

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H2/16/07

A Bill

HOUSE BILL 1326

5 By: Joint Budget Committee
6
7

For An Act To Be Entitled

9 AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL
10 SERVICES AND OPERATING EXPENSES FOR THE STATE
11 INSURANCE DEPARTMENT FOR THE BIENNIAL PERIOD
12 ENDING JUNE 30, 2009; AND FOR OTHER PURPOSES.
13
14

Subtitle

15 AN ACT FOR THE STATE INSURANCE
16 DEPARTMENT APPROPRIATION FOR THE
17 2007-2009 BIENNIUM.
18
19
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. REGULAR SALARIES. There is hereby established for the State
24 Insurance Department for the 2007-2009 biennium, the following maximum number
25 of regular employees whose salaries shall be governed by the provisions of
26 the Uniform Classification and Compensation Act (Arkansas Code §§21-5-201 et
27 seq.), or its successor, and all laws amendatory thereto. Provided, however,
28 that any position to which a specific maximum annual salary is set out herein
29 in dollars, shall be exempt from the provisions of said Uniform
30 Classification and Compensation Act. All persons occupying positions
31 authorized herein are hereby governed by the provisions of the Regular
32 Salaries Procedures and Restrictions Act (Arkansas Code §21-5-101), or its
33 successor.
34

35 Maximum Annual
36 Maximum Salary Rate



| Item | Class | No. of | Fiscal Years | | |
|------|-----------|-------------------------------------|--------------|-----------|-----------|
| No. | Code | Title | Employees | 2007-2008 | 2008-2009 |
| 3 | (1) 9918 | CHIEF DEPUTY COMMISSIONER | 1 | \$146,581 | \$149,512 |
| 4 | (2) 9911 | STATE INSURANCE COMMISSIONER | 1 | \$111,143 | \$113,365 |
| 5 | (3) 9919 | INSURANCE DEPUTY CMSNR | 2 | \$107,729 | \$109,883 |
| 6 | (4) 9479 | INSURANCE DEPUTY COMMISSIONER INFO | 1 | \$107,729 | \$109,883 |
| 7 | (5) 9070 | INSURANCE DEP CMSNR FINANCIAL REGS | 1 | \$107,729 | \$109,883 |
| 8 | (6) 9141 | CHIEF CERTIFIED FINANCIAL EXAMINER | 1 | \$89,997 | \$91,796 |
| 9 | (7) 7270 | ASST DEP CMSNR - FIN REGULATIONS | 1 | \$87,356 | \$89,103 |
| 10 | (8) 9142 | CERTIFIED FINANCIAL EXAMINER | 3 | \$85,597 | \$87,308 |
| 11 | (9) 9354 | DIRECTOR RISK MANAGEMENT | 1 | \$76,407 | \$77,935 |
| 12 | (10) 8911 | DIRECTOR, FRAUD INVESTIGATION | 1 | \$76,084 | \$77,605 |
| 13 | (11) 9925 | INSURANCE ASST DEPT CMNSR-FINANCE | 1 | \$73,081 | \$74,542 |
| 14 | (12) A005 | INSURANCE PROPERTY & CASUALTY ADMIN | 1 | GRADE | 26 |
| 15 | (13) 767Z | WRKS COMP PUB EMP CLAIM ADMR | 1 | GRADE | 26 |
| 16 | (14) 801Z | ASST DIR FRAUD INVESTIGATION | 1 | GRADE | 26 |
| 17 | (15) 827Z | DP CENTER MANAGER | 1 | GRADE | 26 |
| 18 | (16) 986Z | INSURANCE RISK MANAGEMENT ADMR | 1 | GRADE | 26 |
| 19 | (17) A146 | INSURANCE LIFE & HEALTH ADMIN | 1 | GRADE | 26 |
| 20 | (18) R038 | ATTORNEY SUPERVISOR | 3 | GRADE | 26 |
| 21 | (19) R170 | ATTORNEY SPECIALIST | 9 | GRADE | 25 |
| 22 | (20) A022 | CERTIFIED FINANCIAL EXAMINER | 12 | GRADE | 25 |
| 23 | (21) 074Z | WRKS COMP PUB EMP BEN DET ASST DIR | 1 | GRADE | 24 |
| 24 | (22) R006 | ASST RISK MANAGEMENT ADMR | 1 | GRADE | 24 |
| 25 | (23) D064 | SR SYSTEMS PROGRAMMER | 2 | GRADE | 24 |
| 26 | (24) D080 | APPLICATIONS & SYSTEMS MANAGER | 1 | GRADE | 23 |
| 27 | (25) R316 | WRKS COMP PUB EMP BEN DET MGR | 6 | GRADE | 23 |
| 28 | (26) 055Z | DP MANAGER | 1 | GRADE | 23 |
| 29 | (27) A007 | INSURANCE CONSUMER SVCS ADMIN | 1 | GRADE | 23 |
| 30 | (28) 911Z | IFID FISCAL OFFICER | 1 | GRADE | 23 |
| 31 | (29) A197 | SR RISK SPECIALIST | 3 | GRADE | 23 |
| 32 | (30) A140 | INSURANCE SENIOR EXAMINER | 4 | GRADE | 23 |
| 33 | (31) A143 | INSURANCE LICENSING ADMIN | 1 | GRADE | 23 |
| 34 | (32) 909Z | PROGRAM SUPPORT MANAGER | 1 | GRADE | 22 |
| 35 | (33) D124 | LEAD PROGRAMMER/ANALYST | 3 | GRADE | 22 |
| 36 | (34) D123 | APPLICATIONS & SYSTEMS ANALYST | 1 | GRADE | 21 |

