,904	69,003	144,605	69,003	100,200	100,200	69,003	63,900	63,900
Professional Fees	5060010	0	0	74,469	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	136,039	0	472,500	0	133,853	133,853	0	125,000	125,000
Capital Outlay	5120011	44,162	16,653	121,194	0	145,658	145,658	0	135,000	135,000
Total		375,960	141,006	1,145,442	124,353	579,657	579,657	124,353	500,046	500,046
Funding Sources										
Federal Revenue	4000020	375,960	141,006		124,353	579,657	579,657	124,353	500,046	500,046
Total Funding		375,960	141,006		124,353	579,657	579,657	124,353	500,046	500,046
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		375,960	141,006		124,353	579,657	579,657	124,353	500,046	500,046

Change Level by Appropriation

Appropriation: 521 - Various Federal Programs
Funding Sources: FLA - ASP Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	124,353	0	124,353	100.0	124,353	0	124,353	100.0
C01	Existing Program	311,046	0	435,399	350.1	247,196	0	371,549	298.8
C04	Reallocation	(1,400)	0	433,999	349.0	(6,503)	0	365,046	293.6
C08	Technology	145,658	0	579,657	466.1	135,000	0	500,046	402.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	124,353	0	124,353	100.0	124,353	0	124,353	100.0
C01	Existing Program	311,046	0	435,399	350.1	247,196	0	371,549	298.8
C04	Reallocation	(1,400)	0	433,999	349.0	(6,503)	0	365,046	293.6
C08	Technology	145,658	0	579,657	466.1	135,000	0	500,046	402.1

Justification

C01	Increase in Operating Expenses for Internet Crimes Against Children Program to include overtime and personal services matching for officers assigned to Crimes Against Children investigations, forensic investigation training for officers, training in child investigation techniques, software subscriptions, data base subscriptions, internet expenses and sub-grants to Internet Crimes Against Children Task Forces within the state.
C04	Agency is reallocating 1,400 in FY18 and 6,503 in FY19 to offset C01 changes.
C08	Agency requests forensic work stations, chipoff kit, cellebrite touch, and cellebrite analyzer in FY18. Agency requests 3 servers, forensic recovery devices, forensic work station, and cellebrite touch in FY19.

Analysis of Budget Request

Appropriation: 524 - Confiscated Funds Transfer

Funding Sources: TPC - Court Awards Fund

The Department of Arkansas State Police is authorized, after seeking the approval of the Chief Fiscal Officer of the State, to request transfer from the appropriation made herein for "Confiscated Funds Transfer" to the Maintenance and General Operations classifications established in the operations appropriation (Appropriation 519) of the Department of Arkansas State Police, and may be used for motor vehicle purchases and associated taxes and/or motor vehicle equipping/renovation costs, overtime, personal services matching, agency operational needs and capital improvements for the Department of Arkansas State Police. Fund transfers may be requested from the Court Awards Fund to the Department of Arkansas State Police Fund in the same amount and for the same purposes as the appropriation transfer requested under the provisions of this section. The provisions of this section are subject to prior review and approval of the Arkansas Legislative Council or Joint Budget Committee.

The Agency requests continuation of Base Level for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 524 - Confiscated Funds Transfer

Funding Sources: TPC - Court Awards Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Investments/Transfers 5110020	0	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total	0	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Funding Sources									
Special State Asset Forfeiture 4000465	0	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total Funding	0	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Analysis of Budget Request

Appropriation: 526 - Criminal Background Checks

Funding Sources: SEF - State Police Equipment Fund

This appropriation is utilized by Arkansas State Police to conduct criminal history background checks. This appropriation is funded from special revenues collected from the fees for Criminal History Background Checks and the federal charge for FBI Background Checks.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$37 increase in FY18 and an additional \$31 increase in FY17 in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$759 per month in FY18 and \$790 per month in FY19. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency's Change Level requests total \$2,539,925 in FY18 and \$2,296,663 in FY19 and include the following:

- Regular Salaries of \$115,602 each year and Personal Services Matching of \$72,233 in FY18 and \$73,721 in FY19 which reflect the restoration of four (4) positions (three Computer Support Analyst positions - 22162935, 22162936, and 22162937 - and one Administrative Specialist I - 22089667);
- Operating Expenses of \$1,215,140 in FY18 and \$1,207,340 in FY19 for increased volume in FBI transactions, equipping mobile technicians for the Mobile Officer Virtual Environment - AR (MOVEAR), and providing mobile data and Arkansas Crime Information Center (ACIC) transactions in law enforcement vehicles; and
- Capital Outlay of \$1,136,950 in FY18 and \$900,000 in FY19 for software and workflow redesign of the CBC system, fingerprint acquisition machines, and the purchase of three vehicles for MOVEAR mobile technicians.

The Executive Recommendation provides for the Agency Request for Operating Expenses and Capital Outlay for appropriation only. In addition, the Executive Recommendation provides to restore only three (3) Computer Support Analyst positions which is reflected by an increase of \$96,747 in Regular Salaries each year and Personal Services Matching of \$57,286 in FY18 and \$58,402 in FY19.

Appropriation Summary

Appropriation: 526 - Criminal Background Checks
Funding Sources: SEF - State Police Equipment Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	151,388	189,811	219,615	190,511	306,113	287,258	190,511	306,113	287,258
#Positions	9	9	10	9	13	12	9	13	12
Personal Services Matching 5010003	79,959	137,826	161,680	141,283	213,516	198,569	144,631	218,352	203,033
Overtime 5010006	16	1,000	5,000	1,000	1,000	1,000	1,000	1,000	1,000
Operating Expenses 5020002	1,681,937	2,293,300	2,318,320	2,293,300	3,508,440	3,508,440	2,293,300	3,500,640	3,500,640
Conference & Travel Expenses 5050009	595	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	700,000	700,000	0	1,136,950	1,136,950	0	900,000	900,000
Total	1,913,895	3,330,637	3,413,315	2,634,794	5,174,719	5,140,917	2,638,142	4,934,805	4,900,631
Funding Sources									
Fund Balance 4000005	5,098,710	5,371,541		3,790,904	3,790,904	3,790,904	3,528,110	988,185	1,021,987
Special Revenue 4000030	2,186,726	1,750,000		2,372,000	2,372,000	2,372,000	2,372,000	2,372,000	2,372,000
Total Funding	7,285,436	7,121,541		6,162,904	6,162,904	6,162,904	5,900,110	3,360,185	3,393,987
Excess Appropriation/(Funding)	(5,371,541)	(3,790,904)		(3,528,110)	(988,185)	(1,021,987)	(3,261,968)	1,574,620	1,506,644
Grand Total	1,913,895	3,330,637		2,634,794	5,174,719	5,140,917	2,638,142	4,934,805	4,900,631

Change Level by Appropriation

Appropriation: 526 - Criminal Background Checks
Funding Sources: SEF - State Police Equipment Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,634,794	9	2,634,794	100.0	2,638,142	9	2,638,142	100.0
C01	Existing Program	600,000	0	3,234,794	122.8	600,000	0	3,238,142	122.7
C04	Reallocation	159,040	0	3,393,834	128.8	72,340	0	3,310,482	125.5
C06	Restore Position/Approp	187,835	4	3,581,669	135.9	189,323	4	3,499,805	132.7
C08	Technology	1,593,050	0	5,174,719	196.4	1,435,000	0	4,934,805	187.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	2,634,794	9	2,634,794	100.0	2,638,142	9	2,638,142	100.0
C01	Existing Program	600,000	0	3,234,794	122.8	600,000	0	3,238,142	122.7
C04	Reallocation	159,040	0	3,393,834	128.8	72,340	0	3,310,482	125.5
C06	Restore Position/Approp	168,980	3	3,562,814	135.2	170,468	3	3,480,950	131.9
C08	Technology	1,593,050	0	5,155,864	195.7	1,435,000	0	4,915,950	186.3
C13	Not Recommended	(14,947)	0	5,140,917	195.1	(15,319)	0	4,900,631	185.8

Justification

C01	Agency is requesting \$600,000 in appropriation each year of the biennium for increase in FBI Checks.
C04	Agency reallocated \$159,040 in FY18 and \$72,340 in FY19 from AFIS/ID Bureau budget to create a budget for the operation of MOVEAR.
C06	Agency is restoring 1 position in SEF0100 and 3 positions in SEF0200.
C08	Agency requests increase of \$1,593,050 in FY18 and \$1,435,000 in FY19. Increase includes Operating Expenses for ACIC transactions, Mobile Data, laptops, scanners, and data processing supplies. Capital requested is for software & workflow redesign for Criminal Background System and purchasing Touchless Fingerprint Acquisition Machine. IT Plan>Major Applications>AFIS 18/19.

Analysis of Budget Request

Appropriation: 9KA - AR Wireless Information Network (AWIN)

Funding Sources: SMP - Department of Arkansas State Police Fund

This appropriation is used for the maintenance and operation of the Arkansas Wireless Information Network (AWIN) for the State of Arkansas. This appropriation is funded with general revenue.

The Agency's Change Level request totals \$1,049,464 in FY18 and \$1,087,967 in FY19 in operating expenses for increased utility costs, repair of aging equipment, increased overhead, and increase in tower releases.

The Executive Recommendation provides for the Agency Request for appropriation only.

Appropriation Summary

Appropriation: 9KA - AR Wireless Information Network (AWIN)
Funding Sources: SMP - Department of Arkansas State Police Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	6,189,088	6,269,921	7,254,247	6,269,921	7,319,385	7,319,385	6,269,921	7,357,888	7,357,888
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		6,189,088	6,269,921	7,254,247	6,269,921	7,319,385	7,319,385	6,269,921	7,357,888	7,357,888
Funding Sources										
General Revenue	4000010	6,189,088	6,269,921		6,269,921	7,319,385	6,269,921	6,269,921	7,357,888	6,269,921
Total Funding		6,189,088	6,269,921		6,269,921	7,319,385	6,269,921	6,269,921	7,357,888	6,269,921
Excess Appropriation/(Funding)		0	0		0	0	1,049,464	0	0	1,087,967
Grand Total		6,189,088	6,269,921		6,269,921	7,319,385	7,319,385	6,269,921	7,357,888	7,357,888

Change Level by Appropriation

Appropriation: 9KA - AR Wireless Information Network (AWIN)
Funding Sources: SMP - Department of Arkansas State Police Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	6,269,921	0	6,269,921	100.0	6,269,921	0	6,269,921	100.0
C01	Existing Program	1,259,689	0	7,529,610	120.1	1,281,192	0	7,551,113	120.4
C04	Reallocation	(210,225)	0	7,319,385	116.7	(193,225)	0	7,357,888	117.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	6,269,921	0	6,269,921	100.0	6,269,921	0	6,269,921	100.0
C01	Existing Program	1,259,689	0	7,529,610	120.1	1,281,192	0	7,551,113	120.4
C04	Reallocation	(210,225)	0	7,319,385	116.7	(193,225)	0	7,357,888	117.4

Justification

C01	AWIN Program requests increase in M&O of 1,259,689 FY18 and 1,281,192 FY19 for increased operational cost of the AWIN system.
C04	In FY18, 210,225 will be reallocated to offset FY18 CI01 increase. In FY19, 193,225 will be reallocated to offset FY19 CI01 increase.

Analysis of Budget Request

Appropriation: F97 - CHCL Cash Fund

Funding Sources: NSP - Cash in Treasury

Arkansas State Police utilizes this appropriation to provide extra help, salary, and fringe benefits for the Concealed Handgun Licensing Program. Funding for this appropriation is one-time funds received from the Attorney General's Office.

The Agency requests to continue this cash appropriation of \$55,766 approved through PEER to support the continued operation of Concealed Handgun Carry Licensing (CHCL) each year.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: F97 - CHCL Cash Fund

Funding Sources: NSP - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Extra Help	5010001	38,686	43,665	0	0	46,550	46,550	0	46,550	46,550
#Extra Help		7	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	8,930	8,000	0	0	9,216	9,216	0	9,216	9,216
Total		47,616	51,665	0	0	55,766	55,766	0	55,766	55,766
Funding Sources										
Fund Balance	4000005	98,084	51,665		0	0	0	0	0	0
Cash Fund	4000045	0	0		0	50,726	50,726	0	50,726	50,726
Investments	4000315	1,197	0		0	0	0	0	0	0
Total Funding		99,281	51,665		0	50,726	50,726	0	50,726	50,726
Excess Appropriation/(Funding)		(51,665)	0		0	5,040	5,040	0	5,040	5,040
Grand Total		47,616	51,665		0	55,766	55,766	0	55,766	55,766

Budget exceeds Authorized Appropriation in Extra Help and Personal Services Matching due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: F97 - CHCL Cash Fund
Funding Sources: NSP - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	55,766	0	55,766	100.0	55,766	0	55,766	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	55,766	0	55,766	100.0	55,766	0	55,766	100.0

Justification

C01	The Agency requests to continue this cash appropriation of \$55,766 approved through PEER to support the continued operation of CHCL each year.
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Analysis of Budget Request

Appropriation: U62 - AWIN Operations Cash Fund

Funding Sources: NSP - Cash in Treasury

Arkansas State Police utilizes this appropriation to help with the operations of the Arkansas Wireless Information Network (AWIN). Funding for this appropriation is one-time funds received from the Attorney General's Office.

