

## SUMMARY BUDGET INFORMATION

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# DEPARTMENT OF HIGHER EDUCATION

## State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

### Employment Summary

	Male	Female	Total	%
White Employees	5	12	17	50 %
Black Employees	4	11	15	44 %
Other Racial Minorities	1	1	2	6 %
Total Minorities			17	50 %
Total Employees			34	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				
A-Book Operating & Capital	A.C.A. 6-61-209	Y	Y	250	Presents biennial recommendations for each institution.	0	0.00
Agenda Books	A.C.A. 6-61-202	N	N	25	Provides notice of higher education issues to be addressed by AHECB.	0	0.00
AR Academic Cost Accounting	A.C.A. 6-61-222	N	Y	200	Reflects cost of each academic program provided to Board and ALC - Interim Committees.	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				
AR Challenge Scholarships	A.C.A. 6-82-1004	N	N	40,000	Sent to high schools and, upon request, to students for informational purposes.	0	0.00
Atheltic Costs & Revenues	A.C.A. 6-62-106	N	Y	25	Presented to AHECB and Joint Audit Committee annually.	0	0.00
B-Book - Personal Services	A.C.A. 6-61-209	Y	Y	250	Presents biennial recommendations for institutional personal services & positions.	0	0.00
Degrees Awarded	A.C.A. 6-61-206	N	N	200	Available on web site - distributed for informational purposes upon request to higher educ community & others.	0	0.00
Fact Book	A.C.A. 6-61-202	Y	Y	250	Available on website. Historical reference - information also provided to institutions.	0	0.00
Financial Aid Guide	A.C.A. 6-82-1004	N	N	40,000	Sent to high schools and students and counselors and guidance officers.	0	0.00
Financial Prgms. Handbook	A.C.A. 8-82-1004	N	N	40,000	For informational purposes, this report is sent to high schools and students upon request.	0	0.00
Governor's Scholars	A.C.A. 8-82-1004	N	N	40,000	For informational purposes, this report is sent to high schools and students upon request.	0	0.00
Health Education Grants	Acts 1180 of 99 & 1612 of 01	N	Y	25	Provides student information for those receiving grants & their return rates.	0	0.00
Impact of Scholarship Prgms.	A.C.A. 6-82-104	N	Y	1	Assesses the impact of scholarship programs and reported to Council annually.	0	0.00
Legislative Summary	A.C.A. 6-61-202	Y	Y	50	Provides information on legislation affecting higher education	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				
Minimum Core Curriculum	A.C.A. 6-53-205 & 6-61-218	N	N	250	For informational purposes, copies are distributed to each public institution of higher education.	0	0.00
Retention & Graduation	A.C.A. 6-61-220	N	N	25	Appears annually in AHECB agenda book published & distributed quarterly to Board, Governor, Institutions	0	0.00
Student Enrollments	A.C.A. 6-61-206	N	N	5	Available on web site - distributed for informational purposes to higher educ community & others.	0	0.00
Student Semester Credit & FTE	A.C.A. 6-61-206	N	N	5	On Web site - Distributed upon request for informational purposes to Higher Education community & others.	0	0.00
Type Amount Compensation for Monitary Losses of Students called into Military Service	A.C.A. 6-61-112	N	Y	50	Mandated for House Interim Committee on Aging, Children and Youth, Legislative and Military Affiars and Senate Interim Committee on Children and Youth beginning October 1, 2006	0	0.00

## Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2017-2018		2018-2019		2018-2019		2019-2020				2020-2021			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
135 Dental Aid Grant & Loans	3,385,450	0	3,737,370	0	3,737,370	0	3,937,370	0	3,937,370	0	3,937,370	0	3,937,370	0
137 Optometry Aid Grants & Loans	601,200	0	690,000	0	640,000	0	790,000	0	790,000	0	790,000	0	790,000	0
138 Veterinary Aid	1,345,478	0	1,750,000	0	1,750,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0
140 Chiropractic Aid	116,246	0	260,000	0	260,000	0	260,000	0	260,000	0	260,000	0	260,000	0
153 General Operations	3,204,619	27	4,103,046	32	3,817,049	32	4,092,860	32	4,092,860	32	4,094,045	32	4,094,045	32
156 Research Development Program Grants	361,809	0	500,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
197 Student Asst Grants/Scholarships	47,730,596	0	60,300,000	0	66,050,000	0	68,400,000	0	68,400,000	0	68,400,000	0	68,400,000	0
2XK TANF	6,641,798	3	7,123,046	3	7,150,000	3	7,150,000	3	7,150,000	3	7,150,000	3	7,150,000	3
58B College Access Challenge Grant	0	0	0	0	700,000	0	0	0	0	0	0	0	0	0
59B ADHE-Scholarship Admn	454,932	6	658,039	6	798,228	6	711,351	6	711,351	6	711,351	6	711,351	6
772 Technical Education-Federal Programs	365,396	2	394,300	2	387,196	2	392,162	2	392,162	2	392,162	2	392,162	2
773 Osteopathy Aid	10,000	0	50,000	0	50,000	0	0	0	0	0	0	0	0	0
783 Podiatry Aid	38,100	0	80,400	0	130,400	0	130,400	0	130,400	0	130,400	0	130,400	0
921 Dept Higher Education - Cash in Treasury	41,258	0	219,000	0	405,000	0	405,000	0	405,000	0	405,000	0	405,000	0
97E Complt Coll Amer Grt	0	0	105	0	75,000	0	0	0	0	0	0	0	0	0
F91 Outcome-Cent Funding	0	0	0	0	54,512,702	0	0	0	0	0	0	0	0	0
N60 WF Initiative Act of 2015	7,380,952	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
V40 ADHE - Private Career Ed - Treasury Cash	14	0	20,500	0	44,985	0	44,985	0	44,985	0	44,985	0	44,985	0
V41 ADHE - Private Career Ed - Operations	90,208	1	205,000	2	337,962	2	257,145	2	257,145	2	257,145	2	257,145	2
V42 ADHE - Private Career Ed - Student Prote	10,646	0	500,000	0	500,000	0	300,000	0	300,000	0	300,000	0	300,000	0
<b>Total</b>	<b>71,778,702</b>	<b>39</b>	<b>88,590,806</b>	<b>45</b>	<b>150,345,892</b>	<b>45</b>	<b>97,871,273</b>	<b>45</b>	<b>97,871,273</b>	<b>45</b>	<b>97,872,458</b>	<b>45</b>	<b>97,872,458</b>	<b>45</b>

  

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	18,388,766	19.8	21,172,803	21.9	8,055,858	9.6	8,055,858	9.6	4,106,128	5.1	4,106,128	5.1
General Revenue	4000010	51,416,848	55.3	51,416,648	53.2	51,419,114	61.1	51,419,114	61.1	51,419,978	64.1	51,419,978	64.1
Federal Revenue	4000020	7,007,194	7.5	7,517,346	7.8	7,542,162	9.0	7,542,162	9.0	7,542,162	9.4	7,542,162	9.4
Special Revenue	4000030	178,906	0.2	250,000	0.3	250,000	0.3	250,000	0.3	250,000	0.3	250,000	0.3
Cash Fund	4000045	34,754	0.0	20,000	0.0	20,000	0.0	20,000	0.0	20,000	0.0	20,000	0.0
Trust Fund	4000050	365,636	0.4	530,000	0.5	1,030,000	1.2	1,030,000	1.2	1,030,000	1.3	1,030,000	1.3
Educational Excellence Fund	4000220	14,505,811	15.6	14,999,378	15.5	14,999,378	17.8	14,999,378	17.8	14,999,378	18.7	14,999,378	18.7
HEG Fund Transfers/Adjust.	4000280	77,000	0.1	82,450	0.1	82,450	0.1	82,450	0.1	82,450	0.1	82,450	0.1
Insurance Fund Proceeds	4000299	65,393	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Interest	4000300	3	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

<b>Funding Sources</b>			<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>		
Inter-agency Fund Transfer	4000316	1,970,335	2.1	658,039	0.7			711,351	0.8	711,351	0.8	711,351	0.9	711,351	0.9
Intra-agency Fund Transfer	4000317	(350,000)	(0.4)	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	705	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Adjustments	4000345	258,382	0.3	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	47,263	0.1	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0
Transfer to General Revenue	4000635	(1,015,491)	(1.1)	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Funds</b>		<b>92,951,505</b>	<b>100.0</b>	<b>96,646,664</b>	<b>100.0</b>			<b>84,110,313</b>	<b>100.0</b>	<b>84,110,313</b>	<b>100.0</b>	<b>80,161,447</b>	<b>100.0</b>	<b>80,161,447</b>	<b>100.0</b>
<b>Excess Appropriation/(Funding)</b>		<b>(21,172,803)</b>		<b>(8,055,858)</b>				<b>13,760,960</b>		<b>13,760,960</b>		<b>17,711,011</b>		<b>17,711,011</b>	
<b>Grand Total</b>		<b>71,778,702</b>		<b>88,590,806</b>				<b>97,871,273</b>		<b>97,871,273</b>		<b>97,872,458</b>		<b>97,872,458</b>	

Variance in fund balance is due to unfunded appropriation.



## **Analysis of Budget Request**

**Appropriation:** 153 - General Operations

**Funding Sources:** HQA - Dept. of Higher Education - State

The Arkansas Department of Higher Education utilizes this appropriation to meet costs associated with general administrative functions tied to the specific mission of the Agency. This appropriation is primarily funded by general revenue payable from the Department of Higher Education Fund Account (HQA). Funding is also provided by the Arkansas Lottery Commission with proceeds from the Arkansas Scholarship Lottery for costs associated with the administration of the Arkansas Academic Challenge Scholarship.

The Agency's request is \$4,092,860 in FY20 and \$4,094,045 in FY21.

The Agency's request includes the following:

- Capital Outlay of \$50,000 (appropriation only) each year for the replacement of various information technology equipment that includes printers, servers, and network storage units. These items are in compliance with the Agency's Information Technology Plan.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Conference and Travel appropriation for staff to attend professional development opportunities that allow staff to provide better knowledge and insight to ADHE's consumer base.
- Professional Fees appropriation in the event that major maintenance and/or upgrades are needed to the Youuniversal web portal.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 153 - General Operations  
**Funding Sources:** HQA - Dept. of Higher Education - State

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	1,688,624	2,327,300	2,096,240	2,305,455	2,305,455	2,306,155	2,306,155
<b>#Positions</b>		<b>27</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>
Extra Help	5010001	0	3,000	3,000	3,000	3,000	3,000	3,000
<b>#Extra Help</b>		<b>0</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Personal Services Matching	5010003	576,798	699,991	645,054	696,650	696,650	697,135	697,135
Operating Expenses	5020002	855,371	912,755	912,755	912,755	912,755	912,755	912,755
Conference & Travel Expenses	5050009	20,669	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	19,077	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	44,080	35,000	35,000	50,000	50,000	50,000	50,000
<b>Total</b>		<b>3,204,619</b>	<b>4,103,046</b>	<b>3,817,049</b>	<b>4,092,860</b>	<b>4,092,860</b>	<b>4,094,045</b>	<b>4,094,045</b>

Funding Sources								
Fund Balance	4000005	3,140,420	2,509,969		1,888,555	1,888,555	1,279,793	1,279,793
General Revenue	4000010	11,399,182	11,399,182		11,401,648	11,401,648	11,402,512	11,402,512
HEG Fund Transfers/Adjust.	4000280	77,000	82,450		82,450	82,450	82,450	82,450
Insurance Fund Proceeds	4000299	65,393	0		0	0	0	0
Intra-agency Fund Transfer	4000317	(7,999,881)	(8,000,000)		(8,000,000)	(8,000,000)	(8,000,000)	(8,000,000)
M & R Sales	4000340	702	0		0	0	0	0
Other	4000370	47,263	0		0	0	0	0
Transfer to General Revenue	4000635	(1,015,491)	0		0	0	0	0
<b>Total Funding</b>		<b>5,714,588</b>	<b>5,991,601</b>		<b>5,372,653</b>	<b>5,372,653</b>	<b>4,764,755</b>	<b>4,764,755</b>
<b>Excess Appropriation/(Funding)</b>		<b>(2,509,969)</b>	<b>(1,888,555)</b>		<b>(1,279,793)</b>	<b>(1,279,793)</b>	<b>(670,710)</b>	<b>(670,710)</b>
<b>Grand Total</b>		<b>3,204,619</b>	<b>4,103,046</b>		<b>4,092,860</b>	<b>4,092,860</b>	<b>4,094,045</b>	<b>4,094,045</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium. Variance in fund balance due to unfunded appropriation. FY18 Intra-Agency transfer of (\$7,999,881) in General Revenue to Appropriation N60.

## **Analysis of Budget Request**

**Appropriation:** 156 - Research Development Program Grants

**Funding Sources:** THD - Higher Education Research Development - Trust

The Arkansas Research Development Program provides grants to institutions of higher education for development of scientific research capability per Arkansas Code § 6-61-807. Funding for this program is required to be transferred from the Higher Education Building Maintenance Fund in accordance with Section 22 of Act 286 of 2010. Revenues in the Higher Education Building Maintenance Fund accumulate from the sale or lease of minerals, oil, gas, etc. on military and non-military federal lands located within the State of Arkansas.

The Agency requests \$1,000,000 both years of the biennium.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Grants and Aid appropriation due to the Agency receiving various amounts of revenue each fiscal year.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 156 - Research Development Program Grants

**Funding Sources:** THD - Higher Education Research Development - Trust

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Grants and Aid	5100004	361,809	500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total		361,809	500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Funding Sources								
Trust Fund	4000050	361,809	500,000		1,000,000	1,000,000	1,000,000	1,000,000
Total Funding		361,809	500,000		1,000,000	1,000,000	1,000,000	1,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0
Grand Total		361,809	500,000		1,000,000	1,000,000	1,000,000	1,000,000

## **Analysis of Budget Request**

**Appropriation:** 197 - Student Asst Grants/Scholarships

**Funding Sources:** HEG - Higher Education Grants

The Student Assistance Grants and Scholarships appropriation provides the Arkansas Department of Higher Education (ADHE) the authority to award the State's current and prospective college students with financial aid based upon academic performance and, in some programs, financial need. This appropriation is currently funded from a combination of general revenue, Higher Education Grants Fund balances, and Educational Excellence Trust Fund revenues, payable from the Higher Education Grants (HEG) Fund Account.

The Agency's request is \$68,400,000 for both years of the biennium.

The Agency's request for appropriation only includes the following:

- Teacher Opportunity Program of \$1,000,000 due to aligning scholarship appropriation with the number of eligible students.
- Workforce Improvement Grants reduction of (\$3,000,000) due to aligning scholarship appropriation with the number of eligible students.
- Higher Education Opportunities Grants reduction of (\$3,500,000) due to aligning scholarship appropriation with the number of eligible students.
- Dependent Scholarships (POW's MIA's, etc.) of \$1,050,000 to aligning scholarship appropriation with the number of eligible students.
- Arkansas Governor's Scholarship of \$6,800,000 due to aligning scholarship appropriation with the number of eligible students.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Student Assistance Grants/Scholarships to allow for fluctuations in eligibility and use of the programs.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 197 - Student Asst Grants/Scholarships

**Funding Sources:** HEG - Higher Education Grants

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
St Teacher Educ Prgm	5100004	1,342,005	1,500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Teacher Opportunity Program	5100004	1,870,905	1,500,000	1,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Workforce Improvement Grants	5100004	0	0	3,000,000	0	0	0	0
Single Parent Scholarship Progra	5100004	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Grants and Aid	5100004	452,858	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
H E Opportunities Grant	5100004	3,456,097	2,500,000	6,000,000	2,500,000	2,500,000	2,500,000	2,500,000
National Guard Tuition Asst.	5100004	782,299	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
SREB Minority Doctoral Scholars	5100030	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Washington Center Scholarships	5100030	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Dependents-POW'S, MIA'S, etc.	5100030	1,012,621	1,500,000	450,000	1,500,000	1,500,000	1,500,000	1,500,000
AR Geographical Critical Needs	5100030	102,750	150,000	150,000	150,000	150,000	150,000	150,000
Dependents-Law Enf. Off, etc	5100030	329,608	400,000	400,000	400,000	400,000	400,000	400,000
Tuition Adjustment	5110014	0	350,000	350,000	350,000	350,000	350,000	350,000
Academic Challenge	5900046	20,000,000	20,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
AR Governor's Scholar	5900047	17,712,745	21,000,000	15,200,000	22,000,000	22,000,000	22,000,000	22,000,000
SURF	5900048	148,935	150,000	150,000	150,000	150,000	150,000	150,000
Web Based Applications	5900049	69,773	400,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Total</b>		<b>47,730,596</b>	<b>60,300,000</b>	<b>66,050,000</b>	<b>68,400,000</b>	<b>68,400,000</b>	<b>68,400,000</b>	<b>68,400,000</b>

Funding Sources							
Fund Balance	4000005	13,402,165	14,606,954		2,756,028	2,756,028	0
General Revenue	4000010	34,521,192	33,449,696		33,149,696	33,149,696	33,149,696
Educational Excellence Fund	4000220	14,505,811	14,999,378		14,999,378	14,999,378	14,999,378
Intra-agency Fund Transfer	4000317	(350,000)	0		0	0	0
Miscellaneous Adjustments	4000345	258,382	0		0	0	0
<b>Total Funding</b>		<b>62,337,550</b>	<b>63,056,028</b>		<b>50,905,102</b>	<b>50,905,102</b>	<b>48,149,074</b>
<b>Excess Appropriation/(Funding)</b>		<b>(14,606,954)</b>	<b>(2,756,028)</b>		<b>17,494,898</b>	<b>17,494,898</b>	<b>20,250,926</b>
<b>Grand Total</b>		<b>47,730,596</b>	<b>60,300,000</b>		<b>68,400,000</b>	<b>68,400,000</b>	<b>68,400,000</b>

Budget exceeds Authorized Appropriation in FY18 due to transfers as authorized in Section 30 of Act 692 of 2017.

## **Analysis of Budget Request**

**Appropriation:** 2XK - TANF

**Funding Sources:** FCP - Dept. of Higher Education - Federal

The Temporary Assistance to Needy Families (TANF) appropriation is a collaboration between the Arkansas Department of Higher Education (ADHE) and all twenty-two (22) two-year institutions of higher education. Known as the "Career Pathways" program, it provides educational and training services to recipients deemed eligible under the TANF Block Grant. ADHE works with the Arkansas Association of Two-Year Colleges (AATYC) to coordinate services to eligible recipients, and over 100,000 students have participated. The goal of this appropriation is to increase client self-sufficiency and job skills. This program is federally funded through the U.S. Department of Health and Human Services.

The Agency's request is \$7,150,000 for both years of the biennium.

The Agency's request includes the following:

- Grants and Aid of \$27,880 each year to align the commitment item with the grant funding allotment.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Operating Expenses appropriation to align with the grant funding allotment from the Federal Government.
- Conference and Travel appropriation to align with the grant funding allotment from the Federal Government.
- Professional Fees appropriation to align with the grant funding allotment from the Federal Government.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2XK - TANF

**Funding Sources:** FCP - Dept. of Higher Education - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	167,498	198,318	221,169	198,484	198,484	198,484	198,484
<b>#Positions</b>		<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Personal Services Matching	5010003	53,592	61,288	65,391	60,196	60,196	60,196	60,196
Operating Expenses	5020002	21,444	45,105	45,105	45,105	45,105	45,105	45,105
Conference & Travel Expenses	5050009	4,074	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	5060010	12,314	14,784	14,784	14,784	14,784	14,784	14,784
Data Processing	5090012	0	0	0	0	0	0	0
Grants and Aid	5100004	6,382,876	6,793,551	6,793,551	6,821,431	6,821,431	6,821,431	6,821,431
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>6,641,798</b>	<b>7,123,046</b>	<b>7,150,000</b>	<b>7,150,000</b>	<b>7,150,000</b>	<b>7,150,000</b>	<b>7,150,000</b>
<b>Funding Sources</b>								
Federal Revenue	4000020	6,641,798	7,123,046		7,150,000	7,150,000	7,150,000	7,150,000
Total Funding		6,641,798	7,123,046		7,150,000	7,150,000	7,150,000	7,150,000
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>6,641,798</b>	<b>7,123,046</b>		<b>7,150,000</b>	<b>7,150,000</b>	<b>7,150,000</b>	<b>7,150,000</b>



## **Analysis of Budget Request**

**Appropriation:** 58B - College Access Challenge Grant

**Funding Sources:** FCP - Dept. of Higher Education - Federal

The College Access Challenge Grant Program (CACGP) is designed to foster partnerships among federal, state, and local governments and philanthropic organizations through matching challenge grants that are aimed at increasing the number of low-income students who are prepared to enter and succeed in postsecondary education.

Projects funded by the CACGP are designed to: provide information to students and families regarding postsecondary education and career preparation; promote financial literacy and debt management; conduct outreach activities; assist students in completing the Free Application for Federal Student Financial Aid (FAFSA); provide need-based grant aid; conduct professional development for guidance counselors at middle and secondary schools, financial aid administrators, and college admissions counselors; and offer student loan cancellation or repayment or interest rate reductions for borrowers who are employed in a high-need geographical area or a high need profession.

The Agency is not requesting this appropriation for the 2019-2021 Biennium.

The Agency's request includes the following:

- Operating Expenses reduction of (\$586,000) in FY20 and FY21 due to the discontinuation of the Program.
- Conference and Travel reduction of (\$14,000) in FY20 and FY21 due to the discontinuation of the Program.
- Professional Fees reduction of (\$100,000) in FY20 and FY21 due to the discontinuation of the Program.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 58B - College Access Challenge Grant  
**Funding Sources:** FCP - Dept. of Higher Education - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2019-2020		2020-2021	
	2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	Agency	Executive	Agency	Executive
Operating Expenses 5020002	0	0	586,000	0	0	0	0
Conference & Travel Expenses 5050009	0	0	14,000	0	0	0	0
Professional Fees 5060010	0	0	100,000	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0
<b>Total</b>	0	0	700,000	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2019-2021 BIENNIUM

## **Analysis of Budget Request**

**Appropriation:** 59B - ADHE-Scholarship Admn

**Funding Sources:** HEG - Higher Education Grants

The Arkansas Department of Higher Education (ADHE) provides for the administration of the Arkansas Academic Challenge Scholarship program through Scholarship Administration appropriation. The Arkansas Lottery Commission provides funding for this appropriation with proceeds from the Arkansas Scholarship Lottery.

The Agency's request is \$711,351 for both years of the biennium.

The Agency's request includes the following:

- Capital Outlay of \$35,000 each year for the replacement of various information technology equipment that includes database tools and hardware. These items are in compliance with the Agency's Information Technology Plan.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Professional Fees appropriation to meet the administration needs of the Statewide Financial Aid Programs and the Higher Education Information System.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 59B - ADHE-Scholarship Admn  
**Funding Sources:** HEG - Higher Education Grants

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	240,568	290,232	360,316	289,231	289,231	289,231	289,231
<b>#Positions</b>		<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Extra Help	5010001	0	0	10,000	10,000	10,000	10,000	10,000
<b>#Extra Help</b>		<b>0</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
Personal Services Matching	5010003	54,723	97,807	112,912	97,120	97,120	97,120	97,120
Operating Expenses	5020002	128,746	85,000	130,000	130,000	130,000	130,000	130,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	30,895	150,000	150,000	150,000	150,000	150,000	150,000
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	35,000	35,000	35,000	35,000	35,000	35,000
<b>Total</b>		<b>454,932</b>	<b>658,039</b>	<b>798,228</b>	<b>711,351</b>	<b>711,351</b>	<b>711,351</b>	<b>711,351</b>
<b>Funding Sources</b>								
Inter-agency Fund Transfer	4000316	454,932	658,039		711,351	711,351	711,351	711,351
<b>Total Funding</b>		<b>454,932</b>	<b>658,039</b>		<b>711,351</b>	<b>711,351</b>	<b>711,351</b>	<b>711,351</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>454,932</b>	<b>658,039</b>		<b>711,351</b>	<b>711,351</b>	<b>711,351</b>	<b>711,351</b>

## **Analysis of Budget Request**

**Appropriation:** 772 - Technical Education-Federal Programs

**Funding Sources:** FCP - Dept. of Higher Education - Federal

The Teacher Education-Federal Programs appropriation is designed to utilize federal funding awarded by the Carl D. Perkins Vocational and Technical Act. This Act focuses on the academic achievement of career and technical education students, strengthening the connections between secondary and postsecondary education, and improving state and local accountability.

The Arkansas Department of Career Education has been designated as the agency eligible to receive federal Perkins funds from the Office of Vocational and Adult Education in the U.S. Department of Education. Through a Memorandum of Understanding, the Arkansas Department of Career Education makes funds available to the Arkansas Department of Higher Education (ADHE) to administer the postsecondary portion of the Perkins Act.

The Agency requests \$392,162 for both years of the biennium.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Conference and Travel appropriation to align with the grant funding allotment from the Federal Government.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 772 - Technical Education-Federal Programs

**Funding Sources:** FCP - Dept. of Higher Education - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	141,781	147,039	141,909	145,978	145,978	145,978	145,978
<b>#Positions</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching	5010003	42,668	44,310	42,336	43,233	43,233	43,233	43,233
Operating Expenses	5020002	74,331	77,251	77,251	77,251	77,251	77,251	77,251
Conference & Travel Expenses	5050009	23,818	40,700	40,700	40,700	40,700	40,700	40,700
Professional Fees	5060010	82,798	85,000	85,000	85,000	85,000	85,000	85,000
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>365,396</b>	<b>394,300</b>	<b>387,196</b>	<b>392,162</b>	<b>392,162</b>	<b>392,162</b>	<b>392,162</b>
<b>Funding Sources</b>								
Federal Revenue	4000020	365,396	394,300		392,162	392,162	392,162	392,162
<b>Total Funding</b>		<b>365,396</b>	<b>394,300</b>		<b>392,162</b>	<b>392,162</b>	<b>392,162</b>	<b>392,162</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>365,396</b>	<b>394,300</b>		<b>392,162</b>	<b>392,162</b>	<b>392,162</b>	<b>392,162</b>

FY19 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2017-2019 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 921 - Dept Higher Education - Cash in Treasury

**Funding Sources:** NHE - Cash in Treasury

This appropriation is for Cash Operations of The Arkansas Department of Higher Education (ADHE) as defined by Arkansas Code §19-4-801. This appropriation assists in the administration of grant awards related to the "Achieving the Dream", "Non-Traditional No More", and "College Goal Sunday" programs. "Achieving the Dream: Community Colleges Count" program receives private foundation funding to provide participating community colleges with resources to assist minority and low income students earn degrees and to facilitate transfers of credits to other institutions of higher education for continuing their studies. "Non-Traditional No More: Policy Solutions for Adult Learners" program is a Western Interstate Commission for Higher Education (WICHE) private foundation grant used to stimulate and guide policy changes to create a more navigable path to degree attainment for adults. "College Goal Sunday" uses funding provided via planning grant from the Lumina Foundation for Education, Inc. to provide low income families access to financial aid professionals and free assistance in completing the Free Application for Student Financial Aid (FAFSA), as well as helping those targeted students identify all financial aid available.

The Agency requests \$405,000 for both years of the biennium.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Operating Expenses appropriation due to the varying amounts of revenue that come into the fund each year.
- Conference and Travel appropriation due to the varying amounts of revenue that come into the fund each year.
- Professional Fees appropriation due to the varying amounts of revenue that come into the fund each year.
- Scholarships appropriation due to the varying amounts of revenue that come into the fund each year.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** 921 - Dept Higher Education - Cash in Treasury

**Funding Sources:** NHE - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2019-2020		2020-2021	
		2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	41,258	152,000	262,000	262,000	262,000	262,000	262,000
Conference & Travel Expenses	5050009	0	2,000	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	0	15,000	63,000	63,000	63,000	63,000	63,000
Data Processing	5090012	0	0	0	0	0	0	0
Scholarships	5100030	0	50,000	50,000	50,000	50,000	50,000	50,000
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>41,258</b>	<b>219,000</b>	<b>405,000</b>	<b>405,000</b>	<b>405,000</b>	<b>405,000</b>	<b>405,000</b>
<b>Funding Sources</b>								
Fund Balance	4000005	430,900	493,202		294,202	294,202	0	0
Cash Fund	4000045	34,754	20,000		20,000	20,000	20,000	20,000
Inter-agency Fund Transfer	4000316	68,806	0		0	0	0	0
<b>Total Funding</b>		<b>534,460</b>	<b>513,202</b>		<b>314,202</b>	<b>314,202</b>	<b>20,000</b>	<b>20,000</b>
Excess Appropriation/(Funding)		(493,202)	(294,202)		90,798	90,798	385,000	385,000
<b>Grand Total</b>		<b>41,258</b>	<b>219,000</b>		<b>405,000</b>	<b>405,000</b>	<b>405,000</b>	<b>405,000</b>

Expenditure of appropriation is contingent upon available funding.