| | | | | | |
|----|------|------|-------------------------------------|----------|----------|
| 1 | (35) | R001 | INSURANCE PERSONNEL MANAGER | 1 | GRADE 21 |
| 2 | (36) | R290 | PUBLIC SCHOOL PROGRAM ADVISOR | 2 | GRADE 21 |
| 3 | (37) | R298 | AGENCY PROGRAM COORDINATOR | 3 | GRADE 21 |
| 4 | (38) | A251 | SR AUDITOR | 1 | GRADE 21 |
| 5 | (39) | D036 | SR PROGRAMMER/ANALYST | 2 | GRADE 21 |
| 6 | (40) | A079 | SR CERTIFIED RATE AND FORM ANALYST | 8 | GRADE 21 |
| 7 | (41) | A048 | INSURANCE EXAMINER | 2 | GRADE 20 |
| 8 | (42) | A250 | JR AUDITOR | 1 | GRADE 20 |
| 9 | (43) | A010 | CERTIFIED RATE & FORM ANALYST | 2 | GRADE 20 |
| 10 | (44) | A011 | MARKET CONDUCT EXAMINER | 1 | GRADE 20 |
| 11 | (45) | R266 | MANAGEMENT PROJECT ANALYST II | 9 | GRADE 20 |
| 12 | (46) | X365 | CRIMINAL INSURANCE FRAUD INVESTIGAT | 5 | GRADE 20 |
| 13 | (47) | X394 | SCHOOL INSURANCE SPECIALIST | 1 | GRADE 20 |
| 14 | (48) | M097 | VOLUNTEER PROGRAM DEVELOPER II | 1 | GRADE 19 |
| 15 | (49) | A110 | ACCOUNTANT II | 2 | GRADE 19 |
| 16 | (50) | A111 | ACCOUNTANT | 1 | GRADE 18 |
| 17 | (51) | A094 | SECURITIES CUSTODIAN | 1 | GRADE 18 |
| 18 | (52) | R195 | PERSONNEL ANALYST | 1 | GRADE 18 |
| 19 | (53) | X361 | INSURANCE INVESTIGATOR | 9 | GRADE 18 |
| 20 | (54) | X352 | HLTH CARE ANALYST II | 1 | GRADE 17 |
| 21 | (55) | R010 | ADMINISTRATIVE ASSISTANT II | 8 | GRADE 17 |
| 22 | (56) | R190 | PERSONNEL OFFICER II | 1 | GRADE 17 |
| 23 | (57) | R009 | ADMINISTRATIVE ASSISTANT I | 2 | GRADE 15 |
| 24 | (58) | K034 | INSURANCE LICENSING SPECIALIST | 12 | GRADE 15 |
| 25 | (59) | A108 | ACCOUNTING TECHNICIAN II | 3 | GRADE 15 |
| 26 | (60) | K041 | EXECUTIVE SECY/ADMINISTRATIVE SECY | 5 | GRADE 14 |
| 27 | (61) | K117 | MEDICAL OR LEGAL SECRETARY | 4 | GRADE 14 |
| 28 | (62) | K153 | SECRETARY II | 16 | GRADE 13 |
| 29 | (63) | K039 | DOCUMENT EXAMINER II | 4 | GRADE 12 |
| 30 | (64) | A106 | ACCOUNTING TECHNICIAN I | 1 | GRADE 12 |
| 31 | (65) | K155 | SECRETARY I | <u>1</u> | GRADE 11 |
| 32 | | | MAX. NO. OF EMPLOYEES | 182 | |

33

34 SECTION 2. EXTRA HELP. There is hereby authorized, for the State
 35 Insurance Department for the 2007-2009 biennium, the following maximum number
 36 of part-time or temporary employees, to be known as "Extra Help", payable

1 from funds appropriated herein for such purposes: nineteen (19) temporary or
 2 part-time employees, when needed, at rates of pay not to exceed those
 3 provided in the Uniform Classification and Compensation Act, or its
 4 successor, or this act for the appropriate classification.