The Agency requests to continue cash appropriation of \$1,000,000 approved through PEER to assist with AWIN operations each year.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: U62 - AWIN Operations Cash Fund

Funding Sources: NSP - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	615,603	1,000,000	0	0	1,000,000	1,000,000	0	1,000,000	1,000,000
Total	615,603	1,000,000	0	0	1,000,000	1,000,000	0	1,000,000	1,000,000
Funding Sources									
Fund Balance 4000005	0	384,520		384,520	384,520	384,520	384,520	384,520	384,520
Grant/SubGrant Refunds 4000273	1,000,000	1,000,000		0	1,000,000	1,000,000	0	1,000,000	1,000,000
Investments 4000315	123	0		0	0	0	0	0	0
Total Funding	1,000,123	1,384,520		384,520	1,384,520	1,384,520	384,520	1,384,520	1,384,520
Excess Appropriation/(Funding)	(384,520)	(384,520)		(384,520)	(384,520)	(384,520)	(384,520)	(384,520)	(384,520)
Grand Total	615,603	1,000,000		0	1,000,000	1,000,000	0	1,000,000	1,000,000

Budget exceeds Authorized Appropriation in Operating Expenses due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: U62 - AWIN Operations Cash Fund
Funding Sources: NSP - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	1,000,000	0	1,000,000	100.0	1,000,000	0	1,000,000	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	1,000,000	0	1,000,000	100.0	1,000,000	0	1,000,000	100.0

Justification

C01	The Agency requests to continue cash appropriation of \$1,000,000 approved through PEER to assist with AWIN operations each year.
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Appropriation Summary

Appropriation: 1AJ - Methamphetamine Investigation - Federal

Funding Sources: FLA - ASP Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Personal Services Matching 5010003	0	0	38,610	0	0	0	0	0	0
Overtime 5010006	0	0	123,000	0	0	0	0	0	0
Operating Expenses 5020002	0	0	355,998	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	82,500	0	0	0	0	0	0
Professional Fees 5060010	0	0	105,000	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	45,000	0	0	0	0	0	0
Total	0	0	750,108	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2017-2019 BIENNIUM

AR DEPARTMENT OF VETERANS' AFFAIRS

Enabling Laws

Act 233 of 2016
A.C.A. §20-81-102 et seq.

History and Organization

Act 127 of 1923 established our Agency as the Arkansas Service Bureau to aid disabled World War Veterans and Veterans of American Wars to obtain government benefits.

Act 343 of 1925 repealed and replaced Act 127.

Act 234 of 1945 renamed our Agency to the Arkansas Veterans' Service Office and changed our responsibilities to assisting all veterans and their dependents in securing their rights and benefits under all laws, both state and federal.

Act 536 of 1975 appropriated funds to the Arkansas Veterans' Service Office for assisting the seventy-five (75) counties in paying salaries and/or expenses of County Veterans Service Officers who meet the training qualifications, the scheduled numbers of working hours per month and other qualifications prescribed or as may be prescribed by our office.

Act 377 of 1975 created the Governor's Task Force on Veterans' Affairs to study any and all matters relating to and affecting the affairs of veterans in the state of Arkansas as requested by the Governor or as deemed necessary by the Task Force, and to make recommendations to the Governor on request or as deemed appropriate by the majority of the members of the Task Force.

Act 619 of 1977 authorized the Arkansas Veterans' Service Office to establish and maintain an Arkansas Veterans' Home in the building formerly used by the School for the Blind and Deaf located at 20th and Madison Streets, Little Rock, Arkansas.

Act 324 of 1979, codified in A.C.A. §20-81-102 et seq., renamed our Agency as the Arkansas Department of Veterans' Affairs, which would assume all the duties and responsibilities of the Arkansas Veterans Service Office as well as to supervise the operation of the Arkansas Veterans' Home; supervise the activities, training and testing of all the County Veterans Service Officers in each county and to create a Governor's Task Force on Veterans' Affairs.

Act 432 of 1985, codified in A.C.A. §20-81-105, amended Section 6 of Act 324 of 1979 to require the Arkansas Department of Veterans' Affairs to promulgate guidelines for admission to the Arkansas Veterans' Home and to conform to federal requirements necessary to qualify the Arkansas Veterans' Home as a Nursing Home and Domiciliary for veterans.

Act 431 of 1985, codified in A.C.A. §20-81-107, authorized the Arkansas Department of Veterans' Affairs to accept the donation of real property for use as Veterans Cemeteries.

Act 157 of 1987, codified in A.C.A. §20-81-105, amended Section 6 of Act 324 of 1979 to provide for the conversion of the Arkansas Veterans' Home to a Nursing Home and Domiciliary for veterans without the necessity of obtaining a certificate of need.

Act 733 of 1987 appropriated funds to supplement private donations for expansion of the Little Rock, Fayetteville and Fort Smith National Cemeteries.

Act 670 of 1991, amended A.C.A. §20-81-104(b)(4) to authorize members of the Governor's Task Force on Veterans' Affairs to attend conventions, conferences or meetings of recognized veterans organizations.

Act 136 of 1993 amended A.C.A. §20-81-104 to change the name of the Governor's Task Force on Veterans' Affairs to the Governor's Commission on Veterans' Affairs.

Act 719 of 1993 amended A.C.A. §20-81-103 regarding the qualifications for appointment of the Director of the Department of Veterans' Affairs.

Act 235 of 1997 amended A.C.A. §20-81-112 by authorizing the Arkansas Department of Veterans' Affairs to establish and operate an Arkansas State Veterans' Cemetery system.

Agency Vision, Mission, Strategic Goals

Vision: Recognizing the value of Veterans to Arkansas, the Arkansas Department of Veterans Affairs will be the state's leading advocate and resource responsive to the changing needs of Veterans and their families in attaining the highest quality of life.

Mission: The Arkansas Department of Veterans Affairs serves Arkansas Veterans and their eligible dependents through advocacy and education to access federal and state benefits, high-quality long-term nursing care, and burial honors.

Strategic Goals:

SG1. Increase the overall effectiveness of the Veterans Service Officer program.

SG2. Connect Veterans with certified services and connect businesses and communities to Veterans.

SG 3. Develop a plan to meet the long-term care needs of Arkansas Veterans.

ADVA is authorized under Chapter 81 of Title 20 of the Arkansas Code to:

- Assist all Veterans and their dependents in securing their rights and benefits under all laws, both state and federal (Veteran Services Division);
- Supervise the activities, training and testing of the county Veterans' service officers located throughout the State of Arkansas (Veteran Services Division);
- Establish, implement and maintain a program for providing financial assistance to the counties to assist the counties in paying the salaries and expenses of county Veterans' service officers (Veteran Services Division);
- Establish and supervise the operation of Arkansas Veterans homes (Veterans Homes Division); and
- Establish and maintain an Arkansas State Veterans Cemetery System (Veterans Cemetery Division).

Under this legislative mandate, during FY15 ADVA developed a strategic plan and aligned its organizational structure by creating three (3) divisions: Veterans Homes, Veterans Cemeteries, and Veterans Services. The agency is implementing a holistic approach to accomplishing its mission in order to achieve greater efficiency and consistency, reduce redundancies and create repeatable processes. This is achieved through the sharing of information, processes and procedures, resources and costs across and within divisions.

89% of ADVA operations are funded by agency income while 11% of the operating budget is funded by state general revenue. Agency income includes reimbursements from the United States Department of Veterans Affairs (USDVA) for burial and skilled nursing services, Medicaid and Medicare reimbursements; and private payments for burial and skilled nursing services.

Veterans Homes Division

The agency currently operates one long-term skilled nursing facility, the Arkansas State Veterans Home at Fayetteville (ASVH-F), and is in the final construction phase of a second facility at North Little Rock (ASVH-NLR), projected to open in early FY17.

ADVA provides skilled nursing care to an average of 81 residents at the 108-bed Fayetteville facility (open since 2006). This facility is 100% funded with income from operations. ASVH-F is operated on two leased floors of UAMS-Northwest and an ADVA-owned administrative tower that was constructed adjacent to UAMS-Northwest in 2006. The agency also leases a commercial kitchen and additional storage space from UAMS-Northwest. ASVH-F offers mostly semi-private rooms for residents.

ASVH-NLR is a "small home" design consisting of eight (8) individual homes that will serve twelve (12) residents each (96 total beds). Each

as small homes. The small home concept seeks to de-institutionalize care and provide a warm, home-like environment in a setting that encourages social activity. As a result of the design, the operating model will differ substantially from that of a traditional skilled nursing facility.

Residence in a State Veterans Home is available only to Veterans, their eligible dependents; and Gold Star family members. Sources of operating income for the two homes include private room and board payments, private insurance payments, Medicaid and Medicare reimbursements, and reimbursements from the United States Department of Veterans Affairs State Home Per Diem program.

Veterans Cemeteries Division

ADVA provides compassionate burial services for approximately 660 Veterans and their eligible dependents each year at two State Veterans cemeteries located at North Little Rock (ASVC-NLR) and at Birdeye (ASVC-B). An average of 600 burial services are performed each year at ASVH-NLR; and 60 at ASVC-B.

All Veterans who served honorably in any branch of the United States armed forces are entitled to free burial in a Veterans Cemetery.

Military Funeral Honors Stipend Program

Act 784 of 2009 amended Arkansas Code Title 19, Chapter 6 to create a special revenue fund known as the "Military Funeral Honors Fund" and mandated that all moneys collected under § 27-24-209(d)(5)(A) shall be deposited into the State Treasury to the credit of the fund as special revenues, to be used by the Department of Veterans' Affairs to assist with the cost of providing military funeral honors (MFH) at Veterans' funerals. These funds are generated by a \$10 fee charged for affixing a medal decal to Veterans special license plates.

Veterans Services Division

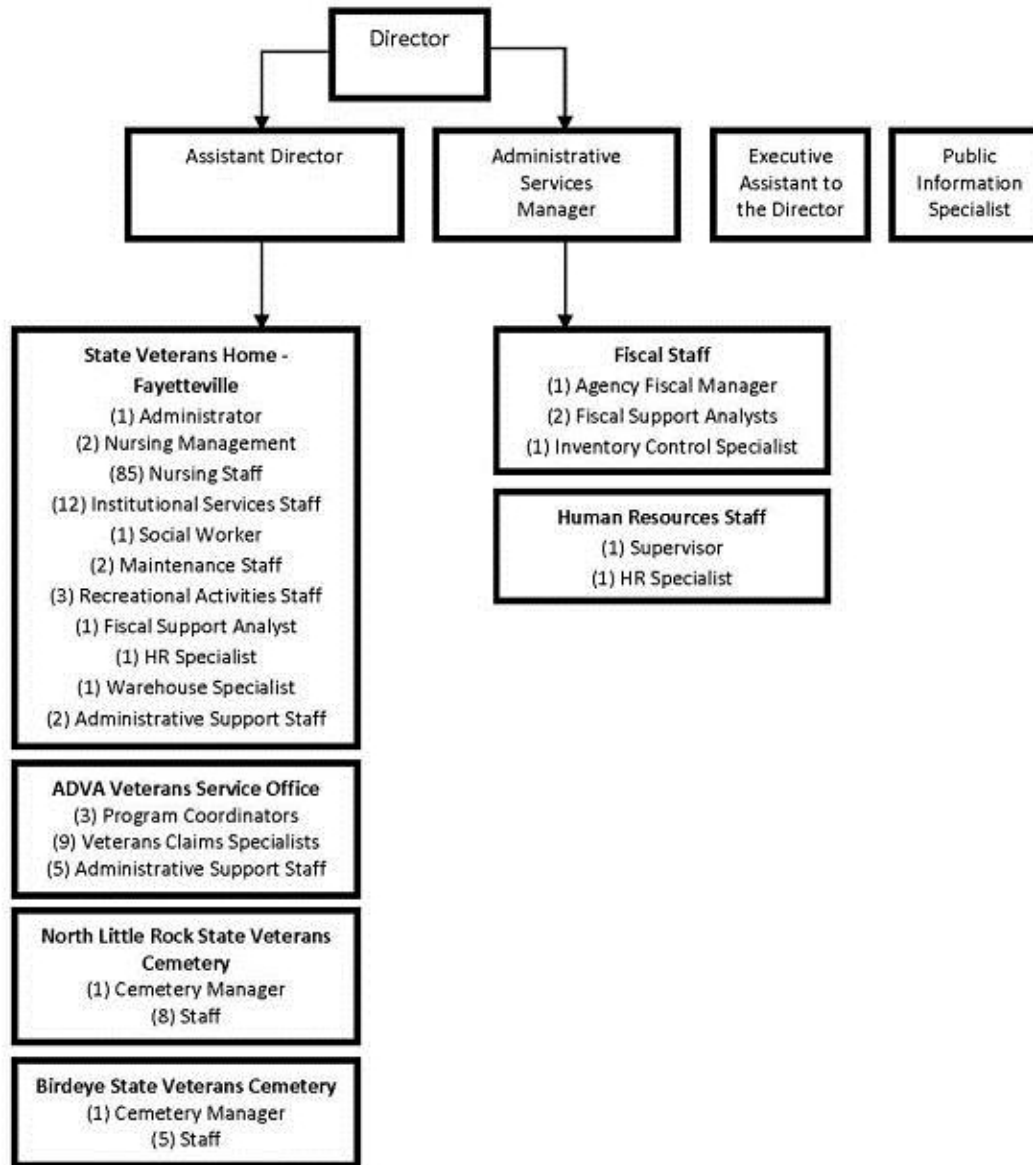
Via a network of 12 ADVA Veteran Service Officers located throughout the state, a Deputy Director, a Veterans Services Division Manager, a Quality Assurance officer and three (3) administrative support staff, ADVA assists Veterans and their dependents in securing their rights and benefits under all laws, both state and federal, by performing eligibility determination, filing claims and appeals on their behalf, and connecting Veterans and their families to community-based services.

