

SUMMARY BUDGET INFORMATION

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2010 AGENCY FUND TRANSFERS

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

<u>Agency</u>	<u>Blanket Surety Bond Premiums ACA §21-2-710</u>	<u>Claims ACA §19-10-204</u>	<u>Workers' Compensation Administrative Cost Reimbursement ACA §11-9-307</u>
Administrative Office of the Courts	\$139	\$166	\$215
Attorney General, Office of the	\$240	\$0	\$0
Auditor of State	\$844	\$0	\$560
Community Correction, Department of	\$1,756	\$9,452	\$17,109
Correction, Department of	\$5,653	\$2,769	\$293,794
County Aid	\$44,082	\$0	\$3,254
Court of Appeals	\$100	\$0	\$0
DOE - General Education	\$536	\$0	\$847
DOE - Public School Academic Facilities & Transportation	\$0	\$0	\$71
DOE - Public School Fund	\$85,993	\$0	\$31,355
Educational Television Commission, Arkansas	\$139	\$0	\$602
Election Commissioners, State Board of	\$100	\$0	\$0
Governor, Office of the	\$100	\$3,885	\$0
Governor's Mansion Commission	\$100	\$0	\$0
Lands, Commissioner of State	\$100	\$0	\$0
Legislative Audit	\$373	\$0	\$170
Legislative Research, Bureau of	\$157	\$0	\$101
Lieutenant Governor, Office of the	\$100	\$0	\$0
Municipal Aid	\$115,371	\$266	\$2,511
Prosecutor Coordinator, Office of the	\$100	\$0	\$0
Blind, Arkansas School for the	\$126	\$0	\$107
Deaf, Arkansas School for the	\$222	\$0	\$339
Secretary of State	\$221	\$0	\$37
State Library, Arkansas	\$100	\$0	\$8
Supreme Court	\$100	\$0	\$0
Treasurer of State	\$100	\$0	\$0

AGENCY POSITION USAGE REPORT

Agency	FY2010 - FY2011						3 YEAR AVERAGE(FY09,FY10,FY11)					
	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
		Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
Administrative Office of the Courts	116	107	9	116	0	7.76 %	108	101	7	108	0	6.48 %
Attorney General, Office of the	169	165	4	169	0	2.37 %	168	164	2	166	2	2.38 %
Auditor of State	866	851	15	866	0	1.73 %	857	847	9	856	1	1.17 %
Community Correction, Department of	1,387	1,179	65	1,244	143	15.00 %	1,389	1,188	73	1,261	128	14.47 %
Correction, Department of	4,737	3,937	417	4,354	383	16.89 %	4,701	3,887	456	4,343	358	17.32 %
County Aid	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %
Court of Appeals	49	46	3	49	0	6.12 %	49	47	2	49	0	4.08 %
DOE - General Education	365	294	69	363	2	19.45 %	363	301	57	358	5	17.08 %
DOE - Public School Academic Facilities & Transportation	33	30	2	32	1	9.09 %	33	30	2	32	1	9.09 %
DOE - Public School Fund	51	45	5	50	1	11.76 %	51	44	6	50	1	13.73 %
Educational Television Commission, Arkansas	113	100	13	113	0	11.50 %	113	99	13	112	1	12.39 %
Election Commissioners, State Board of	7	7	0	7	0	0.00 %	6	6	0	6	0	0.00 %
Governor, Office of the	60	53	7	60	0	11.67 %	59	55	4	59	0	6.78 %
Governor's Mansion Commission	10	9	1	10	0	10.00 %	10	8	1	9	1	20.00 %
Lands, Commissioner of State	45	37	8	45	0	17.78 %	45	37	7	44	1	17.78 %
Legislative Audit	290	270	20	290	0	6.90 %	277	264	13	277	0	4.69 %
Legislative Research, Bureau of	132	108	24	132	0	18.18 %	132	107	24	131	1	18.94 %
Lieutenant Governor, Office of the	4	4	0	4	0	0.00 %	4	3	0	3	1	25.00 %
Municipal Aid	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %
Prosecutor Coordinator, Office of the	12	12	0	12	0	0.00 %	12	12	0	12	0	0.00 %
Blind, Arkansas School for the	101	87	7	94	7	13.86 %	101	88	4	92	9	12.87 %
Deaf, Arkansas School for the	176	139	34	173	3	21.02 %	178	142	29	171	7	20.22 %
Secretary of State	162	154	8	162	0	4.94 %	161	155	6	161	0	3.73 %
State Library, Arkansas	56	50	6	56	0	10.71 %	56	49	5	54	2	12.50 %
Supreme Court	45	45	0	45	0	0.00 %	44	44	0	44	0	0.00 %
Treasurer of State	33	33	0	33	0	0.00 %	33	31	2	33	0	6.06 %
Board of Finance	2	0	2	2	0	100.00 %	2	0	2	2	0	100.00 %

ADMINISTRATIVE OFFICE OF THE COURTS

Enabling Laws

Act 157 of 2010

A.C.A. §16-10-101 et seq.

A.C.A. §16-10-102 et seq.

History and Organization

The Administrative Office of the Courts (AOC, formerly known as the Arkansas Judicial Department) was created by the Arkansas General Assembly, by Act 496 of 1965, and the agency came into existence on July 1, 1965. Act 760 of 1989 provided substantial modification to the organization and structure of the agency, and these two acts are now codified in A.C.A. §16-10-101 and A.C.A. §16-10-102.

The Arkansas Supreme Court has general superintending control over the administration of justice in all courts of the state, and the Chief Justice is directly responsible for the efficient operation of the judicial branch and its constituent courts and for the expeditious dispatch of litigation therein and the proper conduct of the business of the courts. The Administrative Office of the Courts was created as the agency responsible for the administration of the non-judicial business of the judicial branch. The Director of the AOC is nominated by the Chief Justice, subject to the approval of the Supreme Court and the Arkansas Judicial Council. The Director of the AOC, subject to the direction of the Supreme Court, is responsible for performing the following functions:

- Examine the administrative methods of the courts and make recommendations to the Supreme Court for their improvement;
- Examine the state of the dockets of the courts, secure information as to their needs for assistance, if any, prepare statistical data and reports of the business of the courts, and advise the Supreme Court to the end, that proper action may be taken;
- Examine the estimates of the courts for the State for appropriations and present to the Supreme Court recommendations concerning them;
- Examine the statistical systems of the courts and make recommendations to the Supreme Court for a uniform system of judicial statistics;
- Collect, analyze, and report to the Supreme Court statistical and other data concerning the business of the courts;
- With the approval of the Supreme Court and at the request of the Judicial Council, the Director shall act as Secretary of the Judicial council;
- Examine the data processing needs of the courts and make recommendations to the Supreme Court as to the purchase and use of hardware and software for computer systems, telecommunications systems, and microfilming systems, and provide education to the courts on the use of such systems so as to improve the quality and efficiency of justice in the state;

- Assist the Supreme Court in the operation of the Supreme Court Library;
- Attend to the other non-judicial business of the judicial branch under such rules and regulations as the Supreme Court may by order adopt.

One of the main functions of the Agency is the maintenance of the statewide judicial information system. The agency monitors the uniformity of judicial statistics of the courts, and collects and compiles data and management oriented statistical reports regarding the Supreme Court, the Court of Appeals, circuit, chancery, probate, juvenile, county, municipal, and city courts. The department also assists courts at all levels in the evaluation and implementation of computer systems, and the development of software programs to assist in record keeping and management systems.

Acts 464 and 477 of 1981 vested the Agency with the responsibility of providing translating/interpreting services to the State Courts. Both acts provide that the agency prescribe the qualifications and certifications of persons who may serve as qualified translators/interpreters in all courts of the state in bilingual proceedings and proceedings involving the hearing impaired. As a part of this program, the agency has on its staff a fully qualified and certified interpreter, who not only serves as the supervisor for the program, but furnishes interpreting services for the deaf and hearing impaired in all levels of the courts.

Act 897 of 1995 provides that the agency shall provide and pay the cost of reasonable accommodations for hearing and visually impaired persons so they can serve as venire persons or jurors.

Act 334 of 1985 provides that "the State's responsibility for training and providing additional judicial education to circuit and chancery judges, municipal judges, city judges, circuit and chancery clerks, municipal clerks, case coordinators, court reporters, and all other personnel directly associated with the state courts, shall be administered by the Administrative Office of the courts."

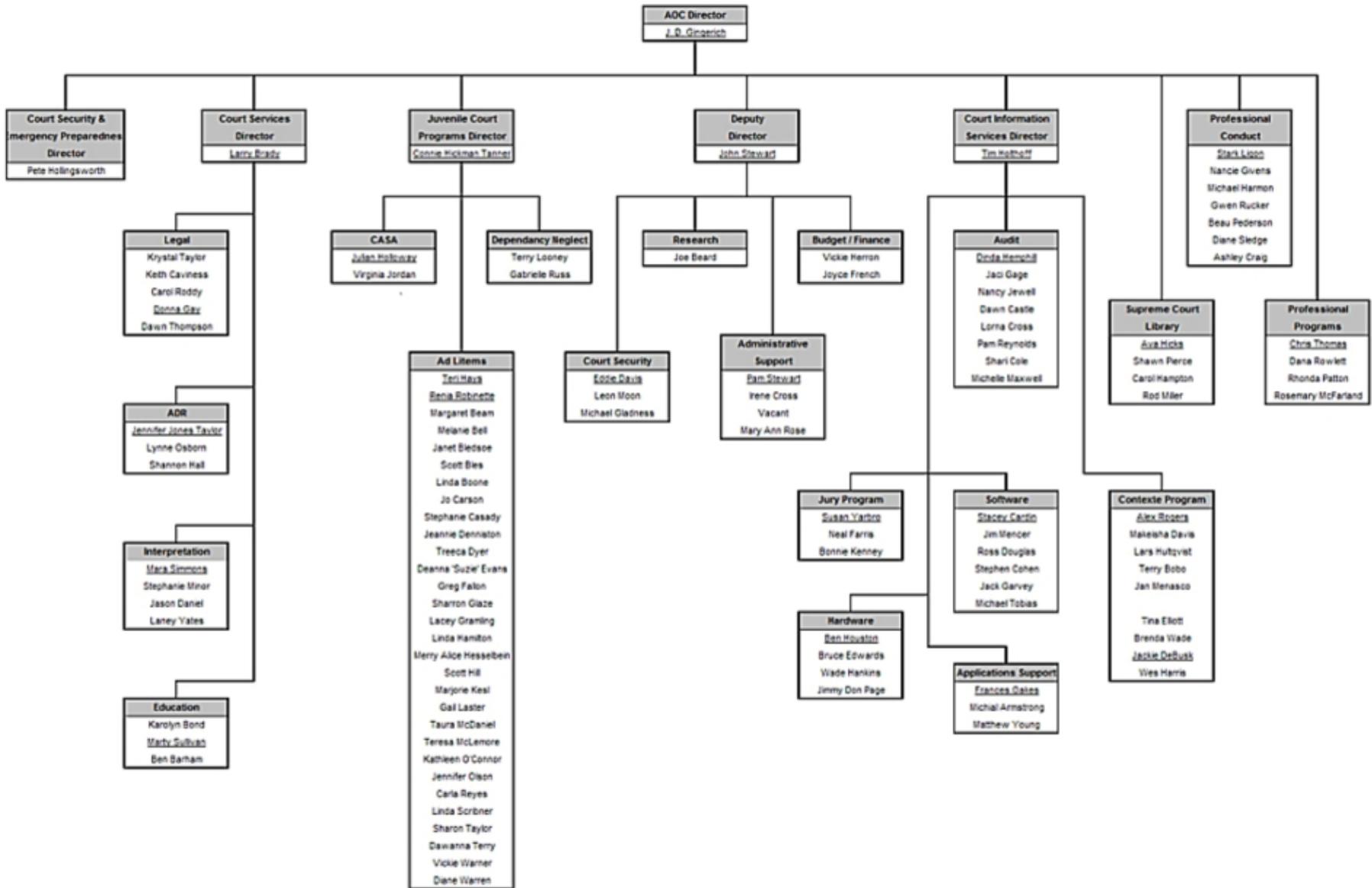
Act 1355 of 1997 created a division of the Dependency/Neglect representation within the agency staffed by a Court Appointed Special Advocate (CASA) coordinator and an attorney coordinator. The agency is authorized to provide funding for representation of children and/or parents in dependency/neglect proceedings.

Act 674 of 1995 provides that the AOC will house and staff the Arkansas Alternative Dispute Resolution Commission (ADR). The Commission is responsible for the implementation of ADR programs, education, and the certification of ADR professionals.

Act 1438 of 1999 established the Division of Dependency Neglect Representation for the AOC. The Division is responsible for the representation of children in dependency-neglect, custody, and guardianship cases.

In addition to the legislation mentioned above, the following acts have been added to or amended the functions and responsibilities of the agency: Act 599 of 1971; Act 237 of 1973; Act 82 of 1979; Act 817 of 1979; Act 1 of 1980; Act 489 of 1981; Act 294 of 1989; Act 418 of

1989; Act 855 of 1995; Act 1262 of 1995; Act 1072 of 1997; Act 1171 of 1997; Act 1532 of 2001; Act 1507 of 2001, Act 1590 of 2001 and Act 1643 of 2001.



Agency Commentary

Continuing Education District Court Judges (Fund Center 158)

This appropriation funds education for District Court Judges in DWI and alcohol related issues. The Highway Safety section of the Arkansas State Police reimburses the AOC with federal highway safety dollars. No increase is being requested above past Authorized levels.

Court Appointed Special Advocates (Fund Center 1DA)

Regular Salaries (501000):

No salary change but change in classification of salary position from C118 to C120 to reflect job description and duties for State CASA Assistant Director.

Other Line Items: No increase is being requested above past Authorized levels.

District Judges and Clerks Education Fund (Fund Center 1EF)

No increase is being requested above past Authorized levels.

Access and Visitation - Federal (Fund Center 1JS)

No increase is being requested above past Authorized levels.

Division of Dependency-Neglect Representation (Fund Center 330)

The AOC pays for Attorneys Ad Litem (AALs) who represent childrens' best interest in all dependency-neglect hearings. The AAL program currently has 76 attorneys providing representation, with 33 full-time attorneys and 43 part-time attorney contractors. In 2009, AALs represented 10,595 kids in 6,031 cases.

Regular Salaries (5010000):

The AOC is requesting two new full-time attorney positions and a data analyst to assist with the D-Net Project to be used by attorney ad litem.

Personal Services Matching (5010003):

We are requesting an increase in the amount in proportion to the increase in salaries.

Operating Expenses (5020002):

AOC requests an operating expense increase in the amount of \$150,000 to be transferred from Professional Services to operating for reimbursable expenses for full-time AALS and for reimbursable expenses for full-time and part-time attorneys for continuing legal education required by Supreme Court Administrative Court Order Number 15 for all full-time and part-time attorneys.

Professional Fees (5060010):

The AOC requests that funds in the amount of \$150,000 be re-appropriated to Operating expenses.

Grants and Aid (5100004):

The AOC also administers the State CASA program and provides local grants to help local programs recruit, train, and supervise volunteers to advocate for children in abuse and neglect cases. The funding formula is performance based and is determined by the actual numbers of children served and the program's average number of active volunteers during the last calendar year. Currently there are 25 local programs serving 27 judicial districts. In 2009, local programs reported that 959 CASA volunteers advocated for 3,484 children in 1,827 cases. AOC requests an increase of \$14,300 for each year, which restores local CASA grants to FY 2009 -2010 funding levels.

Refunds and Reimbursements (5110014):

The AOC contracts with attorneys to provide representation for indigent parents and guardians from whom custody was removed in all dependency-neglect proceedings and for all parents and putative parents at termination of parental rights proceedings. There are currently 58 part-time attorneys on contract who represent indigent parents across the state, one program coordinator, and three attorneys who are on contract for conflict representation. In 2009, parent counsel reported representing parents, guardians and putative parents in an average of 2,539 cases. AOC requests an increase of \$26,260 for each year to restore indigent parent counsel in dependency-neglect proceeding to FY 2009 -2010 funding levels.

Attorney Ad Litem Fees/Reimb (5900040):

AOC requests an increase of \$3,250 for each year, which restores AAL funding to FY 2009-2010 funding levels.

Admin Office of the Courts (AOC) - Operations (Fund Center 343)

No increase is being requested above past Authorized levels.

Foreign Language Interpreter Program (Fund Center 343F)

No increase is being requested above past Authorized levels.

Court Security Grants (Fund Center 36G)

No increase is being requested above past Authorized levels.

Alternative Dispute Resolution (Fund Center 474)

Grants and Aid (5100004):

We are requesting a decrease of \$26,300 to fund the increase in Professional Services.

Professional Services (5060010):

We are requesting an increase of \$26,300 for each year of the biennium in professional services due to the increased request for mediation services for indigent citizens.

Judicial Fine Collections (Fund Center 816)

This fund center is receiving additional revenue through the court technology fee collected as a result of Act 328 of 2009, which should generate sufficient funds for the following:

Regular Salaries (5010000):

Due to increased staff, we are requesting an Administrative Assistant (grade C117) as well as three Project Managers (grade C126) to support the roll out of case management and electronic filing to the rest of the state in both district and circuit courts. We are also requesting upgrades to existing positions as follows:

Regional Support Manager - change title to Case Management Business Manager. No grade or salary change requested.

Training Project Manager - change grade from C120 to C124. No title or salary change requested.

Help Desk Specialist - change title to Functional Specialist and grade from C115 to C122. No salary change requested.

Planning Specialist (2) - change title to Project Analyst and change grade from C115 to C124. Change salary to entry level for grade C124.

Personal Services Matching (5010003):

We are requesting an increase in the amount in proportion to the increase in salaries for FY12 and FY13.

Operating Expenses (5020002):

We are requesting an increase of \$967,500 for each year of the biennium to support licensing of software and other expenses in the implementation of the e-filing project.

Conference and Travel Fees (5050009):

We are requesting an increase of \$1,000 for each year of the biennium to allow out-of-state educational opportunities to create improved skill sets in database administration and other skills.

Professional Fees (5060010):

We are requesting an increase of \$100,000 for each year of the biennium to contract with the vendors for development efforts that the present staff is unable to undertake and to allow for modifications to software as needed.

Capital Outlay (5120011):

We are requesting an increase of \$400,000 for each year of the biennium in order to develop and maintain a hot site for disaster recovery (both for ACAP and the appellate courts). Database software and hardware purchases will be made over the two years. This technique was used in the current biennium to allow the upgrade of aging hardware from the initial pilot project purchase in order to move to a sustainable and expandable architecture for post-pilot project courts.

Hearing and Visual Impairment (Fund Center 817)

No increase is being requested above past authorized levels.

Training and Education of Court Personnel (Fund Center 832)

No increase is being requested above past authorized levels.

Court Management Program (Fund Center 85M)

No increase is being requested above past authorized levels.

Training and Representation - Federal (Fund Center 966)

The AOC has received increased federal grant funding for three CIP Grants, including CIP Basic, CIP Training and CIP technology

Professional Fees (5060010):

We are requesting an increase of \$50,000 each year of the biennium for the D-Net Project due to notification of an increase in federal funding.

Court Technology Grant (5100004):

We are requesting an increase of \$50,000 each year of the biennium for the D-Net Project due to notification of an increase in federal funding.

Capital Outlay (5120011):

We are requesting that \$80,000 for each year of the biennium for the D-Net Project due to notification of an increase in federal funding.

Juror Reimbursement (Fund Center 35N)

The agency is asking that a fund be created on the books of the Treasurer of State, Auditor of State, and Chief Fiscal Officer of the State, a miscellaneous revenue fund to be known as the Juror Reimbursement Fund. This fund shall consist of those monies transferred from the State Administration of Justice Fund and other monies as authorized by law. The fund shall be used for reimbursement of counties for jury expenses.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ADMINISTRATIVE OFFICE OF THE COURTS
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

None

None

Employment Summary

	Male	Female	Total	%
White Employees	34	60	94	88 %
Black Employees	2	5	7	7 %
Other Racial Minorities	2	4	6	5 %
Total Minorities			13	12 %
Total Employees			107	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Report of the Judiciary	Act 1497 of 2003	N	N	1,250	Demand for Court Statistics, Judges, clerks, legislators, Governor's Office, and Federal Agencies
Friends of the Court	Act 1497 of 2003	N	N	1,250	Demand for Court Statistics, Judges, clerks, legislators, Governor's Office, and Federal Agencies

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
158 District Judges Continuing Education	70,299	0	80,000	0	80,000	0	80,000	0	80,000	0	0	0	80,000	0	80,000	0	0	0
1DA Special Advocate	51,685	1	66,210	1	66,208	1	66,221	1	66,221	1	0	0	66,221	1	66,221	1	0	0
1EF Distr Crt Judges/Clerks Continuing Educ	86,917	0	100,000	0	100,000	0	100,000	0	100,000	0	0	0	100,000	0	100,000	0	0	0
1JS AOC-Access/Visitation Mediation	91,030	1	139,826	1	142,892	1	139,835	1	139,835	1	0	0	139,835	1	139,835	1	0	0
330 Dependency Neglect Representation	7,589,142	35	7,959,749	35	8,079,426	35	7,988,598	35	8,222,174	38	0	0	7,988,598	35	8,222,174	38	0	0
343 Admin Office of the Courts	3,402,586	37	3,673,927	37	3,760,108	37	3,529,785	37	3,694,285	37	0	0	3,529,785	37	3,694,285	37	0	0
35N County Juror Reimbursement	837,242	0	850,000	0	900,000	0	850,000	0	850,000	0	0	0	850,000	0	850,000	0	0	0
36G Court Security Grants	345,898	1	352,005	1	362,791	1	352,022	1	352,022	1	0	0	352,022	1	352,022	1	0	0
474 Dispute Resolution Commission	239,142	3	281,501	3	287,996	3	279,378	3	279,378	3	0	0	279,378	3	279,378	3	0	0
816 Judicial Fine	3,404,862	31	4,310,102	36	4,339,778	36	3,706,442	36	6,012,794	40	0	0	3,706,442	36	6,012,794	40	0	0
817 Hearing & Visual Impairments	8,259	0	10,000	0	10,000	0	10,000	0	10,000	0	0	0	10,000	0	10,000	0	0	0
832 Alternative Dispute Resolution Commission	114,820	0	250,000	0	250,000	0	250,000	0	250,000	0	0	0	250,000	0	250,000	0	0	0
85M Court Management Program	0	0	0	0	0	0	0	0	15,000	0	0	0	0	0	15,000	0	0	0
966 Court Improvement Program	370,315	2	956,994	2	954,338	2	887,031	2	1,137,031	2	0	0	887,031	2	1,137,031	2	0	0
Total	16,612,197	111	19,030,314	116	19,333,537	116	18,239,312	116	21,208,740	123	0	0	18,239,312	116	21,208,740	123	0	0

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	2,113,313	10.7	3,042,408	13.4			3,617,306	15.7	3,617,306	15.3	0	0.0	4,830,061	19.9	2,523,709	11.2	0	0.0
Federal Revenue	4000020	513,030	2.6	1,163,030	5.1			1,093,087	4.7	1,343,087	5.7	0	0.0	1,093,087	4.5	1,343,087	5.9	0	0.0
Special Revenue	4000030	4,290,073	21.8	5,000,000	22.1			5,000,000	21.7	5,000,000	21.1	0	0.0	5,000,000	20.6	5,000,000	22.1	0	0.0
State Central Services	4000035	7,024,590	35.7	7,720,339	34.1			7,602,923	33.0	8,000,999	33.8	0	0.0	7,602,923	31.4	8,000,999	35.4	0	0.0
Cash Fund	4000045	145,258	0.7	135,000	0.6			135,000	0.6	150,000	0.6	0	0.0	135,000	0.6	150,000	0.7	0	0.0
State Administration of Justice	4000470	5,583,486	28.4	5,597,629	24.7			5,586,860	24.3	5,586,860	23.6	0	0.0	5,586,860	23.0	5,586,860	24.7	0	0.0
Total Funds		19,669,750	100.0	22,658,406	100.0			23,035,176	100.0	23,698,252	100.0	0	0.0	24,247,931	100.0	22,604,655	100.0	0	0.0
Excess Appropriation/(Funding)		(3,057,553)		(3,628,092)				(4,795,864)		(2,489,512)		0		(6,008,619)		(1,395,915)		0	
Grand Total		16,612,197		19,030,314				18,239,312		21,208,740		0		18,239,312		21,208,740		0	

Variations in fund balances due to excess State Administration of Justice funding for Court Security Grants (36G) and unfunded appropriation for Alternative Dispute Resolution Commission (832).

The FY11 Budget amounts in Special Advocate (1DA) and Court Improvement Program (966) exceed the authorized amounts due to salary and matching rate adjustments during the 2009-2011 biennium.

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
92	90	2	92	0	2.17 %	116	106	10	116	0	8.62 %	116	107	9	116	0	7.76 %

Appropriation Summary

Appropriation: 158 - District Judges Continuing Education

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	60,299	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Conference & Travel Expenses	5050009	10,000	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees	5060010	0	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		70,299	80,000	80,000	80,000	80,000	0	80,000	80,000	0
Funding Sources										
State Central Services	4000035	70,299	80,000		80,000	80,000	0	80,000	80,000	0
Total Funding		70,299	80,000		80,000	80,000	0	80,000	80,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		70,299	80,000		80,000	80,000	0	80,000	80,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 1DA - Special Advocate

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	37,245	37,612	37,630	37,612	37,612	0	37,612	37,612	0
#Positions	1	1	1	1	1	0	1	1	0
Personal Services Matching 5010003	11,877	12,258	12,238	12,269	12,269	0	12,269	12,269	0
Operating Expenses 5020002	697	13,867	13,867	13,867	13,867	0	13,867	13,867	0
Conference & Travel Expenses 5050009	1,866	2,473	2,473	2,473	2,473	0	2,473	2,473	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	51,685	66,210	66,208	66,221	66,221	0	66,221	66,221	0
Funding Sources									
Federal Revenue 4000020	51,685	66,210		66,221	66,221	0	66,221	66,221	0
Total Funding	51,685	66,210		66,221	66,221	0	66,221	66,221	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	51,685	66,210		66,221	66,221	0	66,221	66,221	0

No Executive Recommendation made on this appropriation.

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

Appropriation Summary

Appropriation: 1EF - Distr Crt Judges/Clerks Continuing Educ
Funding Sources: MJC - Municipal Court Judge and Municipal Court Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	72,567	80,000	80,000	80,000	80,000	0	80,000	80,000	0
Conference & Travel Expenses	5050009	10,500	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees	5060010	3,850	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		86,917	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Funding Sources										
Fund Balance	4000005	128,780	142,226		142,226	142,226	0	142,226	142,226	0
State Administration of Justice	4000470	100,363	100,000		100,000	100,000	0	100,000	100,000	0
Total Funding		229,143	242,226		242,226	242,226	0	242,226	242,226	0
Excess Appropriation/(Funding)		(142,226)	(142,226)		(142,226)	(142,226)	0	(142,226)	(142,226)	0
Grand Total		86,917	100,000		100,000	100,000	0	100,000	100,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 1EF - Distr Crt Judges/Clerks Continuing Educ

Funding Sources: MJC - Municipal Court Judge and Municipal Court Education Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	100,000	0	100,000	100.0	100,000	0	100,000	100.0
C04	Reallocation	0	0	100,000	100.0	0	0	100,000	100.0

Appropriation Summary

Appropriation: 1JS - AOC-Access/Visitation Mediation

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	7,736	29,251	31,766	29,251	29,251	0	29,251	29,251	0
#Positions	1	1	1	1	1	0	1	1	0
Personal Services Matching 5010003	6,207	10,575	11,126	10,584	10,584	0	10,584	10,584	0
Operating Expenses 5020002	4,829	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	72,258	90,000	90,000	90,000	90,000	0	90,000	90,000	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	91,030	139,826	142,892	139,835	139,835	0	139,835	139,835	0
Funding Sources									
Federal Revenue 4000020	91,030	139,826		139,835	139,835	0	139,835	139,835	0
Total Funding	91,030	139,826		139,835	139,835	0	139,835	139,835	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	91,030	139,826		139,835	139,835	0	139,835	139,835	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 330 - Dependency Neglect Representation

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,970,399	2,021,717	2,130,007	2,045,217	2,191,436	0	2,045,217	2,191,436	0
#Positions		35	35	35	35	38	0	35	38	0
Personal Services Matching	5010003	538,050	571,176	582,563	576,525	620,072	0	576,525	620,072	0
Operating Expenses	5020002	461,794	322,514	322,514	322,514	472,514	0	322,514	472,514	0
Conference & Travel Expenses	5050009	1,496	4,000	4,000	4,000	4,000	0	4,000	4,000	0
Professional Fees	5060010	1,095,838	1,555,816	1,555,816	1,555,816	1,405,816	0	1,555,816	1,405,816	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,151,700	1,137,400	1,137,400	1,137,400	1,151,700	0	1,137,400	1,151,700	0
Refunds/Reimbursements	5110014	2,108,115	2,088,626	2,088,626	2,088,626	2,114,886	0	2,088,626	2,114,886	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Attorney AD Litem Fees/Reimb	5900040	261,750	258,500	258,500	258,500	261,750	0	258,500	261,750	0
Total		7,589,142	7,959,749	8,079,426	7,988,598	8,222,174	0	7,988,598	8,222,174	0

Funding Sources										
State Central Services	4000035	3,304,304	3,674,911		3,703,760	3,937,336	0	3,703,760	3,937,336	0
State Administration of Justice	4000470	4,284,838	4,284,838		4,284,838	4,284,838	0	4,284,838	4,284,838	0
Total Funding		7,589,142	7,959,749		7,988,598	8,222,174	0	7,988,598	8,222,174	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		7,589,142	7,959,749		7,988,598	8,222,174	0	7,988,598	8,222,174	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 330 - Dependency Neglect Representation
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	7,988,598	35	7,988,598	100.0	7,988,598	35	7,988,598	100.0
C01	Existing Program	233,576	3	8,222,174	102.9	233,576	3	8,222,174	102.9
C04	Reallocation	0	0	8,222,174	102.9	0	0	8,222,174	102.9

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Administrative Office of the Courts

Program: Dependency Neglect Representation

Act #: 157 Section(s) #: 10 & 29

Estimated Carry Forward Amount \$ 0.00 Funding Source: State Central Services

Accounting Information:

Business Area: 0023 Funds Center: 330 Fund: HSC Functional Area: CNST

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:

Agency will not be able to expense carry forward funding due to lack of appropriation.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

Funds remaining on June 30, 2010 were returned to State Central Services.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

James D. Gingerich

Director

08-26-2010

Date

Appropriation Summary

Appropriation: 343 - Admin Office of the Courts

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,967,933	2,031,691	2,081,277	2,018,491	2,018,491	0	2,018,491	2,018,491	0
#Positions	37	37	37	37	37	0	37	37	0
Extra Help 5010001	563	5,000	5,000	5,000	5,000	0	5,000	5,000	0
#Extra Help	1	2	2	2	2	0	2	2	0
Personal Services Matching 5010003	519,997	547,321	583,916	580,879	580,879	0	580,879	580,879	0
Operating Expenses 5020002	257,289	334,265	334,265	334,265	334,265	0	334,265	334,265	0
Conference & Travel Expenses 5050009	30,000	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees 5060010	1,500	45,000	45,000	45,000	45,000	0	45,000	45,000	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	3,781	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Capital Outlay 5120011	153,009	164,500	164,500	0	164,500	0	0	164,500	0
Judicial Education 5900046	209,398	206,800	206,800	206,800	206,800	0	206,800	206,800	0
Court Interpreter Fees 5900047	259,116	284,350	284,350	284,350	284,350	0	284,350	284,350	0
Total	3,402,586	3,673,927	3,760,108	3,529,785	3,694,285	0	3,529,785	3,694,285	0
Funding Sources									
State Central Services 4000035	3,402,586	3,673,927		3,529,785	3,694,285	0	3,529,785	3,694,285	0
Total Funding	3,402,586	3,673,927		3,529,785	3,694,285	0	3,529,785	3,694,285	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,402,586	3,673,927		3,529,785	3,694,285	0	3,529,785	3,694,285	0

No Executive Recommendation made on this appropriation.

Authorized Appropriation in FY10 for Judicial Education was greater than FY11 in the Agency's appropriation acts..

Change Level by Appropriation

Appropriation: 343 - Admin Office of the Courts
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,529,785	37	3,529,785	100.0	3,529,785	37	3,529,785	100.0
C01	Existing Program	164,500	0	3,694,285	104.7	164,500	0	3,694,285	104.7
C04	Reallocation	0	0	3,694,285	104.7	0	0	3,694,285	104.7

Appropriation Summary

Appropriation: 35N - County Juror Reimbursement

Funding Sources: MJU - County Juror Reimbursement Fund*

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	837,242	850,000	900,000	850,000	850,000	0	850,000	850,000	0
Total	837,242	850,000	900,000	850,000	850,000	0	850,000	850,000	0
Funding Sources									
State Administration of Justice 4000470	837,242	850,000		850,000	850,000	0	850,000	850,000	0
Total Funding	837,242	850,000		850,000	850,000	0	850,000	850,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	837,242	850,000		850,000	850,000	0	850,000	850,000	0

*Agency Request provides for Special Language to establish a new fund to allow carry forward of fund balances. This appropriation is currently funded directly from the State Administration of Justice Fund.

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 36G - Court Security Grants

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	53,449	56,034	65,302	56,034	56,034	0	56,034	56,034	0
#Positions	1	1	1	1	1	0	1	1	0
Personal Services Matching 5010003	14,963	15,971	17,489	15,988	15,988	0	15,988	15,988	0
Operating Expenses 5020002	26,809	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Conference & Travel Expenses 5050009	677	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	250,000	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	345,898	352,005	362,791	352,022	352,022	0	352,022	352,022	0
Funding Sources									
State Administration of Justice 4000470	361,043	362,791		352,022	352,022	0	352,022	352,022	0
Total Funding	361,043	362,791		352,022	352,022	0	352,022	352,022	0
Excess Appropriation/(Funding)	(15,145)	(10,786)		0	0	0	0	0	0
Grand Total	345,898	352,005		352,022	352,022	0	352,022	352,022	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 36G - Court Security Grants
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	352,022	1	352,022	100.0	352,022	1	352,022	100.0
C04	Reallocation	0	0	352,022	100.0	0	0	352,022	100.0

Appropriation Summary

Appropriation: 474 - Dispute Resolution Commission

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	121,882	133,452	139,177	131,652	131,652	0	131,652	131,652	0
#Positions	3	3	3	3	3	0	3	3	0
Personal Services Matching 5010003	37,564	40,931	41,701	40,608	40,608	0	40,608	40,608	0
Operating Expenses 5020002	34,943	35,514	35,514	35,514	35,514	0	35,514	35,514	0
Conference & Travel Expenses 5050009	8,158	15,000	15,000	15,000	15,000	0	15,000	15,000	0
Professional Fees 5060010	4,795	5,304	5,304	5,304	31,604	0	5,304	31,604	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	31,800	51,300	51,300	51,300	25,000	0	51,300	25,000	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	239,142	281,501	287,996	279,378	279,378	0	279,378	279,378	0
Funding Sources									
State Central Services 4000035	239,142	281,501		279,378	279,378	0	279,378	279,378	0
Total Funding	239,142	281,501		279,378	279,378	0	279,378	279,378	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	239,142	281,501		279,378	279,378	0	279,378	279,378	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 474 - Dispute Resolution Commission
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	279,378	3	279,378	100.0	279,378	3	279,378	100.0
C04	Reallocation	0	0	279,378	100.0	0	0	279,378	100.0

Appropriation Summary

Appropriation: 816 - Judicial Fine

Funding Sources: MJF - Judicial Fine Collection Enhancement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,367,101	1,818,662	1,844,748	1,815,162	1,997,498	0	1,815,162	1,997,498	0
#Positions		31	36	36	36	40	0	36	40	0
Personal Services Matching	5010003	434,527	534,940	538,530	534,780	590,296	0	534,780	590,296	0
Operating Expenses	5020002	986,467	1,032,500	1,032,500	1,032,500	2,000,000	0	1,032,500	2,000,000	0
Conference & Travel Expenses	5050009	22,661	24,000	24,000	24,000	25,000	0	24,000	25,000	0
Professional Fees	5060010	24,768	300,000	300,000	300,000	400,000	0	300,000	400,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	569,338	600,000	600,000	0	1,000,000	0	0	1,000,000	0
Total		3,404,862	4,310,102	4,339,778	3,706,442	6,012,794	0	3,706,442	6,012,794	0
Funding Sources										
Fund Balance	4000005	1,819,168	2,704,379		3,394,277	3,394,277	0	4,687,835	2,381,483	0
Special Revenue	4000030	4,290,073	5,000,000		5,000,000	5,000,000	0	5,000,000	5,000,000	0
Total Funding		6,109,241	7,704,379		8,394,277	8,394,277	0	9,687,835	7,381,483	0
Excess Appropriation/(Funding)		(2,704,379)	(3,394,277)		(4,687,835)	(2,381,483)	0	(5,981,393)	(1,368,689)	0
Grand Total		3,404,862	4,310,102		3,706,442	6,012,794	0	3,706,442	6,012,794	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 816 - Judicial Fine
Funding Sources: MJF - Judicial Fine Collection Enhancement Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,706,442	36	3,706,442	100.0	3,706,442	36	3,706,442	100.0
C01	Existing Program	2,306,352	4	6,012,794	162.2	2,306,352	4	6,012,794	162.2

Appropriation Summary

Appropriation: 817 - Hearing & Visual Impairments

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Auxilliary Aids-Hearing & Visual 5900046	8,259	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Total	8,259	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Funding Sources									
State Central Services 4000035	8,259	10,000		10,000	10,000	0	10,000	10,000	0
Total Funding	8,259	10,000		10,000	10,000	0	10,000	10,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	8,259	10,000		10,000	10,000	0	10,000	10,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 832 - Alternative Dispute Resolution Commission

Funding Sources: NAC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	76,566	140,000	140,000	140,000	140,000	0	140,000	140,000	0
Conference & Travel Expenses	5050009	6,521	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Professional Fees	5060010	31,733	85,000	85,000	85,000	85,000	0	85,000	85,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		114,820	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Funding Sources										
Fund Balance	4000005	165,365	195,803		80,803	80,803	0	0	0	0
Cash Fund	4000045	145,258	135,000		135,000	135,000	0	135,000	135,000	0
Total Funding		310,623	330,803		215,803	215,803	0	135,000	135,000	0
Excess Appropriation/(Funding)		(195,803)	(80,803)		34,197	34,197	0	115,000	115,000	0
Grand Total		114,820	250,000		250,000	250,000	0	250,000	250,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 832 - Alternative Dispute Resolution Commission
Funding Sources: NAC - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	250,000	0	250,000	100.0	250,000	0	250,000	100.0
C04	Reallocation	0	0	250,000	100.0	0	0	250,000	100.0

Appropriation Summary

Appropriation: 85M - Court Management Program

Funding Sources: NAC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	0	0	0	15,000	0	0	15,000	0
Total	0	0	0	0	15,000	0	0	15,000	0
Funding Sources									
Cash Fund 4000045	0	0		0	15,000	0	0	15,000	0
Total Funding	0	0		0	15,000	0	0	15,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	15,000	0	0	15,000	0

Appropriation established in FY11 through a transfer from the Cash Fund Holding Account.

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 85M - Court Management Program
Funding Sources: NAC - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C02	New Program	15,000	0	15,000	100.0	15,000	0	15,000	100.0

Appropriation Summary

Appropriation: 966 - Court Improvement Program

Funding Sources: FJD - Judicial Department Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	121,512	122,875	121,156	122,875	122,875	0	122,875	122,875	0
#Positions	2	2	2	2	2	0	2	2	0
Personal Services Matching 5010003	32,861	34,119	33,182	34,156	34,156	0	34,156	34,156	0
Operating Expenses 5020002	91,497	350,000	350,000	350,000	350,000	0	350,000	350,000	0
Conference & Travel Expenses 5050009	27,721	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees 5060010	31,704	200,000	200,000	200,000	250,000	0	200,000	250,000	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	0	150,000	150,000	150,000	200,000	0	150,000	200,000	0
Capital Outlay 5120011	65,020	70,000	70,000	0	150,000	0	0	150,000	0
Total	370,315	956,994	954,338	887,031	1,137,031	0	887,031	1,137,031	0
Funding Sources									
Federal Revenue 4000020	370,315	956,994		887,031	1,137,031	0	887,031	1,137,031	0
Total Funding	370,315	956,994		887,031	1,137,031	0	887,031	1,137,031	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	370,315	956,994		887,031	1,137,031	0	887,031	1,137,031	0

No Executive Recommendation made on this appropriation.

The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 966 - Court Improvement Program
Funding Sources: FJD - Judicial Department Federal

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	887,031	2	887,031	100.0	887,031	2	887,031	100.0
C01	Existing Program	250,000	0	1,137,031	128.2	250,000	0	1,137,031	128.2
C04	Reallocation	0	0	1,137,031	128.2	0	0	1,137,031	128.2

ATTORNEY GENERAL

Enabling Laws

Act 70 of 2010

Act 186 of 2010

A.C.A. §25-16-701 et seq.

A.C.A. §04-88-101 et seq.

A.C.A. §05-55-101 et seq.

A.C.A. §16-90-706 et seq.

A.C.A. §23-04-301 et seq.

A.C.A. §04-111-101 et seq.

Constitution of Arkansas, Article 6

Constitution of Arkansas, Amendment 63

History and Organization

The Office of Attorney General in Arkansas was established by Article 6, Section 1 of the Arkansas Constitution of 1874, which section has been likely superseded by Amendment 63, Section 1. It reads, in applicable part, as follows:

“The Executive Department of this state shall consist of a(n) ... Attorney General, . . . all of whom shall keep their offices at the seat of Government and hold their offices for the term of four years and until their successors are elected and qualified.”

Article 6, Section 3 of the Constitution provides that the Attorney General is elected by the qualified electors of the state at large at the general elections. The salary for the office is established by Amendment 70, Sections 1 and 3.

The only constitutional or statutory qualification for holding the office of Attorney General is that of Article 19, Section 3 and 4, Constitution of Arkansas, which requires all state officers to possess the qualifications of electors and requires officers for the state at large to reside within the state.

The statutory subchapter setting forth the fundamental duties for the Attorney General is found at A.C.A. §25-16-702 et seq. The primary responsibilities created therein are set forth below.

A.C.A. §25-16-702 provides as follows: “The Attorney General shall be the attorney for all state officials, departments, institutions, and agencies. Whenever any officer or department, institution, or agency of the state needs the services of an attorney, the matter shall be certified to the Attorney General for attention.”

Section 702 also provided that the Attorney General shall have the authority to initiate civil lawsuits under all environmental protection statutes.

A.C.A. §25-16-703 provides that the Attorney General shall maintain and defend the interest of the state in the federal courts and that he or she shall be the legal representative of all state parties in litigation where the interests of the state are involved.

A.C.A. §25-16-704 provides that the Attorney General will attend and defend the state before the Supreme Court.

A.C.A. §25-16-706 provides that the Attorney General will, upon request, give his opinion to the Governor and heads of executive departments on any constitutional or legal questions concerning the official actions of such officers. The Attorney General is also authorized to give his opinion on certain legal matters to prosecuting attorneys, members of the General Assembly, county commissions and all state boards and commissions.

A.C.A. §25-16-709 empowers the Attorney General to bring suit against state officials who have collected or received state monies and not accounted for them according to the law.

In addition to the fundamental duties of the Attorney General set forth at A.C.A. §25-16-701 et seq., additional statutory duties have been prescribed for the office over the years. The most significant of these are set forth below.

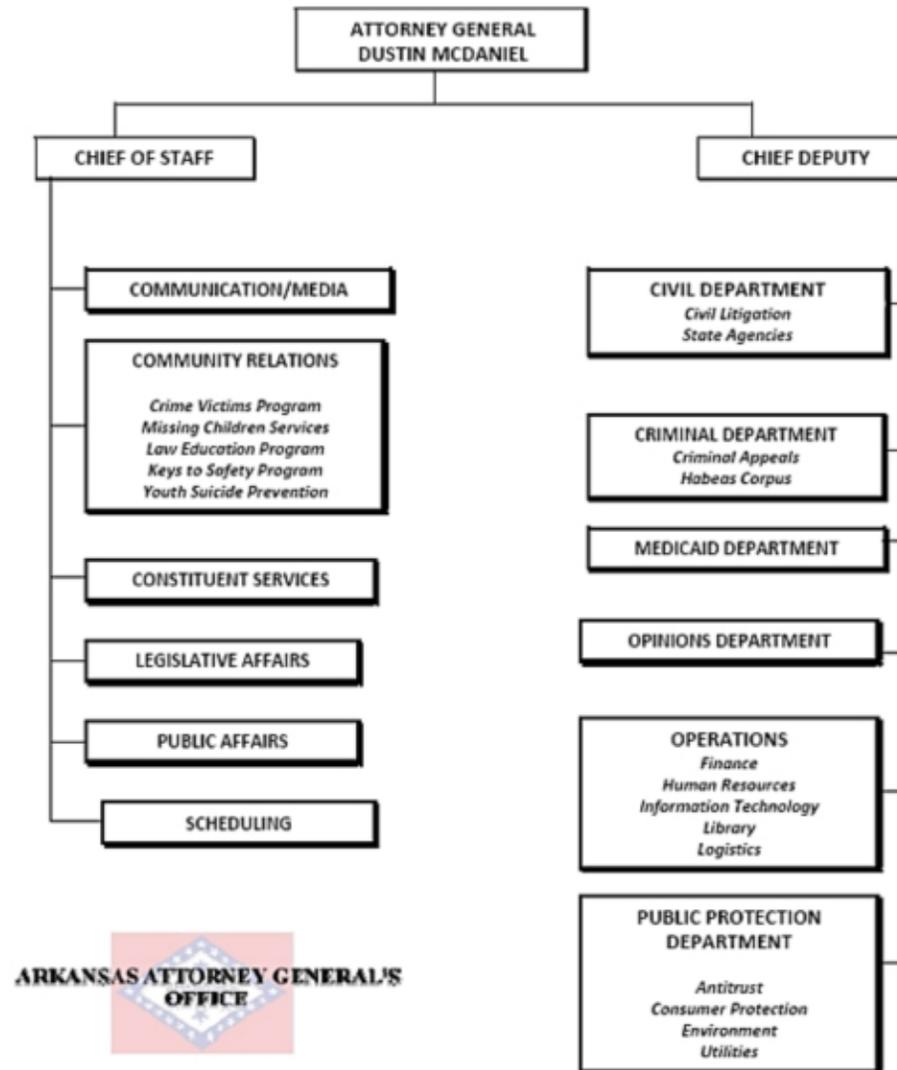
Consumer Protection. The Attorney General is charged with enforcing the “Deceptive Trade Practices Act,” A.C.A. §4-88-101 et seq. This act creates the Consumer Protection Division, and authorizes that division to conduct investigation, promote consumer education, and bring lawsuits to enforce the provisions of the law. The division is also charged with registration of charities and professional fundraisers by A.C.A. §4-28-401 et seq.

Medicaid Fraud, A.C.A. §5-55-101 et seq. provides that the Office of Attorney General will investigate and bring cases regarding abuse, exploitation or neglect of nursing home residents and fraud against the Medicaid Program. The Office is also empowered under federal and state law to conduct criminal investigations and refer cases for prosecution. The Attorney General’s staff may also be deputized by a prosecuting attorney and conduct prosecutions.

Crime Victims Reparations. The Crime Victims Reparations Board was created by A.C.A. §16-90-710 et seq. A.C.A. §16-90-706 provides that the Attorney General provide necessary office space, support staff and secretarial services to the Board for the administration of their statutory responsibilities.

Public Utilities, A.C.A. §23-4-301 et seq. creates a division within the office called the Consumer Utilities Rate Advocacy Division. This division is charged with representing the state, its subdivisions and ratepayers in state and federal proceedings related to utility matters.

An organization chart which reflects the structure of the Office of Attorney General is attached hereto.



Agency Commentary

The Office of the Attorney General is the statutory legal counsel for the State's officials, departments, institutions and agencies. This Office also has the responsibility to administer the Crime Victims Reparation Program and protect the environment as well as the consumers of Arkansas. Statutory obligations are carried out through the following functions:

- | | | |
|-------------------------|------------------------|----------------------------------|
| 1) Communication/Media | 5) Public Affairs | 9) Medicaid Fraud Department |
| 2) Community Relations | 6) Scheduling | 10) Opinions Department |
| 3) Constituent Services | 7) Civil Department | 11) Operations |
| 4) Legislative Affairs | 8) Criminal Department | 12) Public Protection Department |

The Office requests Base Level for the 2011-2013 biennium, with restoration of previously authorized amounts for Capital Outlay for all appropriations. Of the restoration amount requested for Operations (004), the Office requests to reallocate ½ of that appropriation to Operating Expenses for expected rent increases over the next two years. The Office also requests to restore previously authorized Internet Child Crime (38U) federal grant appropriation, in the even that funding becomes available.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
OFFICE OF THE ATTORNEY GENERAL
FOR THE YEAR ENDED JUNE 30, 2009

Findings

None

Recommendations

None

Employment Summary

	Male	Female	Total	%
White Employees	54	69	123	74 %
Black Employees	7	31	38	23 %
Other Racial Minorities	1	4	5	3 %
	Total Minorities		43	26 %
	Total Employees		166	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Lemon Law Books	Act 1313 of 2001	N	N	135,000	Required by Statutes to provide booklets to automobile dealers for every vehicle sold explaining the State's Lemon Law
Model Rules and Regulations for State Agencies	A.C.A. §25-15-215	N	N	250	Required by Statutes to provide model rules for each state agency

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
004 Attorney General - Administration	12,709,479	135	13,529,358	135	14,213,486	135	14,072,756	135	14,270,756	135	0	0	14,072,756	135	14,270,756	135	0	0
188 Medicaid Fraud - Federal	1,368,195	17	1,658,259	17	1,708,942	17	1,678,731	17	1,706,314	17	0	0	1,678,731	17	1,706,314	17	0	0
189 Medicaid Fraud - State	514,540	5	533,598	5	569,101	5	563,953	5	570,953	5	0	0	563,953	5	570,953	5	0	0
1PE Victims Reparations Program	2,591,324	10	3,951,395	11	4,008,023	11	4,010,858	11	4,010,858	11	0	0	4,010,858	11	4,010,858	11	0	0
1PF Medicaid Fraud - Indirect Costs	192,789	0	298,700	0	298,700	0	298,700	0	298,700	0	0	0	298,700	0	298,700	0	0	0
1PH Victims Reparations - Federal	1,346,469	1	1,565,114	1	1,570,040	1	1,569,076	1	1,569,076	1	0	0	1,569,076	1	1,569,076	1	0	0
2YK Spyware Monitoring	465	0	65,990	0	65,990	0	65,990	0	65,990	0	0	0	65,990	0	65,990	0	0	0
38U Internet Crime Child	30,000	0	0	0	50,000	0	0	0	50,000	0	0	0	0	0	50,000	0	0	0
Total	18,753,261	168	21,602,414	169	22,484,282	169	22,260,064	169	22,542,647	169	0	0	22,260,064	169	22,542,647	169	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	3,352,919	15.4	2,961,850	12.4		2,215,178	9.4	2,215,178	9.2	0	0.0	1,409,043	6.2	1,409,043	6.1	0	0.0
Federal Revenue	4000020	2,937,453	13.5	3,522,073	14.8		3,546,507	15.0	3,624,090	15.1	0	0.0	3,546,507	15.5	3,624,090	15.7	0	0.0
Special Revenue	4000030	110,997	0.5	180,990	0.8		180,990	0.8	180,990	0.8	0	0.0	180,990	0.8	180,990	0.8	0	0.0
State Central Services	4000035	13,224,019	60.9	14,062,956	59.0		14,636,709	61.8	14,841,709	62.0	0	0.0	14,636,709	64.0	14,841,709	64.1	0	0.0
State Administration of Justice	4000470	2,089,723	9.6	3,089,723	13.0		3,089,723	13.1	3,089,723	12.9	0	0.0	3,089,723	13.5	3,089,723	13.3	0	0.0
Total Funds		21,715,111	100.0	23,817,592	100.0		23,669,107	100.0	23,951,690	100.0	0	0.0	22,862,972	100.0	23,145,555	100.0	0	0.0
Excess Appropriation/(Funding)		(2,961,850)		(2,215,178)			(1,409,043)		(1,409,043)		0		(602,908)		(602,908)		0	
Grand Total		18,753,261		21,602,414			22,260,064		22,542,647		0		22,260,064		22,542,647		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
166	163	0	163	3	1.81 %	169	165	4	169	0	2.37 %	169	165	4	169	0	2.37 %

Appropriation Summary

Appropriation: 004 - Attorney General - Administration

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	8,361,959	8,506,973	9,133,858	9,105,095	9,105,095	0	9,105,095	9,105,095	0
#Positions		135	135	135	135	135	0	135	135	0
Extra Help	5010001	17,021	37,224	37,224	37,224	37,224	0	37,224	37,224	0
#Extra Help		3	8	8	8	8	0	8	8	0
Personal Services Matching	5010003	2,176,500	2,348,084	2,405,327	2,491,360	2,491,360	0	2,491,360	2,491,360	0
Operating Expenses	5020002	1,590,793	1,862,342	1,862,342	1,862,342	1,960,342	0	1,862,342	1,960,342	0
Conference & Travel Expenses	5050009	81,538	100,167	100,167	100,167	100,167	0	100,167	100,167	0
Professional Fees	5060010	386,506	476,568	476,568	476,568	476,568	0	476,568	476,568	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	95,162	198,000	198,000	0	100,000	0	0	100,000	0
Total		12,709,479	13,529,358	14,213,486	14,072,756	14,270,756	0	14,072,756	14,270,756	0
Funding Sources										
State Central Services	4000035	12,709,479	13,529,358		14,072,756	14,270,756	0	14,072,756	14,270,756	0
Total Funding		12,709,479	13,529,358		14,072,756	14,270,756	0	14,072,756	14,270,756	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		12,709,479	13,529,358		14,072,756	14,270,756	0	14,072,756	14,270,756	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 004 - Attorney General - Administration
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	14,072,756	135	14,072,756	100.0	14,072,756	135	14,072,756	100.0
C01	Existing Program	198,000	0	14,270,756	101.4	198,000	0	14,270,756	101.4

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Attorney General

Program: Attorney General - Administration

Act #: 70 Section(s) #: 3 & 18

Estimated Carry Forward Amount \$ 0.00 Funding Source: State Central Services

Accounting Information:

Business Area: 0053 Funds Center: 004 Fund: HSC Functional Area: CNST

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:

We do not anticipate a need to carry forward funding for this program.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

No funding was carried forward.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Honorable Dustin McDaniel
Attorney General

08-18-2010
Date

Appropriation Summary

Appropriation: 188 - Medicaid Fraud - Federal

Funding Sources: FAY - Medicaid Operations Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,045,898	1,048,941	1,090,675	1,081,877	1,081,877	0	1,081,877	1,081,877	0
#Positions		17	17	17	17	17	0	17	17	0
Extra Help	5010001	18,990	29,870	29,870	29,870	29,870	0	29,870	29,870	0
#Extra Help		2	2	2	2	2	0	2	2	0
Personal Services Matching	5010003	269,273	287,517	296,466	302,636	302,636	0	302,636	302,636	0
Operating Expenses	5020002	12,681	202,286	202,286	202,286	202,286	0	202,286	202,286	0
Conference & Travel Expenses	5050009	7,191	37,206	37,206	37,206	37,206	0	37,206	37,206	0
Professional Fees	5060010	87	24,856	24,856	24,856	24,856	0	24,856	24,856	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	14,075	27,583	27,583	0	27,583	0	0	27,583	0
Total		1,368,195	1,658,259	1,708,942	1,678,731	1,706,314	0	1,678,731	1,706,314	0
Funding Sources										
Federal Revenue	4000020	1,368,195	1,658,259		1,678,731	1,706,314	0	1,678,731	1,706,314	0
Total Funding		1,368,195	1,658,259		1,678,731	1,706,314	0	1,678,731	1,706,314	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,368,195	1,658,259		1,678,731	1,706,314	0	1,678,731	1,706,314	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 188 - Medicaid Fraud - Federal

Funding Sources: FAY - Medicaid Operations Federal

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,678,731	17	1,678,731	100.0	1,678,731	17	1,678,731	100.0
C01	Existing Program	27,583	0	1,706,314	101.6	27,583	0	1,706,314	101.6

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Attorney General

Program: Medicaid Fraud - Federal

Act #: 70 Section(s) #: 13 & 18

Estimated Carry Forward Amount \$ 7,299.00 Funding Source: Federal

Accounting Information:

Business Area: 0053 Funds Center: 188 Fund: FAY Functional Area: CNST

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:

Remaining federal funding will be carried forward to provide support for investigating and prosecuting Medicaid fraud and abuse cases.

Actual Funding Carry Forward Amount \$ 48,805.42

Current status of carry forward funding:

Federal funding will continue to be used for investigating and prosecuting Medicaid fraud and abuse cases.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Honorable Dustin McDaniel
Attorney General

08-18-2010
Date

Appropriation Summary

Appropriation: 189 - Medicaid Fraud - State

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	343,788	345,713	378,654	376,653	376,653	0	376,653	376,653	0
#Positions	5	5	5	5	5	0	5	5	0
Personal Services Matching 5010003	87,476	93,822	96,384	100,237	100,237	0	100,237	100,237	0
Operating Expenses 5020002	66,549	67,417	67,417	67,417	67,417	0	67,417	67,417	0
Conference & Travel Expenses 5050009	9,960	11,891	11,891	11,891	11,891	0	11,891	11,891	0
Professional Fees 5060010	2,075	7,755	7,755	7,755	7,755	0	7,755	7,755	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	4,692	7,000	7,000	0	7,000	0	0	7,000	0
Total	514,540	533,598	569,101	563,953	570,953	0	563,953	570,953	0
Funding Sources									
State Central Services 4000035	514,540	533,598		563,953	570,953	0	563,953	570,953	0
Total Funding	514,540	533,598		563,953	570,953	0	563,953	570,953	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	514,540	533,598		563,953	570,953	0	563,953	570,953	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 189 - Medicaid Fraud - State
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	563,953	5	563,953	100.0	563,953	5	563,953	100.0
C01	Existing Program	7,000	0	570,953	101.2	7,000	0	570,953	101.2

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Attorney General

Program: Medicaid Fraud - State

Act #: 70 Section(s) #: 10 & 18

Estimated Carry Forward Amount \$ 0.00 Funding Source: State Central Services

Accounting Information:

Business Area: 0053 Funds Center: 189 Fund: HSC Functional Area: CNST

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:

We do not anticipate a need to carry forward funding for this program.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

No funding was carried forward.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Honorable Dustin McDaniel
Attorney General

08-18-2010
Date

Appropriation Summary

Appropriation: 1PE - Victims Reparations Program

Funding Sources: TCR - Crime Victims Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	364,588	484,379	533,644	533,643	533,643	0	533,643	533,643	0
#Positions	10	11	11	11	11	0	11	11	0
Extra Help 5010001	0	14,000	14,000	14,000	14,000	0	14,000	14,000	0
#Extra Help	0	2	2	2	2	0	2	2	0
Personal Services Matching 5010003	114,279	151,256	158,619	161,455	161,455	0	161,455	161,455	0
Operating Expenses 5020002	55,979	80,558	80,558	80,558	80,558	0	80,558	80,558	0
Conference & Travel Expenses 5050009	5,887	16,974	16,974	16,974	16,974	0	16,974	16,974	0
Professional Fees 5060010	45,793	11,246	11,246	11,246	11,246	0	11,246	11,246	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Claims 5110015	2,004,798	3,192,982	3,192,982	3,192,982	3,192,982	0	3,192,982	3,192,982	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	2,591,324	3,951,395	4,008,023	4,010,858	4,010,858	0	4,010,858	4,010,858	0
Funding Sources									
Fund Balance 4000005	3,352,919	2,961,850		2,215,178	2,215,178	0	1,409,043	1,409,043	0
Special Revenue 4000030	110,532	115,000		115,000	115,000	0	115,000	115,000	0
State Administration of Justice 4000470	2,089,723	3,089,723		3,089,723	3,089,723	0	3,089,723	3,089,723	0
Total Funding	5,553,174	6,166,573		5,419,901	5,419,901	0	4,613,766	4,613,766	0
Excess Appropriation/(Funding)	(2,961,850)	(2,215,178)		(1,409,043)	(1,409,043)	0	(602,908)	(602,908)	0
Grand Total	2,591,324	3,951,395		4,010,858	4,010,858	0	4,010,858	4,010,858	0

No Executive Recommendation made on this appropriation.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Attorney General

Program: Victims Reparations Program

Act #: 70 Section(s) #: 6 & 18

Estimated Carry Forward Amount \$ 3,244,696.00 Funding Source: Trust

Accounting Information:

Business Area: 0053 Funds Center: 1PE Fund: TCR Functional Area: CNST

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:

Carry forward funding will be used to provide continued support for operations of the Crime Victims Unit.

Actual Funding Carry Forward Amount \$ 2,961,850.29

Current status of carry forward funding:

Funding is being used for Crime Victims Unit operations.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Honorable Dustin McDaniel
Attorney General

08-18-2010
Date

Appropriation Summary

Appropriation: 1PF - Medicaid Fraud - Indirect Costs

Funding Sources: FAY - Medicaid Indirect Costs Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	192,789	298,700	298,700	298,700	298,700	0	298,700	298,700	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		192,789	298,700	298,700	298,700	298,700	0	298,700	298,700	0
Funding Sources										
Federal Revenue	4000020	192,789	298,700		298,700	298,700	0	298,700	298,700	0
Total Funding		192,789	298,700		298,700	298,700	0	298,700	298,700	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		192,789	298,700		298,700	298,700	0	298,700	298,700	0

No Executive Recommendation made on this appropriation.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Attorney General

Program: Medicaid Fraud - Indirect Costs

Act #: 70 Section(s) #: 14 & 18

Estimated Carry Forward Amount \$ 250.00 Funding Source: Federal

Accounting Information:

Business Area: 0053 Funds Center: 1PF Fund: FAY Functional Area: CNST

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:

Any remaining federal funds will be used for continuing Medicaid fraud indirect costs.

Actual Funding Carry Forward Amount \$ 10,263.61

Current status of carry forward funding:

Federal funds are being used to support Medicaid fraud indirect costs.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Honorable Dustin McDaniel
Attorney General

08-18-2010
Date

Appropriation Summary

Appropriation: 1PH - Victims Reparations - Federal

Funding Sources: FAY - Crime Victims Reparation Program Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	27,906	27,942	32,127	31,227	31,227	0	31,227	31,227	0
#Positions	1	1	1	1	1	0	1	1	0
Personal Services Matching 5010003	9,877	10,373	11,114	11,050	11,050	0	11,050	11,050	0
Operating Expenses 5020002	0	26,900	26,900	26,900	26,900	0	26,900	26,900	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Claims 5110015	1,031,981	1,499,899	1,499,899	1,499,899	1,499,899	0	1,499,899	1,499,899	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
ARRA of 2009 5900052	276,705	0	0	0	0	0	0	0	0
Total	1,346,469	1,565,114	1,570,040	1,569,076	1,569,076	0	1,569,076	1,569,076	0
Funding Sources									
Federal Revenue 4000020	1,346,469	1,565,114		1,569,076	1,569,076	0	1,569,076	1,569,076	0
Total Funding	1,346,469	1,565,114		1,569,076	1,569,076	0	1,569,076	1,569,076	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,346,469	1,565,114		1,569,076	1,569,076	0	1,569,076	1,569,076	0

No Executive Recommendation made on this appropriation.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Attorney General

Program: Victims Reparations - Federal

Act #: 70 Section(s) #: 8 & 18

Estimated Carry Forward Amount \$ 1,625.00 Funding Source: Federal

Accounting Information:

Business Area: 0053 Funds Center: 1PH Fund: FAY Functional Area: CNST

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:

Any remaining federal funds will be used to defray operatings costs of the Crime Victims Program.

Actual Funding Carry Forward Amount \$ 13,146.37

Current status of carry forward funding:

Federal funds are being used for Crime Victims Program operations.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Honorable Dustin McDaniel
Attorney General

08-26-2010
Date

Appropriation Summary

Appropriation: 2YK - Spyware Monitoring

Funding Sources: SSM - Spyware Monitoring Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Spyware Monitoring 5900046	465	65,990	65,990	65,990	65,990	0	65,990	65,990	0
Total	465	65,990	65,990	65,990	65,990	0	65,990	65,990	0
Funding Sources									
Special Revenue 4000030	465	65,990		65,990	65,990	0	65,990	65,990	0
Total Funding	465	65,990		65,990	65,990	0	65,990	65,990	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	465	65,990		65,990	65,990	0	65,990	65,990	0

No Executive Recommendation made on this appropriation.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Attorney General

Program: Spyware Monitoring

Act #: 70 Section(s) #: 15 & 18

Estimated Carry Forward Amount \$ 95,066.00 Funding Source: Special

Accounting Information:

Business Area: 0053 Funds Center: 2YK Fund: SSM Functional Area: CNST

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:

The fund balance in this program will support the initial startup of the Spyware Unit when this program fully operational.

Actual Funding Carry Forward Amount \$ 95,022.41

Current status of carry forward funding:

Funds will be used for the Spyware Unit when the program is operational.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Honorable Dustin McDaniel
Attorney General

08-18-2010
Date

Appropriation Summary

Appropriation: 38U - Internet Crime Child

Funding Sources: FAY - Internet Crimes Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	27,784	0	45,450	0	45,450	0	0	45,450	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	2,216	0	4,550	0	4,550	0	0	4,550	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	30,000	0	50,000	0	50,000	0	0	50,000	0
Funding Sources									
Federal Revenue 4000020	30,000	0		0	50,000	0	0	50,000	0
Total Funding	30,000	0		0	50,000	0	0	50,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	30,000	0		0	50,000	0	0	50,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 38U - Internet Crime Child
Funding Sources: FAY - Internet Crimes Federal

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C01	Existing Program	50,000	0	50,000	100.0	50,000	0	50,000	100.0

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Attorney General

Program: Internet Crime Child

Act #: 70 Section(s) #: 16 & 18

Estimated Carry Forward Amount \$ 0.00 Funding Source: Federal

Accounting Information:

Business Area: 0053 Funds Center: 38U Fund: FAY Functional Area: CNST

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

There are currently no funds available for carry forward.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

No available funding.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Honorable Dustin McDaniel
Attorney General

08-18-2010
Date

AUDITOR OF STATE

Enabling Laws

Act 167 of 2010
Act 168 of 2010
Act 169 of 2010
Act 170 of 2010
Act 171 of 2010
Act 172 of 2010
Act 173 of 2010
A.C.A. §25-16-5
A.C.A. §18-28-101 et seq.
Constitution of Arkansas, Article 6

History and Organization

Arkansas Code, Title 25, chapter 16, Subchapter 5, provides that the Auditor of State shall be the general accountant of the state; and keep an account between the State and the Treasurer of the State, to audit, adjust and settle all claims against the state payable out of the State Treasury and to draw all warrants upon the State Treasury.

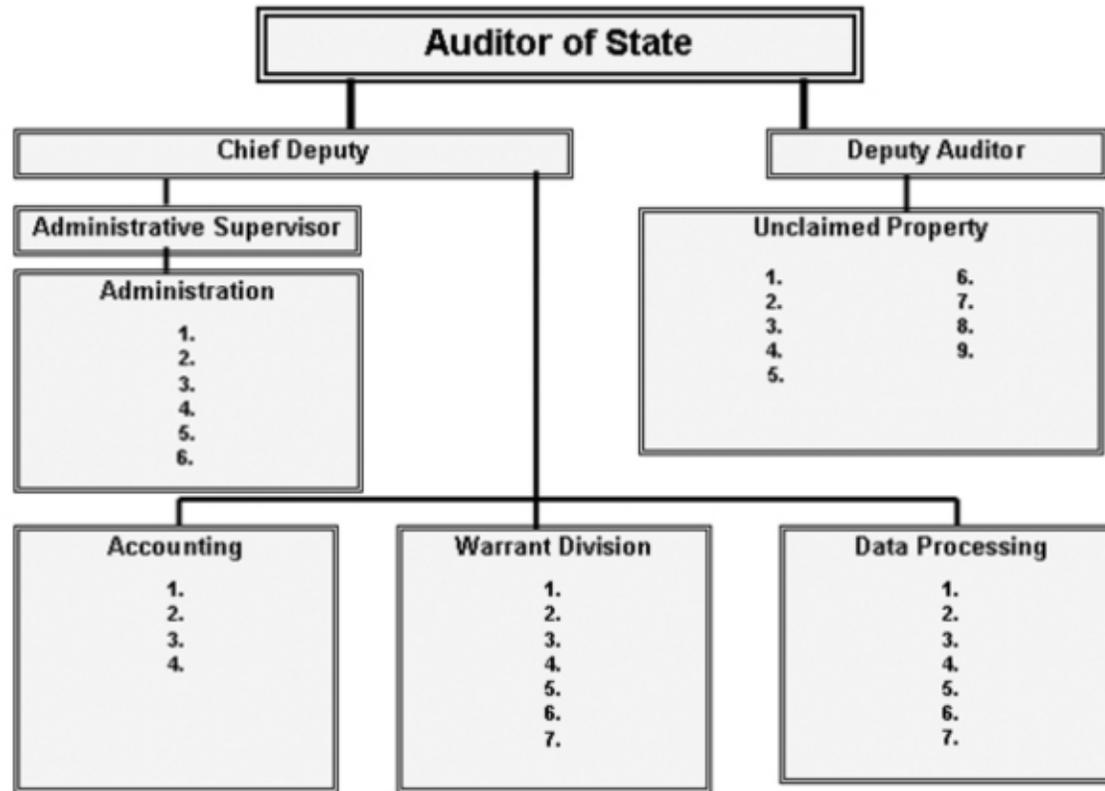
The Auditor of State maintains fund and appropriation balances for all state agencies.

The Auditor of State is the administrator of Act 850 of 1999 (A.C.A. §18-28-201 et seq. as amended) known as the Unclaimed Property Act. During fiscal year ending June 30, 2010, the Auditor of State collected approximately \$16.6 million from holders, returned approximately \$7 million to the citizens of Arkansas. In March 2010, the Auditor transferred \$1.3 million per Act 1440 of 2009 and \$21,000,000 from the trust fund to the General Revenue Allotment Reserve Fund per Act 296 of 2010, Section 14 in July 2010 and reimbursed the cost of administering the Act by depositing FY10 operating costs of \$885,329.34 into the State Central Services Fund; and \$204,149.12 to the counties pursuant to Code 18-28-213. In addition, the Auditor transferred \$937,500.00 from the Mineral Proceeds Trust Fund to the County Aid Fund for equal distribution to the counties.

In fiscal year 2010, the Auditor of State produced, audited and issued to State Agencies 3,029,335 state warrants totaling over \$6.4 billion dollars.

The Auditor of State is the disbursing officer for salaries for House of Representatives Members, Senate Members, Constitutional Officers, Supreme Court Justices, Appellate Court Justices, the salaries and expenses of Circuit Judges, Special and Recalled Judges, the salaries of Prosecuting Attorneys, Deputy Prosecuting Attorneys, Special Deputy Prosecuting Attorney, Post Adjudicate Deputy Prosecuting Attorney, the salaries and expenses of Court Reporters and Substitute Court Reporters, and of the Trial Court Administrative Assistants and their Substitutes. Beginning January 2008, the Auditor of State added to their disbursing officer list the District Judges as well as 10 Juvenile Probate and Intake Officers. The Auditor of State processes and maintains all payroll accounting, insurance, retirement, and expenses for those twelve departments which include over 950 individuals. This disbursement is in excess of \$84 million per year.

The Auditor of State serves as a board member of the Arkansas Public Employees Retirement System; the Arkansas Teacher Retirement System; Arkansas Emergency Telephone Services Board; and the Continuing Education Boards of the Arkansas County and Circuit Clerks, County Treasurers, and County Collectors. The Auditor of State also serves as a member of the State Board of Finance.



Agency Commentary

AUDITOR OF STATE (005)

Listed below are the main points of our proposed budget for the biennium 2011-2013:

1. Base Level for salaries for all positions.
2. Base Level for Personal Services Matching
3. Base Level for Extra Help positions
4. Base Level for Maintenance and Operation, Conference Fees and Travel, Professional Fees as well as Capital Outlay.
5. County and Circuit Continuing Education Board appropriation is to remain constant
6. County Treasurers Continuing Education Board appropriation is to remain constant.
7. County Collectors Continuing Education Board appropriation is to remain constant.

GENERAL APPROPRIATION REQUEST (009)

Listed below are the main points of our proposed budget for the biennium 2011-2013:

1. Base Level per position each year for the Supreme Court Chief Justice, Supreme Court Associate Justices, Court of Appeals Chief Judge, Court of Appeals Judges, Circuit Judges, and District Judges.
2. Base Level for the elected Prosecuting Attorneys - Division A and Division B.
3. Members of the General Assembly and all Executive Department Officials may be increased annually an amount pursuant to Amendment 70, Section 3 to the Arkansas Constitution.
4. We are requesting an increase in Personal Services Match based on any salary increase request.
5. Base Level for Special and Recalled Judges.

UNCLAIMED PROPERTY (122)

1. Base Level salaries for all positions.
2. Base Level for Personal Services Matching
3. Base Level for Maintenance and Operations, Capital Outlay, Professional Fees and Services and Travel.
4. The appropriation for Payment of Claims for Unclaimed Property and Payment of Claims-Miscellaneous Revolving are to remain constant.
5. We are requesting an increase of \$1,000,000 in the cash appropriation for Payment of Claims for Mineral Proceeds (C50) due an anticipated increase in claims related to the Fayetteville Shale discovery for both years of the biennium.

JUDICIAL COURT REPORTERS (1EW)

1. Base Level salaries for classified positions
2. Base Level for Personal Services Matching

JUVENILE PROBATION AND INTAKE OFFICERS (1UE)

1. Base Level salaries for all positions
2. Reimbursement to counties for up to \$15,000 in salary payments to Juvenile Probation and Intake Officers to remain constant.

DEPUTY PROSECUTING ATTORNEYS (1UG)

1. Base Level salaries for classified positions
2. Base Level Personal Services Matching
4. The expense allowance of the Special Deputy Prosecuting Attorney is to remain constant.

TRIAL COURT ADMINISTRATIVE ASSISTANTS (305)

1. Base Level salaries for classified positions
2. Base Level for Personal Services Matching
3. The appropriation for Substitute Trial Court Administrative Assistants will remain constant.
4. We are requesting that the appropriation for expenses remain constant.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 AUDITOR OF STATE
 FOR THE YEAR ENDED JUNE 30, 2009

Findings	Recommendations
None	None

Employment Summary - Auditors Office

	Male	Female	Total	%
White Employees	10	14	24	83 %
Black Employees	1	4	5	17 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			5	17 %
Total Employees			29	100 %

Employment Summary - Court Reporters

	Male	Female	Total	%
White Employees	10	104	114	95 %
Black Employees	0	6	6	5 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			6	5 %
Total Employees			120	100 %

Employment Summary - Trial Court Administrative Assistants

	Male	Female	Total	%
White Employees	1	105	106	88 %
Black Employees	0	14	14	11 %
Other Racial Minorities	0	1	1	1 %
Total Minorities			14	12 %
Total Employees			121	100 %

Employment Summary - Deputy Prosecuting Attorneys

	Male	Female	Total	%
White Employees	145	85	230	97 %
Black Employees	3	5	8	3 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			8	3 %
Total Employees			238	100 %

Employment Summary - Drug Court Juvenile Probation Officers

	Male	Female	Total	%
White Employees	2	4	6	60 %
Black Employees	3	1	4	40 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	40 %
Total Employees			10	100 %

Cash Fund Balance Description as of June 30, 2010

Fund Account	Balance	Type	Location
1100100	\$58,195,516	Checking/Certificates of Deposit	Multiple locations - see detail

Statutory/Other Restrictions on use:

A.C.A. 18-28-213 states all funds shall be deposited by the administrator in a special trust fund - "Unclaimed Property Proceeds Trust Fund", from which he shall make prompt payment of claims duly allowed by him. Such funds shall be deposited in accounts of one (1) or more financial institutions authorized to do business in this State.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 18-28-224 authorizes the collection of penalties and interest.

Revenue Receipts Cycle:

Upon filing the report before November 1 of each year, the holder of property presumed abandoned shall pay, deliver, or cause to be paid or delivered to the administrator the property described.

Fund Balance Utilization:

Once each fiscal year, the administrator shall transfer to general revenues all funds that have been collected and held for a full three (3) years, less the amount transferred to the State Central Services Fund.

Fund Account	Balance	Type	Location
1100200	\$2,718,930	Checking/Certificates of Deposit	Multiple locations - see detail

Statutory/Other Restrictions on use:

A.C.A. 18-28-403 states that all funds shall be deposited by the administrator in a special trust fund - "Abandoned Mineral Proceeds Trust Fund", from which he shall make prompt payment of claims duly allowed by him. Such funds shall be deposited into accounts of one (1) or more financial institutions authorized to do business in this state.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 18-28-402 section (d) states any holder violating this section shall be guilty of a misdemeanor and shall be subject to a fine not to exceed \$1,000 each violation.

Revenue Receipts Cycle:

Upon filing of the report before November 1 of each year, the holder of property presumed abandoned shall pay, deliver, or cause to be paid or delivered to the administrator the property described.

Fund Balance Utilization:

Once each fiscal year, the administrator shall transfer to the County Aid Fund all funds that have been collected and held for a full three (3) years.