5

6 SECTION 3. APPROPRIATION - OPERATIONS. There is hereby appropriated, to
 7 the State Insurance Department, to be payable from the The State Insurance
 8 Department Trust Fund, for personal services and operating expenses of the
 9 State Insurance Department - Operations for the biennial period ending June
 10 30, 2009, the following:

11

| 12 | ITEM | FISCAL YEARS | |
|----|---------------------------------|----------------------|----------------------|
| 13 | <u>NO.</u> | <u>2007-2008</u> | <u>2008-2009</u> |
| 14 | (01) REGULAR SALARIES | \$ 5,762,294 | \$ 5,877,471 |
| 15 | (02) EXTRA HELP | 140,000 | 140,000 |
| 16 | (03) PERSONAL SERVICES MATCHING | 1,778,632 | 1,803,715 |
| 17 | (04) OVERTIME | 35,000 | 35,000 |
| 18 | (05) MAINT. & GEN. OPERATION | | |
| 19 | (A) OPER. EXPENSE | 2,000,000 | 2,000,000 |
| 20 | (B) CONF. & TRAVEL | 130,000 | 130,000 |
| 21 | (C) PROF. FEES | 50,000 | 50,000 |
| 22 | (D) CAP. OUTLAY | 145,000 | 155,000 |
| 23 | (E) DATA PROC. | 150,000 | 150,000 |
| 24 | (06) SPECIAL MAINTENANCE | 50,000 | 50,000 |
| 25 | (07) PROFESSIONAL SERVICES | <u>386,000</u> | <u>386,000</u> |
| 26 | TOTAL AMOUNT APPROPRIATED | <u>\$ 10,626,926</u> | <u>\$ 10,777,186</u> |

27

28 SECTION 4. APPROPRIATION - FRAUD INVESTIGATION UNIT. There is hereby
 29 appropriated, to the State Insurance Department, to be payable from the State
 30 Insurance Department Trust Fund, for personal services and operating expenses
 31 of the State Insurance Department - Fraud Investigation Unit for the biennial
 32 period ending June 30, 2009, the following:

33

| 34 | ITEM | FISCAL YEARS | |
|----|-----------------------|------------------|------------------|
| 35 | <u>NO.</u> | <u>2007-2008</u> | <u>2008-2009</u> |
| 36 | (01) REGULAR SALARIES | \$ 153,929 | \$ 157,006 |

| | | | |
|---|---------------------------------|-------------------|-------------------|
| 1 | (02) PERSONAL SERVICES MATCHING | 49,033 | 49,677 |
| 2 | (03) MAINT. & GEN. OPERATION | | |
| 3 | (A) OPER. EXPENSE | 90,406 | 90,406 |
| 4 | (B) CONF. & TRAVEL | 12,000 | 12,000 |
| 5 | (C) PROF. FEES | 11,000 | 11,000 |
| 6 | (D) CAP. OUTLAY | 0 | 0 |
| 7 | (E) DATA PROC. | <u>0</u> | <u>0</u> |
| 8 | TOTAL AMOUNT APPROPRIATED | <u>\$ 316,368</u> | <u>\$ 320,089</u> |

9

10 SECTION 5. APPROPRIATION - INSURANCE FRAUD INVESTIGATION DIVISION. There
 11 is hereby appropriated, to the State Insurance Department, to be payable from
 12 the Insurance Fraud Investigation Division Trust Fund, for personal services
 13 and operating expenses of the State Insurance Department - Insurance Fraud
 14 Investigation Division for the biennial period ending June 30, 2009, the
 15 following:

16

| 17 | ITEM | FISCAL YEARS | |
|----|---------------------------------|-------------------|-------------------|
| 18 | <u>NO.</u> | <u>2007-2008</u> | <u>2008-2009</u> |
| 19 | (01) REGULAR SALARIES | \$ 572,560 | \$ 584,005 |
| 20 | (02) PERSONAL SERVICES MATCHING | 170,294 | 172,692 |
| 21 | (03) MAINT. & GEN. OPERATION | | |
| 22 | (A) OPER. EXPENSE | 171,635 | 171,635 |
| 23 | (B) CONF. & TRAVEL | 35,000 | 35,000 |
| 24 | (C) PROF. FEES | 11,000 | 11,000 |
| 25 | (D) CAP. OUTLAY | 6,070 | 6,070 |
| 26 | (E) DATA PROC. | <u>1,000</u> | <u>1,000</u> |
| 27 | TOTAL AMOUNT APPROPRIATED | <u>\$ 967,559</u> | <u>\$ 981,402</u> |