Aid to County Veterans Service Offices

This program reimburses Arkansas' 75 counties for actual expenditures incurred in maintaining a county Veterans service office, up to a maximum of \$4,800 per year to counties with Veteran populations greater than 2,500; or up to a maximum of \$3,600 per year to counties with Veteran populations under 2,500. The annual program budget is \$283,500.00 33.3% of actual Veteran service office expenses are reimbursed quarterly, up to the maximum amount. Counties submit to ADVA a certified quarterly reimbursement request with itemized expenses.

Agency Administration

Agency administration consists of: Director's Office, Fiscal Division, Office of Human Resources, Public Information Office, and Technology Coordinator.



Agency Commentary

Arkansas Department of Veterans Affairs (ADVA) Appropriations

Appropriation 224: State Operations - Agency Administration and Veterans Services Division

This appropriation is utilized to operate ADVA Veterans Service offices in nine locations throughout the state, to ensure that all operational, fiscal and stewardship objectives of the Agency are met; to advocate for Veterans at the state, regional and national levels; and to support the 75 County Veterans Service Offices located throughout the state.

The Agency is requesting small increases in Salaries and Personal Services Matching commitment items to reflect restoration of a Public Information Coordinator position which was approved and received through the OPM pool.

Appropriation 20D: Veterans Homes Cash

This appropriation is for care of residents at the two State Veterans Homes. These are long-term skilled nursing facilities funded by private payments, federal funds and Medicaid revenue.

The North Little Rock home is currently under construction and will open during the fall of 2016 (FY17). It is authorized for a maximum of 96 residents.

For both years of the biennium, the agency has requested to restore several positions that were previously authorized in FY17, and a number of operational changes for the new North Little Rock Home.

The Fayetteville home is authorized for a maximum of 108 residents and has a current census of 79, which is the FY15 average census. The agency has requested several C01 change levels due to a number of operational changes made during FY16 which include insourcing the food service and outsourcing housekeeping and maintenance services. These C01 change level requests match cash letter appropriation increase requests submitted during FY16 for FY16 and FY17, which were reviewed by the Office of Budget and approved by the Arkansas Legislative Council.

Appropriation 38S: Veterans' Cemeteries Cash

This appropriation supports all capital expenditures for both State Veterans cemeteries and approximately 90% of the operating costs of the State Veterans Cemetery at North Little Rock. This appropriation is 100% funded by federal burial reimbursements and private burial fees charged for eligible dependent burials.

The Agency requests Base Level for this appropriation.

Appropriation 490: Veterans' Cemeteries - State

This appropriation is utilized to support 100% of the operating costs of the State Veterans Cemetery at Birdeye and approximately 10% of the operating costs of the State Veterans Cemetery at North Little Rock.

The Agency is requesting Base Level for each year of the biennium.

Appropriation 81H: Military Funeral Honors

This appropriation is utilized to provide \$50 stipends to military honor guard teams for each military funeral honors service performed at a Veteran's funeral at the North Little Rock and Birdeye State Veterans cemeteries. Funding is through the sale of special military license plates.

The Agency is requesting a decrease (C03) change level of \$25,000 for each year of the biennium. The agency currently expends approximately \$18,000 per year in reimbursements to authorized military funeral honor guard team and receives approximately \$40,000 per year in Special Revenue funding for this appropriation.

Appropriation M49: Veterans' Home Cash

This appropriation is funded by donations and is utilized to support construction and one-time costs of the State Veterans Home at North Little Rock.

The Agency is requesting a (C03) reduction in Operating Expenses for each year of the biennium in order to match the appropriation to the current level of funding.

Appropriation F50: NLR Cemetery - Federal, 151 of 2013

This appropriation was for federally-funded expansion and maintenance projects at the State Veterans Cemetery at North Little Rock, which are now complete. The agency has reduced its appropriation request to \$0.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF VETERANS AFFAIRS
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Sound information system controls require that applications have strong password controls and adequate data integrity controls and that agencies have a written disaster recovery plan that has been approved by management and is periodically tested.

Recommendations

We recommend the Agency strengthen controls regarding the deficiencies noted in the AmeraCare system as follows:

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF VETERANS AFFAIRS
FOR THE YEAR ENDED JUNE 30, 2015

Findings	Recommendations
<p>Review of the Agency's information technology (IT) environment and general computer controls regarding the AmeraCare system revealed the following concerning passwords:</p> <ul style="list-style-type: none">• Passwords did not meet minimum industry standards.• The minimum number of characters required for passwords was below industry standards.• Passwords were not required to be changed on a periodic, recurring basis that did not exceed 90 days.• Passwords were not required to contain a mixture of alpha and numeric characters.• A password history file was not maintained to prevent re-use of previous passwords.• User accounts were not locked after three unsuccessful login attempts. <p>Failure to establish proper password controls increases the likelihood that an unauthorized person could gain access to the system.</p> <p>In addition, review of the AmeraCare system revealed data integrity controls were inadequate, specifically related to the application overwriting charges to resident accounts and users deleting resident data. Sound information system practices require that an adequate trail be maintained to allow tracing or reconstruction of all transactions. Without the recording of changes and deletions, transactions cannot be properly tracked to ensure that historical data are complete, accurate, and properly authorized.</p> <p>Finally, there was no formally documented and approved disaster recovery or business continuity plan for the AmeraCare system. This situation could cause the entity to be without computer processing for an extended period of time in the event of a disaster or major interruption and could place undue financial and personnel burdens on the resources of the</p>	<ul style="list-style-type: none">• Implement strengthened password parameters to decrease the likelihood of unauthorized access to the application.• Work with the application vendor to modify the software to eliminate data integrity control weaknesses.• Develop and implement a disaster recovery plan to address the recovery efforts necessary to cope with the unavailability of the computer application in use during an unexpected outage. The plan should be written, approved by management, and tested on a regular basis. The plan should address how the entity would recover from short- or long-term outages as well as how operations would continue during the recovery effort. <p><u>Agency Response:</u> Management agrees with the finding and is in the final stage of evaluating electronic health record (EHR) software solutions to replace the AmeraCare system. The selected software solution will be implemented during the fall of 2016 at the North Little Rock home and tentatively during the fourth quarter of fiscal year 2017 at the Fayetteville home.</p> <p>The new EHR system will meet or exceed industry standards for passwords and data and system security. Implementation of a comprehensive disaster recovery plan is included as part of the project plan. The Department of Information Systems has been engaged to assist with evaluating the system and determining security requirements.</p>

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF VETERANS AFFAIRS
FOR THE YEAR ENDED JUNE 30, 2015

Findings

entity.

We reviewed Agency expenses to determine if controls were in place to ensure compliance with contractual agreements. The review revealed lease payments, totaling \$441,315, to the University of Arkansas for Medical Sciences (UAMS) without a formal lease agreement. This issue was also reported in the 2014 assessment. A timeline of events that occurred subsequent to the 2014 report issuance date of March 24, 2015, is provided below:

- June 22, 2015: The Agency contacted UAMS regarding the current status of the lease.
- June 23, 2015: The Agency requested a copy of the lease from the Arkansas Building Authority (ABA).
- July 21, 2015: The Agency met with ABA to discuss the lease terms.
- September 1, 2015: ABA contacted UAMS for additional information.
- September 29, 2015: The Agency contacted ABA regarding current status.
- October 22, 2015: ABA contacted the Agency with current status.
- April 20, 2016: The Agency contacted ABA regarding current status.
- April 21, 2016: ABA sent the Agency a draft copy of the lease for review.
- May 24, 2016: The Agency sent revisions of the lease to ABA.
- June 14, 2016: The Agency contacted ABA regarding current status.
- June 17, 2016: ABA indicated to the Agency that a copy of the lease was sent to UAMS for review and signature.

Recommendations

We recommend the Agency review and strengthen internal control procedures to ensure formal lease or contractual agreements are in place prior to authorizing payments.

Agency Response:

Management agrees with the finding. In June 2014, the fiscal division was severely understaffed with only one manager and one fiscal analyst. Currently, the Agency has a fiscal team of six to manage a similar workload. In September 2015, a procurement manager was hired to strengthen controls and improve procurement processes. On July 19, 2016, the Agency signed a lease with UAMS.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF VETERANS AFFAIRS
FOR THE YEAR ENDED JUNE 30, 2015

Findings

In addition, the review revealed expenditures totaling \$72,244 subsequent to the expiration of a contract for the North Little Rock cemetery expansion project. The contract expired on June 30, 2014.

Ark. Code. Ann. § 19-11-229(b)(1) states that contracts exceeding an estimated purchase price of \$50,000 shall be awarded by competitive sealed bidding, unless a determination is made in writing by the agency procurement official or the State Procurement Director that this method is not practicable and advantageous. In addition, Ark. Code. Ann. § 19-11-234 (d) states that repeated small-quantity procurements to circumvent the competitive bid limits or failure to obtain competitive bids without justification shall constitute a violation of these procedures.

Our testing revealed competitive bids were not obtained for P-Card payments totaling \$72,603 paid to one food vendor. The 2014 assessment also reported payments to this vendor without competitive bids.

In addition, P-Card payments totaling \$25,081 were paid to another vendor without obtaining the required bids.

Recommendations

We recommend the Agency review and strengthen internal control procedures concerning procurement regulations to ensure future compliance.

