

State of Arkansas

CALL ITEM 29

76th General Assembly

First Extraordinary Session, 1987

HOUSE BILL

1009

By: Joint Budget Committee

"AN ACT TO AMEND SUBSECTION (E) OF SECTION 5 OF ACT 750 OF 1973, AS AMENDED, [ARK. STATS. 13-511(E)] AS AMENDED BY ACT 945 OF 1987 TO CLARIFY THE PROCEDURES WHICH DETERMINE THE DISTRIBUTION OF FUNDS IN THE STATE CENTRAL SERVICES FUND; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Paragraph (2) of Subsection (E) of Section 5 of Act 750 of 1973, as amended by Act 945 of 1987 is hereby amended to read as follows:

"(E) (2) Funds in the State Central Services Fund shall be made available to those agencies and activities supported from such fund based on the following procedures to be performed by the Chief Fiscal Officer of the State:

(a) For the purpose of this paragraph:

(i) "agency" means each disbursing officer having appropriation responsibility within the State Central Services Fund.

(ii) "direct revenues" means special revenues or other income that are exclusively attributable to services or functions performed by the agency and deposited or transferred to the State Central Services Fund.

(iii) "adjusted appropriation" means the lesser of the amount of an agency's appropriation for the current fiscal year or the amount of an agency's expenditure for the previous fiscal year, payable from the State Central Services Fund, less direct revenues.

(iv) "indirect revenues" means other income available to the State Central Services Fund excluding "general revenues available for distribution" that are not exclusively attributable to services or functions

performed by the agency. For Fiscal Year 1987-88 an agency's indirect revenues for the previous fiscal year shall be that portion of the total indirect revenues in the State Central Services Fund that would have been attributed to the agency in the 1986-87 fiscal year under the procedure as set forth in Item (ii) of subparagraph (b) herein as if this Paragraph had been in effect.

(b) (i) the director of each agency shall estimate the amount of direct revenues to be received by the agency during the current fiscal year and transmit such estimate to the Chief Fiscal Officer of the State. The Chief Fiscal Officer of the State shall, based upon such estimate, determine each agency's adjusted appropriation for the current fiscal year.

(ii) The total amount of indirect revenues to be received by all the agencies during the current fiscal year shall be estimated by the Chief Fiscal Officer of the State. A portion of the estimated indirect revenue shall be assigned to each such agency. The amount assigned to each agency shall be in proportion to the ratio of the agency's adjusted appropriation for the current fiscal year to the sum of all agencies adjusted appropriations for the current fiscal year.

(iii) In the event that the indirect revenues available to the State Central Services Fund are insufficient to Fund the adjusted appropriation, the sum of each agency's adjusted appropriation less the indirect revenue shall be made available proportionately to the agencies to the extent possible under the provision of Subsection 1 of Section 11 of this Act for the first fiscal year of a biennium or Subsection 2 of Section 11 of this Act for the second year of a biennium.

(iv) In the event that General Revenue Funding as provided in (b) (iii) exceeds the sum needed to Fund the adjusted appropriation, the following procedure shall apply:

(a) each agency's adjusted appropriation shall be subtracted from the agencies total appropriation for the current fiscal year. The resulting amounts for each agency having a result greater than zero (0) shall be totaled. The ratio of each agency's result to the total shall be determined and this ratio shall be used for the purpose of distributing funds remaining after distribution made pursuant to Subparagraph (b) herein as set out in Subsection 1 of Section 11 of this Act for the first fiscal year of a biennium or Subsection 2 of Section 11 of this Act for the

second fiscal year of a biennium.

(c) Based on the computations derived from this Paragraph, each agency shall be notified by the Chief Fiscal Officer of the State as to the amount of appropriation which may be expended and the amount of appropriation which will not be available for disbursement nor obligation for each fiscal year from time to time as may be required.

SECTION 2. Effective upon passage and approval of this Act, Subsection (4) of Section (14) of Act 938 of 1981, as amended, is hereby amended to read as follows:

"(4) Loans made to the Constitutional and Fiscal Agencies Fund from the State Budget Revolving Fund by the Chief Fiscal Officer of the State for the 1986-87 fiscal year not in excess of the loans required to finance the 1986-87 expenditures from said fund shall be transferred permanently to the Constitutional and Fiscal Agencies Fund."

SECTION 3. EMERGENCY CLAUSE. It is hereby found and determined by the 76th General Assembly meeting in 1st Extraordinary Session that the passage of this Act is necessary to provide for the orderly and continued operation of the agencies funded from the State Central Services Fund and to correct an oversight applicable to the Constitutional and Fiscal Agencies Fund. Therefore, an emergency is hereby declared to exist, and this Act being necessary for the immediate preservation of the public peace, health, and safety shall be in full force and effect from and after its passage and approval.