28

29 SECTION 6. APPROPRIATION - PREPAID FUNERAL BENEFITS DIVISION. There is
 30 hereby appropriated, to the State Insurance Department, to be payable from
 31 the State Insurance Department Prepaid Trust Fund, for personal services and
 32 operating expenses of the State Insurance Department - Prepaid Funeral
 33 Benefits Division for the biennial period ending June 30, 2009, the
 34 following:

35

| 36 | ITEM | FISCAL YEARS |
|----|------|--------------|
|----|------|--------------|

| 1 | <u>NO.</u> | <u>2007-2008</u> | <u>2008-2009</u> |
|----|---------------------------------|-------------------|-------------------|
| 2 | (01) REGULAR SALARIES | \$ 175,942 | \$ 179,459 |
| 3 | (02) PERSONAL SERVICES MATCHING | 53,642 | 54,379 |
| 4 | (03) MAINT. & GEN. OPERATION | | |
| 5 | (A) OPER. EXPENSE | 69,390 | 69,390 |
| 6 | (B) CONF. & TRAVEL | 4,000 | 4,000 |
| 7 | (C) PROF. FEES | 27,000 | 27,000 |
| 8 | (D) CAP. OUTLAY | 0 | 0 |
| 9 | (E) DATA PROC. | <u>2,000</u> | <u>2,000</u> |
| 10 | TOTAL AMOUNT APPROPRIATED | <u>\$ 331,974</u> | <u>\$ 336,228</u> |

11

12 SECTION 7. APPROPRIATION - PREPAID FUNERAL CONTRACTS RECOVERY PROGRAM.

13 There is hereby appropriated, to the State Insurance Department, to be
 14 payable from the Prepaid Funeral Contracts Recovery Program Fund, for
 15 expenses and claims of the Prepaid Funeral Contracts Recovery Program of the
 16 State Insurance Department for the biennial period ending June 30, 2009, the
 17 sum of.....\$1,000,000.

18

19 SECTION 8. APPROPRIATION - REFUNDS OF OVERPAYMENTS. There is hereby
 20 appropriated, to the State Insurance Department, to be payable from the
 21 Miscellaneous Revolving Fund, for the payment of miscellaneous tax and fee
 22 refunds by the State Insurance Department for the biennial period ending June
 23 30, 2009, the following:

24

| 25 | ITEM | FISCAL YEARS | |
|----|-----------------------------|----------------------|----------------------|
| 26 | <u>NO.</u> | <u>2007-2008</u> | <u>2008-2009</u> |
| 27 | (01) REFUNDS/REIMBURSEMENTS | <u>\$ 11,000,000</u> | <u>\$ 11,000,000</u> |

28

29 SECTION 9. APPROPRIATION - CONTINUING EDUCATION PROGRAM. There is hereby
 30 appropriated, to the State Insurance Department, to be payable from the
 31 Insurance Continuing Education Trust Fund, for personal services of the State
 32 Insurance Department - Continuing Education Program for the biennial period
 33 ending June 30, 2009, the following:

34

| 35 | ITEM | FISCAL YEARS | |
|----|------------|------------------|------------------|
| 36 | <u>NO.</u> | <u>2007-2008</u> | <u>2008-2009</u> |

| | | | | | |
|---|---------------------------------|----|---------------|----|---------------|
| 1 | (01) REGULAR SALARIES | \$ | 19,833 | \$ | 20,229 |
| 2 | (02) PERSONAL SERVICES MATCHING | | <u>8,353</u> | | <u>8,437</u> |
| 3 | TOTAL AMOUNT APPROPRIATED | \$ | <u>28,186</u> | \$ | <u>28,666</u> |

4

5 SECTION 10. APPROPRIATION - HEALTH INFORMATION COUNSELING. There is hereby
6 appropriated, to the State Insurance Department, to be payable from the
7 federal funds as designated by the Chief Fiscal Officer of the State, for
8 personal services and operating expenses of the State Insurance Department -
9 Health Information Counseling for the biennial period ending June 30, 2009,
10 the following:

11

| 12 | ITEM | FISCAL YEARS | | | |
|----|---------------------------------|--------------|------------------|----|------------------|
| 13 | <u>NO.</u> | | <u>2007-2008</u> | | <u>2008-2009</u> |
| 14 | (01) REGULAR SALARIES | \$ | 107,462 | \$ | 109,610 |
| 15 | (02) PERSONAL SERVICES MATCHING | | 39,303 | | 39,752 |
| 16 | (03) MAINT. & GEN. OPERATION | | | | |
| 17 | (A) OPER. EXPENSE | | 274,633 | | 274,633 |
| 18 | (B) CONF. & TRAVEL | | 0 | | 0 |
| 19 | (C) PROF. FEES | | 3,000 | | 3,000 |
| 20 | (D) CAP. OUTLAY | | 8,000 | | 8,000 |
| 21 | (E) DATA PROC. | | <u>1,600</u> | | <u>1,600</u> |
| 22 | TOTAL AMOUNT APPROPRIATED | \$ | <u>433,998</u> | \$ | <u>436,595</u> |

23

24 SECTION 11. APPROPRIATION - CONSUMER INFORMATION SYSTEM - CASH. There is
25 hereby appropriated, to the State Insurance Department, to be payable from
26 the cash fund deposited in the State Treasury as determined by the Chief
27 Fiscal Officer of the State, for operating expenses of the State Insurance
28 Department - Consumer Information System - Cash for the biennial period
29 ending June 30, 2009, the following:

30

| 31 | ITEM | FISCAL YEARS | | | |
|----|------------------------------|--------------|------------------|----|------------------|
| 32 | <u>NO.</u> | | <u>2007-2008</u> | | <u>2008-2009</u> |
| 33 | (01) MAINT. & GEN. OPERATION | | | | |
| 34 | (A) OPER. EXPENSE | \$ | 173,000 | \$ | 173,000 |
| 35 | (B) CONF. & TRAVEL | | 0 | | 0 |
| 36 | (C) PROF. FEES | | 0 | | 0 |

| | | | |
|---|---------------------------|-------------------|-------------------|
| 1 | (D) CAP. OUTLAY | 0 | 0 |
| 2 | (E) DATA PROC. | <u>0</u> | <u>0</u> |
| 3 | TOTAL AMOUNT APPROPRIATED | <u>\$ 173,000</u> | <u>\$ 173,000</u> |

4

5 SECTION 12. APPROPRIATION - TRAVEL AND SUBSISTENCE - CASH. There is hereby
 6 appropriated, to the State Insurance Department, to be payable from the cash
 7 fund deposited in the State Treasury as determined by the Chief Fiscal
 8 Officer of the State, for travel and subsistence expenses of the State
 9 Insurance Department for the biennial period ending June 30, 2009, the
 10 following:

11

| 12 | ITEM | FISCAL YEARS | |
|----|------------------------------------|------------------|------------------|
| 13 | <u>NO.</u> | <u>2007-2008</u> | <u>2008-2009</u> |
| 14 | (01) TRAVEL & SUBSISTENCE EXPENSES | <u>\$ 88,222</u> | <u>\$ 88,222</u> |

15

16 SECTION 13. APPROPRIATION - PUBLIC EMPLOYEE CLAIMS SECTION. There is
 17 hereby appropriated, to the State Insurance Department, to be payable from
 18 the Miscellaneous Agencies Fund Account, for personal services and operating
 19 expenses of the State Insurance Department - Public Employee Claims Section
 20 for the biennial period ending June 30, 2009, the following:

21

| 22 | ITEM | FISCAL YEARS | |
|----|---------------------------------|---------------------|---------------------|
| 23 | <u>NO.</u> | <u>2007-2008</u> | <u>2008-2009</u> |
| 24 | (01) REGULAR SALARIES | \$ 861,356 | \$ 878,570 |
| 25 | (02) PERSONAL SERVICES MATCHING | 281,166 | 284,773 |
| 26 | (03) MAINT. & GEN. OPERATION | | |
| 27 | (A) OPER. EXPENSE | 233,209 | 233,209 |
| 28 | (B) CONF. & TRAVEL | 13,000 | 13,000 |
| 29 | (C) PROF. FEES | 1,000 | 1,000 |
| 30 | (D) CAP. OUTLAY | 15,000 | 15,000 |
| 31 | (E) DATA PROC. | <u>4,000</u> | <u>4,000</u> |
| 32 | TOTAL AMOUNT APPROPRIATED | <u>\$ 1,408,731</u> | <u>\$ 1,429,552</u> |

33

34 SECTION 14. APPROPRIATION - STATE EMPLOYEE CLAIMS. There is hereby
 35 appropriated, to the State Insurance Department, to be payable from the
 36 Workers' Compensation Revolving Fund, for the payment of state employee