Agency Response:

Management agrees with the finding. A 2015 internal review identified excessive off-contract food purchases by the Fayetteville home. As a result, effective July 1, 2015, the Agency began purchasing these items using a state contract. A fiscal year 2016 Agency review discovered a similar issue regarding janitorial supplies and began purchasing these items from a state contract in January 2016. As stated in the response to finding 2 above, the Agency hired a procurement manager in September 2015 to strengthen controls and improve procurement processes.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	37	60	97	75 %
Black Employees	9	9	18	14 %
Other Racial Minorities	4	10	14	11 %
Total Minorities			32	25 %
Total Employees			129	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	NA	N	N	0	NA	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
224 State Operations	2,139,008	31	2,165,489	26	6,791,587	28	1,973,396	25	2,024,703	26	2,024,703	26	1,975,552	25	2,026,859	26	2,026,859	26
2QD Veterans' Homes	8,408,689	93	13,145,139	186	15,793,516	232	12,453,028	171	15,716,281	241	15,716,281	241	12,456,783	171	16,570,036	241	16,570,036	241
38S Veterans' Cemeteries - Cash In Treasury	344,501	8	697,175	9	838,175	9	355,064	9	355,064	9	355,064	9	355,064	9	355,064	9	355,064	9
490 Veterans' Cemeteries - State	387,132	6	340,082	6	555,784	6	341,095	6	341,095	6	341,095	6	341,095	6	341,095	6	341,095	6
81H Military Funeral Honor	16,300	0	100,000	0	100,000	0	100,000	0	75,000	0	75,000	0	100,000	0	75,000	0	75,000	0
F50 NLR Cemetery - Federal	907,651	0	4,419,797	0	1,139,062	0	1,139,062	0	0	0	0	0	1,139,062	0	0	0	0	0
M49 Veterans' Home Cash	2,958	0	242,471	0	635,727	0	242,471	0	46,280	0	46,280	0	242,471	0	0	0	0	0
Total	12,206,239	138	21,110,153	226	25,853,851	275	16,604,116	211	18,558,423	282	18,558,423	282	16,610,027	211	19,368,054	282	19,368,054	282

Funding Sources		%		%		%		%		%		%		%		%		
Fund Balance	4000005	1,541,572	11.1	1,654,251	6.8		3,183,851	13.8	3,183,851	14.3	3,183,851	14.3	6,924,056	22.6	3,685,803	14.0	3,685,803	14.0
General Revenue	4000010	2,376,140	17.1	2,363,071	9.7		2,314,491	9.9	2,365,798	10.6	2,314,491	10.4	2,316,647	7.5	2,367,954	9.0	2,316,647	8.8
Federal Revenue	4000020	5,910,525	42.6	12,870,297	53.0		9,589,562	41.1	8,450,500	38.0	8,450,500	38.1	11,449,062	37.3	10,310,000	39.1	10,310,000	39.2
Special Revenue	4000030	39,742	0.3	75,000	0.3		40,000	0.2	40,000	0.2	40,000	0.2	40,000	0.1	40,000	0.2	40,000	0.2
Cash Fund	4000045	2,076,845	15.0	5,449,000	22.4		5,450,000	23.4	5,450,000	24.5	5,450,000	24.6	6,740,000	22.0	6,740,000	25.6	6,740,000	25.6
Merit Adjustment Fund	4000055	150,000	1.1	142,500	0.6		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from Medicaid	4000545	1,765,666	12.7	1,739,885	7.2		2,754,000	11.8	2,754,000	12.4	2,754,000	12.4	3,235,000	10.5	3,235,000	12.3	3,235,000	12.3
Total Funds		13,860,490	100.0	24,294,004	100.0		23,331,904	100.0	22,244,149	100.0	22,192,842	100.0	30,704,765	100.0	26,378,757	100.0	26,327,450	100.0
Excess Appropriation/(Funding)		(1,654,251)		(3,183,851)			(6,727,788)		(3,685,726)		(3,634,419)		(14,094,738)		(7,100,703)		(6,959,396)	
Grand Total		12,206,239		21,110,153			16,604,116		18,558,423		18,558,423		16,610,027		19,368,054		19,368,054	

Variances in fund balance due to unfunded appropriation in (224) State Operations and (M49) Veterans' Home Cash.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
160	133	23	156	4	16.88 %	158	135	25	160	-2	14.56 %	275	127	99	226	49	53.82 %

Total Budgeted positions exceed Authorized amount in FY16 due to position authorized from the Central Growth Pool.

Analysis of Budget Request

Appropriation: 224 - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Department of Veterans Affairs assists Arkansas veterans, their dependents and survivors in securing their rights and benefits under Federal and State laws. The Department supervises the activities, training, and testing of County Veterans Service Officers and provides financial assistance to Counties to defray their salaries and expenses. This appropriation provides for the administrative costs of the Department and is funded by general revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Base Level request is for appropriation of \$1,973,396 for FY18 and \$1,975,552 for FY19.

The Agency's Change Level request is for appropriation and new general revenue funding of \$51,307 each year of the biennium. This includes increases in Regular Salaries and Personal Services Matching to reflect the restoration of one (1) Public Information Coordinator C120 position which was approved and received through the OPM pool.

The Executive Recommendation provides for the Agency Request for appropriation only.

Appropriation Summary

Appropriation: 224 - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,273,412	1,208,684	2,783,856	1,165,762	1,203,467	1,203,467	1,167,500	1,205,205	1,205,205
#Positions		31	26	28	25	26	26	25	26	26
Extra Help	5010001	0	0	6,544	0	0	0	0	0	0
#Extra Help		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	473,055	396,238	1,249,904	389,567	403,169	403,169	389,985	403,587	403,587
Overtime	5010006	0	0	20,380	0	0	0	0	0	0
Operating Expenses	5020002	126,760	127,200	1,849,320	127,200	127,200	127,200	127,200	127,200	127,200
Conference & Travel Expenses	5050009	4,040	7,367	30,750	7,367	7,367	7,367	7,367	7,367	7,367
Professional Fees	5060010	0	0	83,333	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	261,741	283,500	375,000	283,500	283,500	283,500	283,500	283,500	283,500
Capital Outlay	5120011	0	142,500	142,500	0	0	0	0	0	0
Contingency	5130018	0	0	250,000	0	0	0	0	0	0
Total		2,139,008	2,165,489	6,791,587	1,973,396	2,024,703	2,024,703	1,975,552	2,026,859	2,026,859
Funding Sources										
General Revenue	4000010	1,989,008	2,022,989		1,973,396	2,024,703	1,973,396	1,975,552	2,026,859	1,975,552
Merit Adjustment Fund	4000055	150,000	142,500		0	0	0	0	0	0
Total Funding		2,139,008	2,165,489		1,973,396	2,024,703	1,973,396	1,975,552	2,026,859	1,975,552
Excess Appropriation/(Funding)		0	0		0	0	51,307	0	0	51,307
Grand Total		2,139,008	2,165,489		1,973,396	2,024,703	2,024,703	1,975,552	2,026,859	2,026,859

Change Level by Appropriation

Appropriation: 224 - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,973,396	25	1,973,396	100.0	1,975,552	25	1,975,552	100.0
C06	Restore Position/Approp	51,307	1	2,024,703	102.6	51,307	1	2,026,859	102.6

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,973,396	25	1,973,396	100.0	1,975,552	25	1,975,552	100.0
C06	Restore Position/Approp	51,307	1	2,024,703	102.6	51,307	1	2,026,859	102.6

Justification

C06	The Agency is requesting small increases in Salaries and Personal Services Matching to reflect restoration of one pool position.
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Analysis of Budget Request

Appropriation: 2QD - Veterans' Homes

Funding Sources: NVA - ADVA Cash in Treasury

This appropriation is for care of residents at two State Veterans Homes located at Fayetteville and at North Little Rock. These are long-term skilled nursing care facilities primarily funded by private room and board payments, private insurance payments, Medicaid and Medicare reimbursements, and reimbursements from the United States Department of Veterans Affairs State Home Per Diem program.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Base Level request is for appropriation of \$12,453,028 in FY18 and \$12,456,783 in FY19.

The Agency's Change level request is for appropriation of \$3,263,253 in FY18 and \$4,113,253 in FY19 and includes the following:

- Regular Salaries and Personal Services Matching of \$2,383,244 each year for the restoration of seventy (70) positions, detailed as follows:

Fifteen (15) positions which approved through the OPM pool which include:

- One (1) State Veterans Home Administrator (N903)
- One (1) Nurse Manager (C125)
- One (1) Accountant II (C117)
- Two (2) Food & Beverage Directors (C122)
- One (1) Food Preparation Manager (C114)
- One (1) Food Preparation Supervisor (C111)
- Eight (8) Food Preparation Specialists (C104)

Fifty-five (55) positions which were authorized but unbudgeted in FY17 and include:

- Forty-eight (48) Certified Nursing Assistants (C109)
- Seven (7) Licensed Practical Nurses (C113)

- Overtime and Personal Services Matching of \$204,584 each year for nursing staff. Supplemental contract nursing was eliminated in FY14, resulting in annual cost savings of \$200,000 in favor of paying overtime to agency nursing staff at a lower overall cost.
- Operating Expenses of \$563,425 in FY18 and \$1,413,425 in FY19 based on projections for the operations of the new North Little Rock Home.
- Conference & Travel Expenses of \$20,000 each year for training of the nursing staff at the Fayetteville Veterans' Home.
- Professional Fees of \$44,000 each year to cover the cost of outsourced housekeeping and maintenance services.
- Capital Outlay of \$48,000 each year to replace kitchen equipment and cover other needs that may arise.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2QD - Veterans' Homes

Funding Sources: NVA - ADVA Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,373,330	4,999,564	6,459,529	5,114,046	6,768,715	6,768,715	5,117,084	6,771,753	6,771,753
#Positions		93	186	232	171	241	241	171	241	241
Extra Help	5010001	20,521	40,000	52,612	40,000	40,000	40,000	40,000	40,000	40,000
#Extra Help		3	15	15	15	15	15	15	15	15
Personal Services Matching	5010003	1,547,261	2,073,837	3,052,137	2,045,244	2,811,681	2,811,681	2,045,961	2,812,398	2,812,398
Overtime	5010006	105,889	149,278	79,278	79,278	246,000	246,000	79,278	246,000	246,000
Operating Expenses	5020002	2,816,860	5,504,575	4,834,575	4,834,575	5,398,000	5,398,000	4,834,575	6,248,000	6,248,000
Conference & Travel Expenses	5050009	6,755	50,885	30,885	30,885	50,885	50,885	30,885	50,885	50,885
Professional Fees	5060010	118,250	297,000	485,000	297,000	341,000	341,000	297,000	341,000	341,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	0	0	475,000	0	0	0	0	0	0
Claims	5110015	408,175	0	0	0	0	0	0	0	0
Capital Outlay	5120011	11,648	30,000	74,500	12,000	60,000	60,000	12,000	60,000	60,000
Contingency	5130018	0	0	250,000	0	0	0	0	0	0
Total		8,408,689	13,145,139	15,793,516	12,453,028	15,716,281	15,716,281	12,456,783	16,570,036	16,570,036

Funding Sources										
Fund Balance	4000005	438,374	554,577		2,649,823	2,649,823	2,649,823	6,451,295	3,188,042	3,188,042
Federal Revenue	4000020	4,740,177	8,100,500		8,100,500	8,100,500	8,100,500	9,960,000	9,960,000	9,960,000
Cash Fund	4000045	2,019,049	5,400,000		5,400,000	5,400,000	5,400,000	6,690,000	6,690,000	6,690,000
Transfer from Medicaid	4000545	1,765,666	1,739,885		2,754,000	2,754,000	2,754,000	3,235,000	3,235,000	3,235,000
Total Funding		8,963,266	15,794,962		18,904,323	18,904,323	18,904,323	26,336,295	23,073,042	23,073,042
Excess Appropriation/(Funding)		(554,577)	(2,649,823)		(6,451,295)	(3,188,042)	(3,188,042)	(13,879,512)	(6,503,006)	(6,503,006)
Grand Total		8,408,689	13,145,139		12,453,028	15,716,281	15,716,281	12,456,783	16,570,036	16,570,036

Budget exceeds Authorized Appropriation in several line items due to a transfer from the Cash Fund Holding Account.

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 2QD - Veterans' Homes
Funding Sources: NVA - ADVA Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	12,453,028	171	12,453,028	100.0	12,456,783	171	12,456,783	100.0
C01	Existing Program	4,212,305	55	16,665,333	133.8	5,062,305	55	17,519,088	140.6
C03	Discontinue Program	(1,541,575)	0	15,123,758	121.4	(1,541,575)	0	15,977,513	128.3
C06	Restore Position/Approp	592,523	15	15,716,281	126.2	592,523	15	16,570,036	133.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	12,453,028	171	12,453,028	100.0	12,456,783	171	12,456,783	100.0
C01	Existing Program	4,212,305	55	16,665,333	133.8	5,062,305	55	17,519,088	140.6
C03	Discontinue Program	(1,541,575)	0	15,123,758	121.4	(1,541,575)	0	15,977,513	128.3
C06	Restore Position/Approp	592,523	15	15,716,281	126.2	592,523	15	16,570,036	133.0

Justification

C01	The Agency is requesting several increases due to a number of operational changes made during FY16 which include insourcing food services and outsourcing housekeeping and maintenance services. The Agency is also requesting the restoration of 55 positions which were approved but unbudgeted in FY17.
C03	The Agency is requesting decreases in Operating Expenses and Conference and Travel to more closely reflect expenditures.
C06	The Agency is requesting the restoration of 15 positions which were approved through the OPM pool.