Cash Fund Balance Description as of June 30, 2010

Fund Account	Balance	Type	Location
1100100	1,000,000.00	CD	1st National Bank - Walnut Ridge
	1,064,875.70	CD	1st National Bank - Walnut Ridge
	524,939.57	CD	1st National Bank - Walnut Ridge
	1,053,858.13	CD	Bank Of Bearden
	1,058,514.70	CD	Bank Of England
	1,009,462.05	CD	Bank Of The Ozarks - Little Rock
	500,670.55	CD	Bank Of The Ozarks - Little Rock
	508,739.92	CD	Bank Of Trumann
	1,049,564.20	CD	Bank Of Trumann
	1,031,327.55	CD	Bank Of Trumann
	1,004,694.07	CD	Citizens Bank - Batesville
	500,000.00	CD	Citizens Bank - Batesville
	503,772.60	CD	Cornerstone Bank - Eureka Springs
	1,030,275.29	CD	Cornerstone Bank - Eureka Springs

Cash Fund Balance Description as of June 30, 2010

Fund Account	Balance	Type	Location
1100100	503,099.32	CD	Eudora Bank
	2,012,328.77	CD	Farmers Bank & Trust - Magnolia
	1,000,000.00	CD	First National Bank - Hope
	1,001,487.40	CD	First National Bank - Hot Springs
	500,000.00	CD	First National Bank - Hot Springs
	503,525.66	CD	First Security Bank - Conway
	1,000,000.00	CD	First Service Bank - Dermott
	1,039,944.80	CD	First State Bank - Lonoke
	505,085.91	CD	First State Bank - Lonoke
	753,698.63	CD	First State Bank - De Queen
	1,200,000.00	CD	First State Bank - De Queen
	1,022,511.37	CD	Farmers & Merchants - Stuttgart
	511,148.08	CD	Heritage Bank - Jonesboro
	500,000.00	CD	Parkway Bank - Monticello
	505,585.00	CD	Piggott State Bank
	1,000,000.00	CD	Pine Bluff National Bank
	1,023,339.22	CD	Pine Bluff National Bank

Fund Account	Balance	Type	Location
1100200	1,015,212.18	CD	1st Southern Bank - Batesville
	1,000,000.00	CD	First Service Bank - Dermott

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
005 Operations	2,037,206	22	2,626,847	26	2,616,293	26	2,602,803	26	2,627,803	26	0	0	2,602,803	26	2,627,803	26	0	0
009 Constitutional Officers-Auditor	35,085,078	333	35,750,550	335	35,587,568	335	35,794,449	335	35,794,449	335	0	0	35,794,449	335	35,794,449	335	0	0
122 Unclaimed Property	885,329	8	1,144,382	9	1,141,050	9	1,119,690	9	1,144,690	9	0	0	1,119,690	9	1,144,690	9	0	0
123 CountyTreasurers Continuing Education	43,995	0	51,235	0	60,000	0	51,235	0	60,000	0	0	0	51,235	0	60,000	0	0	0
1EW Court Reporters-Circuit Court	8,653,359	120	9,671,392	122	9,671,392	122	9,773,266	122	9,773,266	122	0	0	9,773,266	122	9,773,266	122	0	0
1PD County & Circuit Clerks Continuing Education	76,252	0	104,882	0	120,000	0	104,882	0	113,742	0	0	0	104,882	0	113,742	0	0	0
1UE Juvenile Probation & Intake Officers	2,948,567	0	3,582,810	0	3,582,810	0	3,582,810	0	3,582,810	0	0	0	3,582,810	0	3,582,810	0	0	0
1UG Deputy Prosecuting Attorneys	17,734,440	241	18,200,104	242	17,541,159	242	18,208,628	242	18,208,628	242	0	0	18,208,628	242	18,208,628	242	0	0
264 Payment of Claims-Revolving	774,749	0	775,000	0	775,000	0	775,000	0	775,000	0	0	0	775,000	0	775,000	0	0	0
305 Trial Court Admin Assistant	6,390,090	121	6,664,048	122	6,661,008	122	6,670,804	122	6,670,804	122	0	0	6,670,804	122	6,670,804	122	0	0
465 County Collectors Continuing Education	45,623	0	45,000	0	60,000	0	45,000	0	60,000	0	0	0	45,000	0	60,000	0	0	0
58V Drug Court Juvenile Probation & Intake Officers	449,059	10	477,077	10	477,077	10	482,952	10	482,952	10	0	0	482,952	10	482,952	10	0	0
A04 Unclaimed Property-Cash	5,771,865	0	15,002,500	0	15,002,500	0	15,002,500	0	15,002,500	0	0	0	15,002,500	0	15,002,500	0	0	0
C50 Payment-Unclaimed Mineral Proceeds	1,595,621	0	1,500,500	0	1,500,500	0	1,500,500	0	2,500,500	0	0	0	1,500,500	0	2,500,500	0	0	0
NOT REQUESTED FOR THE BIENNIIUM																		
046 Bankhead Jones Grant	0	0	0	0	220,000	0	0	0	0	0	0	0	0	0	0	0	0	0
072 Federal Turnback for Roads	0	0	0	0	3,750,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	82,491,233	855	95,596,327	866	98,766,357	866	95,714,519	866	96,797,144	866	0	0	95,714,519	866	96,797,144	866	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	61,175,827	42.5	61,445,565	39.2	61,117,595	39.0	61,117,595	39.0	0	0.0	61,117,595	39.0	60,117,595	38.6	0	0.0	
Constitutional Officers Fund	4000025	35,085,078	24.4	35,750,550	22.8	35,794,449	22.8	35,794,449	22.8	0	0.0	35,794,449	22.8	35,794,449	23.0	0	0.0	
State Central Services	4000035	24,054,601	16.7	26,031,220	16.6	25,996,883	16.6	26,046,883	16.6	0	0.0	25,996,883	16.6	26,046,883	16.7	0	0.0	
Cash Fund	4000045	9,356,729	6.5	16,503,000	10.5	16,503,000	10.5	16,503,000	10.5	0	0.0	16,503,000	10.5	16,503,000	10.6	0	0.0	
Fees	4000245	90,112	0.1	90,000	0.1	90,000	0.1	90,000	0.1	0	0.0	90,000	0.1	90,000	0.1	0	0.0	
Miscellaneous Revolving	4000350	774,749	0.5	775,000	0.5	775,000	0.5	775,000	0.5	0	0.0	775,000	0.5	775,000	0.5	0	0.0	
Real Estate Transfer Tax	4000403	3,183,691	2.2	3,901,746	2.5	4,307,433	2.7	4,307,433	2.7	0	0.0	4,307,433	2.7	4,307,433	2.8	0	0.0	
State Administration of Justice	4000470	12,038,840	8.4	12,216,841	7.8	12,226,637	7.8	12,226,637	7.8	0	0.0	12,226,637	7.8	12,226,637	7.8	0	0.0	
Transfer to Treasury	4000680	(1,822,829)	(1.3)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Total Funds		143,936,798	100.0	156,713,922	100.0	156,810,997	100.0	156,860,997	100.0	0	0.0	156,810,997	100.0	155,860,997	100.0	0	0.0	
Excess Appropriation/(Funding)		(61,445,565)		(61,117,595)		(61,096,478)		(60,063,853)		0		(61,096,478)		(59,063,853)		0		
Grand Total		82,491,233		95,596,327		95,714,519		96,797,144		0		95,714,519		96,797,144		0		

No Executive Recommendation made on these appropriations. The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount in Operations (005), Constitutional Officers - Auditor (009), Unclaimed Property (122), Deputy Prosecuting Attorneys (1UG), and Trial Court Administrative Assistants (305) due to salary and matching rate adjustments during the 2009-2011 biennium. Variance in fund balances due to unfunded appropriation in County Treasurers Continuing Education (123), County Collectors Continuing Education (465) and County & Circuit Clerks Continuing Education (1PD).

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
840	837	3	840	0	0.36 %	865	855	10	865	0	1.16 %	866	851	15	866	0	1.73 %

Appropriation Summary

Appropriation: 005 - Operations
Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,252,183	1,581,712	1,581,712	1,581,712	1,581,712	0	1,581,712	1,581,712	0
#Positions	22	26	26	26	26	0	26	26	0
Extra Help 5010001	0	12,713	12,713	12,713	12,713	0	12,713	12,713	0
#Extra Help	0	15	15	15	15	0	15	15	0
Personal Services Matching 5010003	320,612	440,735	430,181	441,691	441,691	0	441,691	441,691	0
Operating Expenses 5020002	437,956	534,187	534,187	534,187	534,187	0	534,187	534,187	0
Conference & Travel Expenses 5050009	1,149	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees 5060010	306	2,500	2,500	2,500	2,500	0	2,500	2,500	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	25,000	25,000	25,000	0	25,000	0	0	25,000	0
Total	2,037,206	2,626,847	2,616,293	2,602,803	2,627,803	0	2,602,803	2,627,803	0
Funding Sources									
State Central Services 4000035	2,037,206	2,626,847		2,602,803	2,627,803	0	2,602,803	2,627,803	0
Total Funding	2,037,206	2,626,847		2,602,803	2,627,803	0	2,602,803	2,627,803	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,037,206	2,626,847		2,602,803	2,627,803	0	2,602,803	2,627,803	0

No Executive Recommendation made on this appropriation.

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 005 - Operations

Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	2,602,803	26	2,602,803	100.0	2,602,803	26	2,602,803	100.0
C01	Existing Program	25,000	0	2,627,803	101.0	25,000	0	2,627,803	101.0

Appropriation Summary

Appropriation: 009 - Constitutional Officers-Auditor

Funding Sources: MCF - Constitutional Officers Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	27,934,590	28,105,050	28,105,050	28,105,050	28,105,050	0	28,105,050	28,105,050	0
#Positions	333	335	335	335	335	0	335	335	0
Personal Services Matching 5010003	6,664,031	6,868,500	6,705,518	6,912,399	6,912,399	0	6,912,399	6,912,399	0
Travel Expense Reimbursement 5900046	13,116	27,000	27,000	27,000	27,000	0	27,000	27,000	0
Special/Recalled Circuit Judges 5900049	214,769	350,000	350,000	350,000	350,000	0	350,000	350,000	0
Trial Judges Expenses 5900050	258,572	400,000	400,000	400,000	400,000	0	400,000	400,000	0
Total	35,085,078	35,750,550	35,587,568	35,794,449	35,794,449	0	35,794,449	35,794,449	0
Funding Sources									
Constitutional Officers Fund 4000025	35,085,078	35,750,550		35,794,449	35,794,449	0	35,794,449	35,794,449	0
Total Funding	35,085,078	35,750,550		35,794,449	35,794,449	0	35,794,449	35,794,449	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	35,085,078	35,750,550		35,794,449	35,794,449	0	35,794,449	35,794,449	0

No Executive Recommendation made on this appropriation.

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

Appropriation Summary

Appropriation: 122 - Unclaimed Property

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	418,338	511,711	511,711	511,711	511,711	0	511,711	511,711	0
#Positions	8	9	9	9	9	0	9	9	0
Personal Services Matching 5010003	120,287	145,025	141,693	145,333	145,333	0	145,333	145,333	0
Operating Expenses 5020002	319,358	431,146	431,146	431,146	431,146	0	431,146	431,146	0
Conference & Travel Expenses 5050009	7,203	11,500	11,500	11,500	11,500	0	11,500	11,500	0
Professional Fees 5060010	4,334	20,000	20,000	20,000	20,000	0	20,000	20,000	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	15,809	25,000	25,000	0	25,000	0	0	25,000	0
Total	885,329	1,144,382	1,141,050	1,119,690	1,144,690	0	1,119,690	1,144,690	0
Funding Sources									
State Central Services 4000035	885,329	1,144,382		1,119,690	1,144,690	0	1,119,690	1,144,690	0
Total Funding	885,329	1,144,382		1,119,690	1,144,690	0	1,119,690	1,144,690	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	885,329	1,144,382		1,119,690	1,144,690	0	1,119,690	1,144,690	0

No Executive Recommendation made on this appropriation.

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 122 - Unclaimed Property
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,119,690	9	1,119,690	100.0	1,119,690	9	1,119,690	100.0
C01	Existing Program	25,000	0	1,144,690	102.2	25,000	0	1,144,690	102.2

Appropriation Summary

Appropriation: 123 - County Treasurers Continuing Education

Funding Sources: TCE - County Treasurers Continuing Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	43,995	51,235	60,000	51,235	60,000	0	51,235	60,000	0
Total	43,995	51,235	60,000	51,235	60,000	0	51,235	60,000	0
Funding Sources									
Fund Balance 4000005	5,118	6,235		0	0	0	0	0	0
Fees 4000245	45,112	45,000		45,000	45,000	0	45,000	45,000	0
Total Funding	50,230	51,235		45,000	45,000	0	45,000	45,000	0
Excess Appropriation/(Funding)	(6,235)	0		6,235	15,000	0	6,235	15,000	0
Grand Total	43,995	51,235		51,235	60,000	0	51,235	60,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 123 - CountyTreasurers Continuing Education

Funding Sources: TCE - County Treasurers Continuing Education Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	51,235	0	51,235	100.0	51,235	0	51,235	100.0
C01	Existing Program	8,765	0	60,000	117.1	8,765	0	60,000	117.1

Appropriation Summary

Appropriation: 1EW - Court Reporters-Circuit Court

Funding Sources: MCR - Court Reporters Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,087,440	6,495,950	6,495,950	6,495,910	6,495,910	0	6,495,910	6,495,910	0
#Positions		120	122	122	122	122	0	122	122	0
Personal Services Matching	5010003	1,675,067	1,850,442	1,850,442	1,952,356	1,952,356	0	1,952,356	1,952,356	0
Expense Allowance	5900046	235,468	400,000	400,000	400,000	400,000	0	400,000	400,000	0
Indigent Transcripts	5900047	426,382	600,000	600,000	600,000	600,000	0	600,000	600,000	0
Court Reporter Substitutes	5900048	229,002	325,000	325,000	325,000	325,000	0	325,000	325,000	0
Total		8,653,359	9,671,392	9,671,392	9,773,266	9,773,266	0	9,773,266	9,773,266	0
Funding Sources										
Fund Balance	4000005	307,648	303,813		0	0	0	0	0	0
Real Estate Transfer Tax	4000403	3,093,691	3,811,746		4,217,433	4,217,433	0	4,217,433	4,217,433	0
State Administration of Justice	4000470	5,555,833	5,555,833		5,555,833	5,555,833	0	5,555,833	5,555,833	0
Total Funding		8,957,172	9,671,392		9,773,266	9,773,266	0	9,773,266	9,773,266	0
Excess Appropriation/(Funding)		(303,813)	0		0	0	0	0	0	0
Grand Total		8,653,359	9,671,392		9,773,266	9,773,266	0	9,773,266	9,773,266	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 1PD - County & Circuit Clerks Continuing Education
Funding Sources: SCC - County & Circuit Clerk Continuing Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Expenses for County Clerks 5900046	41,773	52,441	60,000	52,441	56,871	0	52,441	56,871	0
Expenses for Circuit Clerks 5900047	34,479	52,441	60,000	52,441	56,871	0	52,441	56,871	0
Total	76,252	104,882	120,000	104,882	113,742	0	104,882	113,742	0
Funding Sources									
Fund Balance 4000005	1,134	14,882		0	0	0	0	0	0
Real Estate Transfer Tax 4000403	90,000	90,000		90,000	90,000	0	90,000	90,000	0
Total Funding	91,134	104,882		90,000	90,000	0	90,000	90,000	0
Excess Appropriation/(Funding)	(14,882)	0		14,882	23,742	0	14,882	23,742	0
Grand Total	76,252	104,882		104,882	113,742	0	104,882	113,742	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 1PD - County & Circuit Clerks Continuing Education

Funding Sources: SCC - County & Circuit Clerk Continuing Education Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	104,882	0	104,882	100.0	104,882	0	104,882	100.0
C01	Existing Program	8,860	0	113,742	108.4	8,860	0	113,742	108.4

Appropriation Summary

Appropriation: 1UE - Juvenile Probation & Intake Officers

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Juvenile Prob & Intake Officers 5900046	2,948,567	3,582,810	3,582,810	3,582,810	3,582,810	0	3,582,810	3,582,810	0
Total	2,948,567	3,582,810	3,582,810	3,582,810	3,582,810	0	3,582,810	3,582,810	0
Funding Sources									
State Central Services 4000035	2,948,567	3,582,810		3,582,810	3,582,810	0	3,582,810	3,582,810	0
Total Funding	2,948,567	3,582,810		3,582,810	3,582,810	0	3,582,810	3,582,810	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,948,567	3,582,810		3,582,810	3,582,810	0	3,582,810	3,582,810	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 1UG - Deputy Prosecuting Attorneys

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	14,006,636	14,205,931	13,731,604	14,205,931	14,205,931	0	14,205,931	14,205,931	0
#Positions		241	242	242	242	242	0	242	242	0
Personal Services Matching	5010003	3,723,004	3,989,373	3,804,755	3,997,897	3,997,897	0	3,997,897	3,997,897	0
Special Deputy Exp Allowance	5900046	4,800	4,800	4,800	4,800	4,800	0	4,800	4,800	0
Total		17,734,440	18,200,104	17,541,159	18,208,628	18,208,628	0	18,208,628	18,208,628	0
Funding Sources										
State Central Services	4000035	17,734,440	18,200,104		18,208,628	18,208,628	0	18,208,628	18,208,628	0
Total Funding		17,734,440	18,200,104		18,208,628	18,208,628	0	18,208,628	18,208,628	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		17,734,440	18,200,104		18,208,628	18,208,628	0	18,208,628	18,208,628	0

No Executive Recommendation made on this appropriation.

The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium.

Appropriation Summary

Appropriation: 264 - Payment of Claims-Revolving

Funding Sources: MTA - Miscellaneous Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Claims 5110015	774,749	775,000	775,000	775,000	775,000	0	775,000	775,000	0
Total	774,749	775,000	775,000	775,000	775,000	0	775,000	775,000	0
Funding Sources									
Miscellaneous Revolving 4000350	774,749	775,000		775,000	775,000	0	775,000	775,000	0
Total Funding	774,749	775,000		775,000	775,000	0	775,000	775,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	774,749	775,000		775,000	775,000	0	775,000	775,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 305 - Trial Court Admin Assistant
Funding Sources: MMD - Trial Court Administrative Assistant Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	4,857,895	4,784,757	4,784,757	4,784,757	4,784,757	0	4,784,757	4,784,757	0
#Positions		121	122	122	122	122	0	122	122	0
Personal Services Matching	5010003	1,447,610	1,529,291	1,526,251	1,536,047	1,536,047	0	1,536,047	1,536,047	0
Operating Expenses	5020002	20,485	225,000	225,000	225,000	225,000	0	225,000	225,000	0
Trial Court Staff Substitutes	5900046	64,100	125,000	125,000	125,000	125,000	0	125,000	125,000	0
Total		6,390,090	6,664,048	6,661,008	6,670,804	6,670,804	0	6,670,804	6,670,804	0
Funding Sources										
Fund Balance	4000005	0	92,917		89,877	89,877	0	89,877	89,877	0
State Administration of Justice	4000470	6,483,007	6,661,008		6,670,804	6,670,804	0	6,670,804	6,670,804	0
Total Funding		6,483,007	6,753,925		6,760,681	6,760,681	0	6,760,681	6,760,681	0
Excess Appropriation/(Funding)		(92,917)	(89,877)		(89,877)	(89,877)	0	(89,877)	(89,877)	0
Grand Total		6,390,090	6,664,048		6,670,804	6,670,804	0	6,670,804	6,670,804	0

No Executive Recommendation made on this appropriation.

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

Appropriation Summary

Appropriation: 465 - County Collectors Continuing Education

Funding Sources: TCC - County Collectors Continuing Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	45,623	45,000	60,000	45,000	60,000	0	45,000	60,000	0
Total	45,623	45,000	60,000	45,000	60,000	0	45,000	60,000	0
Funding Sources									
Fund Balance 4000005	623	0		0	0	0	0	0	0
Fees 4000245	45,000	45,000		45,000	45,000	0	45,000	45,000	0
Total Funding	45,623	45,000		45,000	45,000	0	45,000	45,000	0
Excess Appropriation/(Funding)	0	0		0	15,000	0	0	15,000	0
Grand Total	45,623	45,000		45,000	60,000	0	45,000	60,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 465 - County Collectors Continuing Education
Funding Sources: TCC - County Collectors Continuing Education Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	45,000	0	45,000	100.0	45,000	0	45,000	100.0
C01	Existing Program	15,000	0	60,000	133.3	15,000	0	60,000	133.3

Appropriation Summary

Appropriation: 58V - Drug Court Juvenile Probation & Intake Officers

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	339,128	358,050	358,050	358,050	358,050	0	358,050	358,050	0
#Positions	10	10	10	10	10	0	10	10	0
Personal Services Matching 5010003	109,931	119,027	119,027	124,902	124,902	0	124,902	124,902	0
Total	449,059	477,077	477,077	482,952	482,952	0	482,952	482,952	0
Funding Sources									
State Central Services 4000035	449,059	477,077		482,952	482,952	0	482,952	482,952	0
Total Funding	449,059	477,077		482,952	482,952	0	482,952	482,952	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	449,059	477,077		482,952	482,952	0	482,952	482,952	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: A04 - Unclaimed Property-Cash

Funding Sources: 110 - State Auditor Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,052	2,500	2,500	2,500	2,500	0	2,500	2,500	0
Claims	5110015	5,770,813	15,000,000	15,000,000	15,000,000	15,000,000	0	15,000,000	15,000,000	0
Total		5,771,865	15,002,500	15,002,500	15,002,500	15,002,500	0	15,002,500	15,002,500	0
Funding Sources										
Fund Balance	4000005	57,223,023	58,308,788		58,308,788	58,308,788	0	58,308,788	58,308,788	0
Cash Fund	4000045	7,742,959	15,002,500		15,002,500	15,002,500	0	15,002,500	15,002,500	0
Transfer to Treasury	4000680	(885,329)	0		0	0	0	0	0	0
Total Funding		64,080,653	73,311,288		73,311,288	73,311,288	0	73,311,288	73,311,288	0
Excess Appropriation/(Funding)		(58,308,788)	(58,308,788)		(58,308,788)	(58,308,788)	0	(58,308,788)	(58,308,788)	0
Grand Total		5,771,865	15,002,500		15,002,500	15,002,500	0	15,002,500	15,002,500	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: C50 - Payment-Unclaimed Mineral Proceeds

Funding Sources: 110 - State Auditor Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	205	500	500	500	500	0	500	500	0
Claims	5110015	1,595,416	1,500,000	1,500,000	1,500,000	2,500,000	0	1,500,000	2,500,000	0
Total		1,595,621	1,500,500	1,500,500	1,500,500	2,500,500	0	1,500,500	2,500,500	0
Funding Sources										
Fund Balance	4000005	3,638,281	2,718,930		2,718,930	2,718,930	0	2,718,930	1,718,930	0
Cash Fund	4000045	1,613,770	1,500,500		1,500,500	1,500,500	0	1,500,500	1,500,500	0
Transfer to Treasury	4000680	(937,500)	0		0	0	0	0	0	0
Total Funding		4,314,551	4,219,430		4,219,430	4,219,430	0	4,219,430	3,219,430	0
Excess Appropriation/(Funding)		(2,718,930)	(2,718,930)		(2,718,930)	(1,718,930)	0	(2,718,930)	(718,930)	0
Grand Total		1,595,621	1,500,500		1,500,500	2,500,500	0	1,500,500	2,500,500	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: C50 - Payment-Unclaimed Mineral Proceeds
Funding Sources: 110 - State Auditor Cash

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,500,500	0	1,500,500	100.0	1,500,500	0	1,500,500	100.0
C01	Existing Program	1,000,000	0	2,500,500	166.6	1,000,000	0	2,500,500	166.6

Appropriation Summary

Appropriation: 046 - Bankhead Jones Grant

Funding Sources: FZB - Bankhead Jones Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	0	220,000	0	0	0	0	0	0
Total	0	0	220,000	0	0	0	0	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

Appropriation Summary

Appropriation: 072 - Federal Turnback for Roads

Funding Sources: FZF - Federal Turnback

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	0	3,750,000	0	0	0	0	0	0
Total	0	0	3,750,000	0	0	0	0	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

DEPARTMENT OF COMMUNITY CORRECTION

Enabling Laws

Act 217 of 2010

A.C.A. §12-27-101, et. seq.

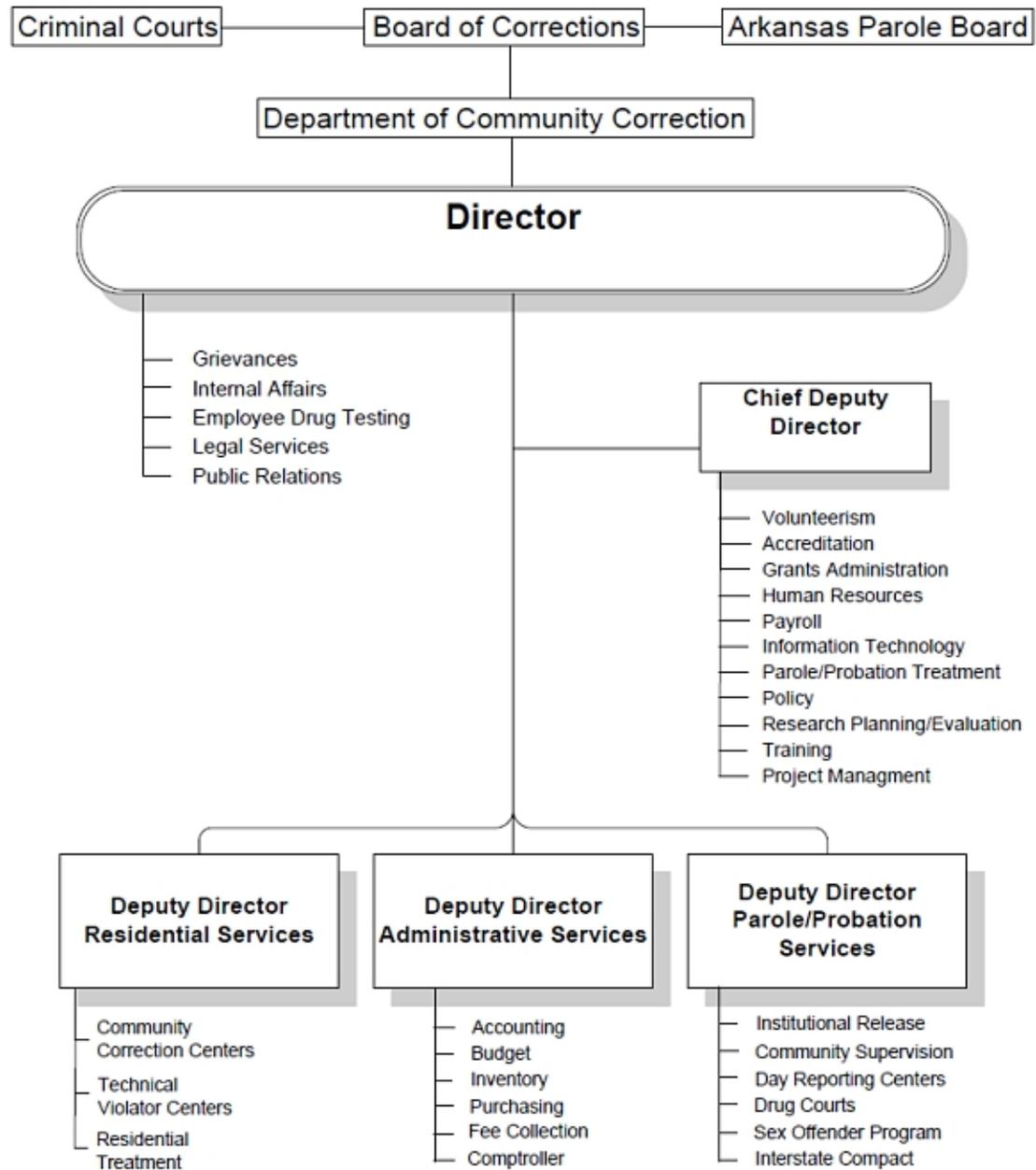
History and Organization

The Department of Community Punishment (DCP) was established during the 79th General Assembly by Act 549 of 1993. This Act combined the Board of Correction and the Adult Probation Commission into the Board of Correction and Community Punishment to oversee correctional facilities and programs in the state. The mission statement of the Board of Correction and Community Punishment is to "Fulfill the mandates of the court through the use of confinement, treatment, and supervision in a safe and humane manner, while providing offenders the opportunity for positive change, thus contributing to public safety." Acts 531 and 548 of 1993 (Community Punishment Act) promote alternatives to traditional prisons by offering a well - rounded approach to community corrections through the use of supervision, facilities and programs for low-risk offenders. The Department of Community Punishment is now the state department responsible for adult probation and parole services and community residential facilities for non-violent offenders. In 2001, legislation passed that changed the name of the DCP to the Department of Community Correction (DCC) to better reflect the mission statement of the Department: "To promote public safety and a crime-free lifestyle by providing cost effective community-based programs, and enforcing State laws and court mandates in the supervision and treatment of adult offenders."

Some of the programs of the Department include community supervision and work programs, economic sanctions, electronic monitoring and tracking, community service, restitution, substance abuse treatment, educational and vocational programs, job skills, life skills training programs, day reporting, drug courts and technical violator programs. To be admitted to a community correction center, one must have either a suspended imposition of sentence, probation plus a period of confinement, judicial transfer or technical violation.

The correctional centers operate within a modified therapeutic community modality. The concept incorporates a system to re-socialize residents using behavior modification, cognitive restructuring (including criminal thinking), resident education, and an experiential environment 24 hours a day, seven days a week. Other components of this model include positive peer pressure, specialized programming, privileges, consequences, and staff role modeling. Residents are trained to handle specific functions, including food service, maintenance, laundry, gardening, and others.

The DCC has 1387 authorized positions. The organizational structure of the Agency includes a Director, Chief Deputy Director, Deputy Director of Residential Services, Deputy Director of Probation and Parole services, and a Deputy Director of Administrative Services. The Director oversees agency operations and directs legal, public relations, and internal affairs. The Chief Deputy Director is responsible for oversight of agency training, information systems, volunteerism, policy, payroll & personnel, research and evaluation, accreditation, grant administration, and probation/parole treatment programs. The Deputy Director of Residential Services oversees the operations of the five community correction centers and one technical violator facility. These residential facilities have a total bed capacity of 1615. The Deputy Director of Probation and Parole Services oversees the statewide operation of probation and parole services. As of May 31, 2010 there were approximately 52,720 offenders under community supervision of Probation/Parole officers in 50 offices statewide. The Deputy Director of Administrative Services develops and manages the Agency's budget, oversees accounts payable and receivable, centralized fee collections and restitution, inventory and purchasing, and serves as Agency liaison for Legislative Audit.



Agency Commentary

Arkansas Department of Community Correction (DCC) is responsible for the administration and operation of residential community correction facilities, and supervision of approximately 53,000 adult offenders on probation and parole. DCC also provides licensed outpatient substance abuse counseling services and/or education referrals to aide offenders in the rehabilitation process and provide appropriate alternatives to traditional prison for criminal behavior.

The Arkansas Department of Community Correction Mission Statement: "To promote public safety and a crime-free lifestyle by providing cost-effective community-based programs and enforcing State laws and court mandates in the supervision and treatment of adult offenders."

The DCC Director reports directly to the Board of Corrections and is responsible for the Agency's operation and mission. The Chief Deputy Director acts as Director in the Director's absence and oversees the activities of human resources, information technology, research/planning/evaluation, policy development, probation/parole treatment, training, accreditation/volunteerism, and grants.

DCC is comprised of the following major areas:

- Residential Services,
- Probation and Parole Community Supervision, and
- Administration and Support

The budget request conforms to the following:

- To provide appropriate and effective supervision and treatment of offenders in the community.
- To provide for the confinement, care, control and treatment of offenders sentenced to or confined in community correction centers in an adequate, safe and secure environment.
- To develop and implement evidence-based practices, traditional and faith-based programs and services and sanctions needed to function within the scope of the mission.
- To improve staff recruiting, retention and efforts.

The operating appropriations provide for administrative and executive staff, security staff, probation/parole officers, treatment programs, general maintenance, replacement of aged equipment, and inflationary operational costs of existing programs and facilities.

Department of Community Correction State Operations - GENERAL REVENUE - General revenue funded Change Level requests are summarized as follows:

RESIDENTIAL SERVICES PROGRAM:

Corrections Medical Service (CMS) - The request includes the increased cost of the medical contract for the biennium. The FY12 proposed monthly cost is \$333.73 per inmate housed at DCC Centers and \$346.32 for FY13.

Restore 49 positions - Due to funding restrictions in FY11, numerous positions were not budgeted. The breakdown of these 49 security positions at all the centers is as follows: 9-Southeast Center-Pine Bluff; 3-Southwest Center-Texarkana; 5-Central Center-Little Rock; 9-Northeast Center-Osceola; 12-Northwest Center-Fayetteville; and 11-Omega Technical Violator-Malvern.

The staffing at each center was at the minimum level to ensure security and provision of required services to residents. The reduction of these positions has created a safety issue for the staff and residents.

Maintenance and Operation - In keeping with the Governor's Directive, DCC's request is for only the necessary inflationary cost of utilities, fuel and food. All of the Centers have seen significant increases in these areas.

New/Replacement Equipment - The Centers located in Texarkana and Pine Bluff are over 58 years old. Consequently, they experience problems with roof repairs, waterlines, fire alarm systems, heating and air units, boilers, kitchen/laundry equipment, and general maintenance issues. The other facilities also are in need of an increase in their general maintenance to ensure the safety and security of the residence and employees, as well as meet all required city and state codes. All of the Centers are accredited. In order to keep accreditation, their buildings and grounds must be maintained within the guidelines specified by the American Accreditation Association (ACA).

PROBATION/PAROLE COMMUNITY SUPERVISION PROGRAMS:

Restore 82 parole/probation officer positions - These positions were not budgeted in FY11 due to lack of funding. Parole/Probation caseloads have increased by over 10,000 offenders in the last 5 years. These positions are critical to return caseloads to a manageable level, thus increasing the safety and security to the community.

Maintenance and Operation - Utilities and rent of office space (annual percent increases for existing offices and new offices for expansion of Drug Courts) continue to rise with other inflationary costs.

Drug Court - Since 2004, Drug Court caseloads have more than doubled to approximately 1903. The request is to accommodate the continued rapid growth rate and to meet the Agency goal of providing Drug Court services to every county. The Agency is requesting 6 new Drug Courts to be located in Helena, Clinton, Dumas, Ash Flat, Osceola and Hamburg, and will include 19 new positions, M&O, equipment and vehicles.

The Agency is also requesting \$1,500,000 for FY12 and \$500,000 for FY13 to support Drug Court treatment.

ADMINISTRATION AND SUPPORT PROGRAMS:

Technology Program - The IT department exists to serve the technology needs of DCC. Currently, DCC operates a statewide network consisting of approximately 1,100 computer workstations and servers. This infrastructure is designed to maximize the effectiveness of the core applications of the organization. These core applications consist of the Electronic Offender Management System (eOMIS), AASIS, Eaglenet (SharePoint Intranet) and JAKE (Joint Access to Knowledge via eLearning).

The FY 2012-2013 IT plan has been created to facilitate the upgrade of outdated hardware and software systems. During this term, DCC plans to continue to improve and enhance eOMIS functionality as well as upgrade all workstations that have been in operation in excess of five years (approximately 600 units) with additional desktop utility enhancements. The plan also includes replacement of one obsolete server per year combined with the upgrade of those servers to the current Windows network operating system. Critical software licensing compliance will be addressed on all systems that utilize Microsoft software. Additionally, DCC will take effective ownership (from DIS) of its email communication system in order to maximize DCC's investment in this technology. Maintenance of contracts related to the newly implemented Storage Area Network (SAN) as well as the new backup and recovery system are key components of the 2012-2013 budget.

Special Revenue 2GH - The Agency is requesting \$663,825 appropriation for Capital Outlay for FY2012 and \$352,965 for FY2013 in order to purchase replacement equipment for the probation/parole offices.

County Jail Reimbursement 2GK - DCC paid approximately \$1.9 million to county jails for offenders waiting for bed space in a DCC regional correctional facility. The Agency is requesting \$1.5 million in funding/appropriation each year to reimburse county jails at the rate determined by the Chief Fiscal Officer of the State. DCC and ADC share this fund. Due to the ever increasing backup in county jails, the Agency is asking for an increase in funding to ensure it can meet its obligations.

SPECIAL LANGUAGE

Continuation of current Special Language is requested with appropriate date revisions.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS DEPARTMENT OF COMMUNITY CORRECTION
 FOR THE YEAR ENDED JUNE 30, 2009

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	336	411	747	63 %
Black Employees	107	321	428	36 %
Other Racial Minorities	3	10	13	1 %
Total Minorities			441	37 %
Total Employees			1,188	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Administrative Regulations	ACA §25-15-204	N	Y	178	To comply with the Administrative Procedures Act; Provide guidance to staff and offenders under Agency jurisdiction; and to accommodate any public request.

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
DCC Annual Report	ACA §12-27-125 ACA § 12-27-126 ACA §13-2-212	N	N	178	To provide report of progress toward the agency mission; also to comply with statute governing State & Local Government Publications Clearinghouse to the State Library.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1BA Community Correction - Federal	93,803	0	4,137,882	0	4,137,882	0	4,137,882	0	4,137,882	0	4,137,882	0	4,137,882	0	4,137,882	0	4,137,882	0
1BR Residents Cash Treasury	1,313,768	0	1,882,024	0	1,882,024	0	1,882,024	0	1,882,024	0	1,882,024	0	1,882,024	0	1,882,024	0	1,882,024	0
2GH Community Correction-Special	10,051,786	109	11,394,558	113	11,432,709	111	10,866,920	113	11,649,323	113	11,538,506	113	10,866,920	113	11,338,463	113	11,338,463	113
2GK County Jail Reimbursement	2,066,248	0	1,953,572	0	3,000,000	0	1,953,572	0	3,453,572	0	3,453,572	0	1,953,572	0	3,453,572	0	3,453,572	0
510 Community Correction - State	64,022,747	1,178	66,304,411	1,131	80,228,412	1,275	66,613,527	1,131	78,849,397	1,293	75,142,012	1,239	66,613,527	1,131	77,148,863	1,293	74,457,184	1,239
Total	77,548,352	1,287	85,672,447	1,244	100,681,027	1,386	85,453,925	1,244	99,972,198	1,406	96,153,996	1,352	85,453,925	1,244	97,960,804	1,406	95,269,125	1,352

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	13,963,573	15.6	11,842,029	12.6	7,965,447	8.8	7,965,447	7.7	7,965,447	8.4	4,816,503	5.5	4,034,100	4.1	4,144,917	4.6	
General Revenue	4000010	62,965,446	70.4	68,257,983	72.9	68,012,383	75.3	81,689,405	78.5	72,438,176	76.4	68,012,383	78.1	79,988,871	81.3	72,390,039	79.6	
Federal Revenue	4000020	93,803	0.1	4,137,882	4.4	4,137,882	4.6	4,137,882	4.0	4,137,882	4.4	4,137,882	4.7	4,137,882	4.2	4,137,882	4.6	
Special Revenue	4000030	7,772,690	8.7	8,000,000	8.5	8,200,000	9.1	8,200,000	7.9	8,200,000	8.7	8,200,000	9.4	8,200,000	8.3	8,200,000	9.0	
Cash Fund	4000045	1,357,583	1.5	1,400,000	1.5	1,954,716	2.2	2,013,564	1.9	2,013,564	2.1	1,954,716	2.2	2,013,564	2.0	2,013,564	2.2	
DFA Motor Vehicle Acquisition	4000184	136,658	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
M & R Sales	4000340	628	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Transfer from DHS-Div of Hlth	4000511	1,500,000	1.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Transfer from General Imprv	4000540	1,600,000	1.8	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Total Funds		89,390,381	100.0	93,637,894	100.0	90,270,428	100.0	104,006,298	100.0	94,755,069	100.0	87,121,484	100.0	98,374,417	100.0	90,886,402	100.0	
Excess Appropriation/(Funding)		(11,842,029)		(7,965,447)		(4,816,503)		(4,034,100)		1,398,927		(1,667,559)		(413,613)		4,382,723		
Grand Total		77,548,352		85,672,447		85,453,925		99,972,198		96,153,996		85,453,925		97,960,804		95,269,125		

Appropriation 2GH - The FY11 number of Budgeted positions exceeds Authorized due to single salary section in appropriation act.

Variance in fund balance due to unfunded appropriation.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
1,393	1203	67	1270	123	13.64 %	1,387	1183	87	1270	117	14.71 %	1,387	1179	65	1244	143	15.00 %

Analysis of Budget Request

Appropriation: 1BA - Community Correction - Federal

Funding Sources: FPF - Federal Fund

This appropriation is funded by federal funds and provides support for several Federal Grant Programs. The Programs are for Offender Substance Abuse Rehabilitation Treatment, Drug Court, Serious and Violent Offenders, Transitional Housing and preparation for release from incarceration with follow up. The Agency anticipates the grants to continue during the next biennium.

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1BA - Community Correction - Federal

Funding Sources: FPF - Federal Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	206,270	206,270	206,270	206,270	206,270	206,270	206,270	206,270
Conference & Travel Expenses 5050009	0	74,415	74,415	74,415	74,415	74,415	74,415	74,415	74,415
Professional Fees 5060010	0	3,210,386	3,210,386	3,210,386	3,210,386	3,210,386	3,210,386	3,210,386	3,210,386
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	0	646,811	646,811	646,811	646,811	646,811	646,811	646,811	646,811
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
ARRA of 2009 5900052	93,803	0	0	0	0	0	0	0	0
Total	93,803	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882
Funding Sources									
Federal Revenue 4000020	93,803	4,137,882		4,137,882	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882
Total Funding	93,803	4,137,882		4,137,882	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	93,803	4,137,882		4,137,882	4,137,882	4,137,882	4,137,882	4,137,882	4,137,882

Analysis of Budget Request

Appropriation: 1BR - Residents Cash Treasury

Funding Sources: NCC - Cash in Treasury

The Residential Services appropriation provides for the operation of the Community Correction Facilities commissaries. These are self-supporting operations in which residents can purchase various commissary supplies, primarily snack foods, in the Department's various centers. This appropriation also utilizes the proceeds from the coin-less telephone program in which the Agency receives partial reimbursement from the telephone company for phone calls made by the residents. The proceeds are used to purchase items of mutual benefit to all residents. The appropriation is also used for inmate assistance projects, security equipment and general operations.

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

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

Appropriation Summary

Appropriation: 1BR - Residents Cash Treasury

Funding Sources: NCC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,313,768	1,717,354	1,717,354	1,717,354	1,717,354	1,717,354	1,717,354	1,717,354	1,717,354
Conference & Travel Expenses	5050009	0	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870
Professional Fees	5060010	0	101,800	101,800	101,800	101,800	101,800	101,800	101,800	101,800
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,313,768	1,882,024	1,882,024	1,882,024	1,882,024	1,882,024	1,882,024	1,882,024	1,882,024
Funding Sources										
Fund Balance	4000005	1,695,898	1,716,164		1,234,140	1,234,140	1,234,140	752,116	752,116	752,116
Cash Fund	4000045	1,334,034	1,400,000		1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Total Funding		3,029,932	3,116,164		2,634,140	2,634,140	2,634,140	2,152,116	2,152,116	2,152,116
Excess Appropriation/(Funding)		(1,716,164)	(1,234,140)		(752,116)	(752,116)	(752,116)	(270,092)	(270,092)	(270,092)
Grand Total		1,313,768	1,882,024		1,882,024	1,882,024	1,882,024	1,882,024	1,882,024	1,882,024

Analysis of Budget Request

Appropriation: 2GH - Community Correction-Special

Funding Sources: SPF - Community Correction Revolving Fund

The Department of Community Correction is responsible for adult probation and parole services. This appropriation is utilized to support these services as well as special programs primarily for alcohol, drug and mental health treatment. The fees also provide for safety equipment, vehicles, and drug testing supplies. The special revenue supporting this appropriation includes fees and sanctions levied by the courts or authorized by the Board of Corrections and paid by offenders. The probation/parole fee is \$25 each month.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency's Change Level Requests total a \$782,403 increase in FY12 and a \$471,543 increase in FY13 and reflect the following:

- Capital Outlay in the amount of \$663,825 in FY12 and \$352,965 in FY13 for the replacement of older high mileage vehicles. Vehicles are assigned to probation/parole supervision officers and counselors who are required to travel to conduct daily home and worksite visits. Several of the vehicles are used in transporting offenders. This requests includes six (6) 15-Passenger vans and 33 sedans in FY12 and 22 sedans in FY13.
- Community Correction Program increase of \$118,578 each year for safety equipment and drug testing supplies.

The Executive Recommendation provides for the following:

- Capital Outlay of \$553,008 in FY12 to replace six (6) 15-Passenger vans and twenty six (26) sedans and \$352,965 in FY13 to replace twenty two (22) sedans in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.
- Community Correction Program increase of \$118,578 each year.

Appropriation Summary

Appropriation: 2GH - Community Correction-Special
Funding Sources: SPF - Community Correction Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	4,051,673	4,301,249	4,301,249	4,294,730	4,294,730	4,294,730	4,294,730	4,294,730	4,294,730
#Positions		109	113	111	113	113	113	113	113	113
Personal Services Matching	5010003	1,205,517	1,401,961	1,440,112	1,430,304	1,430,304	1,430,304	1,430,304	1,430,304	1,430,304
Operating Expenses	5020002	73,997	153,417	153,417	153,417	153,417	153,417	153,417	153,417	153,417
Conference & Travel Expenses	5050009	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	410,179	549,462	549,462	0	663,825	553,008	0	352,965	352,965
WMSC Parking Srvs from Fees	5900046	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Community Correction Program	5900047	4,310,420	4,977,469	4,977,469	4,977,469	5,096,047	5,096,047	4,977,469	5,096,047	5,096,047
Total		10,051,786	11,394,558	11,432,709	10,866,920	11,649,323	11,538,506	10,866,920	11,338,463	11,338,463

Funding Sources										
Fund Balance	4000005	12,267,675	10,125,865		6,731,307	6,731,307	6,731,307	4,064,387	3,281,984	3,392,801
Special Revenue	4000030	7,772,690	8,000,000		8,200,000	8,200,000	8,200,000	8,200,000	8,200,000	8,200,000
DFA Motor Vehicle Acquisition	4000184	136,658	0		0	0	0	0	0	0
M & R Sales	4000340	628	0		0	0	0	0	0	0
Total Funding		20,177,651	18,125,865		14,931,307	14,931,307	14,931,307	12,264,387	11,481,984	11,592,801
Excess Appropriation/(Funding)		(10,125,865)	(6,731,307)		(4,064,387)	(3,281,984)	(3,392,801)	(1,397,467)	(143,521)	(254,338)
Grand Total		10,051,786	11,394,558		10,866,920	11,649,323	11,538,506	10,866,920	11,338,463	11,338,463

The FY11 number of Budgeted positions exceeds Authorized due to single salary section in appropriation act.

Change Level by Appropriation

Appropriation: 2GH - Community Correction-Special
Funding Sources: SPF - Community Correction Revolving Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	10,866,920	113	10,866,920	100.0	10,866,920	113	10,866,920	100.0
C01	Existing Program	782,403	0	11,649,323	107.2	471,543	0	11,338,463	104.3

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	10,866,920	113	10,866,920	100.0	10,866,920	113	10,866,920	100.0
C01	Existing Program	671,586	0	11,538,506	106.2	471,543	0	11,338,463	104.3

Justification

C01	This request will allow for the replacement of older, high mileage vehicles in the Agency's fleet. These vehicles are assigned to probation/parole supervision offices and counselors. The officers and counselors are required to travel to conduct daily home and worksite visits. The special revenues are the supervision fees collected from the offenders who are on probation/parole, in drug court and interstate compact. The fees provide for safety equipment, vehicles, and drug testing supplies.
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Analysis of Budget Request

Appropriation: 2GK - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Arkansas Code §19-5-1045 provides for jail reimbursements to be paid to counties by the Department of Community Correction. Prior to this legislation, only the Department of Correction could provide jail reimbursements to the counties. The Department of Community Correction currently uses this appropriation to pay the counties at a daily reimbursement rate for the expenses of inmates they cannot accept from county jails due to insufficient bed space. Funding for this appropriation comes from general revenue.

In addition to Base Level, the Agency is requesting an increase of \$1,500,000 each year to provide for jail reimbursements.

The Executive Recommendation provides for the Agency Request in appropriation only. Funding will be determined by the 88th General Assembly.

Appropriation Summary

Appropriation: 2GK - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	2,066,248	1,953,572	3,000,000	1,953,572	3,453,572	3,453,572	1,953,572	3,453,572	3,453,572
Total	2,066,248	1,953,572	3,000,000	1,953,572	3,453,572	3,453,572	1,953,572	3,453,572	3,453,572
Funding Sources									
General Revenue 4000010	2,066,248	1,953,572		1,953,572	3,453,572	1,953,572	1,953,572	3,453,572	1,953,572
Total Funding	2,066,248	1,953,572		1,953,572	3,453,572	1,953,572	1,953,572	3,453,572	1,953,572
Excess Appropriation/(Funding)	0	0		0	0	1,500,000	0	0	1,500,000
Grand Total	2,066,248	1,953,572		1,953,572	3,453,572	3,453,572	1,953,572	3,453,572	3,453,572

Change Level by Appropriation

Appropriation: 2GK - County Jail Reimbursement
Funding Sources: MCJ - County Jail Reimbursement Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,953,572	0	1,953,572	100.0	1,953,572	0	1,953,572	100.0
C01	Existing Program	1,500,000	0	3,453,572	176.8	1,500,000	0	3,453,572	176.8

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,953,572	0	1,953,572	100.0	1,953,572	0	1,953,572	100.0
C01	Existing Program	1,500,000	0	3,453,572	176.8	1,500,000	0	3,453,572	176.8

Justification

C05	Department of Community Correction (DCC) and Department of Correction (ADC) share the County Jail Reimbursement Fund. This appropriation is used to reimburse the counties for housing inmates when DCC cannot accept them due to insufficient bed space. The Agency is requesting an additional \$1,500,000 in appropriation each year for anticipated increases in reimbursement needs.								
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Analysis of Budget Request

Appropriation: 510 - Community Correction - State

Funding Sources: HCP - Department of Community Correction Fund

The Department of Community Punishment uses this appropriation for daily operations. Funding for this appropriation comes from general revenue and cash funds received from the rental of buildings at the Texarkana unit to other state agencies.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of unclassified positions reflects the FY11 line item maximum.

The Agency's Change Level Requests total \$12,235,870, funded with general revenue of \$12,177,022 in FY12 and \$10,535,336, funded with general revenue of \$10,476,488 in FY13. The following is a summary of the major components of the Agency Request:

1. Residential Services

- Regular Salaries and Personal Services Matching increases of \$1,902,662 each year for the restoration of fifty (50) positions.
- Operating Expenses increases of \$479,906 in FY12 and \$523,681 in FY13 for increased utilities, food and fuel costs.
- Professional Fees increases of \$523,239 in FY12 and \$543,215 for FY13 for anticipated increases in the Correctional Medical Services contract.
- Capital Outlay of \$488,577 in FY12 for the replacement/purchase of kitchen and laundry equipment.

2. Probation/Parole

- Regular Salaries and Personal Services Matching increases of \$3,663,710 each year in association with the restoration of eighty two (82) positions.
- Operating Expenses increases of \$492,300 in FY12 and \$389,006 in FY13 for increased rents, utilities, and fuel costs.

3. Existing Drug Courts

- Regular Salaries and Personal Services Matching increases of \$369,966 each year in association with the restoration of nine (9) positions.

- Operating Expenses increases of \$914,595 in FY12 and \$778,887 in FY13 for increased rents, utilities, and fuel costs.

4. New Drug Courts

- Regular Salaries and Personal Services Matching increases of \$780,849 each year in association with the request for nineteen (19) new positions.
- Operating Expenses increases of \$131,206 in FY12 and \$115,500 in FY13 for rents, utilities, and fuel costs.
- Professional Fees increases of \$1,500,000 in FY12 and \$500,000 for FY13 for Drug Court ordered client drug treatment and counseling.

5. Administration and Support

- Regular Salaries and Personal Services Matching increases of \$95,860 each year in association with the restoration of two (2) positions and an Extraordinary Salary Increase for the new Director.
- Operating Expenses increases of \$743,000 in FY12 and \$688,000 in FY13 for network services maintenance and upgrades, software licensing and computer purchases/replacements.
- Professional Fees increases of \$150,000 in FY12 and \$175,000 in FY13 for maintenance and enhancements of the Electronic Offender Management System (eOMIS).

The Executive Recommendation provides for appropriation of \$8,528,485 with general revenue funding of \$4,425,793 in FY12 and appropriation of \$7,843,657 with general revenue funding of \$4,377,656 for the following:

1. Residential Services

- Regular Salaries and Personal Services Matching increases of \$802,321 each year for the restoration of twenty (20) positions.
- Operating Expenses increases of \$479,906 with a \$239,953 increase in general revenue funding in FY12 and \$532,681 with a \$266,341 increase in general revenue funding in FY13 for increased utilities, food and fuel costs.
- Professional Fees increases of \$523,239 in FY12 and \$543,215 for FY13 for anticipated increases in the Correctional Medical Services contract.
- Capital Outlay of \$488,577 in FY12 in appropriation only for the replacement/purchase of kitchen and laundry equipment.

2. Probation/Parole

- Regular Salaries and Personal Services Matching increases of \$3,663,710 each year with a \$1,831,855 increase in general revenue funding for the restoration of eighty two (82) positions.
- Operating Expenses increases of \$492,300 with a \$246,150 increase in general revenue funding in FY12 and \$389,006 with a \$194,503 increase in general revenue funding in FY13 for increased rents, utilities, and fuel costs.

3. Existing Drug Courts

- Regular Salaries and Personal Services Matching increases of \$174,977 each year for the restoration of four (4) positions.
- Operating Expenses increases of \$914,595 with a \$457,298 increase in general revenue in FY12 and \$778,887 with a \$389,444 increase in general revenue in FY13 for increased rents, utilities, and fuel costs.

4. New Drug Courts

The Executive Recommendation provides no appropriation or funding for new Drug Courts.

5. Administration and Support

- Regular Salaries and Personal Services Matching increases of \$95,860 each year in appropriation only for the restoration of two (2) positions and an Extraordinary Salary Increase for the new Director.
- Operating Expenses increases of \$743,000 in FY12 and \$688,000 in FY13 in appropriation only for network services maintenance and upgrades, software licensing and computer purchases/replacements.
- Professional Fees increases of \$150,000 in FY12 and \$175,000 in FY13 for maintenance and enhancements of the Electronic Offender Management System (eOMIS).

Appropriation Summary

Appropriation: 510 - Community Correction - State
Funding Sources: HCP - Department of Community Correction Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	35,789,653	37,136,104	42,340,220	37,285,079	42,289,533	40,782,418	37,285,079	42,289,533	40,782,418
#Positions		1,178	1,131	1,275	1,131	1,293	1,239	1,131	1,293	1,239
Extra Help	5010001	10,711	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
#Extra Help		4	10							
Personal Services Matching	5010003	12,247,279	12,947,172	14,726,143	13,107,313	14,915,906	14,346,842	13,107,313	14,915,906	14,346,842
Operating Expenses	5020002	8,607,186	8,318,726	12,143,786	8,318,726	11,079,733	10,948,527	8,318,726	10,822,800	10,707,300
Conference & Travel Expenses	5050009	26,835	21,807	39,400	21,807	21,807	21,807	21,807	21,807	21,807
Professional Fees	5060010	7,341,083	7,855,602	10,906,647	7,855,602	10,028,841	8,528,841	7,855,602	9,073,817	8,573,817
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	47,216	0	488,577	488,577	0	0	0
Total		64,022,747	66,304,411	80,228,412	66,613,527	78,849,397	75,142,012	66,613,527	77,148,863	74,457,184

Funding Sources										
General Revenue	4000010	60,899,198	66,304,411		66,058,811	78,235,833	70,484,604	66,058,811	76,535,299	70,436,467
Cash Fund	4000045	23,549	0		554,716	613,564	613,564	554,716	613,564	613,564
Transfer from DHS-Div of Hlth	4000511	1,500,000	0		0	0	0	0	0	0
Transfer from General Imprv	4000540	1,600,000	0		0	0	0	0	0	0
Total Funding		64,022,747	66,304,411		66,613,527	78,849,397	71,098,168	66,613,527	77,148,863	71,050,031
Excess Appropriation/(Funding)		0	0		0	0	4,043,844	0	0	3,407,153
Grand Total		64,022,747	66,304,411		66,613,527	78,849,397	75,142,012	66,613,527	77,148,863	74,457,184

Change Level by Appropriation

Appropriation: 510 - Community Correction - State
Funding Sources: HCP - Department of Community Correction Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	66,613,527	1,131	66,613,527	100.0	66,613,527	1,131	66,613,527	100.0
C01	Existing Program	10,570,183	162	77,183,710	115.9	9,060,367	162	75,673,894	113.6
C02	New Program	914,595	0	78,098,305	117.2	778,877	0	76,452,771	114.8
C08	Technology	743,000	0	78,841,305	118.4	688,000	0	77,140,771	115.8
C15	Ex Salary Increase	8,092	0	78,849,397	118.4	8,092	0	77,148,863	115.8

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	66,613,527	1,131	66,613,527	100.0	66,613,527	1,131	66,613,527	100.0
C01	Existing Program	6,862,798	108	73,476,325	110.3	6,368,688	108	72,982,215	109.6
C02	New Program	914,595	0	74,390,920	111.7	778,877	0	73,761,092	110.7
C08	Technology	743,000	0	75,133,920	112.8	688,000	0	74,449,092	111.8
C15	Ex Salary Increase	8,092	0	75,142,012	112.8	8,092	0	74,457,184	111.8

Justification

C01	The request includes the increased medical contract cost for the biennium. The proposed monthly cost per inmate housed at DCC Units for FY12 & FY13 is \$333.73 and \$346.32 respectfully. Due to increased fuel cost, utilities, food, and medical contract, the Agency is requesting an increase in each of these categories. The fuel increase is to continue to allow Probation/Parole officers to make required home and job visits to ensure that offenders are abiding by their supervision conditions, and to transport offenders to the technical violator center, jails and DOC. The increase for office leases is to accommodate the 4% increase negotiated by ABA. The agency requests to restore 143 positions - 82 P/P officers, 49 security officers, 10 officers in the sex offender program, and 2 admin positions. Due to the budget reductions in FY09/10, the centers were staffed at a minimum to provide the needed security and treatment for offenders. With the reduction in staff, security is an issue for both employees and offenders. In order to address security issues and meet American Correctional Association (ACA) Standards for accreditation (best practices), the Agency must be fully staffed. Restoration of the 49 security officers for the centers will return the centers to full capacity, and allow DCC to continue to meet court sentencing mandates. The impact of the reduction of these positions will be increased jail backup, increased compensatory and overtime accruals and payments; increased or excessive workload on existing staff, adversely affecting the safety and security of both staff and residents; inability to provide required in-service training; loss of ACA accreditations and licensing; and inability to deal with the physical layout of the facilities which demand certain staffing levels which affect DCC's ability to comply with the Prison Rape Elimination Act. The restoration of 82 probation /parole officer positions is needed to ensure that the caseloads for each officer are at a manageable level. With the loss of these positions, the average officer caseload is at an unmanageable level of approximately 96 per officer. This reduces the level of supervision that can be provided and increases community risks. The 82 positions brought the caseload average to 85 for one year only, with a statewide caseload of 53,444. Without these positions, the public may be adversely affected by an increase in absconders and a decreased ability to locate them; economic sanctions will be more difficult to enforce; collections will be adversely affected; and there will be a significant decrease in drug testing for substance abuse. The restoration of the 10 officers for the sex offender program will help with monitoring and counseling offenders and assist with compliance of their conditions of parole and probation. DCC has numerous IT systems projects that require daily attention to maintain costs at a reasonable level.
C02	Currently, there are 41 existing drug courts located across the state. According to the recent statistics, 86% complete the program that would have been sentenced to prison system had the program not existed. The drug court program enables offenders to remain in the community and work to support their families, as well as pay taxes. DCC is budgeting to establish six (6) additional drug courts with nineteen (19) new positions. The new drug courts will be located in Helena, Clinton, Dumas, Ash Flat, Osceola and Hamburg. The request includes funding for maintenance/operation, and purchase of vehicles for the requested drug court positions. A recent study indicates that drug courts are highly successful with only a 5.7% recidivism rate of graduates from the treatment components of 21 drug courts that were operating prior to July 1, 2005.

Change Level by Appropriation

Justification	
C08	The IT department exists to serve the technology needs of DCC. Currently, DCC operates a statewide network consisting of approximately 1,100 computer workstations and servers. This infrastructure is designed to maximize the effectiveness of the core applications of the organization. These core applications consist of the Electronic Offender Management System (eOMIS), AASIS, Eaglenet (SharePoint Intranet) and JAKE (Joint Access to Knowledge via eLearning). The FY 2012-2013 IT plan has been created to facilitate the upgrade of outdated hardware and software systems. During this term, DCC plans to continue to improve and enhance eOMIS functionality as well as upgrade all workstations that have been in operation in excess of five years (approximately 600 units) with additional desktop utility enhancements. The plan also includes replacement of one obsolete server per year combined with the upgrade of those servers to the current Windows network operating system. Critical software licensing compliance will be addressed on all systems that utilize Microsoft software. Additionally, DCC will take effective ownership (from DIS) of its email communication system in order to maximize DCC's investment in this technology. Maintenance of contracts related to the newly implemented Storage Area Network (SAN) as well as the new backup and recovery system are key components of the 2012-2013 budget.
C15	Cost of Regular Salaries and Personal Services Matching associated with an Extraordinary Salary Increase for the new Agency Director.

DEPARTMENT OF CORRECTION

Enabling Laws

Act 218 of 2010
A.C.A. §12-27-101 et seq.

History and Organization

In 1838, Governor James S. Conway signed legislation establishing the State Penitentiary. Today, the Department of Correction is responsible for overall management of the state correctional institutions, executing the orders of the criminal courts of the State of Arkansas, and providing for treatment, rehabilitation and restoration of applicable adult offenders to return to the community as useful, law-abiding citizens. The Mission Statement for the Arkansas Department of Correction (ADC) is to:

- ◆ Provide public safety by carrying out the mandates of the courts;
- ◆ Provide a safe, humane environment for staff and inmates;
- ◆ Provide programs to strengthen the work ethic; and
- ◆ Provide opportunities for spiritual, mental, and physical growth.

The Board of Corrections has constitutional and supervisory power and control over the ADC. The Board has seven voting members including the Chair of the Post Prison Transfer Board, five citizen members and one criminal justice faculty member employed at a four-year Arkansas university. Each member is appointed by the Governor and serves a seven-year term.

The ADC Director reports directly to the Board as the agency's chief executive, administrative and fiscal officer. The Director is responsible for the agency's philosophy, mission and operations. The ADC has five divisions and a Deputy or Assistant Director supervises each. The divisions and responsibilities are:

- **Administrative Services** provides procurement, accounting, human resources, research, finance and information technology support to all operational units of the ADC while ensuring agency compliance with state and federal accounting, budgetary and personnel procedures;
- **Institutional Services** oversees various Institutions, Work Release Programs, Regional Jails, Transportation Services, Accreditation, Classification and Emergency Preparedness and also coordinates Vocational Education programs provided by Riverside Vocational School through the Department of Workforce Education;

- **Operations** oversees various institutions, directs the Agriculture and Industry Programs, and the County Jail Contracts Program (Act 309);
- **Health and Correctional Programs** is responsible for Medical and Mental Health Services, Religious Services, Pre-Release, Inmate Grievances, Accreditation, Substance Abuse Treatment Programs (SATP and TC), and Reduction of Sexual Victimization Program (RSVP). The Health and Correctional Programs Division also coordinates educational programs provided through the Department of Correction School District, which is accredited and supervised by the Arkansas Department of Education and Workforce Education, and coordinates the Interchange Freedom Initiative Program (IFI) operated at the Wrightsville Unit. During the 1999 Legislative Session, responsibility for assessment of sex offenders in prison and living in communities in Arkansas was assigned to ADC. A unit supervised by the Deputy Director of Health and Correctional Programs conducts the assessments as prescribed by the Sex Offender Assessment Committee whose members are appointed by the Governor and prescribed by law;
- **Construction and Maintenance** is responsible for ongoing and preventative maintenance programs at the various units and design and construction projects for the department. Construction of facilities is often completed with inmate labor, which costs substantially less than free-world labor.

Correction Facilities of the ADC include:

Benton Unit - Capacity 325 - Special Operations include Work Release, SATP, Education, and Regional Maintenance.

Cummins Unit - Capacity 1,550 (also operating 26 temporary beds) - Special Operations include the execution chamber, SATP, Education, Vocational Education, Canine Unit and Horse Operation. Farm and Agriculture Programs include Livestock, Field and Edible Crops, Feed Mill, Slaughterhouse, Poultry Operations and Milk Processing. Industry Programs include Vinyl Products/Silk Screening, Engraving, Garment Factory, and Furniture Refinishing.

Delta Regional Unit - Capacity 432 (also operating 128 temporary beds and 20 jail beds) - Special Operations include Regional Maintenance, Education, Pre-Release Program, and Jail Operations. Also includes Janitorial Products Industry Program.

Diagnostic Unit - Capacity 459 (also operating 20 temporary beds) - Special Operations include Male Inmate Intake and Classification, Special Program Unit for Mental Health Inmates, Hospital Facility, Canine Unit, Horse Operation and housing for inmates with special medical needs.

East Arkansas Regional Unit - Capacity 1,432 (also operating 192 temporary beds and 35 jail beds) - Special Operations include Regional Maintenance, Education, Maximum Security Unit, Jail Operation, Canine Unit, Principle Application Life Skills (PALS), and Intake Operation for Parole Violators.

Grimes Unit - Capacity 1,000 - Special Operations include SATP, Life Skills, Education, Regional Maintenance, Principal/Application for Life (PAL) Program, Story Book Projects, Horse and Garden Operations, Vo-Tech, and College Courses.

Randall L. Williams Correctional Facility - Capacity 498 (also operating 44 temporary beds). Special Operations include Expanded Intake, Special Management Barracks for Mental Health, Regional Maintenance, SATP and Assisted Living Program (Geriatrics/Medical).

Maximum Security Unit - Capacity 532 - Special Operations include Education, G.E.D. Program, Principal/Application for Life (PAL) Program, Pre-Release Program, and U.N.I.T.Y. Program.

McPherson Unit - Capacity 800 (female inmates) - Special Operations include Female Inmate Intake, Substance Abuse Treatment Programs (SATP and TC), Education, Vo-Tech, Parenting, College Courses, Principle Application Life Skills (PALS), Pre-Release, SPU (mental health), AA/NA programs, Anger Management, My Watch, Story Book Project, Quilts for Babies, Locks of Love, Gardening Program, SOFT (Sex Offender Treatment) and Industry Program.

Mississippi County Work Release Center - Capacity 121 - Special Operations include Work Release, Regional Maintenance, AA/NA, and Education.

North Central Unit - Capacity 500 (also operating 50 temporary beds) - Special Operations include Education, Regional Maintenance, Anger Management, Principles/Applications for Life (PALS) Program and Pre-Release Classes.

Northwest Arkansas Work Release Center - Capacity 42. Work Release Program.

Ouachita River Correctional Facility - Capacity 1,308. Special Operations include Regional Maintenance, Construction, Education, RSVP (Sex Offender Treatment), Habilitation, Principle Application Life Skills (PALS), Livestock and Hay operations. The ORCU Special Needs Unit provides additional beds for Special Programs, Hospital, Special Management Barracks, and Assisted Living.

Pine Bluff Unit - Capacity 430 - Special Operations include Work Release, Education, Mental Health Programs, Vocational Courses, Grounds Maintenance, Warehouse and Construction.

Texarkana Regional Correctional Center - Capacity 128 - Special Operations include Regional Maintenance, Work Release, and Education.

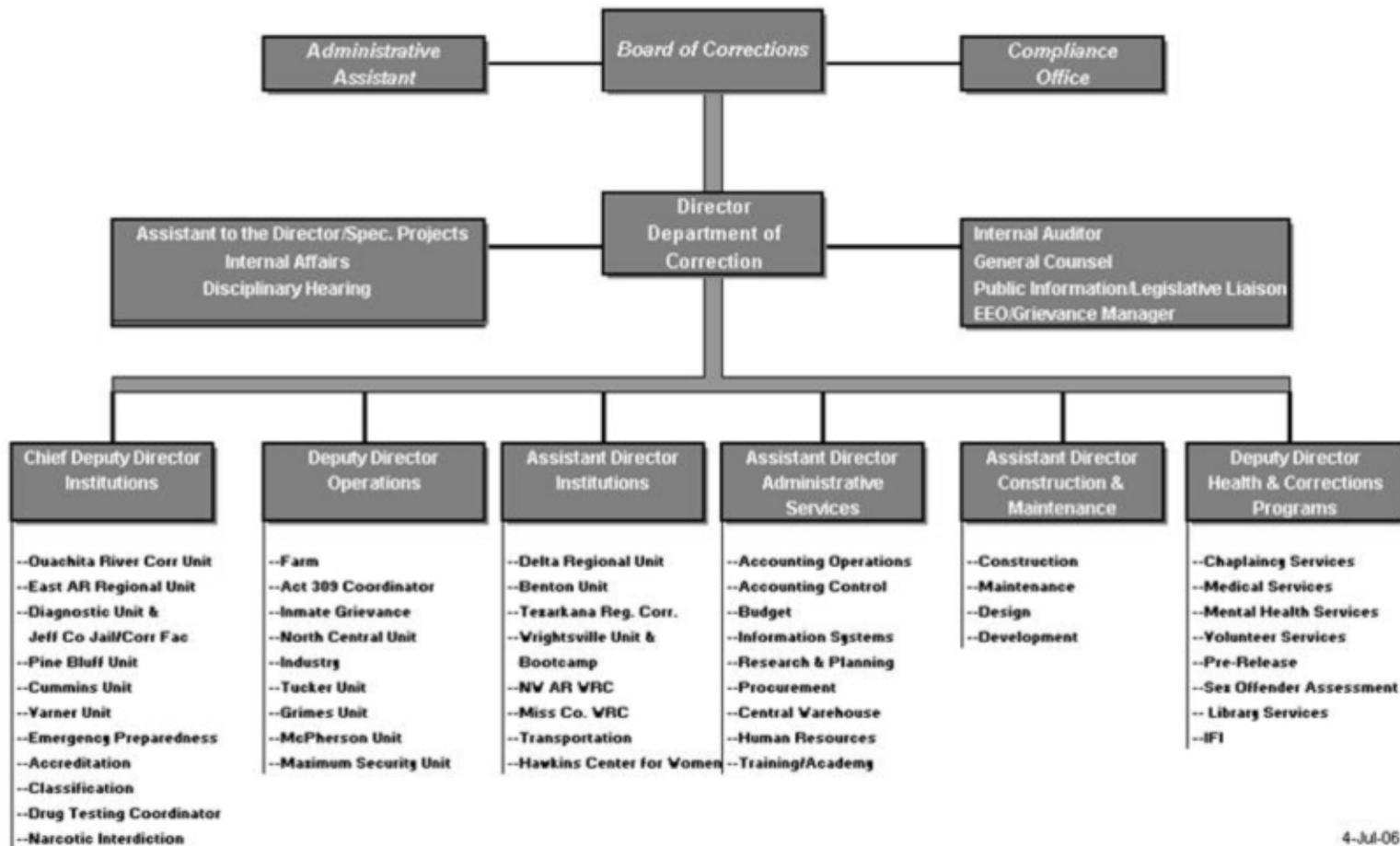
Tucker Unit - Capacity 796 (also operating 54 temporary beds) - Special Operations include Substance Abuse Treatment Programs (SATP and TC), Education, Vocational Education and the Male Boot Camp Program. Farm and Agriculture program includes Field and Edible Crops. Industry Programs include Mattress Manufacturing, Bus and Fire Truck Refurbishing, School Desk and Chair Repair, Athletic Equipment and Microfilming.

Varner Unit - Capacity 1586 (also operating 50 temporary beds) - Special Operations include a 486-bed Super Max Unit that includes Death Row, Regional Maintenance, Drug Treatment, Principle Application Life Skills (PALS), Education, Vocational Education and PASS Program (Prisoners of Arkansas Striving for Success). Agricultural Programs include a Vegetable Processing Plant and Field and Edible Crops. The Super Max addition was specially designed for enhanced security by restricting movement of the most violently classified inmates.

Wrightsville Unit - Capacity 850 - Special Operations include Regional Maintenance, Substance Abuse Programs (SATP and TC), Education, Principle Application Life Skills (PALS), Braille Program and Pre-Release programs. Also includes Beef Production Agricultural Program and Industry Programs: Graphic Arts, Data Imaging, and Furniture Manufacturing. In a move to better utilize bed space, the Male Boot Camp program (now at Tucker Unit) and the InnerChange Freedom Initiative Program (now located at Wrightsville Unit, Hawkins Center for Men) locations were swapped.

- J. Aaron Hawkins Center for Men/IFI - Capacity - 200 - InnerChange Freedom Initiative.
- J. Aaron Hawkins Sr. Center for Women - Capacity 212 - Special Operations include Female Boot Camp, Education, Substance Abuse Treatment Program, Special Programs Unit, Event Start Family Literacy Program, InterChange Freedom Initiative, Work Release and Parenting Classes.

The Arkansas Department of Correction is a vital part of the criminal justice system in this state. All department-owned facilities are accredited by tough, national standards of the American Correctional Association.



4-JUL-06

Agency Commentary

Like many other successful organizations, the 2010-2014 Arkansas Department of Correction (ADC) Strategic Plan provides us with an operational framework and a systematic approach to addressing existing problems, making objective decisions about what is needed and implementing strategies needed to accomplish Goals and Objectives. All Biennial Budget Requests submitted conform to our Agency Goals, which are:

- Goal 1:** To maintain cost effective care, custody, and control over all inmates in an appropriate, safe, humane, and secure environment.
- Goal 2:** To provide appropriate facilities for inmates sentenced by the courts.
- Goal 3:** To provide constructive correctional opportunities for inmates to successfully return to the community.
- Goal 4:** To optimize inmate assignments in work programs.
- Goal 5:** To attract and retain quality staff.

Operating appropriations provide for administrative and executive staff, security staffing for all correctional programs, comprehensive health care and correctional programs, general and preventative maintenance on over \$700 million of buildings, grounds, and equipment, extensive farming, industry, and work release programs and ancillary activities such as operation of inmate commissaries. Keeping with the Governor's direction, the Agency request is for restoration of reductions to the FY2011 budget and funding to replace one-time funds used to supplement general revenues. Additionally, it provides for necessary incremental and inflationary operating costs including health care services for existing facilities, operational costs and positions to open new beds scheduled for completion during FY12-13, and operational costs for four (4) additional positions, food and supplies for critical services.

The growth in the inmate population is contingent on numerous factors beyond our control. This assertion is supported by an ongoing study of the PEW Center on the States Public Safety Performance Project in support of Governor Beebe's Working Group on Sentencing and Corrections. Along with JFA Associates and the Crime and Justice Institute, the PEW Center on the States is studying numerous factors having an impact on Arkansas prison population growth including the number of cases filed in state circuit courts, admissions by judicial districts and counties, state population growth, recidivism rates, and sentence length versus time served. ADC complies with statutory laws and has no control over who is sentenced to or released from incarceration.

The JFA Associates' Ten-year Adult Secure Population Projection prepared for the ADC, DCC, and the Arkansas Sentencing Commission reported the following significant findings:

- *The Arkansas resident population has grown by 7.9 percent between 2000 and 2009. During this time frame it has been the 21st fastest growing state in the US.*
- *Reported crime in Arkansas decreased by 3.0 percent between 2007 and 2008. Note: this is the most recent year of data available. Crime data by state has not yet been released by the FBI for 2008.*

- *In terms of state prison populations (using the most recent national data available: year-end 2008), Arkansas showed much larger overall growth as compared to the nation as a whole over the last ten years (28.0 percent compared to 19.5 percent, nationally). The one-year change in state prison population from 2008 to 2009 in Arkansas was +3.3 percent. This is in contrast to the United States as a whole which had an increase of only 0.7 percent. Over the past several iterations of this report, Arkansas prison population growth has consistently outgrown the US as a whole.*

ARKANSAS DEPARTMENT OF CORRECTION: HISTORICAL AND PROJECTED INMATE POPULATION 2000-2021

Year	Historical	Projected
2000	11,856	
2001	12,333	
2002	12,845	
2003	13,109	
2004	13,470	
2005	13,338	
2006	13,698	
2007	14,285	
2008	14,686	
2009	15,171	BASE
2010		15,907
2011		16,645
2012		17,378
2013		18,026
2014		18,540
2015		19,024
2016		19,440
2017		19,949
2018		20,298
2019		20,663
2020		20,930
2021		21,074
Numeric Diff. 2000-2009	3,315	
% Diff. 2000-2009	28.00%	
Average % Diff. 2000-2009	2.80%	
Numeric Diff. 2010-2021		5,167
% Diff. 2010-2021		32.50%
Average % Diff. 2010-2021		2.60%

Source: JFA Simulation Model

Currently the inmate population growth is increasing at a steady rate of approximately 33 inmates per month. The 2010 average number of inmates backed up in the county jails was 1,550, a level that places a significant burden on county jail operations. During Calendar Year 2009, the inmate population increased by 483, an average growth of 40 inmates per month. Over the past fifteen years, the average inmate population growth has been 36 per month, or 432 inmates per year. A portion of the ADC Biennial Request is based on this projected growth rate of 33 inmates per month, even though through July 2010, the growth rate is currently averaging 61 per month. While we anticipate the recommendations of the Governor's working group on Sentencing and Corrections, if adopted by the General Assembly, will have a significant impact on future prison population growth, this request only provides for operation of beds for inmates currently sentenced to ADC.