## **Analysis of Budget Request**

**Appropriation:** 97E - Complt Coll Amer Grt

**Funding Sources:** NHE - Cash in Treasury

This appropriation is for Cash Operations of The Arkansas Department of Higher Education (ADHE) for the operation of the Complete College America Grant. This grant will be used to enhance state efforts to boost college completion and close attainment gaps for traditionally underrepresented populations. Nine colleges and universities will participate in the initiative and will address transforming remediation and reducing time-to-degree and accelerating success.

The Agency is not requesting this appropriation for the 2019-2021 Biennium.

The Agency's request includes the following:

- Operating Expenses reduction of (\$75,000) in FY20 and FY21 due to the discontinuation of the Program.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 97E - Complt Coll Amer Grt

**Funding Sources:** NHE - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			
		2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	2019-2020		2020-2021	
					Agency	Executive	Agency	Executive
Operating Expenses	5020002	0	105	75,000	0	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		0	105	75,000	0	0	0	0
<b>Funding Sources</b>								
Fund Balance	4000005	102	105		0	0	0	0
Interest	4000300	3	0		0	0	0	0
<b>Total Funding</b>		105	105		0	0	0	0
Excess Appropriation/(Funding)		(105)	0		0	0	0	0
<b>Grand Total</b>		0	105		0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2019-2021 BIENNIUM

## **Analysis of Budget Request**

**Appropriation:** F91 - Outcome-Cent Funding

**Funding Sources:** HQA- Outcome Center Funding- Higher Education Grants Fund Account

Act 1203 of 2011 repealed Arkansas Code §6-61-223 and amended §6-61-224, §6-61-228, §6-61-229, and §6-61-230. The act directs the Department of Higher Education to develop an outcome-centered component of the funding formula for colleges and universities by December 31, 2011. Beginning in 2013-14 the funding recommendations will be based on the need component of student enrollment and the output components of student success and other performance measures. The proportion of the funding recommendation will begin with five percent based on outcome-centered measures, increasing by five percent each year to reach 25 percent in 2017-18. The Director and staff at the Department of Higher Education worked with the presidents, chancellors and key staff at the universities and colleges, along with the Executive Director and key staff at the Arkansas Association of Two-Year Colleges, to develop the university and college performance measures.

The Agency is not requesting this appropriation for the 2019-2021 Biennium.

The Agency's request includes the following:

- Outcome-Centered Funding - Universities reduction of (\$40,320,284) in FY20 and FY21 due to the implementation of the new productivity funding model.
- Outcome-Centered Funding - Colleges reduction of (\$14,192,418) in FY20 and FY21 due to the implementation of the new productivity funding model.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** F91 - Outcome-Cent Funding

**Funding Sources:** HQA- Outcome Center Funding- Higher Education Grants Fund Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Outcome-Centered Awards - Uni 5900046	0	0	40,320,284	0	0	0	0
Outcome-Centered Awards - Col 5900047	0	0	14,192,418	0	0	0	0
Total	0	0	54,512,702	0	0	0	0
<b>Funding Sources</b>							
Fund Balance 4000005	0	0		0	0	0	0
Total Funding	0	0		0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	0	0		0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2019-2021 BIENNIUM

## **Analysis of Budget Request**

**Appropriation:** N60 - WF Initiative Act of 2015

**Funding Sources:** MIF - WF Initiative

The Workforce Initiative Act of 2015 appropriation provides the Arkansas Department of Higher Education the authority to award planning and implementation grants to Arkansas' K-12 and baccalaureate schools. Grantees use these funds to create a partnership between themselves and regional employers with the intention that the student can utilize the program to enter the workforce after completion. Funding for The Workforce Initiative Act of 2015 comes from General Revenue.

The Agency requests \$8,000,000 both years of the biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** N60 - WF Initiative Act of 2015

**Funding Sources:** MIF - WF Initiative

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
WF Initiative	5900046	7,380,952	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Total		7,380,952	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Funding Sources								
Fund Balance	4000005	1,381,072	2,000,001		2,000,001	2,000,001	2,000,001	2,000,001
Intra-agency Fund Transfer	4000317	7,999,881	8,000,000		8,000,000	8,000,000	8,000,000	8,000,000
Total Funding		9,380,953	10,000,001		10,000,001	10,000,001	10,000,001	10,000,001
Excess Appropriation/(Funding)		(2,000,001)	(2,000,001)		(2,000,001)	(2,000,001)	(2,000,001)	(2,000,001)
Grand Total		7,380,952	8,000,000		8,000,000	8,000,000	8,000,000	8,000,000

FY 18 Intra-Agency transfer of \$7,999,881 in General Revenue from Appropriation 153

## **Analysis of Budget Request**

**Appropriation:** V40 - ADHE - Private Career Ed - Treasury Cash

**Funding Sources:** NPC - Cash In Treasury

Funds for the Cash Operations appropriation are received through grants from the Real Estate Foundation and the Winthrop Rockefeller Foundation, investments, and from surety bond receipts paid to the Board to be used for payment of tuition refunds to students or potential students. These funds are used to supplement funding for regular operation costs of the Arkansas Private Career Education Board. Act 565 of 2017 transferred the State Board of Private Career Education under the authority of the Arkansas Department of Higher Education.

The Agency requests \$44,985 for both years of the biennium.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Operating Expenses appropriation due to the varying amounts of revenue that comes into the fund each year.
- Conference and Travel appropriation due to the varying amounts of revenue that comes into the fund each year.
- Professional Fees appropriation due to the varying amounts of revenue that comes into the fund each year.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** V40 - ADHE - Private Career Ed - Treasury Cash

**Funding Sources:** NPC - Cash In Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation		Agency Request and Executive Recommendation	
	2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	2019-2020 Agency	2019-2020 Executive	2020-2021 Agency	2020-2021 Executive
Operating Expenses 5020002	14	9,500	28,087	28,087	28,087	28,087	28,087
Conference & Travel Expenses 5050009	0	6,000	8,898	8,898	8,898	8,898	8,898
Professional Fees 5060010	0	5,000	8,000	8,000	8,000	8,000	8,000
Data Processing 5090012	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0
<b>Total</b>	<b>14</b>	<b>20,500</b>	<b>44,985</b>	<b>44,985</b>	<b>44,985</b>	<b>44,985</b>	<b>44,985</b>
<b>Funding Sources</b>							
Fund Balance 4000005	34,107	34,093		13,593	13,593	0	0
Total Funding	34,107	34,093		13,593	13,593	0	0
Excess Appropriation/(Funding)	(34,093)	(13,593)		31,392	31,392	44,985	44,985
<b>Grand Total</b>	<b>14</b>	<b>20,500</b>		<b>44,985</b>	<b>44,985</b>	<b>44,985</b>	<b>44,985</b>

Expenditure of appropriation is contingent upon available funding.

Regular Salaries appropriation includes board member stipend payments.



## **Analysis of Budget Request**

**Appropriation:** V41 - ADHE - Private Career Ed - Operations

**Funding Sources:** SCS - Private Career Education Fund

The State Board of Private Career Education was created by Act 906 of 1989 and is responsible for annual licensure and monitoring of private career schools and admissions representatives in Arkansas. The State Operations appropriation is funded by special revenue derived primarily from annual license and admissions representative fees paid by the schools to the Board. Act 565 of 2017 transferred the State Board of Private Career Education under the authority of the Arkansas Department of Higher Education.

The Agency requests \$257,145 for both years of the biennium.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Operating Expenses appropriation to better assess the needs of the Private Career Education Board before making any changes to authorized spending levels.
- Conference and Travel appropriation to better assess the needs of the Private Career Education Board before making any changes to authorized spending levels.
- Professional Fees appropriation to better assess the needs of the Private Career Education Board before making any changes to authorized spending levels.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** V41 - ADHE - Private Career Ed - Operations  
**Funding Sources:** SCS - Private Career Education Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			
	2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	2019-2020		2020-2021	
				Agency	Executive	Agency	Executive
Regular Salaries 5010000	67,969	126,362	185,260	124,926	124,926	124,926	124,926
<b>#Positions</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Extra Help 5010001	0	0	20,000	20,000	20,000	20,000	20,000
<b>#Extra Help</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Personal Services Matching 5010003	15,801	38,638	59,702	39,219	39,219	39,219	39,219
Operating Expenses 5020002	4,882	30,000	63,000	63,000	63,000	63,000	63,000
Conference & Travel Expenses 5050009	1,556	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
Data Processing 5090012	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0
<b>Total</b>	<b>90,208</b>	<b>205,000</b>	<b>337,962</b>	<b>257,145</b>	<b>257,145</b>	<b>257,145</b>	<b>257,145</b>
<b>Funding Sources</b>							
Fund Balance 4000005	0	233,631		278,631	278,631	271,486	271,486
Special Revenue 4000030	178,906	250,000		250,000	250,000	250,000	250,000
Inter-agency Fund Transfer 4000316	144,930	0		0	0	0	0
M & R Sales 4000340	3	0		0	0	0	0
<b>Total Funding</b>	<b>323,839</b>	<b>483,631</b>		<b>528,631</b>	<b>528,631</b>	<b>521,486</b>	<b>521,486</b>
<b>Excess Appropriation/(Funding)</b>	<b>(233,631)</b>	<b>(278,631)</b>		<b>(271,486)</b>	<b>(271,486)</b>	<b>(264,341)</b>	<b>(264,341)</b>
<b>Grand Total</b>	<b>90,208</b>	<b>205,000</b>		<b>257,145</b>	<b>257,145</b>	<b>257,145</b>	<b>257,145</b>

## **Analysis of Budget Request**

**Appropriation:** V42 - ADHE - Private Career Ed - Student Prote

**Funding Sources:** TCS - Private Career School Student Protection Trust Fund

Revenues deposited into this fund consists of annual certification fees paid by participating schools to the Board and are primarily used to cover expenses associated with providing for a student's continuing education in the event a school closes or to pay student claims when this arrangement is not feasible. Schools originally licensed during the 1989-91 biennium and have maintained their licensure for fifteen (15) years will not be assessed additional fees unless the fund balance totals less than \$500,000 on May 30th of any fiscal year. Regardless of the fund balance, schools that have not paid licensure fees for fifteen (15) years will continue being charged until they have paid fees for a minimum of fifteen (15) years. Act 565 of 2017 transferred the State Board of Private Career Education under the authority of the Arkansas Department of Higher Education.

The Agency's request is \$300,000 for both years of the biennium.

The Agency's request includes the following:

- Expenses/Claims/Fees reduction of (\$200,000) in FY20 and FY21 to align with Agency expenditures in the commitment item.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Expenses/Claims/Fees appropriation to allow the Agency to pay for student claims for up to 3 school closings per year.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** V42 - ADHE - Private Career Ed - Student Prote

**Funding Sources:** TCS - Private Career School Student Protection Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Expenses/Claims/Fees	5900046	10,646	500,000	500,000	300,000	300,000	300,000	300,000
Total		10,646	500,000	500,000	300,000	300,000	300,000	300,000
<b>Funding Sources</b>								
Fund Balance	4000005	0	1,294,848		824,848	824,848	554,848	554,848
Trust Fund	4000050	3,827	30,000		30,000	30,000	30,000	30,000
Inter-agency Fund Transfer	4000316	1,301,667	0		0	0	0	0
Total Funding		1,305,494	1,324,848		854,848	854,848	584,848	584,848
Excess Appropriation/(Funding)		(1,294,848)	(824,848)		(554,848)	(554,848)	(284,848)	(284,848)
Grand Total		10,646	500,000		300,000	300,000	300,000	300,000

## **Analysis of Budget Request**

**Appropriation:** HEG - Health Education Grants & Loans

**Funding Sources:** HEG - Higher Education Grants

The Health Professions Financial Assistance Program of the Arkansas Department of Higher Education (ADHE) is responsible for developing rules and regulations for the Arkansas Health Education Grants (ARHEG) Program. ARHEG provides Arkansas residents financial assistance to attend certain out-of-state health and medical professional schools for graduate or professional programs not available in Arkansas. Education programs not offered in Arkansas are facilitated through contractual arrangements negotiated through the Southern Regional Education Board (SREB), of which Arkansas is a member. The State also contracts directly with out-of-state institutions for additional spaces or student slots at Non-SREB institutions. Such assistance is typically amounts sufficient to help offset the difference in the resident and non-resident tuition fees at participating institutions. Assistance is currently available for attendance at any accredited school of dentistry, veterinary medicine, optometry, osteopathy medicine, podiatric and chiropractic medicine. ARHEG is funded by general revenue payable from the Higher Education Grants (HEG) Fund.

The Agency request is \$7,117,770 for both years of the biennium.

The Agency's request includes the following:

- Dental Grants and Aid of \$250,000 to cover the increased cost of slot fees between the Arkansas Department of Higher Education and the Southern Regional Education Board (SERB). The SERB provides a certain number of slots which allows Arkansas students to attend professional schools not provided by the State of Arkansas.
- Optometry Grants and Aid of \$100,000 to cover the increased cost of slot fees between the Arkansas Department of Higher Education and the Southern Regional Education Board (SERB). The SERB provides a certain number of slots which allows Arkansas students to attend professional schools not provided by the State of Arkansas.
- Veterinary Grants and Aid of \$200,000 to cover the increased cost of slot fees between the Arkansas Department of Higher Education and the Southern Regional Education Board (SERB). The SERB provides a certain number of slots which allows Arkansas students to attend professional schools not provided by the State of Arkansas.
- Osteopathic Grants and Aid reallocation of (\$50,000) to Veterinary Grants and Aid. The reallocation is due to no longer needing the Osteopathic line item because the State of Arkansas now has an Osteopathic Medicine program.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Dental Grants and Aid to allow for fluctuations in eligibility and use of the programs.
- Optometry Grants and Aid to allow for fluctuations in eligibility and use of the programs.
- Veterinary Grants and Aid to allow for fluctuations in eligibility and use of the programs.
- Veterinary Loans to allow for fluctuations in eligibility and use of the programs.
- Chiropractic Grants and Aid to allow for fluctuations in eligibility and use of the programs.
- Podiatry Grants and Aid to allow for fluctuations in eligibility and use of the programs.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** HEG - Health Education Grants & Loans

**Funding Sources:** HEG - Higher Education Grants

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Osteopathy Aid	5100004	\$10,000	\$50,000	\$50,000	\$0	\$0	\$0	\$0
Podiatry Aid	5100004	\$38,100	\$80,400	\$130,400	\$130,400	\$130,400	\$130,400	\$130,400
Veterinary Aid	5100004	\$1,345,478	\$1,500,000	\$1,500,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000
Chiropractic Aid	5100004	\$116,246	\$260,000	\$260,000	\$260,000	\$260,000	\$260,000	\$260,000
Dental Aid Grants	5100004	\$2,480,950	\$2,750,000	\$2,750,000	\$2,950,000	\$2,950,000	\$2,950,000	\$2,950,000
Optometry Aid Grants	5100004	\$486,200	\$550,000	\$500,000	\$650,000	\$650,000	\$650,000	\$650,000
Veterinary Aid Loans	5120029	\$0	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Optometry Aid Loans	5120029	\$115,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000
Dental Aid Loans	5120029	\$904,500	\$987,370	\$987,370	\$987,370	\$987,370	\$987,370	\$987,370
<b>Total</b>		<b>\$5,496,474</b>	<b>\$6,567,770</b>	<b>\$6,567,770</b>	<b>\$7,117,770</b>	<b>\$7,117,770</b>	<b>\$7,117,770</b>	<b>\$7,117,770</b>
<b>Funding Sources</b>								
General Revenue	4000010	\$5,496,474	\$6,567,770		\$6,867,770	\$6,867,770	\$6,867,770	\$6,867,770
Total Funding		\$5,496,474	\$6,567,770		\$6,867,770	\$6,867,770	\$6,867,770	\$6,867,770
Excess Appropriation/(Funding)		\$0	\$0		\$250,000	\$250,000	\$250,000	\$250,000
Grand Total		\$5,496,474	\$6,567,770		\$7,117,770	\$7,117,770	\$7,117,770	\$7,117,770

Expenditure of appropriation is contingent upon available funding.

# DEPARTMENT OF LABOR

## State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

### Employment Summary

	Male	Female	Total	%
White Employees	29	22	51	68 %
Black Employees	9	14	23	31 %
Other Racial Minorities	0	1	1	1 %
Total Minorities			24	32 %
Total Employees			75	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 Department of Labor Annual Report	A.C.A. 11-2-120	Y	N	0	This publication is submitted to the Governor electronically and made publically available via the ADL website to keep citizens aware of agency activities and Legislative and regulatory changes affecting businesses and labor conditions.	0	0.00



## Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2017-2018		2018-2019		2018-2019		2019-2020				2020-2021			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
148 State Operations	3,525,887	50	4,296,092	54	4,213,572	59	4,295,796	54	4,295,796	54	4,297,626	54	4,297,626	54
149 Boiler Inspection	699,445	10	859,243	10	834,220	10	832,288	10	832,288	10	832,412	10	832,412	10
151 Federal Programs	1,150,461	16	1,685,496	21	1,284,054	16	1,546,202	21	1,546,202	21	1,546,275	21	1,546,275	21
2CT Board of Electrical Examiners	506,771	8	688,471	9	669,237	9	688,534	9	688,534	9	689,272	9	689,272	9
940 Wage and Hour - Cash	114,665	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
942 Seminar & Conference Expenses - Cash	26,079	0	44,295	0	53,000	0	53,000	0	37,000	0	53,000	0	37,000	0
<b>Total</b>	<b>6,023,308</b>	<b>84</b>	<b>7,773,597</b>	<b>94</b>	<b>7,254,083</b>	<b>94</b>	<b>7,615,820</b>	<b>94</b>	<b>7,599,820</b>	<b>94</b>	<b>7,618,585</b>	<b>94</b>	<b>7,602,585</b>	<b>94</b>

  

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	1,895,033	23.8	1,934,237	20.4	1,698,702	18.0	1,698,702	18.0	1,832,264	18.4	1,833,264	18.4
General Revenue	4000010	3,227,555	40.6	3,227,555	34.1	3,227,813	34.2	3,227,813	34.2	3,229,537	32.4	3,229,537	32.4
Federal Revenue	4000020	1,038,841	13.1	2,002,507	21.1	1,942,540	20.6	1,942,540	20.6	2,336,674	23.5	2,336,674	23.5
Special Revenue	4000030	1,359,688	17.1	2,070,000	21.9	2,326,029	24.7	2,326,029	24.7	2,326,029	23.3	2,326,029	23.3
Cash Fund	4000045	99,617	1.3	238,000	2.5	238,000	2.5	238,000	2.5	238,000	2.4	238,000	2.4
Transfers from Agencies	4000690	336,811	4.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Funds</b>		<b>7,957,545</b>	<b>100.0</b>	<b>9,472,299</b>	<b>100.0</b>	<b>9,433,084</b>	<b>100.0</b>	<b>9,433,084</b>	<b>100.0</b>	<b>9,962,504</b>	<b>100.0</b>	<b>9,963,504</b>	<b>100.0</b>
Excess Appropriation/(Funding)		(1,934,237)		(1,698,702)		(1,817,264)		(1,833,264)		(2,343,919)		(2,360,919)	
<b>Grand Total</b>		<b>6,023,308</b>		<b>7,773,597</b>		<b>7,615,820</b>		<b>7,599,820</b>		<b>7,618,585</b>		<b>7,602,585</b>	

Budget Number of Positions in Appropriations 148 and 151 vary from the Authorized Number due to single salary section in appropriation act. FY19 Budget amount in Appropriations 148, 149, 151 and 2CT exceeds the authorized amount due to salary and matching rate adjustments.

## **Analysis of Budget Request**

**Appropriation:** 148 - State Operations

**Funding Sources:** HSA - Dept. of Labor Fund Account

The Department of Labor was created by A.C.A. §11-2-106 under the supervision and direction of the Director of the Department of Labor. The Director is appointed by the Governor and is subject to confirmation by the Senate. The Director is authorized in A.C.A. §11-2-108 to enforce all labor laws, not otherwise specified in law; administer and enforce all laws, rules and regulations under the purview of the Department; ensure all inspections are conducted as required by rules and regulations of the Department; conduct investigations; and collect and compile statistical information regarding labor in the State.

This appropriation is utilized to support the State Operations of the Agency and to provide the matching requirements for the Federal Occupational Safety Health Administration (OSHA), Mine Safety Health and Administration (MSHA), Revised Occupational Safety and Health Statistics (ROSH), and Census of Fatal Occupational Injuries (CFOI) grants. Funding is derived from general revenue and special revenue from fees collected by the Elevator Inspection Program; as well as non-revenue receipts from blasting certification fees and amusement ride inspections.

The Agency is requesting \$4,295,796 in FY20 and \$4,297,626 in FY21.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Operating Expenses - The Agency spends a significant part of their Operating expenses on in-state travel for field inspectors. During FY18 the Agency had lower Operational expenses due to several unfilled positions.
- Conferences & Travel Expenses - Some meetings were held within driving distance; the Agency rented a van and drove several employees in order to save on cost. Meeting locations vary and could be held further away requiring Agency to pay for airfare.
- Professional Fees - The Agency is requesting to keep this appropriation for contingency purposes. In previous years this appropriation was used for lab diagnostics fees that vary depending on user services. Additionally, in the past this appropriation has been used for legal services for administrative hearings

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 148 - State Operations  
**Funding Sources:** HSA - Dept. of Labor Fund Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	2,221,811	2,647,291	2,565,569	2,645,601	2,645,601	2,646,951	2,646,951	
<b>#Positions</b>		<b>50</b>	<b>54</b>	<b>59</b>	<b>54</b>	<b>54</b>	<b>54</b>	<b>54</b>	
Extra Help	5010001	13,990	32,000	32,000	32,000	32,000	32,000	32,000	
<b>#Extra Help</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	
Personal Services Matching	5010003	785,068	886,452	885,654	887,846	887,846	888,326	888,326	
Operating Expenses	5020002	478,978	684,954	684,954	684,954	684,954	684,954	684,954	
Conference & Travel Expenses	5050009	26,040	42,395	42,395	42,395	42,395	42,395	42,395	
Professional Fees	5060010	0	3,000	3,000	3,000	3,000	3,000	3,000	
Data Processing	5090012	0	0	0	0	0	0	0	
Capital Outlay	5120011	0	0	0	0	0	0	0	
<b>Total</b>		<b>3,525,887</b>	<b>4,296,092</b>	<b>4,213,572</b>	<b>4,295,796</b>	<b>4,295,796</b>	<b>4,297,626</b>	<b>4,297,626</b>	
<b>Funding Sources</b>									
Fund Balance	4000005	138,721	152,521		153,984	153,984	154,242	154,242	
General Revenue	4000010	3,227,555	3,227,555		3,227,813	3,227,813	3,229,537	3,229,537	
Federal Revenue	4000020	0	200,000		249,000	249,000	249,000	249,000	
Special Revenue	4000030	5,759	870,000		819,241	819,241	819,241	819,241	
Transfers from Agencies	4000690	306,373	0		0	0	0	0	
<b>Total Funding</b>		<b>3,678,408</b>	<b>4,450,076</b>		<b>4,450,038</b>	<b>4,450,038</b>	<b>4,452,020</b>	<b>4,452,020</b>	
<b>Excess Appropriation/(Funding)</b>		<b>(152,521)</b>	<b>(153,984)</b>		<b>(154,242)</b>	<b>(154,242)</b>	<b>(154,394)</b>	<b>(154,394)</b>	
<b>Grand Total</b>		<b>3,525,887</b>	<b>4,296,092</b>		<b>4,295,796</b>	<b>4,295,796</b>	<b>4,297,626</b>	<b>4,297,626</b>	

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium. Budgeted Number of Positions may vary from the Authorized Number due to single salary section in appropriation act.

## **Analysis of Budget Request**

**Appropriation:** 149 - Boiler Inspection

**Funding Sources:** MLS - Dept. of Labor Special Fund

The Boiler Inspection Program is established in ACA §20-23-101 et seq. and is funded by special revenue collected by the Department from permits and inspection of all boilers used by private and public industries. In addition, fees are collected for annual and biennial inspections of all boilers and pressure vessels, the examination and licensing of boiler operators, quality control assurance surveys, ASME code shop service, licensing of firms to install and repair boilers and pressure vessels, consultation regarding boiler installation, maintenance, operation and repair.

The Agency is requesting \$832,288 in FY20 and \$832,412 in FY21.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Operating Expenses - The Agency spends a significant part of their Operating Expenses for in-state travel for boilers inspectors. During FY18 the Agency had savings in Operational Expenses due to less overnight travel.
- Conferences & Travel Expenses - The Agency is requesting to keep the full appropriation to attend the National Board of Boiler and Pressure Vessel Inspectors Conference. The Chief Boiler Inspector serves on the National Board by virtue of his position.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 149 - Boiler Inspection

**Funding Sources:** MLS - Dept. of Labor Special Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	427,112	451,563	431,971	429,420	429,420	429,520	429,520	
<b>#Positions</b>		<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	
Personal Services Matching	5010003	148,168	155,832	150,401	151,020	151,020	151,044	151,044	
Operating Expenses	5020002	120,390	237,804	237,804	237,804	237,804	237,804	237,804	
Conference & Travel Expenses	5050009	3,775	14,044	14,044	14,044	14,044	14,044	14,044	
Professional Fees	5060010	0	0	0	0	0	0	0	
Data Processing	5090012	0	0	0	0	0	0	0	
Capital Outlay	5120011	0	0	0	0	0	0	0	
<b>Total</b>		<b>699,445</b>	<b>859,243</b>	<b>834,220</b>	<b>832,288</b>	<b>832,288</b>	<b>832,412</b>	<b>832,412</b>	
<b>Funding Sources</b>									
Fund Balance	4000005	534,899	645,378		586,135	586,135	506,948	506,948	
Special Revenue	4000030	809,924	800,000		753,101	753,101	753,101	753,101	
<b>Total Funding</b>		<b>1,344,823</b>	<b>1,445,378</b>		<b>1,339,236</b>	<b>1,339,236</b>	<b>1,260,049</b>	<b>1,260,049</b>	
Excess Appropriation/(Funding)		(645,378)	(586,135)		(506,948)	(506,948)	(427,637)	(427,637)	
<b>Grand Total</b>		<b>699,445</b>	<b>859,243</b>		<b>832,288</b>	<b>832,288</b>	<b>832,412</b>	<b>832,412</b>	

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 151 - Federal Programs

**Funding Sources:** FNA - Dept. of Labor-Federal Programs

Arkansas Code Annotated §11-2-121 authorizes the Director of the Department of Labor to enter into agreements with the United States Government for assistance and cooperation in enforcing and implementing state and federal laws. This appropriation is 100% federally funded and is utilized for the receipt of grant funds for conducting OSHA Consultation, Mine Safety and Health Consultation and Training, and the Occupational Injuries and Fatalities Surveys.