Analysis of Budget Request

Appropriation: 38S - Veterans' Cemeteries - Cash In Treasury

Funding Sources: NVA - ADVA Cash in Treasury

This appropriation is cash funded by burial fees that the Agency has accumulated specifically for use at the State Veterans' Cemetery located in North Little Rock, AR. This appropriation is utilized to support the operations of, and to provide land improvements for, the Arkansas State Veterans' Cemetery.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Base Level and total request is for appropriation of \$355,064 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 38S - Veterans' Cemeteries - Cash In Treasury

Funding Sources: NVA - ADVA Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	226,734	271,596	161,596	143,792	143,792	143,792	143,792	143,792	143,792
#Positions	8	9	9	9	9	9	9	9	9
Extra Help 5010001	0	0	0	0	0	0	0	0	0
#Extra Help	0	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	98,540	117,579	71,579	71,272	71,272	71,272	71,272	71,272	71,272
Operating Expenses 5020002	18,184	223,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Conference & Travel Expenses 5050009	1,043	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	80,000	215,000	0	0	0	0	0	0
Contingency 5130018	0	0	250,000	0	0	0	0	0	0
Total	344,501	697,175	838,175	355,064	355,064	355,064	355,064	355,064	355,064
Funding Sources									
Fund Balance 4000005	673,801	645,270		347,095	347,095	347,095	392,031	392,031	392,031
Federal Revenue 4000020	262,697	350,000		350,000	350,000	350,000	350,000	350,000	350,000
Cash Fund 4000045	53,273	49,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding	989,771	1,044,270		747,095	747,095	747,095	792,031	792,031	792,031
Excess Appropriation/(Funding)	(645,270)	(347,095)		(392,031)	(392,031)	(392,031)	(436,967)	(436,967)	(436,967)
Grand Total	344,501	697,175		355,064	355,064	355,064	355,064	355,064	355,064

Budget exceeds Authorized Appropriation in several line items due to a transfer from the Cash Fund Holding Account.

Analysis of Budget Request

Appropriation: 490 - Veterans' Cemeteries - State

Funding Sources: HUA - Miscellaneous Agencies Fund

Act 270 of 1999 authorized appropriation for the construction of a State Veterans' Cemetery. This appropriation is used to provide for the daily operations and grounds maintenance for the Cemetery and is funded from general revenue.

Act 913 of 2007 established the appropriation for purchase and construction of a National Veterans' Affairs Cemetery in Cross, St. Francis, or Poinsett County. One hundred (100) acres of land was purchased in Birdeye, Arkansas (Cross County) for the future site of the cemetery. Archeological, boundary/topographical, and geotech/geological surveys were completed to ensure the site is appropriate for the construction and development of a the cemetery.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Base Level and total request is for appropriation of \$341,095 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 490 - Veterans' Cemeteries - State

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	172,145	180,837	285,402	180,837	180,837	180,837	180,837	180,837	180,837
#Positions		6	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	79,655	70,295	132,312	71,308	71,308	71,308	71,308	71,308	71,308
Operating Expenses	5020002	134,177	88,950	135,070	88,950	88,950	88,950	88,950	88,950	88,950
Conference & Travel Expenses	5050009	1,155	0	3,000	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		387,132	340,082	555,784	341,095	341,095	341,095	341,095	341,095	341,095
Funding Sources										
General Revenue	4000010	387,132	340,082		341,095	341,095	341,095	341,095	341,095	341,095
Total Funding		387,132	340,082		341,095	341,095	341,095	341,095	341,095	341,095
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		387,132	340,082		341,095	341,095	341,095	341,095	341,095	341,095

Analysis of Budget Request

Appropriation: 81H - Military Funeral Honor

Funding Sources: SMF - Funeral Honor

This appropriation is utilized to pay for the costs of providing military funeral honors at veterans' funerals. Funding is through the sale of special military license plates.

The Base Level request is for appropriation of \$100,000 for each year of the 2017-2019 Biennium.

The Agency's Change Level request is for a decrease in Military Honors appropriation of (\$25,000) each year of the biennium to more accurately reflect expenditures.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 81H - Military Funeral Honor

Funding Sources: SMF - Funeral Honor

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Military Honors	5900046	16,300	100,000	100,000	100,000	75,000	75,000	100,000	75,000	75,000
Total		16,300	100,000	100,000	100,000	75,000	75,000	100,000	75,000	75,000
Funding Sources										
Fund Balance	4000005	142,288	165,730		140,730	140,730	140,730	80,730	105,730	105,730
Special Revenue	4000030	39,742	75,000		40,000	40,000	40,000	40,000	40,000	40,000
Total Funding		182,030	240,730		180,730	180,730	180,730	120,730	145,730	145,730
Excess Appropriation/(Funding)		(165,730)	(140,730)		(80,730)	(105,730)	(105,730)	(20,730)	(70,730)	(70,730)
Grand Total		16,300	100,000		100,000	75,000	75,000	100,000	75,000	75,000

Change Level by Appropriation

Appropriation: 81H - Military Funeral Honor
Funding Sources: SMF - Funeral Honor

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	100,000	0	100,000	100.0	100,000	0	100,000	100.0
C03	Discontinue Program	(25,000)	0	75,000	75.0	(25,000)	0	75,000	75.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	100,000	0	100,000	100.0	100,000	0	100,000	100.0
C03	Discontinue Program	(25,000)	0	75,000	75.0	(25,000)	0	75,000	75.0

Justification

C03	The Agency is requesting a decrease of (\$25,000) each year of the biennium to more closely reflect expenditures.
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Analysis of Budget Request

Appropriation: F50 - NLR Cemetery - Federal

Funding Sources: FVV - NLR Cemetery - Federal

This appropriation is utilized to support expansion of the State Veterans Cemetery located in North Little Rock, Arkansas. This project is 100% financed by federal grant AR-12-05 from the Veterans Cemetery Grants Service of the U.S. Department of Veterans Affairs.

The Base Level request is for \$1,139,062 for each year of the 2017-2019 Biennium.

The Agency is requesting to reduce its appropriation to \$0 each year now that the expansion and maintenance projects at the State Veterans Cemetery at North Little Rock are complete.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: F50 - NLR Cemetery - Federal

Funding Sources: FVV - NLR Cemetery - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	381,903	502,147	408,494	408,494	0	0	408,494	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	25,748	200,000	41,039	41,039	0	0	41,039	0	0
Construction	5090005	500,000	3,617,650	689,529	689,529	0	0	689,529	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	100,000	0	0	0	0	0	0	0
Total		907,651	4,419,797	1,139,062	1,139,062	0	0	1,139,062	0	0
Funding Sources										
Federal Revenue	4000020	907,651	4,419,797		1,139,062	0	0	1,139,062	0	0
Total Funding		907,651	4,419,797		1,139,062	0	0	1,139,062	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		907,651	4,419,797		1,139,062	0	0	1,139,062	0	0

Budget exceeds Authorized Appropriation in all line items due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

Appropriation: F50 - NLR Cemetery - Federal
Funding Sources: FVV - NLR Cemetery - Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,139,062	0	1,139,062	100.0	1,139,062	0	1,139,062	100.0
C03	Discontinue Program	(1,139,062)	0	0	0.0	(1,139,062)	0	0	0.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,139,062	0	1,139,062	100.0	1,139,062	0	1,139,062	100.0
C03	Discontinue Program	(1,139,062)	0	0	0.0	(1,139,062)	0	0	0.0

Justification

C03	This appropriation was for federally funded expansion and maintenance projects at the State Veterans Cemetery at North Little Rock, which are now complete. The Agency has reduced its appropriation request to \$0.
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Analysis of Budget Request

Appropriation: M49 - Veterans' Home Cash

Funding Sources: NVA - ADVA Treasury Cash

This appropriation is cash funded and is utilized to support the design and construction of a Veterans Home long-term care facility in North Little Rock.

The Base Level request is for appropriation of \$242,471 each year of the 2017-2019 Biennium.

The Agency's Change Level request is for a decrease in Operating Expenses appropriation of (\$196,191) in FY18 and (\$242,471) in FY19 in order to match the appropriation to the current level of funding.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: M49 - Veterans' Home Cash

Funding Sources: NVA - ADVA Treasury Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	2,850	242,471	635,727	242,471	46,280	46,280	242,471	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	108	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	2,958	242,471	635,727	242,471	46,280	46,280	242,471	0	0
Funding Sources									
Fund Balance 4000005	287,109	288,674		46,203	46,203	46,203	0	0	0
Cash Fund 4000045	4,523	0		0	0	0	0	0	0
Total Funding	291,632	288,674		46,203	46,203	46,203	0	0	0
Excess Appropriation/(Funding)	(288,674)	(46,203)		196,268	77	77	242,471	0	0
Grand Total	2,958	242,471		242,471	46,280	46,280	242,471	0	0

FY16 Actual amount in Professional Fees was authorized by a Budget Classification Transfer.
Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: M49 - Veterans' Home Cash
Funding Sources: NVA - ADVA Treasury Cash

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	242,471	0	242,471	100.0	242,471	0	242,471	100.0
C03	Discontinue Program	(196,191)	0	46,280	19.1	(242,471)	0	0	0.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	242,471	0	242,471	100.0	242,471	0	242,471	100.0
C03	Discontinue Program	(196,191)	0	46,280	19.1	(242,471)	0	0	0.0

Justification

C03	The Agency is requesting a reduction in Operating Expenses for each year of the biennium in order to match the appropriation to the current level of funding.
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VETERANS' CHILD WELFARE SERVICE OFFICE

Enabling Laws

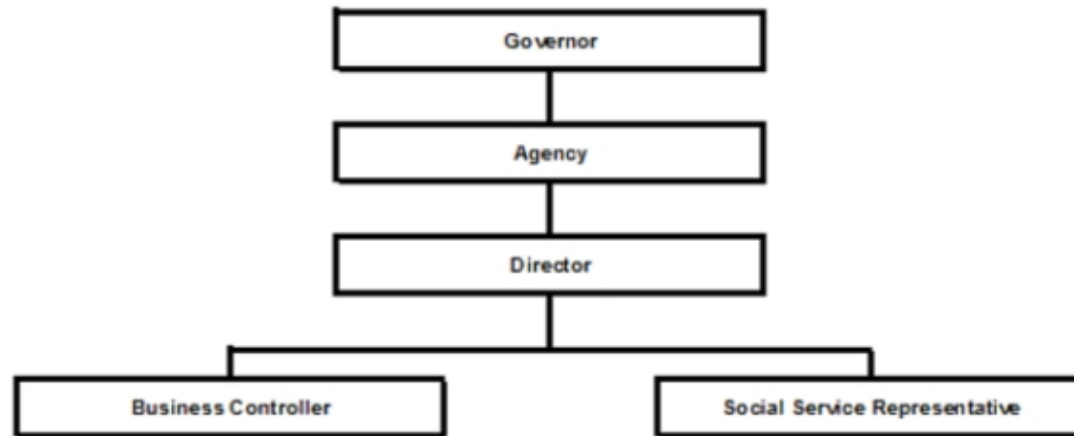
Act 118 of 2016
A.C.A. §20-81-101

History and Organization

The American Legion Child Welfare Division originated as a unit of the American Legion in 1923 to provide aid to the needy children of hospitalized and deceased veterans. Funds were provided through the American Legion Posts and Auxiliary Units.

Act 189 of 1969 changed the name of the Agency to the Arkansas Veterans Child Welfare Service Office. The Agency was put under the supervision of a Director appointed by the Governor upon written recommendation by the governing body of the American Legion Department of Arkansas. The Agency was delegated the responsibility of establishing temporary and interim welfare assistance for the minor age children of hospitalized and recently deceased Honorably Discharged Veterans who reside in Arkansas.

Act 100 of 1997 allowed our Agency to assist children of Honorably Discharged Arkansas Veterans who are deceased, hospitalized or medically incapacitated. Funds for the Agency are procured by funded appropriation from the State of Arkansas and from the American Legion Posts and Auxiliary Units through memorials, donations and contributions received throughout the year.



Agency Commentary

The Arkansas Veterans Child Welfare Service strives to provide needed services and assistance to the minor children of honorably discharged Arkansas veterans who are experiencing medical issues. Our budget in previous years and for the upcoming biennial budget period remains unchanged.

The Veterans Child Welfare Service has succeeded in staying within our approved budget each year, even with rising operating expenses and with the need for grants and aid increasing.