1 claims by the State Insurance Department - State Employee Claims for the
2 biennial period ending June 30, 2009, the following:

| 3 | | FISCAL YEARS | |
|---|----------------------------|----------------------|----------------------|
| 4 | ITEM | | |
| 5 | <u>NO.</u> | <u>2007-2008</u> | <u>2008-2009</u> |
| 6 | (01) STATE EMPLOYEE CLAIMS | <u>\$ 12,000,000</u> | <u>\$ 12,000,000</u> |

7
8 SECTION 15. APPROPRIATION - PUBLIC SCHOOL EMPLOYEE CLAIMS. There is hereby
9 appropriated, to the State Insurance Department, to be payable from the
10 Miscellaneous Revolving Fund, for the payment of public school employee
11 claims by the State Insurance Department - Public School Employee Claims for
12 the biennial period ending June 30, 2009, the following:

| 13 | | FISCAL YEARS | |
|----|------------------------------------|-------------------|-------------------|
| 14 | ITEM | | |
| 15 | <u>NO.</u> | <u>2007-2008</u> | <u>2008-2009</u> |
| 16 | (01) PUBLIC SCHOOL EMPLOYEE CLAIMS | <u>\$ 450,000</u> | <u>\$ 450,000</u> |

17
18 SECTION 16. APPROPRIATION - COUNTY EMPLOYEE CLAIMS. There is hereby
19 appropriated, to the State Insurance Department, to be payable from the
20 Miscellaneous Revolving Fund, for the payment of county employee claims by
21 the State Insurance Department - County Employee Claims for the biennial
22 period ending June 30, 2009, the following:

| 23 | | FISCAL YEARS | |
|----|-----------------------------|-------------------|-------------------|
| 24 | ITEM | | |
| 25 | <u>NO.</u> | <u>2007-2008</u> | <u>2008-2009</u> |
| 26 | (01) COUNTY EMPLOYEE CLAIMS | <u>\$ 200,000</u> | <u>\$ 200,000</u> |

27
28 SECTION 17. APPROPRIATION - CITY EMPLOYEE CLAIMS. There is hereby
29 appropriated, to the State Insurance Department, to be payable from the
30 Miscellaneous Revolving Fund, for the payment of city employee claims by the
31 State Insurance Department - City Employee Claims for the biennial period
32 ending June 30, 2009, the following:

| 33 | | FISCAL YEARS | |
|----|---------------------------|-------------------|-------------------|
| 34 | ITEM | | |
| 35 | <u>NO.</u> | <u>2007-2008</u> | <u>2008-2009</u> |
| 36 | (01) CITY EMPLOYEE CLAIMS | <u>\$ 600,000</u> | <u>\$ 600,000</u> |

SECTION 18. APPROPRIATION - GOVERNMENTAL BONDING BOARD. There is hereby appropriated, to the State Insurance Department, to be payable from the Fidelity Bond Trust Fund, for operating expenses of the State Insurance Department - Governmental Bonding Board for the biennial period ending June 30, 2009, the following:

| ITEM NO. | FISCAL YEARS | |
|------------------------------|---------------------|---------------------|
| | 2007-2008 | 2008-2009 |
| (01) MAINT. & GEN. OPERATION | | |
| (A) OPER. EXPENSE | \$ 5,000 | \$ 5,000 |
| (B) CONF. & TRAVEL | 0 | 0 |
| (C) PROF. FEES | 0 | 0 |
| (D) CAP. OUTLAY | 0 | 0 |
| (E) DATA PROC. | 0 | 0 |
| (02) REFUNDS/REIMBURSEMENTS | 150,000 | 150,000 |
| (03) CLAIMS | 1,000,000 | 1,000,000 |
| (04) INVESTMENTS | 760,637 | 760,637 |
| (05) PROFESSIONAL SERVICES | 50,000 | 50,000 |
| (06) REINSURANCE | <u>139,218</u> | <u>139,218</u> |
| TOTAL AMOUNT APPROPRIATED | <u>\$ 2,104,855</u> | <u>\$ 2,104,855</u> |

SECTION 19. APPROPRIATION - ARKANSAS MULTI-AGENCY INSURANCE TRUST FUND OPERATIONS. There is hereby appropriated, to the State Insurance Department, to be payable from the Arkansas Multi-Agency Insurance Trust Fund, for expenses and payment of claims by the State Insurance Department - Arkansas Multi-Agency Insurance Trust Fund (AMAIT) Operations for the biennial period ending June 30, 2009, the following:

| ITEM NO. | FISCAL YEARS | |
|---|----------------------|----------------------|
| | 2007-2008 | 2008-2009 |
| (01) FOR EXPENSES AND CLAIMS FROM AMAIT FUND | <u>\$ 10,000,000</u> | <u>\$ 10,000,000</u> |