The Agency is requesting \$1,546,202 in FY20 and \$1,546,275 in FY21.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Operating Expenses - Operating expenses for the State fiscal year encompass parts of two federal fiscal years. The Agency needs flexibility to match grant requirements with grant funding availability.
- Conference & Travel Expenses - The National Conference was held within driving distance from Little Rock during FY18; the location for the required training vary. In a past Conference & Travel Expenses were higher. The Agency is requesting to keep the appropriation at authorized level to be able to pay for all the required training in a future.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 151 - Federal Programs  
**Funding Sources:** FNA - Dept. of Labor-Federal Programs

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	684,229	887,029	687,963	880,040	880,040	880,090	880,090	
<b>#Positions</b>		<b>16</b>	<b>21</b>	<b>16</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	
Personal Services Matching	5010003	233,240	307,984	237,258	307,329	307,329	307,352	307,352	
Operating Expenses	5020002	222,440	410,483	314,883	314,883	314,883	314,883	314,883	
Conference & Travel Expenses	5050009	10,552	80,000	43,950	43,950	43,950	43,950	43,950	
Professional Fees	5060010	0	0	0	0	0	0	0	
Data Processing	5090012	0	0	0	0	0	0	0	
Capital Outlay	5120011	0	0	0	0	0	0	0	
<b>Total</b>		<b>1,150,461</b>	<b>1,685,496</b>	<b>1,284,054</b>	<b>1,546,202</b>	<b>1,546,202</b>	<b>1,546,275</b>	<b>1,546,275</b>	
<b>Funding Sources</b>									
Fund Balance	4000005	245,478	133,858		250,869	250,869	398,207	398,207	
Federal Revenue	4000020	1,038,841	1,802,507		1,693,540	1,693,540	2,087,674	2,087,674	
<b>Total Funding</b>		<b>1,284,319</b>	<b>1,936,365</b>		<b>1,944,409</b>	<b>1,944,409</b>	<b>2,485,881</b>	<b>2,485,881</b>	
Excess Appropriation/(Funding)		(133,858)	(250,869)		(398,207)	(398,207)	(939,606)	(939,606)	
<b>Grand Total</b>		<b>1,150,461</b>	<b>1,685,496</b>		<b>1,546,202</b>	<b>1,546,202</b>	<b>1,546,275</b>	<b>1,546,275</b>	

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

Budget Number of Positions may exceed the Authorized Number due to single salary section in appropriation act.

Budget exceeds Authorized Appropriation in Operating Expenses due to a transfer from the Miscellaneous Federal Grant Holding Account. Budget exceeds Authorized Appropriation in Conference & Travel Expenses due to a transfer from the Miscellaneous Federal Grant Holding Account.

## **Analysis of Budget Request**

**Appropriation:** 2CT - Board of Electrical Examiners

**Funding Sources:** MLS - Dept. of Labor Special Fund

Arkansas Code Annotated §17-28-201 created the Board of Electrical Examiners consisting of the Director of the Department of Labor and eight (8) other members appointed by the Governor with the advice and consent of the Senate. The Board is authorized to adopt rules and regulations; conduct examinations for license; register electrical apprentices and issue certificates; and revoke or suspend licenses or certificates. The Board is required to establish minimum standards for the performance of electrical work pursuant to Ark. Code Ann. §20-31-104.

This appropriation is funded by special revenues from fees collected for license issuance and renewal of electrical contractors and the examination, license and renewal of master, journeyman, and industrial maintenance electricians as well as residential master and journeyman electricians and air conditioning electricians.

The Agency is requesting \$688,534 in FY20 and \$689,272 in FY21.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Operating Expenses - The Agency spends a significant part of the Operating Expenses for Electrical Examiners in-state travel. During FY18 one position was unfilled and as a result the Agency had savings in Operating Expenses.
- Conference & Travel Expenses - Only one employee attended the National Conference in FY18 instead of the budgeted two. The Agency is requesting to keep the appropriation to attend national meetings with states reciprocating with Arkansas.

The Executive Recommendation provides for the Agency Request.



## Appropriation Summary

**Appropriation:** 2CT - Board of Electrical Examiners

**Funding Sources:** MLS - Dept. of Labor Special Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	293,754	381,659	366,632	381,483	381,483	382,083	382,083	
<b>#Positions</b>		<b>8</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	
Personal Services Matching	5010003	105,909	132,644	128,437	132,883	132,883	133,021	133,021	
Operating Expenses	5020002	103,802	167,738	167,738	167,738	167,738	167,738	167,738	
Conference & Travel Expenses	5050009	3,306	6,430	6,430	6,430	6,430	6,430	6,430	
Professional Fees	5060010	0	0	0	0	0	0	0	
Data Processing	5090012	0	0	0	0	0	0	0	
Capital Outlay	5120011	0	0	0	0	0	0	0	
<b>Total</b>		<b>506,771</b>	<b>688,471</b>	<b>669,237</b>	<b>688,534</b>	<b>688,534</b>	<b>689,272</b>	<b>689,272</b>	
<b>Funding Sources</b>									
Fund Balance	4000005	825,456	862,690		574,219	574,219	639,372	639,372	
Special Revenue	4000030	544,005	400,000		753,687	753,687	753,687	753,687	
<b>Total Funding</b>		<b>1,369,461</b>	<b>1,262,690</b>		<b>1,327,906</b>	<b>1,327,906</b>	<b>1,393,059</b>	<b>1,393,059</b>	
<b>Excess Appropriation/(Funding)</b>		<b>(862,690)</b>	<b>(574,219)</b>		<b>(639,372)</b>	<b>(639,372)</b>	<b>(703,787)</b>	<b>(703,787)</b>	
<b>Grand Total</b>		<b>506,771</b>	<b>688,471</b>		<b>688,534</b>	<b>688,534</b>	<b>689,272</b>	<b>689,272</b>	

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 940 - Wage and Hour - Cash

**Funding Sources:** NDW - Cash in Treasury

The Department of Labor utilizes this appropriation as a “pass through” account to disburse cash funds collected from employers when it is determined an employer owes compensation to an employee resulting from wage and hour investigations and legal actions pursued by the Agency. Payments made to the Department of Labor by employers for this purpose are then disbursed to the employee.

The Agency is requesting \$200,000 in each year of the 2019-2021 Biennium.

The Agency’s request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Wages Due - The volume of wage collections can vary greatly on year-to-year basis. The Agency is requesting to keep this appropriation at authorized level for contingency purposes.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 940 - Wage and Hour - Cash

**Funding Sources:** NDW - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Wages Due	5900046	114,665	200,000	200,000	200,000	200,000	200,000	200,000
Total		114,665	200,000	200,000	200,000	200,000	200,000	200,000
Funding Sources								
Fund Balance	4000005	148,698	133,495		133,495	133,495	133,495	133,495
Cash Fund	4000045	99,462	200,000		200,000	200,000	200,000	200,000
Total Funding		248,160	333,495		333,495	333,495	333,495	333,495
Excess Appropriation/(Funding)		(133,495)	(133,495)		(133,495)	(133,495)	(133,495)	(133,495)
Grand Total		114,665	200,000		200,000	200,000	200,000	200,000

Expenditure of appropriation is contingent upon available funding.

## **Analysis of Budget Request**

**Appropriation:** 942 - Seminar & Conference Expenses - Cash

**Funding Sources:** NDW - Cash in Treasury

The Department utilizes this appropriation to cover seminar and conference related costs. Cash funds collected from participants attending safety seminars and conferences hosted by the Department fund this appropriation.

The Agency is requesting \$53,000 for each year of the biennium.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Operating Expenses - The Agency is using this line item for the rent of facilities for the conference. Expenses can vary from year to year and Agency is requesting an authorized appropriation for contingency purposes.
- Conference & Travel Expenses - The Agency uses this line item to pay for the conference expenses like food, presenters travel and fees and other costs. Expenses vary from year to year and the Agency is asking for the authorized appropriation.

The Executive Recommendation provides for reduction of Operating Expenses from \$10,000 to \$2,000 and reduction of Conference & Travel Expenses from \$43,000 to \$35,000.

## Appropriation Summary

**Appropriation:** 942 - Seminar & Conference Expenses - Cash

**Funding Sources:** NDW - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	265	2,000	10,000	10,000	2,000	10,000	2,000
Conference & Travel Expenses	5050009	25,814	42,295	43,000	43,000	35,000	43,000	35,000
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>26,079</b>	<b>44,295</b>	<b>53,000</b>	<b>53,000</b>	<b>37,000</b>	<b>53,000</b>	<b>37,000</b>
<b>Funding Sources</b>								
Fund Balance	4000005	1,781	6,295		0	0	0	1,000
Cash Fund	4000045	155	38,000		38,000	38,000	38,000	38,000
Transfers from Agencies	4000690	30,438	0		0	0	0	0
<b>Total Funding</b>		<b>32,374</b>	<b>44,295</b>		<b>38,000</b>	<b>38,000</b>	<b>38,000</b>	<b>39,000</b>
Excess Appropriation/(Funding)		(6,295)	0		15,000	(1,000)	15,000	(2,000)
<b>Grand Total</b>		<b>26,079</b>	<b>44,295</b>		<b>53,000</b>	<b>37,000</b>	<b>53,000</b>	<b>37,000</b>

Expenditure of appropriation is contingent upon available funding.

# STATE INSURANCE DEPARTMENT

## State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

### Employment Summary

	Male	Female	Total	%
White Employees	46	70	116	75 %
Black Employees	6	25	31	20 %
Other Racial Minorities	2	5	7	5 %
Total Minorities			38	25 %
Total Employees			154	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	A.C.A 23-61-112	Y	N	120	Required for the Governor and provided to others upon request.	0	0.00

## Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2017-2018		2018-2019		2018-2019		2019-2020				2020-2021			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
1QA AMAIT - Operations	7,569,880	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
2SW Insurance-State Operations	10,814,548	117	14,100,362	131	13,463,407	134	13,770,015	134	13,770,015	134	13,758,746	134	13,758,746	134
2SX Fraud Investigation Unit	950,453	13	1,262,100	14	1,114,534	14	828,386	11	828,386	11	828,509	11	828,509	11
2SY Insurance Fraud Investigation Division	194,760	0	237,635	0	237,635	0	507,295	3	507,295	3	509,295	3	509,295	3
2SZ Prepaid Funeral Benefits Division	267,940	4	436,701	5	396,801	5	374,619	5	374,619	5	374,744	5	374,744	5
2TA Continuing Education Program	0	0	0	0	36,076	0	31,184	0	31,184	0	31,184	0	31,184	0
2TB State Employee Claims	13,111,802	0	16,500,000	0	16,500,000	0	16,500,000	0	16,500,000	0	16,500,000	0	16,500,000	0
2TC Governmental Bonding Board Operations	1,160,115	0	3,205,000	0	4,104,855	0	3,005,000	0	3,005,000	0	3,005,000	0	3,005,000	0
2TD Public Employees Claims Section	1,656,928	21	2,086,256	24	1,995,684	24	1,921,874	23	1,921,874	23	1,923,478	23	1,923,478	23
2TE Health Information Counseling	460,850	4	998,223	7	966,585	7	804,007	7	804,007	7	804,007	7	804,007	7
2TF Refunds of Overpayments	10,979,709	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0
2TG Public School Employees Claims	45,472	0	450,000	0	450,000	0	400,000	0	400,000	0	400,000	0	400,000	0
2TH County Employee Claims	4,413	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
2TJ City Employee Claims	21,232	0	600,000	0	600,000	0	400,000	0	400,000	0	400,000	0	400,000	0
2TK Consumer Info System - Cash	2,828	0	65,000	0	79,005	0	48,005	0	48,005	0	28,005	0	28,005	0
2TM Travel & Subsistence-Cash	32,109	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
2TN Prepaid Funeral Contracts Recovery	47,649	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
4HH Criminal Background Checks-Cash	9,277	0	125,000	0	125,000	0	125,000	0	125,000	0	125,000	0	125,000	0
56A Public School Insurance Program	6,936,518	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
V46 AR Healthcare Transparency Initiative Datal	0	0	0	0	3,200,000	0	3,200,000	0	3,200,000	0	3,200,000	0	3,200,000	0
V98 Funeral Services	381,829	2	563,745	6	540,984	6	564,356	6	564,356	6	564,479	6	564,479	6
<b>NOT REQUESTED FOR THE BIENNIUM</b>														
85P Rate Review-Federal	739,159	3	0	0	5,866,230	0	0	0	0	0	0	0	0	0
N41 MIPPA - 3	85,082	0	130,000	0	0	0	0	0	0	0	0	0	0	0
N42 Rate Review Cycle IV	23,979	0	106,039	1	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>55,496,532</b>	<b>164</b>	<b>92,666,061</b>	<b>188</b>	<b>101,476,796</b>	<b>190</b>	<b>94,279,741</b>	<b>189</b>	<b>94,279,741</b>	<b>189</b>	<b>94,252,447</b>	<b>189</b>	<b>94,252,447</b>	<b>189</b>

  

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	54,398,130	41.6	75,420,051	51.6	53,604,948	41.2	53,604,948	41.2	42,350,135	35.6	42,350,135	35.6
Federal Revenue	4000020	1,309,070	1.0	1,234,262	0.8	804,007	0.6	804,007	0.6	804,007	0.7	804,007	0.7
Special Revenue	4000030	4,793,651	3.7	4,741,696	3.2	8,024,276	6.2	8,024,276	6.2	8,026,126	6.8	8,026,126	6.8
Cash Fund	4000045	42,513	0.0	225,000	0.2	225,000	0.2	225,000	0.2	225,000	0.2	225,000	0.2
Trust Fund	4000050	46,210,591	35.3	35,900,000	24.5	38,950,000	29.9	38,950,000	29.9	38,950,000	32.8	38,950,000	32.8

Funding Sources			%		%		%		%		%
Intra-agency Fund Transfer	4000317	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Revolving	4000350	11,050,826	8.4	12,250,000	8.4	12,000,000	9.2	12,000,000	9.2	12,000,000	10.1
Workers' Comp Revolving	4000735	13,111,802	10.0	16,500,000	11.3	16,500,000	12.7	16,500,000	12.7	16,500,000	13.9
Total Funds		130,916,583	100.0	146,271,009	100.0	130,108,231	100.0	130,108,231	100.0	118,855,268	100.0
Excess Appropriation/(Funding)		(75,420,051)		(53,604,948)		(35,828,490)		(35,828,490)		(24,602,821)	
Grand Total		55,496,532		92,666,061		94,279,741		94,279,741		94,252,447	

FY19 Budget in Appropriations 2SW, 2SX, 2SZ, 2TD, 2TE & V98 exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium. Variance in fund balance due to unfunded appropriation in fund centers 1QA, 2TC, 2TK, 2TN, and 56A.



## **Analysis of Budget Request**

**Appropriation:** 1QA - AMAIT - Operations

**Funding Sources:** TMI - Arkansas Multi-Agency Insurance Trust Fund

The Arkansas Multi-Agency Insurance Trust Fund Program was established by Act 1762 of 2003 to reduce the costs of insurance coverage for state agencies by combining their premium dollars in purchasing broader coverage for property and vehicle insurance with higher deductibles. The program is also designed to build a growing reserve to self-insure ever larger deductible amounts allowing further reductions in policy prices.

Continuing Level appropriation is the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

Agency Request provides for a continuing level of \$20.0 million each year of the biennium. Annual agency expenditures average approximately \$8.0 to \$9.0 million; however, the agency states \$11.7 million over actual is needed for total insurance premium expense for state property and vehicles in addition to potential claim expenses. This includes Self Insured Retentions and valid claims that have not been reported.

In order to provide sufficient appropriation to cover unanticipated expenditures, the Agency Request exceeds the FY18 Actual Expenditures by more than 10%.

The additional appropriation provides contingency authorization for total insurance premiums for state property and vehicles as well as claim expenses.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 1QA - AMAIT - Operations

**Funding Sources:** TMI - Arkansas Multi-Agency Insurance Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
AMAIT 5900046	7,569,880	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total	7,569,880	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Funding Sources							
Fund Balance 4000005	16,079,402	17,075,670		5,275,670	5,275,670	0	0
Trust Fund 4000050	8,566,148	8,200,000		8,250,000	8,250,000	8,250,000	8,250,000
Total Funding	24,645,550	25,275,670		13,525,670	13,525,670	8,250,000	8,250,000
Excess Appropriation/(Funding)	(17,075,670)	(5,275,670)		6,474,330	6,474,330	11,750,000	11,750,000
Grand Total	7,569,880	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000

## **Analysis of Budget Request**

**Appropriation:** 2SW - Insurance-State Operations

**Funding Sources:** TSI - State Insurance Department Trust Fund

The State Insurance Department's State Operations appropriation is funded by special revenues that are authorized in Arkansas Code §19-5-922. This appropriation is used to defray department expenses in the discharge of its administrative and regulatory powers.

Regular Salaries and Personal Services Matching includes the continuation of the previously authorized 2019 Salaries, Performance Pay, and Career Service Payments. Personal Services Matching includes the monthly contribution for health insurance per budgeted employee of \$420 per month. Salaries and Matching do not include appropriation for a Cost of Living Adjustment or Performance Pay increase for the 2019 - 2021 Biennium.

With the exception of Regular Salaries, Personal Services Matching and Capital Outlay Continuing Level appropriation is the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency Change Level Request is a net appropriation decrease of (\$414,571) in FY2020 and (\$430,571) in FY2021, and includes the following:

- Discontinue Operating Expenses totaling \$482,315 in FY2020 and \$484,815 in FY2021 to align data processing supplies and network authorization with actual expenses.
- Reallocation of \$9,256 each year from Overtime and associated Personal Services Matching to Capital Outlay.
- Reallocation of \$94,600 in FY2020 and \$92,100 in FY2021 from Operating Expense to Conference & Travel Expenses of \$50,000 each year; Professional Fees of \$19,600 each year; and Capital Outlay of \$25,000 in FY2020 and \$22,500 in FY2021 for technology related equipment.
- Capital Outlay of \$102,000 in FY2020 and \$86,000 in FY2021 for scheduled replacement of aging technology related equipment and hardware. This request is offset by reductions in Operating Expenses and Overtime. This request is compliant with the Agency IT Plan.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Extra Help - This fund is used for securities officers, in addition to helping pay for positions where we need overlap of retiring/terminating personnel, and new hires so that regulatory and payment processing functions are not interrupted due to turnover. While we did not experience the type of turnover in FY 2018 that required us to need this overlap, it benefits the state for us to have the flexibility so that*

*our collections of over \$200 million is not interrupted due to turnover.*

- *Overtime - While we did not require the use of overtime in FY 2018, we have reduced the budget for this commitment item by \$7,500 to \$27,500. The benefit to the state is that if we have a personnel deficit we can pay current employees to work beyond 40 hours in the event of large backlog of work.*
- *Operating Expenses - We are requesting excess appropriation to provide for the unknown expense association with two new entities that we will be regulating; Pharmacy Benefit Managers and Risk Based Providers. In addition we are absorbing the Funeral Services Board into our Operations and it is not known the amount of Insurance Operating Funds will be needed to offset expenses that exceed collections. Thirdly, we plan to automate the \$10 million annual Surplus Lines tax filing and payment process, which will require initial investment of contract labor assistance for project planning, execution, and technical documentation, but will contribute savings over time resulting in a high return on investment.*
- *Conference & Travel Expenses - Request for additional appropriation over actual expenses is due to new finance staff that will be starting and the required training for their certifications. Most of the training offered is out of state.*
- *Professional Fees / Services - Justification for keeping current level budget for maximum flexibility of actuary needs. As new companies choose to domicile in Arkansas, the Department needs to be able to contract with actuary firms to perform financial audits of companies to protect Arkansas consumers. Additionally, the currently unknown needs for financial regulation of Pharmacy Benefits Managers makes the need for keeping current budget vital.*
- *Special Maintenance - The special maintenance budget request is for one time repairs or maintenance to our building. For example, we have to cover the cost of the air unit for our server room. This has flooded before, and we had to incur the expense of repairing this space. This also covers any security camera repairs when needed, as well as repair or service to any other assets we have purchased for our building; industrial refrigerator, ice machine, reception area build out, or other leasehold improvement needed. Hopefully, with routine maintenance we can mitigate the amount of repairs needed from appropriation.*

Total Agency Appropriation Request is \$13,770,015 in FY2020 and \$13,758,746 in FY2021 and includes 134 positions and 19 Extra Help.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2SW - Insurance-State Operations  
**Funding Sources:** TSI - State Insurance Department Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	6,231,488	7,316,674	6,837,830	7,496,872	7,496,872	7,500,172	7,500,172	
<b>#Positions</b>		<b>117</b>	<b>131</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>	
Extra Help	5010001	69,931	140,000	140,000	140,000	140,000	140,000	140,000	
<b>#Extra Help</b>		<b>10</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	
Personal Services Matching	5010003	2,071,887	2,390,099	2,231,988	2,447,369	2,447,369	2,448,800	2,448,800	
Overtime	5010006	13	35,000	35,000	27,500	27,500	27,500	27,500	
Operating Expenses	5020002	1,574,815	2,578,098	2,777,589	2,200,674	2,200,674	2,200,674	2,200,674	
Conference & Travel Expenses	5050009	154,625	188,000	138,000	188,000	188,000	188,000	188,000	
Professional Fees	5060010	25,188	291,491	142,000	161,600	161,600	161,600	161,600	
Data Processing	5090012	0	0	0	0	0	0	0	
Capital Outlay	5120011	109,973	155,000	155,000	102,000	102,000	86,000	86,000	
Special Maintenance	5120032	3,636	50,000	50,000	50,000	50,000	50,000	50,000	
Professional Services	5900043	572,992	956,000	956,000	956,000	956,000	956,000	956,000	
<b>Total</b>		<b>10,814,548</b>	<b>14,100,362</b>	<b>13,463,407</b>	<b>13,770,015</b>	<b>13,770,015</b>	<b>13,758,746</b>	<b>13,758,746</b>	
<b>Funding Sources</b>									
Fund Balance	4000005	14,791,521	31,877,626		29,777,264	29,777,264	31,007,249	31,007,249	
Trust Fund	4000050	27,900,653	12,000,000		15,000,000	15,000,000	15,000,000	15,000,000	
<b>Total Funding</b>		<b>42,692,174</b>	<b>43,877,626</b>		<b>44,777,264</b>	<b>44,777,264</b>	<b>46,007,249</b>	<b>46,007,249</b>	
Excess Appropriation/(Funding)		(31,877,626)	(29,777,264)		(31,007,249)	(31,007,249)	(32,248,503)	(32,248,503)	
<b>Grand Total</b>		<b>10,814,548</b>	<b>14,100,362</b>		<b>13,770,015</b>	<b>13,770,015</b>	<b>13,758,746</b>	<b>13,758,746</b>	

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium. Budget exceeds Authorized Appropriation in Conference & Travel Expenses, and Professional Fees by authority of a Budget Classification Transfer.

## **Analysis of Budget Request**

**Appropriation:** 2SX - Fraud Investigation Unit

**Funding Sources:** TSI - State Insurance Department Trust Fund

The Fraud Investigation Unit was created with the passage of Act 1136 of 1993 to investigate allegations of fraud in workers' compensation cases. Funding is provided by special revenues collected by the Insurance Department and earmarked for this purpose.

Regular Salaries and Personal Services Matching includes the continuation of the previously authorized 2019 Salaries, Performance Pay, and Career Service Payments. Personal Services Matching includes the monthly contribution for health insurance per budgeted employee of \$420 per month. Salaries and Matching do not include appropriation for a Cost of Living Adjustment or Performance Pay increase for the 2019 - 2021 Biennium.

With the exception of Regular Salaries, Personal Services Matching and Capital Outlay Continuing Level appropriation is the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency Change Level Request is a net appropriation decrease of (\$395,487) each year, and includes the following:

- Transfer 3 authorized positions with associated Regular Salaries and Personal Services Matching appropriation totaling \$249,660 each year to Appropriation 2SY - Insurance Fraud Division to maximize the use of fees collected and agency operations.
- Reallocation of \$20,000 in FY2020 and \$22,000 in FY2021 from Operating Expenses to Appropriation 2SY - Insurance Fraud Division Operating Expenses.
- Discontinue Operating Expenses totaling \$102,827 and \$100,827 in FY2021.
- Discontinue Conference & Travel Expenses totaling \$12,000 each year.
- Discontinue Professional Fees totaling \$11,000 each year.

Total Agency Appropriation Request is \$828,386 in FY2020 and \$828,509 in FY2021 and includes 11 positions.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2SX - Fraud Investigation Unit

**Funding Sources:** TSI - State Insurance Department Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	710,855	847,555	731,211	626,324	626,324	626,424	626,424
<b>#Positions</b>		<b>13</b>	<b>14</b>	<b>14</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
Personal Services Matching	5010003	232,148	268,718	237,496	202,062	202,062	202,085	202,085
Operating Expenses	5020002	6,384	113,827	122,827	0	0	0	0
Conference & Travel Expenses	5050009	1,066	32,000	12,000	0	0	0	0
Professional Fees	5060010	0	0	11,000	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>950,453</b>	<b>1,262,100</b>	<b>1,114,534</b>	<b>828,386</b>	<b>828,386</b>	<b>828,509</b>	<b>828,509</b>
<b>Funding Sources</b>								
Fund Balance	4000005	223,100	130,405		0	0	249,660	249,660
Special Revenue	4000030	857,758	1,131,695		1,078,046	1,078,046	1,078,169	1,078,169
<b>Total Funding</b>		<b>1,080,858</b>	<b>1,262,100</b>		<b>1,078,046</b>	<b>1,078,046</b>	<b>1,327,829</b>	<b>1,327,829</b>
Excess Appropriation/(Funding)		(130,405)	0		(249,660)	(249,660)	(499,320)	(499,320)
<b>Grand Total</b>		<b>950,453</b>	<b>1,262,100</b>		<b>828,386</b>	<b>828,386</b>	<b>828,509</b>	<b>828,509</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium. Budget exceeds Authorized Appropriation in Conference & Travel Expenses by authority of a Budget Classification Transfer.

## Analysis of Budget Request

**Appropriation:** 2SY - Insurance Fraud Investigation Division

**Funding Sources:** TIF - Insurance Fraud Investigation Division Trust Fund

Act 337 of 1997 (A.C.A. §23-100-101 et seq.) provides for funding of an Insurance Fraud Investigation Division in the State Insurance Department to investigate suspected cases of fraud over a broad range of activities in the insurance industry in Arkansas. An annual administrative and regulatory fee exclusively to support fraud investigation efforts is collected annually from each company under the Department's jurisdiction.

Continuing Level appropriation is the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency Change Level Request is a net appropriation increase of \$269,660 in FY2020 and \$271,660 in FY2021 and includes the following:

- Increase of 3 positions with associated Regular Salaries and Personal Services Matching appropriation totaling \$249,660 each year transferred from Appropriation 2SX - Fraud Investigation Unit to maximize the use of fees collected and agency operations.
- Operating Expenses increase of \$27,000 in FY2020 and \$29,000 in FY2021 for maintenance operations and investigation expenses. This request is offset by a Reallocation from Appropriation 2SX - Fraud Investigation Unit and reductions in Professional Fees.
- Reallocation of \$7,000 each year from Professional Fees to Operating Expenses.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Operating Expenses - This request is offset by \$122k reduction in Operating Expenses - 2SX - Fraud Investigation Unit and \$7k reallocation from Professional Fees.*
- *Conference & Travel Expenses - The Criminal Investigation Division is a small unit composed of highly experienced investigators. However, their investigative experience must be augmented by additional training especially in the areas of information technology (IT) and the Internet of things (IoT). Travel and training are expensive and getting more expensive yearly as the majority of the training takes place out of the state. Other endeavors are symposiums and conferences which link the separate parts of the criminal investigations with the other members of the insurance community (National Association of Insurance Commissioners, National Health Care Anti-Fraud Association, International Association of Special Investigative Units, National Anti-fraud Conference, and the National White Collar Crime Center to name a few). Unfortunately, once trained, our investigators become prime targets for other agencies to hire away. Therefore, we have experienced an annual turnover of investigators requiring the division to need annual repetitive training as outlined above.*
- *Professional Fees - Professional Fees are used primarily to conduct statutory examination and financial analysis procedures required to*



*meet solvency requirements. Due to the volume, timing and professional standards necessary to conduct statutory examinations, AID maintains contracts with three actuarial firms to ensure required regulatory practices and procedures are completed on a timely basis in accordance with national accreditation standards. Actuarial review and other specific audit requirements are necessary components of the statutory financial examination framework mandated by Arkansas Statute. Annual expenses for professional fees will fluctuate from year to year, depending on the number and scope of solvency examination and analysis, volume of insurers required to be examined, and level of new company licensure.*

Total Agency Appropriation Request is \$507,295 in FY2020 and \$509,295 in FY2021 and includes 3 positions.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2SY - Insurance Fraud Investigation Division

**Funding Sources:** TIF - Insurance Fraud Investigation Division Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	0	0	0	190,049	190,049	190,049	190,049	
<b>#Positions</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	
Personal Services Matching	5010003	0	0	0	59,611	59,611	59,611	59,611	
Operating Expenses	5020002	185,015	203,785	191,635	218,635	218,635	220,635	220,635	
Conference & Travel Expenses	5050009	9,745	29,850	35,000	35,000	35,000	35,000	35,000	
Professional Fees	5060010	0	4,000	11,000	4,000	4,000	4,000	4,000	
Data Processing	5090012	0	0	0	0	0	0	0	
Capital Outlay	5120011	0	0	0	0	0	0	0	
<b>Total</b>		<b>194,760</b>	<b>237,635</b>	<b>237,635</b>	<b>507,295</b>	<b>507,295</b>	<b>509,295</b>	<b>509,295</b>	
<b>Funding Sources</b>									
Fund Balance	4000005	1,080,500	2,149,431		2,261,796	2,261,796	2,404,501	2,404,501	
Special Revenue	4000030	1,263,691	350,000		650,000	650,000	650,000	650,000	
<b>Total Funding</b>		<b>2,344,191</b>	<b>2,499,431</b>		<b>2,911,796</b>	<b>2,911,796</b>	<b>3,054,501</b>	<b>3,054,501</b>	
Excess Appropriation/(Funding)		(2,149,431)	(2,261,796)		(2,404,501)	(2,404,501)	(2,545,206)	(2,545,206)	
<b>Grand Total</b>		<b>194,760</b>	<b>237,635</b>		<b>507,295</b>	<b>507,295</b>	<b>509,295</b>	<b>509,295</b>	

Budget exceeds Authorized Appropriation in Operating Expenses by authority of a Budget Classification Transfer.