Change Level Requests for each Program Area of the Department are summarized as follows:

INMATE CARE AND CUSTODY - GENERAL REVENUE - General revenue funded requests total \$63,391,150 for FY12 and \$64,245,100 for FY13. These requests are summarized as follows:

- **Restoration of Reductions** - The top ADC priority request is for restoration of reductions taken and restoration of general revenue needed to replace "one-time" funding certified in FY11. This includes \$4,039,621 each fiscal year of appropriation needs and \$8,813,216 each fiscal year of general revenue funding.
- **Incremental Medical Contract Increases** - Increases in the Professional Fees and Services line item total \$2,026,073 in FY12 and \$4,130,712 in FY13. The ADC/DCC Blended Rate for FY12 of \$333.73 per month per inmate housed at an ADC facility and \$346.32 for FY13 represents a projected increase of 3.7% in FY12 and 3.6% in FY13 over the FY11 rate of \$321.61. For Act 309 contract inmates the per diem is \$113.89 for FY12 and \$118.19 for FY13.
- **New Bed Operations:**
 - **Ouachita River Special Needs Unit** - Additional beds at the Special Needs Unit of the Ouachita River Correctional Unit facility are scheduled to be completed during the FY12-13 biennium. The request needed to operate this unit is summarized as follows:
 - Phase II - 42 Hospital Beds, 40 Habilitation Beds, 30 Assisted Living Beds and 128 remaining Special Programs Unit Beds. The request includes 204 positions and related start-up and operating expenses totaling \$12,080,579 in FY12 and \$12,242,519 in FY13.
 - Phase III - An expanded 294 Bed Intake and Diagnostic Facility is scheduled for completion during December 2011. 68 positions and related start-up and operating expenses included in the biennial request total \$3,830,272 in FY12 and \$6,165,352 in FY13.

- Equipment - Equipment needed to open the above two phases totals \$879,335 in FY12 and \$343,405 in FY13.
- **Cummins Trustee Barracks** - 300 Beds (completed April 2011) opening July 2011. The request includes 48 positions and related operating costs totaling \$3,913,837 in FY12 and \$4,004,161 in FY13.
- **McPherson Female Special Programs Unit** - Special Programs and Segregation Expansion includes 100 Beds (40 Special Programs and 60 Segregation) opening July 2011. 17 positions needed to open the unit and related operating costs included in the request total \$1,437,363 in FY12 and \$1,484,471 in FY13.
- **North Central Expansion** - 100 General Population Beds will be completed May 2012. The biennial budget request includes 14 positions and related operating costs totaling \$466,091 for FY12 and \$1,358,217 for FY13.
- **Diagnostic Variable Use Barracks** - 50 Beds at the Diagnostic Unit (VUB) for New Programs are scheduled for completion in May 2011. The biennial request includes 12 positions and related operating costs totaling \$856,492 in FY12 and \$880,546 in FY13.
- **Warehouse Food/Supplies - All Units.** To provide for the existing and expanding inmate population, an additional \$5,493,500 in FY12 and \$7,518,500 in FY13 is needed. Costs of food and supplies have increased by approximately 24% over the past two years due to the rising cost of fuel needed to transport these items to the units. Items are purchased in bulk at lower costs and distributed to the units by Warehouse staff. Previous analysis of drop shipments to each unit direct from vendors (versus the way we purchase and deliver) showed that drop ship is substantially higher.
- **Additional Priority Staffing** - All units identified numerous additional priority positions that are important to their operations. However, for the agency as a whole, only 4 positions are requested for critical needs at the East Arkansas Regional Unit. This includes a Chaplain and three (3) Advisors. These positions will enable ADC to improve mental health and religious services at the unit. This additional assistance will enable Mental Health Services to sufficiently monitor/assess inmates on punitive and segregation status and provide needed services to the inmate population such as group treatment, case management, crisis prevention/intervention, psychiatric clinic and anger management. The request for positions and related operating costs totals \$195,193 in FY12 and \$201,273 in FY13.
- **309 Program Expansion** - An increase of \$285,530 each fiscal year is requested to enable ADC to increase the 309 program from a current funded level of 280 to a total of 325 inmates that can be held in county jails under provisions of Act 309. ADC currently reimburses counties housing 309 work inmates \$15 per day. This request also includes an additional position to assist the current coordinator in supervising the program.
- **Position Reauthorization/Flex** - The request is for reauthorization of 86 existing flex positions for the FY 2012-2013 biennium to enable us to respond to unforeseen situations and to correct inequities within the system as may be required. We need the flexibility to

quickly take care of security issues that may occur. In the past, we have utilized flex pool positions to meet federally imposed mandates. We have a significant number of staff on military and family medical leave and utilize flex positions to keep staffing at necessary levels. Flex positions also assist us in keeping more of our budgeted positions filled as they can be advertised prior to employee departures. No additional funding is requested for any of the flex positions.

- **System Wide New/Replacement Equipment** - The Agency Request combines both new and replacement institutional furnishings and equipment, medical equipment, and construction and maintenance equipment needs for the entire system. Aging buildings and equipment demand that we routinely replace essential equipment in operations such as kitchens, laundry, heating and ventilation systems, sewer plants, ground maintenance equipment, etc. This request totals \$2,052,803 in FY12 and \$1,730,250 in FY13.

COUNTY JAIL REIMBURSEMENTS - GENERAL REVENUE

In the event ADC cannot accept inmates from county jails due to insufficient bed space, ADC reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and ADC and upon approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in A.C.A. §12-27-114. ADC serves as disbursing officer for this separate Revenue Stabilization fund and currently pays county jails \$28 per day for housing inmates sentenced to ADC. Based on an average monthly increase in inmate population of 33 inmates, with no significant change in court sentencing practices, contingent on beds opening as planned over the biennium, and assuming a continuing Base Level Funding of \$7,500,035 per FY, ADC projects that an additional \$13.3 will be needed in FY12 (which includes an estimated \$7.9 over FY11 Base needed if not provided by Supplemental Request), and an additional \$7.3 will be needed in FY13 to pay county jails for housing inmates.

WORK RELEASE - CASH

Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 450 inmates in work release programs located in Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. Fees received from work release participants reduce the operational costs of the program. The Agency Request for Work Release Operations includes additional operating costs increases for utilities, flex operational appropriation for unforeseen needs, and equipment for all units totaling \$1,703,000 in FY12 and \$1,853,000 in FY13.

FARM PROGRAM - SPECIAL REVENUE

The agricultural operation of the ADC is a self-supported division of ARC. The Agricultural Division is involved in almost every area of farming imaginable. It provides fresh and frozen vegetables, meat, milk and eggs which are consumed by the inmate population and generates revenue by selling products such as soybeans, rice, cotton and wheat. The primary goal of the Farm Program is to provide useful

and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock. A Vegetable Processing facility is located at the Varner Unit and annually sends approximately 1.2 million pounds of vegetables for inmate consumption. A Cold Storage facility located at the Cummins Unit provides beef and pork products to all units for consumption. A state of the art Creamery operation is also located at the Cummins Unit and provides milk and juice products. Inmate consumption is expected to total \$6 million for FY10. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY10 cash crop sales total \$6.9 million. The Farm Program provides jobs for approximately 400 inmates. The Livestock Division consists of 2300 beef cows, a 225-cow dairy, swine production facilities, and egg layer operation as well as responsibility for all the horses being used in the cattle operation and at various units around the state for security and regional maintenance. Revenues from Farm operations will fund the biennial request that includes five (5) positions outlined as follows:

- **Poultry Expansion** - 4 positions - Head Farm Manager I, Assistant Farm Manager, Agricultural Unit Supervisor I, and Agricultural Unit Supervisor II. This additional staffing and related operating costs for Poultry Expansion totaling \$223,248 in FY12 and \$229,328 in FY13 are included in the biennial request.
- **Cummins Creamery** - 1 position - An Agricultural Unit Supervisor I staff position and related operating costs totaling \$50,607 in FY12 and \$52,127 in FY13 are included in the agency request.
- **Capital Equipment** - The farming operation requests Capital Outlay authorization for equipment totaling \$1,765,000 in FY12 and \$1,442,000 in FY13.

INDUSTRY PROGRAM

Correctional Industries exists as a self-supporting operation within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations. The primary goal of the Industries program is to administer and operate the various industry programs in an efficient and cost-effective manner that provides inmates with productive and significant training opportunities. More than 500 inmates participate in the various work programs. Principal operations include printing and graphic arts, digital imaging, engraving, janitorial product manufacturing, school bus/fire truck repair, furniture manufacturing, refinishing and upholstery, vinyl products and athletic equipment. Prison Industry Enhancement (PIE) Programs at the McPherson and Pine Bluff Units are a partnership with private sector companies operating within prison fences and employing inmates at prevailing wages. FY10 sales totaled just over \$7.5 million. Revenues from Industry program operations will fund the biennial request that includes two (2) positions for a potential new PIE Program. An ACI Industrial Supervisor, Correctional Officer II and related operating costs are included in the request totaling \$77,923 in FY12 and \$78,863 in FY13. In addition, the program is requesting Capital Equipment authorization totaling \$331,095 in FY12 and \$142,200 in FY13.

INMATE WELFARE FUND

Self-supported Pen Store operations within institutions provide the opportunity for inmates to purchase various commissary supplies such as hygiene items, paper, and stamps as well as various snack foods. A centralized banking system manages inmate funds, and the profits from the stores are used to purchase items that benefit inmates such as tables and chairs for visitation, televisions, and recreational equipment for inmate use. The Agency Request for this cash fund operation includes inflationary operating costs increases and anticipated needs for unit expansions. Two (2) positions for the Ouachita River Correctional Unit Commissary Expansion and related operating increases are included, totaling \$1,521,899 in FY12 and \$1,521,899 in FY13. The commissary store will need to be open extended hours to provide for timely distribution of goods from the commissary to an increased offender population.

NON-REVENUE RECEIPTS

Funds for this appropriation are derived from operation of an inmate collect calling system that began in the 1995-97 Biennium. The system allows inmates the opportunity to call family or friends and provides revenues that are used to fund inmate assistance, security equipment, long-term needs that enhance quality of life in the institutions, and general operations. The Agency Request will provide various operational and construction appropriations needed to provide flexibility in funding priority projects as may be approved by the Board of Corrections totaling \$2,750,000 each fiscal year.

CUMMINS FIRE STATION-CASH FUNDS

Funds for this appropriation are derived from collections by Lincoln County from the Fire Protection Revolving Fund as authorized by Act 833 of 1991. These funds are currently being used to construct a Fire House at the Cummins Unit utilizing Inmate Labor.

UAMS JUVENILE ASSESSMENT-SPECIAL REVENUES

Funds for this appropriation are derived from collections by the Arkansas Crime Information Center (ACIC) of a \$250.00 fee from each individual who is required by law to register as a Level III or Level IV Sex Offender as required by provisions of A.C.A. §12-12-910 and 12-12-911 et seq. The fees are split between ACIC and the Arkansas Department of Correction. ADC requests the Fund title be changed to ADC Sex Offender Assessment Fund.

FEDERAL PROGRAMS

Funding for this appropriation accommodates multiple Federal Program Grants. Continuing level appropriation is requested.

SPECIAL LANGUAGE

The Agency Requests continuation of current Special Language with appropriate date revisions and changes/deletions/additions as follows:

- Delete Section 38 to resolve the conflict with Section 23 relative to the authority to transfer funds to the County Jail Reimbursement Fund.
- Change Section 25 Special Language - UAMS Family Treatment Program. ADC anticipates entering into an agreement with an alternative entity to conduct Juvenile Sex Offender Assessments as may be approved by the Sex Offender Assessment Committee. ADC also requests the title of this section be changed to Juvenile Sex Offender Assessment Program.
- Change Section 27 to include authority to transfer non-funded appropriation from Inmate Care and Custody in an amount not to exceed the County Jail Reimbursement Fund balance carried forward on July 1 upon request by ADC and approval of the Chief Fiscal Officer of the State.
- Add Correctional Officer Promotional Progression - ADC is requesting new Special Language to assist in recruitment and retention efforts by allowing ADC to ensure ADC the authority to continue promotional progression of correctional officers during the first 12 months of employment. Over the past several years, we have been allowed to promote within classification, a correctional officer with a satisfactory or better performance evaluation to an Officer First Class and increase salary of 6%. After 12 months, with the completion of required training and an above average performance evaluation, the OFC is promoted to Corporal with an additional 10% salary increase. In 2007, a report reflected that 1,632 of 2,632 or 62% of employees classified as security (COI - Major) had less than five years of service. It also reflected that we lose most employees within the first year and it decreases after five years. This promotional progression entices new officers to stay though five years, and at that time, the opportunity for retention increases. While not all success is attributed to this promotional progression plan, it has helped to reduce our turnover of correctional officers to 27%.
- Add new Special Language to enable ADC to continue Tier Plans for all levels of security personnel in order to assure pay commensurate with assignment. Until implementation of the new Pay Plan in FY10, ADC was allowed to maintain tier plans for assignment of Warden, Assistant/Deputy Warden, Superintendent, Major, Captain, Lieutenant Sergeant Corporal, Officer First Class, and the Correctional Officer Series. Because positions of minimum, medium and maximum security units are included in the same position classification, without the tier level pay increase, there is no incentive for someone to move from a lower security level unit to a higher security unit. Utilization of tier plans has increased interest from all levels of personnel in these professional positions and provides a natural promotional progression needed to provide security and management expertise at each site.
- Add new Special Language to enable ADC to pay an Essential Services Stipend of up to 3% for staff comprising the emergency response force for each unit as approved by the Board of Corrections. This stipend will be in lieu of Emoluments which the Board suspended as of August 1, 2010.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF CORRECTION
FOR THE YEAR ENDED JUNE 30, 2009

Findings

As noted in the previous report, the Agency did not record accounts payable due to an inadequate review of vendor invoices at year-end. Our search for unrecorded liabilities revealed one invoice totaling \$104,993 that was paid in fiscal year 2010 for services provided during fiscal year 2009. According to R1-19-4-702 of the State's Financial Management Guide, a prior year obligation for which no remittance has been made, must be identified and recorded as an accounts payable for the prior year. Failure to properly record accounts payable reflects a weakness in the Agency's ability to provide accurate financial reporting.

As noted in the previous report, inventory records and controls were inadequate at the excess construction materials facility. Twelve exceptions, or 17% of items selected for testing, were noted between the Agency's perpetual records and actual inventory on hand. The excess construction materials facility had \$352,297 in total inventory at June 30, 2009. Inadequate inventory records and controls reduce the Agency's ability to properly safeguard and account for these assets for use in the care and custody of inmates.

Recommendations

Thoroughly review all invoices to ensure the proper recording and reporting of all expenditures.

Maintain accurate records and strengthen internal controls over all inventories by reconciling perpetual inventory records to periodic physical counts performed during the year and at fiscal year-end.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF CORRECTION
REPORT ON CERTIFICATION OF CONSUMPTION OF FARM PRODUCE
FOR THE YEAR ENDED JUNE 30, 2009

Findings

None

Recommendations

None

Employment Summary

	Male	Female	Total	%
White Employees	1492	596	2088	53 %
Black Employees	826	973	1799	46 %
Other Racial Minorities	19	8	27	1 %
	Total Minorities		1,826	47 %
	Total Employees		3,914	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Report	ACA §12-27-107	N	Y	500	Required by Statute
Inmate Handbook	ACA §12-27-106	N	Y	5,000	Required by Statute

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1MJ County Jail Reimbursement	15,139,817	0	7,500,035	0	7,500,035	0	7,500,035	0	20,830,069	0	20,830,069	0	7,500,035	0	14,846,171	0	14,846,171	0
2ZV Work Release Cash	1,332,789	0	6,264,424	0	7,761,272	0	5,764,424	0	7,467,424	0	7,317,424	0	5,764,424	0	7,617,424	0	7,317,424	0
33K Juvenile Sex Offender Assessment*	12,643	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
4HS Fire Station Treasury Cash	49,546	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
509 Inmate Care & Custody	288,609,112	4,247	301,132,037	4,252	338,472,249	4,597	301,493,553	4,252	341,663,225	4,703	303,571,258	4,252	301,493,553	4,252	348,457,391	4,703	305,675,898	4,252
511 Prison Industry	7,343,205	49	10,910,823	52	11,074,002	52	10,282,077	52	10,690,155	54	10,690,155	54	10,282,077	52	10,503,140	54	10,503,140	54
512 Farm Operations	11,926,819	58	14,100,000	60	17,779,535	60	13,518,382	60	15,557,237	65	15,322,982	60	13,518,382	60	15,241,837	65	15,007,582	60
847 Federal Programs	3,243,240	0	500,000	0	1,126,335	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
859 Inmate Welfare Treasury Cash	8,997,454	0	12,522,286	26	13,151,588	28	12,517,600	26	14,039,499	28	14,039,499	28	12,517,600	26	14,039,499	28	14,039,499	28
865 Non-Tax Revenue Receipts	2,319,437	0	3,867,470	0	5,772,626	0	3,467,470	0	6,217,470	0	6,217,470	0	3,467,470	0	6,217,470	0	6,217,470	0
B01 Regional Facilities Oprs Cash	0	0	800,000	0	800,000	0	800,000	0	0	0	0	0	800,000	0	0	0	0	0
B06 Prison Housing Contract Cash	0	0	200,000	0	200,000	0	200,000	0	0	0	0	0	200,000	0	0	0	0	0
C02 Constr Fund Deficiency Cash	0	0	500,000	0	500,000	0	500,000	0	0	0	0	0	500,000	0	0	0	0	0
Total	338,974,062	4,354	358,372,075	4,390	404,212,642	4,737	356,618,541	4,390	417,040,079	4,850	378,563,857	4,394	356,618,541	4,390	417,497,932	4,850	374,182,184	4,394

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	18,100,441	5.1	17,743,659	4.8		7,585,754	2.1	7,585,754	1.8	7,585,754	2.1	8,638,807	2.4	1,612,213	0.4	670,013	0.2
General Revenue	4000010	278,986,483	78.2	297,803,344	81.4		302,211,322	83.9	355,582,445	86.0	304,237,395	84.0	302,211,322	83.4	356,392,713	87.0	306,342,035	85.4
Federal Revenue	4000020	654,328	0.2	1,000,000	0.3		1,000,000	0.3	1,000,000	0.2	1,000,000	0.3	1,000,000	0.3	1,000,000	0.2	1,000,000	0.3
Special Revenue	4000030	16,051,653	4.5	18,315,000	5.0		19,686,037	5.5	19,686,037	4.8	19,686,037	5.4	20,813,171	5.7	20,813,171	5.1	20,813,171	5.8
Cash Fund	4000045	15,280,564	4.3	20,678,944	5.7		25,141,969	7.0	25,141,969	6.1	25,141,969	6.9	25,141,969	6.9	25,141,969	6.1	25,141,969	7.0
Budget Stabilization Trust	4000130	3,600,000	1.0	4,600,000	1.3		4,600,000	1.3	4,600,000	1.1	4,600,000	1.3	4,600,000	1.3	4,600,000	1.1	4,600,000	1.3
DFA Motor Vehicle Acquisition	4000184	170,590	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA	4000244	3,014,180	0.8	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Insurance Fund Proceeds	4000299	27,815	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	31,667	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from General Imprv	4000540	20,800,000	5.8	5,816,882	1.6		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		356,717,721	100.0	365,957,829	100.0		360,225,082	100.0	413,596,205	100.0	362,251,155	100.0	362,405,269	100.0	409,560,066	100.0	358,567,188	100.0
Excess Appropriation/(Funding)		(17,743,659)		(7,585,754)			(3,606,541)		3,443,874		16,312,702		(5,786,728)		7,937,866		15,614,996	
Grand Total		338,974,062		358,372,075			356,618,541		417,040,079		378,563,857		356,618,541		417,497,932		374,182,184	

Variance in Fund Balance due to unfunded appropriation.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
4,701	3835	491	4326	375	18.42 %	4,667	3890	460	4350	317	16.65 %	4,737	3937	417	4354	383	16.89 %

Analysis of Budget Request

Appropriation: 1MJ - County Jail Reimbursement

Funding Sources: MCJ - County Jail Reimbursement Fund

In the event the Arkansas Department of Correction cannot accept inmates from county jails due to insufficient bed space, the Agency reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and the Department of Correction and upon with approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in A.C.A. §12-27-114. ADC serves as disbursing officer for this separate Revenue Stabilization fund and currently pays county jails \$28 per day for housing inmates sentenced to ADC.

The Agency's Change Level Requests are for increases of \$13,330,034 in FY12 and \$7,346,136 in FY13 to reimburse counties.

The Executive Recommendation provides for the Agency Request in appropriation only. Funding will be determined by the 88th General Assembly.

Appropriation Summary

Appropriation: 1MJ - County Jail Reimbursement
Funding Sources: MCJ - County Jail Reimbursement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	15,139,817	7,500,035	7,500,035	7,500,035	20,830,069	20,830,069	7,500,035	14,846,171	14,846,171
Total		15,139,817	7,500,035	7,500,035	7,500,035	20,830,069	20,830,069	7,500,035	14,846,171	14,846,171
Funding Sources										
Fund Balance	4000005	2,053,355	1,176,455		1,176,455	1,176,455	1,176,455	1,176,455	1,176,455	0
General Revenue	4000010	7,062,917	7,500,035		7,500,035	20,830,069	7,500,035	7,500,035	14,846,171	7,500,035
Transfer from General Imprv	4000540	7,200,000	0		0	0	0	0	0	0
Total Funding		16,316,272	8,676,490		8,676,490	22,006,524	8,676,490	8,676,490	16,022,626	7,500,035
Excess Appropriation/(Funding)		(1,176,455)	(1,176,455)		(1,176,455)	(1,176,455)	12,153,579	(1,176,455)	(1,176,455)	7,346,136
Grand Total		15,139,817	7,500,035		7,500,035	20,830,069	20,830,069	7,500,035	14,846,171	14,846,171

Change Level by Appropriation

Appropriation: 1MJ - County Jail Reimbursement
Funding Sources: MCJ - County Jail Reimbursement Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	7,500,035	0	7,500,035	100.0	7,500,035	0	7,500,035	100.0
C01	Existing Program	13,330,034	0	20,830,069	277.7	7,346,136	0	14,846,171	197.9

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	7,500,035	0	7,500,035	100.0	7,500,035	0	7,500,035	100.0
C01	Existing Program	13,330,034	0	20,830,069	277.7	7,346,136	0	14,846,171	197.9

Justification

C01	In the event the Department of Correction cannot accept inmates from county jails due to insufficient bed space, the Department of Correction reimburses the counties from the County Jail Reimbursement Fund at rates determined by the Chief Fiscal Officer of the State, after consultation with the Division of Legislative Audit and the Department of Correction and upon approval of the Governor, until the appropriation and funding provided for that purpose are exhausted as stipulated in §12-27-114. ADC serves as disbursing officer for this separate Revenue Stabilization fund and currently pays county jails \$28 per day for housing inmates sentenced to ADC. Base on an average monthly growth of 33 per month and assuming that beds will open at Malvern, Cummins, Diagnostic, North Central and McPherson as requested, ADC projects that an additional \$13.3 million in FY12 and \$7.3 million in FY13 will be needed to pay counties for housing inmates. The amount requested for FY12 includes a \$7.9 million of projected costs not currently funded for FY11. Should a supplemented emergency funding request be appropriated and funded during the 2011 Session, the FY12 amount may be reduced accordingly. During FY2009, the inmate population grew by 40 inmates per month. As of August 31, 2010, there are 1,675 inmates held in county jails awaiting bed space at the Department of Correction.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Correction Department

Program: County Jail Reimbursement

Act #: 218 Section(s) #: 15 & 27

Estimated Carry Forward Amount \$ 1,748,432.00 Funding Source: General

Accounting Information:

Business Area: 0480 Funds Center: 1MJ Fund: MCJ Functional Area: SFTY

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Carryforward needed to fund FY11 County Jail reimbursements.

Actual Funding Carry Forward Amount \$ 1,176,453.65

Current status of carry forward funding:

Funds will be used for County Jail reimbursements.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Ray Hobbs

Director

08-26-2010

Date

Analysis of Budget Request

Appropriation: 2ZV - Work Release Cash

Funding Sources: NDC - Cash in Treasury

The Work Release Program allows inmates to hold paid jobs in the community while being housed at a correctional facility. Work Release participants reimburse the Department of Correction \$17 per day to offset the cost for maintenance and operation of the centers. There are currently six Work Release Center located at Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. This is a cash funded appropriation that is supported by each inmate who participates in the Work Release Program.

The Agency's Change Level Request totals \$1,703,000 in FY12 and \$1,853,000 in FY13 and consists of the following:

- Operating Expenses increases of \$150,000 in FY12 and \$300,000 in FY13 for utilities and grounds maintenance.
- Capital Outlay appropriation of \$1,553,000 each year for new and replacement equipment for the Work Release Centers.

The Executive Recommendation provides for Base Level with Capital Outlay appropriation of \$1,553,000 each year. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2ZV - Work Release Cash

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,314,046	4,180,274	4,496,532	4,180,274	4,330,274	4,180,274	4,180,274	4,480,274	4,180,274
Conference & Travel Expenses	5050009	3,790	84,150	85,240	84,150	84,150	84,150	84,150	84,150	84,150
Professional Fees	5060010	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	14,953	500,000	1,679,500	0	1,553,000	1,553,000	0	1,553,000	1,553,000
Debt Service	5120019	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		1,332,789	6,264,424	7,761,272	5,764,424	7,467,424	7,317,424	5,764,424	7,617,424	7,317,424
Funding Sources										
Fund Balance	4000005	7,867,462	8,136,610		3,972,186	3,972,186	3,972,186	307,762	0	0
Cash Fund	4000045	1,598,113	2,100,000		2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
M & R Sales	4000340	3,824	0		0	0	0	0	0	0
Total Funding		9,469,399	10,236,610		6,072,186	6,072,186	6,072,186	2,407,762	2,100,000	2,100,000
Excess Appropriation/(Funding)		(8,136,610)	(3,972,186)		(307,762)	1,395,238	1,245,238	3,356,662	5,517,424	5,217,424
Grand Total		1,332,789	6,264,424		5,764,424	7,467,424	7,317,424	5,764,424	7,617,424	7,317,424

Change Level by Appropriation

Appropriation: 2ZV - Work Release Cash
Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	5,764,424	0	5,764,424	100.0	5,764,424	0	5,764,424	100.0
C01	Existing Program	1,703,000	0	7,467,424	129.5	1,853,000	0	7,617,424	132.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	5,764,424	0	5,764,424	100.0	5,764,424	0	5,764,424	100.0
C01	Existing Program	1,553,000	0	7,317,424	126.9	1,553,000	0	7,317,424	126.9

Justification

C01	Eligible inmates of the department are employed in the community while residing in correctional facilities. The ADC coordinates employment opportunities for 405 inmates in work release programs located in Luxora, Springdale, Benton, Texarkana, Wrightsville and Pine Bluff. Fees received from work release participants reduce the operational costs of the program. The biennial request for Work Release Operations includes additional operating costs increases for utilities, fuel, maintenance, clothing, etc. It also includes additional operational appropriation for unforeseen needs as well as new and replacement equipment.
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Analysis of Budget Request

Appropriation: 33K - Juvenile Sex Offender Assessment*

Funding Sources: SSC - ADC Sex Offender Assessment Fund*

This appropriation request is for UAMS Juvenile Assessment. Funds for this appropriation are derived from collections by Arkansas Crime Information Center (ACIC) by collecting a \$250.00 fee from each individual who is required by law to register as a Level III or Level IV Sex Offender as required by provisions of ACA §12-12-910 and 12-12-911 et seq. The fees are split between ACIC and the Department of Correction.

The Agency Request is for Base Level each year of the biennium. *The Agency requests that the Appropriation title be changed from "UAMS Juvenile Assessment" to "Juvenile Sex Offender Assessment", and that A.C.A. § 19-6-455 be amended to change the title of the fund from "Sex and Child Offender Registration Fund" to "ADC Sex Offender Assessment Fund".

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 33K - Juvenile Sex Offender Assessment*

Funding Sources: SSC - ADC Sex Offender Assessment Fund*

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	12,643	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		12,643	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Funding Sources										
Fund Balance	4000005	34,379	33,449		23,449	23,449	23,449	13,449	13,449	13,449
Special Revenue	4000030	11,713	15,000		15,000	15,000	15,000	15,000	15,000	15,000
Total Funding		46,092	48,449		38,449	38,449	38,449	28,449	28,449	28,449
Excess Appropriation/(Funding)		(33,449)	(23,449)		(13,449)	(13,449)	(13,449)	(3,449)	(3,449)	(3,449)
Grand Total		12,643	25,000		25,000	25,000	25,000	25,000	25,000	25,000

*The Agency requests that the Appropriation title be changed from "UAMS Juvenile Assessment" to "Juvenile Sex Offender Assessment", and that A.C.A. § 19-6-455 be amended to change the title of the fund "Sex and Child Offender Registration Fund" to "ADC Sex Offender Assessment Fund".

Analysis of Budget Request

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

This appropriation provides for the construction of a new Fire Station at the Cummins Unit. Cash funds are collected through the Fire Protection Revolving Fund as authorized by Act 833 of 1991. The construction of the new Fire Station will be completed by Department of Correction's in-house construction division utilizing inmate labor to lower the cost.

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

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

Appropriation Summary

Appropriation: 4HS - Fire Station Treasury Cash

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Construction	5090005	49,546	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total		49,546	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources										
Fund Balance	4000005	65,231	33,604		18,604	18,604	18,604	3,604	3,604	3,604
Cash Fund	4000045	17,919	35,000		35,000	35,000	35,000	35,000	35,000	35,000
Total Funding		83,150	68,604		53,604	53,604	53,604	38,604	38,604	38,604
Excess Appropriation/(Funding)		(33,604)	(18,604)		(3,604)	(3,604)	(3,604)	11,396	11,396	11,396
Grand Total		49,546	50,000		50,000	50,000	50,000	50,000	50,000	50,000

Analysis of Budget Request

Appropriation: 509 - Inmate Care & Custody

Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

Funding for Inmate Care and Custody (ICC) is primarily from general revenue. The use of cash and special revenue income for Inmate Care & Custody Fund Operations allows the Agency to prepare fiscal year budgets to help meet the contingencies of population growth.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of unclassified positions reflects the FY11 line item maximum.

The Agency's Change Level requests total \$40,169,672 in FY12 and \$46,963,838 in FY13. The following is a summary of the major components of the Agency Request:

Agency General Operations

In order to provide for the administration of the system as a whole, the Agency requests the following:

- Regular Salaries and Personal Services Matching increases of \$150,444 each year in association with the Agency's request for one (1) new position, reclassification of nineteen (19) positions, and a \$100,000 increase for Extra Help.
- Regular Salaries and Personal Services Matching increases of \$3,649,560 in appropriation only each year in association with the Agency's request for restoration of eighty six (86) "flex" positions.
- Operating Expenses increases of \$8,069,045 in FY12 and \$10,094,045 in FY13 for increased food, utilities and grounds maintenance costs.
- Conference Fees and Travel increases of \$263,141 each year for employee training and fuel costs.
- Professional Fees increases of \$2,026,073 in FY12 and \$4,130,713 in FY13 for anticipated increases in the Correctional Medical Services contract. The ADC/DCC Blended Rate for FY12 of \$333.73 per month per inmate housed at an ADC facility and \$346.32 for FY13 represents a projected increase of 3.7% in FY12 and 3.6% in FY13 over the FY11 rate of \$321.61. For Act 309 contract inmates the per diem is \$113.89 for FY12 and \$118.19 for FY13.
- Capital Outlay of \$438,450 in FY12 and \$388,055 in FY13 for new and replacement institutional furnishings and equipment, medical equipment, and construction and maintenance equipment needs for the entire system.

- 309 Program Expansion - An increase of \$246,375 each fiscal year is requested to enable ADC to increase the 309 program from a current funded level of 280 to a total of 325 inmates that can be held in county jails under provisions of Act 309. ADC currently reimburses counties housing 309 work inmates \$15 per day.

Existing Facilities

In order to provide for the existing and expanding inmate population, the Agency requests the following:

- Regular Salaries and Personal Services matching increases of \$205,757 each year in association with the Agency's request for four (4) new positions and the reclassification of one hundred four (104) positions.
- Operating Expenses increases of \$17,920 in FY12 and \$30,240 in FY13 for increased office supplies, telecommunication and network services costs.
- Conference Fees and Travel increases of \$3,760 in FY12 and \$7,520 in FY13 for employee training.
- Professional Fees increases of \$1,288,084 in FY12 and \$1,119,485 in FY13 for the Malvern Special Needs Unit.
- Capital Outlay of \$1,712,007 in FY12 and \$1,342,195 in FY13 for new institutional furnishings, equipment and medical equipment.

New Bed Initiatives

The Agency anticipates the following new bed openings during the FY2011-2013 biennium:

- Ouachita River Special Needs
Phase I. Forty two (42) hospital beds, forty (40) habilitation beds, thirty (30) assisted living beds and one hundred twenty eight (128) remaining Special Program Unit beds.

Phase II. An expanded two hundred ninety four (294) bed Intake and Diagnostic Facility scheduled for completion December 2011.
- Cummins Trustee Barracks
Three hundred (300) beds schedules for completion April 2011 and opening July 2011.
- McPherson Female Special Programs Unit
Forty (40) Special Programs beds and sixty (60) Segregation beds schedules for opening July 2011.
- North Central Expansion
One hundred (100) general population beds schedules for completion May 2012.

- Diagnostic Variable Use Barracks
Fifty (50) beds at the Diagnostic Unit (VUB) for new programs scheduled for completion May 2011.

In order to accommodate these openings, the Agency requests the following:

- Regular Salaries and Personal Services matching increases of \$12,902,073 in FY12 and \$13,968,272 in FY13 in association with the Agency's request for one hundred one (101) new positions, restoration of two hundred fifty nine (259) positions, and reclassification of forty (40) positions.
- Operating Expenses increases of \$4,635,755 in FY12 and \$5,934,905 in FY13 for facilities operations.
- Conference Fees and Travel increases of \$47,100 in FY12 and \$65,900 for FY13 for employee training.
- Professional Fees increases of \$4,031,728 in FY12 and \$5,337,231 in FY13 for anticipated increases in the Correctional Medical Services contract.
- Capital Outlay of \$482,400 in FY12 and \$30,000 in FY13 for new institutional furnishings, equipment and medical equipment.

The Executive Recommendation provides for Base Level with the following:

- Regular Salaries and Personal Services Matching increase of \$51,632 each year in appropriation only for costs associated with the reclassification of eleven (11) positions.
- Professional Fees increases of \$2,026,073 in FY12 and \$4,130,713 in FY13 for the Correctional Medical Services contract.

Appropriation Summary

Appropriation: 509 - Inmate Care & Custody

Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	138,529,909	142,914,929	150,680,650	142,340,252	154,197,642	142,381,975	142,340,252	155,059,219	142,381,975
#Positions		4,247	4,252	4,597	4,252	4,703	4,252	4,252	4,703	4,252
Extra Help	5010001	91,555	100,000	200,000	100,000	200,000	100,000	100,000	200,000	100,000
#Extra Help		24	170	168	170	170	170	170	170	170
Personal Services Matching	5010003	48,904,435	53,133,895	53,910,013	54,070,088	59,020,532	54,079,997	54,070,088	59,225,154	54,079,997
Overtime	5010006	1,509,454	1,550,000	2,400,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Operating Expenses	5020002	45,506,377	48,395,765	62,914,129	48,395,765	61,118,485	48,395,765	48,395,765	64,454,955	48,395,765
Conference & Travel Expenses	5050009	177,111	200,000	413,141	200,000	514,001	200,000	200,000	536,561	200,000
Professional Fees	5060010	52,211,487	53,304,448	64,409,316	53,304,448	60,650,333	55,330,521	53,304,448	63,891,877	57,435,161
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	193,634	0	2,012,000	0	2,632,857	0	0	1,760,250	0
Jail Contracts	5900047	1,485,150	1,533,000	1,533,000	1,533,000	1,779,375	1,533,000	1,533,000	1,779,375	1,533,000
Total		288,609,112	301,132,037	338,472,249	301,493,553	341,663,225	303,571,258	301,493,553	348,457,391	305,675,898

Funding Sources										
General Revenue	4000010	271,923,566	290,303,309		294,711,287	334,752,376	296,737,360	294,711,287	341,546,542	298,842,000
Federal Revenue	4000020	425,268	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Cash Fund	4000045	2,590,509	4,511,846		2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
DFA Motor Vehicle Acquisition	4000184	51,520	0		0	0	0	0	0	0
M & R Sales	4000340	18,249	0		0	0	0	0	0	0
Transfer from General Imprv	4000540	13,600,000	5,816,882		0	0	0	0	0	0
Total Funding		288,609,112	301,132,037		297,961,287	338,002,376	299,987,360	297,961,287	344,796,542	302,092,000
Excess Appropriation/(Funding)		0	0		3,532,266	3,660,849	3,583,898	3,532,266	3,660,849	3,583,898
Grand Total		288,609,112	301,132,037		301,493,553	341,663,225	303,571,258	301,493,553	348,457,391	305,675,898

The FY11 Budgeted number of Extra Help positions exceeds Authorized due to single Extra Help section in appropriation act.

Change Level by Appropriation

Appropriation: 509 - Inmate Care & Custody
Funding Sources: HCA - Department of Correction Inmate Care and Custody Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	301,493,553	4,252	301,493,553	100.0	301,493,553	4,252	301,493,553	100.0
C01	Existing Program	23,555,782	263	325,049,335	107.8	27,883,344	263	329,376,897	109.2
C02	New Program	12,841,028	101	337,890,363	112.1	15,327,487	101	344,704,384	114.3
C06	Restore Position/Approp	3,682,601	87	341,572,964	113.3	3,682,601	87	348,386,985	115.6
C10	Reclass	90,261	0	341,663,225	113.3	70,406	0	348,457,391	115.6

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	301,493,553	4,252	301,493,553	100.0	301,493,553	4,252	301,493,553	100.0
C01	Existing Program	2,026,073	0	303,519,626	100.7	4,130,713	0	305,624,266	101.4
C02	New Program	0	0	303,519,626	100.7	0	0	305,624,266	101.4
C06	Restore Position/Approp	0	0	303,519,626	100.7	0	0	305,624,266	101.4
C10	Reclass	51,632	0	303,571,258	100.7	51,632	0	305,675,898	101.4

Justification

C01	To continue essential operations, a restoration of \$5,816,882 of general revenue funding is requested to replace one-time set-aside funding authorized by the Governor in FY11. In addition, this request includes restoration of operational reductions totaling \$2,375,000 that were taken from continuing level operations to include Extra Help, Personal Services Matching, Operating Expenses, and Conference Fees and Travel due to revenue shortfalls during FY11. These reductions are placing a hardship on existing operations. It further includes requests for inflationary increases of food costs, incremental increases in professional fees and services for the inmate medical services contract, four priority positions needed to support existing operations and capital for agency-wide equipment needs.
C02	This request is for positions and operating costs for operation of the Special Needs Unit addition of the Ouachita River Correctional Unit (ORCU) at Malvern. While a portion of what is requested was included in ADC's appropriation act for the FY10-11 biennium, reductions in general revenues during FY10 and the reduced revenue forecast for FY11 have delayed bed openings. 360 beds are currently open as general population beds, and the remaining 42 hospital beds, 30 hospice beds and 128 special program beds will be ready to open by July 1, 2011. The remaining 294 intake beds are scheduled to open in December 2011. This will provide a total of 494 additional beds at ORCU. This request would also provide for operations of a 1) 300-bed Trustee Barracks addition at the Cummins Unit; 2) a 100-bed expansion at the North Central Unit scheduled for completion in May 2012; 3) a 50-bed expansion at the Diagnostic Unit scheduled for completion in May 2011; and 4) a 100-bed female Special Programs addition at the McPherson Unit at Newport scheduled for completion in July 2011. As of August 31, 2010, there were 1,675 inmates backed up in the county jails, placing a substantial burden on county operations. With no significant changes in sentencing and release practices, the inmate population is projected to grow an average of 33 inmates per month.
C06	This change level combined with C02 New Programs provides for the opening of the Ouachita River Special Needs Unit (SNU) during 2011.
C10	Agency request for increase in Regular Salaries and Personal Services Matching to accommodate position reclassifications.

Analysis of Budget Request

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

Correctional Industries exists as a self-supporting operation within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations. The primary goal of the Industries program is to administer and operate the various industry programs in an efficient and cost-effective manner that provides inmates with productive and significant training opportunities. More than 500 inmates participate in the various work programs. Principal operations include printing and graphic arts, digital imaging, engraving, janitorial product manufacturing, school bus/fire truck repair, furniture manufacturing, refinishing and upholstery, vinyl products and athletic equipment. Prison Industry Enhancement (PIE) Programs at the McPherson and Pine Bluff Units are a partnership with private sector companies operating within prison fences and employing inmates at prevailing wages. FY10 sales totaled just over \$7.5 million.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency's Change Level Requests total a \$408,078 increase in FY12 and a \$221,063 increase in FY13 and include the following:

- Regular Salaries and Personal Services Matching increases of \$75,103 each year in association with the Agency's request for two (2) new positions. Additionally, the Agency has requested the reclassification of four (4) positions to more accurately reflect the work being performed.
- Conference Fees and Travel increases of \$1,880 in FY12 and \$3,760 in FY13 for employee training and travel.
- Capital Outlay of \$331,095 in FY12 and \$142,200 in FY13 for new and replacement equipment.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 511 - Prison Industry

Funding Sources: SDD - Department of Correction Prison Industry Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,723,575	1,914,442	2,050,904	1,906,606	1,959,732	1,959,732	1,906,606	1,959,732	1,959,732
#Positions		49	52	52	52	54	54	52	54	54
Extra Help	5010001	0	0	10,000	0	0	0	0	0	0
#Extra Help		0	0	2	0	0	0	0	0	0
Personal Services Matching	5010003	583,509	666,776	683,493	696,176	718,153	718,153	696,176	718,153	718,153
Operating Expenses	5020002	4,795,210	7,649,295	7,649,295	7,649,295	7,649,295	7,649,295	7,649,295	7,649,295	7,649,295
Conference & Travel Expenses	5050009	5,115	30,000	30,000	30,000	31,880	31,880	30,000	33,760	33,760
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	235,796	650,310	650,310	0	331,095	331,095	0	142,200	142,200
Total		7,343,205	10,910,823	11,074,002	10,282,077	10,690,155	10,690,155	10,282,077	10,503,140	10,503,140

Funding Sources										
Fund Balance	4000005	2,037,132	3,087,178		976,355	976,355	976,355	408,078	0	0
Special Revenue	4000030	8,356,705	8,800,000		9,713,800	9,713,800	9,713,800	10,503,140	10,503,140	10,503,140
DFA Motor Vehicle Acquisition	4000184	26,952	0		0	0	0	0	0	0
M & R Sales	4000340	9,594	0		0	0	0	0	0	0
Total Funding		10,430,383	11,887,178		10,690,155	10,690,155	10,690,155	10,911,218	10,503,140	10,503,140
Excess Appropriation/(Funding)		(3,087,178)	(976,355)		(408,078)	0	0	(629,141)	0	0
Grand Total		7,343,205	10,910,823		10,282,077	10,690,155	10,690,155	10,282,077	10,503,140	10,503,140

Change Level by Appropriation

Appropriation: 511 - Prison Industry
Funding Sources: SDD - Department of Correction Prison Industry Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	10,282,077	52	10,282,077	100.0	10,282,077	52	10,282,077	100.0
C01	Existing Program	331,095	0	10,613,172	103.2	142,200	0	10,424,277	101.4
C02	New Program	76,983	2	10,690,155	104.0	78,863	2	10,503,140	102.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	10,282,077	52	10,282,077	100.0	10,282,077	52	10,282,077	100.0
C01	Existing Program	331,095	0	10,613,172	103.2	142,200	0	10,424,277	101.4
C02	New Program	76,983	2	10,690,155	104.0	78,863	2	10,503,140	102.1

Justification

C01	Agency is requesting Capital Outlay appropriation for purchase of new and replacement equipment.
C02	Correctional Industries exists as a self-supporting operation within the ADC and is funded by special revenues generated by the sale of products to public agencies and nonprofit organizations. This change level request is for an ACI Industrial Supervisor and one Correctional Officer II for a new Prison Industry Enhancement Program (PIE) at the Grimes Unit in Newport. This request also consists of the capital equipment for the various programs to include the bus barn, furniture program, print shop, digital imaging, warehouse, janitorial products and the garment factory. The capital items will be purchased as needs arise and funding is available from sales of industry products.

Analysis of Budget Request

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

The agricultural operation of the ADC is a self-supported division. The Agricultural Division is involved in almost every area of farming providing fresh and frozen vegetables, meat, milk and eggs which are consumed by the inmate population and generates revenue by selling products such as soybeans, rice, cotton and wheat. The primary goal of the Farm Program is to provide useful and meaningful work for inmates, produce sufficient cost-effective food for inmate consumption, and maximize revenues from production and sales of marketable field crops and livestock. A Vegetable Processing facility is located at the Varner Unit and annually provides approximately 1.2 million pounds of vegetables for inmate consumption. A Cold Storage facility located at the Cummins Unit provides beef and pork products to all units for consumption. A state of the art Creamery operation is also located at the Cummins Unit and provides milk and juice products. Approximately 30,000 acres are devoted to cash crops, vegetables, hay production and livestock. FY10 cash crop sales totaled \$6.9 million. The Farm Program provides jobs for approximately 400 inmates. The Livestock Division consists of 2300 beef cows, a 225-cow dairy, swine production facilities, and egg layer operation as well as responsibility for all the horses being used in the cattle operation and at various units around the state for security and regional maintenance.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency's Change Level Requests total \$2,038,855 in FY12 and \$1,723,455 in FY13 and include the following:

- Regular Salaries and Personal Services Matching increase of \$234,255 each year in association with the Agency's request for five (5) new positions. Additionally, the Agency is requesting the reclassification of two (2) positions to more accurately reflect the work being performed.
- Operating Expenses increases of \$22,400 in FY12 and \$37,800 in FY13 for office supplies, telecommunications and network services and building and grounds maintenance.
- Conference Fees and Travel increases of \$4,700 in FY12 and \$9,400 in FY13 for employee training and travel.
- Capital Outlay of \$1,777,500 in FY12 and \$1,442,000 in FY13 for new and replacement equipment.

The Executive Recommendation provides for the Agency Request except for the addition of five (5) new positions.

Appropriation Summary

Appropriation: 512 - Farm Operations

Funding Sources: SDC - Department of Correction Farm Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,204,805	2,412,446	2,443,140	2,394,930	2,565,318	2,394,930	2,394,930	2,565,318	2,394,930
#Positions		58	60	60	60	65	60	60	65	60
Extra Help	5010001	0	0	10,000	0	0	0	0	0	0
#Extra Help		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	732,840	830,702	804,112	849,600	913,467	849,600	849,600	913,467	849,600
Operating Expenses	5020002	7,940,271	9,456,588	11,822,019	9,456,588	9,478,988	9,478,988	9,456,588	9,494,388	9,494,388
Conference & Travel Expenses	5050009	5,875	38,910	38,910	38,910	43,610	43,610	38,910	48,310	48,310
Professional Fees	5060010	30,197	128,354	328,354	128,354	128,354	128,354	128,354	128,354	128,354
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Claims	5110015	125,000	0	0	0	0	0	0	0	0
Capital Outlay	5120011	483,697	583,000	1,683,000	0	1,777,500	1,777,500	0	1,442,000	1,442,000
Purchase Cattle/Meat	5900047	404,134	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Total		11,926,819	14,100,000	17,779,535	13,518,382	15,557,237	15,322,982	13,518,382	15,241,837	15,007,582
Funding Sources										
Fund Balance	4000005	1,870,457	1,346,806		1,346,806	1,346,806	1,346,806	2,385,661	346,806	581,061
Special Revenue	4000030	7,683,235	9,500,000		9,957,237	9,957,237	9,957,237	10,295,031	10,295,031	10,295,031
Budget Stabilization Trust	4000130	3,600,000	4,600,000		4,600,000	4,600,000	4,600,000	4,600,000	4,600,000	4,600,000
DFA Motor Vehicle Acquisition	4000184	92,118	0		0	0	0	0	0	0
Insurance Fund Proceeds	4000299	27,815	0		0	0	0	0	0	0
Total Funding		13,273,625	15,446,806		15,904,043	15,904,043	15,904,043	17,280,692	15,241,837	15,476,092
Excess Appropriation/(Funding)		(1,346,806)	(1,346,806)		(2,385,661)	(346,806)	(581,061)	(3,762,310)	0	(468,510)
Grand Total		11,926,819	14,100,000		13,518,382	15,557,237	15,322,982	13,518,382	15,241,837	15,007,582

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 512 - Farm Operations
Funding Sources: SDC - Department of Correction Farm Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	13,518,382	60	13,518,382	100.0	13,518,382	60	13,518,382	100.0
C01	Existing Program	2,038,855	5	15,557,237	115.1	1,723,455	5	15,241,837	112.7

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	13,518,382	60	13,518,382	100.0	13,518,382	60	13,518,382	100.0
C01	Existing Program	1,804,600	0	15,322,982	113.3	1,489,200	0	15,007,582	111.0

Justification

C01	The agricultural operation of the ADC provides the majority of vegetables, meat, milk and eggs consumed by the inmate population and generates revenue by selling products such as soybeans, rice, cotton and wheat. The request is for one additional position for the newly renovated Cummins Creamery Operation, four new positions for a proposed poultry expansion at Cummins, and corresponding cost of operations associated with each position. The request includes capital equipment for various farm programs to include food processing, and poultry, swine and livestock operations. The capital items will be purchased as funding is available.
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Analysis of Budget Request

Appropriation: 847 - Federal Programs

Funding Sources: FDC - Federal Programs

This federally funded appropriation provides for the operations of multiple Federal Program Grants.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency is requesting Base Level for each year of the biennium. Although the Agency has no positions budgeted for this appropriation, it is requesting to maintain a level of appropriation in Regular Salaries and Personal Services Matching in the event that it receives federal funding for positions. The Agency has one salary section in its appropriation act.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 847 - Federal Programs

Funding Sources: FDC - Federal Programs

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	50,000	167,677	50,000	50,000	50,000	50,000	50,000	50,000
#Positions		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	0	16,600	56,891	16,600	16,600	16,600	16,600	16,600	16,600
Operating Expenses	5020002	26,080	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Conference & Travel Expenses	5050009	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Professional Fees	5060010	202,980	428,900	897,267	428,900	428,900	428,900	428,900	428,900	428,900
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
ARRA of 2009	5900052	3,014,180	0	0	0	0	0	0	0	0
Total		3,243,240	500,000	1,126,335	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources										
Federal Revenue	4000020	229,060	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Federal Funds-ARRA	4000244	3,014,180	0		0	0	0	0	0	0
Total Funding		3,243,240	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,243,240	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Although the Agency has no positions budgeted for this appropriation, it is requesting to maintain a level of appropriation in Regular Salaries and Personal Services matching in the event that it receives federal funding for positions. The Agency has one salary section in its appropriation act.

Analysis of Budget Request

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

Self-supported Pen Store operations within institutions provide the opportunity for inmates to purchase various commissary supplies such as hygiene items, paper, and stamps as well as various snack foods. A centralized banking system manages inmate funds, and the profits from the stores are used to purchase items that benefit inmates such as tables and chairs for visitation, televisions, and recreational equipment for inmate use.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency's Change Level requests total \$1,521,899 each year and include the following:

- Regular Salaries and Personal Services Matching increases of \$71,899 each year in associations with the Agency's request for two (2) positions for the Ouachita River Correctional Unit Commissary Expansion.
- Operating Expenses increase of \$950,000 each year for the purchase of merchandise for resale.
- Capital Outlay of \$500,000 each year for new and replacement equipment for expanded commissary operations.

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

Appropriation Summary

Appropriation: 859 - Inmate Welfare Treasury Cash

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	747,723	776,478	740,623	791,159	791,159	740,623	791,159	791,159
#Positions		0	26	28	26	28	28	26	28	28
Personal Services Matching	5010003	0	295,163	295,710	297,577	318,940	318,940	297,577	318,940	318,940
Operating Expenses	5020002	8,997,454	11,479,400	11,479,400	11,479,400	12,429,400	12,429,400	11,479,400	12,429,400	12,429,400
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	600,000	0	500,000	500,000	0	500,000	500,000
Total		8,997,454	12,522,286	13,151,588	12,517,600	14,039,499	14,039,499	12,517,600	14,039,499	14,039,499
Funding Sources										
Fund Balance	4000005	3,269,671	2,612,196		71,899	71,899	71,899	1,593,798	71,899	71,899
Cash Fund	4000045	8,339,979	9,981,989		14,039,499	14,039,499	14,039,499	14,039,499	14,039,499	14,039,499
Total Funding		11,609,650	12,594,185		14,111,398	14,111,398	14,111,398	15,633,297	14,111,398	14,111,398
Excess Appropriation/(Funding)		(2,612,196)	(71,899)		(1,593,798)	(71,899)	(71,899)	(3,115,697)	(71,899)	(71,899)
Grand Total		8,997,454	12,522,286		12,517,600	14,039,499	14,039,499	12,517,600	14,039,499	14,039,499

Change Level by Appropriation

Appropriation: 859 - Inmate Welfare Treasury Cash
Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	12,517,600	26	12,517,600	100.0	12,517,600	26	12,517,600	100.0
C01	Existing Program	1,521,899	2	14,039,499	112.2	1,521,899	2	14,039,499	112.2

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	12,517,600	26	12,517,600	100.0	12,517,600	26	12,517,600	100.0
C01	Existing Program	1,521,899	2	14,039,499	112.2	1,521,899	2	14,039,499	112.2

Justification

C01	Self-supported Pen Store operations within institutions provide the opportunity for inmates to purchase various commissary supplies such as hygiene items, paper, and stamps as well as various snack foods. The biennial request for this cash fund operation includes inflationary operating cost increases for resale operations at existing units and two additional positions for the commissary at the Ouachita River Special Needs Unit expansion. Included in this request is new and replacement capital equipment.
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Analysis of Budget Request

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

This cash appropriation is funded by proceeds derived from contractual agreement with a telephone service provider for the operation of a coin-less telephone system that was implemented in the 1995-97 biennium. The program allows inmates to call family or friends collect with a portion of the receipts from such calls paid to the Department of Correction by the telephone company. The appropriation is used for inmate assistance projects, security equipment, long term needs, and general operations as annually approved by the Arkansas Board of Corrections.

The Agency's Change Level Requests total a \$2,750,000 increase each year and include the following:

- Operating Expenses of \$450,000 each year for building and grounds maintenance, public safety and inmate assistance, security, long-term needs, general operations and other projects as may be allocated by the Board of Corrections.
- Professional Fees of \$100,000 each year to provide appropriation for flexibility in allocating available funding for priority projects;
- Construction appropriation totaling \$1,800,000 each year to provide for various long-term needs projects.
- The Capital Outlay of \$400,000 each year for new/replacement equipment associated with priority Inmate assistance/operations needs, security equipment, long-term needs, and other projects as may be allocated by the Board of Corrections;

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

Appropriation Summary

Appropriation: 865 - Non-Tax Revenue Receipts

Funding Sources: NDC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,286,736	1,229,195	2,903,750	1,229,195	1,679,195	1,679,195	1,229,195	1,679,195	1,679,195
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	1,588	0	213,151	0	100,000	100,000	0	100,000	100,000
Construction	5090005	751,321	2,238,275	2,255,725	2,238,275	4,038,275	4,038,275	2,238,275	4,038,275	4,038,275
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	279,792	400,000	400,000	0	400,000	400,000	0	400,000	400,000
Total		2,319,437	3,867,470	5,772,626	3,467,470	6,217,470	6,217,470	3,467,470	6,217,470	6,217,470
Funding Sources										
Fund Balance	4000005	902,754	1,317,361		0	0	0	2,750,000	0	0
Cash Fund	4000045	2,734,044	2,550,109		6,217,470	6,217,470	6,217,470	6,217,470	6,217,470	6,217,470
Total Funding		3,636,798	3,867,470		6,217,470	6,217,470	6,217,470	8,967,470	6,217,470	6,217,470
Excess Appropriation/(Funding)		(1,317,361)	0		(2,750,000)	0	0	(5,500,000)	0	0
Grand Total		2,319,437	3,867,470		3,467,470	6,217,470	6,217,470	3,467,470	6,217,470	6,217,470

Change Level by Appropriation

Appropriation: 865 - Non-Tax Revenue Receipts
Funding Sources: NDC - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,467,470	0	3,467,470	100.0	3,467,470	0	3,467,470	100.0
C01	Existing Program	2,750,000	0	6,217,470	179.3	2,750,000	0	6,217,470	179.3

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,467,470	0	3,467,470	100.0	3,467,470	0	3,467,470	100.0
C01	Existing Program	2,750,000	0	6,217,470	179.3	2,750,000	0	6,217,470	179.3

Justification

C01	Funds for this appropriation are derived from operation of an inmate calling system that began in the 1995-97 biennium. The system allows inmates the opportunity to call family or friends and provides revenues that are used to fund inmate assistance, security equipment, medical equipment, long-term needs that enhance quality of life in the institutions, and general operations. The biennial request will provide various operational appropriations needed to provide flexibility in funding projects that are approved by the Board of Corrections. Included in this request is Construction appropriation in the amount of \$1,800,000 and Capital Outlay in the amount of \$400,000. These items will be funded as revenues are available.
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Analysis of Budget Request

Appropriation: B01 - Regional Facilities Oprs Cash

Funding Sources: 143 - Cash in Bank

This appropriation is for Debt Service/Lease payments through the Arkansas Development Finance Authority for the bonded indebtedness or leases of regional correctional facilities. Receipts into this account are transfers from work release cash funds, payments to the Department of Correction for the housing of county and city prisoners in regional facilities, or such other sources as required.

The Agency requests a discontinuation of this appropriation.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: B01 - Regional Facilities Oprs Cash

Funding Sources: 143 - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service 5120019	0	800,000	800,000	800,000	0	0	800,000	0	0
Total	0	800,000	800,000	800,000	0	0	800,000	0	0
Funding Sources									
Cash Fund 4000045	0	800,000		0	0	0	0	0	0
Total Funding	0	800,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		800,000	0	0	800,000	0	0
Grand Total	0	800,000		800,000	0	0	800,000	0	0

APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM

Change Level by Appropriation

Appropriation: B01 - Regional Facilities Oprs Cash
Funding Sources: 143 - Cash in Bank

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	800,000	0	800,000	100.0	800,000	0	800,000	100.0
C03	Discontinue Program	(800,000)	0	0	0.0	(800,000)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	800,000	0	800,000	100.0	800,000	0	800,000	100.0
C03	Discontinue Program	(800,000)	0	0	0.0	(800,000)	0	0	0.0

Analysis of Budget Request

Appropriation: B06 - Prison Housing Contract Cash

Funding Sources: 143 - Cash in Bank

This appropriation is for Debt Service/Lease payments through the Arkansas Development Finance Authority for the bonded indebtedness or leases of regional correctional facilities. Receipts into this account are transfers from work release cash funds, payments to the Department of Correction for the housing of county and city prisoners in regional facilities, or such other sources as required.

The Agency requests a discontinuation of this appropriation.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: B06 - Prison Housing Contract Cash

Funding Sources: 143 - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service 5120019	0	200,000	200,000	200,000	0	0	200,000	0	0
Total	0	200,000	200,000	200,000	0	0	200,000	0	0
Funding Sources									
Cash Fund 4000045	0	200,000		0	0	0	0	0	0
Total Funding	0	200,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		200,000	0	0	200,000	0	0
Grand Total	0	200,000		200,000	0	0	200,000	0	0

APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM

Change Level by Appropriation

Appropriation: B06 - Prison Housing Contract Cash
Funding Sources: 143 - Cash in Bank

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	200,000	0	200,000	100.0	200,000	0	200,000	100.0
C03	Discontinue Program	(200,000)	0	0	0.0	(200,000)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	200,000	0	200,000	100.0	200,000	0	200,000	100.0
C03	Discontinue Program	(200,000)	0	0	0.0	(200,000)	0	0	0.0

Analysis of Budget Request

Appropriation: C02 - Constr Fund Deficiency Cash

Funding Sources: 143 - Cash in Treasury

This appropriation is for Debt Service/Lease payments through the Arkansas Development Finance Authority for the bonded indebtedness or leases of regional correctional facilities. Receipts into this account are transfers from work release cash funds, payments to the Department of Correction for the housing of county and city prisoners in regional facilities, or such other sources as required.

The Agency requests a discontinuation of this appropriation.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C02 - Constr Fund Deficiency Cash

Funding Sources: 143 - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service 5120019	0	500,000	500,000	500,000	0	0	500,000	0	0
Total	0	500,000	500,000	500,000	0	0	500,000	0	0
Funding Sources									
Cash Fund 4000045	0	500,000		0	0	0	0	0	0
Total Funding	0	500,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		500,000	0	0	500,000	0	0
Grand Total	0	500,000		500,000	0	0	500,000	0	0

APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM

Change Level by Appropriation

Appropriation: C02 - Constr Fund Deficiency Cash
Funding Sources: 143 - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	500,000	0	500,000	100.0	500,000	0	500,000	100.0
C03	Discontinue Program	(500,000)	0	0	0.0	(500,000)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	500,000	0	500,000	100.0	500,000	0	500,000	100.0
C03	Discontinue Program	(500,000)	0	0	0.0	(500,000)	0	0	0.0

COUNTY AID

Enabling Laws

Act 72 of 2010
A.C.A. §19-5-602

History and Organization

Established by A.C.A. §19-5-602, the County Aid Fund consists of:

- General revenues provided under the Revenue Stabilization Law;
- Special revenues including:
 - Arkansas Highway Revenue Distribution Law - A.C.A. §27-70-201 et seq.
 - Special revenues specified in A.C.A. §19-6-301 subdivisions (74) and (117)
 - 34% of those special revenues as specified in subdivision (20) of A.C.A. §19-6-301
 - 25% of all severance taxes other than those imposed upon saw timber and timber products as set out in subdivision (18) of A.C.A. §19-6-301 of the Revenue Classification Law

All distributions of general and special revenues are to be made within ten (10) days after the close of each calendar month to the respective counties.

General revenue is distributed with seventy-five percent (75%) divided equally among the seventy-five (75) counties of the state and twenty-five percent (25%) distributed on the basis of population according to the most recent federal decennial or special census, with each county to receive the proportion that its population bears to the total population of the state. The funds are received by the County Treasurer and are to be credited to the County General Fund to be used for general county purposes, unless otherwise appropriated by the Quorum Court.

The biennial budget request for the County Aid Fund is prepared and submitted by the Director of the Arkansas Association of Counties.

Agency Commentary

Counties in Arkansas are a constitutionally created political subdivision of the State. Every citizen lives in a county and receives part of his or her government services from the county. A.C.A. §14-14-802 provides that county government shall provide the following necessary services for its citizens:

- a) the administration of justice through several courts of record of the county;
- b) law enforcement protection services and the custody of persons accused or convicted of crimes;
- c) real and personal property tax administration, including assessments, collection and custody of tax proceeds;
- d) court and public records management, as provided by law, including registration, recording and custody of public records; and
- e) all other services prescribed by State law for performance by each of the several elected county officers or departments of county government.

In order to assist counties with ever-increasing costs of providing services, the State began some funding as far back as 1964 and in 1973 by Act 750 of the General Assembly created the County Aid Fund (turnback).

Act 1476 of 2009 provided to simplify and clarify the method of distribution of moneys received by the Treasurer of State from the federal government for a sale, lease, royalty, bonus, or rental of oil, gas, or mineral lands belonging to the federal government and located in this state by amending ACA 19-7-801 and repealing ACA 19-7-802. These modifications removed the need to maintain separate appropriations.

The Association of Arkansas Counties requests Base Level for the 2011-2013 biennium, with the exception of Military Land Sale (Appropriation 1CW) and Military Land Taxing Unit Distribution (Appropriation 1CX), which are not requested as a result of changes made by Act 1476 of 2009. In the future, all grants funded from the sale or lease of oil, gas, or mineral lands belonging to the federal government will be made from Unanticipated Special Revenues (Appropriation 190).

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :
COUNTY AID

FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for the Agency.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
073 General Revenue to Counties	12,390,501	0	19,645,067	0	19,741,546	0	19,645,067	0	19,645,067	0	19,645,067	0	19,645,067	0	19,645,067	0	19,645,067	0
074 Special Revenue to Counties	95,315,882	0	160,000,000	0	160,000,000	0	160,000,000	0	160,000,000	0	160,000,000	0	160,000,000	0	160,000,000	0	160,000,000	0
190 Mineral Lease	15,460,265	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0
1CW Military Land Sale	0	0	750,000	0	750,000	0	750,000	0	0	0	0	0	750,000	0	0	0	0	0
1CX Military Land Taxing Unit Distribution	0	0	1,250,000	0	1,250,000	0	1,250,000	0	0	0	0	0	1,250,000	0	0	0	0	0
738 Real Property Tax Reduction-Counties	203,402,255	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0	250,000,000	0
742 Property Tax Relief - Counties	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Total	330,568,903	0	455,645,067	0	455,741,546	0	455,645,067	0	453,645,067	0	453,645,067	0	455,645,067	0	453,645,067	0	453,645,067	0

Funding Sources		%		%		%		%		%		%		%		%	
General Revenue	4000010	12,390,501	3.7	19,645,067	4.3	19,645,067	4.3	19,645,067	4.3	19,645,067	4.3	19,645,067	4.3	19,645,067	4.3	19,645,067	4.3
Federal Revenue	4000020	15,460,265	4.7	22,000,000	4.8	22,000,000	4.8	20,000,000	4.4	20,000,000	4.4	22,000,000	4.8	20,000,000	4.4	20,000,000	4.4
Special Revenue	4000030	95,315,882	28.8	160,000,000	35.1	160,000,000	35.1	160,000,000	35.3	160,000,000	35.3	160,000,000	35.1	160,000,000	35.3	160,000,000	35.3
Trust Fund	4000050	207,402,255	62.7	254,000,000	55.7	254,000,000	55.7	254,000,000	56.0	254,000,000	56.0	254,000,000	55.7	254,000,000	56.0	254,000,000	56.0
Total Funds		330,568,903	100.0	455,645,067	100.0	455,645,067	100.0	453,645,067	100.0	453,645,067	100.0	455,645,067	100.0	453,645,067	100.0	453,645,067	100.0
Excess Appropriation/(Funding)		0		0		0		0		0		0		0		0	
Grand Total		330,568,903		455,645,067		455,645,067		453,645,067		453,645,067		455,645,067		453,645,067		453,645,067	

Special Language authorizes carry forward of funding for all County Aid Appropriations.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Analysis of Budget Request

Appropriation: 073 - General Revenue to Counties

Funding Sources: MLC - County Aid Fund

The following appropriations provide spending authority for the Treasurer's Office to distribute general, special and federal funds to counties:

- General Revenue to Counties (073)
- Special Revenue to Counties (074)
- Unanticipated Special Revenue - Mineral Lease (190)
- Military Land Sale (1CW)
- Military Land Taxing Unit Distribution (1CX)

Act 1476 of 2009 provided to simplify and clarify the method of distribution of moneys received by the Treasurer of State from the federal government for a sale, lease, royalty, bonus, or rental of oil, gas, or mineral lands belonging to the federal government and located in this state by amending ACA 19-7-801 and repealing ACA 19-7-802. These modifications removed the need to maintain separate appropriations.

In addition to Base Level, the Association of Arkansas Counties requests to discontinue Military Land Sale (Appropriation 1CW) and Military Land Taxing Unit Distribution (Appropriation 1CX). All future grant distributions for the sale or lease of oil, gas, or mineral lands belonging to the federal government will be made from Unanticipated Special Revenue (Appropriation 190).

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 073 - General Revenue to Counties

Funding Sources: MLC - County Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	12,390,501	19,645,067	19,741,546	19,645,067	19,645,067	19,645,067	19,645,067	19,645,067	19,645,067
Total		12,390,501	19,645,067	19,741,546	19,645,067	19,645,067	19,645,067	19,645,067	19,645,067	19,645,067
Funding Sources										
General Revenue	4000010	12,390,501	19,645,067		19,645,067	19,645,067	19,645,067	19,645,067	19,645,067	19,645,067
Total Funding		12,390,501	19,645,067		19,645,067	19,645,067	19,645,067	19,645,067	19,645,067	19,645,067
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		12,390,501	19,645,067		19,645,067	19,645,067	19,645,067	19,645,067	19,645,067	19,645,067

Special Language provides for carry forward of funding. The carry forward funding amount for FY11 was \$422,228.

FY10 Actual does not reflect fund transfers to the State Central Services Fund to support Deputy Prosecutors (\$4,868,618) or to the Assessment Coordination Department for the Real Property Reappraisal Program (\$2,280,000).

Appropriation Summary

Appropriation: 074 - Special Revenue to Counties

Funding Sources: MLC - County Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	95,315,882	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000
Total		95,315,882	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000
Funding Sources										
Special Revenue	4000030	95,315,882	160,000,000		160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000
Total Funding		95,315,882	160,000,000		160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		95,315,882	160,000,000		160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000

Special Language provides for carry forward of funding. The carry forward funding amount for FY11 was \$247,392.

Appropriation Summary

Appropriation: 190 - Mineral Lease

Funding Sources: MLC - County Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	15,460,265	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total		15,460,265	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Funding Sources										
Federal Revenue	4000020	15,460,265	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total Funding		15,460,265	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		15,460,265	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000

Special Language provides for carry forward of funding. The carry forward funding amount for FY11 was \$308,901.

Appropriation Summary

Appropriation: 1CW - Military Land Sale

Funding Sources: MLC - County Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	750,000	750,000	750,000	0	0	750,000	0	0
Total	0	750,000	750,000	750,000	0	0	750,000	0	0
Funding Sources									
Federal Revenue 4000020	0	750,000		750,000	0	0	750,000	0	0
Total Funding	0	750,000		750,000	0	0	750,000	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	750,000		750,000	0	0	750,000	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

Change Level by Appropriation

Appropriation: 1CW - Military Land Sale
Funding Sources: MLC - County Aid Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	750,000	0	750,000	100.0	750,000	0	750,000	100.0
C03	Discontinue Program	(750,000)	0	0	0.0	(750,000)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	750,000	0	750,000	100.0	750,000	0	750,000	100.0
C03	Discontinue Program	(750,000)	0	0	0.0	(750,000)	0	0	0.0

Justification

C03	Act 1476 of 2009 provided to simplify the revenue distribution from the sale or lease of oil, minerals or gas on federal property. As a result, this appropriation is no longer required. Future grant distributions will be made from Unanticipated Special Revenues (Appropriation 190).
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Appropriation Summary

Appropriation: 1CX - Military Land Taxing Unit Distribution

Funding Sources: MLC - County Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	1,250,000	1,250,000	1,250,000	0	0	1,250,000	0	0
Total	0	1,250,000	1,250,000	1,250,000	0	0	1,250,000	0	0
Funding Sources									
Federal Revenue 4000020	0	1,250,000		1,250,000	0	0	1,250,000	0	0
Total Funding	0	1,250,000		1,250,000	0	0	1,250,000	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	1,250,000		1,250,000	0	0	1,250,000	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

Change Level by Appropriation

Appropriation: 1CX - Military Land Taxing Unit Distribution
Funding Sources: MLC - County Aid Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,250,000	0	1,250,000	100.0	1,250,000	0	1,250,000	100.0
C03	Discontinue Program	(1,250,000)	0	0	0.0	(1,250,000)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,250,000	0	1,250,000	100.0	1,250,000	0	1,250,000	100.0
C03	Discontinue Program	(1,250,000)	0	0	0.0	(1,250,000)	0	0	0.0

Justification

C03	Act 1476 of 2009 provided to simplify the revenue distribution from the sale or lease of oil, minerals or gas on federal property. As a result, this appropriation is no longer required. Future grant distributions will be made from Unanticipated Special Revenues (Appropriation 190).
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Analysis of Budget Request

Appropriation: 738 - Real Property Tax Reduction-Counties

Funding Sources: TPR - Property Tax Relief Trust

Amendment 79 to the Arkansas Constitution proposed limiting the increase in the assessed value of a taxpayer's real property after a countywide reappraisal and a required property tax credit of at least three hundred dollars (\$300) on homestead property. This amendment was adopted at the November 2000 general election and became effective January 1, 2001.

This appropriation provides spending authority for the Treasurer's Office to distribute special revenue to counties based upon a property tax reduction.

The Association of Arkansas Counties requests Base Level for the 2011-2013 biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 738 - Real Property Tax Reduction-Counties

Funding Sources: TPR - Property Tax Relief Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	203,402,255	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Total		203,402,255	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000

Funding Sources									
Trust Fund	4000050	203,402,255	250,000,000		250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Total Funding		203,402,255	250,000,000		250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0
Grand Total		203,402,255	250,000,000		250,000,000	250,000,000	250,000,000	250,000,000	250,000,000

Special Language provides for carry forward of funding. For FY11, the carry forward funding amount was \$334,963.

Analysis of Budget Request

Appropriation: 738A - Property Tax Relief - Counties

Funding Sources: TPR - Property Tax Relief Trust Fund

Amendment 79 to the Arkansas Constitution proposed limiting the increase in the assessed value of a taxpayer's real property after a countywide reappraisal and a required property tax credit of at least three hundred dollars (\$300) on homestead property. This amendment was adopted at the November 2000 general election and became effective January 1, 2001.

Beginning with Act 1268 of 2007, this appropriation provides additional spending authority for the Treasurer's Office to distribute surplus property tax reduction special revenue to counties, contingent upon available funding.

The Association of Arkansas Counties requests Base Level for the 2011-2013 biennium.

The Executive Recommendation provides for the Agency Request. Use of this appropriation is contingent on availability of funding.

Appropriation Summary

Appropriation: 738A - Property Tax Relief - Counties

Funding Sources: TPR - Property Tax Relief Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Funding Sources									
Trust Fund 4000050	4,000,000	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total Funding	4,000,000	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	4,000,000	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

ARKANSAS COURT OF APPEALS

Enabling Laws

Act 77 of 2010
A.C.A. §16-21-101 et seq.
Constitution of Arkansas, Amendment 58

History and Organization

The Arkansas Court of Appeals is a court of appellate jurisdiction that was established pursuant to the provisions of Amendment 58 to the Arkansas Constitution to help alleviate the tremendous caseload of the Arkansas Supreme Court.

Act 208 of 1979 (A.C.A. §16-12-101 et seq.) created the Court of Appeals pursuant to the provisions of Amendment 58 of the Arkansas Constitution. Act 1085 of 1993 provided for the increase of the number of sitting judges on the Court of Appeals from six to twelve; Act 11 of the First Extraordinary Session of 1995 repealed certain sections of Act 1085 and allowed for the appointment of the six additional judges. Act 889 of 1999 provided for the election of an additional judge from each of the existing Court of Appeal districts to replace the six judges appointed pursuant to Act 1085. Act 1812 of 2003 reapportioned the Court of Appeals into seven new electoral districts in recognition of population shifts that had occurred since 1979. Act 77 of 2010 established the Court of Appeals appropriation for the biennial year of 2011.

With certain exceptions, all cases previously appealable to the Supreme Court are now appealed to the Court of Appeals. Jurisdiction of the Court of Appeals is established by the Supreme Court pursuant to its rule-making authority and is embodied in its per curiam In re Supreme Court Rule 1-2, 329 AR Appx. 657 (June 30, 1997), which requires that appeals be filed in the Court of Appeals except for specific exceptions. Such exceptions include, but are not necessarily limited to, cases involving interpretation or construction of the Constitution of the State of Arkansas; criminal cases where the death penalty or life imprisonment has been imposed; petitions for quo warranto, prohibition, injunction, or mandamus; election cases; cases involving discipline of attorneys; appeals involving the discipline and disability of judges; and subsequent appeals of a case that was decided by the Supreme Court. All other cases are appealed to the Court of Appeals for resolution; however, any case is subject to reassignment to the Supreme Court. No appeal as a right lies from the Court of Appeals to the Supreme Court, although the Supreme Court may exercise its discretion to review an appeal decided by the Court of Appeals in limited situations.

At its inception the Court of Appeals was made up of six sitting judges but through the above-referenced legislation the size of the court was increased to twelve sitting judges elected to eight year terms from seven districts. The Chief Justice of the Arkansas Supreme Court designated one of the twelve judges to serve as Chief Judge of the Court of Appeals. The Court of Appeals FY11 appropriation authorized 49

Agency Commentary

Regular Salaries (Commitment Item 5010000): Salary requests for the Court's 49 positions for FY12 and FY 13 reflect the same base levels as FY11 as established by the Office of Personnel Management's Pay Plan Classification Study. The Court of Appeals requests that if a COLA increase is awarded during the next biennium, the Court of Appeals personnel receive the same increase as other state employees.

Extra Help (Commitment Item 50100001): The Court is asking for its 2011 authorized appropriation of \$25,000 for FY12 and FY13. These funds allow the Court to hire temporary personnel when necessary because of employee illness or injury.

Personal Services Matching (Commitment Item 50100003): The Court is requesting for FY12 and FY13 an amount in proportion to its salary requests, increase insurance contributions, and increased retirement contributions.

Operating Expenses (Commitment Item 50200002): The Court is requesting its 2011 authorized appropriation of \$192,729 for FY12 and FY13. This continued amount is necessary to offset increased costs for library materials, postage, internet usage, maintenance fees, supplies, and computer replacement.

Conference and Travel Fees (Commitment Item 50500009): This request of \$68,900 for FY12 and FY13 has not increased from FY11 authorized levels.

Capital Outlay (Commitment Item 51200011): The Court is requesting that its FY 11 appropriation of \$10,500 be restored for FY12 and FY13 to allow the Court to replace high-valued equipment as necessary.

Legal Counsel (Commitment Item 5900040): The Court is requesting its FY11 authorized appropriation of \$260,000. This appropriation is used to the pay fees of attorneys appointed to represent indigent appellants in criminal appeals. In FY2010, the Court paid 177 fee awards.

Special Judges (Commitment Item 5900046): The Court is requesting that its FY11 authorized appropriation of \$17,044. The Court's judges sit in four three-judge panels. In the event a judge is absent from the court because of illness, accident, or other emergency, these funds are used to pay a special judge to fill in for the absent judge so that panel can continue to operate.