In closing, it is essential that the Arkansas Veterans Child Welfare Service's biennial budget for 2017-2019 remain at its present level to ensure the financial obligations of the agency are met.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS VETERANS CHILD WELFARE SERVICE
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	1	1	2	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			2	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	NA	N	N	0	NA	0	0.00

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
2	2	0	2	0	0.00 %	2	2	0	2	0	0.00 %	2	2	0	2	0	0.00 %

Analysis of Budget Request

Appropriation: 064 - Vet Child Welfare Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Veterans Child Welfare Service offers temporary financial assistance to the minor children of recently deceased, hospitalized or medically incapacitated veterans with limited or no income, until a more permanent source of income is established. Veterans and their families are eligible for assistance for up to three months with rent or house payments and utilities. Additional assistance will be at the Director's discretion. The Staff also counsels with families and refers them to other agencies for further assistance. The program is also subsidized by the American Legion and its Auxiliary. This appropriation is funded from general revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Agency's Base Level and total request is for appropriation of \$160,409 for FY18 and \$160,532 for FY19.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 064 - Vet Child Welfare Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	89,260	85,467	84,631	85,467	85,467	85,467	85,567	85,567	85,567
#Positions		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	29,889	29,011	29,096	29,490	29,490	29,490	29,513	29,513	29,513
Operating Expenses	5020002	2,481	3,432	3,432	3,432	3,432	3,432	3,432	3,432	3,432
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	40,768	42,020	44,360	42,020	42,020	42,020	42,020	42,020	42,020
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		162,398	159,930	161,519	160,409	160,409	160,409	160,532	160,532	160,532
Funding Sources										
General Revenue	4000010	162,398	159,930		160,409	160,409	160,409	160,532	160,532	160,532
Total Funding		162,398	159,930		160,409	160,409	160,409	160,532	160,532	160,532
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		162,398	159,930		160,409	160,409	160,409	160,532	160,532	160,532

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

WORKERS' COMPENSATION COMMISSION

Enabling Laws

Act 207 of 2016
Constitution of Arkansas Amendment 7
Constitution of Arkansas Amendment 26

History and Organization

Workers' compensation insurance is directed to the moral, social and economic benefits of protecting employers, employees, and their dependents from financial burdens imposed by job-related injury and disease. Arkansas law provides that employers in categories not specifically exempted must provide insurance coverage for employee costs incurred as a result of job-related accidents and disease.

The Arkansas Workers' Compensation Commission (WCC) enforces the workers' compensation law to ensure that all covered employers' secure insurance coverage from commercial carriers or through self-insurance programs. In addition, the Commission regulates workers' compensation awards to insure that benefit providers make correct and timely payments to eligible claimants.

The extent of disability and the fairness of total compensation can be an item of dispute among the parties involved. The Arkansas Workers' Compensation Commission, through its three Commissioners and a staff of Administrative Law Judges, adjudicates disputed workers' compensation cases with binding decisions that can be appealed to the Arkansas Court of Appeals and the Arkansas Supreme Court.

The constitutional authority for the organization and operation of the Arkansas Workers' Compensation Commission is found in Amendment No. 26 to the Constitution of the State of Arkansas, which was adopted by the people at the General Election held November 8, 1938. The amendment provides that the General Assembly shall have the power to enact laws prescribing the amount of compensation to be paid by employers for injuries to or death of employees and to provide the means, methods and forum for adjudicating claims under said law.

Pursuant to the constitutional authority, the people of the State of Arkansas, acting under the Initiated and Referendum amendment (Amendment 7) to the Constitution of Arkansas, adopted Initiated Act No. 4 of 1948 known as the Workmen's Compensation Law. The Act, together with certain amendments, now comprises the workers' compensation law of this state.

The Commission

The three-member commission is responsible for the administration of the workers' compensation law in Arkansas. The Commissioners are appointed by the Governor for a term of six years. One of the Commissioners represents the interests of labor, another management, and the Chairman acts as a neutral party, representing the interests of the public.

Executive Office

The Chief Executive Officer and Assistant Chief Executive Officer oversee administrative and regulatory functions of the Arkansas Workers' Compensation Commission which include monitoring all claims and benefit payments to injured workers, processing settlements, lump sum payments, and requests for changes of physicians; ensuring that employers maintain required insurance coverage; approving applications of employers to act as self-insurers; and participating in programs to explain the functions of the Commission to the general public. The divisions that assist in carrying out these functions are: Adjudication, Administrative Services, Clerk of the Commission, Data Processing, Health and Safety, Legal Advisor, Medical Cost Containment, Operations and Compliance, Self-Insurance, and Special Funds. The Executive Office also, coordinates the annual educational conference and ensures the annual and biennial reports are completed and distributed.

Adjudication

It is the function and responsibility of the Adjudication Division to adjudicate all pending claims for temporary and permanent disability benefits to all legitimately injured workers who suffer an injury or disease arising out of and in the course of their employment, together with reasonable and necessary medical expenses. In addition, the Adjudication Division enforces the provision of the Act requiring compliance by employers and may impose of fines and sanctions, when appropriate.

The Division currently has twelve (12) Administrative Law Judges (ALJs), and thirteen (13) Administrative Assistants as support staff. Nine (9) ALJs have offices in Little Rock, three (3) are in Springdale.

Based upon the number of claims filed within each county, Arkansas has been divided into six (6) geographic districts. Administrative Law Judges travel throughout the state within an assigned district and conduct hearings when disputes arise between injured employees and their employers and/or insurance carriers. Cases are assigned according to the county in which the incident occurred. Pulaski County cases are assigned to all ALJs who have offices in Little Rock as a means of balancing the overall caseload.

Clerk of the Commission

The Clerk's office was established to serve as a conduit for filing, processing and internal routing of pleadings, legal documents and other notices received by the Workers' Compensation Commission. This office is responsible for the assignment of all cases to the Administrative Law Judges and Legal Advisors. In addition, the Clerk maintains the required dockets for cases appealed to the Full Commission, prepares the record/transcripts for lodging with the Court of Appeals, reviews the record on appealed cases, certifies record composition, and certifies copies of documents from the commission files requested in writing from interested parties.

Administrative Services

Fiscal Section:

The Commissions' operations are funded from a premium tax (limited by law to three percent) on workers' compensation premiums paid by insurance companies writing workers' compensation policies, companies qualifying as self-insurers, and all public employers. The Fiscal Section of the Administrative Services Division disburses these funds. All purchasing, accounting, investments, travel and budget analyses are the responsibility of this division.

Human Resources Section:

The Human Resources section of the Administrative Services Division is responsible for developing, implementing and monitoring Commission human resource systems and policy, as well as payroll transactions. Job announcement, interviewing and selection of applicants, performance evaluation, leave accounting, quality management, training and the switchboard are administered by the division. In addition, human resources coordinates with the Office of Personnel Management, provides support to the Chief Executive Officer in the compilation and analysis of Commission personnel budget requests, and counsels with agency management and staff regarding the resolution of sensitive issues associated with performance, discipline, promotion, and selection or other related matters.

Administrative Services also, directs the functions of the mail room, security and maintenance for the building.

Information Technology

The IT Division is responsible for the automation of the Commission. The backbone of the system is an in-house developed application that captures data from the inception of a claim and maintains and updates this data throughout the life of the claim. The Division currently maintains databases consisting of reported claims, employers, insurance carriers and adjusters, and various other supporting databases.

Health and Safety

Act 796 of 1993 created the Health and Safety Division that serves as a resource center on safety issues pertinent to employers and employees in Arkansas. Within the Division are the following sections: Accident Prevention Section, Hazardous Employer Section, Job Safety Information Section, and Education and Training Section.

Legal Advisor

The Legal Advisor Division is a dispute resolution system created to provide legal information and assistance to interested parties who have questions concerning the Arkansas workers' compensation law. The Legal Advisors are attorneys who know both the law and the procedures through which the parties must navigate during the claims process. The Division gives presentations at various conferences and meetings, and will make on-site visits to businesses when invited to do so. The Legal Advisors serve as a link between unrepresented claimants and insurance adjusters, and often help resolve problems before they escalate into issues that must be litigated.

Legal Advisors also conduct mediations, legal advisor conferences, and assist the Commission staff.

Medical Cost Containment

The major function of this Division is to oversee the Medical Fee Schedule, which limits the reimbursement to providers for treatment rendered to injured workers and the administration of the Comprehensive Managed Care Program (including requests for changes of physician), which was established by Act 796 of 1993.

Operations and Compliance

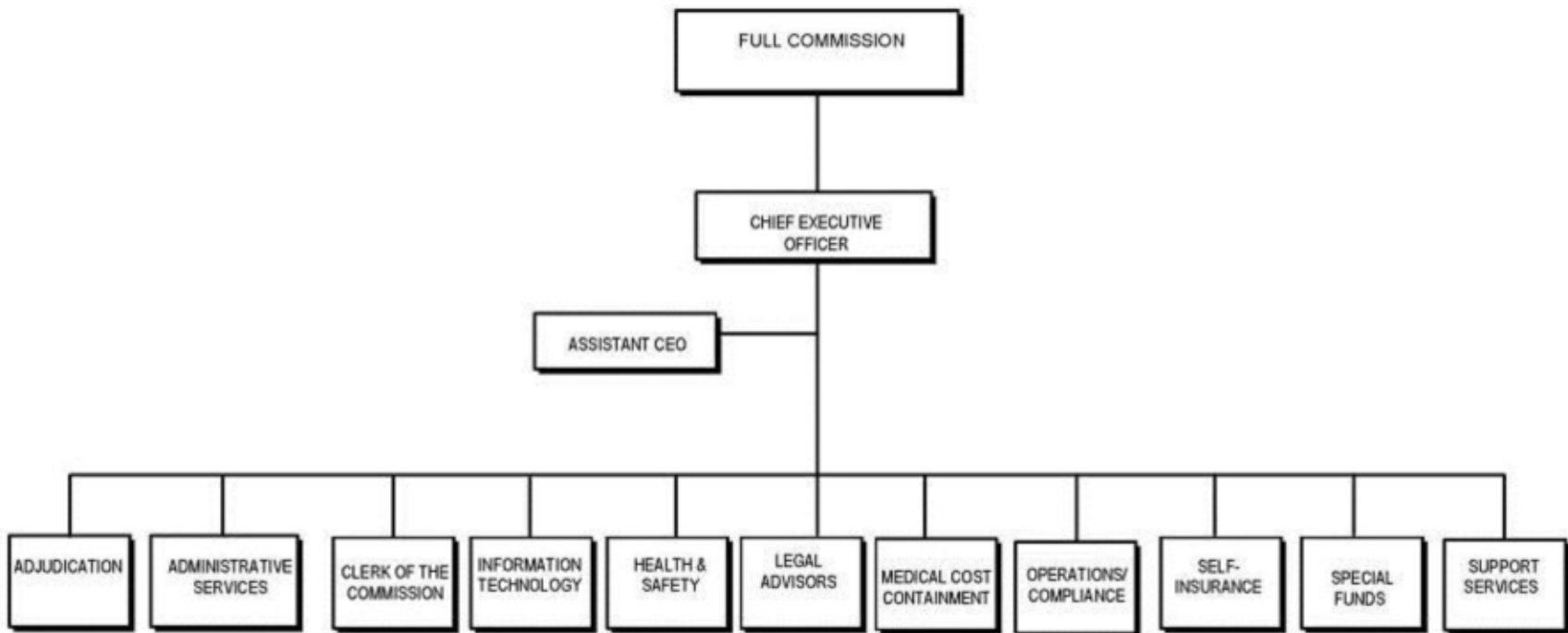
The Operations section of this Division's main focus is processing of compensation claims filed directly with the Commission by parties other than the employer. This Division receives and establishes files for all First Reports of Injury. The Compliance section is the investigative arm of the Commission, making certain all employers under the law have secured payment of compensation. Act 796 of 1993 provided for Certificates of Non-Coverage (CnC), which are processed by the Compliance section.

Self-Insurance

The Self-Insurance Division is responsible for the administration and regulation of the Self-Insurance Program in Arkansas. Commission Rule 099.05 governs the operation of the program. The Division processes the applications for individual self-insurance, group self-insurance, group members, and applications for third-party administrators. The Division prepares an annual renewal evaluation on both individual self-insurers and group self-insurers, subject to Commission approval, to renew the Certificate of Authority for Self-Insurance. The Division prepares annual renewal evaluations on third-party administrators, subject to Commission approval, for renewal of their Certificate of Authority to act as a Third-Party Administrator. The Division also collects the workers' compensation premium tax from the self-insurers and group self-insurers. The Division also administers Rule 099.39 (report card monitoring) for the insurance companies, self-insurers and TPA's.

Special Funds

The Special Funds Division is comprised of two individual funds, the Second Injury Trust Fund and the Death and Permanent Total Disability Trust Fund. The Second Injury Trust Fund was statutorily created to encourage employment of disabled workers by limiting, in the event of subsequent injury, the employer's liability for permanent disability benefits. Act 1415 of 2007 provided that no claims shall be made against the Second Injury Trust Fund on or after January 1, 2008. The Death and Permanent Total Disability Trust Fund pays weekly benefits to permanent and totally disabled workers or dependents of deceased workers after the workers' compensation insurer has paid indemnity liability of a threshold amount up to \$75,000.00 (injuries on or after March 1, 1947, but on or before December 31, 2007) or an amount equal to 325 times the maximum total disability rate at the time of the injury (injuries occurring on or after January 1, 2008, but on or before June 30, 2018). Act 5 of Third Extraordinary Session of 2016, provides that no claims shall be made to the Death and Permanent Total Disability Trust Fund after June 30, 2019. Upon the final payment of the liabilities of the liabilities of the Death and Permanent Total Disability Trust Fund under 11-9-502, the current maximum tax rate of three percent (3%) will change to one and five-tenths percent (1.5%).