## **Analysis of Budget Request**

**Appropriation:** 2SZ - Prepaid Funeral Benefits Division

**Funding Sources:** TIP - State Insurance Department Prepaid Trust Fund

Act 372 of 1997 (Arkansas Code §23-40-107 et seq.) provides for administration of prepaid funeral benefit plans in the State of Arkansas and established the Division of Prepaid Funeral Benefits within the State Insurance Department for this purpose. Funding is derived from initial application or renewal fees for annual permits to sell prepaid funeral benefits.

Regular Salaries and Personal Services Matching includes the continuation of the previously authorized 2019 Salaries, Performance Pay, and Career Service Payments. Personal Services Matching includes the monthly contribution for health insurance per budgeted employee of \$420 per month. Salaries and Matching do not include appropriation for a Cost of Living Adjustment or Performance Pay increase for the 2019 - 2021 Biennium.

With the exception of Regular Salaries and Personal Services Matching Continuing Level appropriation is the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency Change Level Request is a net appropriation decrease of (\$61,690) each year and includes the following:

- Discontinue Operating Expenses totaling \$34,690 each year.
- Discontinue Professional Fees totaling \$27,000 each year.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Operating Expenses - While this Commitment Item has been reduced by \$35k / 50% and \$62k across all categories, we need to keep basic budget level to have enough to respond to regulatory issues that arise.*
- *Conference & Travel Expenses - Requesting to keep current \$4k budget for training of potential new hires, and ongoing training of staff.*

Total Agency Appropriation Request is \$374,619 in FY2020 and \$374,744 in FY2021 and includes 5 positions.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2SZ - Prepaid Funeral Benefits Division

**Funding Sources:** TIP - State Insurance Department Prepaid Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	189,734	250,535	219,174	250,158	250,158	250,258	250,258	
<b>#Positions</b>		<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	
Personal Services Matching	5010003	68,323	83,776	75,237	83,761	83,761	83,786	83,786	
Operating Expenses	5020002	8,893	71,390	71,390	36,700	36,700	36,700	36,700	
Conference & Travel Expenses	5050009	990	4,000	4,000	4,000	4,000	4,000	4,000	
Professional Fees	5060010	0	27,000	27,000	0	0	0	0	
Data Processing	5090012	0	0	0	0	0	0	0	
Capital Outlay	5120011	0	0	0	0	0	0	0	
<b>Total</b>		<b>267,940</b>	<b>436,701</b>	<b>396,801</b>	<b>374,619</b>	<b>374,619</b>	<b>374,744</b>	<b>374,744</b>	
<b>Funding Sources</b>									
Fund Balance	4000005	1,460,871	869,736		818,035	818,035	828,416	828,416	
Special Revenue	4000030	313,690	385,000		385,000	385,000	385,000	385,000	
Intra-agency Fund Transfer	4000317	(636,885)	0		0	0	0	0	
<b>Total Funding</b>		<b>1,137,676</b>	<b>1,254,736</b>		<b>1,203,035</b>	<b>1,203,035</b>	<b>1,213,416</b>	<b>1,213,416</b>	
Excess Appropriation/(Funding)		(869,736)	(818,035)		(828,416)	(828,416)	(838,672)	(838,672)	
<b>Grand Total</b>		<b>267,940</b>	<b>436,701</b>		<b>374,619</b>	<b>374,619</b>	<b>374,744</b>	<b>374,744</b>	

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium. Intra-agency transfer to Fund Center 2TN Prepaid Funeral Contracts Recovery.

## **Analysis of Budget Request**

**Appropriation:** 2TA - Continuing Education Program

**Funding Sources:** TIE - Insurance Continuing Education Trust Fund

The Insurance Department's Continuing Education Program has authorization for one position to process continuing education records which are required for agent license renewals. Funding is provided from continuing education application fees, as authorized in Arkansas Code §23-64-307.

Regular Salaries and Personal Services Matching includes the continuation of the previously authorized 2019 Salaries, Performance Pay, and Career Service Payments. Personal Services Matching includes the monthly contribution for health insurance per budgeted employee of \$420 per month. Salaries and Matching do not include appropriation for a Cost of Living Adjustment or Performance Pay increase for the 2019 - 2021 Biennium.

Continuing Level appropriation is the FY2019 Authorized.

Total Agency Appropriation Request is \$31,184 each year to provide support for one position to process continuing education records.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TA - Continuing Education Program  
**Funding Sources:** TIE - Insurance Continuing Education Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	0	0	25,268	25,268	25,268	25,268	25,268	
<b>#Positions</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Personal Services Matching	5010003	0	0	10,808	5,916	5,916	5,916	5,916	
Total		0	0	36,076	31,184	31,184	31,184	31,184	
<b>Funding Sources</b>									
Fund Balance	4000005	1,778,396	2,013,795		2,113,795	2,113,795	2,182,611	2,182,611	
Special Revenue	4000030	235,399	100,000		100,000	100,000	100,000	100,000	
Total Funding		2,013,795	2,113,795		2,213,795	2,213,795	2,282,611	2,282,611	
Excess Appropriation/(Funding)		(2,013,795)	(2,113,795)		(2,182,611)	(2,182,611)	(2,251,427)	(2,251,427)	
Grand Total		0	0		31,184	31,184	31,184	31,184	

## **Analysis of Budget Request**

**Appropriation:** 2TB - State Employee Claims

**Funding Sources:** TUV - Workers' Compensation Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of workers' compensation claims payments for employees of the State. Revolving funds derived from agency workers' compensation benefits, contributions provide the revenue source for this appropriation as authorized in Arkansas Code §19-5-805.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$16,500,000 each year of the biennium.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Claims - This is the fund with which we pay state employees' workers comp claims. The state has no reinsurance; we cannot predict level of claims that will come in. The current budget allows us to pay state employees that are injured while working. We hope claims will never be within 10% of current budget, but in order to serve state employees efficiently we need to keep the current level budget.*

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TB - State Employee Claims

**Funding Sources:** TUW - Workers' Compensation Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Claims 5110015	13,111,802	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Total	13,111,802	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000

Funding Sources							
Workers' Comp Revolving 4000735	13,111,802	16,500,000		16,500,000	16,500,000	16,500,000	16,500,000
Total Funding	13,111,802	16,500,000		16,500,000	16,500,000	16,500,000	16,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	13,111,802	16,500,000		16,500,000	16,500,000	16,500,000	16,500,000



## **Analysis of Budget Request**

**Appropriation:** 2TC - Governmental Bonding Board Operations

**Funding Sources:** TFB - Fidelity Bond Trust Fund

The State Insurance Department is the managing agency for the appropriation through which the Governmental Bonding Board administers the Self-Insured Fidelity Bond Program on behalf of officials and public employees of counties, municipalities, public schools, and the State of Arkansas. Funding is authorized in A.C.A. §21-2-711 and is derived from bond premiums withheld from the County Aid, Municipal Aid, and Public School funds and from premiums transferred from the fund accounts of State agencies.

Continuing Level appropriation is the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency Change Level Request is a net appropriation decrease of (\$1,099,855) each year and includes the following:

- Discontinue Claims totaling \$200,000 each year.
- Discontinue Investment totaling \$760,637 each year.
- Discontinue Reinsurance totaling \$139,218 each year.

The Agency request to maintain Authorized Appropriation level of \$150,000 and \$2,800,000 respectively, which exceeds the FY18 Actual Expenditures by more than 10% in the event the Agency has to pay out Refunds or Bonding Board claims for employee theft. The Department cannot predict the level of claims against this fund. If claims are not incurred, budget will not be spent.

- *Operating Expenses - Justification for keeping current level budget provides for contingent operating expenses.*
- *Professional Services - Justification for keeping current level budget provides for maximum flexibility of actuary needs. The Department needs to be able to contract with actuary firms to perform financial audits of companies to protect Arkansas consumers.*

Total Agency Appropriation Request is \$3,005,000 each year of the 2019 - 2021 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TC - Governmental Bonding Board Operations

**Funding Sources:** TFB - Fidelity Bond Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Operating Expenses	5020002	2,770	5,000	5,000	5,000	5,000	5,000	5,000	
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	
Professional Fees	5060010	0	0	0	0	0	0	0	
Data Processing	5090012	0	0	0	0	0	0	0	
Refunds/Reimbursements	5110014	300	150,000	150,000	150,000	150,000	150,000	150,000	
Claims	5110015	1,157,045	3,000,000	3,000,000	2,800,000	2,800,000	2,800,000	2,800,000	
Capital Outlay	5120011	0	0	0	0	0	0	0	
Investment	5120013	0	0	760,637	0	0	0	0	
Professional Services	5900043	0	50,000	50,000	50,000	50,000	50,000	50,000	
Reinsurance	5900046	0	0	139,218	0	0	0	0	
<b>Total</b>		<b>1,160,115</b>	<b>3,205,000</b>	<b>4,104,855</b>	<b>3,005,000</b>	<b>3,005,000</b>	<b>3,005,000</b>	<b>3,005,000</b>	
<b>Funding Sources</b>									
Fund Balance	4000005	5,517,212	5,267,256		2,962,256	2,962,256	857,256	857,256	
Trust Fund	4000050	910,159	900,000		900,000	900,000	900,000	900,000	
<b>Total Funding</b>		<b>6,427,371</b>	<b>6,167,256</b>		<b>3,862,256</b>	<b>3,862,256</b>	<b>1,757,256</b>	<b>1,757,256</b>	
Excess Appropriation/(Funding)		(5,267,256)	(2,962,256)		(857,256)	(857,256)	1,247,744	1,247,744	
<b>Grand Total</b>		<b>1,160,115</b>	<b>3,205,000</b>		<b>3,005,000</b>	<b>3,005,000</b>	<b>3,005,000</b>	<b>3,005,000</b>	

## **Analysis of Budget Request**

**Appropriation:** 2TD - Public Employees Claims Section

**Funding Sources:** HUA - Miscellaneous Agencies Fund

This program is funded by transfers from the Public School Fund, the County Aid Fund, the Municipal Aid Fund, and the fund accounts of State agencies for which workers' compensation claims are administered by this Section, as authorized in Arkansas Code §11-9-307.

Regular Salaries and Personal Services Matching includes the continuation of the previously authorized 2019 Salaries, Performance Pay, and Career Service Payments. Personal Services Matching includes the monthly contribution for health insurance per budgeted employee of \$420 per month. Salaries and Matching do not include appropriation for a Cost of Living Adjustment or Performance Pay increase for the 2019 - 2021 Biennium.

With the exception of Regular Salaries, Personal Services Matching and Capital Outlay Continuing Level appropriation is the FY2019 Authorized.

The Agency Change Level Request is a net appropriation decrease of (\$127,000) each year and includes the following:

- Discontinue Operating Expenses totaling \$127,000 each year.
- Reallocation of \$11,300 each year from Operating Expense to Conference & Travel Expenses totaling \$11,300 each year for conference & seminar fees; and reallocate operating budget to provide for association & membership dues.
- Reallocation of \$1,000 each year from Professional Fees to Operating Expense for office supplies.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Operating Expenses - Requesting to keep \$122k of budget over FY 2018 actuals to accommodate need to modify new software to work with AASIS to allow direct deposits to our user interface, which will contribute to being more efficient with automation.*
- *Conference & Travel Expenses - Requesting to keep \$17k more than FY 2018 actuals to send new employees to workers' comp educational conference. Also to send appropriate personnel to JD software user conference, which went live Oct 2017. Could drive to conference last year, this year there will be 4 airfares. There were 2 conferences that director could not attend due to family conflicts that he plans to attend this year.*

Total Agency Appropriation Request is \$1,921,874 in FY2020 and \$1,923,478 in FY2021 and includes 23 positions.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TD - Public Employees Claims Section

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	941,605	1,066,109	997,144	1,039,642	1,039,642	1,040,942	1,040,942
<b>#Positions</b>		<b>21</b>	<b>24</b>	<b>24</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>
Personal Services Matching	5010003	332,207	370,216	348,609	359,301	359,301	359,605	359,605
Operating Expenses	5020002	375,986	623,731	635,931	498,631	498,631	498,631	498,631
Conference & Travel Expenses	5050009	7,130	25,200	13,000	24,300	24,300	24,300	24,300
Professional Fees	5060010	0	1,000	1,000	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>1,656,928</b>	<b>2,086,256</b>	<b>1,995,684</b>	<b>1,921,874</b>	<b>1,921,874</b>	<b>1,923,478</b>	<b>1,923,478</b>
<b>Funding Sources</b>								
Special Revenue	4000030	1,656,928	2,086,256		1,921,874	1,921,874	1,923,478	1,923,478
Total Funding		1,656,928	2,086,256		1,921,874	1,921,874	1,923,478	1,923,478
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>1,656,928</b>	<b>2,086,256</b>		<b>1,921,874</b>	<b>1,921,874</b>	<b>1,923,478</b>	<b>1,923,478</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium. Budget exceeds Authorized Appropriation in Conference & Travel Expenses by authority of a Budget Classification Transfer.

## **Analysis of Budget Request**

**Appropriation:** 2TE - Health Information Counseling

**Funding Sources:** FID - Insurance Department - Federal

The Insurance Department's Health Information Counseling Program is 100% federally funded by the U.S. Department of Health and Human Services. Its purpose is to develop and maintain a network of local volunteers to dispense information and assist senior citizens with their insurance needs.

Regular Salaries and Personal Services Matching includes the continuation of the previously authorized 2019 Salaries, Performance Pay, and Career Service Payments. Personal Services Matching includes the monthly contribution for health insurance per budgeted employee of \$420 per month. Salaries and Matching do not include appropriation for a Cost of Living Adjustment or Performance Pay increase for the 2019 - 2021 Biennium.

With the exception of Regular Salaries and Personal Services Matching Continuing Level appropriation reflects the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency Change Level Request is a net appropriation decrease of (\$194,052) each year and includes the following:

- Discontinue Operating Expenses totaling \$137,643 each year.
- Discontinue Professional Fees totaling \$56,409 each year.
- Reallocation of \$23,570 each year from Operating Expenses to Professional Fees totaling \$8,000; and \$15,570 to align operating budget with actual expenses.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Operating Expenses - We would like to request \$138k based on our goal to fill current vacant positions for 2019-2020 which will cause our operating expenses to increase.*
- *Conference & Travel Expenses - Conference & Travel expenses FY 2018 were \$1.5k and we anticipate an increase for FY 2019 to \$8k with the aforementioned positions being filled. This will be needed to ensure proper training for these positions and success of the overall federal program.*
- *Professional Fees - Professional Fees for FY 2018 was \$211k. We are requesting \$300k for this line item in FY 2019 to be added to the vendor contracts to increase volume of outreach to rural areas.*

Total Agency Appropriation Request is \$804,007 each year and includes 7 positions.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TE - Health Information Counseling

**Funding Sources:** FID - Insurance Department - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	139,498	261,364	236,777	261,168	261,168	261,168	261,168
<b>#Positions</b>		<b>4</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
Personal Services Matching	5010003	66,994	96,387	89,336	96,419	96,419	96,419	96,419
Operating Expenses	5020002	41,732	107,280	284,063	138,420	138,420	138,420	138,420
Conference & Travel Expenses	5050009	1,539	9,416	0	8,000	8,000	8,000	8,000
Professional Fees	5060010	211,087	523,776	356,409	300,000	300,000	300,000	300,000
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>460,850</b>	<b>998,223</b>	<b>966,585</b>	<b>804,007</b>	<b>804,007</b>	<b>804,007</b>	<b>804,007</b>
<b>Funding Sources</b>								
Federal Revenue	4000020	460,850	998,223		804,007	804,007	804,007	804,007
<b>Total Funding</b>		<b>460,850</b>	<b>998,223</b>		<b>804,007</b>	<b>804,007</b>	<b>804,007</b>	<b>804,007</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>460,850</b>	<b>998,223</b>		<b>804,007</b>	<b>804,007</b>	<b>804,007</b>	<b>804,007</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium. Budget exceeds Authorized Appropriation in Conference & Travel Expenses and Professional Fees by authority of a Budget Classification Transfer.

## **Analysis of Budget Request**

**Appropriation:** 2TF - Refunds of Overpayments

**Funding Sources:** MTA - Miscellaneous Revolving Fund

The Insurance Department's Refunds of Overpayments appropriation is used to return premium taxes paid to this State in error and to return amounts that are overpaid.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$11,000,000 each year of the biennium to provide contingency appropriation to refund premium taxes paid in error.

The Executive Recommendation provides for the Agency Request.



## Appropriation Summary

**Appropriation:** 2TF - Refunds of Overpayments  
**Funding Sources:** MTA - Miscellaneous Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Refunds/Reimbursements 5110014	10,979,709	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Total	10,979,709	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
<b>Funding Sources</b>							
Miscellaneous Revolving 4000350	10,979,709	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000
Total Funding	10,979,709	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	10,979,709	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000

## **Analysis of Budget Request**

**Appropriation:** 2TG - Public School Employees Claims

**Funding Sources:** MTA - Miscellaneous Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of payments for long-term workers' compensation claims filed prior to July 1, 1994, by public school employees. Revolving funds derived from employer workers' compensation benefits contributions are the revenue sources for the appropriation through which claims payments are made, as authorized in A.C.A. §19-5-1009.

The Agency Change Level Request is a net appropriation decrease of (\$50,000) each year and includes the following:

- Discontinue Claims totaling \$50,000 each year.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Claims - Being the fund for employee claims for Public School Employees that are injured on the job, and that there is no statute of limitation on prosthetics, we still have potential payouts for old claims. We feel comfortable reducing the budget by \$50k as new claimants are no longer handled through this fund, but the Department cannot predict the need for future payouts that would be covered.*

Total Agency Appropriation Request is \$400,000 each year.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TG - Public School Employees Claims

**Funding Sources:** MTA - Miscellaneous Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Claims 5110015	45,472	450,000	450,000	400,000	400,000	400,000	400,000
Total	45,472	450,000	450,000	400,000	400,000	400,000	400,000
Funding Sources							
Miscellaneous Revolving 4000350	45,472	450,000		400,000	400,000	400,000	400,000
Total Funding	45,472	450,000		400,000	400,000	400,000	400,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	45,472	450,000		400,000	400,000	400,000	400,000

## **Analysis of Budget Request**

**Appropriation:** 2TH - County Employee Claims

**Funding Sources:** MTA - Miscellaneous Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of payments for long-term workers' compensation claims filed prior to January 1, 1985, by county employees. Revolving funds derived from employer workers' compensation benefits contributions are the revenue sources for the appropriation through which claims payments are made, as authorized in Arkansas Code §19-5-1009.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$200,000 each year of the biennium to provide contingency appropriation to service claims for County Employees that are injured on the job.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Claims - Fund for County Employees that were injured on the job; we have no method to predict claim expenses, and therefore request to keep budget at the same level to service claims for County Employees efficiently.*

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TH - County Employee Claims

**Funding Sources:** MTA - Miscellaneous Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Claims 5110015	4,413	200,000	200,000	200,000	200,000	200,000	200,000
Total	4,413	200,000	200,000	200,000	200,000	200,000	200,000
Funding Sources							
Miscellaneous Revolving 4000350	4,413	200,000		200,000	200,000	200,000	200,000
Total Funding	4,413	200,000		200,000	200,000	200,000	200,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	4,413	200,000		200,000	200,000	200,000	200,000

## **Analysis of Budget Request**

**Appropriation:** 2TJ - City Employee Claims

**Funding Sources:** MTA - Miscellaneous Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of payments for long-term workers' compensation claims filed prior to January 1, 1985, by city employees. Revolving funds derived from employer workers' compensation benefits contributions are the revenue sources for the appropriation through which claims payments are made, as authorized in Arkansas Code §19-5-1009.

The Agency Change Level Request is a net appropriation decrease of (\$200,000) each year and includes the following:

- Discontinue Claims totaling \$200,000 each year.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Claims - Fund for City Employees that were injured on the job;for City Employees. \$200k has been reduced since new claimants are no longer handled through this fund. The Department cannot predict the need for future payouts for claimants that are covered by this fund.*

Total Agency Appropriation Request is \$400,000 each year.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TJ - City Employee Claims

**Funding Sources:** MTA - Miscellaneous Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Claims 5110015	21,232	600,000	600,000	400,000	400,000	400,000	400,000
Total	21,232	600,000	600,000	400,000	400,000	400,000	400,000
Funding Sources							
Miscellaneous Revolving 4000350	21,232	600,000		400,000	400,000	400,000	400,000
Total Funding	21,232	600,000		400,000	400,000	400,000	400,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	21,232	600,000		400,000	400,000	400,000	400,000

## **Analysis of Budget Request**

**Appropriation:** 2TK - Consumer Info System - Cash

**Funding Sources:** NDD - Insurance Department - Cash in Treasury

The Department's Consumer Information System Cash Fund is used to dispense information to the public concerning the various policy types, coverages, and purchasing options offered by the insurance industry. The current Cash in Treasury balance and previous funding support for this program were derived from a \$100 annual assessment levied on each licensed insurer, as authorized in Arkansas Code §23-63-108. Arkansas Code §23-63-108 has been repealed and this assessment is no longer collected and support of consumer information through this appropriation will end when the current fund balance and earned interest are depleted.

Continuing Level appropriation is the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency Change Level Request reflects a net appropriation decrease of (\$31,000) in FY2020 and (\$51,000) in FY2021 and includes the following:

- Discontinue Operating Expenses totaling \$31,000 in FY2020 and \$51,000 in FY2021.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Operating Expenses - Cash account specifically for consumer outreach. We can reduce the budget by \$31k. \$65k of cash is remaining, and we plan to complete the spending from this fund in FY2021 with additional consumer outreach activities.*

Total Agency Appropriation Request is \$48,005 in FY2020 and \$28,005 in FY2021.

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



## Appropriation Summary

**Appropriation:** 2TK - Consumer Info System - Cash  
**Funding Sources:** NDD - Insurance Department - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	2,828	65,000	79,005	48,005	48,005	28,005	28,005
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>2,828</b>	<b>65,000</b>	<b>79,005</b>	<b>48,005</b>	<b>48,005</b>	<b>28,005</b>	<b>28,005</b>
<b>Funding Sources</b>								
Fund Balance	4000005	67,204	65,690		690	690	0	0
Cash Fund	4000045	1,314	0		0	0	0	0
<b>Total Funding</b>		<b>68,518</b>	<b>65,690</b>		<b>690</b>	<b>690</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)		(65,690)	(690)		47,315	47,315	28,005	28,005
<b>Grand Total</b>		<b>2,828</b>	<b>65,000</b>		<b>48,005</b>	<b>48,005</b>	<b>28,005</b>	<b>28,005</b>

## **Analysis of Budget Request**

**Appropriation:** 2TM - Travel & Subsistence-Cash

**Funding Sources:** NDD - Insurance Department - Cash in Treasury

The Insurance Department's Travel and Subsistence Cash Fund is currently authorized at \$100,000 each year. Arkansas Code §23-67-220 provides for recovery of reasonable costs incurred by the Department in conducting financial examinations of entities under its jurisdiction. Part of the recovered costs is passed through this account to reimburse individual examiners for their personal expenses incurred during the examination process.

Continuing Level appropriation is the FY2019 Authorized.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$100,000 each year of the biennium to provide contingency appropriation for reimbursing individual examiners for their personal expenses incurred during the examination process.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Travel & Subsistence Expenses - Fund is solely for reimbursing Financial Examiners for their travel expenses that they incur while auditing Insurance Companies. We invoice the companies, and when we receive their check and deposit into this fund, we can then reimburse the employee. These travel costs vary from year to year, depending on where travel is required for the audit. Also dependent on how many exams we do in a year. We request to keep the current budget due to the unpredictability, and to allow us to reimburse employees for expenses they incur on our behalf.*

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

## Appropriation Summary

**Appropriation:** 2TM - Travel & Subsistence-Cash

**Funding Sources:** NDD - Insurance Department - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Travel & Subsistence Expenses 5900046	32,109	100,000	100,000	100,000	100,000	100,000	100,000
Total	32,109	100,000	100,000	100,000	100,000	100,000	100,000
Funding Sources							
Fund Balance 4000005	1,464	3,365		3,365	3,365	3,365	3,365
Cash Fund 4000045	34,010	100,000		100,000	100,000	100,000	100,000
Total Funding	35,474	103,365		103,365	103,365	103,365	103,365
Excess Appropriation/(Funding)	(3,365)	(3,365)		(3,365)	(3,365)	(3,365)	(3,365)
Grand Total	32,109	100,000		100,000	100,000	100,000	100,000

## Analysis of Budget Request

**Appropriation:** 2TN - Prepaid Funeral Contracts Recovery

**Funding Sources:** TIP - Prepaid Funeral Contracts Program Recovery Fund

Act 1043 of 2001 established the Prepaid Funeral Contracts Recovery Program to reimburse purchasers of pre-need funeral contracts who suffer financial loss due to impairment, insolvency, business interruption, or improper inactivity of a licensed prepaid funeral organization. Funding is authorized from one-time fees of no less than \$5 per contract, up to a maximum set by the State Insurance Commissioner. Such fees collected are to be deposited into the State Insurance Department Prepaid Trust Fund. A portion of these collections may be designated by the State Insurance Commissioner for transfer to the Prepaid Funeral Contracts Recovery Program Fund to pay expenses and claims incurred.

Continuing Level appropriation is the FY2019 Authorized.

Total Agency Appropriation Request is \$500,000 each year.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$500,000 each year of the biennium to provide contingency appropriation for reimbursing individuals that have claims against funeral homes.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Expenses & Claims - Fund is for reimbursing individuals that have claims against funeral homes. While we don't spend the full budget amount, we need the flexibility to respond to consumers that have been wronged. Very hard to predict level of claims each year.*

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TN - Prepaid Funeral Contracts Recovery

**Funding Sources:** TIP - Prepaid Funeral Contracts Program Recovery Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Expenses & Claims 5900046	47,649	500,000	500,000	500,000	500,000	500,000	500,000
Total	47,649	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources							
Fund Balance 4000005	156,011	829,603		454,603	454,603	79,603	79,603
Special Revenue 4000030	84,356	125,000		125,000	125,000	125,000	125,000
Intra-agency Fund Transfer 4000317	636,885	0		0	0	0	0
Total Funding	877,252	954,603		579,603	579,603	204,603	204,603
Excess Appropriation/(Funding)	(829,603)	(454,603)		(79,603)	(79,603)	295,397	295,397
Grand Total	47,649	500,000		500,000	500,000	500,000	500,000

Intra-agency transfer from Fund Center 2TZ Prepaid Funeral Benefits Division.

## **Analysis of Budget Request**

**Appropriation:** 4HH - Criminal Background Checks-Cash

**Funding Sources:** NDD - Criminal Background Checks - Cash in Treasury

The Insurance Department's appropriation for conducting criminal background checks was established by requests from the Cash Fund Holding Account during FY2006 and FY2007. Funding is provided through a \$22 fee charged to each first-time license applicant and is used to obtain criminal background data from the Arkansas State Police.