Mileage Reimbursement (Commitment Item 5900047): The Court is requesting its FY11 appropriation of \$60,000 for FY12 and FY13. This allowance is used to reimburse its judges, whose official residence is outside of Pulaski County, for their travel expense.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS COURT OF APPEALS
 FOR THE YEAR ENDED JUNE 30, 2009

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	10	32	42	91 %
Black Employees	1	3	4	9 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	9 %
Total Employees			46	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Arkansas Reports	ACA 16-11-201; AR Supreme Court Rule 5-2	N	N	0	Publication of the Court of Appeals opinions ceased with volume 375 Ark/104 Ark. App. These opinions are now published online. IN RE: Arkansas Supreme Court and Court of Appeals Rule 5-2 (May 28, 2009)

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
49	49	0	49	0	0.00 %	49	46	3	49	0	6.12 %	49	46	3	49	0	6.12 %

Appropriation Summary

Appropriation: 111 - Court of Appeals

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,579,361	2,620,639	2,776,967	2,599,539	2,599,539	0	2,599,539	2,599,539	0
#Positions	49	49	49	49	49	0	49	49	0
Extra Help 5010001	0	25,000	25,000	25,000	25,000	0	25,000	25,000	0
#Extra Help	0	2	2	2	2	0	2	2	0
Personal Services Matching 5010003	706,086	766,702	771,676	769,222	769,222	0	769,222	769,222	0
Operating Expenses 5020002	154,809	192,729	192,729	192,729	192,729	0	192,729	192,729	0
Conference & Travel Expenses 5050009	30,245	68,900	68,900	68,900	68,900	0	68,900	68,900	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	9,253	10,500	10,500	0	10,500	0	0	10,500	0
Legal Counsel 5900040	255,505	260,000	260,000	260,000	260,000	0	260,000	260,000	0
Special Judges 5900046	0	17,044	17,044	17,044	17,044	0	17,044	17,044	0
Mileage Reimbursement 5900047	44,648	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Total	3,779,907	4,021,514	4,182,816	3,992,434	4,002,934	0	3,992,434	4,002,934	0
Funding Sources									
State Central Services 4000035	3,779,907	4,021,514		3,992,434	4,002,934	0	3,992,434	4,002,934	0
Total Funding	3,779,907	4,021,514		3,992,434	4,002,934	0	3,992,434	4,002,934	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,779,907	4,021,514		3,992,434	4,002,934	0	3,992,434	4,002,934	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 111 - Court of Appeals
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,992,434	49	3,992,434	100.0	3,992,434	49	3,992,434	100.0
C01	Existing Program	10,500	0	4,002,934	100.3	10,500	0	4,002,934	100.3
C04	Reallocation	0	0	4,002,934	100.3	0	0	4,002,934	100.3

DOE - General Education

Enabling Laws

Act 1474 of 2009
Act 126 of 2010
Act 293 of 2010 (PSF)
A.C.A. §6-5-301 et seq.
A.C.A. §6-10-101 thru §6-26-305
A.C.A. §6-42-101 et seq.
A.C.A. §6-45-101 et seq.
A.C.A. §6-47-201 et seq.
A.C.A. §26-80-101 et seq.
A.C.A. §25-6-101 et seq.

History and Organization

HISTORY OF PUBLIC EDUCATION IN ARKANSAS

Provisions were made within the framework of the Constitution of the State of Arkansas for free public education; directing the legislature to pass needed laws related to education; creating funding for public schools; providing local taxing units for school purposes; designing a method of levying a tax for maintenance and operation of local school districts; and providing authority for local school board members to carry out programs of the State's public education department.

The Arkansas Territorial Legislature in 1829 passed the first law for public education by requiring county judges to appoint a trustee for the sixteenth section of land in each township granted to education. The territory was organized in 1819. In 1853, the office of the County School Commissioner was created by the legislature. With various title changes and added responsibilities, this particular individual is now called the County School Supervisor.

In 1931, the Arkansas General Assembly established a reorganization law whereby consolidation of districts occurred only by the majority of the electors of those districts. In 1948, the Arkansas voters created the District Reorganization Bill that reduced the number of school districts from 1,500 to 424.

From 1875 to 1931, the office of the State's Superintendent of Public Instruction was reestablished. In 1931, the elected office of State Superintendent was abolished, and the State Board of Education was given the power to select a Commissioner of Education.

In 1965, the improvement of elementary and secondary schools was emphasized during a Presidential message on education. Within months after the message, Congress passed the Elementary and Secondary Education Act, which was to strengthen and improve the quality of education and increased educational opportunities in the public schools. The educational opportunities provided for in this federal act are currently being paid from federal funds.

Act 38 of 1971 changed the title of the Commissioner of Education to the Director of Education but kept the duties and powers of the office the same. The Director of Education was to be confirmed by the Governor and served at the pleasure of the Governor.

Act 64 of 1981 divided the Department of Education into two major divisions, the General Education Division and the Vocational and Technical Education Division with each Division having a separate director.

Act 445 of 1983, known as "The Quality Education Act of 1983," provided for the establishment of minimum standards for accrediting public elementary and secondary schools in the State. As a result, the **Standards for Accreditation of Arkansas Public Schools** were developed and adopted by the State Board of Education on February 22, 1984. School districts had until June 1, 1987, to meet the Standards or risk consolidation or annexation. In 1984, there were 367 school districts in the State. As of June 30, 2000, there were 310 school districts in the State. These Standards have been revised once since they were put into place. The revision occurred in 1993.

Act 34 of 1983, First Extraordinary Session, created a new funding formula for local school districts known as "The School Finance Act of 1984." This particular formula provided funding to school districts known as Minimum Foundation Program Aid. The main focus of the 1983 First Extraordinary Session was education. The Arkansas General Assembly passed a one-cent sales tax which helped to increase the revenue available to school districts and to fund many new programs for education.

The legislation passed in the 1983 Regular Session and the 1983 First Extraordinary Session was considered to be the "first wave" of educational reform for Arkansas public schools. Examples of reforms include: required elementary school counselors; established smaller class sizes; created curriculum content guides which listed requirements for courses to be taught; increased advanced course offerings; required yearly testing of students in grades 3, 6, and 8 in the basic skills, Minimum Performance Test (MPT); required all public school districts to develop and file a six-year plan for improving its educational programs; established an Advisory Council for the Education of Gifted and Talented Children; implemented Act 76 of 1983, First Extraordinary Session, requiring teachers, administrators, and other certified personnel to undergo testing in regard to functional academic skills and knowledge of subject areas; implemented an effective schools project as a model of excellence for Arkansas public schools; and provided for the implementation of computer-based educational projects in the public schools, later known as the Instructional Microcomputer Project for Arkansas Classrooms (IMPAC).

In 1985-86, the Arkansas General Assembly adopted an array of additional legislation such as the establishment of a statewide system of Education Service Cooperatives; the authorization of parents to provide home schooling for their children; the amendment to the Arkansas Teacher Retirement System laws to establish an optional noncontributory plan for its members; the authorization of the Department of Education, General Division, to develop and implement a program of health services; the creation of a commission to study the disparity in teacher salaries; and the requirement for school districts to establish a drug abuse prevention program.

In 1987-88, the Arkansas General Assembly provided the state education system with acts such as establishing residency requirements for persons attending public schools; providing waivers from the teacher salary requirement due to a one time increase in new current revenue; establishing guidelines for reporting data on students leaving high school prior to graduation; establishing the Commission on Teaching Excellence; and changing the date of the annual school election to the third Tuesday in September.

In 1989-90, the Arkansas General Assembly set up the Office of Accountability to assess the performance of schools and to publish a School Report Card by December 1 of each year, the School Choice program enabling students to attend a public school in a district other than the one in which the student resides but subject to certain restrictions and conditions, the Arkansas Early Childhood Commission, the suspension of a student's learner's permit or driver's license if no longer attending school if under 17, and a mandatory kindergarten law.

In 1991-92, the Arkansas General Assembly created an Educational Excellence Trust Fund to target to all of education the funds from a 1/2 cent sales tax increase; established a statewide computer network for education, later known as the Arkansas Public School Computer Network (APSCN), which is a computer link up with all schools in the State to facilitate data collection and reduce paperwork; established the Arkansas School for Mathematics and Sciences; established the Academy for Leadership Training and School-based Management; and passed a major restructuring act, Act 236 of 1991, which called for the reorganization of the Department of Education, General Division, to provide more support and less regulation to school districts as well as defining what Arkansas public schools must do in preparing students to be internationally competitive. The Department established the Comprehensive Outcomes Evaluation Program as a method for evaluation of the public schools every five years as mandated by the Standards for Accreditation. School vehicle insurance was added to the insurance program as a self-insurance program for schools.

In 1993-94, the legislature combined the appropriations for the Department of Education to a few appropriations for greater flexibility in reaching the goals of Act 236 of 1991. Grant programs were set up for Writing Assessments to assist in the development and piloting of writing portfolios and Curriculum Frameworks for school districts to develop exemplary local curricula to serve as statewide models. An appropriation was also set up for Workers Compensation to help school districts with worker compensation payments on school personnel. In addition, the K-3 Initiative was started with the passage of Act 1139 of 1993 which provided free summer school and summer school transportation to K-3 students who did not perform at grade level during the regular school year. In order for these students to be eligible for promotion to the next grade, they had to attend this specially designed summer school program.

In 1995-96, the Arkansas General Assembly enacted a new funding formula for the public schools that provided more equity in school funding. Minimum Foundation Program Aid was replaced by Equalization Funding. The legislature also funded At-risk Programs, Growth Facilities Funding, Additional Base Funding, and Debt Service Funding Supplements to assist districts with the cost of facilities. Technology centers were appropriated for the Education Service Cooperative to assist local school districts. Fiscal Crisis Relief Funding also provided assistance to districts adversely affected by the implementation of the new funding formula. Other legislation passed in 1995 included: an act to require criminal background checks for all teachers and administrators seeking an Arkansas teaching license for the first time; an act to ensure that a fiscal or academic crisis will not interrupt educational services provided to students (Academic and Fiscal Distress); an act known as the School Bus Safety Act of 1995; an act to establish the Arkansas Advanced Placement Incentive Program; an act to expand the K-3 Initiative of 1993 to include grades K-5; and an act to increase the number of State Board of Education members from nine (9) to twelve (12).

In 1997-98, the Arkansas General Assembly passed legislation which provided for one core curriculum for all students in Arkansas public schools; required the Director to develop a plan to allow all school districts to utilize distance learning through a distance learning network; amended the laws concerning home-schooled students; provided a clearinghouse for information on nonsectarian practices in character and citizenship education; amended the laws relative to Arkansas education goals and performance accountability; required criminal background checks as a condition for employment in a public school district for all non-certified staff positions; expanded the requirement for background checks on teachers and administrators; allowed Teacher Retirement System members to retire with 28 years of service rather than 30; and Act 803 of 1997 abolished the Vocational and Technical Division of the Department of Education and created the Department of Workforce Education as a separate state agency with its own State Board of Workforce Education and Career Opportunities. The State Board of Education and the Department of Education continued for the general supervision of the public K-12 schools in the State.

In 1999-2000, the Arkansas General Assembly passed legislation which provided for teacher incentives to seek the National Board for Professional Teaching Standards (NBPTS) Certification to pay full tuition cost and bonuses; annual individual school performance reports and for the distribution of these reports to all parents or guardians of children enrolled in Arkansas public schools; the reduction in the number of State Board of Education members from twelve (12) to nine (9) over a three-year period; a new Charter School Law which allows for open-enrollment and school district conversion forms of charter schools with the new law completely replacing the 1995 law; the establishment for an accountability program for schools across the State referred to as the Arkansas Comprehensive Testing Assessment and Accountability Program (ACTAAP); and the elimination of the antiquated county boards of education in all 75 counties of the State over time.

In 2001-2002, the Arkansas General Assembly created the Arkansas Blue Ribbon Commission on Public Education to define an equitable and adequate system of free public education in the State as mandated under the "general, suitable and efficient" components of the Arkansas Constitution; directed the State Board of Education to conduct a study of public education, its structure, financial needs, and funds needed for improvement; adopted ethical guidelines to prohibit self-dealing in transactions between public educational entities and board members, administrators, or employees; passed the Educator Compensation Act to supplement traditional pay increases for the State's teachers; authorized the Department of Education to conduct a study of grade inflation within the State's high schools and to notify schools of such

finding; established procedures for identifying critical teacher shortage areas and granting retired teachers a waiver of earnings limitations to return to active employment to help meet the needs of these areas; and clarified the State's ethics law to allow teachers and other school employees to receive gifts or compensation which recognize the employee's contribution to education.

In 2003-2004, the General Assembly addressed four major areas in the public education system of Arkansas: structure of the K-12 system, public school funding, public school facilities, and the structure of the Arkansas Department of Education. During the Regular Session, the legislature enacted the Omnibus Quality Education Act, requiring all school districts to meet the Standards for Accreditation with sanctions for non-compliance; established requirements for school districts to create plans for more parental involvement in public schools; and created the Joint Committee on Educational Facilities to assess all of the State's K-12 facilities and equipment. During the 2nd Extraordinary Session, the General Assembly required administrative consolidation of public school districts serving less than 350 students into districts that would have in excess of 350 students; adopted the Arkansas Student Assessment and Educational Accountability Act of 2004; created the Public School Funding Act, which designated a base of \$5,400 per student as the amount necessary for students to receive an adequate education; enacted a variety of revenue measures to raise the necessary funds to implement the new Public School Funding Act. The legislature also provided for the division of the Arkansas Department of Education into three divisions: General Education, Accountability and Educational Facilities with each division having its own director who answers independently to the State Board of Education. Other significant actions taken by the 84th General Assembly included the creation of a Teacher Housing Program; master's program for school principals; mandatory professional development for teachers and administrators and an appropriation to increase the number of early childhood programs offered in the State.

In 2005-06, the Arkansas General Assembly focused primarily on education reform as a result of directives and requirements of the Arkansas Supreme Court in *Lake View School District No. 25, et al. v. Mike Huckabee, et al.* The Court outlined the State's responsibility to identify and fund an adequate education for all students in Arkansas. Accordingly, legislation that provided additional funding in the amount of \$436.6 million over the biennium was implemented. The Legislature also funded and commissioned an Adequacy Study to determine future educational needs. Legislation established the Division of Public School Facilities and Transportation that will identify, assess and fund the State's facilities needs. In the area of teacher recruitment and retention, the General Assembly increased teacher salaries, took steps to strengthen the teacher health insurance program and provided for programs to enhance teaching and learning. The General Assembly also complied with the Court's mandate to track expenditures by expanding current coding methods, providing for in-service training for fiscal staff, strengthening financial accountability, and outlining penalties for non-compliance. The General Assembly continued to enhance and enrich curriculum standards and upgraded the capacity of the State's technology network. Legislation was enacted to change the structure of the Arkansas Department of Education (ADE). The ADE was also given more flexibility in personnel policies. The General Assembly again increased funding for early childhood programs to serve additional children. The Governor called the First Extraordinary Session of the 85th General Assembly to implicitly deal with the Court's mandates, providing an additional \$132.5 million for education funding.

In 2007-2008, the work conducted by the 86th General Assembly successfully freed the state from litigation in the Lake View case. On May 31, 2007, the Arkansas Supreme Court ruled that "...our system of public-school financing is now in constitutional compliance..." It further stated in the conclusion of the opinion:

“What is especially meaningful to this court is the Maters’ finding that the General Assembly has expressly shown that constitutional compliance in the field of education is an ongoing task requiring constant study, review, and adjustment. In this court’s view, Act 57 of the Second Extraordinary Session of 2003 requiring annual adequacy review by legislative committees, and Act 108 of the Second Extraordinary Session of 2003, establishing education as the State’s first funding priority, are the cornerstones for assuring future compliance.”

The legislature expanded upon Act 57 requirements, passing Act 1204 of 2007. Act 1204 set forth an outline of the work to be performed in preparation for the 2009 legislative session. Among other things it required the review of fiscal, academic, and facilities distress programs; a comparison of Arkansas teacher salaries with surrounding states and Southern Regional Education Board member states; review of expenditures from isolated schools; national school lunch student funding; declining enrollment funding; student growth funding; special education funding. Act 1204 also required an expenditure analysis and resource allocation review each biennium. The Department of Education budget total was \$760.3 million in FY08 and \$764.7 million in FY09.

At the beginning of the 2009 legislative session, Governor Mike Beebe challenged the Arkansas General Assembly to rise above the current economic circumstances and find ways to continue Arkansas’s educational progress. The General Assembly responded to this challenge, and through careful budgeting and responsible legislation, found a way to continue to fully fund public education in Arkansas. Act 1474 of 2009 established the state per-pupil foundation funding amount at \$5,905 for the 2009-2010 school year and \$6,023 for the 2010-2011 school year.

The 2009 General Assembly enhanced educational standards by passing laws that created high-stakes end-of-course assessments, changed the requirements and age for kindergarten enrollment, and allowed increased parental access to public school data. Other measures passed by the General Assembly included the Arkansas Smart Core Funding Incentive Program and grants for after-school programs. The General Assembly also implemented early interventions for school districts in danger of entering fiscal or facilities distress.

In 2010, the Arkansas General Assembly convened its first fiscal session. During this historic session, the General Assembly continued its steadfast support for education in Arkansas by allocating \$1,849,659,072 to the Department of Education Public School Fund. Through its actions, the Arkansas General Assembly maintained its commitment to fund education first.

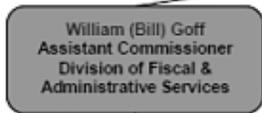
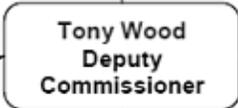
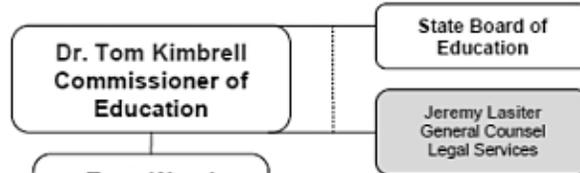
STATE BOARD OF EDUCATION - OVERSIGHT AND AUTHORITY

Statutory authority for the Arkansas State Board of Education is found in Ark. Code Ann. §6-11-101 (1999 Repl.). As set forth in various subsections of this code cite, the State Board of Education reduced the number of its members from twelve (12) to nine (9) members over a three-year period ending with the nine-member board as of July 1, 2001, two from each Congressional district of the State and the remainder to be appointed at large from within the State. The term of office is set at six (6) years with the terms of outgoing member(s) expiring on June 30 of each year. The Governor, subject to the confirmation of the Senate, appoints the members of the State Board of Education. The members take the oath of office prescribed by the Constitution of the State of Arkansas for officers.

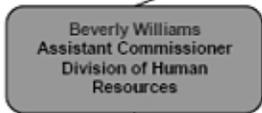
The State Board of Education's powers and duties are outlined in Ark. Code Ann. §6-11-105 (1999 Repl.). These powers and duties include such things as general supervision of the public schools of the State, recommending courses of study for the public schools, issuing licenses to qualified persons to teach in the public schools, and performing "all other functions which may now or hereafter be delegated to the State Board of Education by law."



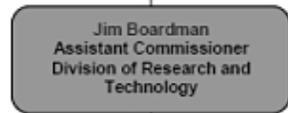
**ARKANSAS
DEPARTMENT
OF EDUCATION**



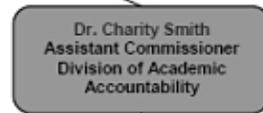
- Internal/External Agency Finance
- APSCN Financial Applications
- APSCN Student Applications
- Child Nutrition Services
- Fiscal Distress Services
- LEA Federal Funding Services
- LEA State Funding, Loans and Bonds
- Financial Accountability & Reporting



- Professional Licensure / Non-Traditional Licensure
- Teacher Quality
- Recruitment and Retention
- Professional Licensure Standards Board
- ADE Employee Induction
- Central Support



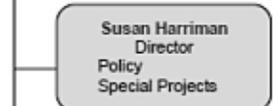
- Data Administration and Reporting (CSPR)
- Data Quality
- Technology Resources
- Network and Desktop Support
- State Data Warehouse (APSCN)



- Standards Assurance Monitoring
- Desegregation Monitoring / Equity
- School Performance Gains Model AYP Report Card
- Monitoring State/Federal



- Statewide System of Support
- School Planning and Improvement
- Professional Development
- ERZ/ Scholastic Audit
- Special Education
- Curriculum & Assessment
- ALE
- Charter/ Home Schools
- Gifted & Talented
- Guidance/ School Counseling
- Migrant Education
- Coordinated School Health
- SI Grants
- Federal Programs Title I Title IV Title V1 McKinney-Vento 21st CCLC Even Start



ADE	Arkansas Department of Education
ALE	Alternative Learning Environment
APSCN	Arkansas Public School Computer Network
AYP	Adequate Yearly Progress
CCLC	Century Community Learning Centers
DLS	Distance Learning Services
ERZ	Education Renewal Zones
LEA	Local Education Agency
CSPR	Consolidated State Performance Report
SES	Supplemental Educational Services
SI	School Improvement

Agency Commentary

ARKANSAS DEPARTMENT OF EDUCATION - GENERAL DIVISION

The following is a summary of Change Level requests by appropriation:

ADE - State Operations - 620

The State Operations appropriation provides the state funded support for 260 positions and associated operating expenses of the various units of the Department of Education. The major units supported by this appropriation are: Central Administration, Division of Fiscal and Administrative Services, Division of Human Resources, Division of Learning Services, Division of Academic Accountability and Division of Research and Technology.

The Base Level appropriation is \$22,741,397 in each year of the 2011-2013 biennium with general revenue funding of \$15,471,687 each year. Other fund sources of this appropriation are \$6,391,870 each year from the Educational Adequacy Fund and \$877,840 each year from the Educational Excellence Trust Fund.

Change Level requests for this appropriation total \$263,557 each year with general revenue funding of \$44,082 each year. The Change Level requests consist of the following: 1) The ADE is requesting the restoration of three unbudgeted positions with unfunded appropriation for flexibility. The positions being requested include: 1 C073C Administrative Specialist II, Grade C109; 1 A098 Fiscal Support Specialist, Grade C112; and 1 L035C Nutritionist Consultant, Grade C121. The Administrative Specialist II and the Fiscal Support Specialist were not budgeted in order to provide for the transfer of an A052 Accounting Coordinator from the Revolving Loan Certificates Program to State Operations. 2) The Department of Education is requesting unfunded appropriation of \$100,000 in each year of the 2011-2013 biennium for unforeseen Capital Outlay needs that may occur. 3) The ADE requests the restoration of a Pool Position that was established by the authority of Section 27 of Act 1420 of 2009. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must request the position as a new position. The Pool Position established is an R025C Human Resources Analyst, Grade C117. The position is responsible for directing and coordinating all financial and budgetary activities of the Professional Licensure Standards Board, Teacher Quality and Licensure Units. General revenue funded appropriation of \$44,082 is requested for each year for this currently budgeted position.

Child Nutrition - 637

The appropriation for the Child Nutrition Program is funded by federal funds received from the US Department of Agriculture. The Change Level request for the Child Nutrition Program for the 2011-2013 biennium is for \$50,000 of federally funded Capital Outlay appropriation for unforeseen needs that may occur in the biennium.

Federal Elementary and Secondary Education - 650

The appropriation for the Federal Elementary and Secondary Education appropriation is funded primarily by federal funds received from the U.S. Department of Education. The Change Level requests for this program for the 2011-2013 biennium are: 1) Federally funded Capital Outlay appropriation of \$200,000 is requested for unforeseen needs that may occur in the biennium. 2) Federally funded appropriation of \$314,600,000 is requested in each year of the biennium for the continuation of the federal appropriation authority of the American Recovery and Reinvestment Act of 2009 (ARRA) program into the 2011-2013 biennium. Under current provisions, the ARRA program will end on December 31, 2011. So, it is certain that there will be a need for appropriation in the 2012 fiscal year. However, unless there is a time extension for the program, there will not be a need for appropriation in the 2013 fiscal year. The ADE is requesting appropriation in FY2013, as a contingency, just in case an extension is granted.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

DEPARTMENT OF EDUCATION
SINGLE AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF EDUCATION

Finding Number:	09-500-01
State/Educational Agency:	Arkansas Department of Education
CFDA Number(s) and Program Title(s):	84.010 - Title I Grants to Local Educational Agencies
	84.389 - Title I Grants to Local Educational Agencies,
	Recovery Act
	(Title I, Part A Cluster)
Federal Award Number(s):	S010A070004A; S010A080004A
Federal Award Year(s):	2008 and 2009

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
SINGLE AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Findings	Recommendations
<p>Compliance Requirement(s) Affected: Activities Allowed or Unallowed; Allowable Costs/Cost Principles</p> <p>Type of Finding: Noncompliance and Control Deficiency</p> <p>Criteria: In accordance with 2 CFR 225, Appendix A Section C(1)(b), a cost must be allocable to a federal program for it to be considered an allowable cost of that award. The allocation is often based upon terms of the grant agreements or contracts.</p> <p>Condition: A professional services contract was executed with the provision that the federal grant would pay for 50% of the contract and the remaining 50% of the costs would be paid from State funds. However, contract expenditures totaling \$21,671 during the year were charged entirely to the federal program.</p> <p>Questioned Costs: \$10,836</p> <p>Cause: Agency personnel responsible for selecting and applying the expense account coding for the accounting system did not adequately review the contract stipulations before the disbursements were processed.</p> <p>Effect: Without adequate internal controls, inappropriate payments could be made to vendors with federal funding, which could require repayment to the grantor.</p>	<p>We recommend the Agency establish internal controls to ensure that costs are charged to the appropriate source of funding.</p>

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF EDUCATION
 SINGLE AUDIT FINDINGS
 FOR THE YEAR ENDED JUNE 30, 2009

Findings	Recommendations
<p>Finding Number: 09-500-02</p> <p>State/Educational Agency: Arkansas Department of Education</p> <p>CFDA Number(s) and Program Title(s): 84.010 - Title I Grants to Local Educational Agencies</p> <p style="padding-left: 40px;">84.389 - Title I Grants to Local Educational Agencies,</p> <p style="padding-left: 40px;">Recovery Act (Title I, Part A Cluster)</p> <p>Federal Award Number(s): S010A080004A</p> <p>Federal Award Year(s): 2009</p> <p>Compliance Requirement(s) Affected: Matching, Level of Effort, Earmarking</p> <p>Type of Finding: Noncompliance and Significant Deficiency</p> <p>Criteria: In accordance with 20 USC 7901, the State Education Agency (SEA) must ensure that either “aggregate expenditures” or “fiscal effort per student” for the preceding year of each local education agency (LEA) was not less than 90% of the aggregate expenditures or fiscal effort per student for the second preceding year. The allocation of program funds shall be reduced for those LEAs that fail to meet their required level of effort in the exact proportion by which the LEA failed to meet both of the tests, using the measure that is most favorable to the LEA. The aggregate expenditures comparison is calculated first because the level of effort requirement is satisfied by the majority of LEAs using this method.</p> <p>Condition: During the allocation of the 2009 grant to the LEAs, the Agency did not identify LEAs that failed to meet the level of effort requirement. Audit procedures and recalculations were performed for 25 LEAs selected at random. The level of effort requirement was met for 24 LEAs using the aggregate expenditures calculation. However, the Agency improperly concluded that one LEA had satisfied the level of effort requirement using the fiscal effort per student calculation. As a result, audit testing was expanded to include the remaining seven LEAs which had not satisfied their level of effort requirement using the aggregate expenditures calculation. Based on information for the eight LEAs, only two LEAs actually met the level of effort requirement using the fiscal effort per student calculation.</p> <p>Questioned Costs: Unknown</p>	<p>We recommend the Agency contact the federal grantor to determine how to calculate the amount by which each affected LEA's allocation should be reduced and strengthen internal controls and procedures to ensure that future level of effort calculations are accurate.</p>

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
SINGLE AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

Cause:

An improperly written formula in the spreadsheet, which was used by the SEA, gave a false indication that the required level of effort had been met. Review of the spreadsheet by Agency personnel did not detect the incorrect formula.

Effect:

The Agency failed to reduce the allocation for the six affected LEAs. The amount of the needed reductions is uncertain because there are differing interpretations of how to implement the procedure prescribed in the federal guidance.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF EDUCATION
 SINGLE AUDIT FINDINGS
 FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF EDUCATION (Continued)

Finding Number: 09-500-03
State/Educational Agency: Arkansas Department of Education
CFDA Number(s) and Program Title(s): 84.010 - Title I Grants to Local Educational Agencies
 84.389 - Title I Grants to Local Educational Agencies,
 Recovery Act
 (Title I, Part A Cluster)
Federal Award Number(s): S010A070004A; S010A080004A
Federal Award Year(s): 2008 and 2009
Compliance Requirement(s) Affected: Matching, Level of Effort, Earmarking
Type of Finding: Noncompliance

Criteria:
 Section 1003 of the Elementary and Secondary Education Act (ESEA) requires the State Education Agency (SEA) to reserve 4% of its Title I, Part A Cluster (Title I) allocation to support local school improvement activities, provide technical assistance to Title I schools identified for improvement, and provide technical assistance to other schools that the SEA has identified for improvement or corrective action. At least 95% of the amount reserved must be allocated directly to local education agencies (LEAs) for schools identified for improvement, corrective action, and restructuring. However, with the approval of its LEAs, the SEA may provide directly for these activities or arrange for them to be provided by other entities.

Condition:
 Beginning in May 2006, the SEA began using America's Choice as the vendor to enhance its statewide system of support for services to the Title I schools that meet the SEA's criteria of having been identified for improvement for three or more years. America's Choice was funded each year through a contract using 95% of the above mentioned 4% of school improvement funds. However, for FY2009 the SEA did not obtain approval from the LEAs for the SEA to arrange for the activities to be provided by some other entity. Disbursements to the vendor totaled \$6,203,242 during the year under audit.

We recommend the Agency properly train its employees and strengthen the implementation of federal program regulations to ensure the SEA: 1) properly allocates at least 95% of the 4% reserved under Section 1003 of the ESEA directly to LEAs meeting the SEA's criteria for assistance, or 2) requests and receives proper authorization from LEAs with identified schools for the SEA to arrange for school improvement activities to be provided by another entity.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
SINGLE AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

Questioned Costs:

None

Cause:

The Agency did not adequately train employees to ensure that federal program regulations, such as requesting and obtaining necessary approval from affected districts, were followed.

Effect:

Providing only one option for technical assistance decreases the likelihood that the school improvement assistance activities would directly address the academic achievement problem that caused the school to be identified for school improvement, as encouraged in Section 1116(b)(3)(A)(iii)(I) of the ESEA.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
SINGLE AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

U.S. DEPARTMENT OF EDUCATION (Continued)

Finding Number: 09-500-04
State/Educational Agency: Arkansas Department of Education
CFDA Number(s) and Program Title(s): 84.010 - Title I Grants to Local Educational Agencies
84.389 - Title I Grants to Local Educational Agencies,
Recovery Act
(Title I, Part A Cluster)
Federal Award Number(s): S010A070004A; S010A080004A
Federal Award Year: 2008 and 2009
Compliance Requirement(s) Affected: Procurement, Suspension, and Debarment
Type of Finding: Control Deficiency

Criteria:

In accordance with 2 CFR 180.300, the Agency is required to "verify that the person with whom you intend to do business is not excluded or disqualified...by (a) checking the Excluded Parties List System (EPLS), (b) collecting a certification from that person, or (c) adding a clause or condition to the covered transaction with that person."

Condition:

The Agency failed to establish internal controls to screen vendors for federal suspension and debarment, thus increasing the risk of the Agency doing business with prohibited parties. This appears to be a systemic problem; however, no vendors were identified during our audit period that were suspended or debarred.

Questioned Costs:

None

Cause:

Employees responsible for purchasing and managing the grant were not aware of the federal suspension and debarment and vendor monitoring requirements.

Effect:

Without adequate internal controls, unallowable payments could be made to suspended or debarred vendors with federal funding, which could require repayment to the grantor.

We recommend the Agency establish internal controls over procurement, suspension and debarment to ensure compliance with applicable federal regulations.

Performance Audit Findings

Southeast Arkansas Education Cooperative – Arkansas Early College High School Program (AECHS)
Arkansas Department of Education (ADE) and Arkansas Department of Higher Education (ADHE)
(July 1, 2005 – June 30, 2008) - Issued 10-10-2008

Findings and Conclusions:

- Instructor qualification review were not adequately documented, putting the students and participating high schools at risk of not receiving credit for a course or meeting accreditation standards.
- Grading irregularities could not be adequately explained, however, the extent of the problem could not be determined due to lack of controls over progress reports and computerized grade books.
- Student and school district memorandums of understanding and the course syllabi did not always agree with regard to academic dishonesty or plagiarism. Further, teacher turnover was high which created additional problems in areas such as instructor approval and credentialing.
- 5 of 9 instructors reviewed had exceptions relating to class size limits.
- AECHS did not provide all pertinent information in a review by ADE of a complaint regarding the hiring of the Cooperative Director's son.

Recommendations:

- To improve the instructor approval process: formalize the instructor approval process; maintain a master class schedule with appropriate addendums identifying changes of instructors; formally notify both college and high school officials of instructor changes; ADHE specifically address the issue of ownership of concurrent credit course at each participating institution; and partnering institutions provide the required training, orientation, and oversight to meet standards.
- ADE review its policy on the nontraditional licensure program and consider if modifications should be made for instructors in the AECHS Program.
- Create 1 standard syllabus for courses with more than 1 college granting credit and colleges be informed if a course is being taught to students enrolled in other colleges so that they may collaborate to meet State requirements.
- To address grade security issues: archive student progress reports in a central location; include documentation of archived grade changes with progress reports with approval signatures by the AECHS coordinator and the responsible instructor; provide for availability of records for review; and require a review each semester of a sample of grades for changes in each posted item.
- AECHS develop consistent policies addressing academic dishonesty and plagiarism.
- Adhere to required student to teacher ratios and ADE review the combined student enrollment numbers for all participating high schools in the individual AECHS classes to determine actual total class size.
- Contact ADE to determine if further action is required concerning the review of the hiring of the Cooperative Director's son.

Athletic Expenditures – Selected Arkansas Public School Districts
Arkansas Department of Education (ADE) and various public school districts
(July 1, 2007 – June 30, 2008) - Issued 12-16-2008

Findings and Conclusions:

- 4 of 14 districts that had athletic related construction costs did not include those costs in athletic expenditures reported to ADE.
- Data from school districts not part of the Arkansas Public School Computer Network (APSCN) is not readily available for review by ADE or Legislative staff.
- Some districts recorded some athletic related salaries to a program code for extracurricular activities that is not associated with athletic expenditures.
- 16 of 51 districts reviewed improperly allocated coaches' salaries between athletic and instruction expenditures.

Recommendations:

- ADE remind school districts about the rules governing the allocation of athletic related construction expenditures.
- The General Assembly consider if legislation requiring all public school districts to maintain their financial records in APSCN would be beneficial to the Legislature and ADE.
- Develop quality control measures to insure athletic expenditures are recorded to the proper program code.
- Districts allocate salaries in the manner prescribed by ADE rules and ADE continue to provide training and assistance to school district employees in the calculating and recording of the salaries and benefits of coaches.

Findings and Conclusions:

- 17 of 19 districts visited improved from our initial visits for the 2007 school year, with 8 of the districts having adjustment percentages of less than 5%.
- At least 10 of 19 districts did not properly allocate salaries and benefits, maintenance and operations, or transportation expenditures to athletics.
- Some districts had elementary athletic teams organized and coached to compete between campuses within a school district or against other districts. Elementary athletics have not been addressed in ADE rules governing athletic expenditures.
- Because of an automated process in APSCN, in most instances where a substitute teacher is used for an athletic coach, the athletic portion of the salary is duplicated.

Recommendations:

- ADE provide further clarification and guidance to the school districts concerning the issue of elementary athletics.
- If ADE determines duplication of substitute teacher salaries materially affects athletic expenditure reporting, provide further guidance and clarification for correct reporting.

Athletic Expenditures – Selected Arkansas Public School Districts
 Arkansas Department of Education (ADE) and various public school districts
 (July 1, 2008 – June 30, 2009) - Issued 04-16-2010

Findings and Conclusions:

- For school districts undergoing initial testing, we noted 27 of 48 districts improperly allocated coaches’ salaries between athletics and instruction expenditures, and 9 of 48 districts improperly allocated athletic related construction costs.
- 4 of 20 school districts revisited as a result of high reporting error rates noted in 2008, were adjusted in excess of 10% for the 2009 school year.
- The Pulaski County Special School District and the North Little Rock School District did not accurately report athletic expenditures for the third consecutive year.

Recommendations:

- Districts allocate athletic expenditures as prescribed with ADE rules and ADE continue to provide training and assistance in the calculating and recording of athletic expenditures.
- ADE take necessary steps to ensure the Pulaski County Special School District and the North Little Rock School District accurately report athletic expenditures in future reporting periods.

Employment Summary

	Male	Female	Total	%
White Employees	88	167	255	69 %
Black Employees	20	83	103	28 %
Other Racial Minorities	4	6	10	3 %
	Total Minorities		113	31 %
	Total Employees		368	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Academic Support Centers - Report regarding the Establishment of Academic Support Centers and their Effectiveness	Act 1575 of 2007 A.C.A. §6-13-1612	N	N	75	Required by Law to the House and Senate Interim Committees on Education
Acitivity related to Arkansas Medicaid Administration Claiming Program	Act 318 of 2007	N	Y	6	Required by Law to the Chairs of the House and Senate Interim Committees on Public Health, Welfare, and Labor and the House Committee on Public Health, Welfare and Labor
ADE & ADH shall jointly report progress in implementing nutrition and physical education standards	Act 317 of 2007 A.C.A. §20-7-135	N	N	4	Required by Law to the Chairs of the House & Senate Interim Committees on Public Health, Welfare, and Labor and the House and Senate Interim Committees on Education
ALE Status Report	A.C.A. §6-18-508(d)(1)(B)	N	Y	75	Required by Law to the Joint Interim Oversight Committee on Educational Reform
Annual Results of Statewide Assessment Program	A.C.A. §6-15-1905	N	N	450,000	Required by Law
Annual Statistical Report	HCR 58 of 1961	Y	N	700	Required by Resolution
Arkansas Advisory Council for the Education of Gifted and Talented Children	A.C.A. §6-42-106	Y	Y	7	Governor, Legislators, Advisory Council members, Ken James, Woody Cummins, and Janinne Riggs
Arkansas Commission on Eye & Vision Care of School Age Children	Act 138 of 2007, not codified	Y	N	105	Required by Law to the Governor, Legislative Council, House and Senate Interim Committees on Public Health, Welfare and Labor
Arkansas Title II State Report	Title II Sec 207 & 208 Higher Education Act	Y	Y	5	Federal Mandate to Publish
Arkansas Youth at Risk Survey	CDC, DASH	N	N	1,500	School districts for prevention programming and writing grants

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Assessment of Educational Progress of Students from Districts Consolidated/ Annexed under Act 60	A.C.A. §6-13-1606 - Act 1198 of 2005	Y	Y	105	Required by Law to the Governor, Chairs of the House and Senate Interim Committees on Education and the Secretary of Legislative Council
Average Teacher Salary	Act 229 of 2007 §26, Special Language	N	N	75	Required by Law to the House and Senate Interim Committees on Education
Best Financial Management Practices Review	A.C.A. §6-15-2301(k)(2)(A)	N	Y	58	Required by Law to the Arkansas Legislative Council
Changes in the calculation of state aid to public school districts	A.C.A. §10-3-1405(d)(2)	N	N	1	Required by Law to the Office of Economic & Tax Policy
Coordinated School Health Program Pamphlet	CDC, DASH	N	N	3,000	Distributed to school districts, community organizations and used at exhibits
Evaluation of the Pilot Program for Mobile Learning Technology in Public Schools	A.C.A. §6-19-124 (Act 827 of 2009)	N	Y	75	Required by Law to the House and Senate Committees on Education
Free Textbook Act Compliance Report	Act 1199 of 2007 Act 1577 of 2007 A.C.A. §6-21-403	N	N	75	Required by Law to the House and Senate Interim Committees on Education
Grade Inflation Report	A.C.A. §6-15-421 - Act 2197 of 2005	N	Y	130	Required by Law to the state board and General Assembly
Impact of National School Lunch students categorical funding provided under A.C.A. §6-20-2305(b)(4) on closing the achievement gap	A.C.A. §6-20-2305(b)(4) (Act 1369 of 2009)	N	Y	75	Required by Law to the House and Senate Committees on Education
Impending Layoff Report	A.C.A. §21-12-504(a)	N	N	60	Required by Law to the Arkansas Legislative Council & the Office of Personnel Management of the Division of Management Services of DFA

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Individual Schools Annual Improvement & Performance Category Level Designations & Ratings	A.C.A. Act 1420 of 2007, §6-15-1905	N	N	450,000	Required by Law
Justification for the Need to Allocate Titles from Growth Pool Positions	Act 1420 of 2007, §23, Special Language	N	N	41	Required by Law to the Chief Fiscal Officer of the State and the Legislative Council
Lifetime Teaching License Compliance Report	Act 169 of 2007 A.C.A. §6-17-2606	N	Y	135	Required by Law to the General Assembly
List of all contracts in excess of \$25,000 awarded to minority-owned businesses	A.C.A. §25-36-104(c)(1)	N	Y	58	Required by Law to the Arkansas Legislative Council
List of all financial accountability reports and due dates	A.C.A. §6-20-2202(e)(1)	N	N	310	Required by Law to school districts
Medicaid Administration Claiming Program	Act 1420 of 2007, §29 (2), Special Language	N	N	40	Required by Law to the House and Senate Public Health, Welfare and Labor Committee
On Site Inspection Report	A.C.A. §6-21-813	N	N	10	Required by Law to the Commission for Public School Academic Facilities and Transportation
Position Vacany Report	A.C.A. §19-4-609(1)(2) - Act 1686 of 2005	N	Y	1	Required by Law to the Bureau of Legislative Research
Progress Report on Equal Employment Hiring	A.C.A. §21-3-101(b)(1)	N	Y	58	Required by Law to the Arkansas Legislative Council
Progress Report on implementation of Pulaski County School Desegregation Case Settlement Agreement	A.C.A. §10-3-1504(c)	N	Y	75	Required by Law to the House & Senate Interim Committees on Education
Public School and Public School District expenditures required by law	Act 730 of 2005	Y	Y	105	Required by law to the Governor, the Senate Interim Committee on Education and the House Interim Committee on Education

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Pulaski County Degregation Case Settlement Agreement and any future desegregation litigation involving the State of Arkansas	A.C.A. §10-3-1504(a)	N	Y	10	Required by Law to the Desegregation Litigation Oversight Subcommittee
Report on implementation and availability of Automatic External Defibrillators on each campus	A.C.A. §6-10-122 (Act 496 of 2009)	N	Y	6	Required by Law to the Senate and House Committees on Public Health, Welfare and Labor
Results of Require Examination	A.C.A. §6-15-404	N	N	1,000	Required by Law
Results of statewide assessment program which descibe student achievement in the state, each school district, each school as well as the school performance category levles	A.C.A. §6-15-2101(a)(1)	N	N	450,000	Required by Law
Review of Arkansas Academic Content Standards and Curriculum Frameworks	A.C.A. §6-15-1504(a)	N	N	10	Required by Law
Revision of Arkansas History Course Guidelines	A.C.A. §6-16-124(b)(2)	N	Y	75	Required by Law to the House and Senate Committees on Education
Rules Regarding Physical Education or Physical Activity Standards for Grades Kindergarten through Grade 12 (K-12) developed pursuant to this section	Act 317 of 2007 A.C.A. §6-16-132	N	N	75	Required by Law to the House and Senate Interim Committees on Education
School Choice Black-White Percentage of each county's public school students and acceptable range of variance report	A.C.A. §6-18-206	N	N	310	Required report for school districts within counties to use in determining school choice options for students
School Choice Report	A.C.A. §6-18-227(f)	Y	Y	75	Required by Law to the State Board of Education, Governor and Arkansas Legislative Council
School Performance Reports	A.C.A. §6-15-1402	N	N	450,000	Legislation requiring individual school building performance reports to be compiled and mailed

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
School's annual improvement and performance category level designations and ratings	A.C.A. §6-15-2105(b)(1)	N	N	450,000	Required by Law on ADE's Website and to parent and guardians of students K-12
Standards of Accreditation	A.C.A. §6-15-202(d)	N	Y	75	Required by Law to the House and Senate Interim Committees on Education
State of Academic Facilities Master Plan	A.C.A. §6-21-112(1)(f)(14)	Y	Y	100	Required by Law to the Governor, House and Senate Committees on Education and the Academic Facilities Oversight Commission
Status of Open Enrollment Public School Charter School Programs	A.C.A. §6-26-310	N	Y	135	Required by Law to the General Assembly each biennium and to the General Assembly and to the House and Senate Interim Committees on Education during the interim.
Student Services Report	A.C.A. §6-18-1007	Y	N	50	Required by Law
Teacher Recruitment Publications	A.C.A. §6-17-310	N	N	100	Required by law
The state of the Division of Youth Services system of education-	A.C.A. §9-28-205(f) (Act 972 of 2009)	N	Y	42	Required by Law to the House Committee on Aging, Children and Youth and Military Affairs and the Senate Committee on Children and Youth
The use of NSLA state categorical funding and the status of chronically underperforming schools	A.C.A. §6-15-2701 (Act 949 of 2009)	N	Y	75	Required by Law to the House and Senate Committees on Education

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1XJ School District Millage	938,567	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0
1XY Fish/Wildlife Conservation	625,624	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0
2DD Conference-Treasury	298,330	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0	475,000	0
35U Pulaski County Deseg Case Costs	44,302	0	916,621	0	960,923	0	916,621	0	916,621	0	916,621	0	916,621	0	916,621	0	916,621	0
35V Vision Screening Program	0	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
435 Federal Grants Administration	617,570	7	716,829	9	825,480	9	735,389	9	735,389	9	735,389	9	735,389	9	735,389	9	735,389	9
4HF Medicaid Adm-Cash in Treasury	9,397,191	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0
56P Professional Licensure Standards Board	477,289	9	905,843	11	899,315	11	914,540	11	914,540	11	914,540	11	914,540	11	914,540	11	914,540	11
56U Teacher Housing Development Foundation-Ope	112,325	1	219,098	1	226,688	1	219,098	1	219,098	1	219,098	1	219,098	1	219,098	1	219,098	1
620 State Operations	21,361,082	243	22,437,371	260	23,543,169	262	22,741,397	259	23,004,954	263	23,004,954	263	22,741,397	259	23,004,954	263	23,004,954	263
630 Building Maintenance	63,981	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
631 Revolving Loan Certification	535,437	2	13,129,295	2	13,174,752	2	13,128,439	2	13,128,439	2	13,128,439	2	13,128,439	2	13,128,439	2	13,128,439	2
637 Child Nutrition	151,630,436	18	168,758,629	18	168,702,451	18	167,488,999	18	167,538,999	18	167,538,999	18	167,488,999	18	167,538,999	18	167,538,999	18
650 Fed Elem & Sec Education	544,671,966	53	838,362,066	62	838,446,595	62	523,722,469	62	838,522,469	62	838,522,469	62	523,722,469	62	838,522,469	62	838,522,469	62
885 Multiple Grant Award Program	155,293	0	2,636,375	0	2,636,375	0	2,626,375	0	2,626,375	0	2,626,375	0	2,626,375	0	2,626,375	0	2,626,375	0
893 Medicaid Reimbursement	0	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0	5,010,500	0
899 Alternative Certification Program	985,856	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0	1,349,212	0
NOT REQUESTED FOR THE BIENNIUM																		
639 Federal Turnback for School	0	0	0	0	20,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	731,915,249	333	1,073,166,839	363	1,094,500,460	365	757,578,039	362	1,072,691,596	366	1,072,691,596	366	757,578,039	362	1,072,691,596	366	1,072,691,596	366

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	17,621,980	2.3	19,975,031	1.8	19,058,410	2.5	19,058,410	1.7	19,058,410	1.7	19,058,410	2.5	19,058,410	1.7	19,058,410	1.7	
General Revenue	4000010	17,529,999	2.3	15,167,661	1.4	15,471,687	2.0	15,515,769	1.4	15,471,687	1.4	15,471,687	2.0	15,515,769	1.4	15,471,687	1.4	
Federal Revenue	4000020	441,719,919	58.7	691,270,695	63.3	691,211,468	89.1	691,461,468	63.4	691,461,468	63.4	691,211,468	89.1	691,461,468	63.4	691,461,468	63.4	
Special Revenue	4000030	0	0.0	1,000,000	0.1	1,000,000	0.1	1,000,000	0.1	1,000,000	0.1	1,000,000	0.1	1,000,000	0.1	1,000,000	0.1	
Cash Fund	4000045	15,036,350	2.0	26,396,028	2.4	26,394,725	3.4	26,394,725	2.4	26,394,725	2.4	26,394,725	3.4	26,394,725	2.4	26,394,725	2.4	
Trust Fund	4000050	1,937,175	0.3	13,629,295	1.2	13,628,439	1.8	13,628,439	1.2	13,628,439	1.2	13,628,439	1.8	13,628,439	1.2	13,628,439	1.2	
DFA Motor Vehicle Acquisition	4000184	13,516	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Educational Adequacy Fund	4000210	6,391,870	0.9	6,391,870	0.6	6,391,870	0.8	6,391,870	0.6	6,391,870	0.6	6,391,870	0.8	6,391,870	0.6	6,391,870	0.6	
Educational Excellence Fund	4000220	934,692	0.1	877,840	0.1	877,840	0.1	877,840	0.1	877,840	0.1	877,840	0.1	877,840	0.1	877,840	0.1	
Federal Indirect Costs	4000240	617,570	0.1	716,829	0.1	735,389	0.1	735,389	0.1	735,389	0.1	735,389	0.1	735,389	0.1	735,389	0.1	
Federal Funds-ARRA	4000244	254,582,483	33.9	315,850,000	28.9	0	0.0	314,600,000	28.8	314,600,000	28.8	0	0.0	314,600,000	28.8	314,600,000	28.8	

Funding Sources		%		%		%		%		%		%		%	
Interest	4000300	456,284	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	8,774	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Adjustments	4000345	73,090	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Property Tax Relief Trust	4000390	870,000	0.1	950,000	0.1	950,000	0.1	950,000	0.1	950,000	0.1	950,000	0.1	950,000	0.1
Transfer frm General Education	4000535	(429,478)	(0.1)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Trnfr to DOE Public School Fund	4000625	(3,180,000)	(0.4)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer to Medicaid Match	4000660	(2,293,944)	(0.3)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Unfunded Appropriation	4000715	0	0.0	0	0.0	219,475	0.0	263,557	0.0	0	0.0	219,475	0.0	263,557	0.0
Total Funds		751,890,280	100.0	1,092,225,249	100.0	775,719,828	100.0	1,090,833,385	100.0	1,090,833,385	100.0	775,719,828	100.0	1,090,833,385	100.0
Excess Appropriation/(Funding)		(19,975,031)		(19,058,410)		(18,141,789)		(18,141,789)		(18,141,789)		(18,141,789)		(18,141,789)	
Grand Total		731,915,249		1,073,166,839		757,578,039		1,072,691,596		1,072,691,596		757,578,039		1,072,691,596	

The FY11 Budget amount in Professional Licensure Standards Board and Child Nutrition exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.
The FY11 Budgeted Positions in State Operations exceeds Base Level due to Agency's utilization of pool position special language during the FY2011.
Fund balance from FY2012 to FY2013 does not balance due to unfunded appropriation in Pulaski County Desegregation Case Costs.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
360	298	51	349	11	17.22 %	365	311	51	362	3	14.79 %	365	294	69	363	2	19.45 %

Analysis of Budget Request

Appropriation: 1XJ - School District Millage

Funding Sources: TPR - ADE Millage Rollback

Act 1212 of 2001 established appropriation for the Department of Education to compensate various school districts for Amendment 79 millage rollback. Funding for this appropriation is provided from the Property Tax Relief Trust Fund.

The Agency is requesting Base Level of \$950,000 for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 1XJ - School District Millage

Funding Sources: TPR - ADE Millage Rollback

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	938,567	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Total		938,567	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Funding Sources										
Fund Balance	4000005	68,601	34		34	34	34	34	34	34
Property Tax Relief Trust	4000390	870,000	950,000		950,000	950,000	950,000	950,000	950,000	950,000
Total Funding		938,601	950,034		950,034	950,034	950,034	950,034	950,034	950,034
Excess Appropriation/(Funding)		(34)	(34)		(34)	(34)	(34)	(34)	(34)	(34)
Grand Total		938,567	950,000		950,000	950,000	950,000	950,000	950,000	950,000

Analysis of Budget Request

Appropriation: 1XY - Fish/Wildlife Conservation

Funding Sources: NED - Cash in Treasury

Act 799 of 2003 redirected money collected from Game and Fish Commission fines to educational programs in the counties in which the fines were collected. The act required the Arkansas Department of Education to serve as the pass through Agency for distributing the funds from the Commission to the counties.

The Department of Education requests Base Level of \$800,000 for both fiscal years of the 2011-2013 Biennium.

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

Appropriation Summary

Appropriation: 1XY - Fish/Wildlife Conservation

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	625,624	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Total	625,624	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Funding Sources									
Fund Balance 4000005	0	5		5	5	5	5	5	5
Cash Fund 4000045	625,629	800,000		800,000	800,000	800,000	800,000	800,000	800,000
Total Funding	625,629	800,005		800,005	800,005	800,005	800,005	800,005	800,005
Excess Appropriation/(Funding)	(5)	(5)		(5)	(5)	(5)	(5)	(5)	(5)
Grand Total	625,624	800,000		800,000	800,000	800,000	800,000	800,000	800,000

Analysis of Budget Request

Appropriation: 2DD - Conference-Treasury

Funding Sources: NED - Cash in Treasury

The Department of Education is requesting Base Level appropriation of \$475,000 each fiscal year to pay expenses of conferences sponsored by the Department. Funding is provided from registration fees charged to participants.

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

Appropriation Summary

Appropriation: 2DD - Conference-Treasury

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	263,583	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Conference & Travel Expenses	5050009	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	34,747	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		298,330	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000
Funding Sources										
Fund Balance	4000005	509,935	527,247		527,247	527,247	527,247	527,247	527,247	527,247
Cash Fund	4000045	315,642	475,000		475,000	475,000	475,000	475,000	475,000	475,000
Total Funding		825,577	1,002,247		1,002,247	1,002,247	1,002,247	1,002,247	1,002,247	1,002,247
Excess Appropriation/(Funding)		(527,247)	(527,247)		(527,247)	(527,247)	(527,247)	(527,247)	(527,247)	(527,247)
Grand Total		298,330	475,000		475,000	475,000	475,000	475,000	475,000	475,000

Analysis of Budget Request

Appropriation: 35U - Pulaski County Deseg Case Costs

Funding Sources: EGA - Department of Education-State Operations

This program, established in Act 395 of 2007, allows for the Department of Education, in consultation with the Attorney General to have the authority to enter into agreements with the three (3) Pulaski County school districts to reimburse the school districts for legal fees incurred for seeking unitary status. To be eligible for possible reimbursement for legal fees, the school districts were to file motions seeking unitary status no later than October 30, 2007 and the school districts must be declared unitary or at least partially unitary by the federal district court no later than December 31, 2009 (A.C.A. 6-20-416).

Under no circumstance will any one (1) school district be able to receive reimbursement of more than two hundred and fifty thousand dollars (\$250,000).

The Agency Request is for Base Level.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 35U - Pulaski County Deseg Case Costs
Funding Sources: EGA - Department of Education-State Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Pulaski County Deseg Case Costs 5900046	44,302	916,621	960,923	916,621	916,621	916,621	916,621	916,621	916,621
Total	44,302	916,621	960,923	916,621	916,621	916,621	916,621	916,621	916,621
Funding Sources									
Fund Balance 4000005	960,923	916,621		0	0	0	0	0	0
Total Funding	960,923	916,621		0	0	0	0	0	0
Excess Appropriation/(Funding)	(916,621)	0		916,621	916,621	916,621	916,621	916,621	916,621
Grand Total	44,302	916,621		916,621	916,621	916,621	916,621	916,621	916,621

Expenditure of appropriation in FY2012 and FY2013 is contingent upon available funding carried forward from the previous fiscal year.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Education Department-General Education

Program: Pulaski County Deseg Case Costs

Act #: 126 Section(s) #: 18 & 25

Estimated Carry Forward Amount \$ 916,622.00 Funding Source: General

Accounting Information:

Business Area: 0500 Funds Center: 35U Fund: EGA Functional Area: EDUC

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:

Section 30 of Act 126 of 2010 requires the Department of Education to utilize any unexpended balance of funds transferred to the Department of Education in the 2007-2009 biennium for the purpose of providing funds for the Pulaski County Desegregation Case Costs incurred by the Department of Education and the three (3) Pulaski County School Districts to comply with the provisions of Arkansas Code 6-20-415 and 6-20-416.

Actual Funding Carry Forward Amount \$ 916,621.00

Current status of carry forward funding:

These funds remain available for the Pulaski County Desegregation Case Costs incurred by the Department of Education and the three Pulaski County School Districts to comply with the provisions of Arkansas Code 6-20-415 and 6-20-416.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Dr. Tom W. Kimbrell
Commissioner of Education

08-10-2010
Date

Analysis of Budget Request

Appropriation: 35V - Vision Screening Program

Funding Sources: SCV - School Age Child Eyecare

This appropriation for the Vision Screening Program provides operating expenses for the Arkansas Commission on Eye and Vision Care of School Age Children. The Commission was established for the Department of Health in Act 755 of 2003. However, during the 2007-2009 Biennium the operating appropriation for the Commission was transferred from the Department of Health to the Department of Education by Act 1243 of 2007. Additionally, the Commission was extended to exist through June 30, 2011 in Act 138 of 2007.

The duties of the Commission are to study the vision needs of children, evaluate screening programs in schools, determine whether children are receiving adequate vision care, and to study the effects of inadequate vision on classroom performance.

The special revenue funding for the Commission comes from donations, gifts, grants, and any other resources that become available.

The Agency Request is for Base Level of \$1,000,000 for each year of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 35V - Vision Screening Program

Funding Sources: SCV - School Age Child Eyecare

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Vision Screening and Care 5900046	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Funding Sources									
Fund Balance 4000005	5,508	5,508		5,508	5,508	5,508	5,508	5,508	5,508
Special Revenue 4000030	0	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Funding	5,508	1,005,508		1,005,508	1,005,508	1,005,508	1,005,508	1,005,508	1,005,508
Excess Appropriation/(Funding)	(5,508)	(5,508)		(5,508)	(5,508)	(5,508)	(5,508)	(5,508)	(5,508)
Grand Total	0	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Analysis of Budget Request

Appropriation: 435 - Federal Grants Administration

Funding Sources: FHA - Federal Indirect Costs

This appropriation for the Department of Education provides administration, accounting, purchasing and record keeping services for federal programs. It is funded by indirect cost charges levied against the federal programs operated by the Department.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency is requesting Base Level for the 2011-2013 biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 435 - Federal Grants Administration

Funding Sources: FHA - Federal Indirect Costs

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	390,713	466,409	534,094	461,309	461,309	461,309	461,309	461,309	461,309
#Positions		7	9	9	9	9	9	9	9	9
Personal Services Matching	5010003	143,253	120,778	161,744	144,438	144,438	144,438	144,438	144,438	144,438
Operating Expenses	5020002	26,990	49,970	49,970	49,970	49,970	49,970	49,970	49,970	49,970
Conference & Travel Expenses	5050009	1,102	19,672	19,672	19,672	19,672	19,672	19,672	19,672	19,672
Professional Fees	5060010	55,512	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		617,570	716,829	825,480	735,389	735,389	735,389	735,389	735,389	735,389
Funding Sources										
Federal Indirect Costs	4000240	617,570	716,829		735,389	735,389	735,389	735,389	735,389	735,389
Total Funding		617,570	716,829		735,389	735,389	735,389	735,389	735,389	735,389
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		617,570	716,829		735,389	735,389	735,389	735,389	735,389	735,389

Analysis of Budget Request

Appropriation: 4HF - Medicaid Adm-Cash in Treasury

Funding Sources: NED - Cash in Treasury

Medicaid Administrative Claiming is a federally funded program administered by the Centers for Medicare and Medicaid Services (CMS). This program provides school districts with the ability to receive reimbursement for certain administrative activities. School districts will be reimbursed for administrative costs incurred which directly support the Arkansas Medicaid program. The program includes all students, not just students in Special Education.

In FY2006, The Department of Education, Special Education Unit along with the Department of Human Services-Division of Medical Services received approval from CMS to coordinate and manage a statewide Medicaid administrative claiming program.

The Agency Request is for Base Level of \$15,000,000 for each year of the 2011-2013 biennium.

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

Appropriation Summary

Appropriation: 4HF - Medicaid Adm-Cash in Treasury

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
AR Medicaid Admin Claims 5900046	9,397,191	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total	9,397,191	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Funding Sources									
Fund Balance 4000005	99,882	20,699		20,699	20,699	20,699	20,699	20,699	20,699
Cash Fund 4000045	9,318,008	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total Funding	9,417,890	15,020,699		15,020,699	15,020,699	15,020,699	15,020,699	15,020,699	15,020,699
Excess Appropriation/(Funding)	(20,699)	(20,699)		(20,699)	(20,699)	(20,699)	(20,699)	(20,699)	(20,699)
Grand Total	9,397,191	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000

Analysis of Budget Request

Appropriation: 56P - Professional Licensure Standards Board

Funding Sources: NED - Cash in Treasury

Act 846 of 2007 created the Professional Licensure Standards Board (PLSB). As part of the legislation, the PLSB was charged with creating a code of ethics for Arkansas Educators and developing and recommend for adoption by the Arkansas State Board of Education minimum college level preparatory and grade point average requirements for all teacher apply for initial or additional licensure after July 1, 2007. In June of 2008, the Arkansas State Board of Education accepted the recommendation of the PLSB and approved the Rules Governing the Code of Ethics for Arkansas Educators. Through this act, the PLSB is also in charge of investigating violations of the ethics code and to conduct audits of licensure programs of study in all Arkansas institutions of higher education.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency is requesting Base Level for both fiscal years of the 2011-2013 biennium.

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

Appropriation Summary

Appropriation: 56P - Professional Licensure Standards Board

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	241,345	423,334	408,732	423,334	423,334	423,334	423,334	423,334	423,334
#Positions	9	11	11	11	11	11	11	11	11
Personal Services Matching 5010003	104,204	136,679	144,753	145,376	145,376	145,376	145,376	145,376	145,376
Operating Expenses 5020002	127,402	326,325	326,325	326,325	326,325	326,325	326,325	326,325	326,325
Conference & Travel Expenses 5050009	1,992	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees 5060010	2,346	9,505	9,505	9,505	9,505	9,505	9,505	9,505	9,505
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	477,289	905,843	899,315	914,540	914,540	914,540	914,540	914,540	914,540
Funding Sources									
Fund Balance 4000005	312,673	750,299		750,299	750,299	750,299	750,299	750,299	750,299
Cash Fund 4000045	914,915	905,843		914,540	914,540	914,540	914,540	914,540	914,540
Total Funding	1,227,588	1,656,142		1,664,839	1,664,839	1,664,839	1,664,839	1,664,839	1,664,839
Excess Appropriation/(Funding)	(750,299)	(750,299)		(750,299)	(750,299)	(750,299)	(750,299)	(750,299)	(750,299)
Grand Total	477,289	905,843		914,540	914,540	914,540	914,540	914,540	914,540

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.

Analysis of Budget Request

Appropriation: 56U - Teacher Housing Development Foundation-Operations

Funding Sources: NED - Cash in Treasury

The Arkansas Teacher Housing Development Foundation (ATHDF) was established by Act 39 of the Second Extraordinary Session 2003, Arkansas Code § 6-26-101 et seq. The Agency has a board of nine members. The board members consist of 3 members chosen by the President Pro Tempore of the Senate, 3 members chosen by the Speaker of the House of Representatives, the President of the Arkansas Chapter of the National Association of Minority Contractors, the President of the Arkansas Development Finance Authority, and the Executive Director of the Arkansas Teacher Retirement System. The term of each board member shall be four years.

The ATHDF was established to implement and administer housing incentive programs to recruit and retain high performing teachers in high priority school districts. Those incentives may include down payment assistance, low-interest rate mortgages, rental assistance and multifamily housing developments. Additionally, the ATHDF is charged with soliciting private and public donations and grants from the local communities to pay for the housing incentive programs.

For FY2010 the program paid out \$72,117 of incentive grants to qualifying teachers.

During the 2009-2011 biennium, the ATHDF was transferred to the Department of Education. Currently funding for the foundation only comes from a \$100,000 grant from the Department of Education Public School Fund. However, the Public School Fund request does not include this transfer to continue into the 2011-2013 Biennium.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium. Expenditure of the appropriation in those fiscal years is contingent upon available funding carrying forward from the previous fiscal year.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 56U - Teacher Housing Development Foundation-Operations

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	27,811	65,000	72,937	65,000	65,000	65,000	65,000	65,000	65,000
#Positions	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	9,291	19,098	18,751	19,098	19,098	19,098	19,098	19,098	19,098
Operating Expenses 5020002	3,106	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	72,117	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	112,325	219,098	226,688	219,098	219,098	219,098	219,098	219,098	219,098
Funding Sources									
Fund Balance 4000005	0	131,973		131,973	131,973	131,973	131,973	131,973	131,973
Cash Fund 4000045	244,298	219,098		219,098	219,098	219,098	219,098	219,098	219,098
Total Funding	244,298	351,071		351,071	351,071	351,071	351,071	351,071	351,071
Excess Appropriation/(Funding)	(131,973)	(131,973)		(131,973)	(131,973)	(131,973)	(131,973)	(131,973)	(131,973)
Grand Total	112,325	219,098		219,098	219,098	219,098	219,098	219,098	219,098

Budget amount in Personal Services Matching exceed the authorized amount due to salary adjustments during the 2009-2011 biennium.

Analysis of Budget Request

Appropriation: 620 - State Operations

Funding Sources: EGA - Department of Education-State Operations

This appropriation provides state funded resources for the operations of the Department of Education and assistance to Arkansas' public schools. Operational activities include legal services, information technology, public relations and fiscal management. Assistance to school districts includes the "School Report Card," fiscal and administrative support, curriculum and instruction, and special education assistance and compliance monitoring. To provide the operations of the Department and assistance to schools, the Department is separated into 6 units. These units are: (1) Central Administration, (2) Division of Fiscal and Administrative Services, (3) Division of Human Resources, (4) Division of Learning Services, (5) Division of Public School Accountability and (6) Division of Research and Technology.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level Salary of unclassified positions reflects the FY11 line item maximum. The Base Level request for Regular Salaries includes board member stipends.

The Agency is requesting:

- Restoration of 3 previously unbudgeted positions. These positions are being requested as unfunded, but will allow the Agency the flexibility to meet needs as they may arrive.
- Unfunded appropriation of \$100,000 in Capital Outlay to address any unforeseen needs that may arise during the 2011-2013 Biennium.
- Restoration and funding of one Pool Position. This position was established on April 15, 2010 by the authority of Section 27 of Act 1420 of 2009. Under this section, the agency is required to request continuation of any Pool Positions as new positions during the following fiscal year. This position is in charge of the financial and budgetary activities of the Professional Licensure Standards Board, Teacher Quality and Licensure Units.

The general revenue for this request is \$44,082.

The Executive Recommendation provides for the Agency Request in appropriation only.

Appropriation Summary

Appropriation: 620 - State Operations
Funding Sources: EGA - Department of Education-State Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	12,240,132	13,634,284	13,410,115	13,615,226	13,733,769	13,733,769	13,615,226	13,733,769	13,733,769
#Positions		243	260	262	259	263	263	259	263	263
Extra Help	5010001	7,070	14,998	14,998	14,998	14,998	14,998	14,998	14,998	14,998
#Extra Help		2	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	3,867,902	3,896,547	4,223,053	4,219,631	4,264,645	4,264,645	4,219,631	4,264,645	4,264,645
Operating Expenses	5020002	3,310,863	3,479,443	3,762,210	3,479,443	3,479,443	3,479,443	3,479,443	3,479,443	3,479,443
Conference & Travel Expenses	5050009	97,356	206,530	206,530	206,530	206,530	206,530	206,530	206,530	206,530
Professional Fees	5060010	794,253	205,569	811,263	205,569	205,569	205,569	205,569	205,569	205,569
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	43,506	0	100,000	0	100,000	100,000	0	100,000	100,000
Reading Recovery	5900046	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
AR Leadership Academy	5900049	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Compact Educ Resrch & Dev	5900050	0	0	15,000	0	0	0	0	0	0
Total		21,361,082	22,437,371	23,543,169	22,741,397	23,004,954	23,004,954	22,741,397	23,004,954	23,004,954

Funding Sources										
Fund Balance	4000005	2,029,932	2,011,313		2,011,313	2,011,313	2,011,313	2,011,313	2,011,313	2,011,313
General Revenue	4000010	17,529,999	15,167,661		15,471,687	15,515,769	15,471,687	15,471,687	15,515,769	15,471,687
DFA Motor Vehicle Acquisition	4000184	13,516	0		0	0	0	0	0	0
Educational Adequacy Fund	4000210	6,391,870	6,391,870		6,391,870	6,391,870	6,391,870	6,391,870	6,391,870	6,391,870
Educational Excellence Fund	4000220	934,692	877,840		877,840	877,840	877,840	877,840	877,840	877,840
M & R Sales	4000340	8,774	0		0	0	0	0	0	0
Miscellaneous Adjustments	4000345	73,090	0		0	0	0	0	0	0
Transfer frm General Education	4000535	(429,478)	0		0	0	0	0	0	0
Trnfr to DOE Public School Fund	4000625	(3,180,000)	0		0	0	0	0	0	0
Unfunded Appropriation	4000715	0	0		0	219,475	263,557	0	219,475	263,557
Total Funding		23,372,395	24,448,684		24,752,710	25,016,267	25,016,267	24,752,710	25,016,267	25,016,267
Excess Appropriation/(Funding)		(2,011,313)	(2,011,313)		(2,011,313)	(2,011,313)	(2,011,313)	(2,011,313)	(2,011,313)	(2,011,313)
Grand Total		21,361,082	22,437,371		22,741,397	23,004,954	23,004,954	22,741,397	23,004,954	23,004,954

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.
The FY11 Budgeted Positions exceeds Base Level due to Agency's utilization of pool position special language.

Change Level by Appropriation

Appropriation: 620 - State Operations
Funding Sources: EGA - Department of Education-State Operations

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	22,741,397	259	22,741,397	100.0	22,741,397	259	22,741,397	100.0
C01	Existing Program	119,475	3	22,860,872	100.5	119,475	3	22,860,872	100.5
C05	Unfunded Appropriation	100,000	0	22,960,872	101.0	100,000	0	22,960,872	101.0
C06	Restore Position/Approp	44,082	1	23,004,954	101.2	44,082	1	23,004,954	101.2

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	22,741,397	259	22,741,397	100.0	22,741,397	259	22,741,397	100.0
C01	Existing Program	119,475	3	22,860,872	100.5	119,475	3	22,860,872	100.5
C05	Unfunded Appropriation	100,000	0	22,960,872	101.0	100,000	0	22,960,872	101.0
C06	Restore Position/Approp	44,082	1	23,004,954	101.2	44,082	1	23,004,954	101.2

Justification

C01	The ADE is requesting the restoration of three (3) unbudgeted positions with unfunded appropriation for flexibility. The positions being requested include: 1 C073C Administrative Specialist II, Grade C109; 1 A098C Fiscal Support Specialist, Grade C112; and 1 L035C Nutritionist Consultant, Grade C121. The Administrative Specialist II and the Fiscal Support Specialist were not budgeted in order to provide for the transfer of an A052 Accounting Coordinator from the Revolving Loan Certificates Program to State Operations. The Nutritionist Consultant was not budgeted due to having been replaced by a Pool Position in FY2009.
C05	The Department of Education is requesting unfunded appropriation of \$100,000 in each year of the 2011-2013 biennium for unforeseen Capital Outlay needs that may occur.
C06	The ADE requests the restoration of a Pool Position that was established by the authority of Section 27 of Act 126 of 2010. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must request the position as a new position. The Pool Position established is an R025C Human Resources Analyst, Grade C117. The position is responsible for directing and coordinating all financial and budgetary activities of the Professional Licensure Standards Board, Teacher Quality and Licensure Units.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Education Department-General Education

Program: State Operations

Act #: 126 Section(s) #: 3 & 25

Estimated Carry Forward Amount \$ 219,550.00 Funding Source: General

Accounting Information:

Business Area: 0500 Funds Center: 620 Fund: EGA Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

These funds will be used to address any unforeseen circumstances that may arise in the State Operations of the Department of Education in the 2011 fiscal year.

Actual Funding Carry Forward Amount \$ 2,011,313.00

Current status of carry forward funding:

These funds remain as a fund balance and are available to be utilized for any unforeseen circumstances.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Dr. Tom W. Kimbrell
Commissioner of Education

08-10-2010
Date

Analysis of Budget Request

Appropriation: 630 - Building Maintenance

Funding Sources: TEB - Education Building Revolving Bond

The Building Maintenance program provides financing for building and grounds maintenance, equipment maintenance contracts, insurance and janitorial services for the various buildings in the Education complex. This appropriation is funded from rent charged to the various non-federal units at the Department.

The Department of Education is requesting Base Level of \$500,000 for each year of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 630 - Building Maintenance

Funding Sources: TEB - Education Building Revolving Bond

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	63,981	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		63,981	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources										
Fund Balance	4000005	4,171,947	4,559,064		4,559,064	4,559,064	4,559,064	4,559,064	4,559,064	4,559,064
Trust Fund	4000050	385,737	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Interest	4000300	65,361	0		0	0	0	0	0	0
Total Funding		4,623,045	5,059,064		5,059,064	5,059,064	5,059,064	5,059,064	5,059,064	5,059,064
Excess Appropriation/(Funding)		(4,559,064)	(4,559,064)		(4,559,064)	(4,559,064)	(4,559,064)	(4,559,064)	(4,559,064)	(4,559,064)
Grand Total		63,981	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 631 - Revolving Loan Certification

Funding Sources: TEM - Education Revolving Loan Certificates Fund

The Revolving Loan Certification program within the Department of Education issues revolving loan certificates through the State Treasury in order to finance loans up to \$500,000 each to school districts for construction and the purchase of equipment or buses.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency is requesting Base Level for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 631 - Revolving Loan Certification
Funding Sources: TEM - Education Revolving Loan Certificates Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	63,953	65,424	98,162	64,724	64,724	64,724	64,724	64,724	64,724
#Positions	2	2	2	2	2	2	2	2	2
Personal Services Matching 5010003	28,113	23,871	36,590	23,715	23,715	23,715	23,715	23,715	23,715
Operating Expenses 5020002	2,686	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500
Conference & Travel Expenses 5050009	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Professional Fees 5060010	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Loans 5120029	440,685	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
Total	535,437	13,129,295	13,174,752	13,128,439	13,128,439	13,128,439	13,128,439	13,128,439	13,128,439
Funding Sources									
Fund Balance 4000005	5,594,695	7,001,619		7,001,619	7,001,619	7,001,619	7,001,619	7,001,619	7,001,619
Trust Fund 4000050	1,551,438	13,129,295		13,128,439	13,128,439	13,128,439	13,128,439	13,128,439	13,128,439
Interest 4000300	390,923	0		0	0	0	0	0	0
Total Funding	7,537,056	20,130,914		20,130,058	20,130,058	20,130,058	20,130,058	20,130,058	20,130,058
Excess Appropriation/(Funding)	(7,001,619)	(7,001,619)		(7,001,619)	(7,001,619)	(7,001,619)	(7,001,619)	(7,001,619)	(7,001,619)
Grand Total	535,437	13,129,295		13,128,439	13,128,439	13,128,439	13,128,439	13,128,439	13,128,439

Analysis of Budget Request

Appropriation: 637 - Child Nutrition

Funding Sources: FHB - DOE Food Service Federal Fund

The Child Nutrition Program of the Department of Education provides administrative services and reimbursement to the local school districts that participate in the school lunch, school breakfast or special milk programs. This program also promotes nutrition education by conducting courses in methods and materials for teaching nutrition education. The Child Nutrition Program is funded with federal funds from the United States Department of Agriculture.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Request above Base Level is for \$50,000 in Capital Outlay for both fiscal years of the 2011-2013 Biennium to address any unforeseen needs that may arise. Additionally, the Agency Request does not continue the appropriation for ARRA. The Agency is expected to complete the ARRA grant during FY2011.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 637 - Child Nutrition

Funding Sources: FHB - DOE Food Service Federal Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	810,149	787,800	721,569	782,500	782,500	782,500	782,500	782,500	782,500
#Positions		18	18	18	18	18	18	18	18	18
Personal Services Matching	5010003	260,250	232,129	242,182	257,799	257,799	257,799	257,799	257,799	257,799
Operating Expenses	5020002	352,832	672,100	672,100	672,100	672,100	672,100	672,100	672,100	672,100
Conference & Travel Expenses	5050009	11,957	52,600	52,600	52,600	52,600	52,600	52,600	52,600	52,600
Professional Fees	5060010	45,347	156,400	156,400	156,400	156,400	156,400	156,400	156,400	156,400
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	148,836,926	165,168,000	165,168,000	165,168,000	165,168,000	165,168,000	165,168,000	165,168,000	165,168,000
Refunds/Reimbursements	5110014	56,830	399,600	399,600	399,600	399,600	399,600	399,600	399,600	399,600
Capital Outlay	5120011	6,784	40,000	40,000	0	50,000	50,000	0	50,000	50,000
ARRA of 2009	5900052	1,249,361	1,250,000	1,250,000	0	0	0	0	0	0
Total		151,630,436	168,758,629	168,702,451	167,488,999	167,538,999	167,538,999	167,488,999	167,538,999	167,538,999

Funding Sources										
Federal Revenue	4000020	150,381,075	167,508,629		167,488,999	167,538,999	167,538,999	167,488,999	167,538,999	167,538,999
Federal Funds-ARRA	4000244	1,249,361	1,250,000		0	0	0	0	0	0
Total Funding		151,630,436	168,758,629		167,488,999	167,538,999	167,538,999	167,488,999	167,538,999	167,538,999
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		151,630,436	168,758,629		167,488,999	167,538,999	167,538,999	167,488,999	167,538,999	167,538,999

Budget amount in Regular Salaries exceed the authorized amount due to salary adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 637 - Child Nutrition
Funding Sources: FHB - DOE Food Service Federal Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	167,488,999	18	167,488,999	100.0	167,488,999	18	167,488,999	100.0
C01	Existing Program	50,000	0	167,538,999	100.0	50,000	0	167,538,999	100.0
C03	Discontinue Program	(1,250,000)	0	166,288,999	99.3	(1,250,000)	0	166,288,999	99.3
C16	ARRA	1,250,000	0	167,538,999	100.0	1,250,000	0	167,538,999	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	167,488,999	18	167,488,999	100.0	167,488,999	18	167,488,999	100.0
C01	Existing Program	50,000	0	167,538,999	100.0	50,000	0	167,538,999	100.0
C03	Discontinue Program	(1,250,000)	0	166,288,999	99.3	(1,250,000)	0	166,288,999	99.3
C16	ARRA	1,250,000	0	167,538,999	100.0	1,250,000	0	167,538,999	100.0

Justification

C01	The Department of Education is requesting federally funded appropriation of 50,000 each year for unforeseen Capital Outlay needs of the Child Nutrition Program that may occur in the 2011-2013 biennium.
C03	The appropriation for ARRA is not requested to continue for the 2011-2013 biennium. The Department of Education is expected to finish the grant during FY2011.