Agency Commentary

The Arkansas Workers' Compensation Commission is requesting the continuation of our Base level of funding with the exceptions noted below. Over the last fiscal year, we have found savings and efficiencies in operations, eliminated duplicate and unnecessary job functions, reduced the number of budgeted positions, streamlined processes, introduced new technology, improved the delivery of services to the

public, and improved the quality of the work place for our employees.

The primary function of our Agency is to enforce the workers' compensation laws and adjudicate disputed claims for compensation from employees who suffer compensable work-related injuries. In calendar year of 2015, 9,715 claims for compensation were opened within 24 hours of receipt. In 2015, an average of 1,300 users each month conducted proof-of-coverage searches on our website, averaging 3.5 employers searched during each visit. By having this service available on the website, it eliminates the agency man hours previously used when someone would call and make a request for the agency to search the coverage data. It has also expedited the process with no cost to the Commission or the person/business requesting the search. In 2015, the Adjudication Division conducted 1662 hearings on contested claims. In 2015, the Compliance Division processed 9,161 applications for Certificates of Non-Coverage within 24 hours of receipt. Beginning in FY 2015, the Agency offered more frequent training opportunities for insurance adjusters and human resource managers, including the first ever Webinar training for two out-of-state insurance carriers saving travel costs for both the state employees and industry representatives. The Health and Safety Division implemented new procedures using email and document imaging technology for submission of Annual Reports from insurance companies avoiding postage and duplication costs and providing quicker access to the data for agency needs. Through a more effective use of state vehicles, we reduced the amount of private car mileage reimbursements to the industrial consultants who travel to conduct safety inspections.

From January of 2015 until present, we have not filled ten positions that have been vacated, resulting in an annual salary savings of \$480,804.90 plus associated benefits. Beginning July 1, 2016, we consolidated two divisions and transferred work duties to an existing division which reduced duplicate overhead expenses. During the Fiscal Session of 2016, we eliminated 29 unfilled and vacant positions resulting in a reduction in appropriation of \$1,273,284.50, for salaries and matching payroll expenses, and an actual annual savings of \$150,000.00 due to reduction in payment of insurance benefits for these positions.

In our financial review, we determined that the surplus funds had previously been invested in certificates of deposit which were currently earning less than one-half of one percent. Due to special appropriation language that allowed for investment in other securities, we sought and received an Attorney General's Opinion that confirmed that surplus funds could be invested in other securities available to the State Treasurer at the direction of the CEO. As a result, beginning in November of 2015, the Commission directed investments into highly-rated commercial paper and other securities resulting in an increase in earnings of approximately 39% (approximately \$215,424.00). This new investment strategy made it possible to block \$144,000,000 in appropriation in the FY16 and FY17 Annual Operating Plans. Therefore the appropriation was reduced to zero (0) for the FY18 and FY19 Biennial Budget Base Level. The Commission is requesting a continuation at Base Level of zero (0) for each year of the biennium because the Commission plans to continue the current investment plan.

We identified that the largest challenge facing the Commission is the current status of the unfunded liabilities in the Death and Permanent Total Disability Trust Fund which pays benefits to those most severely disabled from a work injury and the dependent children and spouses of those killed in a work-related accident. Due to a combination of factors, the obligations on the trust funds have exceeded the income produced by the funds resulting in the reduction of funds of approximately \$5 million dollars annually since 1999, and an actuarial estimate of

\$131,818,657.00 in unfunded liabilities in the fund as of June of 2014. We conducted a review of the claims management policies used by the Special Funds Division and encouraged earlier settlement of potential claims which increase exposure of the Fund. Because of settlements of claims in 2015, we improved the actuarial estimate as to the unfunded liability exposure of the Fund by \$1,000,000.00 in June of 2015 (\$130,926, 989.00). In addition, during the Third Extraordinary Session of 2016, Act 5 was enacted by the Arkansas Legislature and provides that no claims shall be made to the Death and Permanent Total Disability Trust Fund after June 30, 2019 and that the current maximum premium tax rate of three percent (3%) will be reduced to one and five-tenths percent (1.5%) upon the final payment of the remaining liabilities in the Trust Fund.

With the implementation of new and updated technology, we eliminated duplicate purchases/leases of fax machines, printers, and copy machines. We anticipated a reduction of equipment by 60%, added multi-function products, and reduced the total cost of ownership by 35% with an estimated average monthly reduction in costs of approximately \$2400.00 per month, or \$57,600.00 over the biennium. We also plan to update our telephone system which will reduce our service costs over the biennium.

The Commission purchased the building that the agency occupies at 324 South Spring Street in Little Rock, which was an existing structure that underwent a major renovation in 1983. Due to the age and condition of the heating and air conditioning system, the Commission determined that replacement of the boiler and chiller was necessary. An energy assessment performed by Viridian and Energy Engineering Consultants identified potential energy savings and reduction of future replacement/maintenance costs. Upon completion of the project, we anticipate energy savings and a reduction of maintenance costs.

As a result of a safety review of all buildings used by the Commission, we implemented new security measures which include streamlined security procedures, restricted access to the basement where essential equipment is stored with a new gate, and provided controlled access to Springdale office for the protection of our employees and the public.

Since 2001, we have supported a non-profit organization known as Kid's Chance, which provides educational scholarships to children of workers who are permanently and totally disabled or killed in a work-related accident. Arkansas Code Annotated 11-9-207 (14) provides that profits from our annual Educational Conference can be given to Kid's Chance. In 2016, we have resumed full control over the Educational Conference with the goal of increasing our financial support to Kid's Chance with the increased profits from the conference.

The Arkansas Workers' Compensation Commission operates with four appropriations. These are:

- Appropriation 866 - Seminar
- Appropriation 203 - Death & Permanent Total Disability Claims
- Appropriation 355 - WCC Administration
- Appropriation 356 - Second Injury Claims

Appropriation 866 - Seminar

The Commission annually hosts AWCC Educational Conference for interested companies, attorneys, and individuals. Registration and exhibit booth fees collected pay the expenses of the conferences.

The Commission is requesting only the continuation of Base Level for each year of the biennium.

Appropriation 203 - Death and Permanent Total Disability Claims

This appropriation contains three parts:

- Refund of Taxes - To address premium tax overpayments. The Commission is requesting a change level decrease of \$200,000.
- Claims - The Commission is requesting continuation at Base Level for each year of the biennium. This continuation is necessary to pay total disabled and/or death workers compensation benefits to injured workers, spouses and children.

Appropriation 355 - WCC Administration

This appropriation is to pay expenditures related to the operation of the Commission such as Regular Salaries and Personal Services Matching for all Commission employees, Operating Expenses, Conference Fees and Travel, Professional Fees, and Capital Outlay, each year. The change level requests include the following:

- Regular Salaries and Personal Services Matching - During the Third Extraordinary Session of 2016 the Commission reduced the number of budget positions from one hundred and forty-four (144) to one hundred and fifteen (115). This decreased reduced our salary and matching \$1,242,014 in appropriation for the FY17 Budget. Therefore, the Commission is requesting a continuation at Base Level for the FY18 and FY19 Biennium.
- Operating Expenses - The Commission is requesting a change level decrease of \$173,054, 10% of Base Level, for utilities, minor building repairs and maintenance, debt service, and fuel cost.
- Conference Fees and Travel - The Commission is requesting a change level decrease of \$19,485, 20% of Base Level, for conference fees and travel.
- Professional Fees - The Commission is requesting a change level decrease of \$27,464, 20% of Base Level.
- Capital Outlay - \$50,000 is requested as a change level increase. This increase will be necessary to purchase a new vehicle as a replacement of an existing vehicle if needed and for additions to our law library.

- Computer Hardware/Software - \$285,300 is requested for the first year of the biennium, this is a change level increase of \$41,700. The Commission is requesting continuation at Base Level for the second year of the biennium. This increase is needed for a new telephone system, and to replace servers and computers due to outdated warranties.
- Building Repairs/Maintenance - \$150,000 is requested for each year of the biennium for major building repairs and maintenance. This request is a change level increase of \$44,550. This increase is necessary for new HVAC systems in the computer room and Administrated Services, new sprinkler system in the computer room, building renovations, painting and lighting upgrades.
- Refund of Taxes - To address premium tax overpayments. The Commission is requesting a change level decrease of \$185,500.00.

Appropriation 356 - Second Injury Claims

This appropriation contains two parts:

- Refund of Taxes - To refund premium tax overpayments. The Commission is requesting a change level decrease of \$250,000.
- Claims - Act 1415 of 2007 provided that no claims shall be made against the Second Injury Trust Fund on or after January 1, 2008. Currently there are forty (42) claimants with cases in litigation and one (1) receiving bi-weekly payments. The Commission blocked \$3,000,000 in appropriation in the FY16 and FY17 Annual Operating Plans. Therefore, the appropriation was reduced to Base Level of \$1,000,000. The Commission is requesting a change level decrease of \$500,000 for each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
WORKERS' COMPENSATION COMMISSION
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	19	48	67	73 %
Black Employees	4	18	22	24 %
Other Racial Minorities	1	2	3	3 %
Total Minorities			25	27 %
Total Employees			92	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Report	11-9-209	N	N	1	To meet the requirements of ACA 11-9-209, the Annual Report is available on Arkansas Workers' Compensation Commission website, at www.awcc.state.ar.us	25	25.00
Biennial Report	11-9-208	Y	Y	50	To meet the requirements of Act 1276 and ACA 11-9-208 and to have sufficient copies for interested parties.	50	50.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
203 Refunds and Claims	14,570,139	0	21,750,000	0	151,750,000	0	21,750,000	0	21,550,000	0	21,550,000	0	21,750,000	0	21,550,000	0	21,550,000	0
355 Administration	8,781,974	103	11,454,293	115	25,505,057	115	11,456,392	115	11,142,389	115	11,142,389	115	11,461,596	115	11,106,093	115	11,106,093	115
356 Second Injury Claims	24,407	0	1,250,000	0	4,250,000	0	1,250,000	0	500,000	0	500,000	0	1,250,000	0	500,000	0	500,000	0
866 Seminar-Cash in Treasury	15,966	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0	140,000	0
99T Building Repair	5,578	0	105,450	0	105,450	0	105,450	0	150,000	0	150,000	0	105,450	0	150,000	0	150,000	0
Total	23,398,064	103	34,699,743	115	181,750,507	115	34,701,842	115	33,482,389	115	33,482,389	115	34,707,046	115	33,446,093	115	33,446,093	115

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance 4000005	123,025,919	86.9	118,171,490	86.4		102,148,917	84.5	102,148,917	84.5	102,148,917	84.5	87,268,879	82.4	87,782,882	82.4	87,782,882	82.4
Cash Fund 4000045	5,419	0.0	50,000	0.0		50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0	50,000	0.0
Trust Fund 4000050	18,538,216	13.1	18,627,170	13.6		18,627,170	15.4	18,671,720	15.4	18,671,720	15.4	18,627,170	17.6	18,671,720	17.5	18,671,720	17.5
Total Funds	141,569,554	100.0	136,848,660	100.0		120,826,087	100.0	120,870,637	100.0	120,870,637	100.0	105,946,049	100.0	106,504,602	100.0	106,504,602	100.0
Excess Appropriation/(Funding)	(118,171,490)		(102,148,917)			(86,124,245)		(87,388,248)		(87,388,248)		(71,239,003)		(73,058,509)		(73,058,509)	
Grand Total	23,398,064		34,699,743			34,701,842		33,482,389		33,482,389		34,707,046		33,446,093		33,446,093	

Variance in fund balance is due to unfunded appropriation in FC 355, FC 356, and FC 866.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
146	99	47	146	0	32.19 %	144	96	48	144	0	33.33 %	115	93	22	115	0	19.13 %

Analysis of Budget Request

Appropriation: 203 - Refunds and Claims

Funding Sources: TDP - Death & Permanent Total Disability Trust

The Workers' Compensation Commission administers the Death and Permanent Disability Claims Program as established by Act 221 of 1973 (ACA §11-9-301 et seq.) An employee or dependent that has received the maximum benefit of \$75,000 from his/her employer under the provisions of Act 221 of 1973 is then eligible to receive benefits payable by the Commission from this appropriation. Funding is derived from the premium taxing authority authorized in Act 393 of 1983.

The Agency's Base Level is \$21,750,000 each year of the 2017-2019 Biennium which includes Refunds/Reimbursements and Claims.