Continuing Level appropriation is the FY2019 Authorized.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$125,000 each year of the biennium to provide for criminal background checks. Due to the addition of the Funeral Services Board and their new requirement to conduct Criminal Background checks for applicants, the agency anticipates collections and expenditures for this fund to increase.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Operating Expenses - We collect the fee from license applicants for criminal background check and deposit into this fund, and then pay the 3rd party that conducts them from this fund. Due to the addition of the Funeral Services Board and their new requirement to conduct Criminal Background checks for applicants, we expect the collections and expenditures for this fund to increase, and therefore request to keep the current level of budget to accommodate that process.*

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

## Appropriation Summary

**Appropriation:** 4HH - Criminal Background Checks-Cash

**Funding Sources:** NDD - Criminal Background Checks - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	9,277	125,000	125,000	125,000	125,000	125,000	125,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>9,277</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>
<b>Funding Sources</b>								
Fund Balance	4000005	12,126	10,038		10,038	10,038	10,038	10,038
Cash Fund	4000045	7,189	125,000		125,000	125,000	125,000	125,000
<b>Total Funding</b>		<b>19,315</b>	<b>135,038</b>		<b>135,038</b>	<b>135,038</b>	<b>135,038</b>	<b>135,038</b>
Excess Appropriation/(Funding)		(10,038)	(10,038)		(10,038)	(10,038)	(10,038)	(10,038)
<b>Grand Total</b>		<b>9,277</b>	<b>125,000</b>		<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>

## **Analysis of Budget Request**

**Appropriation:** 56A - Public School Insurance Program

**Funding Sources:** TPS - Public School Insurance Trust Fund

Act 738 of 2007 combined the School Motor Vehicle Operations Program and the Public Elementary and Secondary School Insurance Operations Program into the Public School Insurance Program to more efficiently and more economically provide coverage for the vehicles and property of participating school districts. Funding is derived from insurance premiums paid by schools for vehicles and property.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$20,000,000 each year of the biennium.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Expenses & Claims - \$12.3 million over actuals is needed for total insurance premium expense for public school property and vehicles, in addition to claim expenses that could occur each year. This includes Self Insured Retentions and claims that are incurred but not yet reported. Budget will not be spent if claims are not incurred by public school property/vehicles. The Department cannot predict the level of claims against this fund. This amount was increased last biennium as a result of expenditures nearing the previous appropriations limit. AID's Risk Management Division (§ 23-61-601) maintains this fund.*

The Executive Recommendation provides for the Agency Request.



## Appropriation Summary

**Appropriation:** 56A - Public School Insurance Program

**Funding Sources:** TPS - Public School Insurance Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Expenses and Claims	5900046	6,936,518	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total		6,936,518	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Funding Sources								
Fund Balance	4000005	13,230,323	15,127,436		9,927,436	9,927,436	4,727,436	4,727,436
Trust Fund	4000050	8,833,631	14,800,000		14,800,000	14,800,000	14,800,000	14,800,000
Total Funding		22,063,954	29,927,436		24,727,436	24,727,436	19,527,436	19,527,436
Excess Appropriation/(Funding)		(15,127,436)	(9,927,436)		(4,727,436)	(4,727,436)	472,564	472,564
Grand Total		6,936,518	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000

## **Analysis of Budget Request**

**Appropriation:** V46 - AR Healthcare Transparency Initiative Database

**Funding Sources:** THT - HC Transparency

The Arkansas Healthcare Transparency Initiative was established with the purpose to create a database, including ongoing all-payer claims database projects funded through the State Insurance Department that receives and stores data from a submitting entity relating to medical, dental, and pharmaceutical and other insurance claims information, unique identifiers, and geographic and demographic information for covered individuals. (§ 23-61-904) the Healthcare Transparency Initiative fund, which is only now transitioning from implementation phase and being supported by Federal funds, to operational phase and being self-sufficient through selling data to third parties.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$3,200,000 each year of the biennium to provide the same level of budget in the event the agency increase data sells to third parties.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *AR Healthcare Transparency Initiative Database Expenses - This represents the Healthcare Transparency Initiative fund, which is only now transitioning from implementation phase and being supported by Federal funds, to operational phase and being self-sufficient through selling data to third parties. While providing valuable data to state agencies. \$3.2 million has previously been appropriated, and while we are unsure as to the exact amount of sales that will occur, we request the same level of budget with the hope that maximum sales will occur.*

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** V46 - AR Healthcare Transparency Initiative Database

**Funding Sources:** THT - HC Transparency

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
AR Healthcare Transparency Init 5900046	0	0	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Total	0	0	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000

Funding Sources							
Special Revenue	4000030	0	0		3,200,000	3,200,000	3,200,000
Total Funding		0	0		3,200,000	3,200,000	3,200,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		0	0		3,200,000	3,200,000	3,200,000

## **Analysis of Budget Request**

**Appropriation:** V98 - Funeral Services

**Funding Sources:** NBS - Insurance Department - Cash in Treasury

Act 788 of 2017 transferred the Arkansas Cemetery Board, State Board of Embalmers and Funeral Directors, and Burial Association Board to the State Insurance Department by a type 3 transfer under § 25-2-106. This appropriation provides for operating expenses of these former boards. Funding is derived from initial application or renewal fees for annual permits to sell prepaid funeral benefits.

Regular Salaries and Personal Services Matching includes the continuation of the previously authorized 2019 Salaries, Performance Pay, and Career Service Payments. Personal Services Matching includes the monthly contribution for health insurance per budgeted employee of \$420 per month. Salaries and Matching do not include appropriation for a Cost of Living Adjustment or Performance Pay increase for the 2019 - 2021 Biennium.

With the exception of Regular Salaries, Personal Services Matching and Capital Outlay Continuing Level appropriation is the FY2019 Authorized.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

Since the operating responsibilities for these Boards were effective July 1, 2018 and are new to the Insurance Department, the Agency request to maintain the FY2019 Authorized Appropriation level of \$564,356 in FY2020 and \$564,479 in FY2021 to become more familiar with the Board's revenue streams and operations.

Total Agency Appropriation Request is \$564,356 in FY2020 and \$564,479 in FY2021 and includes 6 positions.

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

## Appropriation Summary

**Appropriation:** V98 - Funeral Services

**Funding Sources:** NBS - Insurance Department - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	186,404	245,460	229,458	245,895	245,895	245,995	245,995	
<b>#Positions</b>		<b>2</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	
Personal Services Matching	5010003	71,026	87,629	80,870	87,805	87,805	87,828	87,828	
Operating Expenses	5020002	123,100	167,242	167,242	167,242	167,242	167,242	167,242	
Conference & Travel Expenses	5050009	1,269	5,464	5,464	5,464	5,464	5,464	5,464	
Professional Fees	5060010	30	2,950	2,950	2,950	2,950	2,950	2,950	
Data Processing	5090012	0	0	0	0	0	0	0	
Capital Outlay	5120011	0	0	0	0	0	0	0	
Loans	5120029	0	55,000	55,000	55,000	55,000	55,000	55,000	
<b>Total</b>		<b>381,829</b>	<b>563,745</b>	<b>540,984</b>	<b>564,356</b>	<b>564,356</b>	<b>564,479</b>	<b>564,479</b>	
<b>Funding Sources</b>									
Special Revenue	4000030	381,829	563,745		564,356	564,356	564,479	564,479	
Total Funding		381,829	563,745		564,356	564,356	564,479	564,479	
Excess Appropriation/(Funding)		0	0		0	0	0	0	
<b>Grand Total</b>		<b>381,829</b>	<b>563,745</b>		<b>564,356</b>	<b>564,356</b>	<b>564,479</b>	<b>564,479</b>	

Act 788 of 2017 transferred the Arkansas Cemetery Board, State Board of Embalmers and Funeral Directors, and Burial Association Board to the State Insurance Department by a type 3 transfer under § 25-2-106. Actual FY2018 Expenditures reflect the sum total of the 3 Boards transferred to the State Insurance Department. FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

## Appropriation Summary

**Appropriation:** 85P - Rate Review-Federal

**Funding Sources:** FID - Insurance Department - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2019-2020		2020-2021	
		2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	82,463	0	216,632	0	0	0	0
<b>#Positions</b>		<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personal Services Matching	5010003	29,562	0	64,577	0	0	0	0
Operating Expenses	5020002	6,948	0	1,013,525	0	0	0	0
Conference & Travel Expenses	5050009	2,882	0	191,416	0	0	0	0
Professional Fees	5060010	617,304	0	4,380,080	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>739,159</b>	<b>0</b>	<b>5,866,230</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>								
Federal Revenue	4000020	739,159	0		0	0	0	0
Total Funding		739,159	0		0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0
Grand Total		739,159	0		0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2019-2021 BIENNIUM.

## Appropriation Summary

**Appropriation:** N41 - MIPPA - 3

**Funding Sources:** FID - Insurance Department - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	9,482	30,000	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	75,600	100,000	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>85,082</b>	<b>130,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>								
Federal Revenue	4000020	85,082	130,000		0	0	0	0
<b>Total Funding</b>		<b>85,082</b>	<b>130,000</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>85,082</b>	<b>130,000</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Appropriation was established through the authority of the Miscellaneous Federal Program Act.  
 APPROPRIATION NOT REQUESTED FOR THE 2019-2021 BIENNIUM.

## Appropriation Summary

**Appropriation:** N42 - Rate Review Cycle IV

**Funding Sources:** FID - Insurance Department - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			
	2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	2019-2020		2020-2021	
				Agency	Executive	Agency	Executive
Regular Salaries 5010000	10,100	65,650	0	0	0	0	0
<b>#Positions</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personal Services Matching 5010003	4,782	20,389	0	0	0	0	0
Operating Expenses 5020002	1,049	20,000	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0
Professional Fees 5060010	8,048	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0
<b>Total</b>	<b>23,979</b>	<b>106,039</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>							
Federal Revenue 4000020	23,979	106,039		0	0	0	0
<b>Total Funding</b>	<b>23,979</b>	<b>106,039</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0
<b>Grand Total</b>	<b>23,979</b>	<b>106,039</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Appropriation was established through the authority of the Miscellaneous Federal Program Act.  
 APPROPRIATION NOT REQUESTED FOR THE 2019-2021 BIENNIUM.



# JUDICIAL DISCIPLINE & DISABILITY COMMISSION

## State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

### Employment Summary

	Male	Female	Total	%
White Employees	2	2	4	67 %
Black Employees	0	2	2	33 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	33 %
Total Employees			6	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 Mission Statement	A.C.A. §16-10-404	Y	Y	10	Required by Law	0	0.00
Annual Report	A.C.A. §16-10-404	Y	Y	150	Required by Law	0	0.00

## **Analysis of Budget Request**

**Appropriation:** 913 - Judicial Discipline - Operations

**Funding Sources:** HUA - Miscellaneous Agencies Fund

The Arkansas Judicial Discipline & Disability Commission receives and investigates information and complaints about the possible ethical misconduct or disability of Arkansas judges. The Commission's purpose is to help enforce the high standards of judicial on and off the bench, and thereby preserve both the integrity of judges, and public confidence in the courts. In performing its functions, the Commission strives to maintain the necessary balance between judicial independence and public accountability.

This appropriation is funded by general revenue.

The Agency's Request is for appropriation and general revenue funding of \$669,647 for FY20 and appropriation and general revenue funding of \$700,508 for FY21.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications: agency requests the FY19 authorized appropriation of \$72,740 for Professional Fees and \$28,080 for Investigator Expenses due to the three high profile cases which received national and international attention last fiscal year and the Commission is currently investigating two additional high profile cases which may incur a higher cost than previous years.

The Agency's Change Level Request is as follows:

- Operating Expenses increase of \$7,430 which includes postage of \$600 for sending case documents to board members, office equipment rental of \$3,130 for a lease of a copier/printer/scanner office machine, board member mileage reimbursement of \$2,500 and board member lodging of \$1,200 due to several board members who are located outside of the Little Rock area.
- Conference and Travel increase of \$750 for training costs of three (3) new employees.

There were no one-time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request, appropriation only for each year; and general revenue funding of \$691,467 for FY20 and \$692,328 for FY21.

## Appropriation Summary

**Appropriation:** 913 - Judicial Discipline - Operations

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	348,523	375,459	372,526	376,696	376,696	377,396	377,396
<b>#Positions</b>		<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Personal Services Matching	5010003	106,376	116,483	114,841	117,106	117,106	117,267	117,267
Operating Expenses	5020002	85,462	88,720	88,720	96,150	96,150	96,150	96,150
Conference & Travel Expenses	5050009	7,045	8,125	8,125	8,875	8,875	8,875	8,875
Professional Fees	5060010	33,969	72,740	72,740	72,740	72,740	72,740	72,740
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
Investigator Expenses	5900046	20,358	28,080	28,080	28,080	28,080	28,080	28,080
<b>Total</b>		<b>601,733</b>	<b>689,607</b>	<b>685,032</b>	<b>699,647</b>	<b>699,647</b>	<b>700,508</b>	<b>700,508</b>
<b>Funding Sources</b>								
General Revenue	4000010	601,733	678,392		699,647	691,467	700,508	692,328
Performance Fund	4000055	0	11,215		0	0	0	0
<b>Total Funding</b>		<b>601,733</b>	<b>689,607</b>		<b>699,647</b>	<b>691,467</b>	<b>700,508</b>	<b>692,328</b>
Excess Appropriation/(Funding)		0	0		0	8,180	0	8,180
<b>Grand Total</b>		<b>601,733</b>	<b>689,607</b>		<b>699,647</b>	<b>699,647</b>	<b>700,508</b>	<b>700,508</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

# ARKANSAS SPINAL CORD COMMISSION

## State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

### Employment Summary

	Male	Female	Total	%
White Employees	7	11	18	72 %
Black Employees	2	4	6	24 %
Other Racial Minorities	0	1	1	4 %
Total Minorities			7	28 %
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				
Referral Poster	None	N	N	500	Health care provider, referral agency education to Leg. Mandate for reporting.	0	0.00
Spinal Courier Newsletter	None	N	N	9,000	Client, family & health care provider education	0	0.00

## Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2017-2018		2018-2019		2018-2019		2019-2020				2020-2021			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
096 State Operations	2,319,071	26	2,336,123	26	2,718,733	27	2,941,459	27	2,858,929	27	2,942,337	27	2,859,807	27
187 Federal Operations	3,122	0	34,500	0	34,500	0	34,500	0	28,000	0	34,500	0	28,000	0
864 Cash Operations	6,111	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
<b>NOT REQUESTED FOR THE BIENNIUM</b>														
97G ASCC-TAC	0	0	0	0	498,779	3	0	0	0	0	0	0	0	0
<b>Total</b>	<b>2,328,304</b>	<b>26</b>	<b>2,420,623</b>	<b>26</b>	<b>3,302,012</b>	<b>30</b>	<b>3,025,959</b>	<b>27</b>	<b>2,936,929</b>	<b>27</b>	<b>3,026,837</b>	<b>27</b>	<b>2,937,807</b>	<b>27</b>

  

Funding Sources			%		%		%		%		%		%
Fund Balance	4000005	74,348	3.0	118,145	4.7	74,145	3.0	74,145	3.0	30,145	1.3	30,145	1.3
General Revenue	4000010	2,237,474	91.5	2,237,474	89.7	2,237,850	91.3	2,237,850	91.6	2,238,728	93.0	2,238,728	93.2
Federal Revenue	4000020	84,719	3.5	132,730	5.3	132,730	5.4	126,230	5.2	132,730	5.5	126,230	5.3
Cash Fund	4000045	49,908	2.0	6,000	0.2	6,000	0.2	6,000	0.2	6,000	0.2	6,000	0.2
Other	4000370	0	0.0	419	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Funds</b>		<b>2,446,449</b>	<b>100.0</b>	<b>2,494,768</b>	<b>100.0</b>	<b>2,450,725</b>	<b>100.0</b>	<b>2,444,225</b>	<b>100.0</b>	<b>2,407,603</b>	<b>100.0</b>	<b>2,401,103</b>	<b>100.0</b>
Excess Appropriation/(Funding)		(118,145)		(74,145)		575,234		492,704		619,234		536,704	
<b>Grand Total</b>		<b>2,328,304</b>		<b>2,420,623</b>		<b>3,025,959</b>		<b>2,936,929</b>		<b>3,026,837</b>		<b>2,937,807</b>	

Variance due to unfunded appropriation.

## **Analysis of Budget Request**

**Appropriation:** 096 - State Operations

**Funding Sources:** HUA - Miscellaneous Agencies Fund

A.C.A.§20-8-201 created the Arkansas Spinal Cord Commission for the establishment and integration of a statewide system of treatment, rehabilitation, counseling, and social services for persons with spinal cord injuries or spina bifida. The Commission serves an integral role in promoting and preserving the independent functioning of Arkansans with spinal cord disabilities, allowing them to contribute to our state. State General Revenue provides approximately 96% of the total funding for this appropriation. With the remaining appropriation being supported with Federal Social Services Block Grant funds allocated through the Department of Human Services.

The Commission is requesting \$2,941,459 in FY20 and \$2,942,337 in FY21.

Their request includes the following changes for both years with an overall increase of \$69,609:

- An increase of \$16,630 in Operating Expenses to complete the transition to the Web-Based Electronic Client Tracking Registry System.
- An increase of \$65,900 in Grants and Aid for anticipated minimum wage increases.
- A decrease of (\$12,921) in Professional Fees.

The Commission's request to maintain appropriation above 10% of their FY18 Actual Expenditures includes the following justifications:

- Operating Expenses: As the commission completes the transition to the Web-Based Electronic Client Tracking Registry System, there will be an annual user fee of around \$7,000 for the program. The Commission also anticipates the need to replace computers in this Biennium.
- Conference and Travel: Due to decrease in staff, attendance to multiple training opportunities that are necessary to maintain licensure were not possible.
- Grants and Aid: Expenses fluctuate due to patient hospital stays/visits and death. Anticipated minimum wage increases affect the number of attendants the program pays for, therefore, the Commission would like to keep this appropriation to cover associated expenditures.
- Spinal Treatment Program: Due to a lack of funding and as a result of pay plan and merit increase, the Commission was unable to expense this appropriation.

The Executive Recommendation provides for the Agency Request except for no increase in Operating Expenses and no increase in Grants and Aid.

## Appropriation Summary

**Appropriation:** 096 - State Operations  
**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	971,151	1,091,254	1,045,577	1,143,707	1,143,707	1,144,407	1,144,407	
<b>#Positions</b>		<b>26</b>	<b>26</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	
Personal Services Matching	5010003	354,010	408,328	372,052	427,039	427,039	427,217	427,217	
Operating Expenses	5020002	193,246	209,980	219,888	236,518	219,888	236,518	219,888	
Conference & Travel Expenses	5050009	8,278	15,620	15,620	15,620	15,620	15,620	15,620	
Professional Fees	5060010	68,799	15,065	31,986	19,065	19,065	19,065	19,065	
Data Processing	5090012	0	0	0	0	0	0	0	
Grants and Aid	5100004	176,969	197,100	261,610	327,510	261,610	327,510	261,610	
Capital Outlay	5120011	0	0	0	0	0	0	0	
Spinal Treatment Program	5900046	546,618	398,776	772,000	772,000	772,000	772,000	772,000	
<b>Total</b>		<b>2,319,071</b>	<b>2,336,123</b>	<b>2,718,733</b>	<b>2,941,459</b>	<b>2,858,929</b>	<b>2,942,337</b>	<b>2,859,807</b>	
<b>Funding Sources</b>									
General Revenue	4000010	2,237,474	2,237,474		2,237,850	2,237,850	2,238,728	2,238,728	
Federal Revenue	4000020	81,597	98,230		98,230	98,230	98,230	98,230	
Other	4000370	0	419		0	0	0	0	
<b>Total Funding</b>		<b>2,319,071</b>	<b>2,336,123</b>		<b>2,336,080</b>	<b>2,336,080</b>	<b>2,336,958</b>	<b>2,336,958</b>	
Excess Appropriation/(Funding)		0	0		605,379	522,849	605,379	522,849	
<b>Grand Total</b>		<b>2,319,071</b>	<b>2,336,123</b>		<b>2,941,459</b>	<b>2,858,929</b>	<b>2,942,337</b>	<b>2,859,807</b>	

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 187 - Federal Operations

**Funding Sources:** FSK - Federal Funds

The Spinal Cord Commission's Federal Operations appropriation is utilized for various Research and Prevention Programs. This appropriation is 100% federally funded.

The Commission is requesting \$34,500 for each year of the Biennium.

The Commission's request to maintain appropriation above 10% of their FY18 Actual Expenditures includes the following justifications:

- **Operating Expenses:** In odd years, the Commission has regional conferences and in even years they have a statewide conference. Regional conference expenses are minimal due to smaller audience ratio in attendance and much smaller venues with decreased costs. This line is only used to pay expenses associated with educational conferences and operating expenses outside of their normal budget.
- **Conference and Travel:** Case managers use this fund for training. This year they did not attend training.
- **Professional Fees:** A sponsor paid for the conference speakers for FY18 and this sponsorship was only awarded for the one year.

The Executive Recommendation provides for the Agency Request except for a decrease of \$6,500 in Operating Expenses.



## Appropriation Summary

**Appropriation:** 187 - Federal Operations

**Funding Sources:** FSK - Federal Funds

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2019-2020		2020-2021	
		2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	3,122	26,500	26,500	26,500	20,000	26,500	20,000
Conference & Travel Expenses	5050009	0	3,000	3,000	3,000	3,000	3,000	3,000
Professional Fees	5060010	0	5,000	5,000	5,000	5,000	5,000	5,000
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>3,122</b>	<b>34,500</b>	<b>34,500</b>	<b>34,500</b>	<b>28,000</b>	<b>34,500</b>	<b>28,000</b>
<b>Funding Sources</b>								
Federal Revenue	4000020	3,122	34,500		34,500	28,000	34,500	28,000
<b>Total Funding</b>		<b>3,122</b>	<b>34,500</b>		<b>34,500</b>	<b>28,000</b>	<b>34,500</b>	<b>28,000</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>3,122</b>	<b>34,500</b>		<b>34,500</b>	<b>28,000</b>	<b>34,500</b>	<b>28,000</b>

## **Analysis of Budget Request**

**Appropriation:** 864 - Cash Operations

**Funding Sources:** NSC - Cash in Treasury

The Spinal Cord Commission's cash appropriation is utilized for contingency, miscellaneous, or emergency purchases and educational activities, which include conducting an annual conference. The funding sources of this cash appropriation include private donations, proceeds from educational activities and grants.

The Commission is requesting \$50,000 each year of the 2019-2021 Biennium.

The Commission's request to maintain appropriation above 10% of their FY18 Actual Expenditures includes the following justifications:

- Operating expenses: The Commission was able to obtain a Paralyzed Veterans of America sponsorship to absorb a large portion of operating expenses for this line item.
- Professional fees: The Commission was able to obtain a Paralyzed Veterans of America sponsorship to absorb a portion of this expenses for this line item. They were able to get support from model systems to pay for their speakers for one year only.

The Executive Recommendation provides for Agency Request.

## Appropriation Summary

**Appropriation:** 864 - Cash Operations  
**Funding Sources:** NSC - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2019-2020		2020-2021	
		2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	6,111	40,000	40,000	40,000	40,000	40,000	40,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	0	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>6,111</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Funding Sources</b>								
Fund Balance	4000005	74,348	118,145		74,145	74,145	30,145	30,145
Cash Fund	4000045	49,908	6,000		6,000	6,000	6,000	6,000
<b>Total Funding</b>		<b>124,256</b>	<b>124,145</b>		<b>80,145</b>	<b>80,145</b>	<b>36,145</b>	<b>36,145</b>
<b>Excess Appropriation/(Funding)</b>		<b>(118,145)</b>	<b>(74,145)</b>		<b>(30,145)</b>	<b>(30,145)</b>	<b>13,855</b>	<b>13,855</b>
<b>Grand Total</b>		<b>6,111</b>	<b>50,000</b>		<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

Expenditure of Appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** 97G - ASCC-TAC

**Funding Sources:** NSC - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2019-2020		2020-2021	
		2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	0	0	133,077	0	0	0	0
<b>#Positions</b>		<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personal Services Matching	5010003	0	0	46,903	0	0	0	0
Operating Expenses	5020002	0	0	63,326	0	0	0	0
Conference & Travel Expenses	5050009	0	0	43,903	0	0	0	0
Professional Fees	5060010	0	0	21,125	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	190,445	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>498,779</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

APPROPRIATION NOT REQUESTED FOR THE 2019-2021 BIENNIUM.

# ARKANSAS NATURAL RESOURCES COMMISSION

## State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

### Employment Summary

	Male	Female	Total	%
White Employees	31	26	57	84 %
Black Employees	2	8	10	15 %
Other Racial Minorities	0	1	1	1 %
Total Minorities			11	16 %
Total Employees			68	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

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2017-2018		2018-2019		2018-2019		2019-2020				2020-2021			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
129 Beaver Eradication Program	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0
1AA Dam Inventory	139,146	1	317,169	1	315,036	1	325,969	1	325,969	1	325,969	1	325,969	1
1EE Water, Waste Disposal, Pollution Abatement	492,120	3	90,314,299	5	90,316,177	5	90,314,191	5	90,314,191	5	90,314,930	5	90,314,930	5
262 Natural Resources Commission-Operations	3,313,697	26	3,498,013	26	3,505,395	27	3,509,687	26	3,509,687	26	3,510,610	26	3,510,610	26
263 Grants and Attorney Services	91,349	0	91,711	0	91,711	0	91,711	0	91,711	0	91,711	0	91,711	0
2BU Flood Insurance Program	1,087,692	3	3,230,417	3	3,179,367	3	3,240,926	3	3,240,926	3	3,240,926	3	3,240,926	3
2GE Water/Sewer/Solid Waste-State	84,296	0	84,296	0	84,296	0	84,296	0	84,296	0	84,296	0	84,296	0
2RG Water Quality Implementation	1,815,315	5	1,812,110	4	1,845,320	5	1,811,715	4	1,811,715	4	1,811,837	4	1,811,837	4
381 Rural Fire Protection Program	89,944	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
383 Conservation District Grants	249,953	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
420 Natural Resources Comm-Cash	5,178,487	24	9,444,449	25	9,264,427	25	9,482,685	25	9,482,685	25	9,483,091	25	9,483,091	25
527 Construction Asst Revolving Loan Fund Pr	904,303	12	1,090,224	13	1,100,489	13	1,086,328	13	1,086,328	13	1,086,328	13	1,086,328	13
659 Ouachita River Waterways Projects	9,500	0	48,174	0	57,675	0	57,675	0	57,675	0	57,675	0	57,675	0
808 Water Research	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0
822 Conservation District Clerks' Insurance	403,200	0	403,200	0	403,200	0	403,200	0	403,200	0	403,200	0	403,200	0
924 Water/Sewer/Solid Waste	4,392,363	0	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000	0
997 NonPoint Source Pollution Control Program	2,833,523	6	6,542,134	6	6,637,913	6	6,531,129	6	6,531,129	6	6,531,129	6	6,531,129	6
U31 Water Use Program	0	0	0	0	126,000	0	125,010	0	125,010	0	125,010	0	125,010	0
U38 Conservation Technical Assistance	336,194	2	1,205,751	3	1,219,433	3	1,205,660	3	1,205,660	3	1,205,660	3	1,205,660	3
<b>Total</b>	<b>21,613,882</b>	<b>82</b>	<b>124,624,747</b>	<b>86</b>	<b>124,689,239</b>	<b>88</b>	<b>124,812,982</b>	<b>86</b>	<b>124,812,982</b>	<b>86</b>	<b>124,815,172</b>	<b>86</b>	<b>124,815,172</b>	<b>86</b>

  

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	45,579,815	70.9	42,644,104	28.3								
General Revenue	4000010	6,240,554	9.7	6,432,130	4.3	25,796,231	18.2	25,796,231	18.2	19,287,097	14.3	19,287,097	14.3
Federal Revenue	4000020	5,300,858	8.2	12,385,695	8.2	6,443,409	4.5	6,443,409	4.5	6,444,454	4.8	6,444,454	4.8
Cash Fund	4000045	4,365,698	6.8	4,324,750	2.9	12,515,022	8.8	12,515,022	8.8	12,515,022	9.3	12,515,022	9.3
Bond Proceeds	4000125	0	0.0	65,634,299	43.6	4,550,000	3.2	4,550,000	3.2	4,550,000	3.4	4,550,000	3.4
Inter-agency Fund Transfer	4000316	(15,193,152)	(23.6)	0	0.0	70,314,191	49.7	70,314,191	49.7	70,314,930	52.0	70,314,930	52.0
Loan Repayment	4000330	17,964,213	28.0	19,000,000	12.6	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		64,257,986	100.0	150,420,978	100.0	22,000,000	15.5	22,000,000	15.5	22,000,000	16.3	22,000,000	16.3
Excess Appropriation/(Funding)		(42,644,104)		(25,796,231)		141,618,853	100.0	141,618,853	100.0	135,111,503	100.0	135,111,503	100.0
Grand Total		21,613,882		124,624,747		(16,805,871)		(16,805,871)		(10,296,331)		(10,296,331)	
						124,812,982		124,812,982		124,815,172		124,815,172	

The FY19 Budget amount exceeds the Authorized amount for Dam Inventory (1AA), Flood Insurance Program (2BU), and Natural Resources Comm-Cash (420) due to salary and matching rate adjustments during the 217-2019 biennium.