SECTION 20. APPROPRIATION - SCHOOL MOTOR VEHICLE OPERATIONS. There is hereby appropriated, to the State Insurance Department, to be payable from

1 the School Vehicle Insurance Reserve Trust Fund, for expenses and payment of
 2 claims by the State Insurance Department - School Motor Vehicle Operations
 3 for the biennial period ending June 30, 2009, the following:

| ITEM NO. | FISCAL YEARS | |
|------------------------|--------------|--------------|
| | 2007-2008 | 2008-2009 |
| (01) EXPENSES & CLAIMS | \$ 5,000,000 | \$ 5,000,000 |

9 SECTION 21. APPROPRIATION - PUBLIC ELEMENTARY AND SECONDARY SCHOOL
 10 INSURANCE OPERATIONS. There is hereby appropriated, to the State Insurance
 11 Department, to be payable from the Public Elementary and Secondary School
 12 Insurance Fund, for expenses and payment of claims by the State Insurance
 13 Department - Public Elementary and Secondary School Insurance Operations for
 14 the biennial period ending June 30, 2009, the following:

| ITEM NO. | FISCAL YEARS | |
|------------------------|--------------|--------------|
| | 2007-2008 | 2008-2009 |
| (01) EXPENSES & CLAIMS | \$ 9,000,000 | \$ 9,000,000 |

20 SECTION 22. APPROPRIATION - CRIMINAL BACKGROUND CHECKS - CASH. There is
 21 hereby appropriated, to the State Insurance Department, to be payable from
 22 the cash fund deposited in the State Treasury as determined by the Chief
 23 Fiscal Officer of the State, for operating expenses of the State Insurance
 24 Department - Criminal Background Checks - Cash for the biennial period ending
 25 June 30, 2009, the following:

| ITEM NO. | FISCAL YEARS | |
|------------------------------|--------------|------------|
| | 2007-2008 | 2008-2009 |
| (01) MAINT. & GEN. OPERATION | | |
| (A) OPER. EXPENSE | \$ 100,000 | \$ 100,000 |
| (B) CONF. & TRAVEL | 0 | 0 |
| (C) PROF. FEES | 0 | 0 |
| (D) CAP. OUTLAY | 0 | 0 |
| (E) DATA PROC. | 0 | 0 |
| TOTAL AMOUNT APPROPRIATED | \$ 100,000 | \$ 100,000 |

SECTION 23. APPROPRIATION - ARKANSAS MULTI-AGENCY WORKERS' COMPENSATION TRUST PROGRAM. There is hereby appropriated, to the State Insurance Department, to be payable from the Arkansas Multi-Agency Workers' Compensation Trust Program Fund, for reinsurance, payments of claims filed by State employees that exceed \$250,000 per claim, administrative expenses of the State Insurance Department - Arkansas Multi-Agency Workers' Compensation Trust Program and to provide additional resources in the event that expenditures exceed the authorization in the State Insurance Department - State Employee Claims appropriation of the State Insurance Department - Arkansas Multi-Agency Workers' Compensation Trust Program for the biennial period ending June 30, 2009, the following:

| ITEM NO. | FISCAL YEARS | |
|--|---------------------|---------------------|
| | 2007-2008 | 2008-2009 |
| (01) ARKANSAS MULTI-AGENCY WORKERS' COMPENSATION TRUST PROGRAM | \$ <u>2,000,000</u> | \$ <u>2,000,000</u> |

SECTION 24. Arkansas Code §23-79-507(e) regarding Payment from the State Insurance Department Trust Fund, is hereby repealed.

~~(e) Payment from the State Insurance Department Trust Fund.~~

~~(1)(A) Following the close of each fiscal year, the board and the plan administrator shall determine whether the pool has incurred a deficit as calculated under subdivision (b)(2) of this section.~~

~~(B) If a deficit under subdivision (b)(2) of this section has been incurred, during the next fiscal year, the State Insurance Department shall transfer in equal quarterly installments from the State Insurance Department Trust Fund for deposit into the pool a sum equal to the deficit from those funds in the State Insurance Department Trust Fund that are in excess of the amount needed to meet the requirements of the approved annual budget for the applicable fiscal year, but not to exceed two million dollars (\$2,000,000).~~

~~(2) For any fiscal year in which the board and the plan administrator determine that the pool did not incur a deficit as calculated under subdivision (b)(2) of this section, the department shall not transfer any funds to the pool from the State Insurance Department Trust Fund under subdivision (e)(1)(B) of this section during the following fiscal year.~~

~~(3) The provisions of this subsection shall expire on June 30, 2007.~~

1
2 SECTION 25. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE
3 NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. SPECIAL RATES
4 OF PAY. Due to the highly competitive job market conditions for the
5 insurance examination professionals and the necessity of recruiting and
6 retaining qualified personnel, the ~~Arkansas~~ State Insurance Department is
7 authorized special rates of pay for current and new employees in the
8 classifications listed under subsection (a) below.