Analysis of Budget Request

Appropriation: 650 - Fed Elem & Sec Education

Funding Sources: FEE - Dept of Education Federal Fund

The Federal Elementary and Secondary Education appropriation for the Department of Education contains the majority of the federal entitlement programs for elementary and secondary education. These programs include Title 1 Compensatory Education for the educationally disadvantaged, Title 2 Block Grant, Special Education programs, Early Childhood programs, AIDS Education, Drug Education, and Migrant Education.

Base Level salaries and matching does not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency has two change level requests. First, is a request for \$200,000 each fiscal year of the 2011-2013 biennium of unfunded Capital Outlay appropriation to handle any unforeseen needs that may occur during the biennium. Secondly, the Agency is requesting continuation of \$314,600,000 in appropriation for the ARRA grants. This will allow for any extensions of time to spend the ARRA grant funds and address any additional funds that may be received.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 650 - Fed Elem & Sec Education
Funding Sources: FEE - Dept of Education Federal Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,543,998	3,021,512	2,972,103	3,010,816	3,010,816	3,010,816	3,010,816	3,010,816	3,010,816
#Positions	53	62	62	62	62	62	62	62	62
Extra Help 5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help	0	4	4	4	4	4	4	4	4
Personal Services Matching 5010003	830,352	827,681	961,619	958,780	958,780	958,780	958,780	958,780	958,780
Operating Expenses 5020002	2,772,329	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900	3,475,900
Conference & Travel Expenses 5050009	175,003	710,500	710,500	710,500	710,500	710,500	710,500	710,500	710,500
Professional Fees 5060010	12,642,432	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105	18,351,105
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	271,303,679	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368	496,095,368
Refunds/Reimbursements 5110014	609,321	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000
Capital Outlay 5120011	461,730	160,000	160,000	0	200,000	200,000	0	200,000	200,000
ARRA of 2009 5900052	253,333,122	314,600,000	314,600,000	0	314,600,000	314,600,000	0	314,600,000	314,600,000
Total	544,671,966	838,362,066	838,446,595	523,722,469	838,522,469	838,522,469	523,722,469	838,522,469	838,522,469
Funding Sources									
Federal Revenue 4000020	291,338,844	523,762,066		523,722,469	523,922,469	523,922,469	523,722,469	523,922,469	523,922,469
Federal Funds-ARRA 4000244	253,333,122	314,600,000		0	314,600,000	314,600,000	0	314,600,000	314,600,000
Total Funding	544,671,966	838,362,066		523,722,469	838,522,469	838,522,469	523,722,469	838,522,469	838,522,469
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	544,671,966	838,362,066		523,722,469	838,522,469	838,522,469	523,722,469	838,522,469	838,522,469

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 650 - Fed Elem & Sec Education
Funding Sources: FEE - Dept of Education Federal Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	523,722,469	62	523,722,469	100.0	523,722,469	62	523,722,469	100.0
C01	Existing Program	200,000	0	523,922,469	100.0	200,000	0	523,922,469	100.0
C16	ARRA	314,600,000	0	838,522,469	160.1	314,600,000	0	838,522,469	160.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	523,722,469	62	523,722,469	100.0	523,722,469	62	523,722,469	100.0
C01	Existing Program	200,000	0	523,922,469	100.0	200,000	0	523,922,469	100.0
C16	ARRA	314,600,000	0	838,522,469	160.1	314,600,000	0	838,522,469	160.1

Justification

C01	The Department of Education is requesting federally funded appropriation of \$200,000 each year for unforeseen Capital Outlay needs of the Federal Elementary and Secondary Education programs that may occur in the 2011-2013 biennium.
C16	This request is for the continuation of the federal appropriation authority of the American Recovery and Reinvestment Act of 2009 (ARRA) program into the 2011-2013 biennium. Under current provisions, the ARRA program will end on December 31, 2011. So, it is certain that there will be a need for appropriation in the 2012 fiscal year. However, unless there is a time extension for the program, there will not be a need for appropriation in the 2013 fiscal year. The ADE is requesting appropriation in FY2013, as a contingency, just in case an extension is granted.

Analysis of Budget Request

Appropriation: 885 - Multiple Grant Award Program

Funding Sources: NED - Cash in Treasury

The Department of Education receives grants and awards from private foundations or individuals for program, such as, Teacher of the Year, Minority Teacher Recruitment, Dean's Symposium and Play it Again Arkansas. The Department currently administers approximately 16-20 such grants each year.

The Agency Request is for Base Level for each year of the 2011-2013 biennium.

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

Appropriation Summary

Appropriation: 885 - Multiple Grant Award Program

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	77,635	122,000	122,000	122,000	122,000	122,000	122,000	122,000	122,000
Conference & Travel Expenses	5050009	4,486	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500
Professional Fees	5060010	8,972	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	60,490	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875	2,447,875
Capital Outlay	5120011	3,710	10,000	10,000	0	0	0	0	0	0
Total		155,293	2,636,375	2,636,375	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375
Funding Sources										
Fund Balance	4000005	2,260,887	2,698,682		2,698,682	2,698,682	2,698,682	2,698,682	2,698,682	2,698,682
Cash Fund	4000045	593,088	2,636,375		2,626,375	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375
Total Funding		2,853,975	5,335,057		5,325,057	5,325,057	5,325,057	5,325,057	5,325,057	5,325,057
Excess Appropriation/(Funding)		(2,698,682)	(2,698,682)		(2,698,682)	(2,698,682)	(2,698,682)	(2,698,682)	(2,698,682)	(2,698,682)
Grand Total		155,293	2,636,375		2,626,375	2,626,375	2,626,375	2,626,375	2,626,375	2,626,375

Analysis of Budget Request

Appropriation: 893 - Medicaid Reimbursement

Funding Sources: NED - Cash in Treasury

The Department of Education collects from the various school districts their match as Medicaid providers and then transmits this quarterly to the State Medicaid Office. Reimbursements are for targeted case management and psychological services in addition to the reimbursement for speech-language pathology, physical therapy and occupational therapy.

The Agency is requesting Base Level of \$5,010,500 for each fiscal year of the 2011-2013 biennium.

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

Appropriation Summary

Appropriation: 893 - Medicaid Reimbursement

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	0	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Medicaid Admin	5900046	0	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Total		0	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500
Funding Sources										
Fund Balance	4000005	15,593	6,660		6,660	6,660	6,660	6,660	6,660	6,660
Cash Fund	4000045	2,285,011	5,010,500		5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500
Transfer to Medicaid Match	4000660	(2,293,944)	0		0	0	0	0	0	0
Total Funding		6,660	5,017,160		5,017,160	5,017,160	5,017,160	5,017,160	5,017,160	5,017,160
Excess Appropriation/(Funding)		(6,660)	(6,660)		(6,660)	(6,660)	(6,660)	(6,660)	(6,660)	(6,660)
Grand Total		0	5,010,500		5,010,500	5,010,500	5,010,500	5,010,500	5,010,500	5,010,500

Analysis of Budget Request

Appropriation: 899 - Alternative Certification Program

Funding Sources: NED - Cash in Treasury

The Department of Education has developed alternative methods for certifying individuals within the State who have expertise and knowledge in particular subject areas but do not have the standard teaching certificate. The prospective teachers are charged a fee for training workshops with the funds used to pay workshop expenses.

The Agency is requesting Base Level for both fiscal years of the 2011-2013 biennium.

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

Appropriation Summary

Appropriation: 899 - Alternative Certification Program

Funding Sources: NED - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	256,748	515,292	515,292	515,292	515,292	515,292	515,292	515,292	515,292
Conference & Travel Expenses	5050009	3,477	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Professional Fees	5060010	33,086	125,420	125,420	125,420	125,420	125,420	125,420	125,420	125,420
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	692,545	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		985,856	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212
Funding Sources										
Fund Balance	4000005	1,591,404	1,345,307		1,345,307	1,345,307	1,345,307	1,345,307	1,345,307	1,345,307
Cash Fund	4000045	739,759	1,349,212		1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212
Total Funding		2,331,163	2,694,519		2,694,519	2,694,519	2,694,519	2,694,519	2,694,519	2,694,519
Excess Appropriation/(Funding)		(1,345,307)	(1,345,307)		(1,345,307)	(1,345,307)	(1,345,307)	(1,345,307)	(1,345,307)	(1,345,307)
Grand Total		985,856	1,349,212		1,349,212	1,349,212	1,349,212	1,349,212	1,349,212	1,349,212

Appropriation Summary

Appropriation: 639 - Federal Turnback for School

Funding Sources: FZF - Federal Forest Reserve-DOE

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	0	20,000,000	0	0	0	0	0	0
Total	0	0	20,000,000	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM

DOE - Public School Academic Facilities & Transportation

Enabling Laws

Act 127 of 2010

A.C.A. § 10-3-2201

A.C.A. § 6-19-101 et seq.

A.C.A. § 6-20-2501 et seq.

A.C.A. § 6-20-2601 et seq.

A.C.A. § 6-21-112 et seq.

History and Organization

STATUTORY AUTHORITY:

The Division of Public School Academic Facilities and Transportation (Division) was enabled under Act 90 of 2003 which constituted the Division of Public School Academic Facilities and Transportation under the Arkansas Department of Education (ADE). The Division was realigned under Act 1327 of 2005 which realigned the Division during the forming of the Commission for Public School Academic Facilities and Transportation (Commission). The responsibilities of the Division were further defined in Act 1426 and Act 2206, which sets out the programs for which the Division is responsible. The Division activities are detailed in Ark. Code Ann. §§ 6-20-2501 (Arkansas Public School Academic Facilities Funding Act); 6-21-112 (Division of Public School Academic Facilities and Transportation); 6-21-801 (Arkansas Public School Academic Facilities Program Act); 6-19-101 (Transportation).

MISSION STATEMENT:

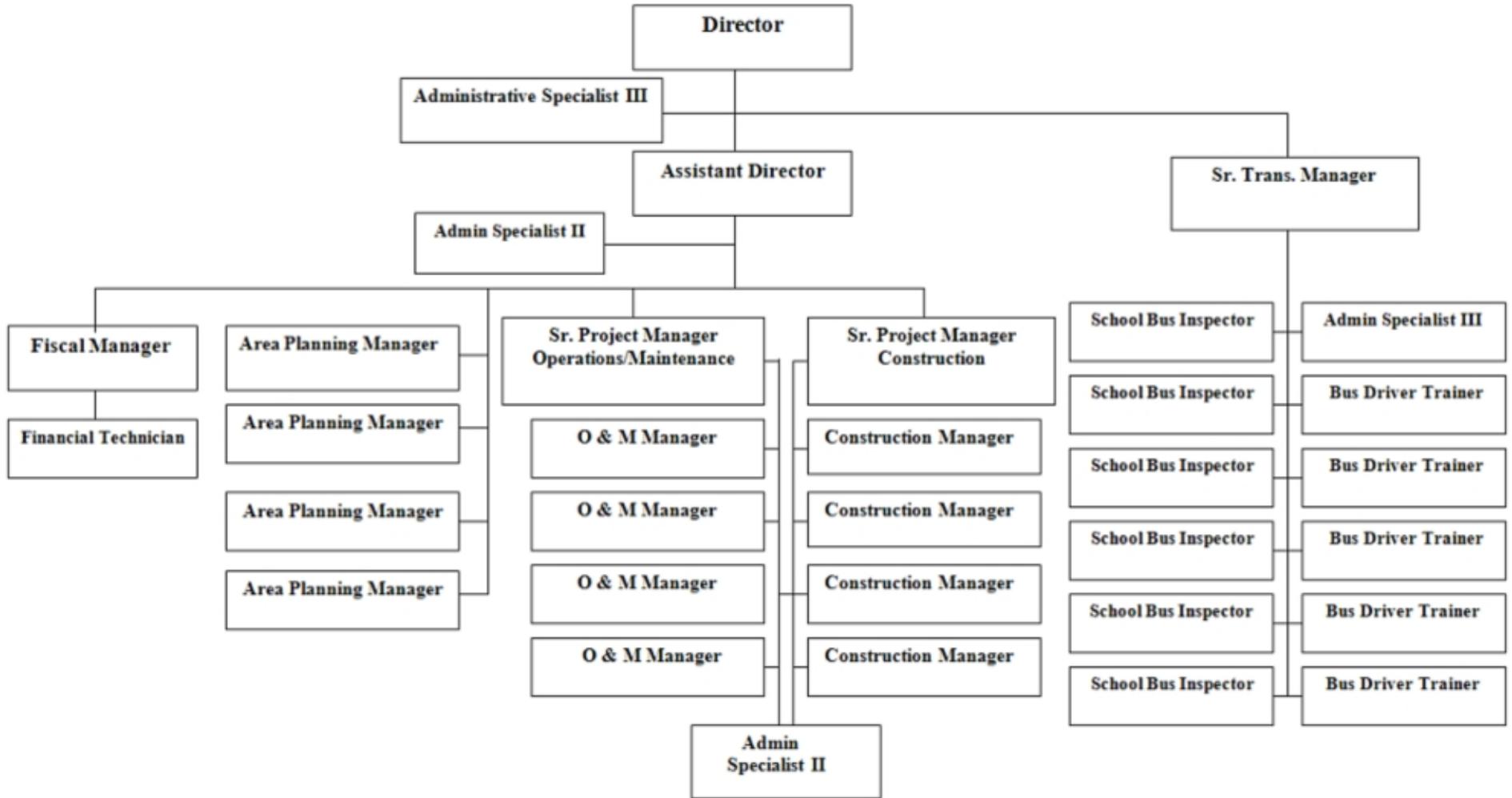
The Division's mission is to direct those activities, under the authorities given to it by law, to assist in ensuring that substantially equal access to adequate educational facilities and educational equipment is provided for all public school students in Arkansas. The Division performs the following functions:

1. Provides information/assistance to Legislative Academic Facilities Oversight Committee;
2. Establishes policies and procedures based on guidance from Academic Facilities Oversight Committee and the General Assembly;
3. Develops and implements the Arkansas Public School Academic Facilities Program Act to include, but is not limited to: development of a statewide Master Plan and legislative reporting requirements; assist school districts in developing school district Master Plans;

establish and maintain an Arkansas School Facility Manual school facility standards; establish and maintain an a Public School Facilities Custodial, Maintenance, Repair and Renovation Manual; a Public School Academic Equipment Manual; administration of the Facilities Distress Program; provide onsite inspection to ensure the adherence to Arkansas laws governing school construction and operations; administer and conduct school bus safety inspections and driver training programs;

4. Administers the programs of state financial participation in support of local academic facilities to include, but is not limited to: the bonded debt assistance program; Academic Facilities Immediate Repair Program; Academic Equipment Program; Transitional Academic Facilities Program; Academic Facilities Partnership Program; Academic Facilities Catastrophic Program; High Growth Loan Program;
5. Develops and implements an ongoing process to track the condition of all public school facilities in the state;
6. Develops a cost index methodology to compare the cost of repairing the condition of school facilities to the replacement of school facilities;
7. Conduct unannounced inspections of public school academic facilities;
8. Enforces, through planning, minimum standards for accessibility to public school academic facilities and programs for individual with disabilities;
9. Develops guidelines for competitive bidding, negotiation and other methods of procurement for public school academic facilities projects;
10. Develops incentive programs to reward school districts for innovative, effective, efficient use of local and state resources with regard to public school academic facilities;
11. Review applicable statutes, rules and regulations for conflicts with or omissions of energy related content;
12. Administers the school transportation program in the various school districts in Arkansas including without limitation, the training of school bus drivers and inspection of school buses;
13. Keeps records showing a description of each school district in the state, maps showing the school districts with current and accurate boundaries, the location of the academic facilities, and the electoral zones into which the school district has been divided;
14. Files reports to the Governor, Legislative committees on the state of condition of academic facilities statewide and the state academic facilities master plan;

- 15. Maintain a public access website dedicated to academic facilities;
- 16. Develop and implement a statewide needs priority list.



Agency Commentary

The Division of Public School Academic Facilities and Transportation is tasked with the responsibility to assist the 239 Arkansas school districts with general academic facilities support to include but not limited to; real property management operations, construction advice, master planning assistance, establishing construction standards, monitoring funding programs, and assisting in school district transportation programs.

The administration of these programs rests with a staff of 33 employees under the Director of the Division. The staff assists in all areas noted above and also conducts inspections of all academic facilities and school buses to insure that school districts are maintaining their facilities in a safe/dry and healthy manner and that the school district buses are maintained to a high level of operational readiness.

To accomplish the construction element of its mission, the Division administers funding programs for new construction, renovation, and conversion projects to ensure that school facilities remain safe, dry and healthy and that they are adapted as necessary to meet the ever changing educational needs of the state. These programs include the Partnership Program, Academic Equipment Program, Catastrophic Program and High-Growth Program.

The Partnership program is essential to correcting deficiencies on school facilities due to fair/wear and tear and to insure the construction brings the facility up to the state standards of construction. The program is essential in assisting school districts adapt and construct new facilities needed to meet new academic demands and changes in student enrollment.

The division is requesting appropriation in the amount of \$300,000,000 for projects this biennium, \$150,000,000 each fiscal year, to cover anticipated cash flow of Partnership projects previously approved.

The Catastrophic Program is administered with funding generated by cancelled projects in the Partnership Program. It is extremely difficult to forecast financial needs of the Catastrophic Program as the program is only enacted in the event of a catastrophic loss of facilities to school districts. Base Level appropriation in the amount of \$7 million for the biennium, \$3,511,538 each fiscal year, is requested to sustain this program.

Performance Audit Findings

Evaluation of Academic Facilities and Transitional and Immediate Repair Programs Disbursements
Division of Public School Academic Facilities and Transportation
(July 1, 2005 – June 30, 2008) - Issued 06-12-2009

Findings and Conclusions:

- Funds distributed under the Transitional Program were awarded in accordance with requirements of the Arkansas Code. However, the Division could not document review of all required conditions.
- 2 of 30 districts selected for review did not use the proper source code when recording Transitional Program funds in APSCN. Improper coding limits the ability to track program expenditures.

Recommendations:

- Enhance controls over the awarding of future facility funds to ensure compliance with statutory requirements is documented.
- Enhance controls over the distribution of future facility funds to ensure school districts are properly coding the receipt of program funds.
- The General Assembly consider granting authority to the Division to institute penalties for school districts not in compliance with prescribed reporting requirements.

Evaluation of Academic Facilities Partnership Program Disbursements
Division of Public School Academic Facilities and Transportation
(July 1, 2006 – June 30, 2008) - Issued 06-12-2009

Findings and Conclusions:

- The Division complied with Arkansas Code in awarding, prioritizing, and distributing Program funds.
- 3 of 30 districts selected for review did not use the proper source code when recording Program funds in APSCN. Improper coding limits the ability to track Program fund expenditures.
- 2 of 7 districts reporting self-contracted construction projects did not follow bid procedures prescribed in the Arkansas Code.
- The Arkansas Code currently provides no enforcement mechanism for schools that do not self-report construction activities as required by Ark. Code Ann. § 6-21-806 (a)(6).

Recommendations:

- Enhance reviews over the distribution of facility funds to ensure school districts are properly coding the receipt of funds and the General Assembly consider giving the Division authority to institute penalties for school districts not in compliance.
- Strengthen oversight of construction funds beyond the initial approval and awarding of Program funds by instituting a post-construction review process to ensure standards and regulations are met.
- The General Assembly consider granting the Division authority to institute penalties for school districts not complying with construction reporting requirements.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
State Academic Facilities Master Plan	Act 1327 of 2005 Section 1(f) (14)	Y	Y	4	Statutory
Statewide State of Condition of Academic Facilities	Act 1327 of 2005 Section 1(f) (13)	Y	Y	4	Statutory

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2WB Public School Academic Facilities	2,379,925	31	2,483,580	32	2,620,212	33	2,492,317	32	2,523,666	33	2,523,666	33	2,492,317	32	2,523,666	33	2,523,666	33
2ZP Academic Facilities Partnership	111,508,049	0	130,000,000	0	130,000,000	0	130,000,000	0	150,000,000	0	150,000,000	0	130,000,000	0	150,000,000	0	150,000,000	0
4HQ Academic Facilities Catastrophic	1,853,137	0	3,511,538	0	7,682,337	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0	3,511,538	0
4HR Academic Facilities ECP	0	0	0	0	2,200,000	0	0	0	0	0	0	0	0	0	0	0	0	0
4KT Academic Equipment	0	0	0	0	7,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
54Y Academic Facilities High Growth	0	0	0	0	5,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
NOT REQUESTED FOR THE BIENNIUM																		
2WC Immediate Repair	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2ZN Transitional Academic Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	115,741,111	31	135,995,118	32	155,002,549	33	136,003,855	32	156,035,204	33	156,035,204	33	136,003,855	32	156,035,204	33	156,035,204	33

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	370,673,941	90.9	291,908,191	83.1		215,411,459	77.2	215,411,459	77.2	215,411,459	77.2	142,937,300	67.9	122,937,300	64.5	122,937,300	64.5
Ed Fac Prtnrsh Fund Trnsfr	4000057	(17,201,487)	(4.2)	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Div of Acad Fac & Trnsp Fund	4000193	2,379,925	0.6	2,483,580	0.7		2,492,317	0.9	2,492,317	0.9	2,492,317	0.9	2,492,317	1.2	2,492,317	1.3	2,492,317	1.3
Educ Fac Partnership Fund	4000217	33,633,641	8.3	34,828,951	9.9		34,828,951	12.5	34,828,951	12.5	34,828,951	12.5	34,828,951	16.5	34,828,951	18.3	34,828,951	18.3
Trnfr frm DOE Pub School Fund	4000525	18,163,282	4.5	22,185,855	6.3		26,208,428	9.4	26,208,428	9.4	26,208,428	9.4	30,231,001	14.4	30,231,001	15.9	30,231,001	15.9
Total Funds		407,649,302	100.0	351,406,577	100.0		278,941,155	100.0	278,941,155	100.0	278,941,155	100.0	210,489,569	100.0	190,489,569	100.0	190,489,569	100.0
Excess Appropriation/(Funding)		(291,908,191)		(215,411,459)			(142,937,300)		(122,905,951)		(122,905,951)		(74,485,714)		(34,454,365)		(34,454,365)	
Grand Total		115,741,111		135,995,118			136,003,855		156,035,204		156,035,204		136,003,855		156,035,204		156,035,204	

ECP - Extraordinary Circumstances Program

Transfer is from unexpended balances in Debt Services Funding, General Facilities Funding and Supplemental Millage Incentive Funding.

Academic Facilities ECP, Academic Facilities High Growth, Academic Equipment and Academic Facilities Catastrophic are requested to continue, but without appropriation. If there is need for these programs, appropriation will be reallocated utilizing the Department of Education's reallocation special language. Variances in Fund Balances are due to unfunded appropriation.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
33	30	3	33	0	9.09 %	33	30	1	31	2	9.09 %	33	30	2	32	1	9.09 %

Analysis of Budget Request

Appropriation: 2WB - Public School Academic Facilities

Funding Sources: EFT - Division of Academic Facilities and Transportation Fund

This appropriation provides resources for the operation of the Division of Public School Academic Facilities and Equipment. Act 1327 of 2005 revised the powers and duties of the Division of Public School Academic Facilities and Transportation to include developing and implementing the Arkansas Public School Academic Facilities Partnership Program and overseeing school transportation programs. The Commission for Public School Academic Facilities and Transportation is charged with overseeing the division during the implementation and operation of the Arkansas Public School Academic Facilities Program.

Base Level salaries and matching does not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency is requesting the restoration of one position in appropriation only.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 2WB - Public School Academic Facilities

Funding Sources: EFT - Division of Academic Facilities and Transportation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,418,880	1,472,066	1,489,709	1,469,826	1,491,653	1,491,653	1,469,826	1,491,653	1,491,653
#Positions	31	32	33	32	33	33	32	33	33
Extra Help 5010001	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
#Extra Help	0	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	454,130	464,543	491,209	475,520	485,042	485,042	475,520	485,042	485,042
Operating Expenses 5020002	283,943	323,321	337,171	323,321	323,321	323,321	323,321	323,321	323,321
Conference & Travel Expenses 5050009	2,152	13,650	28,650	13,650	13,650	13,650	13,650	13,650	13,650
Professional Fees 5060010	0	0	20,973	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Safety Training 5900046	220,820	207,500	250,000	207,500	207,500	207,500	207,500	207,500	207,500
Total	2,379,925	2,483,580	2,620,212	2,492,317	2,523,666	2,523,666	2,492,317	2,523,666	2,523,666
Funding Sources									
Div of Acad Fac & Trnsp Fund 4000193	2,379,925	2,483,580		2,492,317	2,492,317	2,492,317	2,492,317	2,492,317	2,492,317
Total Funding	2,379,925	2,483,580		2,492,317	2,492,317	2,492,317	2,492,317	2,492,317	2,492,317
Excess Appropriation/(Funding)	0	0		0	31,349	31,349	0	31,349	31,349
Grand Total	2,379,925	2,483,580		2,492,317	2,523,666	2,523,666	2,492,317	2,523,666	2,523,666

Change Level by Appropriation

Appropriation: 2WB - Public School Academic Facilities

Funding Sources: EFT - Division of Academic Facilities and Transportation Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	2,492,317	32	2,492,317	100.0	2,492,317	32	2,492,317	100.0
C01	Existing Program	31,349	1	2,523,666	101.3	31,349	1	2,523,666	101.3

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	2,492,317	32	2,492,317	100.0	2,492,317	32	2,492,317	100.0
C01	Existing Program	31,349	1	2,523,666	101.3	31,349	1	2,523,666	101.3

Justification

C01	The Department of Education - Division of Public School Academic Facilities and Transportation is requesting the restoration of one (1) unbudgeted position with unfunded appropriation for flexibility. The position being requested is a C073C Administrative Specialist II, Grade C109. The position was not budgeted in FY2011 due to funding constraints.
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Analysis of Budget Request

Appropriation: EFP - Programs of the Public School Academic Facilities & Transportation

Funding Sources: EFP - Educational Facilities Partnership Fund

This appropriation provides resources for The Arkansas Public School Academic Facilities Funding Act, which established the programs for the state financial participation in local projects relating to academic facilities and equipment and assisting school districts with transportation programs. The programs are the Academic Facilities Immediate Repair Program, the Transitional Academic Facilities Program, the Academic Facilities Partnership Program, the Academic Equipment Program, Academic Facilities Catastrophic Program and the Academic Facilities Extraordinary Circumstances Program. Additionally, the Academic Facilities High Growth line item was added during the 2009-2011 Biennium.

The Immediate Repair Program and the Transitional Program have been completed and are not requested for the 2011-2013 Biennium.

State participation under any program will be based on an academic facilities wealth index. The Division of Public School Academic Facilities and Transportation establishes the formulas used for determining basic project costs on a per student basis.

The funding sources for these programs comes from Fund Balance, General Revenue and through A.C.A. § 6-20-2503, which authorizes the transfer of savings in the Public School Fund for Debt Service Funding, General Facilities Funding and Supplemental Millage Incentive line item appropriations to the Partnership Fund.

The Agency is requesting an increase of \$20,000,000 in the Partnership Program for both fiscal years of the 2011-2013 Biennium. This request is to provide for anticipated cash flows over the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: EFP - Programs of the Public School Academic Facilities & Transportation

Funding Sources: EFP - Educational Facilities Partnership Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Academic Facilities Partnership 5100004	111,508,049	130,000,000	130,000,000	130,000,000	150,000,000	150,000,000	130,000,000	150,000,000	150,000,000
Academic Facilities High Growth 5900046	0	0	5,000,000	0	0	0	0	0	0
Immediate Repair 5900046	0	0	0	0	0	0	0	0	0
Transitional Academic Facilities 5900046	0	0	0	0	0	0	0	0	0
Academic Equipment 5900046	0	0	7,500,000	0	0	0	0	0	0
Academic Facilities Catastrophic 5900046	1,853,137	3,511,538	7,682,337	3,511,538	3,511,538	3,511,538	3,511,538	3,511,538	3,511,538
Academic Facilities ECP 5900046	0	0	2,200,000	0	0	0	0	0	0
Total	113,361,186	133,511,538	152,382,337	133,511,538	153,511,538	153,511,538	133,511,538	153,511,538	153,511,538

Funding Sources									
Fund Balance 4000005	370,673,941	291,908,191		215,411,459	215,411,459	215,411,459	142,937,300	122,937,300	122,937,300
Ed Fac Prtnrshp Fund Trnsfr 4000057	(17,201,487)	0		0	0	0	0	0	0
Educ Fac Partnership Fund 4000217	33,633,641	34,828,951		34,828,951	34,828,951	34,828,951	34,828,951	34,828,951	34,828,951
Trnfr frm DOE Pub School Fund 4000525	18,163,282	22,185,855		26,208,428	26,208,428	26,208,428	30,231,001	30,231,001	30,231,001
Total Funding	405,269,377	348,922,997		276,448,838	276,448,838	276,448,838	207,997,252	187,997,252	187,997,252
Excess Appropriation/(Funding)	(291,908,191)	(215,411,459)		(142,937,300)	(122,937,300)	(122,937,300)	(74,485,714)	(34,485,714)	(34,485,714)
Grand Total	113,361,186	133,511,538		133,511,538	153,511,538	153,511,538	133,511,538	153,511,538	153,511,538

ECP - Extraordinary Circumstances Program

Transfer is from unexpended balances in Debt Services Funding, General Facilities Funding and Supplemental Millage Incentive Funding.

Academic Facilities ECP, Academic Facilities High Growth, Academic Equipment and Academic Facilities Catastrophic are requested to continue, but without appropriation. If there is need for these programs, appropriation will be reallocated utilizing the Department of Education's reallocation special language.

Immediate Repair and Transitional Programs are not requested to continue for the 2011-2013 Biennium.

Change Level by Appropriation

Appropriation: 2ZP - Academic Facilities Partnership
Funding Sources: EFP - Educational Facilities Partnership Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	130,000,000	0	130,000,000	100.0	130,000,000	0	130,000,000	100.0
C01	Existing Program	20,000,000	0	150,000,000	115.4	20,000,000	0	150,000,000	115.4

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	130,000,000	0	130,000,000	100.0	130,000,000	0	130,000,000	100.0
C01	Existing Program	20,000,000	0	150,000,000	115.4	20,000,000	0	150,000,000	115.4

Justification

C01	The Division of Public School Academic Facilities and Transportation is requesting an additional \$20,000,000 each year for the Academic Facilities Partnership program. Funding for this request will be provided from fund balances. This request is needed to provide for anticipated cash flow needs in the 2011-2013 biennium.
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DOE - Public School Fund

Enabling Laws

Act 293 of 2010
A.C.A. §6-5-301 et seq.
A.C.A. §6-10-101 thru §6-26-305
A.C.A. §6-42-101 et seq.
A.C.A. §6-45-101 et seq.
A.C.A. §6-47-201 et seq.
A.C.A. §26-80-101 et seq.
A.C.A. §25-6-101 et seq.

History and Organization

See DOE - General Education Division Page 204.

Agency Commentary

ARKANSAS DEPARTMENT OF EDUCATION PUBLIC SCHOOL FUND

For most programs funded from the Public School Fund the Department of Education is requesting Base Level for the 2011-2013 biennium. However, ACA §10-3-2104 requires that the final report of the House and Senate Committees on Education file their final reports on Educational Adequacy no later than September 1 of each year prior to a Regular Session of the General Assembly. So, as a result of the recommendations of the reports to be made by September 1, 2010, it is very likely that additional appropriation and funding will be needed for the Adequacy programs affected by the recommendations.

The following is a summary of Change Level requests by appropriation:

SCHOOL FUNDING CONTINGENCY (2ZH)

This appropriation is an unfunded contingency appropriation for the Department of Education to utilize to address unforeseen circumstances that occur. In order to use this appropriation, it must be transferred to a programmatic appropriation with the approval of the Chief Fiscal Officer of the State and the Arkansas Legislative Council or the Joint Budget Committee.

The Change Level request is for the unfunded appropriation to continue at the \$25 million appropriation level in each year of the 2011-2013 biennium.

ASSESSMENT/END OF COURSE TESTING (459)

This program provides for contracts to develop and implement Alternative Assessments required by No Child Left Behind, End-of-Course Exams, and Augmented Benchmark Exams. The program also provides for a contract with the University of Arkansas Fayetteville to prepare yearly progress reports and maintain a web site of data for the Department of Education.

The Base Level for this general revenue funded appropriation in each year of the 2011-2013 biennium is \$22,401,677. The Change Level request for the program is for an additional \$2,007,672 in FY12 and \$1,973,672 in FY13. Additional amounts requested are needed to restore appropriation that was utilized from fund balances in FY11 and provide for cost estimates that were obtained from contractors for the various testing components of the program.

BETTER CHANCE PROGRAM (652)

Arkansas Better Chance grants are administered by the Department of Human Services - Division of Child Care and Early Childhood Education for the purpose of serving educationally deprived children from birth through 5 years old, excluding kindergarten. Within the Arkansas Better Chance Program is the Arkansas Better Chance for School Success (ABSCSS) Program that funds innovative and developmentally appropriate early childhood programs for children ages 3 and 4 whose family household income is less than 200% of the Federal Poverty Level.

The Base Level for this appropriation is \$111,000,000 in each year of the 2011-2013 biennium. However, Base Level general revenue funding is only \$104,320,765. The difference in the Base Level between appropriation and general revenue funding is due to the fact that \$6,679,235 of projected fund balance was included in the FY11 budget for the program and is reduced in the Base Level. Therefore in order to continue the program at the \$111,000,000 in the 2011-2013 the ADE is requesting Change Level general revenue funding of \$6,679,235 in each year of the biennium. No additional appropriation is requested.

ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK (APSCN) (688)

From a non-profit agency begun in 1992, the Arkansas Public School Computer Network (APSCN) became a part of the Department of Education in 1998. APSCN's mission is to implement a statewide data communication network that connects all Arkansas public school systems and Education Service Cooperatives with the Department of Education to provide electronic access to administrative computing services and remote instructional services. Schools, district offices and Cooperatives use APSCN to process financial and student data.

The Base Level request for APSCN is \$22,781,803 in each year of the 2011-2013 biennium. The Base Level request is totally funded by general revenue. The Change Level request is for an additional \$696,657 each year with general revenue funding of \$284,208 each year. The remainder of the Change Level request (\$412,449) is for unfunded appropriation.

The items included in the request for APSCN are as follows: 1) Unfunded appropriation of \$212,449 is requested for the restoration of four (4) positions that were not budgeted in FY11. The positions are requested for flexibility. The positions requested are: 2 G050C ADE APSCN Division Manager positions, Grade C126 and 2 D077C Help Desk Specialist positions, Grade C115. All of these positions were not budgeted in FY2011 in order to provide for three Pool Positions that were established by the authority of Section 27 of Act 1420 of 2009. 2) The Department of Education is requesting unfunded Capital Outlay appropriation of \$200,000 each year for unforeseen needs that may occur in the 2011-2013 biennium. 3) The ADE is requesting the restoration of three (3) Pool Positions that were established by the authority of Section 27 of Act 1420 of 2009 with general revenue funded appropriation of \$284,208 each year. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must be requested as a new position. The Pool Positions being requested to continue include: 1 D037C ADE APSCN Application Manager position, Grade C124 and 2 G012C ADE Assistant to Director positions, Grade C129. The ADE Application Manager position is needed for a progressive applications manager that has network leadership experience to facilitate a variety of special long-term projects for APSCN. The ADE Assistant to Director positions were established to bring the directors of the APSCN Financial and Student units in line with the grade and positions of other ADE units within the Fiscal and Administrative Services Division.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT

AUDIT OF :

ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK - (November 1, 2008 - April 30, 2009) (findings with ADE responses)

FOR THE YEAR ENDED JUNE 30, 2009

Findings

Sound information system controls dictate that changes to the Statewide Information System (SIS) software should be properly authorized and tested before installing in the production environment. Inquiry indicated that APSCN personnel have an informal change control process over the programs that make up the SIS. Failure to maintain proper change control over programs increases the risk of incorrect processing resulting in material errors in reporting.

The financial system administrator has authority to add and change an individual's access abilities for a particular education entity. The education entity superintendent is responsible for submitting proper documentation to the APSCN office to request assignment of the financial system administrator security role. Sound internal control dictates adequate documentation should be retained to indicate proper education entity superintendent approval of the financial system administrator. Inspection of a selection of systems administrator approval forms maintained at the APSCN office noted that 17 entities out of the 67 selected did not have an approval form. Failure to maintain and require proper documentation increases the risk of unauthorized access to Pentamation software.

The periodic reporting of an education entity's financial and student data to ADE is called a cycle process. After an education entity's successful completion of a cycle process in Statewide Information System (SIS), the cycle data is moved from a Pentamation production server to a development server then to the data warehouse. Education entity financial and student data is moved directly from the Pentamation databases to the district data warehouse. Sound information systems controls dictate that adequate controls should exist to ensure that cycle and educational entity data transferred to the data warehouse is complete and accurate. Controls are inadequate to ensure the accuracy and completeness in this data transfer process. This situation could allow incomplete/inaccurate cycle data to be loaded into the data warehouse.

Recommendations

APSCN implement formal program change controls to ensure changes to SIS are authorized and tested.

APSCN maintain adequate documentation indicating an education entity's superintendent has approved assignment of the entity's financial system administrator.

APSCN personnel implement controls and maintain adequate documentation to ensure and demonstrate cycle data loaded into the data warehouse is complete and accurate.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK - (November 1, 2008 - April 30, 2009) (findings with DIS responses)
FOR THE YEAR ENDED JUNE 30, 2009

Findings	Recommendations
<p>Sound information system controls dictate that changes to the operating system software should be properly authorized and tested before installing in the production environment. Inquiry indicated that DIS has not implemented adequate controls over changes to the operating system. Failure to maintain proper change controls over system software increases the risk of incorrect processing or unauthorized access.</p>	<p>DIS implement adequate controls to ensure changes to the operating system are properly authorized and tested.</p>
<p>Sound information system controls dictate that changes to the firewall configuration should be properly authorized and tested before installing in the production environment. Inquiry indicated that DIS has adequate procedures for firewall configuration change; however controls are inadequate to prevent or detect direct changes to the firewall configuration that bypass those procedures. Failure to maintain proper controls over firewall configuration could result in unauthorized access to network devices.</p>	<p>DIS personnel install controls to ensure changes to firewall configuration are authorized and tested.</p>
<p>Sound internal control policies dictate that controls should be in place to ensure that the Pentamation software executable files are adequately protected against unauthorized changes. Inquiry indicated that DIS has not implemented adequate controls to detect or prevent unauthorized changes to these executable files. Failure to maintain proper change controls over application software increases the risk of incorrect processing or unauthorized access.</p>	<p>DIS install controls to ensure that only authorized changes are made to Pentamation applications.</p>
<p>Sound accounting controls dictate that an adequate audit trail should exist to identify all direct changes made to Pentamation databases. Two Department of Education employees have direct update access to Pentamation databases. Manual records are maintained detailing the changes; however, this manual process does not contain sufficient controls to ensure completeness and accuracy of recording all changes. This situation could allow unauthorized changes to the financial and student records resulting in misstatement of financial records and financial statements, misappropriation of assets and irretrievable loss of data.</p>	<p>DIS implement adequate controls be installed to ensure a complete audit trail is maintained.</p>
<p>Sound information systems controls dictate that only IP addresses that have a legitimate business need should be allowed to connect to APSCN servers. We inspected the access control list to identify the IP addresses that are allowed to access APSCN servers and noted several IP addresses for which the business need for connection was unknown. Failure to periodically review authorized IP addresses allowed access increases the risk of unauthorized access to network devices.</p>	<p>DIS perform documented periodic reviews of all authorized IP addresses to DIS-controlled APSCN servers.</p>
<p>Sound information systems controls dictate that network security vulnerabilities identified during network scanning should be resolved on a timely basis. We performed network scanning and identified 3 servers containing potential security vulnerabilities. We inspected trouble tickets to corroborate that internal scans performed by DIS did identify the security</p>	<p>DIS install controls to ensure network security issues identified during network scanning be resolved on a timely basis.</p>

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK - (November 1, 2008 - April 30, 2009) (findings with DIS responses)
FOR THE YEAR ENDED JUNE 30, 2009

Findings

issues but the issues remained unresolved for at least 6 months. Failure to resolve potential network vulnerabilities could result in an increased risk of unauthorized access to network servers.

Sound information systems controls dictate that individuals with unescorted access to sensitive DIS areas should be required to submit to a criminal background check and documentation should be maintained indicating the results of the check. We inspected a sample of 10 contractor files and noted that 6 did not have documentation of a background check. Failure to obtain proper documentation raises the risk of unauthorized access to sensitive DIS areas.

Recommendations

DIS maintain documentation for all criminal background checks performed.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
057 Smart Start/Smart Step	9,957,160	0	8,457,160	0	10,666,303	0	8,457,160	0	8,457,160	0	10,666,303	0	8,457,160	0	8,457,160	0	10,666,303	0
082 English Language Learners	9,410,735	0	10,144,383	0	10,231,111	0	10,144,383	0	10,144,383	0	11,115,341	0	10,144,383	0	10,144,383	0	12,162,924	0
088 At Risk	4,529,358	0	1,688,530	0	5,188,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0	1,688,530	0
091 Special Ed-Catastrophic	10,999,825	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	11,000,000	0	11,000,000	0
094 Youth Shelters	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0	165,000	0
108 Tech Improvements	905,186	0	500,000	0	1,000,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
119 Tech Grants	3,526,575	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0	3,602,678	0
136 Distressed School District Support	8,031	0	50,000	0	450,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
150 Home School Test	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
1PS Non-Traditional Licensure	47,625	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1QV Content & Curriculum	294	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
1XE Economic Education	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0	350,000	0
2HP State Foundation Funding	1,788,683,790	0	1,813,597,668	0	1,843,181,242	0	1,813,597,668	0	1,813,597,668	0	1,858,834,526	0	1,813,597,668	0	1,813,597,668	0	1,904,969,759	0
2HR National School Lunch	161,448,823	0	170,778,746	0	161,071,480	0	170,778,746	0	170,778,746	0	178,897,567	0	170,778,746	0	170,778,746	0	187,235,597	0
2HS Prof Development Fund	23,052,341	0	23,171,500	0	23,279,850	0	23,171,500	0	23,171,500	0	23,709,798	0	23,171,500	0	23,171,500	0	24,244,209	0
2HU Supplemental Millage	5,982,656	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
2HX Distance Learning Operations	9,631,825	0	7,575,000	0	10,331,400	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0	7,575,000	0
2HY Education Renewal Zones	1,654,913	5	1,493,782	5	2,093,782	5	1,440,594	5	1,440,594	5	1,440,594	5	1,440,594	5	1,440,594	5	1,440,594	5
2JA Content Standards	114,336	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0	161,000	0
2JC Teacher Recruitment	2,099,998	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
2ZH School Funding Contingency	0	0	0	0	25,000,000	0	0	0	25,000,000	0	25,000,000	0	0	0	25,000,000	0	25,000,000	0
2ZK Leadership Acdmy-Mstr Principal	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2ZM Master Principal Bonus	56,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0	90,000	0
2ZS Special Needs Isolated Funding	7,410,757	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
311 Alternative Learning	20,529,609	0	20,529,609	0	19,968,837	0	20,529,609	0	20,529,609	0	21,149,603	0	20,529,609	0	20,529,609	0	21,775,797	0
326 General Facilities Funding	4,853,535	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0	8,100,000	0
331 Isolated Funding	3,485,235	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0	7,896,000	0
332 Student Growth	28,480,965	0	28,500,000	0	54,851,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0	28,500,000	0
336 Bonded Debt Assistance	17,555,911	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0	28,455,384	0
34K Alternative Pay	0	0	807,907	0	2,500,000	0	807,907	0	807,907	0	807,907	0	807,907	0	807,907	0	807,907	0
34N 98% URT Actual Collection Adj	34,191,012	0	34,500,000	0	26,508,621	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0	34,500,000	0
380 Dept of Correction	5,447,675	0	5,597,675	0	5,597,675	0	5,597,675	0	5,597,675	0	5,881,973	0	5,597,675	0	5,597,675	0	6,024,799	0
394 Residential Ctrs/Juv Detention	15,188,234	0	15,188,254	0	15,188,254	0	15,188,254	0	15,188,254	0	16,115,234	0	15,188,254	0	15,188,254	0	16,345,087	0

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
421 Consolidation Incentive	1,395,233	0	9,415,127	0	5,210,100	0	9,415,127	0	9,415,127	0	9,415,127	0	9,415,127	0	9,415,127	0	9,415,127	0
434 Coop Education Tech Centers	1,200,000	0	0	0	1,200,000	0	0	0	0	0	1,200,000	0	0	0	0	0	1,200,000	0
437 Teacher Retirement Matching	7,726,011	0	6,655,000	0	6,655,000	0	6,655,000	0	6,655,000	0	6,655,000	0	6,655,000	0	6,655,000	0	6,655,000	0
438 Ntl Bd Prof Teaching Standards	7,193,650	0	9,106,160	0	7,475,840	0	9,106,160	0	9,106,160	0	10,516,160	0	9,106,160	0	9,106,160	0	12,016,160	0
440 Advanced Placement Incentive	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0	825,000	0
444 Criminal Background Checks	1,690	0	25,000	0	50,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
445 AR Easter Seals	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0	193,113	0
446 Public School Employee Ins	36,358,601	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0	37,273,600	0
447 School Food Services	1,650,000	0	0	0	1,650,000	0	0	0	0	0	1,650,000	0	0	0	0	0	1,650,000	0
450 Surplus Commodities	0	0	780,000	0	1,027,858	0	780,000	0	780,000	0	780,000	0	780,000	0	780,000	0	780,000	0
451 Grants to School Districts	59,442	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0	67,856	0
452 Workers' Compensation	337,948	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
454 School Food-Legislative Audit	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0	75,000	0
457 Gifted & Talented	1,451,354	0	1,085,381	0	1,480,381	0	1,085,381	0	1,085,381	0	1,085,381	0	1,085,381	0	1,085,381	0	1,085,381	0
458 School Worker Defense	221,665	0	0	0	390,000	0	0	0	0	0	390,000	0	0	0	0	0	390,000	0
459 Assessment/End Course Testing	19,038,235	0	22,401,677	0	23,887,747	0	22,401,677	0	24,409,349	0	24,409,349	0	22,401,677	0	24,375,349	0	24,375,349	0
460 Court Ordered Desegregation	68,882,279	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0	69,814,372	0
4HM Teacher of the Year	84,161	0	100,000	0	125,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
4HN Declining Enrollment	17,083,250	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0	13,963,389	0
565 Intervention Block Grants	227,000	0	227,000	0	227,000	0	227,000	0	227,000	0	227,000	0	227,000	0	227,000	0	227,000	0
566 Serious Offender	1,066,735	0	1,050,946	0	1,050,946	0	1,050,946	0	1,050,946	0	1,683,067	0	1,050,946	0	1,050,946	0	1,716,859	0
59V Coord School Health	1,674,900	0	2,000,000	0	3,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0
59W School Facility Joint Use	0	0	500,000	0	1,000,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
59X Add Public School Employee Ins	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0
652 Better Chance Program	108,480,843	0	111,000,000	0	116,619,375	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0	111,000,000	0
668 Special Education Services	4,109,725	0	1,145,285	0	4,145,285	0	1,145,285	0	1,145,285	0	4,145,285	0	1,145,285	0	1,145,285	0	4,145,285	0
669 Human Dev Ctr Education Aid	0	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0	526,150	0
670 Education Service Cooperatives	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0	6,129,270	0
688 APSCN	15,013,726	46	23,040,027	45	26,775,910	46	22,769,603	42	23,466,260	49	23,466,260	49	22,769,603	42	23,466,260	49	23,466,260	49
697 Early Childhood Special Educ	15,524,710	0	15,623,079	0	15,623,079	0	15,623,079	0	15,623,079	0	16,248,000	0	15,623,079	0	15,623,079	0	16,897,920	0
698 Distance Learning	6,150,000	0	4,760,000	0	6,500,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0	4,760,000	0
699 Teacher Licensing/Mentoring	6,697,200	0	5,008,758	0	7,508,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0	5,008,758	0

NOT REQUESTED FOR THE BIENNIUM																			
2HT	Teacher Housing Development	0	0	0	0	100,000	0	0	0	0	0	0	0	0	0	0	0	0	
2HZ	Academic Improvement Training	500,000	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	
2JB	Intensive School Support	0	0	0	0	320,000	0	0	0	0	0	0	0	0	0	0	0	0	
34M	Traveling Teachers	11,731	0	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	
42S	Pygmalion Commission	40,000	0	0	0	40,000	0	0	0	0	0	0	0	0	0	0	0	0	
58N	SLP Incentive Bonus	0	0	0	0	2,500,000	0	0	0	0	0	0	0	0	0	0	0	0	
59N	Baccalaureate Program	74,997	0	0	0	75,000	0	0	0	0	0	0	0	0	0	0	0	0	
59Y	Smart Core Incentive	0	0	0	0	3,000,000	0	0	0	0	0	0	0	0	0	0	0	0	
Total		2,514,994,873	51	2,576,591,466	50	2,675,833,176	51	2,576,267,854	47	2,603,972,183	54	2,671,784,575	54	2,576,267,854	47	2,603,938,183	54	2,730,988,417	54

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	54,913,877	2.1	40,604,967	1.6	33,925,732	1.3	33,925,732	1.3	33,925,732	1.3	27,246,497	1.0	33,925,732	1.3	27,246,497	1.0		
Court Ordered Desegregation	4000180	68,864,615	2.7	69,814,372	2.7	69,814,372	2.7	69,814,372	2.6	69,814,372	2.6	69,814,372	2.7	69,814,372	2.6	69,814,372	2.6	69,814,372	2.5
DOE Public School Fund	4000195	1,785,180,090	69.9	1,849,659,072	70.9	1,849,335,460	71.0	1,858,306,575	70.4	1,904,820,389	70.6	1,849,335,460	71.2	1,858,272,575	70.4	1,961,501,841	71.3		
E-Rate Credit	4000207	8,085,547	0.3	11,200,000	0.4	11,200,000	0.4	11,200,000	0.4	11,200,000	0.4	11,200,000	0.4	11,200,000	0.4	11,200,000	0.4	11,200,000	0.4
Educational Adequacy Fund	4000210	439,761,621	17.2	462,761,621	17.7	462,761,621	17.8	462,761,621	17.5	462,761,621	17.1	462,761,621	17.8	462,761,621	17.5	462,761,621	17.5	462,761,621	16.8
Educational Excellence Fund	4000220	190,786,662	7.5	179,182,166	6.9	179,182,166	6.9	179,182,166	6.8	179,182,166	6.6	179,182,166	6.9	179,182,166	6.8	179,182,166	6.8	179,182,166	6.5
Miscellaneous Adjustments	4000345	3,066,917	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TANF Transfer	4000478	10,191,000	0.4	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3	7,500,000	0.3
Trnfr frm DOE Pub School Fund	4000525	(33,535,104)	(1.3)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)	(11,115,000)	(0.4)
Transfer frm General Education	4000535	3,180,000	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from Partnership Fund	4000536	16,931,102	0.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer frm GR Allotment Rsv	4000544	7,000,000	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transit Tax	4000700	1,173,513	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0	910,000	0.0
Unfunded Appropriation	4000715	0	0.0	0	0.0	0	0.0	25,412,449	1.0	40,031,792	1.5	0	0.0	25,412,449	1.0	42,554,182	1.5		
Total Funds		2,555,599,840	100.0	2,610,517,198	100.0	2,603,514,351	100.0	2,637,897,915	100.0	2,699,031,072	100.0	2,596,835,116	100.0	2,637,863,915	100.0	2,751,555,679	100.0		
Excess Appropriation/(Funding)		(40,604,967)		(33,925,732)		(27,246,497)		(33,925,732)		(27,246,497)		(20,567,262)		(33,925,732)		(20,567,262)			
Grand Total		2,514,994,873		2,576,591,466		2,576,267,854		2,603,972,183		2,671,784,575		2,576,267,854		2,603,938,183		2,730,988,417			

Budget exceeds Authorized in National School Lunch, Alternative Learning, 98% URT Actual Collection Adj, Consolidation Incentive and Ntl Bd Prof Teaching Standards due to special language which provides for Appropriation Transfer authority.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
51	45	6	51	0	11.76 %	51	42	9	51	0	17.65 %	51	45	5	50	1	11.76 %

Analysis of Budget Request

Appropriation: 2HY - Education Renewal Zones

Funding Sources: JAA - Department of Education Public School Fund

The Office of Educational Renewal Zones is responsible for developing guidelines for the approval of education renewal zone strategic plans and guidelines for the evaluation and reporting of education renewal zone activities. The purpose of an education renewal zone is to: identify and implement education and management strategies designed specifically to improve public school performance and student academic achievement, with special focus on the State's most academically distressed public schools; provide for collaboration among the State's smaller schools and districts in order to achieve some of the advantages of economies of scale in providing educational and related activities; maximize benefits and outcomes of public schooling by concentrating and coordinating the resources of Arkansas' higher education institutions, the expertise of the regional education service cooperatives, and the technical assistance of other service providers to improve public school performance and student academic achievement; and enable small, rural, and low-wealth schools to make the best use of the latest cost-effective distance learning technology to enhance curricula and professional development through two-way interactive learning environments.

The Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency is requesting Base Level for this program of \$1,440,594 for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 2HY - Education Renewal Zones
Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	248,821	297,168	293,025	250,036	250,036	250,036	250,036	250,036	250,036
#Positions	5	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	78,425	84,914	89,057	78,858	78,858	78,858	78,858	78,858	78,858
Operating Expenses 5020002	46,329	91,800	91,800	91,800	91,800	91,800	91,800	91,800	91,800
Conference & Travel Expenses 5050009	3,224	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees 5060010	13,000	306,900	306,900	306,900	306,900	306,900	306,900	306,900	306,900
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	1,265,114	700,000	1,300,000	700,000	700,000	700,000	700,000	700,000	700,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	1,654,913	1,493,782	2,093,782	1,440,594	1,440,594	1,440,594	1,440,594	1,440,594	1,440,594
Funding Sources									
DOE Public School Fund 4000195	1,654,913	1,493,782		1,440,594	1,440,594	1,440,594	1,440,594	1,440,594	1,440,594
Total Funding	1,654,913	1,493,782		1,440,594	1,440,594	1,440,594	1,440,594	1,440,594	1,440,594
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,654,913	1,493,782		1,440,594	1,440,594	1,440,594	1,440,594	1,440,594	1,440,594

Analysis of Budget Request

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Arkansas Public School Computer Network (APSCN) - From a non-profit Agency begun in 1992, APSCN became a part of the Department of Education in 1998. APSCN's mission is to implement a statewide data communication network that connects all Arkansas public school systems and Education Service Cooperatives with the Department of Education to provide electronic access to administrative computing services and remote instructional services. Schools, district offices and Cooperatives use APSCN to process financial and student data.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Change Level requests total \$696,657 in appropriation for both fiscal years of the 2011-2013 Biennium and consists of the following:

- (1) Restoration of four (4) unbudgeted positions with appropriation only. This is to allow the flexibility of APSCN to meet any unforeseen needs that may require use of these positions.
- (2) Also, \$200,000 each year of unfunded appropriation in the Capital Outlay line item. This request is for any unforeseen problems that may occur during the biennium.
- (3) Restoration of three (3) pool positions. These positions were established by the authority in Act 1420 of 2009 Section 27. Under this section, continuation of pool positions must be requested as new positions. These positions include one (1) APSCN Application Manager and two (2) ADE Assistant to Director positions. The appropriation associated with this request totals \$284,208.

Additionally, the Agency is requesting \$284,208 in general revenue funding. This general revenue request corresponds with the three (3) requested pool positions.

The Executive Recommendation provides for the appropriation request only.

Appropriation Summary

Appropriation: 688 - APSCN

Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,002,831	2,192,939	2,233,046	1,960,616	2,340,299	2,340,299	1,960,616	2,340,299	2,340,299
#Positions		46	45	46	42	49	49	42	49	49
Personal Services Matching	5010003	650,078	669,525	718,947	631,424	748,398	748,398	631,424	748,398	748,398
Operating Expenses	5020002	12,080,931	19,870,313	23,316,667	19,870,313	19,870,313	19,870,313	19,870,313	19,870,313	19,870,313
Conference & Travel Expenses	5050009	2,371	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	193,131	0	200,000	0	200,000	200,000	0	200,000	200,000
Data Access Implementation	5900046	84,384	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total		15,013,726	23,040,027	26,775,910	22,769,603	23,466,260	23,466,260	22,769,603	23,466,260	23,466,260
Funding Sources										
DOE Public School Fund	4000195	6,928,179	16,340,027		16,069,603	16,353,811	16,069,603	16,069,603	16,353,811	16,069,603
E-Rate Credit	4000207	8,085,547	6,700,000		6,700,000	6,700,000	6,700,000	6,700,000	6,700,000	6,700,000
Unfunded Appropriation	4000715	0	0		0	412,449	696,657	0	412,449	696,657
Total Funding		15,013,726	23,040,027		22,769,603	23,466,260	23,466,260	22,769,603	23,466,260	23,466,260
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		15,013,726	23,040,027		22,769,603	23,466,260	23,466,260	22,769,603	23,466,260	23,466,260

Change Level by Appropriation

Appropriation: 688 - APSCN
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	22,769,603	42	22,769,603	100.0	22,769,603	42	22,769,603	100.0
C01	Existing Program	212,449	4	22,982,052	100.9	212,449	4	22,982,052	100.9
C05	Unfunded Appropriation	200,000	0	23,182,052	101.8	200,000	0	23,182,052	101.8
C06	Restore Position/Approp	284,208	3	23,466,260	103.1	284,208	3	23,466,260	103.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	22,769,603	42	22,769,603	100.0	22,769,603	42	22,769,603	100.0
C01	Existing Program	212,449	4	22,982,052	100.9	212,449	4	22,982,052	100.9
C05	Unfunded Appropriation	200,000	0	23,182,052	101.8	200,000	0	23,182,052	101.8
C06	Restore Position/Approp	284,208	3	23,466,260	103.1	284,208	3	23,466,260	103.1

Justification

C01	The ADE is requesting the restoration of four (4) unbudgeted positions with unfunded appropriation for the Arkansas Public School Computer Network (APSCN) for flexibility. The positions being requested include: 2 G050C ADE APSCN Division Manger positions, Grade C126 and 2 D077C Help Desk Specialist positions, Grade C115. All of these positions were not budgeted in FY2011 in order to provide for three Pool Positions that were established.
C05	The Department of Education is requesting unfunded appropriation of \$200,000 each year for unforeseen Capital Outlay needs of the Arkansas Public School Computer Network (APSCN) that may occur in the 2011-2013 biennium.
C06	The ADE requests the restoration of three (3) Pool Positions that were established by the authority of Section 27 of Act 1420 of 2009. This same authority requires that if the agency requests the continuation of a Pool Position in the next fiscal year, it must be requested as a new position. The Pool Positions being requested to continue include: 1 D037C ADE APSCN Application Manager position, Grade C124 and 2 G012C ADE Assistant to Director positions, Grade C129. The ADE Application Manager position is needed for a progressive applications manager that has network leadership experience to facilitate a variety of special long-term projects fo ADE APSCN. The ADE Assistant to Director positions were established to bring the directors of the APSCN Financial and Student units in line with the grade and positions of other ADE units within the Fiscal and Administrative Services Division.

Analysis of Budget Request

Appropriation: PSF - Public School Fund

Funding Sources: JAA - Department of Education Public School Fund

The Department of Education Public School Fund provides the primary State financial assistance to Arkansas' public elementary and secondary schools. For FY11, the major funding sources for the Department of Education Public School Fund are projected as: General Revenue funding of approximately \$1.850 billion, the Educational Excellence Trust Fund will provide \$179.2 million, and the Educational Adequacy Fund will provide \$462.8 million.

The following discussion summarizes the fiscal status and change level requests for each program in the Department of Education Public School Fund.

Certified Speech-Language Pathologist Incentive Bonuses (58N) - Act 1187 of 2005 amended A.C.A. §6-17-413 by adding subsection (d) which provides for yearly incentive bonuses of \$5,000 to a certified speech-language pathologist who: (1) holds an Arkansas teaching license in speech-language pathology, (2) is a full-time employee of an Arkansas education service cooperative or public school district as a speech-language pathologist and (3) is not considered a purchase service contractor.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Non-Traditional Licensure Grants (1PS) - This program supplements the cash funded Alternative Certification program which was developed by the Department of Education for certifying individuals, that have expertise and knowledge in a particular subject, but do not have the standard teaching certificate, to teach.

The Base Level for this appropriation is \$50,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Intervention Block Grants (565) - This program provides grants to local school districts, schools and education cooperatives to provide services targeting parent involvement. The grants support the Smart Start and Smart Step Initiatives by providing the child's first teacher, the parent, with resources that will support literacy and mathematics achievement.

The Base Level for this appropriation is \$227,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Technology Grants (119) - The Technology Grants appropriation is used to make technology grants to school districts for such programs as the Environmental and Spatial Technology (EAST) Initiative. The EAST program has received high praise from local school administrators and parents as well as national recognition. The EAST Initiative began in the 1996-97 school year at Greenbrier High School with 20 students. Today, the program has grown to over 10,000 students. Through their schools' EAST labs, students use technology and their training and knowledge to solve real-world problems facing their communities.

The Base Level for this appropriation is \$3,602,678. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Arkansas Teacher Housing Development Foundation (2HT) - This appropriation provides an operating grant to the Arkansas Teacher Housing Development Foundation. The purpose of the foundation is to facilitate the development of affordable housing for high-performing teachers in high-priority school districts and to provide housing incentives to encourage high-performing teachers to relocate to high-priority districts.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Smart Core Incentive Funding Program (59Y) - Established in Act 1481 of 2009, this program, in an effort to address the problem of public high school students opting out of the Smart Core Curriculum will provide financial incentives to public high schools for encouraging students to complete the Smart Core Curriculum.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Grants to School Districts (451) - These payments are made for educating students in North Arkansas who can't get to their assigned district because Bull Shoals Lake separates them from their district, which would require a round trip of more than 35 miles to attend their assigned school.

The Base Level for this appropriation is \$67,856. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Better Chance Program (652) - This program funds innovative and developmentally appropriate early childhood programs for educationally deprived children ages 3-5. Act 1132 of 1997 transferred the Early Childhood Commission to the Department of Human Services with the Grants remaining with the Department of Education.

The Base Level for this appropriation is \$111,000,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

International Baccalaureate Program (59N) - This appropriation provides for grants and aid to local school districts participating in the International Baccalaureate Program (IB). The International Baccalaureate (IB) Diploma Program is an internationally recognized rigorous pre-university curriculum that is studied over a two-year period, 11th and 12th grade years. Students have an opportunity to earn the IB Diploma in addition to the regular high school diploma. This can be accomplished by successfully completing internal and external assessments in six different IB subjects; writing an extended essay based on independent research that is mentored by a faculty member, completing 150 hours of creative, action, and service activities (CAS) and studying a critical thinking course called Theory of Knowledge. This educational program provides an opportunity for students to develop skills for becoming a productive, caring citizen in a global, technological society.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Additional Public School Employee Health Insurance (59X) - This program was added to the Education Public School Fund in FY10. This appropriation allows the Department of Education to pay up to \$15,000,000 in additional health insurance contributions for eligible employees electing to participate in the public school employees' health insurance program administered by the State and Public School Life and Health Insurance Board. The Department of Education is authorized to make these payments if 98% of the URT used in the calculation for State Foundation Funding Aid exceeds \$920,731,819.

The Base Level for this appropriation is \$15,000,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Economic Education (1XE) - The objective of this program is to integrate economics into the K-12 curriculum by training teachers and administrators in economic principles.

The Base Level for this appropriation is \$350,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Distance Learning Operating Grants (2HX) - These grants provide funding for acquiring and or leasing equipment and telecommunications services, and operating expenses necessary for school districts to have two-way interactive television for distance learning education. The primary purpose is to provide distance learning resources to assist school districts in receiving advanced high school courses, advanced placement courses, enriched course content, or other academic courses not otherwise available in the school district.

The Base Level for this appropriation is \$7,575,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Declining Enrollment (4HN) - Act 20 of the 1st Extraordinary Session of 2006 provides school districts with declining enrollment additional funding equal to the difference between the average of the two immediately preceding years' average daily membership and the average daily membership for the previous school year multiplied by \$5,620 or the special needs isolated funding under A.C.A. § 6-20-604. A school district may receive both declining enrollment funding and special needs isolated funding only if sufficient funding is available.

The Base Level for this appropriation is \$13,963,389. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

School Food - Legislative Audit (454) - This is a fund transfer up to \$75,000 each year to compensate Legislative Audit for auditing school food funds in the local school districts.

The Base Level for this appropriation is \$75,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

School Food Services (447) - This program combined with the Surplus Commodities program provides the State match for the total school food program in local schools. This grant is paid to school districts based on the number of lunches served.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for the restoration of the authorized appropriation of \$1,650,000 each fiscal year.

School Facility Joint Use Support (59W) - As part of the 2009 Healthcare Initiative, this program is designed to encourage schools to allow their physical plants, both indoor and outdoor, to be used by the public and by community members as an accessible and safe environment for community and family physical activity.

The Base Level for this appropriation is \$500,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

School Funding Contingency (2ZH) - The School Funding Contingency appropriation is an authorization of unfunded appropriation that is used to address unforeseen problems that arise during the course of a biennium. The Department of Education has special language allowing the transfer of this appropriation to address problem areas.

The Change Level Request is for \$25,000,000 of unfunded appropriation each year.

The Executive Recommendation provides for Agency Request.

Smart Start/Smart Step Assessment (057) - The Smart Start program is a comprehensive initiative that focuses on improving the academic achievement of Kindergarten through fourth grade students in the areas of reading and mathematics. Since its inception in FY00, this program has been expanded to include Smart Step and Next Step which covers grades five through eight. A state network of literacy and mathematics specialists assist schools with professional development to maintain a highly qualified teaching staff. In addition, the program provides professional development opportunities to all K-12 educators through statewide conferences, regional workshops and satellite delivered meetings. K-12 schools are also provided a variety of resources including professional books and videos.

The Base Level for this appropriation is \$8,457,160. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$2,209,143 for each year fiscal year. This increase restores the appropriation to the FY2011 authorized level.

Serious Offender Program (566) - Serious Offender Units for juveniles are operated by the Department of Human Services, but the Department of Education pays the educational costs of those located in these units through a Memorandum of Understanding (MOU) with DHS. School districts are provided funds based on the number of Serious Offender participants in the district. The funds then flow to the provider in the district. There are currently Serious Offender Programs (SOP) located in Mansfield, Harrisburg, Lewisville, Palestine-Wheatley, and Dermott school districts.

The Base Level for this appropriation is \$1,050,946. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$632,121 in FY2012 and \$665,913 in FY2013. This increase provides for an additional 100 beds at the Juvenile and Assessment Treatment Center in Alexander and the 2% increase year each in the Foundation Funding Amount per ADM.

School Worker Defense (458) - This program provides for claims and legal fees for liability suits against school personnel.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for the restoration of the authorized appropriation amount of \$390,000 each fiscal year.

National Board of Professional Teaching Standards (438) - A.C.A. §6-17-413(a)(1)(A) calls for teacher support in three distinct areas related to state support of advanced national teacher certification: bonuses to National Board Certified Teachers (NBCT), participation fees and substitute pay required for candidacy, and a support system for those candidates.

The Base Level for this appropriation is \$9,106,160. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$1,410,000 in FY2012 and \$2,910,000 in FY2013. The increases in this program are based on a projection of additional teachers (282/300) participating in the program each fiscal year.

National School Lunch Student Funding (2HR) - Funding for national school lunch students shall be based on the number of students eligible for free or reduced-price lunch program under the National School Lunch Act (NSLA) identified on the Arkansas Public School Computer Network Cycle Two Report.

The current rates for the NLSA as listed in A.C.A. § 6-20-2305(b)(4)(A), are:

- School districts in which 90% or greater of the enrolled students are national school lunch students, funding shall be \$1,488;
- For school districts in which at least 70% but less than 90% of the enrolled students are national school lunch students, funding shall be \$992; and
- For school districts in which less than 70% of the enrolled students are national school lunch students, funding shall be \$496.

The Base Level for this appropriation is \$170,778,746. The increase of the Base Level over the Authorized Level for FY2011 is due to the special language which allows for appropriation transfer authority. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$8,118,821 in FY12 and \$16,456,851 in FY13. Included in this increase is \$4,611,026 for FY2012 and \$9,346,550 for FY2013, which represents a projected growth based on the previous four year average annual growth rate of 2.7% each year. Additionally, an increase of 2% in the per student funding rate of the National School Lunch Student Funding Program is recommended for \$3,507,795 in FY2012 and \$3,602,506 in FY2013.

Master Principal Bonus (2ZM) - Act 44 of the 2nd Extraordinary Session of 2003 provided for incentive bonuses for principals achieving Master Principal status through the Arkansas Leadership Academy. Section 3 of Act 44 allows for \$9,000 annually for five years while serving as a full-time principal in a public school in Arkansas. Section 4 provides for \$25,000 annually while working as a full time principal in an Arkansas "low-performing" school.

The Base Level for this appropriation is \$90,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Professional Development Funding (2HS) - This aid, through Section 21 of Act 229 of 2007, is a formula driven program that provides \$50 per the previous year Average Daily Membership (ADM) students to school districts for professional development activities. Professional development is used to provide activities and materials to improve the knowledge of teachers and administrators to ensure that all students demonstrate proficiency in the state academic standards.

The Base Level for this appropriation is \$23,171,500. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$538,298 in FY12 and \$1,072,709 in FY13. Included in this increase is \$73,400 for FY2012 and \$141,550 for FY2013, which represents a projected growth in the Average Daily Membership in School Districts and Charter Schools. Additionally, an increase of 2% in the per student funding rate of the Professional Development Program is recommended for \$464,898 in FY2012 and \$466,261 in FY2013.

Residential Centers/Juvenile Detention (394) - This program provides reimbursement to school districts for the educational costs associated with disabled and non-disabled students placed in approved residential psychiatric and drug and alcohol treatment facilities or juvenile detention centers.

The Base Level for this appropriation is \$15,188,254. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$926,980 in FY2012 and \$1,156,833 in FY2013. This increase is due to a projection for the Residential Centers/ Juvenile Detention program to add an additional 90 beds in FY2012 and another 20 beds in FY2013. This projection also includes the 2% increase in the Foundation Funding amount per ADM.

Pygmalion Commission (425) - This grant to the Pygmalion Commission (A.C.A. §6-15-1801 et seq.) on Nontraditional Education is to develop alternative learning environments and provide changes in curriculum, instructional approaches, school climate, and organization to improve educational outcomes for at-risk students.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Public School Employee Insurance (446) - This program pays the state contribution for insurance premiums for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals, and the school operated by the Department of Correction, and \$61 per month for each eligible employee electing to participate in the public school employee health insurance program.

The Base Level for this appropriation is \$37,273,600. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Special Education - Catastrophic (091) - Provides for state funding to school districts for local occurrences when the costs of special education and related services required by an individual child are unduly expensive, extraordinary, or beyond the routine and normal costs associated with special education. Reimbursement from this program for an individual child can be sought only after eligible costs equal or exceed \$30,000 for the special education child. Medicaid and other third party funding are obtained prior to requesting state catastrophic funding.

The Base Level for this appropriation is \$11,000,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Teacher Retirement Matching (437) - This is the employer matching for employees of the Education Service Cooperatives, Vocational Centers, the Model Vocational-Technical Resource Center, Arkansas Easter Seals and the school operated by the Department of Correction.

The Base Level for this appropriation is \$6,655,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Teacher Recruitment High-Priority District (2JC) - A.C.A. §6-17-811 requires the Department of Education to provide a system of incentives for teacher recruitment and retention in high priority districts. A "High-Priority District" is one that has 1,000 or fewer students in which 80% or more of public school students are eligible for the free or reduced-price lunch program under the National School Lunch Act and have a three-quarter ADM of 1,000 or fewer for the 2003-2004 school year. Beginning in the 2004-2005 school year, a teacher licensed by the state board who teaches in a school in a high-priority district shall receive, in addition to all other salary and benefits, bonus payments as specified by law.

The Base Level for this appropriation is \$2,100,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Teacher of the Year (4HM) - Act 17 of the 1st Extraordinary Session of 2006 established a grant for the Arkansas Teacher of the Year award. The Act requires the Department of Education to develop a process for selecting the Arkansas Teacher of the Year and provides that the teacher shall be placed on administrative leave for the year following his or her selection to assist with improving teaching conditions in the state.

The Base Level for this appropriation is \$100,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Technology Improvements (108) - These improvements are used to update the technology hardware and software available to Educational Service Cooperatives and local school districts. The funds are also used to make educational technology resources available through statewide projects such as APSCN and joint efforts with the state library system. The technology improvement grants and resources provided through this appropriation affect virtually every district in the state.

The Base Level for this appropriation is \$500,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Youth Shelters (094) - The Department of Human Services (DHS) maintains contracts with community providers for the operation of 10 youth shelters with approximately 250 beds. This program partially reimburses school districts for the additional costs of providing educational services to students placed in these facilities by DHS.

The Base Level for this appropriation is \$165,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Workers' Compensation (452) - Claims and administrative expenses are paid by a fund transfer to the Miscellaneous Revolving Fund based on the previous year's claims. This appropriation is for claims made before 1994-95 when districts were required by Act 862 of 1993 to provide their own workers' compensation coverage.

The Base Level for this appropriation is \$450,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Traveling Teachers (34M) - Act 1027 of 2007 created the Traveling Teachers program to assist rural schools districts having 8,000 students or fewer in providing appropriately certified licensed teachers to teach required courses in grades 9-12. The traveling teacher will teach one (1) or more required courses in a critical shortage area, or one of the required 38 units pursuant to the Department Rules Governing the Standards for Accreditation.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

State Foundation Funding (2HP) - State Foundation Funding is the amount of state financial aid provided to each school district. Act 59 of the Second Extraordinary Session of 2003 changed the process by which aid is distributed to school districts. Act 1474 of 2009 amended A.C.A. § 6-20-2305(a) to establish the Foundation Funding amount as \$5,905 in FY10 and \$6,023 in FY11 multiplied by the school district's average daily membership (ADM) for the previous school year. Additionally, included in the FY10 foundation amount of \$5,905 school districts received Enhanced Educational Funding of \$35 multiplied by the school district's ADM for the previous school year.

The amount paid as State Foundation Funding is computed as the difference between the Foundation Funding amount established by the General Assembly (\$6,023 for FY11) times the ADM of the previous school year and less the sum of 98% of the uniform rate of tax (25 mills) times the property assessment of the school district plus 100% of miscellaneous funds (average over a 5 year period) of the school district. Open-Enrollment Charter Schools are also funded from the Foundation Funding line item at the Foundation amount times the current year ADM of the school.

The Base Level for this appropriation is \$1,813,597,668. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of 2% in the Foundation Funding amount per Average Daily Membership (ADM) student. It also assumes a 2.0% increase each year in assessments and an increase of 1,546 Average Daily Membership (ADM) students in FY2012 and an increase of 2,319 ADM in FY2013. Estimates for assessments and ADM students were determined by the Department of Education. Also included in the recommendation is an estimated increase in Open Enrollment Charter School students over FY11 of 620 in FY12 and 1,240 in FY13.

Special Needs Isolated (2ZS) - Act 1452 of 2005 created this program for certain isolated schools and certain school districts with a low student density. The program allows for these schools that meet the eligibility criteria set by the Department, to receive additional funding to provide for an adequate education for the students.

The Base Level for this appropriation is \$3,000,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Special Education Services (668) - This program provides extended year summer programs for students with disabilities, provides special education services to foster children who are wards of the State placed in out-of-state residential facilities, and provides funds for the partial reimbursement of special education supervisors.

The Base Level for this appropriation is \$1,145,285. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Student Growth Funding (332) - Student Growth Funding is a program that provides supplemental funding to school districts that have a growth in students over the previous school year. Pursuant to Act 272 of 2007, student growth funding is comprised of four calculations. One quarter (1/4) of the per student foundation funding is multiplied by any increase in the school district's: (1) first quarter current year Average Daily Membership (ADM) over the 3-quarter ADM of the previous school year; (2) second quarter current year ADM over the 3-quarter ADM of the previous school year; (3) third quarter current year ADM over the 3-quarter ADM of the previous school year; and (4) fourth quarter current year ADM over the 3-quarter ADM of the previous school year, excluding any increase resulting solely from consolidation or annexation with another district.

The Base Level for this appropriation is \$28,500,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Teacher Licensure/Mentoring (699) - This program covers the Arkansas Induction program for new teachers and administrators. The Induction program provides Pathwise mentoring for support, retention, and professional growth of new educators. To date, there have been 200 mentor trainers certified statewide, and 12,000 mentors successfully trained in the Pathwise Observation mentoring model. Praxis III performance assessment is also a component of the Induction program. Praxis III is the teaching performance assessment that is conducted by a trained, site-based assessor for determining standard licensure decisions for new teachers. Currently there are 80 assessors trained for this purpose.

The Base Level for this appropriation is \$5,008,758. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Surplus Commodities (450) - The Department of Human Services administers the Surplus Commodities Program. School districts currently receive a large share of the commodities. Under an agreement with DHS, the Department of Education provides funding to supplement transportation costs resulting from delivery of the goods to the school districts.