Variance in Fund Balance is due to unfunded appropriation for Ouachita River Waterways Projects (659) and Water/Sewer/Solid Waste (924).

## **Analysis of Budget Request**

**Appropriation:** 129 - Beaver Eradication Program

**Funding Sources:** HUA - Miscellaneous Agencies Fund

The "Beaver Eradication Program" created under Act 630 of 1993 and coordinated by the Department of Finance and Administration and county governments is now called the "Conservation District Beaver Control Program," administered by the Arkansas Natural Resources Commission through Arkansas's conservation districts. This program reimburses conservation districts \$10 per beaver for payments they make to certified beaver harvesters. To receive grant funding through this program, conservation districts must submit a district beaver control plan to the Commission, who will allocate the available funding to districts according to their projected harvest, past participation, and other factors to ensure fairness.

This program is funded by general revenue.

The Agency's Request is for appropriation and general revenue funding of \$150,000 for each year.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.



# Appropriation Summary

**Appropriation:** 129 - Beaver Eradication Program

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Grants and Aid	5100004	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
<b>Funding Sources</b>								
General Revenue	4000010	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
Excess Appropriation/(Funding)		0	0		0	0	0	0
Grand Total		150,000	150,000		150,000	150,000	150,000	150,000

## **Analysis of Budget Request**

**Appropriation:** 1AA - Dam Inventory

**Funding Sources:** FSC - Natural Resources Commission Federal

The Natural Resources Commission's Dam Inventory appropriation is used to conduct periodic inspections to determine the number and current condition of dams within the State's jurisdiction. The Commission maintains this information in a database and provides updated records to the Federal Emergency Management Agency.

This appropriation is federally funded.

The Agency's Request is \$325,969 for each year.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications: agency requests the FY19 Authorized appropriation for Extra Help, Operating Expenses, Conference and Travel, Professional Fees, and Grants and Aid since the timing of additional federal funding and new grant awards is unknown at this time, the appropriation is needed for these potential increases in federal funding.

The Agency's Change Level Request is as follows:

- Capital Outlay restoration of \$10,000 each year to replace existing equipment for the Dam Inventory Program.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 1AA - Dam Inventory

**Funding Sources:** FSC - Natural Resources Commission Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	53,776	55,410	53,796	62,531	62,531	62,531	62,531
<b>#Positions</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Extra Help	5010001	3,544	10,000	10,000	10,000	10,000	10,000	10,000
<b>#Extra Help</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching	5010003	17,901	18,546	18,027	20,225	20,225	20,225	20,225
Operating Expenses	5020002	3,245	49,216	49,216	49,216	49,216	49,216	49,216
Conference & Travel Expenses	5050009	0	17,000	17,000	17,000	17,000	17,000	17,000
Professional Fees	5060010	60,680	80,000	80,000	80,000	80,000	80,000	80,000
Data Processing	5090012	0	0	0	0	0	0	0
Grants and Aid	5100004	0	76,997	76,997	76,997	76,997	76,997	76,997
Capital Outlay	5120011	0	10,000	10,000	10,000	10,000	10,000	10,000
<b>Total</b>		<b>139,146</b>	<b>317,169</b>	<b>315,036</b>	<b>325,969</b>	<b>325,969</b>	<b>325,969</b>	<b>325,969</b>
<b>Funding Sources</b>								
Federal Revenue	4000020	139,146	317,169		325,969	325,969	325,969	325,969
<b>Total Funding</b>		<b>139,146</b>	<b>317,169</b>		<b>325,969</b>	<b>325,969</b>	<b>325,969</b>	<b>325,969</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>139,146</b>	<b>317,169</b>		<b>325,969</b>	<b>325,969</b>	<b>325,969</b>	<b>325,969</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 1EE - Water, Waste Disposal, Pollution Abatement

**Funding Sources:** TPW - Water, Waste Disposal and Pollution Abatement Construction Fund

The Water, Waste Disposal and Pollution Abatement Program provides low interest rate loans to communities for water resources and waste disposal projects. The program is funded from the sale of Water, Waste Disposal and Pollution Abatement General Obligation Bonds, loan repayments and interest income.

The Agency's Request is \$90,314,191 for FY20 and \$90,314,930 for FY21.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications: Agency requests the FY19 Authorized appropriation level for Operating Expenses and Project Disbursements. The continued appropriation is needed to fund projects that have been approved but construction has not yet begun or the project is not yet complete. In addition, this program utilizes bond proceeds to fund these projects and the appropriation is necessary so these bond proceeds can be spent timely in accordance with the bond agreements.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 1EE - Water, Waste Disposal, Pollution Abatement

**Funding Sources:** TPW - Water, Waste Disposal and Pollution Abatement Construction Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	116,097	231,482	233,540	231,281	231,281	231,881	231,881
<b>#Positions</b>		<b>3</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Personal Services Matching	5010003	51,280	78,417	78,237	78,510	78,510	78,649	78,649
Operating Expenses	5020002	0	4,400	4,400	4,400	4,400	4,400	4,400
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
Project Disbursements	5900046	324,743	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000
<b>Total</b>		<b>492,120</b>	<b>90,314,299</b>	<b>90,316,177</b>	<b>90,314,191</b>	<b>90,314,191</b>	<b>90,314,930</b>	<b>90,314,930</b>

Funding Sources								
Fund Balance	4000005	23,483,759	23,031,581		15,351,581	15,351,581	15,351,581	15,351,581
Bond Proceeds	4000125	0	65,634,299		70,314,191	70,314,191	70,314,930	70,314,930
Inter-agency Fund Transfer	4000316	(15,193,152)	0		0	0	0	0
Loan Repayment	4000330	15,233,094	17,000,000		20,000,000	20,000,000	20,000,000	20,000,000
<b>Total Funding</b>		<b>23,523,701</b>	<b>105,665,880</b>		<b>105,665,772</b>	<b>105,665,772</b>	<b>105,666,511</b>	<b>105,666,511</b>
Excess Appropriation/(Funding)		(23,031,581)	(15,351,581)		(15,351,581)	(15,351,581)	(15,351,581)	(15,351,581)
<b>Grand Total</b>		<b>492,120</b>	<b>90,314,299</b>		<b>90,314,191</b>	<b>90,314,191</b>	<b>90,314,930</b>	<b>90,314,930</b>

FY19 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2017-2019 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 262 - Natural Resources Commission-Operations

**Funding Sources:** HUA - Miscellaneous Agencies Fund

The State Operations appropriation provides administrative support for the Arkansas Natural Resources Commission and is funded by general revenue.

The Agency's Request is for appropriation and general revenue funding of \$3,509,687 for FY20 and \$3,510,610 for FY21.

The Agency's Change Level Requests are as follows:

- Regular Salaries and Personal Services Matching reduction of \$49,529 to discontinue one (1) B056 ANRC Program Coordinator position to meet general revenue funding.
- Operating Expenses increase of \$14,107 for FY20 and \$14,132 for FY21 for increased vehicle maintenance and scanning projects.

The FY19 Authorized appropriation level of \$130,981 for the Water Planning line items is needed to support the joint work done by the United States Geological Survey and the Arkansas Natural Resources Commission for water planning across the state.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 262 - Natural Resources Commission-Operations

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	1,406,486	1,527,299	1,533,651	1,524,506	1,524,506	1,525,231	1,525,231
<b>#Positions</b>		<b>26</b>	<b>26</b>	<b>27</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>
Personal Services Matching	5010003	450,779	483,417	484,447	483,777	483,777	483,950	483,950
Operating Expenses	5020002	401,586	400,379	400,379	414,486	414,486	414,511	414,511
Conference & Travel Expenses	5050009	10,165	10,165	10,165	10,165	10,165	10,165	10,165
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Grants and Aid	5100004	939,990	939,990	939,990	939,990	939,990	939,990	939,990
Capital Outlay	5120011	0	0	0	0	0	0	0
Surveys & Investigations	5900046	3,900	3,900	3,900	3,900	3,900	3,900	3,900
Water Planning	5900047	98,909	130,981	130,981	130,981	130,981	130,981	130,981
Research Project	5900048	1,882	1,882	1,882	1,882	1,882	1,882	1,882
<b>Total</b>		<b>3,313,697</b>	<b>3,498,013</b>	<b>3,505,395</b>	<b>3,509,687</b>	<b>3,509,687</b>	<b>3,510,610</b>	<b>3,510,610</b>
<b>Funding Sources</b>								
General Revenue	4000010	3,313,697	3,498,013		3,509,687	3,509,687	3,510,610	3,510,610
Total Funding		3,313,697	3,498,013		3,509,687	3,509,687	3,510,610	3,510,610
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>3,313,697</b>	<b>3,498,013</b>		<b>3,509,687</b>	<b>3,509,687</b>	<b>3,510,610</b>	<b>3,510,610</b>

## **Analysis of Budget Request**

**Appropriation:** 263 - Grants and Attorney Services

**Funding Sources:** HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Grants and Attorney Services appropriation provides for Arkansas's share of operating grants for three river and watershed compacts (the River Basin Compact, the Arkansas River Compact and the Red River Compact), provides for travel and stipend expenses for commission members, supports conservation projects, and provides for special legal assistance concerning water rights.

This program is funded by general revenue.

The Agency' Request is for appropriation and general revenue funding of \$91,711 for each year.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.



## Appropriation Summary

**Appropriation:** 263 - Grants and Attorney Services

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2019-2020		2020-2021	
		2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	Agency	Executive	Agency	Executive
Grants and Aid	5100004	42,820	42,820	42,820	42,820	42,820	42,820	42,820
Legal Counsel	5900040	5,871	5,871	5,871	5,871	5,871	5,871	5,871
Committee/Commission Exp	5900041	9,638	10,000	10,000	10,000	10,000	10,000	10,000
Conservation Projects	5900046	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Arkansas River Compact	5900047	17,800	17,800	17,800	17,800	17,800	17,800	17,800
Red River Compact	5900048	11,720	11,720	11,720	11,720	11,720	11,720	11,720
<b>Total</b>		<b>91,349</b>	<b>91,711</b>	<b>91,711</b>	<b>91,711</b>	<b>91,711</b>	<b>91,711</b>	<b>91,711</b>
<b>Funding Sources</b>								
General Revenue	4000010	91,349	91,711		91,711	91,711	91,711	91,711
<b>Total Funding</b>		<b>91,349</b>	<b>91,711</b>		<b>91,711</b>	<b>91,711</b>	<b>91,711</b>	<b>91,711</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>91,349</b>	<b>91,711</b>		<b>91,711</b>	<b>91,711</b>	<b>91,711</b>	<b>91,711</b>

## **Analysis of Budget Request**

**Appropriation:** 2BU - Flood Insurance Program

**Funding Sources:** FSC - Natural Resources Commission Federal

The Natural Resources Commission's Flood Insurance Program is funded entirely by federal revenues granted to the Commission by the Federal Emergency Management Agency (FEMA) within the U.S. Department of Homeland Security. The Commission uses this appropriation to provide a community flood insurance assistance program and to provide grant funding to Arkansas Geographic Information Office (GIS) to support the FEMA Flood Map Modernization Program.

The Agency's Request is \$3,240,926 for each year.

The Agency's Change Level Request is as follows:

- Capital Outlay restoration of \$25,000 to enable the agency to replace existing equipment for the Flood Insurance Program.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications: agency requests the FY19 Authorized appropriation for Extra Help, Conference and Travel Expenses, Professional Fees, and Grants and Aid to support a community flood insurance program and to provide grant funding for the FEMA Flood Map Modernization Program. This program also works with engineering firms on the Cooperating Technical Providers (CTP) program which gathers data for flood risk areas across the state. The appropriation is needed to continue to fund the CTP program and provide for additional FEMA funding as needed.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2BU - Flood Insurance Program  
**Funding Sources:** FSC - Natural Resources Commission Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries 5010000	141,676	146,038	100,099	145,755	145,755	145,755	145,755
<b>#Positions</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Extra Help 5010001	0	0	10,000	10,000	10,000	10,000	10,000
<b>#Extra Help</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personal Services Matching 5010003	46,911	48,694	33,583	49,486	49,486	49,486	49,486
Operating Expenses 5020002	29,905	281,039	281,039	281,039	281,039	281,039	281,039
Conference & Travel Expenses 5050009	9,093	32,571	32,571	32,571	32,571	32,571	32,571
Professional Fees 5060010	739,224	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Data Processing 5090012	0	0	0	0	0	0	0
Grants and Aid 5100004	120,883	997,075	997,075	997,075	997,075	997,075	997,075
Capital Outlay 5120011	0	25,000	25,000	25,000	25,000	25,000	25,000
<b>Total</b>	<b>1,087,692</b>	<b>3,230,417</b>	<b>3,179,367</b>	<b>3,240,926</b>	<b>3,240,926</b>	<b>3,240,926</b>	<b>3,240,926</b>
<b>Funding Sources</b>							
Federal Revenue 4000020	1,087,692	3,230,417		3,240,926	3,240,926	3,240,926	3,240,926
Total Funding	1,087,692	3,230,417		3,240,926	3,240,926	3,240,926	3,240,926
Excess Appropriation/(Funding)	0	0		0	0	0	0
<b>Grand Total</b>	<b>1,087,692</b>	<b>3,230,417</b>		<b>3,240,926</b>	<b>3,240,926</b>	<b>3,240,926</b>	<b>3,240,926</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 2GE - Water/Sewer/Solid Waste-State

**Funding Sources:** HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Water, Sewer, and Solid Waste - State appropriation provides funding for water, sewer, and solid waste projects that improve or provide basic infrastructure for Arkansas's rural communities. Special language provides for any obligated funds in this account that are not expended by the close of each fiscal year to be transferred to the Commission's Water, Sewer, and Solid Waste Revolving Fund account for later expenditure toward obligated projects.

This program is funded by general revenue.

The Agency's Request is for appropriation and general revenue funding of \$84,296 for each year.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2GE - Water/Sewer/Solid Waste-State

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Grants and Aid	5100004	84,296	84,296	84,296	84,296	84,296	84,296	84,296
Total		84,296	84,296	84,296	84,296	84,296	84,296	84,296
<b>Funding Sources</b>								
General Revenue	4000010	84,296	84,296		84,296	84,296	84,296	84,296
Total Funding		84,296	84,296		84,296	84,296	84,296	84,296
Excess Appropriation/(Funding)		0	0		0	0	0	0
Grand Total		84,296	84,296		84,296	84,296	84,296	84,296

## **Analysis of Budget Request**

**Appropriation:** 2RG - Water Quality Implementation

**Funding Sources:** HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Water Quality Plan Implementation Program provides matching for federal funds in the U.S. Environmental Protection Agency (EPA) Section 319 Nonpoint Source Pollution Abatement Program, as well as matching for the EPA Clean Lakes Program and Corps of Engineers projects.

This program is funded by general revenue.

The Agency's Request is for appropriation and general revenue funding of \$1,811,715 for FY20 and \$1,811,837 for FY21.

The Agency's Change Level Request is as follows:

- Regular Salaries and Personal Services Matching reduction of \$49,529 to discontinue one (1) B059C Program Coordinator position to meet general revenue funding.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2RG - Water Quality Implementation

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	225,532	224,205	247,674	223,774	223,774	223,874	223,874
<b>#Positions</b>		<b>5</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Personal Services Matching	5010003	75,810	71,705	81,446	71,741	71,741	71,763	71,763
Operating Expenses	5020002	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Conference & Travel Expenses	5050009	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Grants and Aid	5100004	759,773	762,000	762,000	762,000	762,000	762,000	762,000
Capital Outlay	5120011	0	0	0	0	0	0	0
Water Quality Technician	5900046	750,000	750,000	750,000	750,000	750,000	750,000	750,000
<b>Total</b>		<b>1,815,315</b>	<b>1,812,110</b>	<b>1,845,320</b>	<b>1,811,715</b>	<b>1,811,715</b>	<b>1,811,837</b>	<b>1,811,837</b>
<b>Funding Sources</b>								
General Revenue	4000010	1,815,315	1,812,110		1,811,715	1,811,715	1,811,837	1,811,837
<b>Total Funding</b>		<b>1,815,315</b>	<b>1,812,110</b>		<b>1,811,715</b>	<b>1,811,715</b>	<b>1,811,837</b>	<b>1,811,837</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>1,815,315</b>	<b>1,812,110</b>		<b>1,811,715</b>	<b>1,811,715</b>	<b>1,811,837</b>	<b>1,811,837</b>

**CARRY FORWARD OF ANY REMAINING FUND BALANCES  
FROM FISCAL YEAR 2018 TO FISCAL YEAR 2019**

Agency: Natural Resources Commission

Program: Water Quality Implementation

Act #: 238 of 17 Section(s) #: 7, 24 & 25

Estimated Carry Forward Amount \$ 235,000.00 Funding Source: Miscellaneous Agencies Fund

**Accounting Information:**

Business Area: 0455 Funds Center: 2RG Fund: HUA Functional Area: COMM

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:**

Special Language authorizes the carry forward of funds to support the amount of obligated grants certified by the agency for Matching Grants and Water Quality Technicians in the Water Quality Plan Implementation appropriation.

Actual Funding Carry Forward Amount \$ 0.00

**Current status of carry forward funding:**

\_\_\_\_\_  
Bruce Holland  
Director

\_\_\_\_\_  
08-02-2018  
Date



## **Analysis of Budget Request**

**Appropriation:** 381 - Rural Fire Protection Program

**Funding Sources:** HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Rural Fire Protection Program provides assistance to rural communities to develop rural water impoundments and to improve firefighting capabilities. The agency disburses the entire allotment to the Arkansas Association of Resource Conservation and Development Council (AARCDC) located in Roland, Arkansas, which is an organization designed to assist rural communities solve problems and develop new opportunities. The AARCDC determines which local fire departments and political subdivisions will be assisted.

This program is funded by general revenue.

The Agency's Request is for appropriation and general revenue funding of \$100,000 for each year.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 381 - Rural Fire Protection Program

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Grants and Aid	5100004	89,944	100,000	100,000	100,000	100,000	100,000	100,000
Total		89,944	100,000	100,000	100,000	100,000	100,000	100,000
<b>Funding Sources</b>								
General Revenue	4000010	89,944	100,000		100,000	100,000	100,000	100,000
Total Funding		89,944	100,000		100,000	100,000	100,000	100,000
Excess Appropriation/(Funding)		0	0		0	0	0	0
Grand Total		89,944	100,000		100,000	100,000	100,000	100,000

## **Analysis of Budget Request**

**Appropriation:** 383 - Conservation District Grants

**Funding Sources:** HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Conservation District Program provides grants to conservation districts throughout the State for the purpose of enhancing the capability of conservation districts to carry out conservation within their respective district. Projects eligible for grant funds must carry out resource enhancement, restoration or protection and must be new or in addition to those projects in which a district is currently involved. Projects intended to replace existing programs are not eligible for grant funding. The maximum total grant per district is \$25,000 per year, and grant funds must be matched by local cash funds on a ratio of \$1 local to \$2 grant.

This grant program is funded from general revenue.

The Agency's Request is for appropriation general revenue funding of \$250,000 for each year.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 383 - Conservation District Grants

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Grants and Aid 5100004	249,953	250,000	250,000	250,000	250,000	250,000	250,000
Total	249,953	250,000	250,000	250,000	250,000	250,000	250,000
Funding Sources							
General Revenue 4000010	249,953	250,000		250,000	250,000	250,000	250,000
Total Funding	249,953	250,000		250,000	250,000	250,000	250,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	249,953	250,000		250,000	250,000	250,000	250,000

## **Analysis of Budget Request**

**Appropriation:** 420 - Natural Resources Comm-Cash

**Funding Sources:** NSW - Cash in Treasury

The Natural Resources Commission - Cash appropriation provides for the Safe Drinking Water Program and the Water Grants Program. These programs provide administration for safe drinking water projects that are funded through activities of the Arkansas Development Finance Authority. As authorized in Arkansas Code §15-22-1102, funds are transferred from Arkansas Development Finance Authority to the Natural Resources Commission Cash Account for maintenance and support of this program. Additional funding primarily consists of fees, principal and interest payments on previous loans and interest income earned on investments.

The Agency's Request is \$9,482,685 for FY20 and \$9,483,091 for FY21.

The Agency's Change Level Request is as follows:

- Capital Outlay restoration of \$125,000 each year to provide for equipment needs for the Arkansas Wetland Mitigation Bank Program, a state sponsored initiative to provide off-site mitigation opportunities for Section 404, of the Clean Water Act, recipients required to provide compensatory mitigation for impacts of approved wetlands projects.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications: agency requests the FY19 Authorized appropriation for Professional Fees, and Grants and Aid for use as state match for grants provided by Natural Resources Conservation Service (NRCS), use for work on the Regional Extreme Precipitation Study. Professional service fee appropriation is needed to continue to fund this study.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 420 - Natural Resources Comm-Cash

**Funding Sources:** NSW - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	948,601	1,230,126	1,090,249	1,240,210	1,240,210	1,240,536	1,240,536
<b>#Positions</b>		<b>24</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
Extra Help	5010001	8,285	30,800	30,800	30,800	30,800	30,800	30,800
<b>#Extra Help</b>		<b>1</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Personal Services Matching	5010003	337,018	411,173	371,028	414,325	414,325	414,405	414,405
Operating Expenses	5020002	530,970	533,331	533,331	533,331	533,331	533,331	533,331
Conference & Travel Expenses	5050009	20,053	27,000	27,000	27,000	27,000	27,000	27,000
Professional Fees	5060010	129,435	910,002	910,002	910,002	910,002	910,002	910,002
Data Processing	5090012	0	0	0	0	0	0	0
Grants and Aid	5100004	3,187,876	6,202,017	6,202,017	6,202,017	6,202,017	6,202,017	6,202,017
Capital Outlay	5120011	16,249	100,000	100,000	125,000	125,000	125,000	125,000
<b>Total</b>		<b>5,178,487</b>	<b>9,444,449</b>	<b>9,264,427</b>	<b>9,482,685</b>	<b>9,482,685</b>	<b>9,483,091</b>	<b>9,483,091</b>

Funding Sources								
Fund Balance	4000005	14,800,689	13,987,900		8,868,201	8,868,201	3,935,516	3,935,516
Cash Fund	4000045	4,365,698	4,324,750		4,550,000	4,550,000	4,550,000	4,550,000
Total Funding		19,166,387	18,312,650		13,418,201	13,418,201	8,485,516	8,485,516
Excess Appropriation/(Funding)		(13,987,900)	(8,868,201)		(3,935,516)	(3,935,516)	997,575	997,575
<b>Grand Total</b>		<b>5,178,487</b>	<b>9,444,449</b>		<b>9,482,685</b>	<b>9,482,685</b>	<b>9,483,091</b>	<b>9,483,091</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 527 - Construction Asst Revolving Loan Fund Program

**Funding Sources:** FSC - Natural Resources Commission Federal

The Construction Assistance Revolving Loan Fund Program monitors and approves the progress of projects employing low interest loans from the Natural Resources Commission that are used to provide clean water by reducing or eliminating elements of water borne pollution.

Funding for this appropriation is federal.

The Agency's Request is \$1,086,328 for each year.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditure includes the following justifications: this program monitors and approves the progress of projects employing low interest loans from the Natural Resources Commission that are used to provide clean water by reducing or eliminating elements of water borne pollution. The Commission currently has four vacant positions in this program. The Commission plans to fill two of these positions so continued appropriation is needed to fully support the salaries, match and operating expenses for this program.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 527 - Construction Asst Revolving Loan Fund Program

**Funding Sources:** FSC - Natural Resources Commission Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	579,163	662,911	673,820	659,422	659,422	659,422	659,422
<b>#Positions</b>		<b>12</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
Personal Services Matching	5010003	196,744	219,190	218,546	218,783	218,783	218,783	218,783
Operating Expenses	5020002	122,583	182,404	182,404	182,404	182,404	182,404	182,404
Conference & Travel Expenses	5050009	5,813	12,219	12,219	12,219	12,219	12,219	12,219
Professional Fees	5060010	0	13,500	13,500	13,500	13,500	13,500	13,500
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>904,303</b>	<b>1,090,224</b>	<b>1,100,489</b>	<b>1,086,328</b>	<b>1,086,328</b>	<b>1,086,328</b>	<b>1,086,328</b>
<b>Funding Sources</b>								
Federal Revenue	4000020	904,303	1,090,224		1,086,328	1,086,328	1,086,328	1,086,328
Total Funding		904,303	1,090,224		1,086,328	1,086,328	1,086,328	1,086,328
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>904,303</b>	<b>1,090,224</b>		<b>1,086,328</b>	<b>1,086,328</b>	<b>1,086,328</b>	<b>1,086,328</b>

FY19 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2017-2019 Biennium.



## **Analysis of Budget Request**

**Appropriation:** 659 - Ouachita River Waterways Projects

**Funding Sources:** TWO - Ouachita River Waterways Project Trust Fund

The Natural Resources Commission's Ouachita River Waterways Projects Program provides grant funding to the Ouachita River Park Commission to support the development of recreational facilities, parks, and services along the banks of the Ouachita River across South Arkansas.

This appropriation is funded from the Ouachita River Waterways Project Trust Fund (A.C.A. 19-5-1109).

The Agency's Request is \$57,675 for each year.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications: the timing of these grant funds are based on expenses incurred by the Ouachita River Park Commission to support the development of recreational facilities, park and services along the banks of the Ouachita River across South Arkansas. The expenses vary from year to year so the appropriation is needed to reimburse the Commission as expenses are incurred.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 659 - Ouachita River Waterways Projects

**Funding Sources:** TWO - Ouachita River Waterways Project Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Grants and Aid	5100004	9,500	48,174	57,675	57,675	57,675	57,675	57,675
Total		9,500	48,174	57,675	57,675	57,675	57,675	57,675
<b>Funding Sources</b>								
Fund Balance	4000005	57,674	48,174		0	0	0	0
Total Funding		57,674	48,174		0	0	0	0
Excess Appropriation/(Funding)		(48,174)	0		57,675	57,675	57,675	57,675
Grand Total		9,500	48,174		57,675	57,675	57,675	57,675

## **Analysis of Budget Request**

**Appropriation:** 808 - Water Research

**Funding Sources:** HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's appropriation for Water Research is used to provide grant funding to the U.S. Geological Survey to enable research using data collected and compiled in the Commission's water management and water quality programs.

The appropriation is funded by general revenue.

The Agency's Request is for appropriation and general revenue funding of \$42,800 for each year.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 808 - Water Research

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Grants and Aid	5100004	42,800	42,800	42,800	42,800	42,800	42,800	42,800
Total		42,800	42,800	42,800	42,800	42,800	42,800	42,800

Funding Sources								
General Revenue	4000010	42,800	42,800		42,800	42,800	42,800	42,800
Total Funding		42,800	42,800		42,800	42,800	42,800	42,800
Excess Appropriation/(Funding)		0	0		0	0	0	0
Grand Total		42,800	42,800		42,800	42,800	42,800	42,800

## **Analysis of Budget Request**

**Appropriation:** 822 - Conservation District Clerks' Insurance

**Funding Sources:** HUA - Miscellaneous Agencies Fund

Conservation district clerks are authorized by Arkansas Code Annotated §14-125-312 to take part in the State Employees Group Insurance Plan.

This appropriation provides the State's matching portion of health insurance premiums and is funded by general revenue.