The Commission is requesting a Change Level decrease of (\$200,000) each year of the biennium in the Refunds/Reimbursements line item for efficient use of funds.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 203 - Refunds and Claims

Funding Sources: TDP - Death & Permanent Total Disability Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	1,013	750,000	750,000	750,000	550,000	550,000	750,000	550,000	550,000
Claims	5110015	14,569,126	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Investments	5120013	0	0	130,000,000	0	0	0	0	0	0
Total		14,570,139	21,750,000	151,750,000	21,750,000	21,550,000	21,550,000	21,750,000	21,550,000	21,550,000
Funding Sources										
Fund Balance	4000005	111,613,651	107,294,935		95,804,935	95,804,935	95,804,935	84,314,935	84,514,935	84,514,935
Trust Fund	4000050	10,251,423	10,260,000		10,260,000	10,260,000	10,260,000	10,260,000	10,260,000	10,260,000
Total Funding		121,865,074	117,554,935		106,064,935	106,064,935	106,064,935	94,574,935	94,774,935	94,774,935
Excess Appropriation/(Funding)		(107,294,935)	(95,804,935)		(84,314,935)	(84,514,935)	(84,514,935)	(72,824,935)	(73,224,935)	(73,224,935)
Grand Total		14,570,139	21,750,000		21,750,000	21,550,000	21,550,000	21,750,000	21,550,000	21,550,000

Change Level by Appropriation

Appropriation: 203 - Refunds and Claims
Funding Sources: TDP - Death & Permanent Total Disability Trust

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	21,750,000	0	21,750,000	100.0	21,750,000	0	21,750,000	100.0
C03	Discontinue Program	(200,000)	0	21,550,000	99.1	(200,000)	0	21,550,000	99.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	21,750,000	0	21,750,000	100.0	21,750,000	0	21,750,000	100.0
C03	Discontinue Program	(200,000)	0	21,550,000	99.1	(200,000)	0	21,550,000	99.1

Justification

C03	The Commission is requesting a change level decrease in Refund of Taxes appropriation of \$200,000. This request is necessary for efficient use of Commission funds.
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Analysis of Budget Request

Appropriation: 355 - Administration

Funding Sources: TJW - Workers' Compensation Trust

The Workers' Compensation Commission (WCC) Administration appropriation is comprised of all administrative and judicial functions within the Commission. Funding is derived from a premium tax (limited by law to 3%) on workers' compensation insurance premiums.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Agency's Base Level request is \$11,456,392 in FY18 and \$11,461,596 in FY19 with one hundred fifteen (115) budgeted base level positions.

The Agency's Change Level requests is a decrease of (\$314,003) in FY18 and (\$355,503) in FY19. The changes are as follows:

- Operating Expenses decrease of (\$173,054) each year which is a 10% reduction to Base Level for utilities, minor building repairs and maintenance, debt service, and fuel cost.
- Conference and Travel decrease of (19,485) each year which is a 20% reduction to Base Level.
- Professional Fees decrease of (\$27,464) each year which is a 20% reduction to Base Level.
- Refunds/Reimbursements decrease of (185,500) which is for efficient use of funds.
- Capital Outlay increase of \$50,000 each year for the purchase of a replacement vehicle and Library Holdings.
- Computer Software/Hardware increase of \$41,500 in FY18 only for a new telephone system, servers, and desktop computers. This request is located on page 20 of the Commission's IT Plan.

The Executive Recommendation provides for the Agency Request. The Executive Recommendation provides for the Agency Request for Capital Outlay to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Appropriation Summary

Appropriation: 355 - Administration

Funding Sources: TJW - Workers' Compensation Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	5,820,556	6,306,865	6,328,966	6,311,648	6,311,648	6,311,648	6,314,948	6,314,948	6,314,948
#Positions		103	115	115	115	115	115	115	115	115
Extra Help	5010001	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
#Extra Help		0	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	2,016,385	1,984,484	2,013,147	2,021,800	2,021,800	2,021,800	2,023,704	2,023,704	2,023,704
Overtime	5010006	10	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Operating Expenses	5020002	883,578	1,719,084	1,719,084	1,719,084	1,546,030	1,546,030	1,719,084	1,546,030	1,546,030
Conference & Travel Expenses	5050009	11,966	96,096	96,096	96,096	76,611	76,611	96,096	76,611	76,611
Professional Fees	5060010	20,410	268,464	268,464	268,464	241,000	241,000	268,464	241,000	241,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	829	685,500	685,500	685,500	500,000	500,000	685,500	500,000	500,000
Capital Outlay	5120011	2,091	40,000	40,000	0	50,000	50,000	0	50,000	50,000
Investments	5120013	0	0	14,000,000	0	0	0	0	0	0
Computer Software/Hardware	5900044	26,149	243,800	243,800	243,800	285,300	285,300	243,800	243,800	243,800
Total		8,781,974	11,454,293	25,505,057	11,456,392	11,142,389	11,142,389	11,461,596	11,106,093	11,106,093
Funding Sources										
Fund Balance	4000005	9,859,497	9,351,989		6,154,016	6,154,016	6,154,016	2,953,944	3,267,947	3,267,947
Trust Fund	4000050	8,274,466	8,256,320		8,256,320	8,256,320	8,256,320	8,256,320	8,256,320	8,256,320
Total Funding		18,133,963	17,608,309		14,410,336	14,410,336	14,410,336	11,210,264	11,524,267	11,524,267
Excess Appropriation/(Funding)		(9,351,989)	(6,154,016)		(2,953,944)	(3,267,947)	(3,267,947)	251,332	(418,174)	(418,174)
Grand Total		8,781,974	11,454,293		11,456,392	11,142,389	11,142,389	11,461,596	11,106,093	11,106,093

Change Level by Appropriation

Appropriation: 355 - Administration
Funding Sources: TJW - Workers' Compensation Trust

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	11,456,392	115	11,456,392	100.0	11,461,596	115	11,461,596	100.0
C01	Existing Program	50,000	0	11,506,392	100.4	50,000	0	11,511,596	100.4
C03	Discontinue Program	(405,503)	0	11,100,889	96.9	(405,503)	0	11,106,093	96.9
C08	Technology	41,500	0	11,142,389	97.3	0	0	11,106,093	96.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	11,456,392	115	11,456,392	100.0	11,461,596	115	11,461,596	100.0
C01	Existing Program	50,000	0	11,506,392	100.4	50,000	0	11,511,596	100.4
C03	Discontinue Program	(405,503)	0	11,100,889	96.9	(405,503)	0	11,106,093	96.9
C08	Technology	41,500	0	11,142,389	97.3	0	0	11,106,093	96.9

Justification

C01	The Commission is requesting a change level increase for the following: \$50,000 for Capital Outlay. This appropriation is necessary for the purchase of a car and Library Holdings.
C03	The Commission is requesting the following change level decreases: 1. Operating Expenses appropriation of \$173,054, 2. Conference Fees and Travel decrease of \$19,485, 3. Professional Fees decrease of \$27,464, and 4. Refund of Taxes decrease of \$185,500. These decreases are necessary for efficient use of Commission funds.
C08	The Commission is requesting a change level increase in the Computer Hardware/Software appropriation of \$41,500 for the first year of the biennium and for continuation at Base Level for the second year. This request is necessary for a new telephone system and for new servers and desktop computers due to outdated warranties. This request is noted in the IT Plan on page 20.

Analysis of Budget Request

Appropriation: 356 - Second Injury Claims

Funding Sources: TSW - Second Injury Trust Fund

The Workers' Compensation Commission administers a Second Injury Claims Fund A.C.A. 19-5-911 for the purpose of paying claims of permanently disabled persons in accordance with Act 253 of 1979. Funding is derived from the premium taxing authority authorized by Act 393 of 1983. Act 1415 of 200 provided that no claims shall be made against the Second Injury Trust Fund on or after January 1, 2008. The Commission appropriation need for this program is due to claims prior to January 1, 2008.

Base Level is \$1,250,000 each year of the 2017-2019 Biennium which includes Refunds/Reimbursements and Claims.

The Agency's Change Level request is for the following:

- Refunds/Reimbursements line item decrease each year of (\$250,000) due to the fund not receiving taxes.
- Claims line item decrease each year of (\$500,000) due to the Commission no longer taking new recipients for this program. The Agency is currently working with 42 claimants with cases in litigation and one (1) receiving bi-weekly payments.

The total request for this appropriation is \$500,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 356 - Second Injury Claims

Funding Sources: TSW - Second Injury Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	0	250,000	250,000	250,000	0	0	250,000	0	0
Claims	5110015	24,407	1,000,000	4,000,000	1,000,000	500,000	500,000	1,000,000	500,000	500,000
Total		24,407	1,250,000	4,250,000	1,250,000	500,000	500,000	1,250,000	500,000	500,000
Funding Sources										
Fund Balance	4000005	1,450,569	1,432,911		188,311	188,311	188,311	0	0	0
Trust Fund	4000050	6,749	5,400		5,400	5,400	5,400	5,400	5,400	5,400
Total Funding		1,457,318	1,438,311		193,711	193,711	193,711	5,400	5,400	5,400
Excess Appropriation/(Funding)		(1,432,911)	(188,311)		1,056,289	306,289	306,289	1,244,600	494,600	494,600
Grand Total		24,407	1,250,000		1,250,000	500,000	500,000	1,250,000	500,000	500,000

Change Level by Appropriation

Appropriation: 356 - Second Injury Claims
Funding Sources: TSW - Second Injury Trust Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,250,000	0	1,250,000	100.0	1,250,000	0	1,250,000	100.0
C03	Discontinue Program	(750,000)	0	500,000	40.0	(750,000)	0	500,000	40.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,250,000	0	1,250,000	100.0	1,250,000	0	1,250,000	100.0
C03	Discontinue Program	(750,000)	0	500,000	40.0	(750,000)	0	500,000	40.0

Justification

C03	The Commission is requesting two change level decreases as follows: 1. Second Injury Claims appropriation decrease of \$500,000. This decrease is necessary due to the decline of claimant payments. 2. Refund of Taxes of \$250,000. This decrease is due to the fund not receiving taxes.
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Analysis of Budget Request

Appropriation: 866 - Seminar-Cash in Treasury

Funding Sources: NWC - Cash in Treasury

The Workers' Compensation Commission (WCC) annually hosts the Arkansas WCC Education Conference for interested companies, attorneys, and individuals. Registration and exhibit booth fees collected pay the expenses of the conference and contribute to "Kids Chance" scholarships. This scholarship program assists the children of employees who died as a result of a job-related accident or children of employees who were permanently and totally disabled in a compensable accident under the state workers' compensation laws. The scholarships allow students to continue their education at a vocational/technical school, college, or a university.

The Commission requests Base Level of \$140,000 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 866 - Seminar-Cash in Treasury

Funding Sources: NWC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	7,466	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Scholarships	5100030	8,500	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		15,966	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Funding Sources										
Fund Balance	4000005	102,202	91,655		1,655	1,655	1,655	0	0	0
Cash Fund	4000045	5,419	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding		107,621	141,655		51,655	51,655	51,655	50,000	50,000	50,000
Excess Appropriation/(Funding)		(91,655)	(1,655)		88,345	88,345	88,345	90,000	90,000	90,000
Grand Total		15,966	140,000		140,000	140,000	140,000	140,000	140,000	140,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 99T - Building Repair

Funding Sources: TJW - Workers' Compensation Trust

This appropriation is for maintenance, renovation, equipping, construction, improvement, upgrade and repair projects for the Workers' Compensation Commission. It is funded from the Workers' Compensation Fund.

The Agency's Base Level request is \$105,450 each year of the 2017-2019 Biennium which includes Building Repairs and Maintenance.

The Agency's Change Level request is an increase of \$44,550 each year of the biennium. This request is to purchase a new HVAC system and for other major building repairs.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 99T - Building Repair

Funding Sources: TJW - Workers' Compensation Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Building Repairs and Maintenance 5090005	5,578	105,450	105,450	105,450	150,000	150,000	105,450	150,000	150,000
Total	5,578	105,450	105,450	105,450	150,000	150,000	105,450	150,000	150,000
Funding Sources									
Trust Fund 4000050	5,578	105,450		105,450	150,000	150,000	105,450	150,000	150,000
Total Funding	5,578	105,450		105,450	150,000	150,000	105,450	150,000	150,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	5,578	105,450		105,450	150,000	150,000	105,450	150,000	150,000

Change Level by Appropriation

Appropriation: 99T - Building Repair
Funding Sources: TJW - Workers' Compensation Trust

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	105,450	0	105,450	100.0	105,450	0	105,450	100.0
C01	Existing Program	44,550	0	150,000	142.2	44,550	0	150,000	142.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	105,450	0	105,450	100.0	105,450	0	105,450	100.0
C01	Existing Program	44,550	0	150,000	142.2	44,550	0	150,000	142.2

Justification

C01	The Commission is requesting a change level increase of \$44,500 for each year of the biennium. This increase is necessary for major building repairs and maintenance. These include new HVAC systems for the computer room and Administrative Services, new fire sprinkler system for the computer room, building renovations, painting and lighting upgrades.
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