The Base Level for this appropriation is \$780,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Supplemental Millage Incentive Funding (2HU) - Act 2206 of 2005 repealed A.C.A. § 6-20-2406 for supplemental millage funding, however A.C.A. § 6-20-2503 (f)(2)(A) requires state financial assistance under this program to be paid out over a ten year period by reducing the amount received by a school district after Fiscal Year 2006 by one-tenth in each year of the ten year period. Additionally, the savings in this program during each fiscal year is to be transferred to the Educational Facilities Partnership Fund Account.

The Base Level for this appropriation is \$10,000,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Consolidation Incentive (421) - These are additional funds provided to schools created as a result of consolidation of existing school districts. The incentive is unrestricted and may be used at the discretion of the local school district.

The Base Level for this appropriation is \$9,415,127. The increase of the Base Level over the Authorized Level for FY2011 is due to the special language which allows for appropriation transfer authority. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Bonded Debt Assistance (336) - A.C.A. §6-20-2503 created the Bonded Debt Assistance Program to enable the Division of Public School Academic Facilities and Transportation to provide eligible school districts with financial assistance for the purpose of retiring outstanding bonded indebtedness in existence as of January 1, 2005. The Commission for Public School Academic Facilities and Transportation directs the Division to work with the Department of Education to determine the amount of financial assistance for each eligible school district. The Division is responsible for ascertaining the scheduled debt payment on a fiscal year basis from the principal and interest payment in effect and on file with the Department. The available funding after final payments have been made for this program are then transferred to the Education Partnership Fund.

The Base Level for this appropriation is \$28,455,384. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

At Risk (088) - The College Preparatory Enrichment Program (CPEP) is funded from the At Risk appropriation. The program provides remedial instruction during the summer for students entering the eleventh and twelfth grade whose scores on the American College Test (ACT) are below 19 in the areas of reading and/or mathematics. The students are provided 75 hours of instruction over a minimum of twenty days. At the conclusion of the program, students are given the opportunity to take the ACT and the cost is covered by the program. This is a special administration of the ACT for the students who have successfully completed the CPEP program. This program also utilizes the assessment programs such as Explore, a program designed for 8th and 9th grade students planning to take the ACT; Plan, which is for 10th grade students and the Preliminary SAT/ National Merit Scholarship Qualifying Tests.

The Base Level for this appropriation is \$1,688,530. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Content Standards and Curriculum Frameworks Revision (1QV) - Act 1706 of 2003 grants appropriation for expenses associated with the development of a comprehensive plan to revise content standards and curriculum frameworks in the core academic areas of reading, writing, mathematics, science, history, geography, and civics.

The Base Level for this appropriation is \$50,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Coordinated School Health (59V) - This program was part of the 2009 Healthcare Initiative and is designed to facilitate working relationships between schools and communities through collaborative partnerships to provide or improve existing student health services and garner existing local resources.

The Base Level for this appropriation is \$2,000,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Cooperative Education Tech Centers (434) - Technology Coordinators in the Education Service Cooperatives assist local school districts by providing technology training, advising school districts in software/hardware purchases, and overseeing technology initiatives. This program provides grants to each of the State's 15 Education Service Cooperatives.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for the restoration of the authorized appropriation amount of \$1,200,000 for each fiscal year.

Content Standards Revision (2JA) - This appropriation is for the cost associated with the periodic review and revision of Academic Content Standards as required by A.C.A. §6-15-404(c). Academic Content Standards are a series of documents that specify what a student enrolled in an Arkansas Public School should know and be able to do. The Academic Content Standards also provide the foundation for the development of the State assessment system.

The Base Level for this appropriation is \$161,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Advanced Placement Incentive (440) - This provides support to establish advanced placement courses that are easily accessible and will prepare students for admission to, and success in, a postsecondary educational environment. The major aspect to this incentive program, now that the state is paying for all student AP exams, is support for professional development for AP and Pre-AP teachers. This program also pays for the balance of student exams that extend over the state's payment of exam costs and this also pays for awards of up to \$50 to schools for each score of 3 or better on AP exams.

The Base Level for this appropriation is \$825,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Academic Improvement Training (2ZH) - This appropriation is for the cost of providing statewide training to Local Education Agencies (LEA's) on the preparation and analysis of Academic Improvement Plans. An Academic Improvement Plan is a plan detailing supplemental or intervention and remedial instruction, or both, in deficient academic areas for any student who is not proficient on a portion or portions of the state mandated criterion-reference assessments.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

98% URT Actual Collection Adjustment (34N) - To insure that every public school district receives the full amount of Foundation Funding, the 86th General Assembly created Act 272 of 2007, amending A.C.A. §6-20-2305(a)(4)(A), which states by the end of each school year, for a school district whose net revenues are less than the sum of 98% of the uniform rate of tax (URT) multiplied by the property tax assessment of the school district, the Department of Education shall distribute to the school district the difference between the net revenues of the school district and the sum of 98% of the URT multiplied by the property assessment of the school district.

The Base Level for this appropriation is \$34,500,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Alternative Learning (311) - A.C.A. §6-18-508 requires every school district to establish an alternative learning environment (ALE) for students who have shown an inability to function in a standard learning environment. It also requires the Department to establish an incentive program for districts whose ALE programs meet Department guidelines. ALE's must provide all of the educational programs available in other classrooms, and must provide additional services to meet the needs of this group of at-risk children. Additionally, A.C.A. § 6-20-2305(b)(2)(A)(i) establishes the ALE funding amount shall be \$4,063 multiplied by the number of identified ALE students enrolled during a school district's previous school year.

The Base Level for this appropriation is \$20,529,609. The increase of the Base Level over the Authorized Level for FY2011 is due to the special language which allows for appropriation transfer authority. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$619,994 in FY2012 and \$1,246,188 in FY2013. Included in this increase is \$205,296 for FY2012 and \$412,645 for FY2013, which represents a projected growth based on the previous three year average annual growth rate of 1%. Additionally, an increase of 2% in the per student funding rate of the Alternative Learning Program is recommended for \$414,698 in FY2012 and \$418,845 in FY2013.

Assessment/End of Level Testing (459) - A.C.A. §6-15-404 requires standards based testing at the primary, intermediate, and middle levels, which currently is administered at grades 4, 6, and 8. It also requires end-of-course testing for Algebra, Geometry, and Literacy (grade 11).

The Base Level for this appropriation is \$22,401,677. The Agency is requesting general revenue and appropriation of \$2,007,672 for FY12 and \$1,973,672 for FY13. This increase is needed to provide for cost estimates from contractors for the various testing components of the program.

The Executive Recommendation provides for appropriation only.

Arkansas Easter Seals (445) - This program, begun in the 1960s, partially funds the cost of educational services provided by the Easter Seal Society to children ages 3 to 21 who have orthopedic and/or communicative disorders. This funding reduces the amount that local school districts have to pay for these educational services and also qualifies the facility as "state supported" so that federal funds are available to further reduce the cost to local school districts.

The Base Level for this appropriation is \$193,113. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Alternative Pay (34K) - Act 847 of 2007 created the Alternative Pay program to establish rules for determining a salary amount that is part of the licensed or classified employee's total compensation for additional responsibilities, mastery of new knowledge and skills, advanced career opportunities, increase student achievement, attracting highly qualified teachers or professional development exceeding state minimums.

The Base Level for this appropriation is \$807,907. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Court Ordered Desegregation (460) - This appropriation was established for costs stemming from the Pulaski County School Desegregation Settlement Agreement and the Camden Fairview Desegregation Settlement.

The Base Level for this appropriation is \$69,814,372. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Home School Testing (150) - Each student enrolled in a home school program who is considered to be at grade level or no more than two (2) years beyond the normal age for the appropriate grade for which the state mandates norm-referenced tests for public school students shall be tested using a nationally recognized norm-referenced achievement test selected by the State Board of Education.

The Base Level for this appropriation is \$250,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Gifted and Talented (457) - This program provides: (1) salary support for 15 Gifted and Talented supervisors in the Cooperatives; (2) funding for the Arkansas Governor's School; (3) Act 56 - Outstanding Gifted Program Awards (3 annually); and, (4) an annual contribution to the AGATE (Arkansans for Gifted and Talented Education Conference).

The Base Level for this appropriation is \$1,085,381. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

General Facilities Funding (326) - A.C.A. §6-20-2503 (e)(1) et. seq. requires the Commission of Academic Facilities and Transportation to compute the amount of general facilities funding that each school district received or would have received under the Supplemental School District Funding Act of 2003 during FY2005, then the commission shall phase out state financial assistance under the general facilities funding over a 10 year period by reducing the amount received by a school district after FY2006 by one tenth (1/10) in each year of the ten year period with the saving distributed though the Educational Facilities Partnership Fund Account. The remaining balance of funds once all payments have been made are then transferred to the Education Partnership Fund.

The Base Level for this appropriation is \$8,100,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Human Development Center Education Aid (669) - This program provides funding for educational services to the children in the State's Human Development Centers.

The Base Level for this appropriation is \$526,150. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Leadership Academy - Master Principal (22K) - The Arkansas Leadership Academy is responsible for administering the Master School Principal Program. The program provides training programs and opportunities to expand the knowledge base and leadership skills of public school principals, as well as teachers, superintendents and other administrators, and school board members.

The Base Level for this appropriation is \$500,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Isolated Funding (331) - Because of location or geographic barriers, some districts are not able to share resources with other districts or may have unusual transportation needs. These districts under 350 Average Daily Membership (ADM) are termed "isolated" and receive additional funding. Act 65 of the Second Extraordinary Session of 2003 established 56 "isolated" school districts and set a per student dollar amount to be paid to each district for the 2003-04 school year. Beginning in the 2004-05 school year, and each year thereafter, isolated funding will be provided to each district in an amount equal to the prior year three-quarter average daily membership of the isolated school area multiplied by the per student isolated funding amount set for the 2003-04 school year.

The Base Level for this appropriation is \$7,896,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Intensive School Support (2JB) - A.C.A. §6-15-2004 et seq. requires public schools to determine in part each students progress from one grade to another based upon proficiency in reading writing and mathematics; District school board policies facilitate such proficiency; and each student and his or her parent be informed of the students academic progress. A.C.A. §6-15-2008 requires the Department of Education to provide technical assistance as needed to aid school districts in administering this subchapter; The Department of Education shall report to the House Interim Committee on Education and the Senate Interim Committee on Education, at least semi-annually, the districts requesting assistance, the date of the requests, the dates and actions taken; and the results of the action taken or assistance provided.

This appropriation was not budgeted for FY2011 and the Agency is not requesting this appropriation for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Distance Learning (698) - The purpose of this program is to provide for the establishment, organization, and administration of a distance learning program designed to improve course offerings available to students throughout the state. The program will demonstrate the efficiency of using distance learning to enhance elementary and secondary education and prepare students for greater success in a postsecondary educational environment.

The Base Level for this appropriation is \$4,760,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Department of Correction (380) - A.C.A. §12-29-301 et seq. established the Department of Correction School District and establishes a formula to determine the funding level and states that the cost of running the Department of Correction School District shall be borne by the Department of Correction and the Department of Education.

The Base Level for this appropriation is \$5,597,675. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$284,298 in FY2012 and \$427,124 in FY2013. The increases above Base Level assumes a COLA of 3% each year and provides for 3 new instructors (\$50,000 each) for new classrooms at the Pine Bluff Unit.

Criminal Background Checks (444) - This program provides \$50,000 each year to pay the costs of both state and federal criminal background checks for the first renewal of non-expired licenses for certified personnel. The checks cost \$15 for the State Police check and \$24 for the FBI.

The Base Level for this appropriation is \$25,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Distressed School District Support (136) - The Arkansas Academic Distress Program was legislated by Act 915 of 1995. The purpose of this Act is to improve the capacity of local school districts whose students are not achieving at academically desired levels by school through targeted assistance coordinated by the Department of Education.

The Base Level for this appropriation is \$50,000. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

English Language Learners (082) - English Language Learners (formerly Limited English Proficiency, amended by Act 59 of the Second Extraordinary Session of 2003) serves students identified as not being proficient in the English language. This program helps enable school districts to provide specially-trained staff, instructional materials and training for teachers with these qualified students. The Agency also holds summer training academies for teachers desiring additional training in teaching and assisting these students. A.C.A. §6-20-2305(3)(A) states that beginning with the 2007-2008 school year English language learners funding shall be \$293 for each identified English language learner.

The Base Level for this appropriation is \$10,144,383. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for an increase of \$970,958 in FY12 and \$2,018,541 in FY13. Included in this increase is \$753,010 for FY2012 and \$1,566,378 for FY2013, which represents a projected growth based on the previous three year average annual growth rate of 8% each year. Additionally, an increase of 2% in the per student funding rate of the English Language Learners Program is recommended for \$217,948 in FY2012 and \$234,215 in FY2013.

Education Service Cooperatives (670) - The 15 educational cooperatives around the State facilitate the sharing of resources and services between local school districts.

The Base Level for this appropriation is \$6,129,270. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Early Childhood Special Education (697) - This program provides special education services through local education agencies for 11,500 three to five year old preschool children with disabilities. Funds are also provided to Education Service Cooperatives for behavioral intervention services to all community preschool programs as well as to coordinate required transition activities for children ages 0 - 2 that will remain in special education as 3 - 5 preschoolers. Also included in this program are the funds for the Medicaid state match for preschool programs that bill for physical, occupational, and speech therapy services.

The Base Level for this appropriation is \$15,623,079. The Agency is requesting Base Level for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for and increase of \$624,921 in FY2012 and \$1,274,841 in FY2013. The increase in this program is based on the growth in the Special Education child count between Dec. 1, 2008 and Dec. 1, 2009 of 577 or 4.7%.

Fund Transfers - In each year of the biennium, \$11,115,000 is transferred from the Department of Education Public School Fund Account to various entities for the following purposes:

- (1) Act 2131 of 2005, Section 17 requires a transfer of \$200,000 during each fiscal year of the biennium to the University of Arkansas at Little Rock , specifically to provide funding for the Arkansas/STRIVE Program.
- (2) Act 2090 of 2005, Section 7 "the Director of the Assessment Coordination Department of the State of Arkansas shall certify monthly to the Chief Fiscal Officer of the State, the amount of funding needed each month to pay counties and professional reappraisal companies for the reappraisal of real property as required by law. Upon receipt of such certification the Chief Fiscal Officer of the State shall transfer on his books and those of the State Treasurer 76% of the amounts certified from the Department of Education Public School Fund Account, 16% of the amount certified from the County Aid Fund, and 8% of the amount certified from the Municipal Aid Fund to the Arkansas Real Property Reappraisal Fund." The amount to be transferred from the Public School Fund is projected to be \$10,830,000 each year of the biennium.
- (3) Surety Bond Transfer - This program pays for the surety bond for public school employees. The appropriation is made to the Department of Finance and Administration but paid from the Department of Education Public School Fund. The amount transferred is projected to be \$85,000 each year of the biennium.

In summary, the Executive Recommendation provides for the Agency Request in appropriation only for the Assessment/End of Course Testing and School Funding Contingency.

Additionally, the Executive Recommendation provides for appropriation increases in:

- Smart Start/ Smart Step
- English Language Learners
- State Foundation Funding
- National School Lunch Act
- Professional Development Funding
- Alternative Learning Environment
- Department of Correction
- Residential Centers/ Juvenile Detention
- Cooperative Education Tech Centers
- National Board of Professional Teacher Standards
- School Food Services
- School Worker Defense
- Serious Offender Program
- Early Childhood Special Education

The Executive Recommendation also provides for additional funding for the Public School Fund of \$54,963,612 in FY2012 and 107,836,801 in FY2013. The additional funding provided in the recommendation is primarily to fund the increases in State Foundation Funding, Alternative Learning, English Language Learners, NSLA and Professional Development Funding.

Appropriation Summary

Appropriation: PSF - Public School Fund
Funding Sources: JAA - Department of Education Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
SLP Incentive Bonus	5100004	0	0	2,500,000	0	0	0	0	0	0
Non-Traditional Licensure	5100004	47,625	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Intervention Block Grants	5100004	227,000	227,000	227,000	227,000	227,000	227,000	227,000	227,000	227,000
Tech Grants	5100004	3,526,575	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678	3,602,678
Teacher Housing Development	5100004	0	0	100,000	0	0	0	0	0	0
Smart Core Incentive	5100004	0	0	3,000,000	0	0	0	0	0	0
Grants to School Districts	5100004	59,442	67,856	67,856	67,856	67,856	67,856	67,856	67,856	67,856
Better Chance Program	5100004	108,480,843	111,000,000	116,619,375	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000	111,000,000
Baccalaureate Program	5100004	74,997	0	75,000	0	0	0	0	0	0
Add Public School Employee Ins	5100004	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Economic Education	5100004	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Distance Learning Operations	5100004	9,631,825	7,575,000	10,331,400	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000	7,575,000
Declining Enrollment	5100004	17,083,250	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389	13,963,389
School Food-Legislative Audit	5900046	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
School Food Services	5900046	1,650,000	0	1,650,000	0	0	1,650,000	0	0	1,650,000
School Facility Joint Use	5900046	0	500,000	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000
School Funding Contingency	5900046	0	0	25,000,000	0	25,000,000	25,000,000	0	25,000,000	25,000,000
Smart Start/Smart Step	5900046	9,957,160	8,457,160	10,666,303	8,457,160	8,457,160	10,666,303	8,457,160	8,457,160	10,666,303
Serious Offender	5900046	1,066,735	1,050,946	1,050,946	1,050,946	1,050,946	1,683,067	1,050,946	1,050,946	1,716,859
School Worker Defense	5900046	221,665	0	390,000	0	0	390,000	0	0	390,000
Ntl Bd Prof Teaching Standards	5900046	7,193,650	9,106,160	7,475,840	9,106,160	9,106,160	10,516,160	9,106,160	9,106,160	12,016,160
National School Lunch	5900046	161,448,823	170,778,746	161,071,480	170,778,746	170,778,746	178,897,567	170,778,746	170,778,746	187,235,597
Master Principal Bonus	5900046	56,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Prof Development Fund	5900046	23,052,341	23,171,500	23,279,850	23,171,500	23,171,500	23,709,798	23,171,500	23,171,500	24,244,209
Residential Ctrs/Juv Detention	5900046	15,188,234	15,188,254	15,188,254	15,188,254	15,188,254	16,115,234	15,188,254	15,188,254	16,345,087
Pygmalion Commission	5900046	40,000	0	40,000	0	0	0	0	0	0
Public School Employee Ins	5900046	36,358,601	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600	37,273,600
Special Ed-Catastrophic	5900046	10,999,825	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Teacher Retirement Matching	5900046	7,726,011	6,655,000	6,655,000	6,655,000	6,655,000	6,655,000	6,655,000	6,655,000	6,655,000
Teacher Recruitment	5900046	2,099,998	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Teacher of the Year	5900046	84,161	100,000	125,000	100,000	100,000	100,000	100,000	100,000	100,000
Tech Improvements	5900046	905,186	500,000	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000
Youth Shelters	5900046	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Workers' Compensation	5900046	337,948	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Traveling Teachers	5900046	11,731	0	500,000	0	0	0	0	0	0
State Foundation Funding	5900046	1,788,683,790	1,813,597,668	1,843,181,242	1,813,597,668	1,813,597,668	1,858,834,526	1,813,597,668	1,813,597,668	1,904,969,759
Special Needs Isolated Funding	5900046	7,410,757	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Special Education Services	5900046	4,109,725	1,145,285	4,145,285	1,145,285	1,145,285	4,145,285	1,145,285	1,145,285	4,145,285
Student Growth	5900046	28,480,965	28,500,000	54,851,000	28,500,000	28,500,000	28,500,000	28,500,000	28,500,000	28,500,000
Teacher Licensing/Mentoring	5900046	6,697,200	5,008,758	7,508,758	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758	5,008,758
Surplus Commodities	5900046	0	780,000	1,027,858	780,000	780,000	780,000	780,000	780,000	780,000
Supplemental Millage	5900046	5,982,656	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Consolidation Incentive	5900046	1,395,233	9,415,127	5,210,100	9,415,127	9,415,127	9,415,127	9,415,127	9,415,127	9,415,127
Bonded Debt Assistance	5900046	17,555,911	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384	28,455,384
At Risk	5900046	4,529,358	1,688,530	5,188,530	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530	1,688,530
Content & Curriculum	5900046	294	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Coord School Health	5900046	1,674,900	2,000,000	3,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Coop Education Tech Centers	5900046	1,200,000	0	1,200,000	0	0	1,200,000	0	0	1,200,000
Content Standards	5900046	114,336	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000
Advanced Placement Incentive	5900046	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000	825,000
Academic Improvement Training	5900046	500,000	0	500,000	0	0	0	0	0	0
98% URT Actual Collection Adj	5900046	34,191,012	34,500,000	26,508,621	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000
Alternative Learning	5900046	20,529,609	20,529,609	19,968,837	20,529,609	20,529,609	21,149,603	20,529,609	20,529,609	21,775,797
Assessment/End Course Testing	5900046	19,038,235	22,401,677	23,887,747	22,401,677	24,409,349	24,409,349	22,401,677	24,375,349	24,375,349
AR Easter Seals	5900046	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113	193,113
Alternative Pay	5900046	0	807,907	2,500,000	807,907	807,907	807,907	807,907	807,907	807,907
Court Ordered Desegregation	5900046	68,882,279	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372
Home School Test	5900046	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Gifted & Talented	5900046	1,451,354	1,085,381	1,480,381	1,085,381	1,085,381	1,085,381	1,085,381	1,085,381	1,085,381
General Facilities Funding	5900046	4,853,535	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
Human Dev Ctr Education Aid	5900046	0	526,150	526,150	526,150	526,150	526,150	526,150	526,150	526,150
Leadership Acdmy-Mstr Principal	5900046	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Isolated Funding	5900046	3,485,235	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000	7,896,000
Intensive School Support	5900046	0	0	320,000	0	0	0	0	0	0
Distance Learning	5900046	6,150,000	4,760,000	6,500,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000	4,760,000
Dept of Correction	5900046	5,447,675	5,597,675	5,597,675	5,597,675	5,597,675	5,881,973	5,597,675	5,597,675	6,024,799
Criminal Background Checks	5900046	1,690	25,000	50,000	25,000	25,000	25,000	25,000	25,000	25,000
Distressed School District Support	5900046	8,031	50,000	450,000	50,000	50,000	50,000	50,000	50,000	50,000
English Language Learners	5900046	9,410,735	10,144,383	10,231,111	10,144,383	10,144,383	11,115,341	10,144,383	10,144,383	12,162,924
Education Service Cooperatives	5900046	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270	6,129,270
Early Childhood Special Educ	5900046	15,524,710	15,623,079	15,623,079	15,623,079	15,623,079	16,248,000	15,623,079	15,623,079	16,897,920
Total		2,498,326,234	2,552,057,657	2,646,963,484	2,552,057,657	2,579,065,329	2,646,877,721	2,552,057,657	2,579,031,329	2,706,081,563

Funding Sources										
Fund Balance	4000005	54,913,877	40,604,967		33,925,732	33,925,732	33,925,732	27,246,497	33,925,732	27,246,497
Court Ordered Desegregation	4000180	68,864,615	69,814,372		69,814,372	69,814,372	69,814,372	69,814,372	69,814,372	69,814,372
DOE Public School Fund	4000195	1,776,596,998	1,831,825,263		1,831,825,263	1,840,512,170	1,887,310,192	1,831,825,263	1,840,478,170	1,943,991,644

Funding Sources									
E-Rate Credit	4000207	0	4,500,000		4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Educational Adequacy Fund	4000210	439,761,621	462,761,621		462,761,621	462,761,621	462,761,621	462,761,621	462,761,621
Educational Excellence Fund	4000220	190,786,662	179,182,166		179,182,166	179,182,166	179,182,166	179,182,166	179,182,166
Miscellaneous Adjustments	4000345	3,066,917	0		0	0	0	0	0
TANF Transfer	4000478	10,191,000	7,500,000		7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Trnfr frm DOE Pub School Fund	4000525	(33,535,104)	(11,115,000)		(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)	(11,115,000)
Transfer frm General Education	4000535	3,180,000	0		0	0	0	0	0
Transfer from Partnership Fund	4000536	16,931,102	0		0	0	0	0	0
Transfer frm GR Allotment Rrsv	4000544	7,000,000	0		0	0	0	0	0
Transit Tax	4000700	1,173,513	910,000		910,000	910,000	910,000	910,000	910,000
Unfunded Appropriation	4000715	0	0		0	25,000,000	39,335,135	0	25,000,000
Total Funding		2,538,931,201	2,585,983,389		2,579,304,154	2,612,991,061	2,674,124,218	2,572,624,919	2,612,957,061
Excess Appropriation/(Funding)		(40,604,967)	(33,925,732)		(27,246,497)	(33,925,732)	(27,246,497)	(20,567,262)	(33,925,732)
Grand Total		2,498,326,234	2,552,057,657		2,552,057,657	2,579,065,329	2,646,877,721	2,552,057,657	2,579,031,329

Budget exceeds Authorized in National School Lunch, Alternative Learning, 98% URT Actual Collection Adj, Consolidation Incentive and Ntl Bd Prof Teaching Standards due to special language which provides for Appropriation Transfer authority.

Change Level by Appropriation

Appropriation: 057 - Smart Start/Smart Step
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	8,457,160	0	8,457,160	100.0	8,457,160	0	8,457,160	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	8,457,160	0	8,457,160	100.0	8,457,160	0	8,457,160	100.0
C19	Executive Changes	2,209,143	0	10,666,303	126.1	2,209,143	0	10,666,303	126.1

Justification

C19	When the FY2011 Public School Fund budget was prepared, the Department of Education identified budgetary adjustments that could be made to operate within the FY2011 funding level. It was determined for professional development that AETN could operate out of an existing balance for FY11. The funds previously budgeted for AETN, out of the Professional Development line item, were redirected to fund the Smart Start/Smart Step program to fund Math and Science Specialists at the STEM centers across the State. This was intended as a one-time arrangement. In order to continue all programming, the Executive Recommendation restores the appropriation for the Smart Start/ Smart Step Program to the FY2011 Authorized level.
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Change Level by Appropriation

Appropriation: 082 - English Language Learners
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	10,144,383	0	10,144,383	100.0	10,144,383	0	10,144,383	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	10,144,383	0	10,144,383	100.0	10,144,383	0	10,144,383	100.0
C19	Executive Changes	970,958	0	11,115,341	109.6	2,018,541	0	12,162,924	119.9

Justification

C19	This increase assumes the previous three year average annual growth rate of 8% and a 2% increase in the per student funding rate of the English Language Learners Program.
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Change Level by Appropriation

Appropriation: 2HP - State Foundation Funding
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,813,597,668	0	1,813,597,668	100.0	1,813,597,668	0	1,813,597,668	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,813,597,668	0	1,813,597,668	100.0	1,813,597,668	0	1,813,597,668	100.0
C19	Executive Changes	45,236,858	0	1,858,834,526	102.5	91,372,091	0	1,904,969,759	105.0

Justification

C19	At the time of this request, there was no final recommendation from the Joint Interim Committee on Education for a Foundation Funding amount. However, the Executive Recommendation allows for an increase of 2% in the Foundation Funding amount per Average Daily Membership (ADM) student. It also assumes a 2.0% increase each year in assessments and an increase of 1,546 Average Daily Membership (ADM) students in FY2012 and an increase of 2,319 ADM in FY2013. Estimates for assessments and ADM students were determined by the Department of Education. Also included in the recommendation is an estimated increase in Open Enrollment Charter School students over FY11 of 620 in FY12 and 1,240 in FY13.
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Change Level by Appropriation

Appropriation: 2HR - National School Lunch
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	170,778,746	0	170,778,746	100.0	170,778,746	0	170,778,746	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	170,778,746	0	170,778,746	100.0	170,778,746	0	170,778,746	100.0
C19	Executive Changes	8,118,821	0	178,897,567	104.8	16,456,851	0	187,235,597	109.6

Justification

C19	This increase includes a growth amount based on the previous four year average annual growth rate of 2.7% and a 2% increase in the per student funding rate of the National School Lunch Student Funding Program.
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Change Level by Appropriation

Appropriation: 2HS - Prof Development Fund
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	23,171,500	0	23,171,500	100.0	23,171,500	0	23,171,500	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	23,171,500	0	23,171,500	100.0	23,171,500	0	23,171,500	100.0
C19	Executive Changes	538,298	0	23,709,798	102.3	1,072,709	0	24,244,209	104.6

Justification

C19	This increase includes a growth amount of \$73,400 for FY2012 and \$141,550 for FY2013 based upon projected Average Daily Membership (ADM) growth in School Districts and Charter Schools and a 2% increase in the per student funding rate of Professional Development Program.
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Change Level by Appropriation

Appropriation: 2ZH - School Funding Contingency
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	25,000,000	0	25,000,000	100.0	25,000,000	0	25,000,000	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	25,000,000	0	25,000,000	100.0	25,000,000	0	25,000,000	100.0

Justification

C05	This request is for \$25 million of unfunded appropriation in each year of the 2011-2013 biennium. This will enable the Department of Education to address unforeseen circumstances that may arise in the biennium.								
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Change Level by Appropriation

Appropriation: 311 - Alternative Learning
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	20,529,609	0	20,529,609	100.0	20,529,609	0	20,529,609	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	20,529,609	0	20,529,609	100.0	20,529,609	0	20,529,609	100.0
C19	Executive Changes	619,994	0	21,149,603	103.0	1,246,188	0	21,775,797	106.1

Justification

C19	This increase represents an average annual growth rate of 1% based on the previous three year average and a 2% increase in the per student funding rate of the Alternative Learning Program.
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Change Level by Appropriation

Appropriation: 380 - Dept of Correction

Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	5,597,675	0	5,597,675	100.0	5,597,675	0	5,597,675	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	5,597,675	0	5,597,675	100.0	5,597,675	0	5,597,675	100.0
C19	Executive Changes	284,298	0	5,881,973	105.1	427,124	0	6,024,799	107.6

Justification

C19	The projection for the Department of Correction assumes a 3% COLA each year (\$134,298/ \$142,826) and provides for 3 new instructors (\$50,000 each) for new classrooms at the Pine Bluff Unit.
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Change Level by Appropriation

Appropriation: 394 - Residential Ctrs/Juv Detention
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	15,188,254	0	15,188,254	100.0	15,188,254	0	15,188,254	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	15,188,254	0	15,188,254	100.0	15,188,254	0	15,188,254	100.0
C19	Executive Changes	926,980	0	16,115,234	106.1	1,156,833	0	16,345,087	107.6

Justification

C19	The projection for the Residential Centers/ Juvenile Detention program provides for an additional 90 beds in FY2012 and another 20 beds in FY2013 (\$868,060/ \$1,035,090). This projection also assumes the 2% increase in the Foundation Funding amount per ADM (\$58,920/ \$121,743).
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Change Level by Appropriation

Appropriation: 434 - Coop Education Tech Centers
Funding Sources: JAA - Department of Education Public School Fund

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C19	Executive Changes	1,200,000	0	1,200,000	100.0	1,200,000	0	1,200,000	100.0

Justification

C19	When the FY2011 Public School Fund budget was prepared, the Department of Education identified budgetary adjustments that could be made to operate within the FY2011 funding level. It was determined that AETN, for Professional Development could operate out of an existing balance for FY11. The funds previously budgeted for AETN, out of the Professional Development line item, were redirected to fund the Educational Service Cooperatives Tech Coordinators. This was intended as a one-time arrangement. In order to continue all programming, the appropriation for the Tech Coordinators will need to be restored in the Public School Fund.
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Change Level by Appropriation

Appropriation: 438 - Ntl Bd Prof Teaching Standards
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	9,106,160	0	9,106,160	100.0	9,106,160	0	9,106,160	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	9,106,160	0	9,106,160	100.0	9,106,160	0	9,106,160	100.0
C19	Executive Changes	1,410,000	0	10,516,160	115.5	2,910,000	0	12,016,160	132.0

Justification

C19	The National Board or Professional Teaching Standards (NBPTS) increase assumes the continued expansion of participating teachers (282/300) in each year of the biennium.
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Change Level by Appropriation

Appropriation: 447 - School Food Services
Funding Sources: JAA - Department of Education Public School Fund

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C19	Executive Changes	1,650,000	0	1,650,000	100.0	1,650,000	0	1,650,000	100.0

Justification

C19	This request restores the School Food Services program. Due to budget constraints, this program was not budgeted in FY2011, however it has been determined by the Arkansas Department of Education that this program is legally required to continue.
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Change Level by Appropriation

Appropriation: 458 - School Worker Defense
Funding Sources: JAA - Department of Education Public School Fund

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C19	Executive Changes	390,000	0	390,000	100.0	390,000	0	390,000	100.0

Justification

C19	This request restores the School Worker Defense line item. Due to budget constraints, this program was not budgeted in FY2011, however it has been determined by the Arkansas Department of Education that this program is legally required to continue.
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Change Level by Appropriation

Appropriation: 459 - Assessment/End Course Testing
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	22,401,677	0	22,401,677	100.0	22,401,677	0	22,401,677	100.0
C01	Existing Program	2,007,672	0	24,409,349	109.0	1,973,672	0	24,375,349	108.8

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	22,401,677	0	22,401,677	100.0	22,401,677	0	22,401,677	100.0
C01	Existing Program	2,007,672	0	24,409,349	109.0	1,973,672	0	24,375,349	108.8

Justification

C01	The ADE is requesting additional General Revenue funded appropriation of \$2,007,672 in FY12 and \$1,973,672 in FY13 for the Assessment/End of Course program. Additional amounts requested are needed to restore appropriation that was utilized from fund balance in FY11 and provide for cost estimates that were obtained from contractors for the various testing components of the program.								
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Change Level by Appropriation

Appropriation: 566 - Serious Offender
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,050,946	0	1,050,946	100.0	1,050,946	0	1,050,946	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,050,946	0	1,050,946	100.0	1,050,946	0	1,050,946	100.0
C19	Executive Changes	632,121	0	1,683,067	160.1	665,913	0	1,716,859	163.4

Justification

C19	The increase for the Serious Offender Program provides for an additional 100 beds at the Juvenile and Assessment Treatment Center in Alexander (\$602,300 each year). This request also assumes a 2% increase each year in the Foundation Funding amount per ADM. (\$32,880/\$66,582).
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Change Level by Appropriation

Appropriation: 668 - Special Education Services
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,145,285	0	1,145,285	100.0	1,145,285	0	1,145,285	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,145,285	0	1,145,285	100.0	1,145,285	0	1,145,285	100.0
C19	Executive Changes	3,000,000	0	4,145,285	361.9	3,000,000	0	4,145,285	361.9

Justification

C19	At the beginning of FY2011, the budget for Special Education was reduced by \$3 million for Special Education Supervisors. However, in order to meet federal Maintenance of Effort (MOE) requirements, this appropriation must be continued.
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Change Level by Appropriation

Appropriation: 697 - Early Childhood Special Educ
Funding Sources: JAA - Department of Education Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	15,623,079	0	15,623,079	100.0	15,623,079	0	15,623,079	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	15,623,079	0	15,623,079	100.0	15,623,079	0	15,623,079	100.0
C19	Executive Changes	624,921	0	16,248,000	104.0	1,274,841	0	16,897,920	108.2

Justification

C19	The increase for Early Childhood Special Education of 4% is based on the growth in Special Education child count between 12/1/08 and 12/1/09 of 577 or 4.7%.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Education Department-Public School Fund

Program: Better Chance Program

Act #: 293 Section(s) #: 1 & 24

Estimated Carry Forward Amount \$ 6,679,235.00 Funding Source: Public School Fund

Accounting Information:

Business Area: 0500 Funds Center: 652 Fund: JAA Functional Area: EDUC

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

These carry-forward funds are needed to allow the Department of Human Services - Child Care and Early Childhood Education Division to continue the Arkansas Better Chance program budget level of \$111,000,000 in the 2011 fiscal year.

Actual Funding Carry Forward Amount \$ 5,192,957.00

Current status of carry forward funding:

The carryforward amount has been budgeted for FY2011 to maintain the current program budget level of \$111,000,000.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Dr. Tom W. Kimbrell
Commissioner of Education

08-10-2010
Date

EDUCATIONAL TELEVISION COMMISSION

Enabling Laws

Act 34 of 2010
A.C.A. §6-3-101 to 6-3-113
Act 2318 of 2005
Act 1462 of 2009

History and Organization

Mission Statement

The mission of the Arkansas Educational Television Network (AETN) is to offer lifelong learning opportunities to all Arkansans; to supply instructional programs to Arkansas' schools; to provide programming and services to improve and enhance the lives of Arkansas' citizens; and to illuminate the culture and heritage of Arkansas and the world.

To accomplish this mission AETN, through the creative use of telecommunications, will present a high quality public television service designed to inform, educate, motivate, entertain, enlighten and inspire.

B. Legislation Creating the Agency

ENABLING LAWS: The Arkansas Educational Television Commission was established by Act 198 of 1961, as amended in the Arkansas Codes 6-3-101 to 6-3-113. Arkansas Code § 6-3-105 (a) states that AETN was organized "for the purpose of making the benefits of educational television available to and promoting its use by inhabitants of Arkansas." AETN's Commission has eight members appointed by the governor and is charged with providing educational telecommunications services to the people of Arkansas. Today AETN is an affiliate of the Public Broadcasting Service (PBS) and functions as a public service media. AETN's services include distributing programs through digital technologies statewide via over-the-air broadcast, satellite and cable; compressed interactive video; web-based video streaming of local productions plus ADE approved curriculum materials for Arkansas' schools; educational workshops; and professional development training for teachers available 24/7 via the IDEAS portal in partnership with the Arkansas Department of Education. AETN's most current operations funding is appropriated by Act 34 of 2010.

HISTORY AND ORGANIZATION: The Commission began broadcasting in December of 1966 using a studio in Conway and its first transmitter (KETS) located in Redfield and licensed to Little Rock serving Central Arkansas. Transmitters licensed to Arkadelphia/KETG and Fayetteville/KAFT were activated in 1976. Jonesboro/KTEJ was activated in 1977. A fifth transmitter at Mountain View/KEMV began

broadcasting in 1980. In June 2004 AETN added digital transmitters and microwaves at each site statewide to fulfill a mandate of the Federal Communications Commission (FCC). In May 2006 AETN finished construction on a sixth new digital transmitter at El Dorado/KETZ to serve the southern region of the state. Today AETN's infrastructure includes 6 transmitters and 13 microwaves broadcasting to almost 100% of the State.

Congress set the date of June 12, 2009 for the return of analog spectrum to the federal government. After that date Digital became the predominant broadcast technology in the nation and the analog spectrum was used for national security, auction to wireless services and other purposes.

C. Agency Objectives

AETN's long range strategic plan was formulated in 2001 and updated in 2008. Goals are divided into two major service areas, "Content" and "Support."

Content Goals include:

Agency Goal #1: AETN partners with educational entities to provide lifelong learning opportunities for all Arkansans, with special emphasis on teacher professional development and classroom resources. (Education)

Agency Goal #2: AETN creates and acquires relevant programming and services designed to educate, enlighten and inspire a diverse audience. (Programs/Services)

Agency Goal #4: AETN promotes its programs and services to the community of Arkansas through various activities as a recognized source of statewide educational opportunities. (Outreach)

Support Goals include:

Agency Goal #3: AETN provides broad reliable distribution of programming and services to Arkansans through the innovative use of technology. (Access)

Agency Goal #5: AETN uses a wide variety of resources to consistently support performance-based, fiscally-sound and mission-focused organizational decisions. (Administration and Finance)

D. Major Service Groups

AETN accomplishes its mission through **four major service groups**: Programs and Services, Engineering, Information Technology and Administration. These areas include the following divisions.

The Programs and Services Group includes 4 divisions:

The **Education Division** provides instructional telecommunications materials and services to Arkansas' educational communities by: acquiring, producing and broadcasting daily programs for the Pre-K-12 classrooms and at-home learners on AETN's digital Plus Channel; providing overnight broadcasts of program series for school media resources; video streaming ADE approved curriculum based course materials over the Internet for classroom use; hosting compressed interactive video meetings and workshops from AETN's studios for statewide educators participation; broadcasting adult education classes for workers to complete educational goals in their spare time; and offering free professional development classes for the state's 35,000 certified teachers through the innovative Arkansas IDEAS portal. The portal is designed in partnership with the Arkansas Department of Education to help teachers fulfill their 60/hour/year mandate. It's available 24/7 via the Internet and provides a growing number of course areas. All materials posted on IDEAS are approved by ADE and meet criteria of the Southern Regional Education Board for Professional Development. Teachers completing these online courses must pass a test that proves their satisfactory completion. Additionally, AETN staff serve on the Arkansas History Task Force and offer numerous, award-winning documentaries from AETN's archives, including In Their Words oral histories that preserve the memories of more than 550 Arkansas World War II veterans for students of tomorrow. This division also hosts and broadcasts the state's Academic Quiz Bowl competition each year to showcase talented youngsters from Arkansas' schools. This division's goals/objectives fit primarily within agency Content goals.

The **Programming Division** acquires and schedules educational and general audience programming; evaluates the programming needs of Arkansans from pre-school through old age; and negotiates for the best programs appropriate to those needs from the Public Broadcasting Service and other regional and national distributors. AETN maintains a digital service with three separate channels - AETN-HD, AETN CREATE and AETN PLUS. This division's goals/objectives fit primarily within agency Content goals.

The **Production Division** researches and creates unique local programs for and about Arkansas for AETN's general audience broadcast schedule. All productions include educational components for use by Arkansas schools. AETN's local productions have won more than 375 regional, national and international awards for excellence, including 8 coveted EMMY awards. Locally produced programs are considered for seven major subject areas concerning Arkansans: economic growth, education, environment, health, heritage, public affairs and public safety. This division's goals/objectives fit primarily within agency Content goals.

The **Outreach Division** develops and distributes information to Arkansans about the AETN programs and services available to them; coordinates advertising campaigns and public events; produces graphics and still photography for the network's broadcast and print needs;

designs and constructs studio sets; and provides creative content of AETN's award-winning website. This division coordinates all AETN outreach activities, including special exhibits, Family Day, Statewide Art Portfolio Days and specific projects connecting Arkansans with issues like preserving state and national parks, childhood obesity and retirement services, etc. This division sponsors the AETN Kids Go Club, encouraging kids to exercise and make healthy habits. This division's goals/objectives fit primarily within agency Content goals.

The Engineering Group includes 2 divisions:

The **Engineering Division** designs, installs, maintains and operates AETN's production and broadcasting infrastructure statewide: six television transmitters broadcasting in digital, thirteen microwave relay stations, AETN's production center, production truck and the network's master control center. This division managed the FCC required 2009 digital transition statewide and the changes needed before, during and after transition. This division also provides evaluation and feasibility studies of new technologies and equipment to guide AETN in supporting the telecommunications needs of Arkansas. This division's goals/objectives fit primarily within agency Support goals.

The **Operations Division** coordinates and schedules all technical facilities, equipment, vehicles and crew for AETN's award-winning instructional and general audience productions; maintains security for AETN's network headquarters; assures periodic safety drills; and trains volunteers and interns on production crew tasks. All productions are videotaped, edited and finalized for broadcast or other distribution through this division. This division also archives all AETN video gathered through various productions throughout Arkansas, preserving meta-data from each taping for future use. This division's goals/objectives fit primarily within agency Support goals.

The Information Technology Group includes 1 division:

The **Information Technology Division** maintains all network computer systems; oversees all computer technology including instructional web site and technical assistance; provides technology training both in-house and to state educators, agencies and businesses; works closely with Engineering to ensure a successful transition to digital technology; trouble shoots digital broadcast software; and maintains general server space for a growing library of digital and high definition programs. This division's goals/objectives fit primarily within agency Support goals.

The Administration Group includes 4 divisions:

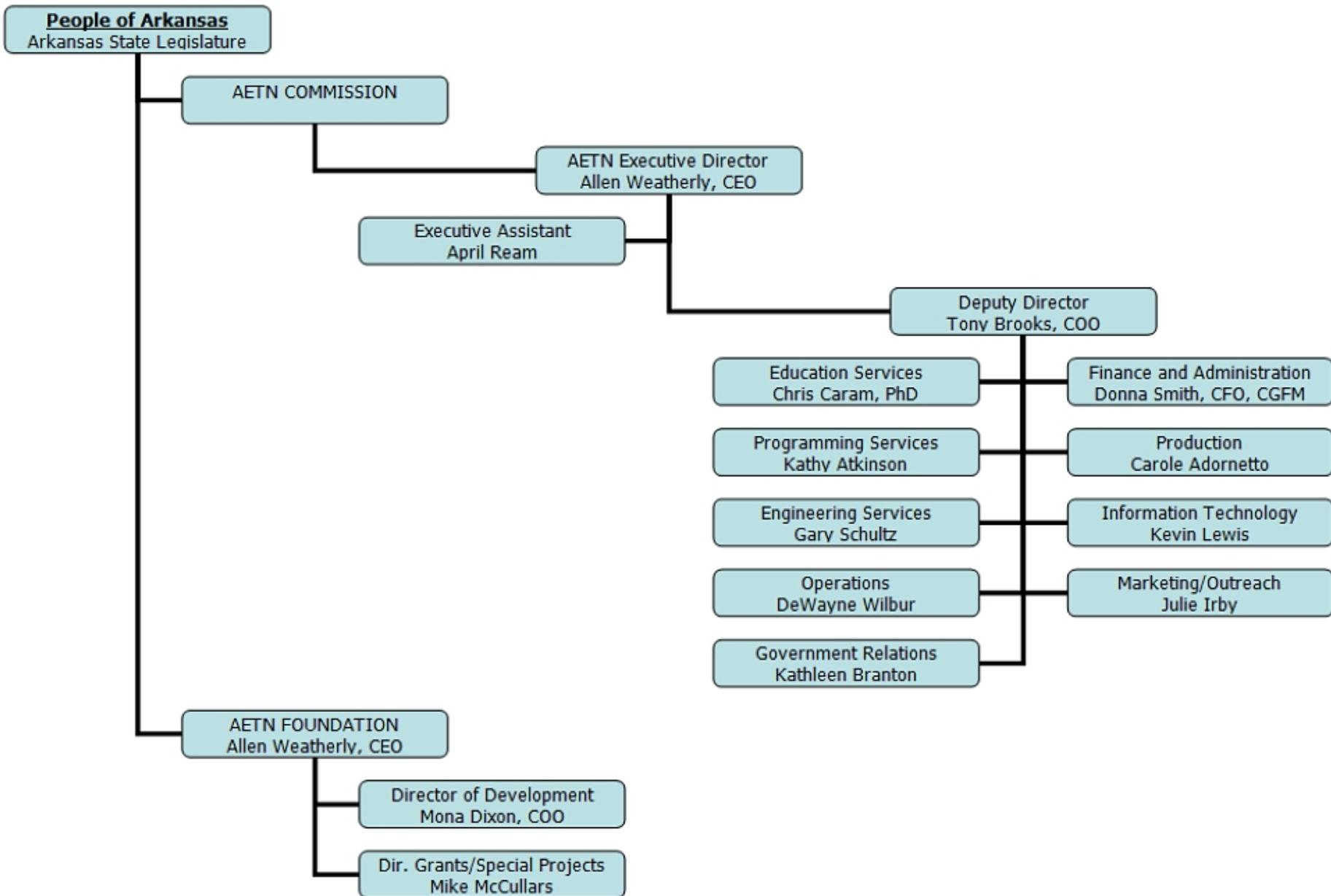
The **Finance and Administration Division** plans, develops and implements Commission policy; provides for the overall management of AETN's human resources, payroll, benefits, training and procurement; directs all financial activities of the agency including accounting, budgeting, risk management, land/lease management, investments, reporting, audits and grants; and coordinates services/funds between AETN and the AETN Foundation. This division's goals/objectives fit primarily within agency Support goals.

The **Governmental Relations Division** acts as liaison with various state and federal agencies; identifies potential needs and partnerships; represents the agency in state, regional and national groups; and works with partners to help fill state needs with AETN capabilities. This division's goals/objectives fit primarily within agency Support goals.

The **Development Division** (AETN Foundation) creates and directs special events to enhance public awareness of AETN; recruits and coordinates volunteers and interns; seeks corporate underwriters; and produces on-air and direct mail fundraising appeals. This division is fully funded by the AETN Foundation and provides significant supplemental funding for AETN programming and operations. The Development Division Goals fit mostly within the agency support goals.

The **Research and Special Projects Division** (AETN Foundation) assists the network with cable and federal relations; coordinates the AETN Speakers Bureau and building tours; assists with research of audience demographics and viewing trends, broadcasting industry trends and legal issues concerning the FCC, trademarks and copyrights; coordinates government grants and reports; and assists all divisions as interdepartmental work team facilitator. This division is fully funded by the AETN Foundation. This division's goals fit mostly within the agency support goals.

AETN is a statewide organization with network headquarters located in Conway, Arkansas. AETN's over-the-air broadcasts currently are carried through an infrastructure of 6 transmitters and 13 microwaves that service almost 100% of Arkansas. Field engineering personnel are assigned supervision of each transmitter and roving engineers maintain the connecting microwaves. Education field personnel travel to conduct workshops all over the State. Part-time producers are stationed in the northwest, central and southern regions of Arkansas to help AETN create local programming for and about Arkansas. AETN personnel serve every corner of the State. Each field staff member is specialized and answers to a division director in that specialty area.



Agency Commentary

The Arkansas Educational Television Network's (AETN) mission is to provide accessible lifelong learning opportunities for all Arkansans. AETN is the state's only public educational television service and the only television in Arkansas with statewide, over-the-air broadcast capability. Through a network of 6 transmitters and 13 microwaves, AETN provides more than 26,000 hours of non-commercial, educational programming, communications, and training services each year. As a PBS affiliate, AETN broadcasts national programming while also producing local programs for and about Arkansas.

EDUCATION:

AETN's services to Arkansas' schools are cost effective and available 24/7.

AETN partners with the Arkansas Department of Education (ADE) to provide free professional development training for Arkansas' 35,000 certified teachers, the only such statewide service in the United States, accessible anywhere, anytime via the Arkansas IDEAS web portal. AETN is continually adding new materials for the state's teachers to improve their training and classroom presentations. As of 2010, almost 20,000 Arkansas teachers are registered users and have received credit through Arkansas IDEAS.

AETN also offers professional development materials on its AETN PLUS Channel and workshops for teachers throughout the state in technology training.

Teachers depend on AETN's video streaming service for effective classroom lesson plans in all subjects. This service was formerly funded by ADE. AETN currently is seeking new fund sources to continue this service for teachers.

AETN also serves on the Arkansas History Task Force and provides over 30 hours of Arkansas History documentaries for the classroom and for teachers' professional development.

TECHNOLOGY:

During its 44-year history, AETN has expanded from a single channel analog transmitter serving central Arkansas to a statewide network headquartered in Conway. Today Arkansas citizens can access AETN's services via broadcast, cable, satellite and interactive web technologies at <http://www.aetn.org>, including an HD video player providing popular AETN and PBS programs ON DEMAND.

PROGRAMMING AND PRODUCTION:

Award-winning AETN, PBS and PBS Kids programming is available 24-hours a day. AETN's program schedule is devoted to children and families and offers a daily safe haven for learning.

AETN uses high definition digital TV for its primary programming on AETN-1 (AETN-HD) and standard definition digital TV for additional programming on AETN-2 (CREATE) and AETN-3 (PLUS).

AETN HD features the best of PBS and AETN's local productions about Arkansas.

AETN CREATE presents numerous "how-to", self-help and lifestyle programs for adult learners.

AETN PLUS offers three program blocks: AETN SCHOLAR with curriculum based materials approved for classroom use by ADE and professional development training for teachers approved by ADE and the Southern Regional Education Board for Professional Development; AETN KIDS providing non-commercial, educational programming for children (in addition to kids' programs aired weekdays on AETN-1); and AETN WORLD sharing the best in non-fiction documentaries and public affairs programming.

AETN-4 supports an audio-only service in partnership with the Arkansas Information Reading Services for the Blind.

AETN's statewide infrastructure also supports the state's Amber Alert system.

COST-EFFECTIVE SERVICE:

AETN serves almost every Arkansan for a very modest cost, and receives less than half its current funding (\$5M) from the state. AETN's various funding resources include: state and federal grants; partnerships with government, non-profits, and businesses; and individual donors who want to help provide quality programs to Arkansans. On-air fundraising drives are typically conducted three times a year by AETN's affiliated private non-profit Foundation to help raise funds for general audience programs.

AETN's innovative, free and mission-based programming is not found on commercial broadcast stations and seldom found on cable channels.

AETN partners with state agencies like the Arkansas Game & Fish Commission to solicit feedback from the citizens through call-in programs like Outdoor Hotline and to produce in-depth, full-length programs specific to Arkansas like Arkansas Outdoors and Exploring Arkansas.

AETN's technology has helped agencies like Human Services, Emergency Services, and Special Education to improve communications with citizens and train thousands of employees via distance learning.

Citizens can stay updated on current issues and get immediate answers to their questions by watching and calling during locally produced programs like Arkansas Week and Arkansans Ask with the Governor, legislators, and other public officials.

AETN continues to produce a wide variety of award-winning programs for and about Arkansas.

PUBLIC SUPPORT:

A 2007 Oakleaf and Associates survey found almost universal and enthusiastic support for AETN in Arkansas.

Nationally, for the sixth consecutive year the American public declared PBS the most trustworthy institution in the country. The 2009 Roper study ranks PBS as second only to military defense in terms of value for tax dollars.

The Grumwald National Survey of Educators indicates that PBS programs were the #1 choice for teachers for the 5th consecutive year and the most used resource for video support in the classroom.

AETN'S GENERAL REVENUE REQUEST:

AETN's operations funding from the state has remained flat for many years while costs are steadily growing. Although AETN is very frugal and entrepreneurial in earning other revenues from partners, grantors and the federal government, grantors don't pay for personnel and infrastructure needs.

(Note: For more than 35 years individual contributors have provided funds for most evening, weekend and general audience children's programming through donations to the AETN Foundation. Those funds are not used for infrastructure or state operations.)

Unfunded FCC mandates like closed captioning add to program costs. Since 2006, AETN has added three full-time digital sub-channels plus a sixth transmitter serving Arkansas' students, teachers, parents, citizens and the visually impaired.

AETN's statewide digital infrastructure is a multi-million dollar investment for the state to use and maintain. Software support costs alone will increase \$108K in 2012 and 2013.

To maintain AETN's statewide infrastructure and basic services AETN requests a total of \$1,068,000 additional appropriation and state funding.

State Treasury Operations:

AETN requests approximately \$938,000 per fiscal year in operating funds from General Revenue to support its statewide infrastructure and to continue its educational services, in addition to base level funding of approximately \$5,000,000. Fixed costs like utilities, land leases, insurance, maintenance and repairs have grown.

Maintenance on digital equipment is more expensive, involving software support contracts, ongoing upgrades and computerized equipment that must be replaced within a shorter life span.

AETN's digital technology has effectively become a huge statewide computer system.

AETN leases most of the land where AETN towers stand and also leases space on other towers in some regions of the state. Lease costs increase annually. Tower inspections are needed statewide to maintain the technical infrastructure and prevent calamities like the Redfield tower collapse in January 2008. (The Albritton owned tower was undergoing maintenance contracted by KATV/Channel 7 when it fell.)

Regular inspections are especially important at the transmitter sites where AETN towers are over a thousand feet tall, but also on the shorter microwave towers. If the signal is interrupted at any site a whole region of the state goes unserved until restored and backup generators are needed.

Schools, teachers, and citizens depend on AETN for programs and services that make a difference in their lives.

Honoring Arkansas' War Heroes:

AETN requests \$130,000 per fiscal year in operating funds from General Revenue to continue its popular "In Their Words" oral history project. The testimonies of more than 600 World War II Veterans from Arkansas are being archived and accessible online for future generations. This project has touched thousands of Arkansans who know or are related to a Veteran from the "Greatest Generation." Their stories told in their own words put a human face on the history of WWII. All AETN programs provide educational tools for Arkansas schools and teachers.

AETN'S CASH APPROPRIATION REQUEST:

AETN requests approximately \$172,000 in Cash appropriation to purchase equipment needed to continue programs and productions funded by grants and partnerships.

AETN maintains a successful partnership with ADE to offer high quality professional development training free to Arkansas' 35,000 certified teachers through its popular Arkansas IDEAS Portal (Internet Delivered Education for Arkansas Schools). All course work is approved by ADE and the Southern Regional Education Board for Professional Development to help teachers meet 60/hours/year of professional training required by law. Teachers taking these online courses must pass a test that proves their satisfactory completion.

Training opportunities are accessible 24 hours a day through the Internet, during the AETN SCHOLAR broadcast on AETN's PLUS channel, and through workshops like the Arkansas Technology Institute (ATI) where teachers learn new technologies for use in the classroom.

Other cash funded programs include video streaming of curriculum materials for classroom teachers, at home learners and student research projects; Kid's Camp offered each summer at AETN; virtual tours of Arkansas landmarks; online communications capability for educators to share best practices; and a data bank allowing not only ADE to review teachers' professional development training progress throughout the year but also access for their school administrators' review.

Additionally, AETN partners with other state agencies, universities, foundations and corporations to originate programs for and about Arkansas.

AETN's CONTINGENCY APPROPRIATION REQUEST:

AETN requests continuance of its \$1,300,000 contingency appropriation for various digital grants and projects that may be funded from outside resources during the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
ARKANSAS EDUCATIONAL TELEVISION COMMISSION
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Expected expenditures associated with video streaming services were submitted with two grant applications to the Arkansas Department of Education (ADE) resulting in duplicate funding of \$216,000. Additionally, the fiscal year 2009 financial report submitted to ADE comparing budgeted and actual expenditures for the Teacher Professional Development grant included \$12,000 of expenses that were funded by the Arkansas Communities

Recommendations

Develop procedures to properly track grant revenues and expenses to ensure that financial reports and claims for reimbursements agree with supporting financial records.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF EDUCATION
 ARKANSAS EDUCATIONAL TELEVISION COMMISSION
 FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

Foundation grant.

Four (4) of thirty (30) employees selected for testing had timesheets that were not properly reviewed and authorized. In order to ensure that compensation expense represents payment for time worked and that it is accurately calculated and recorded, Agency supervisors should review and approve timesheets before payment is made.

The Agency did not document changes to their disaster recovery plan. Additionally, the Agency did not have a formal written policy regarding backup of critical computer information. Backups were being performed but were not properly stored in a secure off-site location.

Agency supervisors properly review and authorize all timesheets.

Update their disaster recovery plan and develop and implement procedures for backups to ensure that interruptions in the provision of services to Arkansas citizens would be minimal.

Employment Summary

	Male	Female	Total	%
White Employees	47	38	85	83 %
Black Employees	6	9	15	15 %
Other Racial Minorities	1	1	2	2 %
Total Minorities			17	17 %
Total Employees			102	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
127 AETN-Treasury Paying	6,622,247	35	7,734,633	38	10,438,083	38	7,345,947	38	7,517,947	38	7,517,947	38	7,345,947	38	7,517,947	38	7,517,947	38
199 AETN-State Operations	4,853,665	73	5,092,413	75	5,275,609	75	5,075,556	75	6,013,556	75	5,125,556	75	5,075,556	75	6,013,556	75	5,125,556	75
2YX Honoring Arkansas' War Heros	0	0	0	0	125,000	0	0	0	130,000	0	130,000	0	0	0	130,000	0	130,000	0
B93 AETN-Contingency	0	0	1,318,703	0	1,318,703	0	1,318,703	0	1,318,703	0	0	0	1,318,703	0	1,318,703	0	0	0
Total	11,475,912	108	14,145,749	113	17,157,395	113	13,740,206	113	14,980,206	113	12,773,503	113	13,740,206	113	14,980,206	113	12,773,503	113

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	5,802,494	32.1	6,578,772	39.3		2,593,158	16.5	2,593,158	15.3	2,593,158	17.5	1,975,211	13.1	1,975,211	12.1	2,105,211	15.0
General Revenue	4000010	4,850,487	26.9	5,092,413	30.4		5,075,556	32.3	6,143,556	36.2	5,075,556	34.2	5,075,556	33.6	6,143,556	37.6	5,075,556	36.0
Cash Fund	4000045	7,398,525	41.0	3,749,019	22.4		6,728,000	42.8	6,900,000	40.7	6,900,000	46.5	6,728,000	44.6	6,900,000	42.2	6,900,000	49.0
AETN Contingency	4000075	0	0.0	1,318,703	7.9		1,318,703	8.4	1,318,703	7.8	0	0.0	1,318,703	8.7	1,318,703	8.1	0	0.0
General Improvement Fund	4000265	0	0.0	0	0.0		0	0.0	0	0.0	260,000	1.8	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	3,178	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		18,054,684	100.0	16,738,907	100.0		15,715,417	100.0	16,955,417	100.0	14,828,714	100.0	15,097,470	100.0	16,337,470	100.0	14,080,767	100.0
Excess Appropriation/(Funding)		(6,578,772)		(2,593,158)			(1,975,211)		(1,975,211)		(2,055,211)		(1,357,264)		(1,357,264)		(1,307,264)	
Grand Total		11,475,912		14,145,749			13,740,206		14,980,206		12,773,503		13,740,206		14,980,206		12,773,503	

Variances in fund balances are due to unfunded appropriation in AETN - State Operations.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
113	98	15	113	0	13.27 %	113	101	12	113	0	10.62 %	113	100	13	113	0	11.50 %

Analysis of Budget Request

Appropriation: 127 - AETN-Treasury Paying

Funding Sources: NET - Cash in Treasury

Arkansas Educational Television receives funding for this cash appropriation from Grants from private foundations, earnings for programs produced from the Agency's studios, and partnerships with various educational entities, state agencies, and private groups.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

AETN is requesting \$172,000 in Capital Outlay. This appropriation will be used to purchase equipment essential for continuing the programs funded by grants and partnerships.

The Executive Recommendation provides for Agency Request along with a title change of one (1) C120 Systems Coordination Analyst II to a C120 Systems Coordination Analyst. This title change will better align the position with the actual job duties.

Appropriation Summary

Appropriation: 127 - AETN-Treasury Paying

Funding Sources: NET - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	966,935	1,378,689	1,331,549	1,330,296	1,330,296	1,330,296	1,330,296	1,330,296	1,330,296
#Positions		35	38	38	38	38	38	38	38	38
Extra Help	5010001	256,779	118,693	409,003	118,693	118,693	118,693	118,693	118,693	118,693
#Extra Help		24	46	46	46	46	46	46	46	46
Personal Services Matching	5010003	446,579	493,198	506,174	482,905	482,905	482,905	482,905	482,905	482,905
Operating Expenses	5020002	4,251,556	4,845,690	6,467,087	4,845,690	4,845,690	4,845,690	4,845,690	4,845,690	4,845,690
Conference & Travel Expenses	5050009	61,651	46,000	245,348	46,000	46,000	46,000	46,000	46,000	46,000
Professional Fees	5060010	188,791	462,363	918,922	462,363	462,363	462,363	462,363	462,363	462,363
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Promotional Items	5090028	54,574	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Grants and Aid	5100004	2,000	0	0	0	0	0	0	0	0
Capital Outlay	5120011	393,382	330,000	500,000	0	172,000	172,000	0	172,000	172,000
Total		6,622,247	7,734,633	10,438,083	7,345,947	7,517,947	7,517,947	7,345,947	7,517,947	7,517,947
Funding Sources										
Fund Balance	4000005	5,802,494	6,578,772		2,593,158	2,593,158	2,593,158	1,975,211	1,975,211	1,975,211
Cash Fund	4000045	7,398,525	3,749,019		6,728,000	6,900,000	6,900,000	6,728,000	6,900,000	6,900,000
Total Funding		13,201,019	10,327,791		9,321,158	9,493,158	9,493,158	8,703,211	8,875,211	8,875,211
Excess Appropriation/(Funding)		(6,578,772)	(2,593,158)		(1,975,211)	(1,975,211)	(1,975,211)	(1,357,264)	(1,357,264)	(1,357,264)
Grand Total		6,622,247	7,734,633		7,345,947	7,517,947	7,517,947	7,345,947	7,517,947	7,517,947

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-2011 Biennium.

Change Level by Appropriation

Appropriation: 127 - AETN-Treasury Paying
Funding Sources: NET - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	7,345,947	38	7,345,947	100.0	7,345,947	38	7,345,947	100.0
C08	Technology	172,000	0	7,517,947	102.3	172,000	0	7,517,947	102.3

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	7,345,947	38	7,345,947	100.0	7,345,947	38	7,345,947	100.0
C08	Technology	172,000	0	7,517,947	102.3	172,000	0	7,517,947	102.3
C14	Title Change	0	0	7,517,947	102.3	0	0	7,517,947	102.3

Justification

C08	AETN requests \$172K in CASH appropriation to purchase equipment needed for continuing programs funded by grants and partnerships. These items are listed in AETN's Information Technology Plan under Major Application Tab-Staff Development Portal
C14	Change title of one (1) C120 Systems Coordination Analyst II to a C120 Systems Coordination Analyst. This title change will better align the position with actual job duties.

Analysis of Budget Request

Appropriation: 199 - AETN-State Operations

Funding Sources: EMA - ETV-State Operation

Arkansas Educational Television Network (AETN) is Arkansas' only statewide television network. AETN distributes a program of educational and general audience offerings that is broadcast for all citizens of Arkansas. The network's broadcast is carried from the R. Lee Reaves Center for Educational Telecommunications in Conway. In 2009, AETN terminated all analog broadcast as part of the national digital transition, but continues to serve Arkansas with six digital broadcast transmitters around the state. AETN's Second Audio Program (SAP) channel delivers the Arkansas Information Reading Service (AIRS) for the Blind as well as Descriptive Video on selected programs for those who are blind or are visually-impaired. Virtually all programs broadcast on AETN are also closed captioned for the deaf or hearing impaired. This appropriation is used for the infrastructure and operational needs of AETN. Funding for this appropriation comes from State General Revenues.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of unclassified positions reflects the FY11 line item maximum. The Base Level request for Regular Salaries includes board member stipend payments.

Change Level requests include:

- An increase in Operating Expense of \$638,000 in both fiscal years of the 2011-2013 Biennium. Of this request, 60,000 will be used in the community service and outreach program to increase awareness of the programs provided by AETN. \$120,000 is request for fixed cost increases such as electricity, grounds maintenance and building and contents insurance. \$108,000 is needed for software maintenance contracts due to the digital conversion. Also, \$100,000 is requested for increases in tower lease contracts. And lastly, \$250,000 is requested for video streaming into classroom and other programming.
- Increase in Professional Fees line item by \$25,000 in both fiscal years of the 2011-2013 Biennium to allow AETN to contract with outside sources to meet the FCC mandate for closed captioning on all programs.
- Increase in Capital Outlay of 275,000 for both fiscal years of the 2011-2013 Biennium for digital broadcast equipment replacement.

The total additional general revenue request is \$938,000 for both fiscal years of the 2011-2013 Biennium.

The Executive Recommendation provides for Base Level and \$50,000 of unfunded appropriation in Capital Outlay.

Appropriation Summary

Appropriation: 199 - AETN-State Operations

Funding Sources: EMA - ETV-State Operation

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,330,738	3,501,679	3,406,384	3,474,961	3,474,961	3,474,961	3,474,961	3,474,961	3,474,961
#Positions		73	75	75	75	75	75	75	75	75
Extra Help	5010001	7,047	8,800	8,800	8,800	8,800	8,800	8,800	8,800	8,800
#Extra Help		1	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	1,020,297	1,112,952	1,120,114	1,122,813	1,122,813	1,122,813	1,122,813	1,122,813	1,122,813
Operating Expenses	5020002	485,333	468,982	670,311	468,982	1,106,982	468,982	468,982	1,106,982	468,982
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	10,250	0	20,000	0	25,000	0	0	25,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	50,000	0	275,000	50,000	0	275,000	50,000
Total		4,853,665	5,092,413	5,275,609	5,075,556	6,013,556	5,125,556	5,075,556	6,013,556	5,125,556
Funding Sources										
General Revenue	4000010	4,850,487	5,092,413		5,075,556	6,013,556	5,075,556	5,075,556	6,013,556	5,075,556
M & R Sales	4000340	3,178	0		0	0	0	0	0	0
Total Funding		4,853,665	5,092,413		5,075,556	6,013,556	5,075,556	5,075,556	6,013,556	5,075,556
Excess Appropriation/(Funding)		0	0		0	0	50,000	0	0	50,000
Grand Total		4,853,665	5,092,413		5,075,556	6,013,556	5,125,556	5,075,556	6,013,556	5,125,556

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-2011 Biennium.

Change Level by Appropriation

Appropriation: 199 - AETN-State Operations
Funding Sources: EMA - ETV-State Operation

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	5,075,556	75	5,075,556	100.0	5,075,556	75	5,075,556	100.0
C01	Existing Program	830,000	0	5,905,556	116.4	830,000	0	5,905,556	116.4
C08	Technology	108,000	0	6,013,556	118.5	108,000	0	6,013,556	118.5

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	5,075,556	75	5,075,556	100.0	5,075,556	75	5,075,556	100.0
C01	Existing Program	50,000	0	5,125,556	101.0	50,000	0	5,125,556	101.0
C08	Technology	0	0	5,125,556	101.0	0	0	5,125,556	101.0

Justification

C01	AETN requests additional general revenue funding/appropriation of \$830K to support its statewide infrastructure and continue its educational services. Fixed costs are increasing for infrastructure maintenance/repairs, utilities, insurance, land/tower leases, broadcast licenses and closed captioning required by the FCC.
C08	AETN requests \$108K for renewal of software support and maintenance contracts in 2012 and 2013. These contracts are required to maintain AETN's statewide digital infrastructure and included in AETN's Information Technology Plan under Operations Tab-IT Support Costs.

Analysis of Budget Request

Appropriation: 2YX - Honoring Arkansas' War Heros

Funding Sources: EMA - ETV-State Operations

This general revenue funded appropriation is used by AETN to design documentaries honoring Arkansas' War Heroes. Through the "In Their Words" Veterans archiving project, AETN has archived the testimonies of more than 600 Arkansas WWII Veterans. With the use of this oral history, AETN can now offer a much more inclusive picture of the past. The archival program is featuring an extensive web/streaming and research environment for teachers and every Arkansas student with the ability to follow the actions, careers and lessons taught by these great Arkansans. This important and large project is a vital part of the Arkansas and American record.

Special language in AETN's current appropriation act (Section 8 of Act 34 of 2010) requires the Agency to request the continuation and any increase of this appropriation as a change level request for the 2011-2013 Biennium.

The Agency is requesting funding and appropriation of \$130,000 for each fiscal year of the 2011-2013 Biennium.

The Executive Recommendation provides for this appropriation to be funded from the General Improvement Fund.

Appropriation Summary

Appropriation: 2YX - Honoring Arkansas' War Heros

Funding Sources: EMA - ETV-State Operations

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Honoring Arkansas' War Heroes 5900046	0	0	125,000	0	130,000	130,000	0	130,000	130,000
Total	0	0	125,000	0	130,000	130,000	0	130,000	130,000
Funding Sources									
Fund Balance 4000005	0	0		0	0	0	0	0	130,000
General Revenue 4000010	0	0		0	130,000	0	0	130,000	0
General Improvement Fund 4000265	0	0		0	0	260,000	0	0	0
Total Funding	0	0		0	130,000	260,000	0	130,000	130,000
Excess Appropriation/(Funding)	0	0		0	0	(130,000)	0	0	0
Grand Total	0	0		0	130,000	130,000	0	130,000	130,000

Change Level by Appropriation

Appropriation: 2YX - Honoring Arkansas' War Heros
Funding Sources: EMA - ETV-State Operations

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C01	Existing Program	110,000	0	110,000	100.0	110,000	0	110,000	100.0
C08	Technology	20,000	0	130,000	118.2	20,000	0	130,000	118.2

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C01	Existing Program	110,000	0	110,000	100.0	110,000	0	110,000	100.0
C08	Technology	20,000	0	130,000	118.2	20,000	0	130,000	118.2

Justification

C01	AETN requests \$110K in general revenue funding and appropriation to continue its popular WWII veterans' oral history project, "In Their Words." Testimonies of over 600 Arkansas veterans continue to be archived and accessible online for future generations.
C08	AETN requests \$20K funding and appropriation for software maintenance costs to support the veteran's oral history project web interface for online access to oral histories. These costs are included in AETN's Information Technology Plan under Operations Tab-IT Support Costs.

Analysis of Budget Request

Appropriation: B93 - AETN-Contingency

Funding Sources: 516 - AETN Contingency

This Contingency appropriation was established during the 82nd General Assembly for the AETN/UCA complex. Continuation is requested to provide sufficient appropriation to meet the needs of the Digital Television and Americans with Disabilities Federal mandates.

The Agency is requesting Base Level for the 2011-2013 Biennium.

The Executive Recommendation does not provide for the continuation of this appropriation.

Appropriation Summary

Appropriation: B93 - AETN-Contingency

Funding Sources: 516 - AETN Contingency

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Contingency 5130018	0	1,318,703	1,318,703	1,318,703	1,318,703	0	1,318,703	1,318,703	0
Total	0	1,318,703	1,318,703	1,318,703	1,318,703	0	1,318,703	1,318,703	0
Funding Sources									
AETN Contingency 4000075	0	1,318,703		1,318,703	1,318,703	0	1,318,703	1,318,703	0
Total Funding	0	1,318,703		1,318,703	1,318,703	0	1,318,703	1,318,703	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	1,318,703		1,318,703	1,318,703	0	1,318,703	1,318,703	0

Change Level by Appropriation

Appropriation: B93 - AETN-Contingency
Funding Sources: 516 - AETN Contingency

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,318,703	0	1,318,703	100.0	1,318,703	0	1,318,703	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,318,703	0	1,318,703	100.0	1,318,703	0	1,318,703	100.0
C19	Executive Changes	(1,318,703)	0	0	0.0	(1,318,703)	0	0	0.0

Justification

C19	Recommendation is to discontinue this appropriation along with not recommending the requested special language to utilize this appropriation. Without the special language, the Agency cannot transfer this appropriation and therefore the appropriation cannot be used.
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STATE BOARD OF ELECTION COMMISSIONERS

Enabling Laws

Act 82 of 2010

A.C.A. §7-4-101, 7-4-103, 7-4-107, 7-4-109, 7-4-118

A.C.A. §7-5-311, 7-5-415, 7-5-503, 7-5-510, 7-5-606, 7-5-707

A.C.A. §7-7-201

A.C.A. §7-10-103

History and Organization

The State Board of Election Commissioners was created pursuant to Act 465 of 1969. Act 901 of 1995 amended various sections of Arkansas Code Title 7 to provide for joint political party primary elections funded by the State from an appropriation made to the Board. Act 741 of 1995 amended Arkansas Code Annotated §7-4-101 to reconstitute the Board, with Act 1217 of 1995 providing funding for operations and staff to implement the Board's expanded duties and responsibilities.

The Board consists of a seven member staff serving a seven member board comprised of the Secretary of State as Chair, two members appointed by the Governor, and one member each appointed by the chair of the state Democratic party, the chair of the state Republican party, the President Pro Tempore of the Arkansas Senate, and the Speaker of the Arkansas House of Representatives.

The mission of the Board is to improve the orderly conduct of elections in the State by promoting fair and orderly election procedures through education, assistance, and monitoring. The Board develops resources to educate and assist candidates and county election administrators, distributes funds to the counties for state supported political party primary elections, nonpartisan judicial general elections, special primary elections, and statewide special elections, and monitors compliance with federal and state election laws.

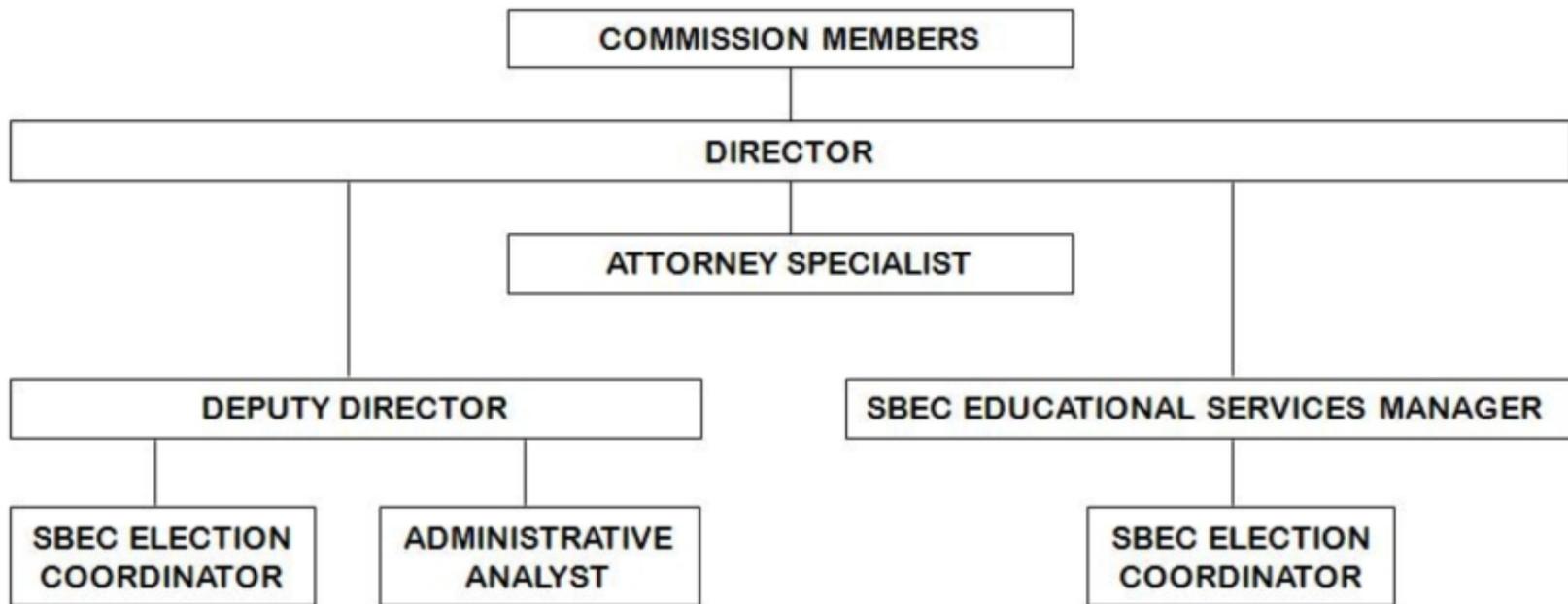
The Board publishes a handbook for candidates running for public office that outlines in a readable and understandable format the legal obligations of candidates in complying with state election laws.