The Agency's Request is for appropriation and general revenue funding of \$403,200 for each year.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 822 - Conservation District Clerks' Insurance

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Personal Services Matching 5010003	403,200	403,200	403,200	403,200	403,200	403,200	403,200
Total	403,200	403,200	403,200	403,200	403,200	403,200	403,200
Funding Sources							
General Revenue 4000010	403,200	403,200		403,200	403,200	403,200	403,200
Total Funding	403,200	403,200		403,200	403,200	403,200	403,200
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	403,200	403,200		403,200	403,200	403,200	403,200

## **Analysis of Budget Request**

**Appropriation:** 924 - Water/Sewer/Solid Waste

**Funding Sources:** MAC - Water, Sewer, and Solid Waste Revolving Fund

The Water, Sewer, and Solid Waste-Revolving appropriation is used to provide grants, low interest loans and deferred loans to eligible entities to use for water, sewer, or solid waste management (§14-230-105). Eligible entities include cities, towns, counties, regional water districts, special improvement districts, public facilities boards, rural development authorities, rural waterworks facilities boards, other public entities and nonprofit corporations which provide water, sewer, or solid waste services to one or more cities, towns, or counties. The Maximum assistance is 50% of the total project cost. Funding for this appropriation consists of loan principal and interest repayments that are deposited into the Water, Sewer and Solid Waste Revolving Fund (§19-5-310).

The Agency Request is \$6,000,000 for each year.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications: the Agency requests the FY19 Authorized appropriation for Grants and Aid to provide grants, low interest loans and deferred loans to eligible entities to use for water, sewer or solid waste management. The Commission currently has approved projects that have not yet been funded, and the timing of new projects varies from year to year. Grants and aid appropriation is needed to fund committed and new projects as well as emergency projects.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 924 - Water/Sewer/Solid Waste

**Funding Sources:** MAC - Water, Sewer, and Solid Waste Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Grants and Aid	5100004	4,392,363	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Total		4,392,363	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Funding Sources								
Fund Balance	4000005	7,237,693	5,576,449		1,576,449	1,576,449	0	0
Loan Repayment	4000330	2,731,119	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000
Total Funding		9,968,812	7,576,449		3,576,449	3,576,449	2,000,000	2,000,000
Excess Appropriation/(Funding)		(5,576,449)	(1,576,449)		2,423,551	2,423,551	4,000,000	4,000,000
Grand Total		4,392,363	6,000,000		6,000,000	6,000,000	6,000,000	6,000,000



## **Analysis of Budget Request**

**Appropriation:** 997 - NonPoint Source Pollution Control Program

**Funding Sources:** FSC - Natural Resources Commission Federal

This program reflects the federal side of the Natural Resources Commission's role in conducting the U.S. Environmental Protection Agency (EPA) Section 319 grant program to fund nonpoint source pollution management strategies. This appropriation is funded from federal funding from the EPA (the state match portion of this program is expensed in the Water Quality Plan Implementation Appropriation). The Arkansas Natural Resources Commission administers this program with an emphasis on funding best management practices in priority watersheds.

The Agency's Request is \$6,531,129 for each year.

The Agency's Change Level Request is as follows:

- Capital Outlay restoration of \$50,000 for each year to enable the agency to replace existing equipment.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications: the Agency requests the FY19 Authorized appropriation for Extra Help, Operating Expenses, Conference and Travel, and Grants and Aid. This program reflects the federal side of the Natural Resources Commission's role in conducting the U.S. Environmental protection Agency (EPA) Section 319 grant program to fund nonpoint source pollution management strategies. The program works with entities statewide to provide grants to implement best management practices. Reimbursement for the grants to these entities is dependent upon the progress of the best management practice and timing of these grants varies from year to year. Appropriation is needed to fund existing commitments as well as to utilize additional EPA funding for this program.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 997 - NonPoint Source Pollution Control Program

**Funding Sources:** FSC - Natural Resources Commission Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries 5010000	275,142	283,246	353,643	274,074	274,074	274,074	274,074
<b>#Positions</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Extra Help 5010001	0	25,000	25,000	25,000	25,000	25,000	25,000
<b>#Extra Help</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Personal Services Matching 5010003	91,151	97,278	122,660	95,445	95,445	95,445	95,445
Operating Expenses 5020002	38,423	294,334	294,334	294,334	294,334	294,334	294,334
Conference & Travel Expenses 5050009	995	50,000	50,000	50,000	50,000	50,000	50,000
Professional Fees 5060010	99,420	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing 5090012	0	0	0	0	0	0	0
Grants and Aid 5100004	2,322,976	5,642,276	5,642,276	5,642,276	5,642,276	5,642,276	5,642,276
Capital Outlay 5120011	5,416	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total</b>	<b>2,833,523</b>	<b>6,542,134</b>	<b>6,637,913</b>	<b>6,531,129</b>	<b>6,531,129</b>	<b>6,531,129</b>	<b>6,531,129</b>
<b>Funding Sources</b>							
Federal Revenue 4000020	2,833,523	6,542,134		6,531,129	6,531,129	6,531,129	6,531,129
<b>Total Funding</b>	<b>2,833,523</b>	<b>6,542,134</b>		<b>6,531,129</b>	<b>6,531,129</b>	<b>6,531,129</b>	<b>6,531,129</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0
<b>Grand Total</b>	<b>2,833,523</b>	<b>6,542,134</b>		<b>6,531,129</b>	<b>6,531,129</b>	<b>6,531,129</b>	<b>6,531,129</b>

## **Analysis of Budget Request**

**Appropriation:** U31 - Water Use Program

**Funding Sources:** FSC - Natural Resources Commission Federal

The ANRC recently completed an update of the Arkansas Water Plan. One of priority needs identified in this update was the need for reliable water use data. Acquiring this data means the expansion of the network of stream gauges, monitoring wells, water quality monitoring sites and improved information of water use.

The Agency's Request is \$125,010 for each year.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications: this appropriation is used for federal funding provided for expansion of stream gauges, monitoring wells, water quality monitoring sites and improved information of water use. The Commission currently has a new grant with United States Geological Survey (USGS) so continued appropriation is needed to utilize this federal funding.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** U31 - Water Use Program  
**Funding Sources:** FSC - Natural Resources Commission Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2019-2020		2020-2021	
		2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	0	0	13,023	13,023	13,023	13,023	13,023
<b>#Positions</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personal Services Matching	5010003	0	0	3,992	3,002	3,002	3,002	3,002
Operating Expenses	5020002	0	0	8,985	8,985	8,985	8,985	8,985
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>126,000</b>	<b>125,010</b>	<b>125,010</b>	<b>125,010</b>	<b>125,010</b>
<b>Funding Sources</b>								
Federal Revenue	4000020	0	0		125,010	125,010	125,010	125,010
<b>Total Funding</b>		<b>0</b>	<b>0</b>		<b>125,010</b>	<b>125,010</b>	<b>125,010</b>	<b>125,010</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>0</b>	<b>0</b>		<b>125,010</b>	<b>125,010</b>	<b>125,010</b>	<b>125,010</b>

## **Analysis of Budget Request**

**Appropriation:** U38 - Conservation Technical Assistance

**Funding Sources:** FSC - Natural Resources Commission Federal

The functions of the Conservation Division include oversight of the 75 Conservation Districts including fiscal management and program planning; registration of surface water and groundwater usage; administration of a tax credit program, creation of surface water storage, reduction of ground water use; and administrative support of the Board of Registration for Soil Classifiers. This division also performs geographic information system analyses and data acquisition. The Nutrient Management Program was implemented to oversee the Poultry Feeding Operations Registration Program and the certification of Nutrient Planners and Applicators.

The Agency's Request is \$1,205,660 for each year.

The Agency's Change Level Request is as follows:

- Capital Outlay restoration of \$40,000 for each year to enable the agency to replace existing equipment.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications: this appropriation is used for federal funding provided by Natural Resources Conservation Service (NRCS). The Commission utilizes the federal funding to work with Conservation Districts across the state to deliver technical and financial assistance to participating in USDA programs through the expanded use of monitoring equipment such as flowmeters to enhance water conservation. The federal funds are also used to provide technical assistance to landowners and operators that establish irrigation water management technical specialists and other technical services or projects that address identified conservation objectives. The continued appropriation is needed to utilize the federal funds for these existing programs as well as utilize additional NRCS grant funds as needed.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** U38 - Conservation Technical Assistance  
**Funding Sources:** FSC - Natural Resources Commission Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries 5010000	60,336	102,664	111,996	102,543	102,543	102,543	102,543
<b>#Positions</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Personal Services Matching 5010003	28,658	36,204	40,554	36,234	36,234	36,234	36,234
Operating Expenses 5020002	1,459	120,246	120,246	120,246	120,246	120,246	120,246
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0
Grants and Aid 5100004	245,741	906,637	906,637	906,637	906,637	906,637	906,637
Capital Outlay 5120011	0	40,000	40,000	40,000	40,000	40,000	40,000
<b>Total</b>	<b>336,194</b>	<b>1,205,751</b>	<b>1,219,433</b>	<b>1,205,660</b>	<b>1,205,660</b>	<b>1,205,660</b>	<b>1,205,660</b>
<b>Funding Sources</b>							
Federal Revenue 4000020	336,194	1,205,751		1,205,660	1,205,660	1,205,660	1,205,660
Total Funding	336,194	1,205,751		1,205,660	1,205,660	1,205,660	1,205,660
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	336,194	1,205,751		1,205,660	1,205,660	1,205,660	1,205,660

# DEPARTMENT OF PARKS AND TOURISM

## Employment Summary

	Male	Female	Total	%
White Employees	346	308	654	91 %
Black Employees	18	30	48	7 %
Other Racial Minorities	9	8	17	2 %
Total Minorities			65	9 %
Total Employees			719	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

**ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM**  
**STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES**  
**Fiscal Year 2018**  
**Required by A.C.A. 25-36-104**

**AGENCY: 0900 DEPARTMENT OF PARKS AND TOURISM**

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	\$172,765	X					
Jones Consulting	\$1,856,117			X			
NSC Inc.	\$50,440	X					
SC Home	\$196,922		X				

<b>TOTAL NUMBER OF MINORITY CONTRACTS AWARDED</b>	<u>4</u>
<b>TOTAL EXPENDITURES FOR CONTRACTS AWARDED</b>	<u>\$2,276,244</u>
<b>% OF MINORITY CONTRACTS AWARDED</b>	<u>16258885.71 %</u>



## Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2017-2018		2018-2019		2018-2019		2019-2020				2020-2021			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
21J SCORP Program-Federal	891,292	0	3,271,148	0	3,271,148	0	5,771,148	0	5,771,148	0	5,851,148	0	5,851,148	0
433 Museum Natural Res-Spec Rev	36,605	1	82,143	2	77,179	2	82,771	2	82,771	2	82,771	2	82,771	2
499 State Operations	20,620,515	424	20,719,444	405	21,713,829	405	20,775,547	404	20,775,547	404	20,788,347	404	20,788,347	404
500 Conservation Tax	35,436,611	158	47,193,503	165	53,987,676	165	55,136,825	166	55,136,825	166	55,139,932	166	55,139,932	166
502 Keep Arkansas Beautiful-ConsTax	684,790	3	731,878	3	717,789	3	881,617	3	881,617	3	881,617	3	881,617	3
504 Tourism Promotion-Special Rev	14,958,394	6	16,109,635	8	16,072,093	8	18,389,698	8	18,389,698	8	18,389,821	8	18,389,821	8
54L Wildlife Observation Trails	0	0	1,006,614	0	1,006,614	0	1,006,614	0	1,006,614	0	1,006,614	0	1,006,614	0
579 Outdoor Recreation Grants Prg	2,166,144	4	7,802,824	4	7,835,680	4	7,821,469	4	7,821,469	4	7,821,469	4	7,821,469	4
986 Operations & Construction-Cash in Treasury	30,962,876	191	36,804,383	209	34,523,901	209	37,275,722	209	37,275,722	209	37,282,182	209	37,282,182	209
994 Retirement & Relocation Program	901,943	0	924,119	0	928,278	0	968,619	0	968,619	0	968,619	0	968,619	0
995 Tourism - Cash in Treasury	26,602	0	31,155	0	55,010	0	30,028	0	30,028	0	30,028	0	30,028	0
996 Entertainers Hall of Fame-Treas	38,367	0	0	0	37,460	0	0	0	0	0	0	0	0	0
V55 War Memorial Stadium Gen. Rev.	821,749	7	447,647	7	895,294	8	447,647	7	447,647	7	447,647	7	447,647	7
V56 War Memorial Stadium Cash	2,128,015	0	2,244,606	0	2,891,550	0	2,345,924	1	2,345,924	1	2,345,924	1	2,345,924	1
<b>Total</b>	<b>109,673,903</b>	<b>795</b>	<b>137,369,099</b>	<b>803</b>	<b>144,013,501</b>	<b>804</b>	<b>150,933,629</b>	<b>804</b>	<b>150,933,629</b>	<b>804</b>	<b>151,036,119</b>	<b>804</b>	<b>151,036,119</b>	<b>804</b>

  

Funding Sources		%		%		%		%		%	
Fund Balance	4000005	40,940,265	27.3	40,077,737	26.6						
General Revenue	4000010	21,246,857	14.2	20,872,755	13.9	13,304,393	10.4	13,304,393	10.4	685,747	0.6
Federal Revenue	4000020	842,023	0.6	3,324,086	2.2	5,824,086	4.6	5,824,086	4.6	5,624,086	4.8
Special Revenue	4000030	51,625,341	34.5	54,011,738	35.8	55,648,036	43.7	55,648,036	43.7	57,241,147	49.1
Cash Fund	4000045	33,713,882	22.5	32,092,840	21.3	31,391,920	24.6	31,391,920	24.6	31,742,282	27.2
Performance Fund	4000055	195,407	0.1	294,336	0.2	0	0.0	0	0.0	0	0.0
Interest	4000300	741	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfers / Adjustments	4000683	1,187,124	0.8	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Funds</b>		<b>149,751,640</b>	<b>100.0</b>	<b>150,673,492</b>	<b>100.0</b>	<b>127,391,629</b>	<b>100.0</b>	<b>127,391,629</b>	<b>100.0</b>	<b>116,529,256</b>	<b>100.0</b>
Excess Appropriation/(Funding)		(40,077,737)		(13,304,393)		23,542,000		23,542,000		34,506,863	
<b>Grand Total</b>		<b>109,673,903</b>		<b>137,369,099</b>		<b>150,933,629</b>		<b>150,933,629</b>		<b>151,036,119</b>	

The FY19 Budget amount exceeds the Authorized amount for Museum of Natural Resources (433) due to salary adjustments during the 2017-2019 Biennium. The FY19 Budget amount exceeds the Authorized amount for Keep Arkansas Beautiful (502), Tourism Promotion (504), and Operations & Construction (986) due to salary and matching rate adjustments during the 2017-2019 Biennium. Pursuant to Act 269 of 2017, the War Memorial Stadium Commission (V55 and V56) were transferred to the Department of Parks and Tourism. Variance in Fund Balance is due to unfunded appropriation for Conservation Tax (500), Tourism Promotion (504), Outdoor Recreation Grants Program (579), Operations-Cash (986), Tourism-Cash (995), and War Memorial Stadium-Cash (V56).

## **Analysis of Budget Request**

**Appropriation:** 2JJ - SCORP Program-Federal

**Funding Sources:** FPT - Parks & Tourism Federal

The Department utilizes this appropriation to provide for the Outdoor Recreation Grant Program and the Development of the Statewide Comprehensive Outdoor Recreation Plan (SCORP). This appropriation is funded by the Federal Land and Water Conservation Fund Program (LWCF).

The Agency's Request is \$5,771,148 for FY20 and \$5,851,148 for FY21.

The Agency Change Level requests are as follows:

- Professional Fees increase of \$80,000 in FY21 for SCORP related user survey work to be performed under contract beginning in FY21.
- Grants and Aid increase of \$2,500,000 for each year of the biennium. The agency anticipates an increase of \$1.8 million in the apportionment from the LWCF. Currently the agency has \$1.2 million of grants being completed by state and local governments which reduces the appropriation available for new grants. LWCF rules and regulations allow grantees up to five (5) years to complete and be reimbursed for grant projects. Without the increase, the agency could lose the new funds.

The agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications:

- Conference and Travel due to travel costs coded to Operating Expenses. Applicable travel costs need to be changed from Operating Expenses to Conference and Travel. The agency will implement accounting procedures and approval of training/travel immediately. Outdoor Grants staff routinely attend seminars and conferences that involve training.
- Professional Fees due to the SCORP related user survey work for the 2019-2021 biennium.
- Grants and Aid due to the nearly four-fold increase in apportionments from the LWCF, from \$537,466 in FY16 to \$1,959,769 in FY18; the unexpended balance of matching grants awarded is \$2,379,855. Sufficient appropriation is required to commit these awarded but unexpended grants and allow for new grant awards each year. The agency has been awarded an additional \$1.8 million in apportionment for grant awards.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2JJ - SCORP Program-Federal

**Funding Sources:** FPT - Parks & Tourism Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	65,092	66,950	66,950	66,950	66,950	66,950	66,950
Conference & Travel Expenses	5050009	400	6,100	6,100	6,100	6,100	6,100	6,100
Professional Fees	5060010	800	20,000	20,000	20,000	20,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0
Grants and Aid	5100004	825,000	3,178,098	3,178,098	5,678,098	5,678,098	5,678,098	5,678,098
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>891,292</b>	<b>3,271,148</b>	<b>3,271,148</b>	<b>5,771,148</b>	<b>5,771,148</b>	<b>5,851,148</b>	<b>5,851,148</b>
<b>Funding Sources</b>								
Fund Balance	4000005	339,044	289,775		342,713	342,713	395,651	395,651
Federal Revenue	4000020	842,023	3,324,086		5,824,086	5,824,086	5,624,086	5,624,086
<b>Total Funding</b>		<b>1,181,067</b>	<b>3,613,861</b>		<b>6,166,799</b>	<b>6,166,799</b>	<b>6,019,737</b>	<b>6,019,737</b>
Excess Appropriation/(Funding)		(289,775)	(342,713)		(395,651)	(395,651)	(168,589)	(168,589)
<b>Grand Total</b>		<b>891,292</b>	<b>3,271,148</b>		<b>5,771,148</b>	<b>5,771,148</b>	<b>5,851,148</b>	<b>5,851,148</b>

## **Analysis of Budget Request**

**Appropriation:** 433 - Museum Natural Res-Spec Rev

**Funding Sources:** SAH - Arkansas Museum of Natural Resources Fund

The Department utilizes this appropriation to provide operating expenses for the Museum of Natural Resources (formerly the Oil and Brine Museum). Pursuant to Arkansas Code §25-58-301, this appropriation receives its income from the 1/2 Cent Tax on each barrel of oil produced in the State.

The Agency's Request is \$82,771 for each year.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justification:

- The agency had one (1) vacancy in FY18 which resulted in the salaries and matching not being fully expended. The position has been filled.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 433 - Museum Natural Res-Spec Rev

**Funding Sources:** SAH - Arkansas Museum of Natural Resources Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	26,223	58,003	50,028	58,494	58,494	58,494	58,494	
<b>#Positions</b>		<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	
Personal Services Matching	5010003	10,382	24,140	27,151	24,277	24,277	24,277	24,277	
Total		36,605	82,143	77,179	82,771	82,771	82,771	82,771	
<b>Funding Sources</b>									
Fund Balance	4000005	31,937	68,053		59,441	59,441	51,672	51,672	
Special Revenue	4000030	72,721	73,531		75,002	75,002	75,752	75,752	
Total Funding		104,658	141,584		134,443	134,443	127,424	127,424	
Excess Appropriation/(Funding)		(68,053)	(59,441)		(51,672)	(51,672)	(44,653)	(44,653)	
Grand Total		36,605	82,143		82,771	82,771	82,771	82,771	

FY19 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2017-2019 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 499 - State Operations

**Funding Sources:** HGA - Parks & Tourism Account

This appropriation provides State Funding for the personal services and operating expenses of the Central Administration, Tourism (including Great River Road), and Parks (including Museum Services) Divisions of the Department of Parks and Tourism. The funding source for this appropriation is general revenue.

The Agency's Request is for appropriation and general revenue funding of \$20,775,547 for FY20 and appropriation and general revenue funding of \$20,788,347 for FY21.

The Agency's Change Level Requests are as follows:

- Regular Salaries and Personal Services Matching reduction of \$49,492 through a transfer of one (1) GS04 Skilled Tradesman position to Conservation Tax (500).
- Operating Expenses reallocation of \$7,412 to Grants and Aid. This program has been popular through the state, funding 31 studies in the past 18 years. The maximum grant award per grantee is \$15,000. This will allow the agency to fund up to two (2) projects per year.
- Advertising Expense reductions of \$366,864 in FY20 and \$367,181 in FY21.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justification:

- Conference and Travel due to scheduling conflicts which prevented attendance of the annual CPE conference by several staff members.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 499 - State Operations  
**Funding Sources:** HGA - Parks & Tourism Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries 5010000	14,080,450	14,402,765	14,814,425	14,434,112	14,434,112	14,444,412	14,444,412
<b>#Positions</b>	<b>424</b>	<b>405</b>	<b>405</b>	<b>404</b>	<b>404</b>	<b>404</b>	<b>404</b>
Extra Help 5010001	30,476	30,600	30,600	30,600	30,600	30,600	30,600
<b>#Extra Help</b>	<b>5</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Personal Services Matching 5010003	5,400,531	5,532,070	5,729,855	5,538,750	5,538,750	5,541,567	5,541,567
Operating Expenses 5020002	498,643	493,423	493,423	486,011	486,011	486,011	486,011
Conference & Travel Expenses 5050009	3,795	4,950	4,950	4,950	4,950	4,950	4,950
Professional Fees 5060010	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0
Grants and Aid 5100004	14,875	22,588	22,588	30,000	30,000	30,000	30,000
Capital Outlay 5120011	0	0	0	0	0	0	0
Tourism Promotion 5900046	0	0	0	0	0	0	0
Advertising Expense 5900047	591,645	232,948	617,888	251,024	251,024	250,707	250,707
Conference-DAC 5900048	100	100	100	100	100	100	100
<b>Total</b>	<b>20,620,515</b>	<b>20,719,444</b>	<b>21,713,829</b>	<b>20,775,547</b>	<b>20,775,547</b>	<b>20,788,347</b>	<b>20,788,347</b>
<b>Funding Sources</b>							
General Revenue 4000010	20,425,108	20,425,108		20,775,547	20,775,547	20,788,347	20,788,347
Performance Fund 4000055	195,407	294,336		0	0	0	0
Total Funding	20,620,515	20,719,444		20,775,547	20,775,547	20,788,347	20,788,347
Excess Appropriation/(Funding)	0	0		0	0	0	0
<b>Grand Total</b>	<b>20,620,515</b>	<b>20,719,444</b>		<b>20,775,547</b>	<b>20,775,547</b>	<b>20,788,347</b>	<b>20,788,347</b>

## **Analysis of Budget Request**

**Appropriation:** 500 - Conservation Tax

**Funding Sources:** SPT - Parks & Tourism Fund Account

This appropriation provides for the special revenue funding from the 1/8 Cent Sales Tax levied by Amendment 75 (A.C.A.19-6-484). The Department utilizes these funds to supplement existing funding for State Parks and to provide for their repair and further development, consistent with the referendum presented to and approved by the citizens of Arkansas in 1996.

The Agency's Request is \$55,136,825 for FY20 and \$55,139,932 for FY21.

The Agency's Change Level requests are as follows:

- Salaries and Personal Services Matching increase of \$49,492 due to a transfer of one (1) GS04 Skilled Tradesman from State Operations (499).
- Extra Help and Personal Services Matching increase of \$108,920 due to wage increases, hiring difficulties for remote geographic locations, turnover, competitive labor market, and low unemployment.
- Capital Outlay restoration of \$1,878,000 to continue replacement of capital equipment.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications:

- Professional Fees due to some expenditures are constant and some fluctuate each fiscal year. The constant portion which was not expended is related to contracts with the Arkansas Press Association and the Arkansas Broadcasters Association. The portion that fluctuates are due to special events and parks that enter into Special Performance Agreements with contractors/vendors/entertainers.
- Construction due to open construction projects statewide. Currently, the agency has 226 continuing projects and 33 open Methods of Financing. State law requires the agency maintain commitments/funding for all open contracts. Failure to maintain the excess appropriation for each fiscal year will result in the loss of subsequent appropriation for carryover balances.
- Special Maintenance to cover plumbing, electrical, and other building materials and address the growing cost of maintaining 1,151 buildings and facilities.

There were no one time operating expenses requested in the previous biennium

The Executive Recommendation provides for the Agency Request.



## Appropriation Summary

**Appropriation:** 500 - Conservation Tax

**Funding Sources:** SPT - Parks & Tourism Fund Account

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	5,119,602	5,928,169	5,083,636	5,889,506	5,889,506	5,892,006	5,892,006
<b>#Positions</b>		<b>158</b>	<b>165</b>	<b>165</b>	<b>166</b>	<b>166</b>	<b>166</b>	<b>166</b>
Extra Help	5010001	1,679,862	2,034,077	2,034,077	2,134,077	2,134,077	2,134,077	2,134,077
<b>#Extra Help</b>		<b>244</b>	<b>111</b>	<b>111</b>	<b>111</b>	<b>111</b>	<b>111</b>	<b>111</b>
Personal Services Matching	5010003	2,498,538	2,450,024	2,213,104	2,456,383	2,456,383	2,456,990	2,456,990
Operating Expenses	5020002	11,336,184	8,300,084	12,122,078	12,122,078	12,122,078	12,122,078	12,122,078
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	408,707	613,894	613,894	613,894	613,894	613,894	613,894
Construction	5090005	10,056,664	23,398,081	26,874,272	26,874,272	26,874,272	26,874,272	26,874,272
Data Processing	5090012	0	0	0	0	0	0	0
Resale (COGS)	5090017	0	0	0	0	0	0	0
Capital Outlay	5120011	1,421,180	1,353,000	1,878,000	1,878,000	1,878,000	1,878,000	1,878,000
Special Maintenance	5120032	2,915,874	3,116,174	3,168,615	3,168,615	3,168,615	3,168,615	3,168,615
<b>Total</b>		<b>35,436,611</b>	<b>47,193,503</b>	<b>53,987,676</b>	<b>55,136,825</b>	<b>55,136,825</b>	<b>55,139,932</b>	<b>55,139,932</b>
<b>Funding Sources</b>								
Fund Balance	4000005	20,706,583	17,405,505		3,300,369	3,300,369	0	0
Special Revenue	4000030	32,135,533	33,088,367		34,081,018	34,081,018	35,103,449	35,103,449
<b>Total Funding</b>		<b>52,842,116</b>	<b>50,493,872</b>		<b>37,381,387</b>	<b>37,381,387</b>	<b>35,103,449</b>	<b>35,103,449</b>
Excess Appropriation/(Funding)		(17,405,505)	(3,300,369)		17,755,438	17,755,438	20,036,483	20,036,483
<b>Grand Total</b>		<b>35,436,611</b>	<b>47,193,503</b>		<b>55,136,825</b>	<b>55,136,825</b>	<b>55,139,932</b>	<b>55,139,932</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium. Expenditure of Appropriation is contingent upon available funding.

## **Analysis of Budget Request**

**Appropriation:** 502 - Keep Arkansas Beautiful-ConsTax

**Funding Sources:** SBA - Keep Arkansas Beautiful

Act 1278 of 1997 (A.C.A. 15-11-603) established the Keep Arkansas Beautiful Commission to implement a statewide litter prevention program through the voluntary actions of local communities. This appropriation provides for the special revenue funding from the 1/8<sup>th</sup> Cent Sales Tax levied by Amendment 75 (A.C.A. 19-6-484). This funding will be utilized to support the Keep Arkansas Beautiful Commission and its activities.

The Agency's Request is \$881,617 for each year.

The Agency's Change Level Requests are as follows:

- Professional Fees increase of \$100,000 to create and produce educational material for students K-5 with the Department of Education.
- Advertising Expense increase of \$50,000 to advertise and promote the K-5 educational program.