9 (a)

10 CLASS

| 11 | CODE | TITLE | GRADE |
|----|------|---------------------------|-------|
| 12 | A140 | Insurance Senior Examiner | 23 |
| 13 | A075 | Financial Analyst II | 21 |
| 14 | A038 | Financial Analyst | 20 |
| 15 | A048 | Insurance Examiner | 20 |

16 (b) The Insurance Department will submit a salary structure plan that
17 addresses the recruiting and retention needs of the department for approval
18 *by the Chief Fiscal Officer and ~~review~~ approval by the Arkansas Legislative*
19 *Council or Joint Budget Committee. Salary adjustments implemented under this*
20 *provision shall be reported monthly to the Arkansas Legislative Council.*

21 *(c) Determining the maximum number of employees and the maximum amount*
22 *of appropriation and general revenue funding for a state agency each fiscal*
23 *year is the prerogative of the General Assembly. This is usually*
24 *accomplished by delineating such maximums in the appropriation act(s) for a*
25 *state agency and the general revenue allocations authorized for each fund and*
26 *fund account by amendment to the Revenue Stabilization law. Further, the*
27 *General Assembly has determined that the State Insurance Department may*
28 *operate more efficiently if some flexibility is provided to the State*
29 *Insurance Department authorizing broad powers under this Section. Therefore,*
30 *it is both necessary and appropriate that the General Assembly maintain*
31 *oversight by requiring prior approval of the Legislative Council or Joint*
32 *Budget Committee as provided by this section. The requirement of approval by*
33 *the Legislative Council or Joint Budget Committee is not a severable part of*
34 *this section. If the requirement of approval by the Legislative Council or*
35 *Joint Budget Committee is ruled unconstitutional by a court of competent*
36 *jurisdiction, this entire section is void.*

1 ~~(e)~~ (d) This special provision shall be in full force and effect for the
2 biennium beginning July 1, ~~2005~~ 2007 and ending June 30, ~~2007~~ 2009.

3 SECTION 26. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
4 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TRANSFER
5 PROVISION. In the event the State Insurance Department is unable to maintain
6 a full roster of examination personnel during the ~~2005-2007~~ 2007-2009
7 Biennium, and upon approval of the Chief Fiscal Officer of the State, the
8 resulting unused appropriations in Regular Salaries, Extra Help, and Personal
9 Services Matching may be transferred to the Professional Services special
10 line item for the purpose of contracting with qualified individuals or firms
11 for examination assistance.

12 The provisions of this section shall be in effect only from July 1,
13 ~~2005~~ 2007 through June 30, ~~2007~~ 2009.

14
15 SECTION 27. COMPLIANCE WITH OTHER LAWS. Disbursement of funds authorized
16 by this act shall be limited to the appropriation for such agency and funds
17 made available by law for the support of such appropriations; and the
18 restrictions of the State Procurement Law, the General Accounting and
19 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
20 Procedures and Restrictions Act, or their successors, and other fiscal
21 control laws of this State, where applicable, and regulations promulgated by
22 the Department of Finance and Administration, as authorized by law, shall be
23 strictly complied with in disbursement of said funds.

24
25 SECTION 28. LEGISLATIVE INTENT. It is the intent of the General Assembly
26 that any funds disbursed under the authority of the appropriations contained
27 in this act shall be in compliance with the stated reasons for which this act
28 was adopted, as evidenced by the Agency Requests, Executive Recommendations
29 and Legislative Recommendations contained in the budget manuals prepared by
30 the Department of Finance and Administration, letters, or summarized oral
31 testimony in the official minutes of the Arkansas Legislative Council or
32 Joint Budget Committee which relate to its passage and adoption.

33
34 SECTION 29. EMERGENCY CLAUSE. It is found and determined by the General
35 Assembly, that the Constitution of the State of Arkansas prohibits the
36 appropriation of funds for more than a two (2) year period; that the

1 effectiveness of this Act on July 1, 2007 is essential to the operation of
2 the agency for which the appropriations in this Act are provided, and that in
3 the event of an extension of the Regular Session, the delay in the effective
4 date of this Act beyond July 1, 2007 could work irreparable harm upon the
5 proper administration and provision of essential governmental programs.
6 Therefore, an emergency is hereby declared to exist and this Act being
7 necessary for the immediate preservation of the public peace, health and
8 safety shall be in full force and effect from and after July 1, 2007.

9
10 */s/ Joint Budget Committee*
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