The Board develops specialized training programs, rules, and procedures to assist and educate county election authorities in administering elections in compliance with federal and state election laws. The Board provides the counties with educational and training publications and conducts and coordinates statewide training of poll workers and county election commissioners. The Board assists county election

administrators with the administrative duties of conducting elections, when determined necessary and appropriate, and handles inquiries on election administration.

The Board implements a cost effective system of reimbursement to the counties that ensures statewide uniformity and consistency in distributing funds from the State to the counties for state supported elections. The Board promulgates rules for reimbursement, training attendance and compensation, and establishing nonpartisan judicial filing fees for covering the cost of election expenses. The Board provides each county with comprehensive reporting forms for requesting reimbursement for state supported elections, distributes funds statewide following extensive auditing and reconciliation of each individual county reimbursement request, and maintains election expense databases for fiscal accountability.

The Board monitors compliance by county election administrators with federal and state election laws, identifies problematic election laws, and drafts proposed legislation addressing potential or needed changes to existing election laws. The Board examines, approves, and certifies voting equipment for compliance with federal and state election laws. The Board implements a certified election monitor program for appointing monitors to observe and report to the Board on the conduct of elections. The Board provides comprehensive written directives to county election administrators for evaluating and reporting on polling site accessibility, for compiling reports of compliance with the Americans with Disabilities Act, and for addressing deficiencies. The Board develops and provides resources to county election administrators for gathering information for statutorily required reporting to the State on the conduct of elections, for reviewing and compiling statistical reports of county compliance, and for addressing deficiencies. The Board promulgates rules on administrative complaint procedures, handles complaints alleging election misconduct and violations of federal and state election and voter registration laws, conducts investigations, holds public hearings, renders reports of findings, and imposes disciplinary actions.



Agency Commentary

The State Board of Election Commissioners requests Base Level in Operations of \$559,223 for FY2012 and FY2013.

The State Board requests continuation of Base Level in the amount of \$1,600,000 for Nonpartisan Judicial General Elections for covering the cost of election expenses of the State Board.

The State Board requests a Change Level in Election Expenses of \$1,353,000 in appropriation, \$1,153,000 in general revenue funding for increased expenses of the Board and county boards of election commissioners to conduct state supported political party primary elections and nonpartisan judicial general elections held at the primary elections, and \$200,000 in Budget Stabilization Trust Funds for increased expenses of the Board and county boards of election commissioners to conduct any statewide special or special primary elections for the biennial period ending June 30, 2013.

The Change Level request covers the expenses of the State Board incurred in the first year of each biennium to compensate local election administrators for mandatory statewide training attendance, to publish a handbook for candidates running for public office, and to publish educational and training materials to aid county election authorities in administering elections in compliance with federal and state election laws, pursuant to Arkansas Code Annotated §§ 7-4-101, 7-4-107, and 7-4-109.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
STATE BOARD OF ELECTION COMMISSIONERS

Findings

A separate report for this Agency was not issued. However, financial activity for the Agency was included in the audit of the State's CAFR for the year ended June 30, 2009.

Recommendations

Employment Summary

	Male	Female	Total	%
White Employees	0	5	5	71 %
Black Employees	0	2	2	29 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	29 %
Total Employees			7	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
"County Board of Election Commissioners Procedures Manual"	7-4-101(f)(2); 7-4-109(e)(1)	N	N	550	Statewide training of county election commissioners to assure fair and orderly election procedures
"Election Officials Training Guide for Certified County Trainers"	7-4-101(f)(2); 7-4-109(e)(1)	N	N	500	Statewide training, testing, and Board certification of trainers to train poll workers locally
"Poll Workers Training Guide"	7-4-101(f)(2); 7-4-107(b)(2); 7-4-109(e)(1)	N	N	12,000	Statewide training of poll workers to assist them in executing election day duties and responsibilities
"Running for Public Office: A 'Plain English' Handbook for Candidates"	7-4-101(f)(1)	N	N	6,000	Statutory Requirement - to outline in a readable and understandable format the legal obligations of candidates running for public office

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
436 Nonpartisan Judicial General Elections	0	0	933,922	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0	1,600,000	0
580 Election Commissioners - Operations	519,523	7	562,021	7	594,071	7	559,223	7	559,223	7	559,223	7	559,223	7	559,223	7	559,223	7
581 Election Expenses	211,389	0	3,575,611	0	4,987,000	0	4,987,000	0	6,340,000	0	6,340,000	0	4,987,000	0	6,340,000	0	6,340,000	0
Total	730,912	7	5,071,554	7	7,181,071	7	7,146,223	7	8,499,223	7	8,499,223	7	7,146,223	7	8,499,223	7	8,499,223	7

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance 4000005	789,176	15.1	4,509,533	88.9		0	0.0		0	0.0		0	0.0		0	0.0		0	0.0
General Revenue 4000010	4,306,523	82.2	562,021	11.1		4,346,223	60.8		5,499,223	64.7		4,696,223	55.3		559,223	100.0		559,223	100.0
Budget Stabilization Trust 4000130	0	0.0	0	0.0		1,200,000	16.8		1,400,000	16.5		2,203,000	25.9		0	0.0		0	0.0
Judicial Filing Fees 4000320	144,746	2.8	0	0.0		1,600,000	22.4		1,600,000	18.8		1,600,000	18.8		0	0.0		0	0.0
Total Funds	5,240,445	100.0	5,071,554	100.0		7,146,223	100.0		8,499,223	100.0		8,499,223	100.0		559,223	100.0		559,223	100.0
Excess Appropriation/(Funding)	(4,509,533)		0			0			0			0			6,587,000			7,940,000	
Grand Total	730,912		5,071,554			7,146,223			8,499,223			8,499,223			7,146,223			8,499,223	

Election Expenses (581): Special Language authorizes the carryforward of General Revenue funding from FY2012 to FY2013.

Election Expenses (581) and Nonpartisan Judicial General Elections (436): Expenditure of appropriation in FY2013 is contingent upon the carryforward of available funding from FY2012.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
6	5	1	6	0	16.67 %	7	7	0	7	0	0.00 %	7	7	0	7	0	0.00 %

Analysis of Budget Request

Appropriation: 436 - Nonpartisan Judicial General Elections

Funding Sources: MFF - Judicial Filing Fee Fund

Amendment 80, §§17 and 18, to the Arkansas Constitution states that Circuit Judges, District Judges, Supreme Court Justices and Court of Appeals Judges be elected on a nonpartisan basis. This amendment went into effect July 2001. Act 1789 of 2001 established the guidelines for the nonpartisan judicial elections and charged the State Board of Election Commissioners with funding nonpartisan judicial general elections and establishing reasonable filing fees for nonpartisan judicial offices. The Board promulgates rules and regulations establishing nonpartisan judicial office filing fees for covering the cost of election expenses paid from this appropriation.

The Board is requesting Base Level for the 2011-2013 Biennium

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 436 - Nonpartisan Judicial General Elections

Funding Sources: MFF - Judicial Filing Fee Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	933,922	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Total	0	933,922	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Funding Sources									
Fund Balance 4000005	789,176	933,922		0	0	0	0	0	0
Judicial Filing Fees 4000320	144,746	0		1,600,000	1,600,000	1,600,000	0	0	0
Total Funding	933,922	933,922		1,600,000	1,600,000	1,600,000	0	0	0
Excess Appropriation/(Funding)	(933,922)	0		0	0	0	1,600,000	1,600,000	1,600,000
Grand Total	0	933,922		1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000

Base Level has been restored to the FY2011 authorized amount of \$1,600,000.

Expenditure of appropriation in FY2013 is contingent upon the carryforward of available funding from FY2012.

Analysis of Budget Request

Appropriation: 580 - Election Commissioners - Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The State Board of Election Commissioners is a general revenue funded Agency that administers state supported political party primary and special elections. The seven member Board is comprised of the Secretary of State as Chairperson, two members appointed by the Governor, and one member each appointed by the chair of the state Democratic party, the chair of the state Republican party, the President Pro Tempore of the Arkansas Senate, and the Speaker of the Arkansas House of Representatives. Legislation passed during the 1995 session redefined the duties of the Board and created for the first time a staff and an operating appropriation.

The Board develops resources to educate and assist candidates and county election administrators, develops specialized training programs, conducts and coordinates statewide training of county election commissioners and election officials, monitors compliance by local election authorities with federal and state election laws, investigates complaints of alleged election misconduct and election law violations, and distributes funds to the counties for state-supported political party primary elections, nonpartisan judicial general elections, special primary elections, and statewide special elections.

The responsibilities of the Board have increased each session as a result of legislation passed by the Arkansas General Assembly in an attempt to ensure public confidence in the election process.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level request for Regular Salaries includes board member stipend payments.

The Board's Base Level Request includes appropriation and general revenue funding of \$559,223 each year with seven (7) regular positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 580 - Election Commissioners - Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	328,142	344,237	372,763	341,737	341,737	341,737	341,737	341,737	341,737
#Positions	7	7	7	7	7	7	7	7	7
Personal Services Matching 5010003	93,887	101,724	105,248	101,426	101,426	101,426	101,426	101,426	101,426
Operating Expenses 5020002	96,927	108,060	108,060	108,060	108,060	108,060	108,060	108,060	108,060
Conference & Travel Expenses 5050009	567	3,000	3,000	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	5,000	5,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	519,523	562,021	594,071	559,223	559,223	559,223	559,223	559,223	559,223
Funding Sources									
General Revenue 4000010	519,523	562,021		559,223	559,223	559,223	559,223	559,223	559,223
Total Funding	519,523	562,021		559,223	559,223	559,223	559,223	559,223	559,223
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	519,523	562,021		559,223	559,223	559,223	559,223	559,223	559,223

Analysis of Budget Request

Appropriation: 581 - Election Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

This general revenue funded appropriation provides reimbursement to the counties for the expenses of state supported political party primary elections, special primary elections, and statewide special elections. This appropriation also provides for County Election Commission training, certified trainer's pay and training publications. Prior to the passage of Amendment 86 requiring annual sessions, this was a biennial appropriation.

The State Board of Election Commissioners' Base Level Request includes appropriation of \$4,987,000 each year with General Revenue funding of \$3,787,000 in the first year only with Special Language authorizing the carry forward of remaining funds between fiscal years. Special Language also authorizes the Chief Financial Officer of the State to transfer funds from the Budget Stabilization Trust Fund to the Board's Miscellaneous Agencies Fund to provide for expenses for any statewide special election or special primary election if any Special Elections are required.

The State Board of Election Commissioners' Change Level Request includes additional appropriation of \$1,353,000 each year with General Revenue funding of \$1,153,000 in the first year only.

The Total Request includes the following:

	<u>BASE LEVEL</u>	<u>CHANGE LEVEL</u>	<u>TOTAL REQUEST</u>	<u>Fund Source</u>
Preferential Primary (May)	2,204,000	796,000	3,000,000	General Revenue
Primary Runoff (June)	1,454,000	346,000	1,800,000	General Revenue
County Election Commission Training	30,000	0	30,000	General Revenue
Certified Trainer's Pay	24,000	11,000	35,000	General Revenue
Training Publications	75,000	0	75,000	General Revenue
Statewide Special Elections	<u>1,200,000</u>	<u>200,000</u>	<u>1,400,000</u>	Budget Stab Trust
	4,987,000	1,353,000	6,340,000	

The Change Level request covers increasing expenses of the Board and county boards of election commissioners to conduct state supported political party primary elections, special primary elections and statewide special elections. The request also covers an increase in the expenses incurred by the Board to compensate local election administrators for mandatory statewide training attendance, to publish a handbook for candidates running for public office, and to publish educational and training materials to aid county election authorities in administering elections in compliance with federal and state election laws, pursuant to Arkansas Code Annotated §§ 7-4-101, 7-4-107, and 7-4-109.

The Executive Recommendation provides for the Agency Request for additional appropriation of \$1,353,000 each year along with additional General Revenue funding of \$350,000 in the first year only. The Executive also amends Special Language to authorize a transfer from the Budget Stabilization Trust Fund to the Agency's Miscellaneous Agencies Fund to pay the expenses for not only any statewide special election or special primary election, but also for any state supported preferential primary election, general primary election or nonpartisan judicial general election if funds are not available to pay for such elections.

Appropriation Summary

Appropriation: 581 - Election Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Election Expenses 5900046	211,389	3,575,611	4,987,000	4,987,000	6,340,000	6,340,000	4,987,000	6,340,000	6,340,000
Total	211,389	3,575,611	4,987,000	4,987,000	6,340,000	6,340,000	4,987,000	6,340,000	6,340,000
Funding Sources									
Fund Balance 4000005	0	3,575,611		0	0	0	0	0	0
General Revenue 4000010	3,787,000	0		3,787,000	4,940,000	4,137,000	0	0	0
Budget Stabilization Trust 4000130	0	0		1,200,000	1,400,000	2,203,000	0	0	0
Total Funding	3,787,000	3,575,611		4,987,000	6,340,000	6,340,000	0	0	0
Excess Appropriation/(Funding)	(3,575,611)	0		0	0	0	4,987,000	6,340,000	6,340,000
Grand Total	211,389	3,575,611		4,987,000	6,340,000	6,340,000	4,987,000	6,340,000	6,340,000

Special Language authorizes carry forward of General Revenue funding. Expenditure of appropriation in FY2013 is contingent upon the carryforward of available funding from FY2012. The FY2011 Budget amount has been adjusted to reflect the actual amount of funding that carried forward from FY2010 to FY2011. Base Level appropriation has been restored to the FY2011 authorized amount of \$4,987,000.

Change Level by Appropriation

Appropriation: 581 - Election Expenses
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	4,987,000	0	4,987,000	100.0	4,987,000	0	4,987,000	100.0
C01	Existing Program	1,353,000	0	6,340,000	127.1	1,353,000	0	6,340,000	127.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	4,987,000	0	4,987,000	100.0	4,987,000	0	4,987,000	100.0
C01	Existing Program	1,353,000	0	6,340,000	127.1	1,353,000	0	6,340,000	127.1

Justification

C01	The requested increase is based upon the projected cost of election expenses for the 2011 - 2013 biennium in the amount of \$6,340,000, including \$75,000 for training publications, \$30,000 for legally required commissioners' training, \$35,000 for legally required trainers' training, \$3,000,000 for the primary election, and \$1,800,000 for the runoff election totaling \$4,940,000 from General Revenue funds, plus an additional \$1,400,000 for any statewide or special primary elections from the Budget Stabilization Trust Fund. Election expense costs for the 2009 - 2011 biennium are estimated at \$4,127,384.54 and includes the actual cost of training publications in the amount of \$72,187.34, the actual cost of commissioners' training in the amount of \$30,890.49, the estimated cost of trainers' training in the amount of \$34,752.67 (\$31,082.42 of which is actual costs with an estimated additional \$3,670.25 outstanding), the estimated cost of the May primary election in the amount of \$2,488,015.51 (requests from 5 counties including Pulaski are outstanding), the estimated cost of the June runoff election in the amount of \$1,493,936.07 (requests from 12 counties including Pulaski are outstanding), the actual cost of a special primary election held on October 13, 2009 to fill the vacancy in the Office of Senator for District 4 in the amount of \$3,602.46, and the estimated cost of a special primary election to be held in Stone County on August 2, 2010 at an estimated \$4,000. The projected cost of conducting the 2012 primary and runoff elections and any statewide special election is based upon a 17% increase to the estimated costs for 2010, a historical trend established since implementation of the Help American Vote Act in 2006.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Election Commissioners Board

Program: Election Expenses

Act #: 82 Section(s) #: 3 & 5

Estimated Carry Forward Amount \$ 3,687,000.00 Funding Source: Miscellaneous Agencies

Accounting Information:

Business Area: 0232 Funds Center: 581 Fund: HUA Functional Area: PROF

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:

To enable the State Board of Election Commissioners to reimburse counties for eligible state-funded election expenses associated with conducting the 2010 Preferential Primary Election, General Primary Election, and Nonpartisan Judicial General Election.

Actual Funding Carry Forward Amount \$ 3,575,611.00

Current status of carry forward funding:

Funds carried forward will enable the State Board of Election Commissioners to reimburse counties for eligible state-funded election expenses associated with conducting the 2010 Preferential Primary Election, General Primary Election, and Nonpartisan Judicial General Election.

Note from DFA – Office of Budget: The portion of Special Language that requires this report is no longer necessary.

Susie Stormes

Director

08-26-2010

Date

OFFICE OF THE GOVERNOR

Enabling Laws

Act 159 of 2010

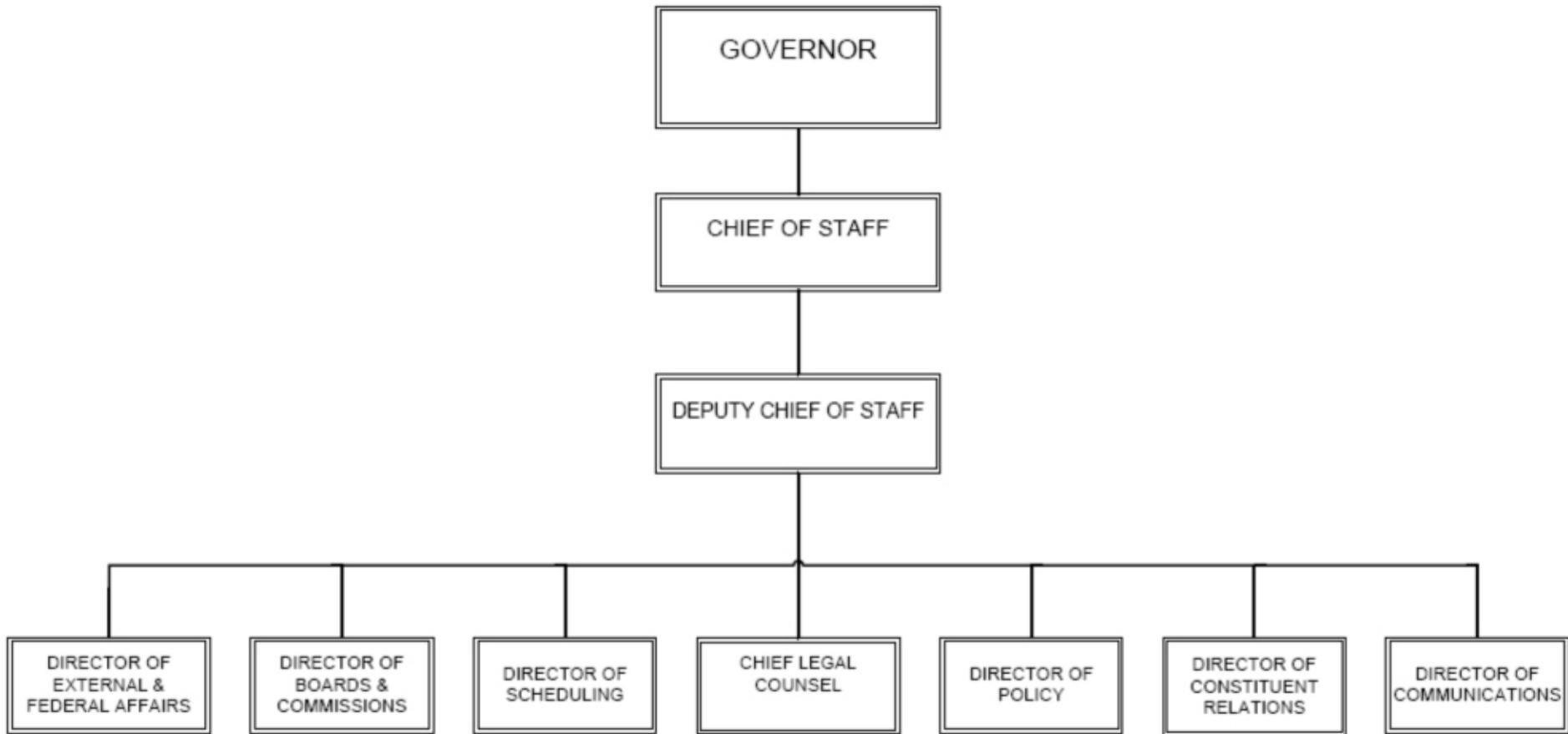
Act 60 of 2010

Constitution of Arkansas, Article 6

History and Organization

In accordance with Article 6 of the Arkansas Constitution, the Governor, as elected by the people shall be vested with the executive power of the State. The Governor must be a U.S. citizen, a resident of the State for seven (7) years and be thirty (30) years of age. As Chief Executive of the State, the Governor may require written reports from Executive Department Directors. The Governor shall see that Arkansas laws are faithfully executed.

From time to time, the Governor shall inform the General Assembly on the condition of state government. He shall also make recommendations for their consideration on such measures as he may deem appropriate. Every bill that has passed both houses of the General Assembly shall be presented to the Governor for his signature. The Governor has veto power of line items in appropriation bills authorizing the expenditure of state funds.



Agency Commentary

The Governor's Office is currently authorized sixty (60) full time positions and seven (7) Extra Help positions. All maintenance and operations line items are requested at the 2011-2012 authorized level with a reallocation of \$49,800 from Conference and Travel Expenses to Operating Expenses to properly classify travel expenditures. This authorized level includes restoring Capital Outlay in the amount of \$8,000 each year of the biennium for any unforeseen replacement of equipment/furniture.

The Governor's Emergency Fund is requested to continue at the Base Level of \$500,000 each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 OFFICE OF THE GOVERNOR
 FOR THE YEAR ENDED JUNE 30, 2009

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	12	22	34	68 %
Black Employees	6	9	15	30 %
Other Racial Minorities	0	1	1	2 %
Total Minorities			16	32 %
Total Employees			50	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
001 Governor's Office - Operations	4,519,136	60	5,639,921	60	5,639,921	60	6,187,164	60	6,195,164	60	0	0	6,187,164	60	6,195,164	60	0	0
181 Governor's Emergency Proclamation	0	0	500,000	0	500,000	0	500,000	0	500,000	0	0	0	500,000	0	500,000	0	0	0
Total	4,519,136	60	6,139,921	60	6,139,921	60	6,687,164	60	6,695,164	60	0	0	6,687,164	60	6,695,164	60	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
State Central Services 4000035	4,519,136	100.0	5,639,921	91.9			6,187,164	92.5	6,195,164	92.5	0	0.0	6,187,164	92.5	6,195,164	92.5	0	0.0
Governor's Emergency Fund 4000275	0	0.0	500,000	8.1			500,000	7.5	500,000	7.5	0	0.0	500,000	7.5	500,000	7.5	0	0.0
Total Funds	4,519,136	100.0	6,139,921	100.0			6,687,164	100.0	6,695,164	100.0	0	0.0	6,687,164	100.0	6,695,164	100.0	0	0.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
Grand Total	4,519,136		6,139,921				6,687,164		6,695,164		0		6,687,164		6,695,164		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
59	58	1	59	0	1.69 %	60	55	5	60	0	8.33 %	60	53	7	60	0	11.67 %

Appropriation Summary

Appropriation: 001 - Governor's Office - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,040,806	3,732,036	3,732,036	4,120,246	4,120,246	0	4,120,246	4,120,246	0
#Positions		60	60	60	60	60	0	60	60	0
Extra Help	5010001	6,991	8,789	8,789	8,789	8,789	0	8,789	8,789	0
#Extra Help		5	7	7	7	7	0	7	7	0
Personal Services Matching	5010003	923,799	1,115,190	1,115,190	1,282,223	1,282,223	0	1,282,223	1,282,223	0
Operating Expenses	5020002	537,972	696,906	696,906	696,906	746,706	0	696,906	746,706	0
Conference & Travel Expenses	5050009	2,054	65,000	65,000	65,000	15,200	0	65,000	15,200	0
Professional Fees	5060010	0	14,000	14,000	14,000	14,000	0	14,000	14,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	7,514	8,000	8,000	0	8,000	0	0	8,000	0
Total		4,519,136	5,639,921	5,639,921	6,187,164	6,195,164	0	6,187,164	6,195,164	0
Funding Sources										
State Central Services	4000035	4,519,136	5,639,921		6,187,164	6,195,164	0	6,187,164	6,195,164	0
Total Funding		4,519,136	5,639,921		6,187,164	6,195,164	0	6,187,164	6,195,164	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,519,136	5,639,921		6,187,164	6,195,164	0	6,187,164	6,195,164	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 001 - Governor's Office - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	6,187,164	60	6,187,164	100.0	6,187,164	60	6,187,164	100.0
C01	Existing Program	8,000	0	6,195,164	100.1	8,000	0	6,195,164	100.1
C04	Reallocation	0	0	6,195,164	100.1	0	0	6,195,164	100.1

Justification

C01	Restoring Capital Outlay in the amount of \$8,000 each year of the biennium for any unforeseen replacement of equipment/furniture.
C04	Reallocation of \$49,800 from Conference and Travel Expenses to Operating Expenses to properly classify travel expenditures.

Appropriation Summary

Appropriation: 181 - Governor's Emergency Proclamation

Funding Sources: MTA - Miscellaneous Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	500,000	500,000	500,000	500,000	0	500,000	500,000	0
Total	0	500,000	500,000	500,000	500,000	0	500,000	500,000	0
Funding Sources									
Governor's Emergency Fund 4000275	0	500,000		500,000	500,000	0	500,000	500,000	0
Total Funding	0	500,000		500,000	500,000	0	500,000	500,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	500,000		500,000	500,000	0	500,000	500,000	0

Expenditure for Emergency Proclamations are reflected in the Department of Finance and Administration - Disbursing Officer appropriation (777).

No Executive Recommendation made on this appropriation.

GOVERNOR'S MANSION COMMISSION

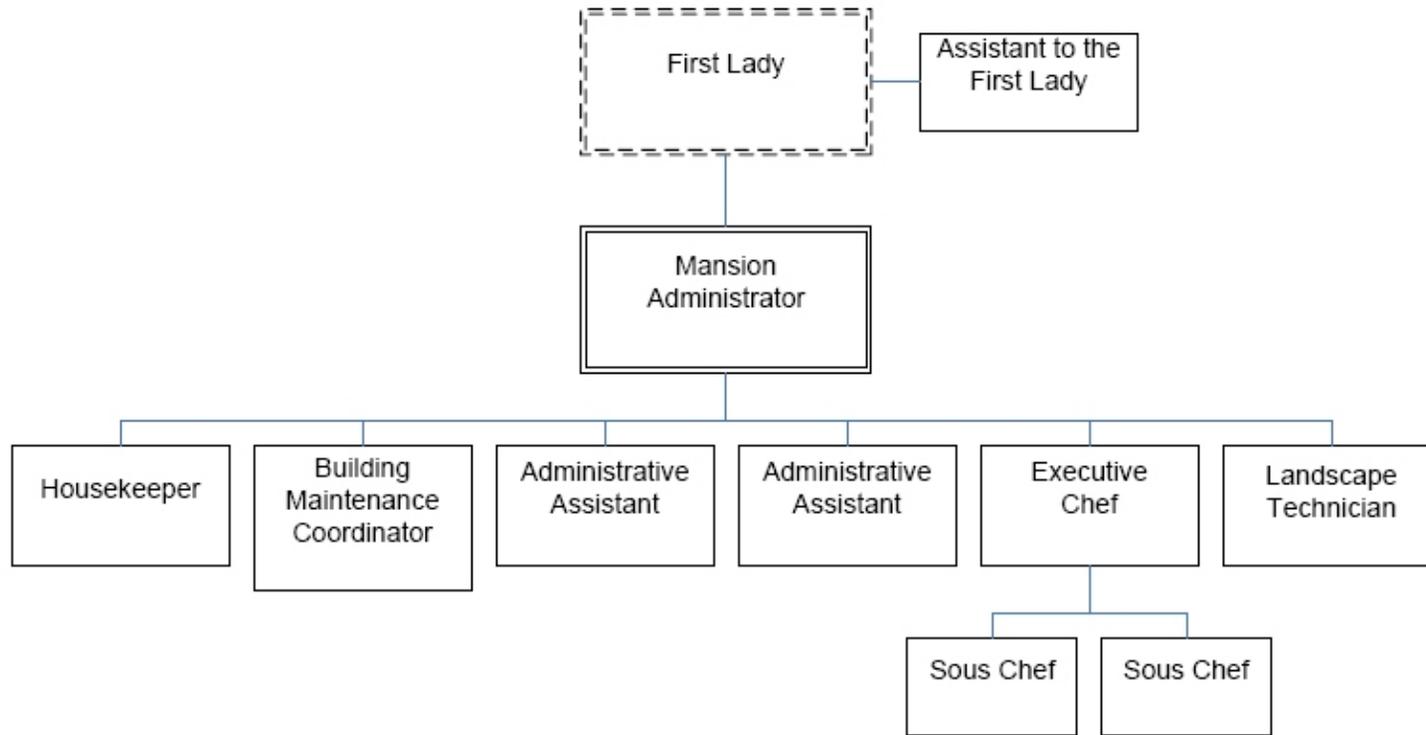
Enabling Laws

Act 71 of 2010
ACA §22-3-801

History and Organization

In accordance with ACA §22-3-801, the State of Arkansas shall furnish its Governor a mansion to live in during the term of office. The Governor's Mansion Commission is composed of eight members appointed by the Governor and is assisted by the Mansion Advisory Council. The Advisory Council is composed of three members of the Senate and House of Representatives. The duties and powers of the Commission are:

- To survey the condition of the Mansion, grounds and contents;
- To establish rules and regulations governing improvements, repairs, etc for the Mansion, grounds and contents;
- To prepare an annual report each November for the Governor and Legislative Council summarizing its findings and recommendations of necessary repairs, improvements, etc.
- To solicit and accept gifts, grants and donations for use in purchasing furnishings, plantings and artwork, etc. All gifts must be approved by the Governor and the Commission.



Agency Commentary

The Governor’s Mansion Commission is currently authorized ten (10) full time positions and four (4) Extra Help positions. The Extra Help, Uniform Allowance, Mansion Allowance, and Mansion Expense line items are requested at Base Level for the 2011-2013 biennium. The Base Level salary of unclassified positions reflects the FY11 line item maximum.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
GOVERNOR'S MANSION AND MANSION COMMISSION
FOR THE YEAR ENDED JUNE 30, 2009

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	4	3	7	88 %
Black Employees	0	0	0	0 %
Other Racial Minorities	1	0	1	12 %
Total Minorities			1	12 %
Total Employees			8	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
532 Governor's Mansion - Operations	754,732	9	1,041,554	10	1,068,700	10	1,055,399	10	1,055,399	10	0	0	1,055,399	10	1,055,399	10	0	0
56V Grand Hall/Mansion/Grounds - Cash in Treasury	325,001	0	500,000	0	500,000	0	500,000	0	500,000	0	0	0	500,000	0	500,000	0	0	0
Total	1,079,733	9	1,541,554	10	1,568,700	10	1,555,399	10	1,555,399	10	0	0	1,555,399	10	1,555,399	10	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	0	44,903	2.8			44,903	2.8	44,903	2.8	0	0.0	44,903	2.8	44,903	2.8	0	0.0
State Central Services	4000035	754,732	1,041,554	65.7			1,055,399	65.9	1,055,399	65.9	0	0.0	1,055,399	65.9	1,055,399	65.9	0	0.0
Cash Fund	4000045	369,904	500,000	31.5			500,000	31.2	500,000	31.2	0	0.0	500,000	31.2	500,000	31.2	0	0.0
Total Funds		1,124,636	1,586,457	100.0			1,600,302	100.0	1,600,302	100.0	0	0.0	1,600,302	100.0	1,600,302	100.0	0	0.0
Excess Appropriation/(Funding)		(44,903)	(44,903)				(44,903)		(44,903)		0		(44,903)		(44,903)		0	
Grand Total		1,079,733	1,541,554				1,555,399		1,555,399		0		1,555,399		1,555,399		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
10	8	2	10	0	20.00 %	10	9	1	10	0	10.00 %	10	9	1	10	0	10.00 %

Appropriation Summary

Appropriation: 532 - Governor's Mansion - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	398,171	516,199	528,053	527,456	527,456	0	527,456	527,456	0
#Positions		9	10	10	10	10	0	10	10	0
Extra Help	5010001	4,960	12,000	12,000	12,000	12,000	0	12,000	12,000	0
#Extra Help		1	4	4	4	4	0	4	4	0
Personal Services Matching	5010003	120,568	151,525	166,817	154,113	154,113	0	154,113	154,113	0
Uniform Allowance	5010016	500	500	500	500	500	0	500	500	0
Gov Mansion Allowance	5900046	18,000	60,000	60,000	60,000	60,000	0	60,000	60,000	0
Mansion Expense	5900047	212,533	301,330	301,330	301,330	301,330	0	301,330	301,330	0
Total		754,732	1,041,554	1,068,700	1,055,399	1,055,399	0	1,055,399	1,055,399	0
Funding Sources										
State Central Services	4000035	754,732	1,041,554		1,055,399	1,055,399	0	1,055,399	1,055,399	0
Total Funding		754,732	1,041,554		1,055,399	1,055,399	0	1,055,399	1,055,399	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		754,732	1,041,554		1,055,399	1,055,399	0	1,055,399	1,055,399	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 56V - Grand Hall/Mansion/Grounds - Cash in Treasury

Funding Sources: NGM - Governor's Mansion Grand Hall - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grand Hall/Mansion/Grounds Exp 5900046	325,001	500,000	500,000	500,000	500,000	0	500,000	500,000	0
Total	325,001	500,000	500,000	500,000	500,000	0	500,000	500,000	0
Funding Sources									
Fund Balance 4000005	0	44,903		44,903	44,903	0	44,903	44,903	0
Cash Fund 4000045	369,904	500,000		500,000	500,000	0	500,000	500,000	0
Total Funding	369,904	544,903		544,903	544,903	0	544,903	544,903	0
Excess Appropriation/(Funding)	(44,903)	(44,903)		(44,903)	(44,903)	0	(44,903)	(44,903)	0
Grand Total	325,001	500,000		500,000	500,000	0	500,000	500,000	0

No Executive Recommendation made on this appropriation.

COMMISSIONER OF STATE LANDS

Enabling Laws

Act 75 of 2010

Constitution of Arkansas, Article 6

Constitution of Arkansas, Amendment 37 (repealed) Amendment 56

History and Organization

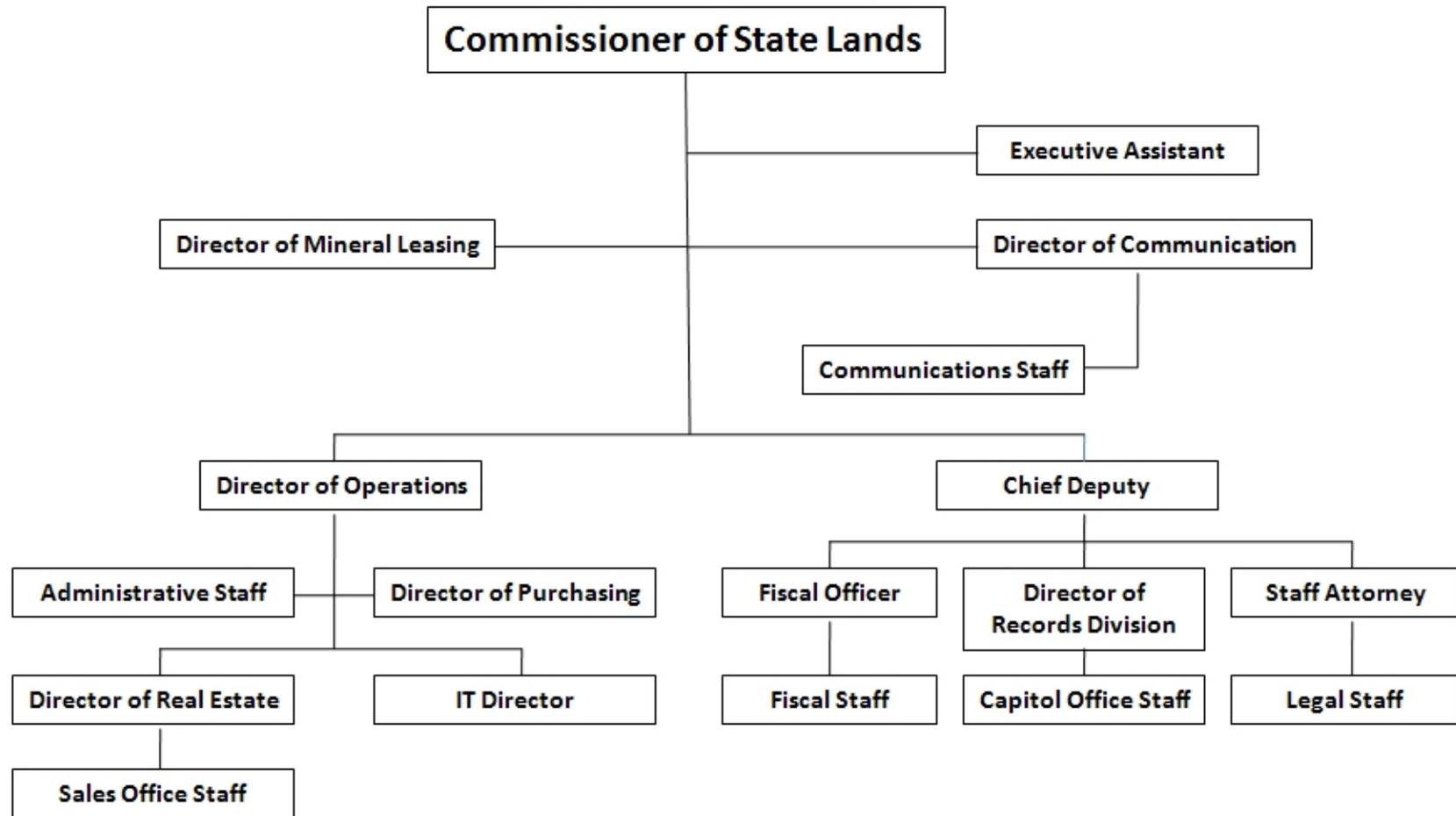
The Commissioner of State Lands is an elected official serving a four-year term of office. Constitutional Amendment 37, approved by the voters in 1946, established the Commissioner of State Lands as one of Arkansas' seven popularly elected constitutional officers.

One of the major responsibilities of the Commissioner of State Lands is to return to private ownership those lands that have been certified to the state for non-payment of ad valorem real estate taxes. The procedure used is outlined in Act 626 of 1983, as amended. Essentially, this is accomplished either by the owner of record redeeming the land by paying the taxes, or by selling the property at a public sale.

The Commissioner of State Lands retains forfeited lands for two years, during which time owners may redeem their property by paying all taxes, penalties, interest and costs due. During this period diligent efforts are made to make the owner aware that his taxes are delinquent, including a notice by certified mail. If the owner does not redeem his land during this time period, the office offers the parcel for sale at a public auction. These sales are held throughout the state in the county in which the property is located. This process guarantees that the lands will continue to generate the revenues required to provide essential public services.

The Commissioner of State Lands office leases the minerals on all state owned lands, including the beds of the navigable waterways in the state with the exception of those lands held by the Arkansas Game and Fish Commission. The office currently supervises the payments on 107 leases for oil and gas rights, as well as 35 sand and gravel permits and 3 brine leases within the state.

This office is directed to maintain a file of the deeds to all lands owned by the State of Arkansas or its agencies and institutions with the exception of the Arkansas Highway and Transportation Department. The information is published in booklet form and is available to the public.



Agency Commentary

The Commissioner of State Lands is responsible for the disposition of tax delinquent real property forfeited to the State from Arkansas counties following the timetable prescribed in the statutes. Once the tax delinquent land is forfeited to the State, the Commissioner of State Lands is charged with the responsibility to contact the delinquent owner, as well as any known interested parties, by certified mail or service of process giving notice that the property is delinquent and that unless redeemed, it will be offered for sale at public auction. However the mission of this office is to collect the delinquent taxes prior to offering parcels for public auction. Approximately 88% of all

parcels forfeited are redeemed prior to the sale or during the 30-day redemption period following the sale. Since the implementation of Act 626 of 1983 the Commissioner of State Lands office has collected over \$164 million from the redemption and sale of tax delinquent property, with less than 12% of those dollars derived from the actual sale of the property.

The Commissioner of State Lands is requesting additional appropriation of \$10 million in Fiscal Year 2012 and \$5 million in Fiscal Year 2013 from cash funds for refunds to purchasers of tax delinquent lands. These refunds occur when owners redeem their properties after the sale has occurred. This request is to bring the current line item appropriation for refunds to match actual dollars refunded. The increase in the actual dollars refunded is due to multiple sale years being refunded in one year. These actions are being taken to comply with A.C.A. 26-37-203, decreasing the litigation period of a tax delinquent sale, and A.C.A. 26-37-205, decreasing the escrow period of excess funds from a tax delinquent sale. This increase will be funded by revenues generated by the Commissioner of State Lands office and not general revenue funds.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE LAND DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2008

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	11	22	33	92 %
Black Employees	1	2	3	8 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			3	8 %
Total Employees			36	100 %

Cash Fund Balance Description as of June 30, 2010

Fund Account	Balance	Type	Location
1170100	\$27,000,000	CD	Various Banks

Statutory/Other Restrictions on use:

A.C.A 26-37-205 Funds are collected through redemption and sale of tax delinquent lands. Tax amounts are returned to counties where properties are located, along with interest money collected and county costs. Penalty and costs are retained by the Commissioner of State Lands to fund on-going operations of his office.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A 21-6-203 Commissioner of State Lands deposits fees, penalties, etc. into cash funds, retained by the Commissioner of State Lands to fund on-going operations of his office.

Revenue Receipts Cycle:

N/A

Fund Balance Utilization:

Fund balances are maintained to utilize as pass-through mechanism to return taxes to counties, payment of recording fees, return excess proceeds of land sales to former owners, ongoing expenses of the office, etc.

Fund Account	Balance	Type	Location
1170100	\$18,169,714	Checking	First Security Bank Searcy

Statutory/Other Restrictions on use:

A.C.A 26-37-205 Funds are collected through redemption and sale of tax delinquent lands. Tax amounts are returned to counties where properties are located, along with interest money collected and county costs. Penalty and costs are retained by the Commissioner of State Lands to fund on-going operations of his office.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A 21-6-203 Commissioner of State Lands deposits fees, penalties, etc. into cash funds, retained by the Commissioner of State Lands to fund on-going operations of his office.

Revenue Receipts Cycle:

N/A

Fund Balance Utilization:

Fund balances are maintained to utilize as pass-through mechanism to return taxes to counties, payment of recording fees, return excess proceeds of land sales to former owners, ongoing expenses of the office, etc.

Cash Fund Balance Description as of June 30, 2010

Fund Account	Balance	Type	Location
1170100-1000	\$500,000	CD	Bank of Augusta
	\$250,000	CD	Bank of Brinkley
	\$1,000,000	CD	Bank of England
	\$4,000,000	CD	Centennial Bank
	\$1,000,000	CD	Chambers Bank
	\$1,000,000	CD	Cornerstone Bank
	\$500,000	CD	El Dorado First Financial Bank
	\$500,000	CD	Farmers & Merchants Bk Stuttgart
	\$1,000,000	CD	Farmers and Merchants Bank
	\$2,000,000	CD	Farmer's Bank & Trust
	\$500,000	CD	Farmers Bank Greenwood
	\$1,000,000	CD	Fidelity Nat'l Bank W. Mphs
	\$1,000,000	CD	First Nat'l Bank of Hot Springs
	\$1,000,000	CD	First Nat'l Bank of Paragould
	\$1,000,000	CD	First Nat'l Bank of Wynne
	\$500,000	CD	First Nat'l Bank Rogers
	\$2,250,000	CD	First Security Bank
	\$500,000	CD	First Service Bank Greenbrier
	\$1,000,000	CD	Liberty Bank
	\$1,000,000	CD	Metropolitan Natl. Bank
	\$1,500,000	CD	National Bank of Arkansas
	\$500,000	CD	One Bank & Trust
	\$500,000	CD	Petit Jean State Bank
	\$1,000,000	CD	Pine Bluff National Bank
	\$500,000	CD	Sheridan Peoples Bank
	\$1,500,000	CD	Summit Bank

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
006 Operations	2,559,172	38	3,368,552	45	3,350,531	45	3,369,323	45	3,369,323	45	0	0	3,369,323	45	3,369,323	45	0	0
A14 Operating Expenses / Capital Outlay	162,191	0	267,800	0	267,800	0	267,800	0	267,800	0	0	0	267,800	0	267,800	0	0	0
B28 Delinquent Tax-Cash	18,032,661	0	22,717,068	0	22,717,068	0	22,717,068	0	32,717,068	0	0	0	22,717,068	0	27,717,068	0	0	0
Total	20,754,024	38	26,353,420	45	26,335,399	45	26,354,191	45	36,354,191	45	0	0	26,354,191	45	31,354,191	45	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	38,246,239	58.0	45,169,714	61.2			47,452,646	62.4	47,452,646	62.4	0	0.0	49,735,578	63.5	39,735,578	58.1	0	0.0
State Central Services 4000035	2,559,172	3.9	3,368,552	4.6			3,369,323	4.4	3,369,323	4.4	0	0.0	3,369,323	4.3	3,369,323	4.9	0	0.0
Cash Fund 4000045	25,118,327	38.1	25,267,800	34.2			25,267,800	33.2	25,267,800	33.2	0	0.0	25,267,800	32.2	25,267,800	37.0	0	0.0
Total Funds	65,923,738	100.0	73,806,066	100.0			76,089,769	100.0	76,089,769	100.0	0	0.0	78,372,701	100.0	68,372,701	100.0	0	0.0
Excess Appropriation/(Funding)	(45,169,714)		(47,452,646)				(49,735,578)		(39,735,578)		0		(52,018,510)		(37,018,510)		0	
Grand Total	20,754,024		26,353,420				26,354,191		36,354,191		0		26,354,191		31,354,191		0	

No Executive Recommendation made on these appropriations.

FY11 Budget in Operations (Appropriation 006) exceeds Authorized due to matching rate adjustments during the 2009-2011 biennium.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
45	38	7	45	0	15.56 %	45	38	7	45	0	15.56 %	45	37	8	45	0	17.78 %

Appropriation Summary

Appropriation: 006 - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,925,414	2,528,594	2,528,594	2,528,594	2,528,594	0	2,528,594	2,528,594	0
#Positions		38	45	45	45	45	0	45	45	0
Extra Help	5010001	10,719	40,000	40,000	40,000	40,000	0	40,000	40,000	0
#Extra Help		2	5	5	5	5	0	5	5	0
Personal Services Matching	5010003	548,539	723,958	705,937	724,729	724,729	0	724,729	724,729	0
Operating Expenses	5020002	65,309	66,000	66,000	66,000	66,000	0	66,000	66,000	0
Conference & Travel Expenses	5050009	9,191	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,559,172	3,368,552	3,350,531	3,369,323	3,369,323	0	3,369,323	3,369,323	0
Funding Sources										
State Central Services	4000035	2,559,172	3,368,552		3,369,323	3,369,323	0	3,369,323	3,369,323	0
Total Funding		2,559,172	3,368,552		3,369,323	3,369,323	0	3,369,323	3,369,323	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,559,172	3,368,552		3,369,323	3,369,323	0	3,369,323	3,369,323	0

No Executive Recommendation made on this appropriation.

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

Appropriation Summary

Appropriation: A14 - Operating Expenses / Capital Outlay

Funding Sources: 117 - Commissioner of State Lands - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Capital Outlay/Operating Exp 5900046	162,191	267,800	267,800	267,800	267,800	0	267,800	267,800	0
Total	162,191	267,800	267,800	267,800	267,800	0	267,800	267,800	0
Funding Sources									
Fund Balance 4000005	129,453	38,204		38,204	38,204	0	38,204	38,204	0
Cash Fund 4000045	70,942	267,800		267,800	267,800	0	267,800	267,800	0
Total Funding	200,395	306,004		306,004	306,004	0	306,004	306,004	0
Excess Appropriation/(Funding)	(38,204)	(38,204)		(38,204)	(38,204)	0	(38,204)	(38,204)	0
Grand Total	162,191	267,800		267,800	267,800	0	267,800	267,800	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: B28 - Delinquent Tax-Cash

Funding Sources: 117 - Commissioner of State Lands - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	907,888	1,087,068	1,087,068	1,087,068	1,087,068	0	1,087,068	1,087,068	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	507,748	780,000	780,000	780,000	780,000	0	780,000	780,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	246,405	350,000	350,000	350,000	350,000	0	350,000	350,000	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Deliquent Tax Remittal/Sale Refu	5900046	16,370,620	20,500,000	20,500,000	20,500,000	30,500,000	0	20,500,000	25,500,000	0
Total		18,032,661	22,717,068	22,717,068	22,717,068	32,717,068	0	22,717,068	27,717,068	0
Funding Sources										
Fund Balance	4000005	38,116,786	45,131,510		47,414,442	47,414,442	0	49,697,374	39,697,374	0
Cash Fund	4000045	25,047,385	25,000,000		25,000,000	25,000,000	0	25,000,000	25,000,000	0
Total Funding		63,164,171	70,131,510		72,414,442	72,414,442	0	74,697,374	64,697,374	0
Excess Appropriation/(Funding)		(45,131,510)	(47,414,442)		(49,697,374)	(39,697,374)	0	(51,980,306)	(36,980,306)	0
Grand Total		18,032,661	22,717,068		22,717,068	32,717,068	0	22,717,068	27,717,068	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: B28 - Delinquent Tax-Cash
Funding Sources: 117 - Commissioner of State Lands - Cash

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	22,717,068	0	22,717,068	100.0	22,717,068	0	22,717,068	100.0
C01	Existing Program	10,000,000	0	32,717,068	144.0	5,000,000	0	27,717,068	122.0

LEGISLATIVE AUDIT

Enabling Laws

Act 249 of 2010

A.C.A. §10-3-401 et seq.

A.C.A. §10-4-401 et seq.

History and Organization

The Legislative Joint Auditing Committee and the Division of Legislative Audit were created by Acts 41 and 268 of 1953. These acts were subsequently repealed, and the Committee and Division were recreated under Act 105 of 1955. Act 2201 of 2005 amended certain provisions of A.C.A. §§ 10-3-401 - 10-3-424 regarding the Legislative Joint Auditing Committee, repealed A.C.A. §§ 10-4-101 - 10-4-119, and established revised enabling legislation for the Division of Legislative Audit at A.C.A. §§ 10-4-401 - 10-4-427.

The Legislative Joint Auditing Committee consists of up to forty-four (44) voting members: twenty (20) from the House of Representatives, sixteen (16) from the Senate, and eight (8) Ex Officio members.

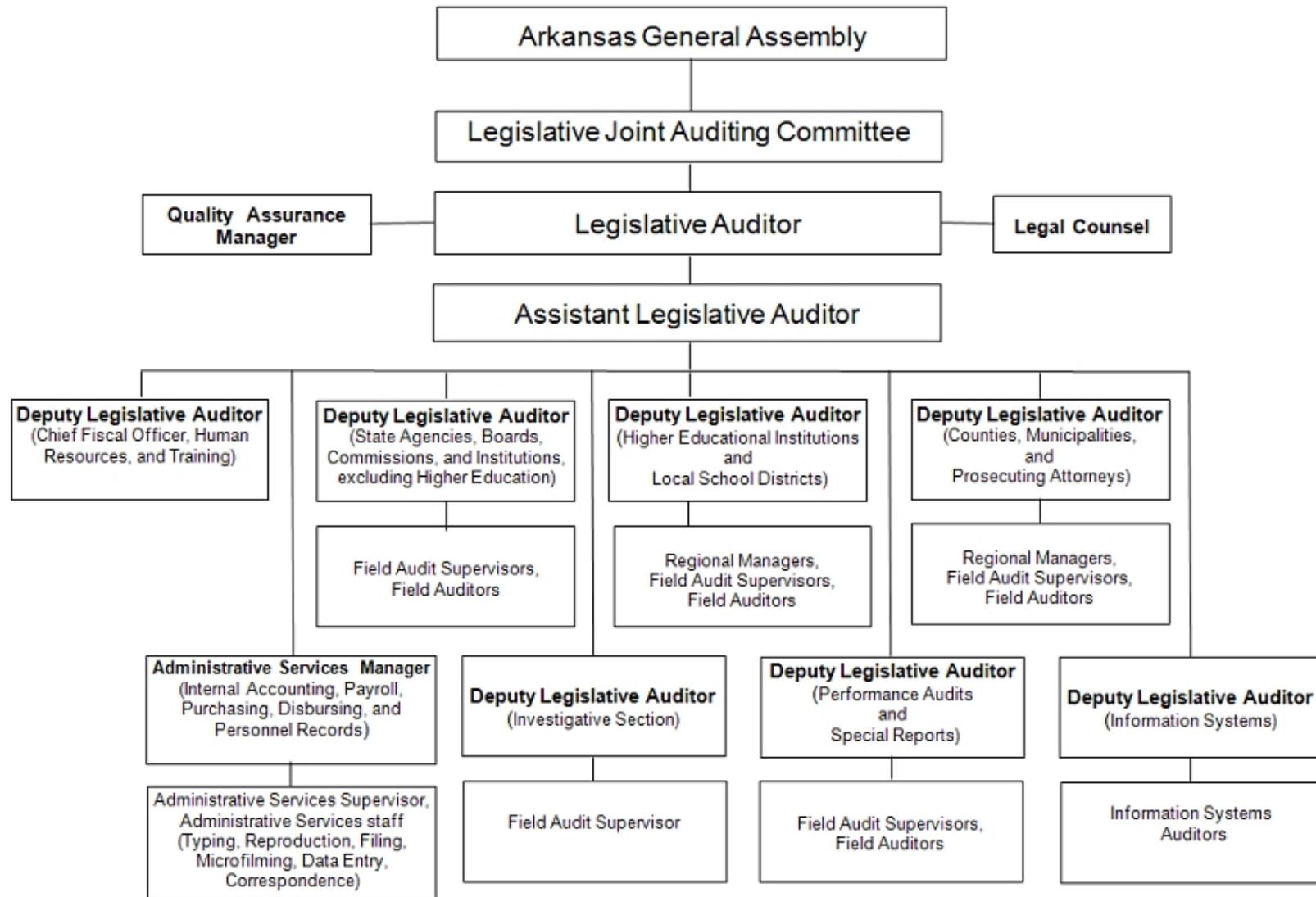
The Division of Legislative Audit strives to serve the citizens of Arkansas by encouraging sound management, continuous improved performance, and accountability for all governmental entities. The Division serves the General Assembly as the proper agency to provide for the impartial auditing, independent of the executive branch of state government, of various entities of the state and political subdivisions of the state. The Division provides information that improves public accountability and assists in decision-making processes by those who oversee public funds. Our goal is to effectively and efficiently communicate audit and review results to both government officials and the citizens of Arkansas, thereby promoting accountability, fiscal integrity, and professionalism.

As prescribed by the American Institute of Certified Public Accountants, the Governmental Accounting Standards Board, the United States Government Accountability Office and other authoritative bodies, our audits provide independent, impartial and timely reporting of Arkansas' various governmental financial activities.

Under the direction of the Legislative Joint Auditing Committee and the Legislative Auditor, the staff of the Division of Legislative Audit conducts all engagements in a nonpartisan, unbiased manner. We establish an objective basis for our findings, conclusions, and recommendations, derived solely from reliable evidence. To provide this basis, we strictly adhere to the standards of the auditing profession, striving to exhibit the highest level of ethics, integrity, independence, objectivity and professionalism.

Legislative Joint Auditing Committee

Division of Legislative Audit



Agency Commentary

The Legislative Joint Auditing Committee, through the Division of Legislative Audit, is responsible for the independent auditing of state entities and political subdivisions of the state. The Division performs the audit of the state's financial statements (Comprehensive Annual Financial Report) and the state's federal programs (Statewide Single Audit), as well as audits and internal control and compliance assessments of individual state agencies. In addition, the Division conducts audits of the financial statements of counties, prosecuting attorneys, municipalities, school districts, and institutions of higher education. During the performance of routine audit procedures misappropriation of public funds is often discovered. These instances are investigated in coordination with the respective prosecuting attorney and appropriate law enforcement officials, reported to the Legislative Joint Auditing Committee and the entity's governing body, and formally referred to the prosecuting attorney as required by law. Through performance audits and special reports the Division provides information of interest to the members of the General Assembly. The Division also performs audits of computer systems of applicable governmental entities in coordination with the financial and performance audits. All work is performed in accordance with applicable professional standards.

Funding for the operations of the Division consists of a combination of sources, including the State Central Services Fund (HSC), ad valorem tax distribution, reimbursements from agencies for the costs of performing the federal compliance audits, reimbursements from the Arkansas Lottery Commission for observing daily drawings and for the annual audit of the agency, and reimbursements for the costs of investigative reports and services. The Division is appropriated 290 positions in Fiscal Year 2011.

The Division's budget request includes no request for additional positions or salary adjustments over the levels established for Fiscal Year 2011. The request also includes the following:

- Deletion of the line item for Data Processing totaling \$75,000 that has not been used in recent years;
- Replacement of computers used by the audit staff to assure that they have dependable tools to perform their audits. These computers have a life of 3 years.
- Replacement of broken and obsolete computer network servers and related components; and
- Purchase of software to permit our audit staff to perform audits without printing the working papers. The electronic audit process will improve the efficiency of performing the audits and will eliminate the storage problem related to retaining working papers for the required 5 years after issuance of the audit reports.

The Capital Outlay portion of the budget request totals \$800,000 and \$160,000 for Fiscal Years 2012 and 2013, respectively.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
THE DIVISION OF LEGISLATIVE AUDIT
FOR THE YEAR ENDED JUNE 30, 2009

Findings

The Division of Legislative Audit does not perform an audit for the Agency.

Recommendations

Employment Summary

	Male	Female	Total	%
White Employees	123	139	262	96 %
Black Employees	2	3	5	2 %
Other Racial Minorities	5	0	5	2 %
Total Minorities			10	4 %
Total Employees			272	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Audit Reports	A.C.A. §10-4-403	N	Y	1,000	All our publications are audit reports and related matters required by law. Number of copies published and distributed varies between fiscal years. Engagement reports contain multiple copies issued.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
263	255	7	262	1	3.04 %	280	267	13	280	0	4.64 %	290	270	20	290	0	6.90 %

Appropriation Summary

Appropriation: 095 - Legislative Audit - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	20,574,871	21,851,046	25,964,280	21,858,731	25,964,280	0	21,858,731	25,964,280	0
#Positions		278	290	290	290	290	0	290	290	0
Personal Services Matching	5010003	4,899,463	5,546,531	6,368,513	5,891,962	6,720,052	0	5,891,962	6,720,052	0
Operating Expenses	5020002	2,082,274	3,259,995	3,259,995	3,259,995	3,636,900	0	3,259,995	3,513,400	0
Conference & Travel Expenses	5050009	201,128	326,227	326,227	326,227	328,500	0	326,227	340,500	0
Professional Fees	5060010	158,968	1,017,700	1,017,700	1,017,700	1,017,700	0	1,017,700	1,017,700	0
Data Processing	5090012	0	75,000	75,000	75,000	0	0	75,000	0	0
Capital Outlay	5120011	81,479	250,000	250,000	0	800,000	0	0	160,000	0
Total		27,998,183	32,326,499	37,261,715	32,429,615	38,467,432	0	32,429,615	37,715,932	0
Funding Sources										
State Central Services	4000035	11,181,462	17,026,499		17,129,615	23,167,432	0	17,129,615	22,415,932	0
Ad Valorem Tax	4000060	15,160,361	14,000,000		14,000,000	14,000,000	0	14,000,000	14,000,000	0
Federal Audit Reimbursement	4000242	1,610,280	1,200,000		1,200,000	1,200,000	0	1,200,000	1,200,000	0
Fees	4000245	46,080	100,000		100,000	100,000	0	100,000	100,000	0
Total Funding		27,998,183	32,326,499		32,429,615	38,467,432	0	32,429,615	37,715,932	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		27,998,183	32,326,499		32,429,615	38,467,432	0	32,429,615	37,715,932	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 095 - Legislative Audit - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	32,429,615	290	32,429,615	100.0	32,429,615	290	32,429,615	100.0
C01	Existing Program	6,037,817	0	38,467,432	118.6	5,286,317	0	37,715,932	116.3
C04	Reallocation	0	0	38,467,432	118.6	0	0	37,715,932	116.3

BUREAU OF LEGISLATIVE RESEARCH

Enabling Laws

Act 164 of 2010
A.C.A. §10-3-301 et seq.

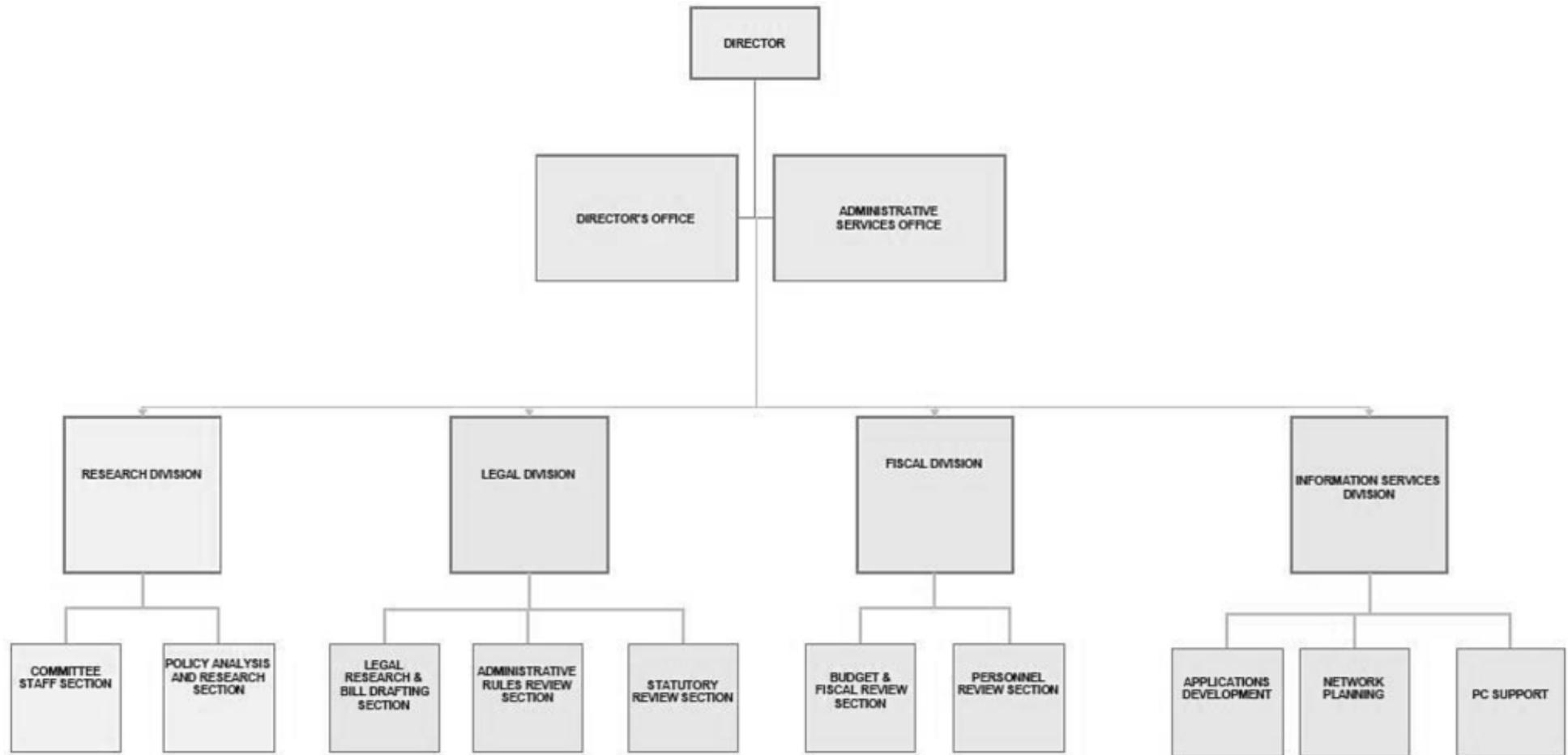
History and Organization

The Bureau of Legislative Research was first established in 1947 (Act 192 of 1947), as a service agency within the legislative department of government and its employees are employees of the Arkansas General Assembly. The Bureau of Legislative Research receives its funding from the State Central Services Fund. The Bureau of Legislative Research, under the control and direction of the Arkansas Legislative Council is charged with the following duties:

- 1) Assist all members of the General Assembly in drafting bills and resolutions, and making studies, preparing factual information, and by performing other services for members of the General Assembly as may be reasonably requested and which are in aid of the performance of the legislative duties of the members of the General Assembly;
- 2) Provide staff for legislative committees both during session and in the interim between session;
- 3) Maintain a limited legislative reference library, including current publications and data from other states and those publications and data from agencies in this state, exchange publications with comparable legislative agencies in other states, in order that the General Assembly might be fully advised of current developments in the legislatures of the various states and retain copies of bills introduced at the various legislative sessions which may or may not have been enacted by the General Assembly;
- 4) Prepare research reports and provide other staff services to the various legislative committees or subcommittees with respect to studies conducted at the direction of the General Assembly, or either house thereof, or upon request of any member of the General Assembly;
- 5) Assist the Legislative Council and Joint Budget Committee in the study of the budgetary and fiscal needs of the various state agencies and cooperate with the Department of Finance and Administration and other agencies of this state, upon direction of the Council and Joint Budget Committee, in the preparation of a budget manual reflecting the budgetary recommendations of the Legislative Council and the Joint Budget Committee to each session of the General Assembly;
- 6) Cooperate with comparable legislative service agencies in other states by exchanging information of legislative interest and participate in conferences or workshops on a regional or national basis organized for the purpose of exchanging information or discussing means and methods of improving services to legislatures and legislators in connection with the performance of their official duties;
- 7) Assist in the codification of general and permanent Acts of the General Assembly into the Arkansas Code of 1987 Annotated. This function is performed through the Statutory and Regulatory Review Section which was created when Act 1260 of 2005 transferred the staff

of the Arkansas Code Revision Commission to the Bureau of Legislative Research. The Statutory and Regulatory Review Section also provides proofing and editorial services to the Bureau, particularly in the Bureau's bill drafting operation;

8) Perform any other duties and assignments as may be directed by the Legislative Council or by the General Assembly.



Agency Commentary

Bureau of Legislative Research - Operations

The Bureau of Legislative Research requests a total of \$16,281,903 for Fiscal Year 2012 and Fiscal Year 2013 for salaries and operating expenses. The Data Processing line item is requested to be reallocated to the Operating Expenses line item. \$303,800 in Professional Fees line item is requested to be reallocated to the Operating Expense line item. Capital Outlay is requested to be continued at the current budgeted level for both fiscal years to provide appropriation for replacement and upgrading of various equipment when necessary. All other commitment items are requested to be continued at the FY 2010-11 budgeted level.

Personnel

The Bureau of Legislative Research (BLR) requests a total of 132 positions which is the current authorized level. The Regular Salaries and Personal Services Matching line items are requested at Fiscal Year 2011 authorized levels.

Legislative Council Disbursing Officer

The 2011-2013 biennial request for the Joint Ad Interim Committee Study Expenses, Joint AD Interim Committee Expenses and the Energy Council appropriation are all requested to be continued at the Fiscal Year 2011 budgeted amounts.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
BUREAU OF LEGISLATIVE RESEARCH
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for the Agency.

Employment Summary

	Male	Female	Total	%
White Employees	33	58	91	85 %
Black Employees	0	12	12	11 %
Other Racial Minorities	1	3	4	4 %
Total Minorities			16	15 %
Total Employees			107	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
10 Year Summary of Expenditures (A Book) (Biennially)	A.C.A. §10-3-303	Y	Y	150	Only Compilation of History of State Agency Expenditures for Research.
Monthly and Annual Revenue Report	A.C.A. §10-3-1403	Y	Y	150	Sole Source of Information on a timely basis.
Selected Statistical Financial Data for Arkansas (B Book) (Biennially)	A.C.A. §10-3-303	Y	Y	250	State Finance Resource for Legislators, Schools, and Libraries.
Summary of Legislative Action (Produced after each Legislative Session)	A.C.A. §10-3-303	Y	Y	300	Compilation of Legislation Enacted by the General Assembly.
Tax Handbook (Biennially)	A.C.A. §10-3-1403(a)(6)	Y	Y	250	Only Compilations of Arkansas Taxes Available to Legislators, Schools, and Libraries.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
132	108	24	132	0	18.18 %	132	107	25	132	0	18.94 %	132	108	24	132	0	18.18 %

Appropriation Summary

Appropriation: 015 - Legislative Council - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	6,734,615	9,395,892	9,395,892	9,395,892	9,395,892	0	9,395,892	9,395,892	0
#Positions		118	132	132	132	132	0	132	132	0
Extra Help	5010001	17,143	80,000	80,000	80,000	80,000	0	80,000	80,000	0
#Extra Help		4	31	31	31	31	0	31	31	0
Personal Services Matching	5010003	1,854,926	2,536,891	2,536,891	2,536,891	2,536,891	0	2,536,891	2,536,891	0
Operating Expenses	5020002	1,100,840	967,874	967,874	967,874	1,533,686	0	967,874	1,533,686	0
Conference & Travel Expenses	5050009	103,522	218,002	218,002	218,002	218,002	0	218,002	218,002	0
Professional Fees	5060010	155,765	602,689	602,689	602,689	298,889	0	602,689	298,889	0
Construction/Capital Improvemen	5090005	0	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Data Processing	5090012	0	262,012	262,012	262,012	0	0	262,012	0	0
Capital Outlay	5120011	425,870	400,000	400,000	0	400,000	0	0	400,000	0
Contingency	5130018	0	1,563,480	1,563,480	1,563,480	1,563,480	0	1,563,480	1,563,480	0
Committee Rooms	5900046	0	205,063	205,063	205,063	205,063	0	205,063	205,063	0
Total		10,392,681	16,281,903	16,281,903	15,881,903	16,281,903	0	15,881,903	16,281,903	0
Funding Sources										
State Central Services	4000035	10,392,681	16,281,903		15,881,903	16,281,903	0	15,881,903	16,281,903	0
Total Funding		10,392,681	16,281,903		15,881,903	16,281,903	0	15,881,903	16,281,903	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		10,392,681	16,281,903		15,881,903	16,281,903	0	15,881,903	16,281,903	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 015 - Legislative Council - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	15,881,903	132	15,881,903	100.0	15,881,903	132	15,881,903	100.0
C01	Existing Program	400,000	0	16,281,903	102.5	400,000	0	16,281,903	102.5
C04	Reallocation	0	0	16,281,903	102.5	0	0	16,281,903	102.5

**REAPPROPRIATION REQUESTS & EXECUTIVE RECOMMENDATION FOR VARIOUS
CAPITAL PROJECTS**

State Central Services - HSC

Agency / Project	Agency Request	Executive Recommendation	Project Status
<u>BUREAU OF LEGISLATIVE RESEARCH</u>			
Operations & Construction	\$2,000,000	No Recommendation	Reappropriation needed for personal services and operating expenses, contingency, committee rooms and construction and capital improvements.

LEGISLATIVE RESEARCH - DISBURSING OFFICER

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 BUREAU OF LEGISLATIVE RESEARCH - DISBURSING OFFICER
 FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for the Agency.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
016 Interim Committee Study Expenses	0	0	271,060	0	271,060	0	271,060	0	271,060	0	0	0	271,060	0	271,060	0	0	0
017 Interim Committee Expenses	861,766	0	1,696,396	0	1,696,396	0	1,696,396	0	1,696,396	0	0	0	1,696,396	0	1,696,396	0	0	0
180 Energy Council	36,824	0	65,806	0	65,806	0	65,806	0	65,806	0	0	0	65,806	0	65,806	0	0	0
Total	898,590	0	2,033,262	0	2,033,262	0	2,033,262	0	2,033,262	0	0	0	2,033,262	0	2,033,262	0	0	0

Funding Sources		%		%		%		%		%		%		%		%		
State Central Services 4000035	898,590	100.0	2,033,262	100.0			2,033,262	100.0	2,033,262	100.0	0	0.0	2,033,262	100.0	2,033,262	100.0	0	0.0
Total Funds	898,590	100.0	2,033,262	100.0			2,033,262	100.0	2,033,262	100.0	0	0.0	2,033,262	100.0	2,033,262	100.0	0	0.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
Grand Total	898,590		2,033,262				2,033,262		2,033,262		0		2,033,262		2,033,262		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Appropriation Summary

Appropriation: 016 - Interim Committee Study Expenses

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Interim Committee Study Exp 5900041	0	271,060	271,060	271,060	271,060	0	271,060	271,060	0
Total	0	271,060	271,060	271,060	271,060	0	271,060	271,060	0
Funding Sources									
State Central Services 4000035	0	271,060		271,060	271,060	0	271,060	271,060	0
Total Funding	0	271,060		271,060	271,060	0	271,060	271,060	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	271,060		271,060	271,060	0	271,060	271,060	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 017 - Interim Committee Expenses

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Per Diem, Exp and Mileage 5900046	793,716	1,419,199	1,419,199	1,419,199	1,419,199	0	1,419,199	1,419,199	0
Out of State Travel 5900047	68,050	277,197	277,197	277,197	277,197	0	277,197	277,197	0
Total	861,766	1,696,396	1,696,396	1,696,396	1,696,396	0	1,696,396	1,696,396	0
Funding Sources									
State Central Services 4000035	861,766	1,696,396		1,696,396	1,696,396	0	1,696,396	1,696,396	0
Total Funding	861,766	1,696,396		1,696,396	1,696,396	0	1,696,396	1,696,396	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	861,766	1,696,396		1,696,396	1,696,396	0	1,696,396	1,696,396	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 180 - Energy Council

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
St Contrib/Member Exp 5900021	36,824	65,806	65,806	65,806	65,806	0	65,806	65,806	0
Total	36,824	65,806	65,806	65,806	65,806	0	65,806	65,806	0
Funding Sources									
State Central Services 4000035	36,824	65,806		65,806	65,806	0	65,806	65,806	0
Total Funding	36,824	65,806		65,806	65,806	0	65,806	65,806	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	36,824	65,806		65,806	65,806	0	65,806	65,806	0

No Executive Recommendation made on this appropriation.

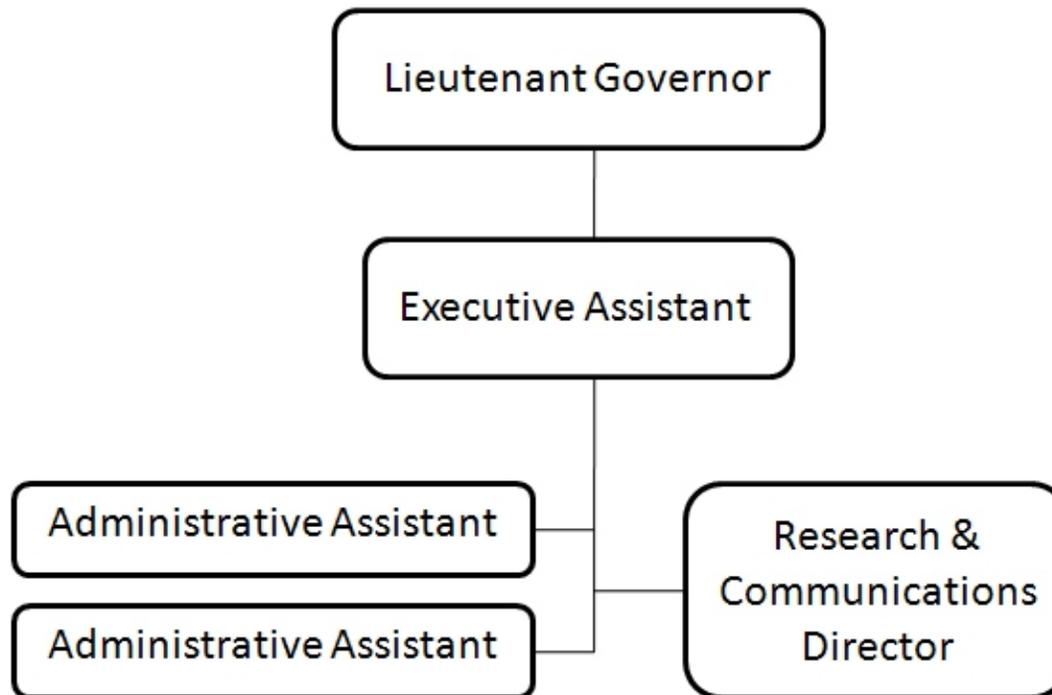
OFFICE OF THE LIEUTENANT GOVERNOR

Enabling Laws

Act 282 of 2010
Constitution of Arkansas, Article 6

History and Organization

The Office of the Lieutenant Governor purposes to fulfill the duties designated by the Arkansas Constitution, preside over the Senate when the Legislature is in session and act as Governor when the Governor is absent from the State or incapacitated and unable to complete the duties of the Office of the Governor. In addition, by initiative of the Lieutenant Governor, the Office serves as a facilitator and spokesman for economic development for our State. The Office also serves as an ex-officio Ombudsman office assisting Arkansas citizens accessing proper authorities for possible resolutions to state agency issues.



Agency Commentary

The Office of the Lieutenant Governor is requesting Base Level for the 2011-2013 biennium. The Office is currently authorized four (4) full time positions and three (3) extra help positions. The Base Level salary of unclassified positions reflects the FY11 line item maximum.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
OFFICE OF THE LIEUTENANT GOVERNOR
FOR THE YEAR ENDED JUNE 30, 2009

Findings	Recommendations
The Agency did not establish procedures to identify and record accounts payable as required in the State's Financial Management Guide and generally accepted accounting principles. This resulted in \$15,570 of liabilities and related expenditures not being recorded in the State's accounting system at year end.	Establish procedures to properly identify and record accounts payable.
The Agency did not establish procedures to account for items purchased as low value assets. Items purchased during the year as low value assets were not recorded using a method that ensures they could be adequately accounted for and tracked in the future.	Establish procedures to properly account for and track low value assets.