The Agency request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications:

- Extra Help is earmarked for the K-5 educational initiative.
- Conference and Travel for opportunities to attend several conferences in FY19 and the biennium.
- Professional Fees to advertise and promote the K-5 educational initiative. Savings were realized by providing professional education to manage social media in-house. Other educational materials for Pre-K will utilized this line item. The agency will work with the Department of Education and the Keep Arkansas Beautiful Foundation to fund this project.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 502 - Keep Arkansas Beautiful-ConsTax

**Funding Sources:** SBA - Keep Arkansas Beautiful

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries 5010000	125,043	127,532	116,360	127,292	127,292	127,292	127,292
<b>#Positions</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Extra Help 5010001	0	2,500	2,500	2,500	2,500	2,500	2,500
<b>#Extra Help</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching 5010003	41,329	45,467	42,550	45,446	45,446	45,446	45,446
Operating Expenses 5020002	86,412	89,928	89,928	89,928	89,928	89,928	89,928
Conference & Travel Expenses 5050009	0	1,500	1,500	1,500	1,500	1,500	1,500
Professional Fees 5060010	4,103	25,000	25,000	125,000	125,000	125,000	125,000
Data Processing 5090012	0	0	0	0	0	0	0
Grants and Aid 5100004	1,000	20,000	20,000	20,000	20,000	20,000	20,000
Capital Outlay 5120011	31,161	0	0	0	0	0	0
Advertising Expense 5900047	395,742	419,951	419,951	469,951	469,951	469,951	469,951
<b>Total</b>	<b>684,790</b>	<b>731,878</b>	<b>717,789</b>	<b>881,617</b>	<b>881,617</b>	<b>881,617</b>	<b>881,617</b>
<b>Funding Sources</b>							
Fund Balance 4000005	370,010	406,024		386,359	386,359	238,424	238,424
Special Revenue 4000030	720,804	712,213		733,682	733,682	741,019	741,019
<b>Total Funding</b>	<b>1,090,814</b>	<b>1,118,237</b>		<b>1,120,041</b>	<b>1,120,041</b>	<b>979,443</b>	<b>979,443</b>
Excess Appropriation/(Funding)	(406,024)	(386,359)		(238,424)	(238,424)	(97,826)	(97,826)
<b>Grand Total</b>	<b>684,790</b>	<b>731,878</b>		<b>881,617</b>	<b>881,617</b>	<b>881,617</b>	<b>881,617</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 504 - Tourism Promotion-Special Rev

**Funding Sources:** TDT - Tourism Development Trust Fund

Act 629 of 1989 (A.C.A. §19-5-956) established the Tourism Development Trust Fund to promote tourism in Arkansas. Pursuant to A.C.A. § 26-52-1006, funding is derived from a 2% Gross Receipts Tax on tourist-related business. The Department utilizes this appropriation for operating expenses to promote Arkansas tourism through advertising and website promotion, grassroots campaigns, and printed materials.

The Agency's Request is \$18,389,698 for FY20 and \$18,389,821 for FY21.

The Agency's Change Level Requests are as follows:

- Professional Fees increase of \$250,000 for a new fulfillment contract that should result in operational efficiencies, better customer service, and cost savings; and for a workplace assessment to better utilize office space and make work flow more efficiently for employees.
- Capital Outlay increase of \$70,000 to replace aging photographic equipment and vehicles.
- Tourism Promotion increase of \$500,000 to provide an overdue increase in matching for regional tourism organizations to promote their specific areas of the state, promotion of Arkansas and image enhancement via the HBO series "True Detective," and agency promotions such as small event partnerships.
- Advertising Expense increase of \$1,452,000 to continue to promote/market Arkansas by expanding partnerships with key market influencers, international marketing, research projects and general advertising to continue to attract tourist dollars to the state.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications:

- Extra Help due to the possibility of increasing hours of operations for the Welcome Centers and will require the current appropriation level. The agency is currently down four (4) staff members and intends to fill these positions to improve customer service.
- Conference and Travel due to new hires and strategic planning implementation will increase these expenses.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 504 - Tourism Promotion-Special Rev  
**Funding Sources:** TDT - Tourism Development Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation		Agency Request and Executive Recommendation	
	2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	2019-2020 Agency	2019-2020 Executive	2020-2021 Agency	2020-2021 Executive
Regular Salaries 5010000	238,158	277,361	247,496	283,782	283,782	283,882	283,882
<b>#Positions</b>	<b>6</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Extra Help 5010001	13,148	27,502	27,502	27,502	27,502	27,502	27,502
<b>#Extra Help</b>	<b>4</b>	<b>4</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Personal Services Matching 5010003	131,117	110,007	102,330	111,649	111,649	111,672	111,672
Operating Expenses 5020002	1,241,766	1,682,575	1,682,575	1,682,575	1,682,575	1,682,575	1,682,575
Conference & Travel Expenses 5050009	0	5,360	5,360	5,360	5,360	5,360	5,360
Professional Fees 5060010	217,786	365,000	365,000	615,000	615,000	615,000	615,000
Data Processing 5090012	0	0	0	0	0	0	0
Capital Outlay 5120011	27,075	0	0	70,000	70,000	70,000	70,000
Tourist Promotion 5900046	1,228,680	1,272,000	1,272,000	1,772,000	1,772,000	1,772,000	1,772,000
Advertising Expense 5900047	11,839,599	12,219,830	12,219,830	13,671,830	13,671,830	13,671,830	13,671,830
Small Festival Expenses, Advert: 5900048	21,065	150,000	150,000	150,000	150,000	150,000	150,000
<b>Total</b>	<b>14,958,394</b>	<b>16,109,635</b>	<b>16,072,093</b>	<b>18,389,698</b>	<b>18,389,698</b>	<b>18,389,821</b>	<b>18,389,821</b>
<b>Funding Sources</b>							
Fund Balance 4000005	2,860,784	2,770,845		1,964,035	1,964,035	0	0
Special Revenue 4000030	14,868,455	15,302,825		15,791,910	15,791,910	16,264,767	16,264,767
Total Funding	17,729,239	18,073,670		17,755,945	17,755,945	16,264,767	16,264,767
Excess Appropriation/(Funding)	(2,770,845)	(1,964,035)		633,753	633,753	2,125,054	2,125,054
<b>Grand Total</b>	<b>14,958,394</b>	<b>16,109,635</b>		<b>18,389,698</b>	<b>18,389,698</b>	<b>18,389,821</b>	<b>18,389,821</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 54L - Wildlife Observation Trails

**Funding Sources:** SWO - Wildlife Observation Trail Fund

Act 686 of 2009 established that the Arkansas State Game and Fish Commission make available \$1,000,000 in FY2010 and FY2011 for the Wildlife Observation Trails Pilot Program. Wildlife Observation Trail means a trail route designed to promote conservation and management of wildlife resources of the state and to promote tourism and economic development through the enjoyment, use, protection and improvement of the natural resources of Arkansas.

No funding has been received to date.

The Agency's Request is \$1,006,614 for each year.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications:

- This is directly related to the grant program that if funded, will be of great benefit to the department. There are pending projects that could be funded through this source. The grants align well with the agency's mission and would have a high probability of receiving funding. In the event this appropriation was taken away, the department would still pursue grant funding and would have to request approval through committee for additional appropriation.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 54L - Wildlife Observation Trails

**Funding Sources:** SWO - Wildlife Observation Trail Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2019-2020		2020-2021	
		2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	0	6,614	6,614	6,614	6,614	6,614	6,614
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Grants and Aid	5100004	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		0	1,006,614	1,006,614	1,006,614	1,006,614	1,006,614	1,006,614
<b>Funding Sources</b>								
Special Revenue	4000030	0	1,006,614		1,006,614	1,006,614	1,006,614	1,006,614
<b>Total Funding</b>		0	1,006,614		1,006,614	1,006,614	1,006,614	1,006,614
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		0	1,006,614		1,006,614	1,006,614	1,006,614	1,006,614

## **Analysis of Budget Request**

**Appropriation:** 579 - Outdoor Recreation Grants Prg

**Funding Sources:** MPT - Parks & Tourism Outdoor Recreation

The Agency utilizes this appropriation for operating expenses and outdoor recreational grants to cities and counties. Funding is derived from the State Parks' portion of the proceeds of the Real Estate Transfer Tax increase levied by Act 729 of 1987, and further increased by Act 1181 of 1993 (A.C.A. 26-60-105).

The Agency's Request is \$7,821,469 for each year.

The Agency's Change Level Requests are as follows:

- Extra Help and Personal Services Matching increase of \$10,892 to use an Extra Help position as an administrative assistant on a part time basis at a competitive market rate or for the 1,800 hours planned for the position.
- Conference and Travel increase of \$3,500 for staff who routinely attend seminars and conferences that involve training.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications:

- Operating Expenses due to anticipated increases in grant awards. The agency expends the SCORP (2JJ) Federal Grant Operating Expenses as allowable before expending the Outdoor Recreation Grants Program Operating Expenses. The agency anticipates travel, training, office rent and other Operating Expenses will likely increase over the biennium due to the anticipated increases in grant awards.
- Conference and Travel due to travel costs coded to Operating Expenses. Applicable travel costs need to be changed from Operating Expenses to Conference and Travel. The agency will implement accounting procedures and approval of training/travel immediately. Outdoor Grants staff routinely attend seminars and conferences that involve training.
- Grants and Aid allotment from the Real Estate Transfer Tax has consistently increased each year. Grantees are allowed up to five (5) years to complete their projects and may request reimbursement any time during that 5 year period. The FY18 unexpended balance of state-funded Matching Grants awarded is \$5,434,827. Sufficient appropriation is required to commit these awarded, but unexpended grants and to allow for new grant awards each fiscal year. Awards for state-funded Matching Grants in FY2018 totaled \$2,877,405.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.



## Appropriation Summary

**Appropriation:** 579 - Outdoor Recreation Grants Prg  
**Funding Sources:** MPT - Parks & Tourism Outdoor Recreation

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	148,563	147,051	149,563	150,438	150,438	150,438	150,438
<b>#Positions</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Extra Help	5010001	0	15,210	15,210	25,210	25,210	25,210	25,210
<b>#Extra Help</b>		<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching	5010003	71,115	57,162	57,506	58,920	58,920	58,920	58,920
Operating Expenses	5020002	9,672	37,020	37,020	37,020	37,020	37,020	37,020
Conference & Travel Expenses	5050009	0	1,500	1,500	5,000	5,000	5,000	5,000
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Grants and Aid	5100004	1,908,828	7,544,881	7,544,881	7,544,881	7,544,881	7,544,881	7,544,881
Capital Outlay	5120011	27,966	0	30,000	0	0	0	0
<b>Total</b>		<b>2,166,144</b>	<b>7,802,824</b>	<b>7,835,680</b>	<b>7,821,469</b>	<b>7,821,469</b>	<b>7,821,469</b>	<b>7,821,469</b>

Funding Sources								
Fund Balance	4000005	5,002,130	5,761,871		863,116	863,116	0	0
Special Revenue	4000030	2,925,885	2,904,069		2,991,191	2,991,191	3,080,927	3,080,927
<b>Total Funding</b>		<b>7,928,015</b>	<b>8,665,940</b>		<b>3,854,307</b>	<b>3,854,307</b>	<b>3,080,927</b>	<b>3,080,927</b>
Excess Appropriation/(Funding)		(5,761,871)	(863,116)		3,967,162	3,967,162	4,740,542	4,740,542
<b>Grand Total</b>		<b>2,166,144</b>	<b>7,802,824</b>		<b>7,821,469</b>	<b>7,821,469</b>	<b>7,821,469</b>	<b>7,821,469</b>

Expenditure of Appropriation is contingent upon available funding.

## **Analysis of Budget Request**

**Appropriation:** 986 - Operations & Construction-Cash in Treasury

**Funding Sources:** NPT - Parks Fund

This appropriation is financed by cash receipts and interest income generated by the State Park System. Cash receipts include the fees charged for park facility usage and/or property rentals, the sale of items purchased from gift shops, restaurant operations, and other miscellaneous receipts. The Department utilizes this appropriation to provide staff and operational support to park and museum activities.

The Agency's Request is \$37,275,722 for FY20 and \$37,282,162 for FY21.

The Agency's Change Level Requests are as follows:

- Extra Help and Personal Services Matching increase of \$108,920 for additional staff expenses due to minimum wage increases, difficulty hiring in remote geographic locations, turnover, competitive market and low unemployment.
- Professional Fees increase of \$391,900 due to advertising cost increases and to maintain our current level of revenues, and continue to grow.
- Capital Outlay restoration of \$525,000 to continue to replace aging capital equipment.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications:

- Operating Expenses - In FY19 and forward projections are to use more cash fund Operating Expenses. Based on the amounts of revenue that is generated each year, this fund source, as well as what is spent from it, changes.
- Debt Service - Bond payments for incurred debt fluctuate annually based on interest rates. This appropriation will be used in total over the next biennium. Depending on when the actual payment is made, has a direct impact on appropriation used.
- Construction - This is for the emergency funding for unplanned expenses related to maintaining 52 State Parks. These funds are important to have available to address any health and safety concerns that may arise. This is also used for the funding of up front costs related to grants that will eventually receive reimbursement. Funding for federal grants changes from year to year.

There were no one time expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 986 - Operations & Construction-Cash in Treasury

**Funding Sources:** NPT - Parks Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	6,436,248	7,734,440	5,976,318	7,708,847	7,708,847	7,714,047	7,714,047
<b>#Positions</b>		<b>191</b>	<b>209</b>	<b>209</b>	<b>209</b>	<b>209</b>	<b>209</b>	<b>209</b>
Extra Help	5010001	3,857,317	4,519,367	4,519,367	4,619,367	4,619,367	4,619,367	4,619,367
<b>#Extra Help</b>		<b>438</b>	<b>678</b>	<b>679</b>	<b>679</b>	<b>679</b>	<b>679</b>	<b>679</b>
Personal Services Matching	5010003	3,481,512	3,331,314	2,808,954	3,336,346	3,336,346	3,337,606	3,337,606
Operating Expenses	5020002	8,478,091	9,949,525	9,949,525	9,949,525	9,949,525	9,949,525	9,949,525
Conference & Travel Expenses	5050009	5,379	40,500	40,500	40,500	40,500	40,500	40,500
Professional Fees	5060010	1,295,843	1,608,100	1,608,100	2,000,000	2,000,000	2,000,000	2,000,000
Construction	5090005	131,296	500,000	500,000	500,000	500,000	500,000	500,000
Data Processing	5090012	0	0	0	0	0	0	0
Resale (COGS)	5090017	4,331,992	5,058,961	5,058,961	5,058,961	5,058,961	5,058,961	5,058,961
Capital Outlay	5120011	59,844	525,000	525,000	525,000	525,000	525,000	525,000
Debt Service	5120019	2,582,355	3,050,999	3,050,999	3,050,999	3,050,999	3,050,999	3,050,999
Contractual Services	5900043	302,999	486,177	486,177	486,177	486,177	486,177	486,177
<b>Total</b>		<b>30,962,876</b>	<b>36,804,383</b>	<b>34,523,901</b>	<b>37,275,722</b>	<b>37,275,722</b>	<b>37,282,182</b>	<b>37,282,182</b>

Funding Sources								
Fund Balance	4000005	11,560,458	12,580,898		6,097,729	6,097,729	0	0
Cash Fund	4000045	31,983,316	30,321,214		29,563,703	29,563,703	29,859,339	29,859,339
Total Funding		43,543,774	42,902,112		35,661,432	35,661,432	29,859,339	29,859,339
Excess Appropriation/(Funding)		(12,580,898)	(6,097,729)		1,614,290	1,614,290	7,422,843	7,422,843
<b>Grand Total</b>		<b>30,962,876</b>	<b>36,804,383</b>		<b>37,275,722</b>	<b>37,275,722</b>	<b>37,282,182</b>	<b>37,282,182</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

Expenditure of appropriation is contingent upon available funding.

## **Analysis of Budget Request**

**Appropriation:** 994 - Retirement & Relocation Program

**Funding Sources:** TDT - Tourism Development Trust Fund

Act 609 of 1997 (A.C.A. §25-13-301) created the Retirement and Relocation Program to promote economic development of the State by encouraging retirees to relocate to Arkansas. Funding is derived from general revenues. The Department utilizes the appropriation for advertising expenses to encourage retirees to relocate to Arkansas.

The Agency's Request is \$968,619 for each year.

The Agency's Change Level Requests are as follows:

- Operating Expenses increase of \$23,341.
- Conference and Travel increase of \$10,000 for a newly added trade show.
- Professional Fees increase of \$7,000.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications:

- Operating Expenses - The Tourism Division has added elements to its Retirement/Relocation program that includes attendance at consumer trade shows. This, along with a redeveloped web site and new digital targeted ads, is expected to generate an increase in information requests thereby driving up our postage expenses and utilizing all.
- Conference and Travel due to the newly added consumer trade show will use the majority of this appropriation.

These increases are to continue the agency's growing efforts to attract new residents and businesses to the state.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 994 - Retirement & Relocation Program

**Funding Sources:** TDT - Tourism Development Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation		Agency Request and Executive Recommendation	
	2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	2019-2020 Agency	2019-2020 Executive	2020-2021 Agency	2020-2021 Executive
Operating Expenses 5020002	10,684	22,500	26,659	50,000	50,000	50,000	50,000
Conference & Travel Expenses 5050009	0	0	0	10,000	10,000	10,000	10,000
Professional Fees 5060010	0	3,000	3,000	10,000	10,000	10,000	10,000
Data Processing 5090012	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0
Advertising Expense 5900047	891,259	898,619	898,619	898,619	898,619	898,619	898,619
<b>Total</b>	<b>901,943</b>	<b>924,119</b>	<b>928,278</b>	<b>968,619</b>	<b>968,619</b>	<b>968,619</b>	<b>968,619</b>
<b>Funding Sources</b>							
Special Revenue 4000030	901,943	924,119		968,619	968,619	968,619	968,619
Total Funding	901,943	924,119		968,619	968,619	968,619	968,619
Excess Appropriation/(Funding)	0	0		0	0	0	0
<b>Grand Total</b>	<b>901,943</b>	<b>924,119</b>		<b>968,619</b>	<b>968,619</b>	<b>968,619</b>	<b>968,619</b>

## **Analysis of Budget Request**

**Appropriation:** 995 - Tourism - Cash in Treasury

**Funding Sources:** NPT - Tourism Operations

This appropriation provides for the operation of the Gift Shop in the Central Office. Funding is derived from the sale of merchandise from the Gift Shop. Items for resale are purchased in bulk as necessary.

The Agency's Request is \$30,028 for each year.

The Agency's Change Level Requests are as follows:

- Operating Expenses reduction of \$13,948 and reallocation of \$2,438 to Resale (COGS).
- Resale (COGS) reduction of \$11,034 and reallocation of \$2,438 from Operating Expenses.

The reductions and reallocation will bring the appropriation in line with actual expenditures.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 995 - Tourism - Cash in Treasury

**Funding Sources:** NPT - Tourism Operations

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2019-2020		2020-2021	
		2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	3,252	3,062	15,010	3,500	3,500	3,500	3,500
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Resale (COGS)	5090017	23,350	28,093	40,000	26,528	26,528	26,528	26,528
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>26,602</b>	<b>31,155</b>	<b>55,010</b>	<b>30,028</b>	<b>30,028</b>	<b>30,028</b>	<b>30,028</b>
<b>Funding Sources</b>								
Fund Balance	4000005	31,693	17,954		299	299	0	0
Cash Fund	4000045	12,863	13,500		13,905	13,905	14,322	14,322
<b>Total Funding</b>		<b>44,556</b>	<b>31,454</b>		<b>14,204</b>	<b>14,204</b>	<b>14,322</b>	<b>14,322</b>
Excess Appropriation/(Funding)		(17,954)	(299)		15,824	15,824	15,706	15,706
<b>Grand Total</b>		<b>26,602</b>	<b>31,155</b>		<b>30,028</b>	<b>30,028</b>	<b>30,028</b>	<b>30,028</b>

## **Analysis of Budget Request**

**Appropriation:** 996 - Entertainers Hall of Fame-Treas

**Funding Sources:** NPT - Parks & Tourism Hall of Fame

Act 671 of 1985 (A.C.A. 13-9-101) as amended created the Arkansas Entertainers Hall of Fame Board to honor individuals who by achievement or service have made outstanding and lasting contributions in entertainment. During the 81st General Assembly, Act 255 of 1997 transferred the authority and responsibility for the administration of the Arkansas Hall of Fame to the Arkansas Department of Parks and Tourism. Additional funding is provided by donations from private sources and the City of Pine Bluff, where the Agency is located. This appropriation provides for the operation of the Arkansas Entertainers Hall of Fame.

The Agency's Request is \$0 (zero) for each year.

The Agency's Change Level Request is as follows:

- Various Expenses-Entertainers Hall of Fame reduction of \$37,460 to discontinue the program. The Entertainers Hall of Fame was transferred to the city of Pine Bluff in 2018.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.



## Appropriation Summary

**Appropriation:** 996 - Entertainers Hall of Fame-Treas

**Funding Sources:** NPT - Parks & Tourism Hall of Fame

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Various Exp - Entrtainers Hall of I 5900046	38,367	0	37,460	0	0	0	0
Total	38,367	0	37,460	0	0	0	0
<b>Funding Sources</b>							
Fund Balance 4000005	37,626	0		0	0	0	0
Interest 4000300	741	0		0	0	0	0
Total Funding	38,367	0		0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	38,367	0		0	0	0	0

## **Analysis of Budget Request**

**Appropriation:** V55 - War Memorial Stadium Gen. Rev.

**Funding Sources:** HUA - Miscellaneous Agencies Fund

The State Operations appropriation funded by general revenue provides for operations and maintenance of War Memorial Stadium. This appropriation in part replaced the general revenue the Stadium was receiving through the City and County Tourist Meeting and Entertainment Facilities Assistance Law, A.C.A. §14-171-215, from fiscal years 1996 to 2004.

The War Memorial Stadium Commission was transferred to the Arkansas Department of Parks and Tourism pursuant to Act 269 of 2017.

The Agency's Request is for appropriation and general revenue funding of \$447,647 for each year.

The Agency's Change Level Requests are as follows:

- Regular Salaries and Personal Services Matching reduction of \$33,142 through a transfer of one (1) GS01 Maintenance Assistant to War Memorial Stadium - Cash (V56).
- Extra Help and Personal Services Matching reduction of \$43,568 through a transfer to War Memorial Stadium - Cash (V56).
- Overtime and Personal Services Matching reduction of \$1,864.
- Operating Expenses increase of \$12,198 for Buildings and Ground Maintenance, offset by a reduction of \$371,633.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justification:

- Overtime variance to Authorized appropriation, ADPT employees earn compensatory time for overtime hours worked. This appropriation is discontinued for the FY2019 - FY2021 biennium.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** V55 - War Memorial Stadium Gen. Rev.

**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	
	2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	2019-2020 Agency	2019-2020 Executive	2020-2021 Agency	2020-2021 Executive
Regular Salaries 5010000	307,836	301,340	365,493	322,015	322,015	322,015	322,015
<b>#Positions</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
Extra Help 5010001	36,461	29,011	40,000	0	0	0	0
<b>#Extra Help</b>	<b>9</b>	<b>1</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personal Services Matching 5010003	106,440	117,296	116,668	113,434	113,434	113,434	113,434
Overtime 5010006	0	0	1,500	0	0	0	0
Operating Expenses 5020002	371,012	0	371,633	12,198	12,198	12,198	12,198
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0
<b>Total</b>	<b>821,749</b>	<b>447,647</b>	<b>895,294</b>	<b>447,647</b>	<b>447,647</b>	<b>447,647</b>	<b>447,647</b>
<b>Funding Sources</b>							
General Revenue 4000010	821,749	447,647		447,647	447,647	447,647	447,647
<b>Total Funding</b>	<b>821,749</b>	<b>447,647</b>		<b>447,647</b>	<b>447,647</b>	<b>447,647</b>	<b>447,647</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0
<b>Grand Total</b>	<b>821,749</b>	<b>447,647</b>		<b>447,647</b>	<b>447,647</b>	<b>447,647</b>	<b>447,647</b>

FY19 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2017-2019 Biennium. Pursuant to Act 269 of 2017, the War Memorial Stadium Commission was transferred to the Department of Parks and Tourism.

## **Analysis of Budget Request**

**Appropriation:** V56 - War Memorial Stadium Cash

**Funding Sources:** NPT - War Memorial Stadium - Cash

Created by Act 232 of 1967, the War Memorial Stadium Commission strives to keep the facility in the best possible condition for athletics, entertainment, events and community service events, which are all for the enjoyment of the citizens and visitors of our State. Funding for the cash operations of the Stadium is generated from rental of the Stadium and profits from concession/novelty sales charged pursuant to Arkansas Code Annotated §22-3-1002.

The War Memorial Stadium Commission was transferred to the Arkansas Department of Parks and Tourism pursuant to Act 269 of 2017.

The Agency's Request is \$2,345,924 for each year.

The Agency's Change Level Requests are as follows:

- Regular Salaries and Personal Services Matching increase of \$33,142 through a transfer of one (1) GS01 Maintenance Assistant from War Memorial Stadium - General Revenue (V56)
- Extra Help and Personal Services Matching increase of \$43,568 through a transfer of fifteen (15) positions from War Memorial Stadium - General Revenue (V55) and a reduction of \$19,606 of Extra Help and Personal Services Matching and an increase through a reallocation of \$7,625 of Extra Help and Personal Services Matching from Overtime.
- Overtime and Personal Services Matching decrease through a reallocation of \$8,699 to Extra Help.
- Operating Expenses increase of \$1,040,094, which includes a reallocation of \$1,012,000 from Resale (COGS), an increase of \$54,538, and decreases by reallocation of \$26,444.
- Conference and Travel reduction of \$2,000.
- Professional Fees decrease by reallocation of \$54,538.
- Resale (COGS) reallocation of \$1,012,000 to Operating Expenses.
- Refunds/Reimbursements decrease by reallocation of \$30,000.

Capital Outlay increase by reallocation of \$25,000.

- Debt Service decrease of \$600,000.
- Special Maintenance increase of \$30,289.

The Agency's request to maintain appropriation above 10% of the FY18 Actual Expenditures includes the following justifications:

- Conference and Travel due to travel costs coded to Operating Expenses. Applicable travel costs need to be changed from Operating Expenses to Conference and Travel. The agency will implement accounting procedures and approval of training/travel immediately.
- Refunds/Reimbursements is used for reimbursements related to ticket sales and fulfilling contracts (i.e. colleges, universities, high schools, Arkansas Athletic Association, etc.). The amount varies from year to year based on the number of games and attendance at those games. With the signing of the new contract with UA, the agency anticipates the continued need for this appropriation.

There were no one time operating expenses requested in the previous biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** V56 - War Memorial Stadium Cash

**Funding Sources:** NPT - War Memorial Stadium - Cash

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries 5010000	0	0	0	22,614	22,614	22,614	22,614
<b>#Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Extra Help 5010001	165,440	115,000	115,000	144,000	144,000	144,000	144,000
<b>#Extra Help</b>	<b>37</b>	<b>3</b>	<b>135</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>
Personal Services Matching 5010003	35,960	10,259	10,457	23,372	23,372	23,372	23,372
Overtime 5010006	0	0	7,000	0	0	0	0
Operating Expenses 5020002	1,400,663	1,699,847	647,555	1,687,649	1,687,649	1,687,649	1,687,649
Conference & Travel Expenses 5050009	35	0	2,000	0	0	0	0
Professional Fees 5060010	1,419	0	54,538	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0
Resale (COGS) 5090017	370,340	213,000	1,225,000	213,000	213,000	213,000	213,000
Refunds/Reimbursements 5110014	154,158	206,500	230,000	200,000	200,000	200,000	200,000
Capital Outlay 5120011	0	0	0	25,000	25,000	25,000	25,000
Debt Service 5120019	0	0	600,000	0	0	0	0
Special Maintenance 5120032	0	0	0	30,289	30,289	30,289	30,289
<b>Total</b>	<b>2,128,015</b>	<b>2,244,606</b>	<b>2,891,550</b>	<b>2,345,924</b>	<b>2,345,924</b>	<b>2,345,924</b>	<b>2,345,924</b>

Funding Sources							
Fund Balance 4000005	0	776,812		290,332	290,332	0	0
Cash Fund 4000045	1,717,703	1,758,126		1,814,312	1,814,312	1,868,621	1,868,621
Transfers / Adjustments 4000683	1,187,124	0		0	0	0	0
<b>Total Funding</b>	<b>2,904,827</b>	<b>2,534,938</b>		<b>2,104,644</b>	<b>2,104,644</b>	<b>1,868,621</b>	<b>1,868,621</b>
Excess Appropriation/(Funding)	(776,812)	(290,332)		241,280	241,280	477,303	477,303
<b>Grand Total</b>	<b>2,128,015</b>	<b>2,244,606</b>		<b>2,345,924</b>	<b>2,345,924</b>	<b>2,345,924</b>	<b>2,345,924</b>

Budget exceeds Authorized Appropriation in Operating Expenses due to a transfer from the Cash Fund Holding Account.

Expenditure of appropriation is contingent upon available funding.

Pursuant to Act 269 of 2017, the War Memorial Stadium Commission was transferred to the Department of Parks and Tourism.