Employment Summary

	Male	Female	Total	%
White Employees	4	0	4	67 %
Black Employees	1	1	2	33 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	33 %
Total Employees			6	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
4	3	1	4	0	25.00 %	4	4	0	4	0	0.00 %	4	4	0	4	0	0.00 %

Appropriation Summary

Appropriation: 002 - Lieutenant Governor - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	172,632	226,980	226,980	226,980	226,980	0	226,980	226,980	0
#Positions		4	4	4	4	4	0	4	4	0
Extra Help	5010001	24,900	10,000	10,000	10,000	10,000	0	10,000	10,000	0
#Extra Help		3	3	3	3	3	0	3	3	0
Personal Services Matching	5010003	53,019	65,131	63,661	65,273	65,273	0	65,273	65,273	0
Operating Expenses	5020002	45,681	49,359	49,359	49,359	49,359	0	49,359	49,359	0
Conference & Travel Expenses	5050009	5,507	16,695	16,695	16,695	16,695	0	16,695	16,695	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		301,739	368,165	366,695	368,307	368,307	0	368,307	368,307	0
Funding Sources										
State Central Services	4000035	301,739	368,165		368,307	368,307	0	368,307	368,307	0
Total Funding		301,739	368,165		368,307	368,307	0	368,307	368,307	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		301,739	368,165		368,307	368,307	0	368,307	368,307	0

No Executive Recommendation made on this appropriation.

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

MUNICIPAL AID

Enabling Laws

Act 72 of 2010
A.C.A. §19-5-601

History and Organization

Established by A.C.A. §19-5-601, the Municipal Aid Fund consists of:

- General revenues provided under the Revenue Stabilization Law;
- Special revenues including:
 - Arkansas Highway Revenue Distribution Law - A.C.A. §27-70-201 et seq.
 - Special revenues specified in A.C.A. §19-6-301 subdivision (135)

All distributions of general and special revenues are to be made within ten (10) days after the close of each calendar month to the respective cities of the first and second class and incorporated towns on the basis of population according to the most recent federal decennial or special census. The amount to be apportioned to each city or incorporated town is to be in the proportion that each population bears to the total population of all such cities and incorporated towns.

Of the moneys received by the respective cities and incorporated towns, the general revenues shall be used for general purposes of municipal government, and the special revenues derived from highway revenues shall be used as provided by the Arkansas Highway Revenue Distribution Law, A.C.A. §27-70-201 et seq.

The biennial budget request for the Municipal Aid Fund is prepared and submitted by the Arkansas Municipal League.

Agency Commentary

Revenue to fund Municipal operations comes primarily from three (3) sources: Local Sales Tax, Utility Franchise Fees and State Turnback Funds. Local sales taxes are subject to voter approval and have been used by numerous municipalities over the last twenty-nine years to sustain local services particularly after the loss of Federal Revenue Sharing which occurred in the mid-80's. The legislature was very wise to provide this authority which has enabled cities and towns to take care of their basic needs, primarily the protection of public health and safety. In some municipalities, the use of local sales taxes as a funding vehicle has reached the saturation point, particularly with the state sales tax at 6%, a 100% increase since the local sales tax authority was originally granted.

Utility franchise fees, once a stable, reliable and growing source of municipal revenue, have significantly declined in many cases due to the volatility of energy prices and to the reduction of revenue in the telecommunications area related to increased usage of cell and smart phones. Property taxes are available, but are limited constitutionally for municipalities and are more properly and generally used as a funding vehicle for schools. Based on these facts and circumstances, the most important source of revenue stability for municipalities is municipal aid, i.e. state turnback funds. These funds provide a minimum level of revenue for local needs of municipalities and the funds are used primarily in the area of public safety. In addition, they are used for public health purposes and for local infrastructure needs.

Municipal Aid was basically frozen for over two decades prior to the 2005-2007 biennium when much needed funding was allocated from the state surplus (\$12 million) and received in October 2007. In the 2007-2009 biennium, an annual allocation from the Property Tax Relief Trust Fund (\$4 million) was added and then continued in the current biennium. Also in this biennium, an allocation was made from the state surplus (\$2.5 million), with 75% received in October 2009 and the balance expected to be received in October 2010. This increased municipal aid produced a per capita amount in calendar 2009 of \$18.13 (with the surplus amount), but is estimated to decline in calendar 2010 to a per capita amount of \$16.66 as a result of adjustments made in the State budget during the past fiscal year. Municipalities were receiving approximately \$21.35 per capita in 1986 for general turnback and received an average of \$16.52 in the years 2000-2006. Clearly, the long term per capita trend for turnback is downward, and goes even lower when the results of the 2010 census are considered.

The Arkansas Municipal League respectfully requests that you increase the underlying general turnback by 10%. The street appropriation for 15% of highway revenues should remain the same. Hopefully, those revenues will continue to improve with increased revenue from the severance tax and return to the amounts of previous years. We believe allocations of the requested amounts would be a very wise expenditure of state general revenues and one which will assist the cities and towns in providing the basic services the citizens of Arkansas utilize every day.

We respectfully submit our budget request of the following amounts which includes the requested continuation of funds from the Property Tax Relief Fund: **FY 2012 - \$34,257,000; FY 2013 - \$37,283,000.**

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
MUNICIPAL AID
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for the Agency.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
034 General Revenue to Cities	24,731,123	0	27,372,099	0	27,506,526	0	27,372,099	0	30,257,000	0	27,372,099	0	27,372,099	0	33,283,000	0	27,372,099	0
035 Special Revenue to Cities	86,526,683	0	120,000,000	0	120,000,000	0	120,000,000	0	120,000,000	0	120,000,000	0	120,000,000	0	120,000,000	0	120,000,000	0
35X Property Tax Relief-Cities	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Total	115,257,806	0	151,372,099	0	151,506,526	0	151,372,099	0	154,257,000	0	151,372,099	0	151,372,099	0	157,283,000	0	151,372,099	0

Funding Sources		%		%		%		%		%		%		%		%
General Revenue 4000010	24,731,123	21.5	27,372,099	18.1	27,372,099	18.1	30,257,000	19.6	27,372,099	18.1	27,372,099	18.1	33,283,000	21.2	27,372,099	18.1
Special Revenue 4000030	90,526,683	78.5	124,000,000	81.9	124,000,000	81.9	124,000,000	80.4	124,000,000	81.9	124,000,000	81.9	124,000,000	78.8	124,000,000	81.9
Total Funds	115,257,806	100.0	151,372,099	100.0	151,372,099	100.0	154,257,000	100.0	151,372,099	100.0	151,372,099	100.0	157,283,000	100.0	151,372,099	100.0
Excess Appropriation/(Funding)	0		0		0		0		0		0		0		0	
Grand Total	115,257,806		151,372,099		151,372,099		154,257,000		151,372,099		151,372,099		157,283,000		151,372,099	

Special Language authorizes carry forward of funding for all Municipal Aid appropriations.

The amount of funding carried forward for FY11 in General Revenue to Cities (034) was \$696,886.

The amount of funding carried forward for FY11 in Special Revenue to Cities (035) was \$70,847.

Property Tax Relief - Cities (35X) of \$4 million each year is contingent upon available surplus funding.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Analysis of Budget Request

Appropriation: 034 - General Revenue to Cities

Funding Sources: MLM - Municipal Aid Fund

Two appropriations, General Revenue to Cities (034) and Special Revenue to Cities (035), provide spending authority for the Treasurer's Office to distribute general and special revenues designated for the cities.

The Base Level for General Revenue to Cities (034) is \$27,372,099 each year of the biennium.

The Municipal League of Arkansas is requesting an increase over Base Level for its general revenue appropriation (034) of \$2,884,901 for FY12 and \$5,910,901 for FY13. This request reflects an approximate 10% increase each year (compounded in the 2nd year) of the biennium over the previously authorized level.

The Municipal League of Arkansas is also requesting that Special Revenue to Cities (035) be continued at the Base Level amounts of \$120,000,000 for each year of the biennium.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 034 - General Revenue to Cities

Funding Sources: MLM - Municipal Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	24,731,123	27,372,099	27,506,526	27,372,099	30,257,000	27,372,099	27,372,099	33,283,000	27,372,099
Total		24,731,123	27,372,099	27,506,526	27,372,099	30,257,000	27,372,099	27,372,099	33,283,000	27,372,099
Funding Sources										
General Revenue	4000010	24,731,123	27,372,099		27,372,099	30,257,000	27,372,099	27,372,099	33,283,000	27,372,099
Total Funding		24,731,123	27,372,099		27,372,099	30,257,000	27,372,099	27,372,099	33,283,000	27,372,099
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		24,731,123	27,372,099		27,372,099	30,257,000	27,372,099	27,372,099	33,283,000	27,372,099

Special Language provides for carry forward of funding. For FY11, the carry forward funding amount was \$696,886.

FY10 Actual does not reflect a fund transfer to the Assessment Coordination Department for the Real Property Reappraisal Program (\$1,140,000).

Change Level by Appropriation

Appropriation: 034 - General Revenue to Cities
Funding Sources: MLM - Municipal Aid Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	27,372,099	0	27,372,099	100.0	27,372,099	0	27,372,099	100.0
C01	Existing Program	2,884,901	0	30,257,000	110.5	5,910,901	0	33,283,000	121.6

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	27,372,099	0	27,372,099	100.0	27,372,099	0	27,372,099	100.0
C01	Existing Program	0	0	27,372,099	100.0	0	0	27,372,099	100.0

Justification

C01	<p>Municipal Aid was basically frozen for over two decades prior to the 2005-2007 biennium when much needed funding was allocated from the state surplus (\$12 million) and received in October 2007. In the 2007-2009 biennium, an annual allocation from the Property Tax Relief Trust Fund (\$4 million) was added and then continued in the current biennium. Also in this biennium, an allocation was made from the state surplus (\$2.5 million), with 75% received in October 2009 and the balance expected to be received in October 2010. This increased municipal aid produced a per capita amount in calendar 2009 of \$18.13 (with the surplus amount), but is estimated to decline in calendar 2010 to a per capita amount of \$16.66 as a result of adjustments made in the State budget during the past fiscal year. Municipalities were receiving approximately \$21.35 per capita in 1986 for general turnback and received an average of \$16.52 in the years 2000-2006. Clearly, the long term per capita trend for turnback is downward, and goes even lower when the results of the 2010 census are considered. The Arkansas Municipal League respectfully requests that you increase the underlying general turnback by 10%. The street appropriation for 15% of highway revenues should remain the same. Hopefully, those revenues will continue to improve with increased revenue from the severance tax and return to the amounts of previous years. We believe allocations of the requested amounts would be a very wise expenditure of state general revenues and one which will assist the cities and towns in providing the basic services the citizens of Arkansas utilize every day.</p>
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Appropriation Summary

Appropriation: 035 - Special Revenue to Cities

Funding Sources: MLM - Municipal Aid Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	86,526,683	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Total		86,526,683	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Funding Sources										
Special Revenue	4000030	86,526,683	120,000,000		120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Total Funding		86,526,683	120,000,000		120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		86,526,683	120,000,000		120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000

Special Language provides for carry forward of funding. For FY11, the carry forward funding amount was \$70,847.

Analysis of Budget Request

Appropriation: 35X - Property Tax Relief-Cities

Funding Sources: TPR - Property Tax Relief Trust Fund

Amendment 79 to the Arkansas Constitution proposed limiting the increase in the assessed value of a taxpayer's real property after a countywide reappraisal and a required property tax credit of at least three hundred dollars (\$300) on homestead property. This amendment was adopted at the November 2000 general election and became effective January 1, 2001.

This appropriation provides spending authority for the Treasurer's Office to distribute special revenue to counties based upon a property tax reduction. Beginning with Act 1268 of 2007, the cities have also received a distribution of \$4 million each year, contingent upon available surplus funding.

The Municipal League of Arkansas requests Base Level for the 2011-2013 biennium.

The Executive Recommendation provides for the Agency Request. Use of this appropriation is contingent on availability of funding.

Appropriation Summary

Appropriation: 35X - Property Tax Relief-Cities

Funding Sources: TPR - Property Tax Relief Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Funding Sources									
Special Revenue 4000030	4,000,000	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total Funding	4,000,000	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	4,000,000	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

OFFICE OF THE PROSECUTOR COORDINATOR

Enabling Laws

Act 284 of 2010
A.C.A. §16-21-201

History and Organization

The Office of the Prosecutor Coordinator (PCO) was created under Act 925 of 1975. The Prosecution Coordination Commission, a seven-member board chosen by all elected prosecuting attorneys, sets the overall policy of the Coordinator's office. The mission statement for PCO is to improve the criminal justice system by promoting professionalism in the offices of Arkansas Prosecuting Attorneys and Victim Service Providers through education, information, liaison, and advocacy. The Office provides a broad range of technical assistance and support services for prosecuting attorneys, their deputies, and crime victim service providers. The support services include:

LEGAL RESEARCH - Upon request, the staff prepares extensive trial briefs, legal memoranda, county government opinions, sample ordinances, and basic litigation forms. Emergency assistance during a trial is a special service. The research center is especially important to deputies in rural areas who do not have ready access to a law library. In addition, PCO staff attorneys may serve as special deputy prosecuting attorneys as needed.

CONTINUING LEGAL EDUCATION - PCO sponsors continuing legal education seminars for prosecutors, deputies, victim/witness coordinators, hot check coordinators, law enforcement, and other support staff.

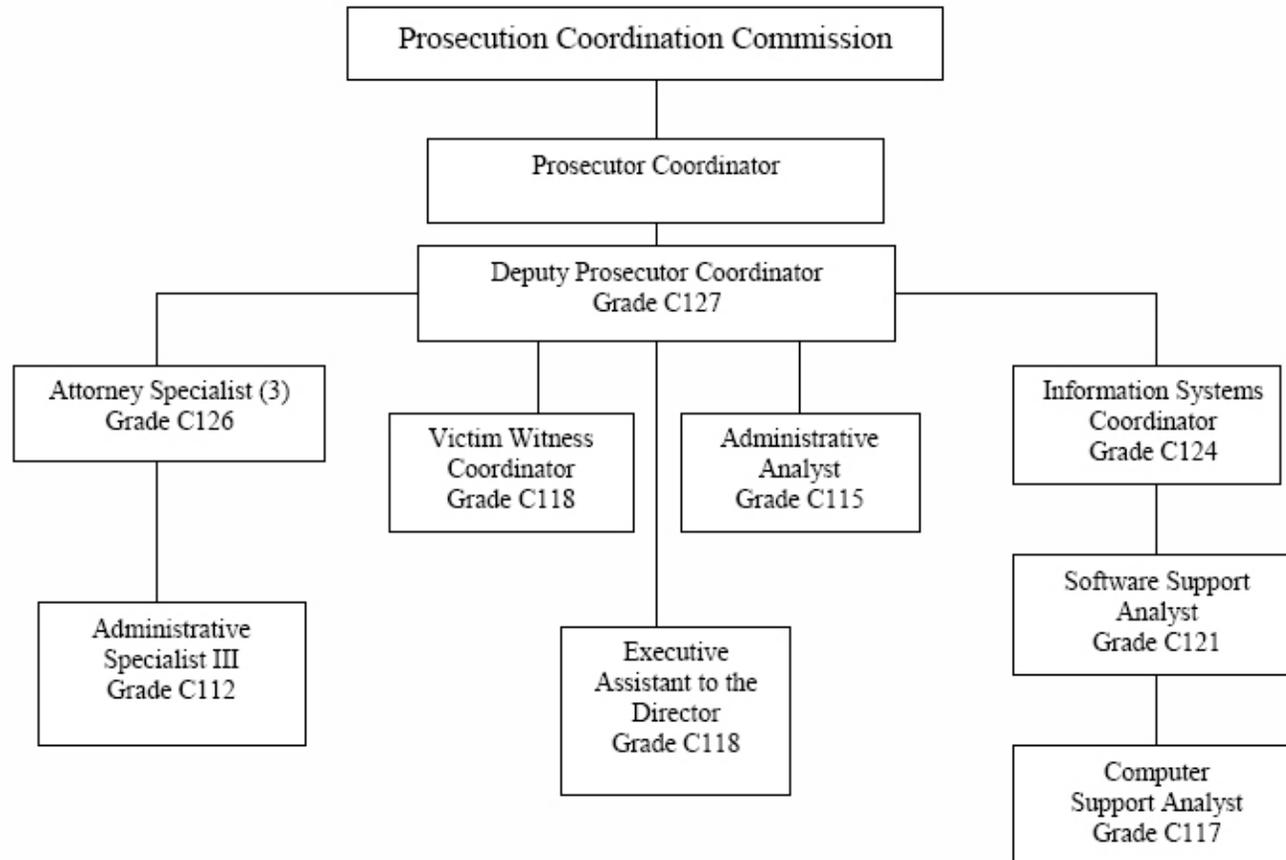
LENDING LIBRARY - A lending library of educational materials, e.g., books, videotapes, and audio cassettes is maintained.

PUBLICATIONS - Newsletters capsizing the latest appellate court opinions and other information are distributed as follows: APAA Newsletter to members of the Prosecuting Attorneys' Association; Crackdown to drug prosecutors and narcotics officers; and Advocates in Action to victim services providers. Training manuals on a variety of subject matters have been developed and supplemented on an as needed basis.

CIVIL COMMITMENTS - Pursuant to Act 861 of 1989, Act 10 of the Third Extraordinary Session of 1989, and Act 911 of 1989, PCO is responsible for representing the state in all civil and criminal commitment hearings held on the State Hospital grounds.

VICTIM/WITNESS SUPPORT - A victim/witness coordinator position at PCO was established by Act 408 of 1985 to provide training and technical assistance to victim service providers and crime victims. There are currently victim assistance programs in all 28 judicial districts. Some of these districts have programs in multiple counties.

COMPUTERS - The Office of the Prosecutor Coordinator has developed programs to automate functions within the Prosecuting Attorneys' Offices. The Hot Check System handles hot check offenses which have resulted in millions of dollars in collected restitution for merchants. PCO has implemented a new case management system for tracking defendants, victims, witnesses and trial information to aid prosecutors, case coordinators and victim witness coordinators in handling cases.



Agency Commentary

The Office of the Prosecutor Coordinator requests Base Level for the 2011-2013 biennium, with a reduction in Law Enforcement & Prosecutorial Programs (Appropriation 065) of \$1,340 each year to match available funding.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
OFFICE OF PROSECUTOR COORDINATOR
FOR THE YEAR ENDED JUNE 30, 2008

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	4	8	12	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			12	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
065 Law Enforcement & Prosecutorial Programs	71,995	0	71,424	0	72,000	0	72,000	0	70,660	0	70,660	0	72,000	0	70,660	0	70,660	0
090 Prosecutor Coordinator Oprs	938,853	12	951,464	12	944,662	12	960,201	12	960,201	12	960,201	12	960,201	12	960,201	12	960,201	12
Total	1,010,848	12	1,022,888	12	1,016,662	12	1,032,201	12	1,030,861	12	1,030,861	12	1,032,201	12	1,030,861	12	1,030,861	12

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	2,099	0.2	764	0.1			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
State Central Services 4000035	867,342	85.7	878,426	85.9			885,243	85.9	885,243	85.9	885,243	85.9	885,243	85.9	885,243	85.9	885,243	85.9
Special State Asset Forfeiture 4000465	71,511	7.1	73,038	7.1			74,958	7.3	74,958	7.3	74,958	7.3	74,958	7.3	74,958	7.3	74,958	7.3
State Administration of Justice 4000470	70,660	7.0	70,660	6.9			70,660	6.9	70,660	6.9	70,660	6.9	70,660	6.9	70,660	6.9	70,660	6.9
Total Funds	1,011,612	100.0	1,022,888	100.0			1,030,861	100.0	1,030,861	100.0	1,030,861	100.0	1,030,861	100.0	1,030,861	100.0	1,030,861	100.0
Excess Appropriation/(Funding)	(764)		0				1,340		0		0		1,340		0		0	
Grand Total	1,010,848		1,022,888				1,032,201		1,030,861		1,030,861		1,032,201		1,030,861		1,030,861	

The FY11 Budget Amount in Prosecutor Coordinator - Operations (Appropriation 090) exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 beinnium.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
12	12	0	12	0	0.00 %	12	12	0	12	0	0.00 %	12	12	0	12	0	0.00 %

Analysis of Budget Request

Appropriation: 065 - Law Enforcement & Prosecutorial Programs

Funding Sources: MDT - Law Enforcement & Prosecutor Drug Enforcement Training Fund

This program is funded from a portion of those funds remitted by the cities and counties from court costs and filing fees for deposit into the State Administration of Justice Fund. A share of those funds collected is then allocated to the Office of Prosecutor Coordinator for deposit in the Law Enforcement and Prosecutor Drug Enforcement Training Fund per Arkansas Code Annotated §16-10-310. Funds are used solely for law enforcement and prosecutorial purposes.

The Agency's Change Level Request provides to reduce Law Enforcement & Prosecutorial Programs by (\$1,340) each year to match available funding.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 065 - Law Enforcement & Prosecutorial Programs

Funding Sources: MDT - Law Enforcement & Prosecutor Drug Enforcement Training Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Law Enforcement/Prosecutorial 5900046	71,995	71,424	72,000	72,000	70,660	70,660	72,000	70,660	70,660
Total	71,995	71,424	72,000	72,000	70,660	70,660	72,000	70,660	70,660
Funding Sources									
Fund Balance 4000005	2,099	764		0	0	0	0	0	0
State Administration of Justice 4000470	70,660	70,660		70,660	70,660	70,660	70,660	70,660	70,660
Total Funding	72,759	71,424		70,660	70,660	70,660	70,660	70,660	70,660
Excess Appropriation/(Funding)	(764)	0		1,340	0	0	1,340	0	0
Grand Total	71,995	71,424		72,000	70,660	70,660	72,000	70,660	70,660

Change Level by Appropriation

Appropriation: 065 - Law Enforcement & Prosecutorial Programs

Funding Sources: MDT - Law Enforcement & Prosecutor Drug Enforcement Training Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	72,000	0	72,000	100.0	72,000	0	72,000	100.0
C03	Discontinue Program	(1,340)	0	70,660	98.1	(1,340)	0	70,660	98.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	72,000	0	72,000	100.0	72,000	0	72,000	100.0
C03	Discontinue Program	(1,340)	0	70,660	98.1	(1,340)	0	70,660	98.1

Justification

C03	Agency requests to reduce Law Enforcement & Prosecutorial Programs to match available funding.
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Analysis of Budget Request

Appropriation: 090 - Prosecutor Coordinator Oprs

Funding Sources: HSC - State Central Services Fund

This appropriation represents the main operating appropriation used by the Office of Prosecutor Coordinator in meeting costs associated with fulfilling the essential mission of the Agency and is funded from the State Central Services Fund.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 line item maximum.

The Agency's Request provides for Base Level for the 2011-2013 biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 090 - Prosecutor Coordinator Oprs

Funding Sources: HSC - State Central Services Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	637,166	640,053	637,573	647,004	647,004	647,004	647,004	647,004	647,004
#Positions		12	12	12	12	12	12	12	12	12
Personal Services Matching	5010003	175,151	184,875	180,553	186,661	186,661	186,661	186,661	186,661	186,661
Operating Expenses	5020002	121,844	121,844	121,844	121,844	121,844	121,844	121,844	121,844	121,844
Conference & Travel Expenses	5050009	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692	4,692
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		938,853	951,464	944,662	960,201	960,201	960,201	960,201	960,201	960,201
Funding Sources										
State Central Services	4000035	867,342	878,426		885,243	885,243	885,243	885,243	885,243	885,243
Special State Asset Forfeiture	4000465	71,511	73,038		74,958	74,958	74,958	74,958	74,958	74,958
Total Funding		938,853	951,464		960,201	960,201	960,201	960,201	960,201	960,201
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		938,853	951,464		960,201	960,201	960,201	960,201	960,201	960,201

The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium.

SCHOOL FOR THE BLIND

Enabling Laws

Act 246 of 2010
A.C.A. §21-5-101; and §21-5-201

History and Organization

The Board of Trustees, a five-member board appointed by the Governor, for the Arkansas School for the Blind and the Arkansas School for the Deaf has oversight responsibilities for the Arkansas School for the Blind. This responsibility is set forth in A.C.A. §6-43-101 (Title 6 of the Arkansas Code of 1987). The Board has approved a mission statement for the Arkansas School for the Blind which is as follows: To provide quality education and training for all children and young people (birth through age twenty-one) who are visually impaired so they possess the required skills to become personally productive and self-sufficient citizens.

In 1859 the Arkansas Institute for the Education of the Blind (ASB) was incorporated by Act 97. In 1866, Act 10 provided for the acquisition of a site and buildings to house the institution at Arkadelphia in Clark County. Act 50 of 1868 provided for the move of the Institute to Little Rock. It occupied facilities at 18th and Center Street until 1939 when it moved to its current location at 2600 West Markham Street. The present campus comprises 40.4 acres and the facilities consist of fifteen buildings. The Reorganization Act (Act 38 of 1971), placed the Arkansas School for the Blind under the umbrella of the Department of Education for budgeting purposes. A.C.A. §6-43-113 reserves all powers, duties, and functions of the Arkansas School for the Blind, together with those of the Board of Directors, to the Superintendent and the Arkansas School for the Blind Board of Education.

ASB is fully accredited by the Arkansas Department of Education and the North Central Association. It provides a variety of educational programs within the State's prescribed continuum of services for students from 0 to the age of 21 years.

The regular on-campus program provides academic and vocational training, residential living and extra curricular activities. Daily transportation is provided through the local school districts for nonresidential students. The Arkansas School for the Deaf provides weekly, statewide transportation for residential students to and from home each weekend. This is another effort to make the program less restrictive to students and families.

The academic and vocational divisions give the students the necessary skills and background to continue their education at the post secondary or college levels, or enter directly into the work world.

An average of ten students graduate from the school each year and approximately fifty percent continue their education at a higher level.

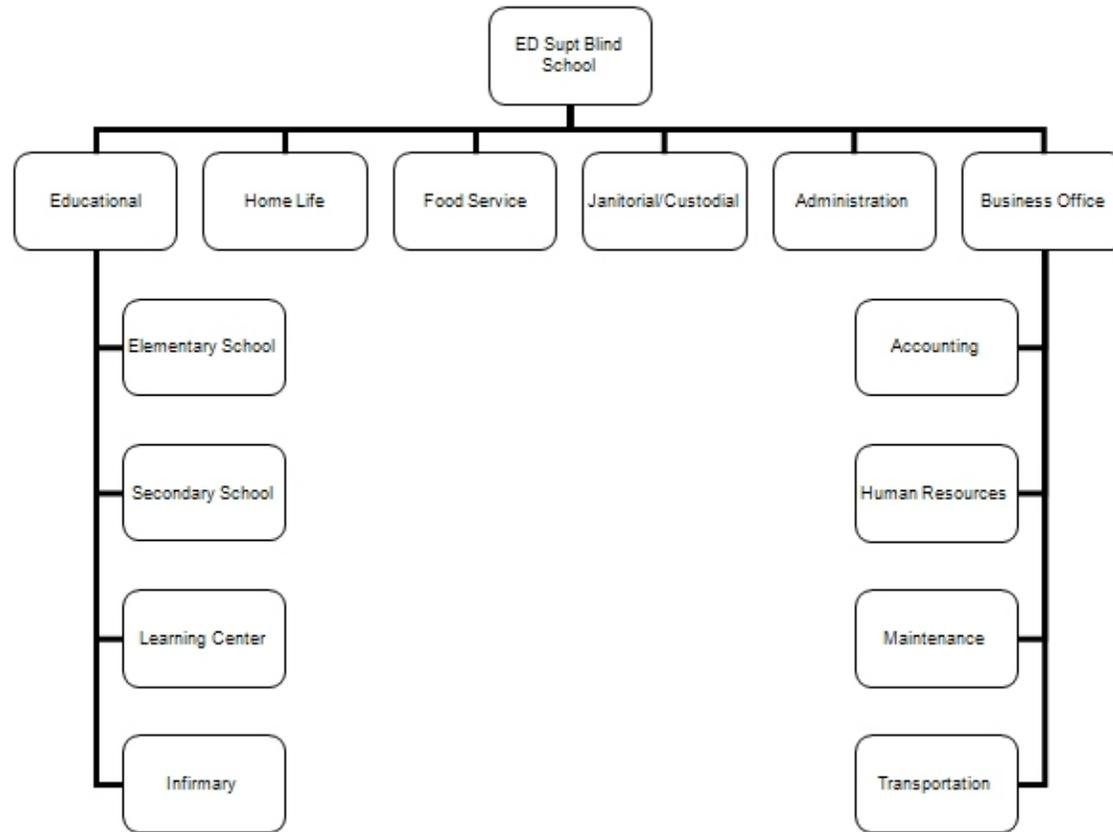
Other services provided by the school are: low vision evaluation services, physical and occupational therapy, health services, psychological evaluations, orientation and mobility services, life skills training, nutritional meals, vocational work study program, braille, adaptive technology training and evaluation.

The school maintains an educational program for blind and visually impaired babies ages birth to five. The program provides activities designed to train babies to develop sensory skills other than sight as learning tools. The program also provides extensive training and development of parent skills designed to assist the child in enhanced use of all available sensory skills. Currently, two staff members, who are certified in vision education and early childhood education, travel state wide to provide training to both child and parents. The school also provides a pre-school program for visually impaired children age 3-5 years old. The program experienced significant growth during the 2006-2007 school year and currently has an enrollment of 80 children.

The school implemented a new program during the 2006-2007 school year named "short term enrollment", a program for students enrolled in public schools. The program provides courses in the school's extended core curriculum, which includes braille, orientation and mobility, life skills, and adaptive technology. Many public schools are unable to provide adequate training by staff certified in basic courses in the Extended Core Curriculum. The program allows the student to remain enrolled in their local public school program, but take their required academic courses under the direction of ASB teachers who have ADE certification in the subject taught, as well as certification in vision education. The program allows students to maintain their home school academic training while taking extremely important courses in the ASB extended core curriculum. Since FY06-07, over sixty (60) public school students have received training through the program.

Individual education plans for every student are written annually and monitored to insure that ASB designs all programs to meet the needs of each respective student at their educational level. This is in compliance with the Arkansas Department of Education rules and regulations.

The Arkansas School for the Blind coordinates a statewide program that identifies and provides services to visually impaired students in public schools. This program is operated and funded by ASB. ASB Staff has provided training and in-service opportunities for Public School Administrators and Teachers. Student evaluations in adaptive tech, mobility, braille, and low vision are available to public school students free of charge. (ASB also provides all large print and braille textbooks and instructional materials for visually impaired students attending public school.)



Agency Commentary

The Arkansas School for the Blind (ASB) provides a variety of educational programs within the State's prescribed continuum of services for vision-impaired students from birth to 21 years of age. The regular on-campus programming includes academic and vocational training, independent living training, residential living and extra curricular activities. Daily transportation is provided through local schools districts for non-residential students. The Arkansas School for the Deaf (ASD) provides weekly statewide transportation for ASB and ASD residential students to and from home each weekend. By law, ASD also provides maintenance and security services for ASB. Joint services for business services, accounting, human resources, and capital equipment accountability are provided to both schools through use of a Board approved paying account, permitting the pooling of funds from each agency based on a ratio of student population at each school.

Change Level requests for ASB for each year of the biennium include a reduction of four (4) positions from Authorized Level due to budget cuts. Other Change Level requests for each year of the biennium include small increases in regular salaries and matching, and larger increases in the Summer Projects, Maintenance and Operations, and Special Maintenance line items. Restoration of Operating Expenses, Capital Outlay, Special Maintenance, Vocational Work Study, Summer Projects, and Braille Text Books to Authorized Level are also included for both years of the biennium.

ASB lost four (4) positions in **Salary and Personal Services Matching** for the biennium period because of budget cuts. Restoration of these positions were not requested. In addition, ASB is requesting that two (2) positions be upgraded and re-titled for both years of the biennium with the additional appropriation and funding needed to cover this cost.

Restoration to Authorized Levels and Additional authority and funding are needed in **Operating Expenses** to help cover inflationary increases primarily caused by higher cost of fuel and supplies. Unfortunately, higher prices are being passed on to us by vendors providing maintenance, supplies and other necessary services to ASB.

Restoration of **Capital Outlay** to Authorized Level is requested for each year of the biennium to permit purchase of new or replacement equipment for items beyond repair, obsolete, or too expensive to maintain. Restoration of Authorized Level is requested for **Braille Text Books** to cover increased cost associated with providing braille and large print textbooks to public schools. ASB serves as the distribution center to public schools for large print and braille text books. Books are recycled from school to school on an "as needed" basis. When public schools change to a new textbook, the new version (first print) in braille may cost upwards of \$10,000 to \$15,000 each. Each student may need six or seven books depending on what classes he/she is enrolled. A normal book having 400 pages may take 1,200 pages to produce in braille or large print.

Restoration to Authorized Level and Change Levels above Base Level are requested for **Summer Projects** to help cover the cost of summer school, shift differential pay, and extra curricular pay. Restoration to Authorized Level and increases in funding and authority for **Special Maintenance** will serve to maintain a never ending battle of preventive maintenance on 15 buildings, of which the newest is over 30 years old, and the oldest is over 70 years old.

Restoration of **Capital Outlay** to Authorized Level for each year of the biennium is requested in the Federal Operations appropriation.

Cash funded requests include restoration of **Capital Outlay** to Authorized Level for each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
ARKANSAS SCHOOL FOR THE BLIND
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Testing of purchasing card (P-Card) transactions revealed that the Agency failed to adequately ensure that all purchases made with the P-Cards were properly approved and that adequate documentation supported each purpose. The testing of P-Cards included a review of all purchases noted on four monthly bills within fiscal year 2008. The following exceptions were noted related to purchasing card transactions: 47 purchases totaling \$6,855 were either not supported by a purchase request or the request submitted was not approved by the Superintendent and/or Business Manager. Also noted were four purchases totaling \$717 for which no invoice was provided. Provided as support for three of these four purchases were the packing slips. Per DFA Guidelines, a packing slip is valid source documentation if the packing slip from the delivery is "annotated by the Cardholder as ordered by, received by, paid by and signature of the cardholder." For these three purchases, the packing slip did not contain the necessary information in order to make it a valid form of documentation.

Recommendations

Strengthen internal controls over P-Card purchases and provide additional training to employees on the procedures, documentation and approvals required for P-Card purchases. Apply the procedures consistently.

Employment Summary

	Male	Female	Total	%
White Employees	11	47	58	70 %
Black Employees	9	16	25	30 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			25	30 %
Total Employees			83	100 %

Cash Fund Balance Description as of June 30, 2010

Fund Account	Balance	Type	Location
1140100	\$1,264,831	Checking, Investments	Regions Bank - Little Rock, State Treasury

Statutory/Other Restrictions on use:

Arkansas Code 19-4-801 establishes that the agency can use these funds for operating expenses

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

National School Lunch and breakfast reimbursements are collected throughout the year, as well as meal ticket sales, some royalties, interests and other donations

Fund Balance Utilization:

Funds are collected on an irregular basis throughout the year. Since collections cannot be accurately projected, these funds are not used for on-going expenses. They are used as needed for food and other miscellaneous items.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
NONE	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
076 School for the Blind-State Operations	5,333,210	90	5,817,007	95	6,296,820	96	5,858,702	95	6,378,995	95	6,175,346	95	5,858,702	95	6,378,995	95	6,175,346	95
077 School for the Blind-Federal Operations	160,356	2	747,081	2	912,238	5	593,121	2	747,121	2	747,121	2	593,121	2	747,121	2	747,121	2
086 Braille Textbooks	138,124	0	148,024	0	168,024	0	148,024	0	168,024	0	148,024	0	148,024	0	168,024	0	148,024	0
A19 School for the Blind-Cash Operations	53,325	0	424,508	0	424,508	0	424,508	0	424,508	0	424,508	0	424,508	0	424,508	0	424,508	0
Total	5,685,015	92	7,136,620	97	7,801,590	101	7,024,355	97	7,718,648	97	7,494,999	97	7,024,355	97	7,718,648	97	7,494,999	97

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	1,262,037	18.2	1,264,831	15.7	942,323	12.3	942,323	11.3	942,323	11.9	619,815	8.5	619,815	7.7	619,815	8.2
General Revenue	4000010	5,471,334	78.7	6,068,593	75.1	6,110,288	79.9	6,650,581	79.8	6,210,288	78.6	6,110,288	83.5	6,650,581	83.0	6,210,288	82.0
Federal Revenue	4000020	160,356	2.3	747,081	9.2	593,121	7.8	747,121	9.0	747,121	9.5	593,121	8.1	747,121	9.3	747,121	9.9
Cash Fund	4000045	56,119	0.8	102,000	1.3	102,000	1.3	102,000	1.2	102,000	1.3	102,000	1.4	102,000	1.3	102,000	1.3
Inter-agency Fund Transfer	4000316	0	0.0	(103,562)	(1.3)	(103,562)	(1.4)	(103,562)	(1.2)	(103,562)	(1.3)	(103,562)	(1.4)	(103,562)	(1.3)	(103,562)	(1.4)
Total Funds		6,949,846	100.0	8,078,943	100.0	7,644,170	100.0	8,338,463	100.0	7,898,170	100.0	7,321,662	100.0	8,015,955	100.0	7,575,662	100.0
Excess Appropriation/(Funding)		(1,264,831)		(942,323)		(619,815)		(619,815)		(403,171)		(297,307)		(297,307)		(80,663)	
Grand Total		5,685,015		7,136,620		7,024,355		7,718,648		7,494,999		7,024,355		7,718,648		7,494,999	

Variations in the fund balances are due to unfunded appropriation in A19 School for the Blind - Cash Operations.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
102	91	6	97	5	10.78 %	101	88	1	89	12	12.87 %	101	87	7	94	7	13.86 %

Analysis of Budget Request

Appropriation: 076 - School for the Blind-State Operations

Funding Sources: ESA - State Operations - School for the Blind

The Arkansas School for the Blind (ASB) provides service programs for the visually impaired aged 0 to 21 through academic and vocational training, independent living training, residential living, and extracurricular activities. This appropriation is funded with general revenue and provides the majority of support for the school.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 line item maximum.

The agency Base Level request for appropriation and general revenue funding is \$5,858,702 for both years of the biennium.

The agency Change Level request for appropriation and general revenue funding is \$520,293 for both years of the biennium. Details are as follows:

- ASB requests the reclassification of two (2) positions totaling \$4,294 in Regular Salaries and Personal Services Matching for both FY2012 and FY2013. Reclassification of both positions is being requested due to the increased amount and differentiation of workloads, and are as follows:
 - Reclass of Agency Fiscal Manager (C121) position to Agency Support Manager (C123)
 - Reclass of Administrative Specialist III (C112) to Computer Support Analyst (C117)
- A total of \$25,000 each year is requested to restore Capital Outlay to the FY2011 Authorized amount and permit the replacement of equipment that is beyond repair, obsolete, or too expensive to maintain.
- For Operating Expenses, a total of \$133,499 each year is requested primarily to support inflationary increases caused by high fuel prices. Current prices have caused drastic increases in utility costs for facilities and have increased travel reimbursement costs for staff who are required to travel the State providing services to the visually impaired.
- Increases of \$200,000 each year is requested for Special Maintenance in order to provide support for preventive maintenance on fifteen (15) campus buildings, of which the newest is over thirty (30) years old. This request reflects an increase of \$50,000 each year above the FY2011 Authorized level.
- \$2,500 in each year for Vocational Workstudy to restore to the FY2011 Authorized level.
- In the area of Summer Projects, ASB is requesting an additional \$155,000 each year to support increased costs associated with the provision of a three (3) week summer school for ASB students. These costs include salary and matching associated with shift differential pay and extra curricular activities. Summer Projects were cancelled during FY2011 due to construction projects on campus that made it unsafe for students.

The Executive Recommendation provides for Base Level. In addition, a reclass of Administrative Specialist III (C112) to Administrative Analyst (C117) is recommended, increasing Salary and Personal Services Matching appropriation by \$645 in both years of the biennium. Additional appropriation in both years is recommended in Operating Expenses, Capital Outlay, Special Maintenance, Vocational Workstudy, and Summer Projects which will restore these line items to the FY2011 authorized levels. Lastly, \$100,000 in additional general revenue is recommended.

Appropriation Summary

Appropriation: 076 - School for the Blind-State Operations
Funding Sources: ESA - State Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,352,169	3,609,755	3,654,677	3,593,041	3,596,569	3,593,571	3,593,041	3,596,569	3,593,571
#Positions		90	95	96	95	95	95	95	95	95
Extra Help	5010001	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
#Extra Help		0	12	12	12	12	12	12	12	12
Personal Services Matching	5010003	1,123,554	1,166,236	1,290,128	1,229,645	1,230,411	1,229,760	1,229,645	1,230,411	1,229,760
Overtime	5010006	2,410	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Operating Expenses	5020002	670,946	731,501	825,000	731,501	865,000	825,000	731,501	865,000	825,000
Conference & Travel Expenses	5050009	12,416	17,015	17,015	17,015	17,015	17,015	17,015	17,015	17,015
Professional Fees	5060010	97,334	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	147	5,000	25,000	0	25,000	25,000	0	25,000	25,000
Special Maintenance	5120032	18,505	100,000	250,000	100,000	300,000	250,000	100,000	300,000	250,000
Vocational Workstudy	5900046	5,000	7,500	10,000	7,500	10,000	10,000	7,500	10,000	10,000
Summer Projects	5900048	50,729	45,000	90,000	45,000	200,000	90,000	45,000	200,000	90,000
Total		5,333,210	5,817,007	6,296,820	5,858,702	6,378,995	6,175,346	5,858,702	6,378,995	6,175,346
Funding Sources										
General Revenue	4000010	5,333,210	5,920,569		5,962,264	6,482,557	6,062,264	5,962,264	6,482,557	6,062,264
Inter-agency Fund Transfer	4000316	0	(103,562)		(103,562)	(103,562)	(103,562)	(103,562)	(103,562)	(103,562)
Total Funding		5,333,210	5,817,007		5,858,702	6,378,995	5,958,702	5,858,702	6,378,995	5,958,702
Excess Appropriation/(Funding)		0	0		0	0	216,644	0	0	216,644
Grand Total		5,333,210	5,817,007		5,858,702	6,378,995	6,175,346	5,858,702	6,378,995	6,175,346

Inter-agency fund transfer represents the balance of funds allocated by ASB to the Arkansas School for the Deaf (ASD) for costs associated with the legislatively authorized paying account provided for in Section 10 of Act 246 of 2010. Funding support for the paying account is calculated based on student population ratio for each school.

Change Level by Appropriation

Appropriation: 076 - School for the Blind-State Operations
Funding Sources: ESA - State Operations - School for the Blind

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	5,858,702	95	5,858,702	100.0	5,858,702	95	5,858,702	100.0
C01	Existing Program	304,500	0	6,163,202	105.2	304,500	0	6,163,202	105.2
C02	New Program	200,000	0	6,363,202	108.6	200,000	0	6,363,202	108.6
C08	Technology	11,499	0	6,374,701	108.8	11,499	0	6,374,701	108.8
C10	Reclass	4,294	0	6,378,995	108.9	4,294	0	6,378,995	108.9

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	5,858,702	95	5,858,702	100.0	5,858,702	95	5,858,702	100.0
C01	Existing Program	254,500	0	6,113,202	104.3	254,500	0	6,113,202	104.3
C02	New Program	50,000	0	6,163,202	105.2	50,000	0	6,163,202	105.2
C08	Technology	11,499	0	6,174,701	105.4	11,499	0	6,174,701	105.4
C10	Reclass	645	0	6,175,346	105.4	645	0	6,175,346	105.4

Justification

C01	Restoration of authority and funding are needed in Operating Expenses to cover many costs that have been escalating over the years. These include such items as electricity, water and sewer, trash pick-up, advertising, food, and general maintenance and repairs to equipment, as well a general overall increase in supplies and materials due to vendor increases brought about by higher fuel costs. Restoration of authority and funding for Capital Outlay is requested for each year of the biennium to permit the replacement of worn out or obsolete equipment in such areas as food service, library holdings and maintenance. Restoration of authority and funding in Special Maintenance is requested for each year of the biennium to help maintain a never ending battle of preventative maintenance and repairs on 15 campus buildings, the newest of which was built in 1979 and the oldest of which was built in 1938. Restoration of authority and funding is requested in Vocational Work-Study for both years of the biennium to provide more students the opportunity to learn about working in a business environment. Restoration of authority and funding for Summer Projects is requested for both years of the biennium to help cover the cost of summer school, shift differential pay and extra curricular pay.
C02	Additional funding and authority are requested in Operating Expenses to cover the increasing costs in the maintenance and repair of equipment and buildings and in Special Maintenance to cover the increasing costs of repair and maintenance of all buildings on the ASB Campus. Also an additional increase in authority and funding is requested in the area of Summer Projects for both years of the biennium to help cover the increasing cost of Summer School, Shift Differential Pay, and Extra Curricular Pay.
C08	Restoration of authority and funding is needed in both Operating Expenses and Capital Outlay in the area of Technology. There is an ever ongoing need to provide the latest in computer hardware and software to enhance the learning opportunities for blind and visually impaired students as noted in the Software/Hardware Section of ASB's IT Plan. There is also an ongoing need to expand satellite/cable service to the classroom for distance learning opportunities as noted in the Telecommunications Section of ASB's IT Plan..
C10	Additional funding and authority are requested in Regular Salaries and Matching to cover the cost of requested upgraded positions in both years of the biennium.

Analysis of Budget Request

Appropriation: 077 - School for the Blind-Federal Operations

Funding Sources: FEC - Federal Operations - School for the Blind

This appropriation represents the primary federal operations support for the Arkansas School for the Blind (ASB). The funds supporting this appropriation is, among others, Chapter VI-B Pass-Through, Carl Perkins Federal Vocational Grants, Medicaid reimbursements, and an Adaptive Technology Grant received through the State Department of Education.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The agency Base Level request for this appropriation is \$593,121 for both years of the biennium.

The agency Change Level request for this appropriation is \$154,000 each year of the biennium. This request will restore Capital Outlay to the FY2011 authorized level, and allow ASB to replace equipment that is beyond repair, obsolete, or too expensive to maintain.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 077 - School for the Blind-Federal Operations
Funding Sources: FEC - Federal Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	47,499	50,726	171,403	50,726	50,726	50,726	50,726	50,726	50,726
#Positions	2	2	5	2	2	2	2	2	2
Extra Help 5010001	11,347	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
#Extra Help	4	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	21,734	21,491	65,971	21,531	21,531	21,531	21,531	21,531	21,531
Operating Expenses 5020002	17,034	241,050	241,050	241,050	241,050	241,050	241,050	241,050	241,050
Conference & Travel Expenses 5050009	2,655	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382
Professional Fees 5060010	60,087	203,432	203,432	203,432	203,432	203,432	203,432	203,432	203,432
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	154,000	154,000	0	154,000	154,000	0	154,000	154,000
Total	160,356	747,081	912,238	593,121	747,121	747,121	593,121	747,121	747,121
Funding Sources									
Federal Revenue 4000020	160,356	747,081		593,121	747,121	747,121	593,121	747,121	747,121
Total Funding	160,356	747,081		593,121	747,121	747,121	593,121	747,121	747,121
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	160,356	747,081		593,121	747,121	747,121	593,121	747,121	747,121

Change Level by Appropriation

Appropriation: 077 - School for the Blind-Federal Operations
Funding Sources: FEC - Federal Operations - School for the Blind

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	593,121	2	593,121	100.0	593,121	2	593,121	100.0
C01	Existing Program	154,000	0	747,121	126.0	154,000	0	747,121	126.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	593,121	2	593,121	100.0	593,121	2	593,121	100.0
C01	Existing Program	154,000	0	747,121	126.0	154,000	0	747,121	126.0

Justification

C01	Restoration of Capital Outlay to current authorized level is requested for each year of the biennium to purchase new and replace equipment that is beyond repair, obsolete, or too expensive to maintain.
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Analysis of Budget Request

Appropriation: 086 - Braille Textbooks

Funding Sources: ESA - State Operations - School for the Blind

The School for the Blind (ASB) utilizes this appropriation to purchase and distribute Braille and Large Print textbooks for visually impaired students attending public schools. ASB serves as a clearinghouse to public schools, purchasing and distributing new books on an as-needed basis as they are adopted by the school districts, and redistributing used texts when applicable. In addition to purchases, this appropriation is used to pay for copying, postage and freight costs associated with shipping the materials to various public schools. This appropriation is funded from general revenue.

The agency Base Level request for appropriation and general revenue funding is \$148,024 for both years of the biennium.

The agency Change Level request for appropriation and general revenue funding is \$20,000 for both years of the biennium. This request is to support the increasing costs of purchasing and shipping Braille and Large Print text books. Some of these texts can cost as much as \$10,000 to \$15,000 per book. Also, these textbooks tend to be much larger than their non-Braille versions, causing increased shipping costs.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 086 - Braille Textbooks

Funding Sources: ESA - State Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Braille Textbooks 5900046	138,124	148,024	168,024	148,024	168,024	148,024	148,024	168,024	148,024
Total	138,124	148,024	168,024	148,024	168,024	148,024	148,024	168,024	148,024
Funding Sources									
General Revenue 4000010	138,124	148,024		148,024	168,024	148,024	148,024	168,024	148,024
Total Funding	138,124	148,024		148,024	168,024	148,024	148,024	168,024	148,024
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	138,124	148,024		148,024	168,024	148,024	148,024	168,024	148,024

Change Level by Appropriation

Appropriation: 086 - Braille Textbooks

Funding Sources: ESA - State Operations - School for the Blind

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	148,024	0	148,024	100.0	148,024	0	148,024	100.0
C01	Existing Program	20,000	0	168,024	113.5	20,000	0	168,024	113.5

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	148,024	0	148,024	100.0	148,024	0	148,024	100.0
C01	Existing Program	0	0	148,024	100.0	0	0	148,024	100.0

Justification

C01	Restoration of authority and funding are needed in Braille Textbooks to help cover the increased cost of providing large print and braille textbooks to the public schools.
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Analysis of Budget Request

Appropriation: A19 - School for the Blind-Cash Operations

Funding Sources: 114 - Cash Operations - School for the Blind

The Arkansas School for the Blind (ASB) uses their cash appropriation to supplement general revenues as needed for provision of required services for the blind and visually impaired student population. Cash funds are primarily received from USDA Reimbursements, interest on cash investments, and legacy donations.

The agency Base Level and total request for this appropriation is \$424,508 for both years of the biennium.

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

Appropriation Summary

Appropriation: A19 - School for the Blind-Cash Operations

Funding Sources: 114 - Cash Operations - School for the Blind

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	50,705	186,508	186,508	186,508	186,508	186,508	186,508	186,508	186,508
Conference & Travel Expenses	5050009	2,620	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	50,000	50,000	0	0	0	0	0	0
Special Maintenance	5120032	0	75,000	75,000	125,000	125,000	125,000	125,000	125,000	125,000
Total		53,325	424,508	424,508	424,508	424,508	424,508	424,508	424,508	424,508
Funding Sources										
Fund Balance	4000005	1,262,037	1,264,831		942,323	942,323	942,323	619,815	619,815	619,815
Cash Fund	4000045	56,119	102,000		102,000	102,000	102,000	102,000	102,000	102,000
Total Funding		1,318,156	1,366,831		1,044,323	1,044,323	1,044,323	721,815	721,815	721,815
Excess Appropriation/(Funding)		(1,264,831)	(942,323)		(619,815)	(619,815)	(619,815)	(297,307)	(297,307)	(297,307)
Grand Total		53,325	424,508		424,508	424,508	424,508	424,508	424,508	424,508

SCHOOL FOR THE DEAF

Enabling Laws

Act 245 of 2010

A.C.A. §21-5-101; and A.C.A. §21-5-301 - 320

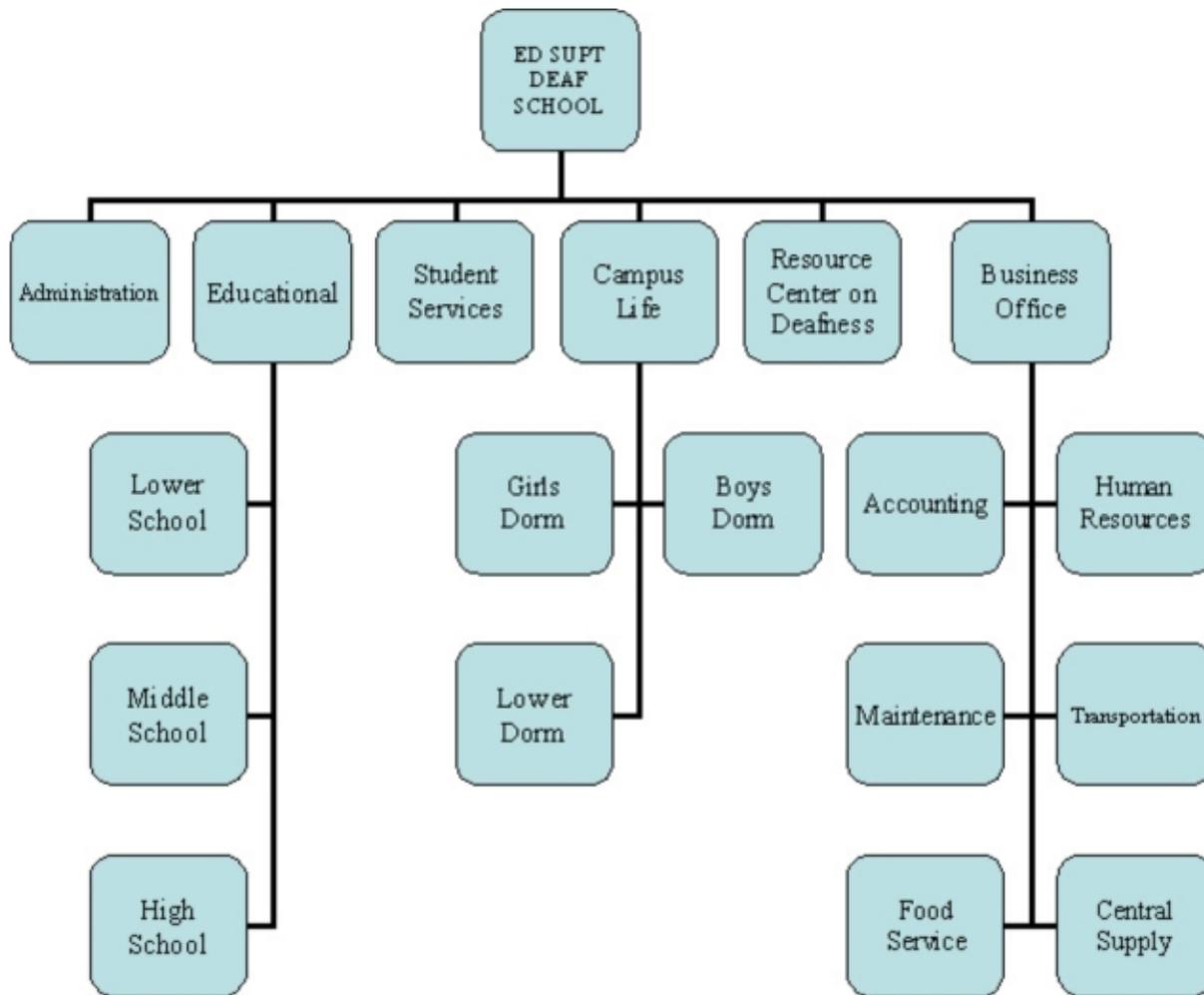
History and Organization

The Board of Trustees, a five-member board appointed by the Governor, for the Arkansas School for the Blind and the Arkansas School for the Deaf has oversight responsibilities for the Arkansas School for the Deaf. This responsibility is set forth in A.C.A. §6-43-101 and §6-43-102 (Title 6 of the Arkansas Code of 1987). The Board has approved the following mission statement for the Arkansas School for the Deaf (ASD): "Working Together to Create Learning Opportunities for Academic Excellence and Personal Independence." Approximately 500 individuals receive education, services and training through the various programs offered by ASD.

In 1850, the first class for deaf students was offered in the City of Clarksville. In 1868, Governor Powell Clayton recommended in his message to the General Assembly that a School for the Deaf, supported inadequately at the time by private subscriptions and funds given by the City of Little Rock, be taken over as a State Institution. Two tracts of land were donated to the Institute. One tract is now part of the site of the present location of the State Capitol. The other tract, which is the Capitol grounds owned by the School for the Deaf, was sold in 1871 to raise funds for the construction of a building for girls. The General Assembly approved Act 36 on July 17, 1868 giving the school the title of "The Arkansas Deaf Mute Institution". Act 462 of 1923 changed the name of the Institution to the "Arkansas School for the Deaf".

The Arkansas Department of Education, the North Central Association, and the Conference of Educational Administrators Serving the Deaf accredit the Arkansas School for the Deaf (ASD). The Arkansas School for the Deaf (ASD) operates under the direction and rules and regulations of the Department of Education as a day school with residential facilities and provides educational services and opportunities for students birth through the age of 21. Programming includes services in the following areas: academic, vocational, social-emotional, transition, residential, extra-curricular, and family training. Other services provided by the school are: audiological services, physical therapy, occupational therapy, tutoring, speech-language therapy, psychological services, health services, nutritional meals, and special training for children with additional disabilities. Daily transportation is provided by local school districts for non-residential students. By law, ASD provides weekly statewide transportation for residential students of both the ASD and the Arkansas School for the Blind (ASB) to and from home each weekend.

ASD functions as the Statewide Resource Center on Deafness, coordinating programs that identify and provide services to students who are deaf and hard of hearing throughout the State through partnerships with agencies such as Department of Workforce Education, Department of Education, Arkansas Rehabilitation Services, University of Arkansas at Little Rock, and the Little Rock Adult Education Center. The Arkansas School for the Deaf coordinates a statewide program which provides early intervention services to families and consultation services for students in early intervention programs. Research has shown that early intervention potentially holds the key to success for children/students who are deaf/hard of hearing and that the development of communication, language, social/emotional, and cognitive skills at the earliest possible age is fundamental to subsequent educational growth for children birth to five who are deaf/hard of hearing. The ASD early intervention program provides training to the families of these children through on-campus services and home visits by parent advisors throughout the State. ASD is committed to providing these services which are free and available to all families in Arkansas.



Agency Commentary

The Arkansas School for the Deaf (ASD) operates under the direction of the Department of Education as a day school with residential facilities and provides educational services and opportunities for students from birth through the age of 21. Programming includes services in the following areas: academic, vocational, social-emotional, transition, residential, extra-curricular, and family training. ASD functions as the

Resource Center on Deafness, coordinating programs that identify and provide services to students who are deaf and hard of hearing throughout the State through partnerships with agencies such as Department of Workforce Education, Department of Education, Arkansas Rehabilitation Services, University of Arkansas at Little Rock, Arkansas Children's Hospital, Centers for Youth and Family Services, and the Little Rock Adult Education Center. Daily transportation is provided by local school districts for non-residential students. By law, ASD provides weekly statewide transportation for residential students of both ASD and the Arkansas School for the Blind (ASB) to and from home each weekend. ASD also provides maintenance and security services for ASB. Joint services for business, accounting, human resources, and capital equipment accountability are provided to both schools through the use of a Board approved paying account permitting the pooling of funds from each agency based on a ratio of student population at each school.

Change Level requests for ASD for each year of the biennium include reduction of five (5) positions from Authorized Level due to budget cuts. Other Change Level requests for each year of the biennium include small increases in regular salaries and matching. In addition, ASD is requesting that two positions be upgraded and re-titled for both years of the biennium. Restoration of Operating Expenses, Special Maintenance, Miscellaneous Activities, and Capital Outlay to Authorized Level is also requested.

ASD lost five positions in **Salary and Personal Services Matching** for the biennium period because of budget cuts. Restoration of these positions was not necessary because of organizational changes made within the agency.

Restoration of authority and funding is needed for each year of the biennium in **Operating Expenses** to help cover inflationary increases primarily caused by higher fuel cost and supplies. Unfortunately, higher prices are being passed on to us by vendors providing maintenance, supplies, and other necessary services to ASD. Restoration of **Special Maintenance** to Authorized Level is requested for each year of the biennium to permit ASD to continue the never ending battle of preventive maintenance on 20 buildings, of which one is relatively new, two are in the 30 years of age range, most are in the 40 to 50 years of age range, and a few are in the 70 years of age range. Restoration of **Capital Outlay** to Authorized Level is requested for each year of the biennium to permit the purchase of new or replacement equipment items beyond repair, obsolete, or too expensive to maintain. Finally, restoration of **Miscellaneous Activities** to Authorized Level is requested for each year of the biennium to help cover the cost of summer school, shift differential pay, and extra curricular pay.

Change Level requests for Federal Programs and Cash Funded Programs consist of restoration of **Capital Outlay** to Authorized Levels each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION
ARKANSAS SCHOOL FOR THE DEAF
FOR THE YEAR ENDED JUNE 30, 2008

Findings

The Agency failed to follow procedures related to the use and approval of purchasing card transactions. A review of four monthly bills revealed the following exceptions:

- 53 purchases totaling \$5,275 were either not supported by a purchase request or the request submitted was not approved by the Superintendent and/or Business Manager; and
- Six purchases totaling \$2,661 had not invoice to support the transaction.

Recommendations

Establish written procedures for purchasing card transactions and provide additional training to employees on the procedures, documentation and approvals required for these types of purchases. Apply the procedures consistently for all employees with access to a purchasing card.

Employment Summary

	Male	Female	Total	%
White Employees	27	63	90	65 %
Black Employees	16	29	45	33 %
Other Racial Minorities	1	2	3	2 %
Total Minorities			48	35 %
Total Employees			138	100 %

Cash Fund Balance Description as of June 30, 2010

Fund Account	Balance	Type	Location
1370000	\$309,138	Checking, Investments	Centennial Bank, Little Rock, AR, State Treasury

Statutory/Other Restrictions on use:

Arkansas Code 19-4-801 establishes that the agency can use these funds for operating expenses.

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

National School Lunch and breakfast reimbursements are collected throughout the year as well as meals ticket sales, some royalties, interests, rental income, and donations

Fund Balance Utilization:

Funds are collected on an irregular basis throughout the year. Since collections cannot be accurately projected, these funds are not used for on-going expenses. They are used as needed for food and other miscellaneous items

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
NONE	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
056 School for the Deaf-State Operations	9,613,643	161	10,608,903	166	11,249,726	168	10,583,092	166	10,973,893	166	10,967,282	166	10,583,092	166	10,973,893	166	10,967,282	166
058 School for the Deaf-Federal Operations	332,615	4	950,452	5	1,357,110	8	821,004	5	950,504	5	950,504	5	821,004	5	950,504	5	950,504	5
A10 School for the Deaf-Cash Operations	113,337	0	442,136	0	442,136	0	442,136	0	442,136	0	442,136	0	442,136	0	442,136	0	442,136	0
Total	10,059,595	165	12,001,491	170	13,048,972	176	11,846,232	170	12,366,533	170	12,359,922	170	11,846,232	170	12,366,533	170	12,359,922	170

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	316,823	3.1	309,138	2.5	309,138	2.5	309,138	2.4	309,138	2.5	312,002	2.6	312,002	2.5	312,002	2.5	
General Revenue	4000010	9,563,093	92.2	10,483,281	85.2	10,457,470	86.0	10,848,271	85.6	10,557,470	85.2	10,457,470	86.0	10,848,271	85.5	10,557,470	85.2	
Federal Revenue	4000020	332,615	3.2	950,452	7.7	821,004	6.8	950,504	7.5	950,504	7.7	821,004	6.8	950,504	7.5	950,504	7.7	
Cash Fund	4000045	105,652	1.0	442,136	3.6	445,000	3.7	445,000	3.5	445,000	3.6	445,000	3.7	445,000	3.5	445,000	3.6	
Daycare Lease Payments	4000183	0	0.0	22,060	0.2	22,060	0.2	22,060	0.2	22,060	0.2	22,060	0.2	22,060	0.2	22,060	0.2	
DFA Motor Vehicle Acquisition	4000184	50,550	0.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Inter-agency Fund Transfer	4000316	0	0.0	103,562	0.8	103,562	0.9	103,562	0.8	103,562	0.8	103,562	0.9	103,562	0.8	103,562	0.8	
Total Funds		10,368,733	100.0	12,310,629	100.0	12,158,234	100.0	12,678,535	100.0	12,387,734	100.0	12,161,098	100.0	12,681,399	100.0	12,390,598	100.0	
Excess Appropriation/(Funding)		(309,138)		(309,138)		(312,002)		(312,002)		(27,812)		(314,866)		(314,866)		(30,676)		
Grand Total		10,059,595		12,001,491		11,846,232		12,366,533		12,359,922		11,846,232		12,366,533		12,359,922		

Variances in fund balances due to unfunded appropriation in (056) State Operations.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
183	150	29	179	4	18.03 %	176	139	25	164	12	21.02 %	176	139	34	173	3	21.02 %

Analysis of Budget Request

Appropriation: 056 - School for the Deaf-State Operations

Funding Sources: EVA - State Operations - School for the Deaf

The Arkansas School for the Deaf (ASD) provides a variety of educational programs for hearing impaired of hearing students through the age of 21 years. The State Operations appropriation is used to provide for all security, transportation, and administrative needs of both the Schools for the Deaf and Blind. The security needs of both schools include patrolling a campus of 92 acres and 35 buildings. Maintenance work is necessary for these buildings. Daily transportation is provided through local school districts for non-residential students. Transportation involves bussing all residential students home each weekend and returning them to school on Sunday afternoon.

Joint services for such administrative functions as accounting and human resources are provided to both schools through the use of a Board approved paying account permitting the pooling of funds from each agency based on a ratio of student population at each school. Legislation approved by the General Assembly provides for the use of the shared services arrangement. The primary source of funding for this appropriation is general revenue.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 line item maximum.

The agency Base Level request for appropriation and general revenue funding is \$10,583,092 for both years of the biennium.

The agency Change Level request for appropriation and general revenue funding is \$390,801 for both years of the biennium. Details are as follows:

- ASD requests the reclassification of two (2) positions totaling \$6,611 in Regular Salaries and Personal Services Matching for both FY2012 and FY2013. Reclassification of both positions is being requested due to the increased amount and differentiation of workloads, and are as follows:
 - Reclass of ASD/ASB Business Manager (C126) position to Agency Support Manager (C127)
 - Reclass of Personnel Manager (C121) to Agency Human Resources Manager (C123)
- For Operating Expenses, \$19,190 each year is requested to primarily support inflationary increases caused by high fuel prices. Current prices have caused drastic increases in utility costs to facilities and have increased travel reimbursement costs for staff that are required to travel the State providing services to the hearing impaired. This increase will restore the Operating Expenses line item to FY2011 authorized level.
- \$65,000 each year is requested to restore Capital Outlay to the FY2011 authorized amount to permit the replacement of equipment that is beyond repair, obsolete, or too expensive to maintain.

- \$200,000 each year is requested to restore Authorized Level for Special Maintenance in order to provide support for preventive maintenance on fifteen (15) campus buildings.
- \$100,000 increase each year to restore the Miscellaneous Activities line item to the FY2011 authorized level. This line covers such expenses as summer school, shift differential pay, and extra-curricular pay.

The Executive Recommendation provides for Base Level. In addition, the Executive Recommendation provides for Agency Request for appropriation in both years of the biennium for Operating Expenses, Capital Outlay, Special Maintenance, and Miscellaneous Activities. No reclassifications are recommended. Lastly, \$100,000 in additional general revenue is recommended for each year of the biennium.

Appropriation Summary

Appropriation: 056 - School for the Deaf-State Operations

Funding Sources: EVA - State Operations - School for the Deaf

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	5,166,558	5,844,154	6,028,822	5,814,859	5,820,253	5,814,859	5,814,859	5,820,253	5,814,859
#Positions		161	166	168	166	166	166	166	166	166
Extra Help	5010001	73,565	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
#Extra Help		24	44	51	51	51	51	51	51	51
Personal Services Matching	5010003	1,866,296	2,065,134	2,182,099	2,113,618	2,114,835	2,113,618	2,113,618	2,114,835	2,113,618
Overtime	5010006	6,006	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Operating Expenses	5020002	1,631,718	1,782,115	1,801,305	1,782,115	1,801,305	1,801,305	1,782,115	1,801,305	1,801,305
Conference & Travel Expenses	5050009	19,728	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	97,245	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	97,965	45,000	65,000	0	65,000	65,000	0	65,000	65,000
Special Maintenance	5120032	295,544	250,000	450,000	250,000	450,000	450,000	250,000	450,000	450,000
Vocational Workstudy	5900046	3,902	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
SCPI/ASL	5900047	240,819	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000
Miscellaneous Activities	5900048	114,297	100,000	200,000	100,000	200,000	200,000	100,000	200,000	200,000
Total		9,613,643	10,608,903	11,249,726	10,583,092	10,973,893	10,967,282	10,583,092	10,973,893	10,967,282
Funding Sources										
General Revenue	4000010	9,563,093	10,483,281		10,457,470	10,848,271	10,557,470	10,457,470	10,848,271	10,557,470
Daycare Lease Payments	4000183	0	22,060		22,060	22,060	22,060	22,060	22,060	22,060
DFA Motor Vehicle Acquisition	4000184	50,550	0		0	0	0	0	0	0
Inter-agency Fund Transfer	4000316	0	103,562		103,562	103,562	103,562	103,562	103,562	103,562
Total Funding		9,613,643	10,608,903		10,583,092	10,973,893	10,683,092	10,583,092	10,973,893	10,683,092
Excess Appropriation/(Funding)		0	0		0	0	284,190	0	0	284,190
Grand Total		9,613,643	10,608,903		10,583,092	10,973,893	10,967,282	10,583,092	10,973,893	10,967,282

Inter-agency transfer reflects receipt of fund transfer from the Arkansas School for the Blind (ASB) and represents ASB's share of costs associated with the legislatively authorized paying account provided for in Section 13 of Act 245 of 2010. Funding support for the paying account is calculated based on a ratio of student population for each school.

Change Level by Appropriation

Appropriation: 056 - School for the Deaf-State Operations
Funding Sources: EVA - State Operations - School for the Deaf

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	10,583,092	166	10,583,092	100.0	10,583,092	166	10,583,092	100.0
C01	Existing Program	384,190	0	10,967,282	103.6	384,190	0	10,967,282	103.6
C10	Reclass	6,611	0	10,973,893	103.7	6,611	0	10,973,893	103.7

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	10,583,092	166	10,583,092	100.0	10,583,092	166	10,583,092	100.0
C01	Existing Program	384,190	0	10,967,282	103.6	384,190	0	10,967,282	103.6
C10	Reclass	0	0	10,967,282	103.6	0	0	10,967,282	103.6

Justification

C01	Restoration of authority and funding is needed in Operating Expenses to help cover inflationary increases caused primarily by higher fuel costs, as well as general increases in the cost of necessary supplies and materials. Restoration of Capital Outlay to current authorized level is requested for each year of the biennium to purchase new and replacement items for equipment beyond repair, obsolete, or too expensive to maintain in areas such as food services, library holdings and maintenance. Restoration of authority and funding in Special maintenance is needed to help maintain a never ending battle of preventative maintenance and repairs on 20 buildings, one of which is eight years old, most of which were built in the 1970's and 1960's and three of which were built in 1931. Restoration of authority and funding are needed in miscellaneous activity to help cover the cost of summer school, shift differential pay, and extra curricular pay.
C10	Additional authority and funding is needed in Regular Salaries to cover cost of requested upgraded positions.

Analysis of Budget Request

Appropriation: 058 - School for the Deaf-Federal Operations

Funding Sources: FEB - Federal Operations - School for the Deaf

This appropriation represents the primary federal operations support for the Arkansas School for the Deaf (ASD). Essential funding for this appropriation is received from the State Department of Education Area Services, a Carl Perkins Vocational Grant from the Department of Workforce Education, and Chapter VI-B Pass-Through. Medicaid reimbursements are also received and are used to assist in providing for the administrative needs of the Agency.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The agency Base Level request for appropriation is \$821,004 for each year of the biennium.

The agency Change Level request for appropriation is \$129,500 for each year of the biennium to restore Capital Outlay to the FY2011 Authorized level. This will allow ASD authority to replace items that are beyond repair, obsolete, or too expensive to maintain.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 058 - School for the Deaf-Federal Operations
Funding Sources: FEB - Federal Operations - School for the Deaf

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	102,168	131,947	442,613	131,947	131,947	131,947	131,947	131,947	131,947
#Positions		4	5	8	5	5	5	5	5	5
Extra Help	5010001	19,567	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
#Extra Help		3	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	54,468	59,785	155,777	59,837	59,837	59,837	59,837	59,837	59,837
Operating Expenses	5020002	83,601	240,909	240,909	240,909	240,909	240,909	240,909	240,909	240,909
Conference & Travel Expenses	5050009	26,950	62,111	62,111	62,111	62,111	62,111	62,111	62,111	62,111
Professional Fees	5060010	38,854	286,200	286,200	286,200	286,200	286,200	286,200	286,200	286,200
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	7,007	129,500	129,500	0	129,500	129,500	0	129,500	129,500
Total		332,615	950,452	1,357,110	821,004	950,504	950,504	821,004	950,504	950,504
Funding Sources										
Federal Revenue	4000020	332,615	950,452		821,004	950,504	950,504	821,004	950,504	950,504
Total Funding		332,615	950,452		821,004	950,504	950,504	821,004	950,504	950,504
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		332,615	950,452		821,004	950,504	950,504	821,004	950,504	950,504

Change Level by Appropriation

Appropriation: 058 - School for the Deaf-Federal Operations
Funding Sources: FEB - Federal Operations - School for the Deaf

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	821,004	5	821,004	100.0	821,004	5	821,004	100.0
C01	Existing Program	129,500	0	950,504	115.8	129,500	0	950,504	115.8

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	821,004	5	821,004	100.0	821,004	5	821,004	100.0
C01	Existing Program	129,500	0	950,504	115.8	129,500	0	950,504	115.8

Justification

C01	Restoration of Capital Outlay to current authorized level is requested for each year of the biennium to purchase new and replace equipment that is beyond repair, obsolete, or too expensive to maintain.
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Analysis of Budget Request

Appropriation: A10 - School for the Deaf-Cash Operations

Funding Sources: 137 - Cash Operations - School for the Deaf

The Arkansas School for the Deaf (ASD) uses their cash appropriation to meet needs associated with the cafeteria as well as any other institutional services deemed necessary for the students. Cash funds are primarily received from USDA Breakfast and School Lunch reimbursements, interest on cash investments, and legacy donations.

The agency Base Level and total request for appropriation is \$442,136 each year of the biennium.

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

Appropriation Summary

Appropriation: A10 - School for the Deaf-Cash Operations

Funding Sources: 137 - Cash Operations - School for the Deaf

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	103,357	147,136	147,136	147,136	147,136	147,136	147,136	147,136	147,136
Conference & Travel Expenses	5050009	2,929	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees	5060010	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	7,051	75,000	75,000	0	0	0	0	0	0
Special Maintenance	5120032	0	145,000	145,000	220,000	220,000	220,000	220,000	220,000	220,000
Total		113,337	442,136	442,136	442,136	442,136	442,136	442,136	442,136	442,136
Funding Sources										
Fund Balance	4000005	316,823	309,138		309,138	309,138	309,138	312,002	312,002	312,002
Cash Fund	4000045	105,652	442,136		445,000	445,000	445,000	445,000	445,000	445,000
Total Funding		422,475	751,274		754,138	754,138	754,138	757,002	757,002	757,002
Excess Appropriation/(Funding)		(309,138)	(309,138)		(312,002)	(312,002)	(312,002)	(314,866)	(314,866)	(314,866)
Grand Total		113,337	442,136		442,136	442,136	442,136	442,136	442,136	442,136

SECRETARY OF STATE

Enabling Laws

Act 220 of 2010

Act 184 of 2010

Constitution of Arkansas, Article 6

History and Organization

The primary mission of the Office of the Secretary of State is to maintain official records of the State of Arkansas as authorized and required by State law. The Secretary of State's Office was established upon the adoption of the Constitution of the State of Arkansas September 7, 1874. The Office is a branch of the Executive Department as set forth in Article Six of the Constitution. The duties of the Secretary of State include:

- Legal custodian of the State Capitol Building, the Capitol grounds and all the furniture and fixtures therein and thereon belonging to the State (Section 22-3-202 of the Arkansas Code of 1998 annotated, Act 150 of 1917).
- Maintain a centralized filing system for secured transactions (Revised article 9 of the Uniform Commercial Code). Act 1439 of 2001 made the Secretary of State the sole filing officer. Act 942 of 2009 centralized all filings, including agricultural liens and farm related security interests (previously exempted).
- Registration of trademarks in Arkansas. (Act 81 of 1967).
- Recording of various filings of candidates in connection with primary, general and presidential elections as provided by Section 7-1-101 et seq., of the Arkansas codes of 1987 Annotated (Act 465 of 1969, as amended); certification of candidates for presidential, state and district positions, and constitutional amendments and issues to County Boards of Elections. Issuance of commissions to all elected officials.
- Distribution of individual copies of the official Acts of the General Assembly. (Act 81 of 1973)
- Collection of Corporate Franchise Tax, including the maintenance of the yearly tax reports. (Act 94 of 2003, 2nd Extraordinary Session).
- Accept annual non-profit corporation reports (Act 569 of 2007).
- Maintain registry of International Student Exchange Visitor Placement Organization which intend to place students in Arkansas Schools (Act 966 of 2009).

- Accept filing of financial disclosure statements by committees formed or individuals who work to either promote or defeat any statewide initiative, referendum or measure. (Act 261 of 1989)
- Annual registration of persons operating health spas. (Act 264 of 1989)
- Registration of athlete agents and administration of remedies for violations committed by athlete agents. (Act 544 of 1989)
- Registration of and reporting of expenditures by, lobbyists. (Act 719 of 1989)
- Filing of Federal tax liens and notices on corporations, trusts and estates. (Act 835 of 1989)
- Maintain a registry of all qualified community development corporations in the state. (Act 989 of 1993)
- Establish a signature imaging system in the Secretary of State's office. (Act 1285 of 1993)
- Administer the planning, development, implementation, training and maintenance of a computerized voter registration system. (Act 691 of 1995)

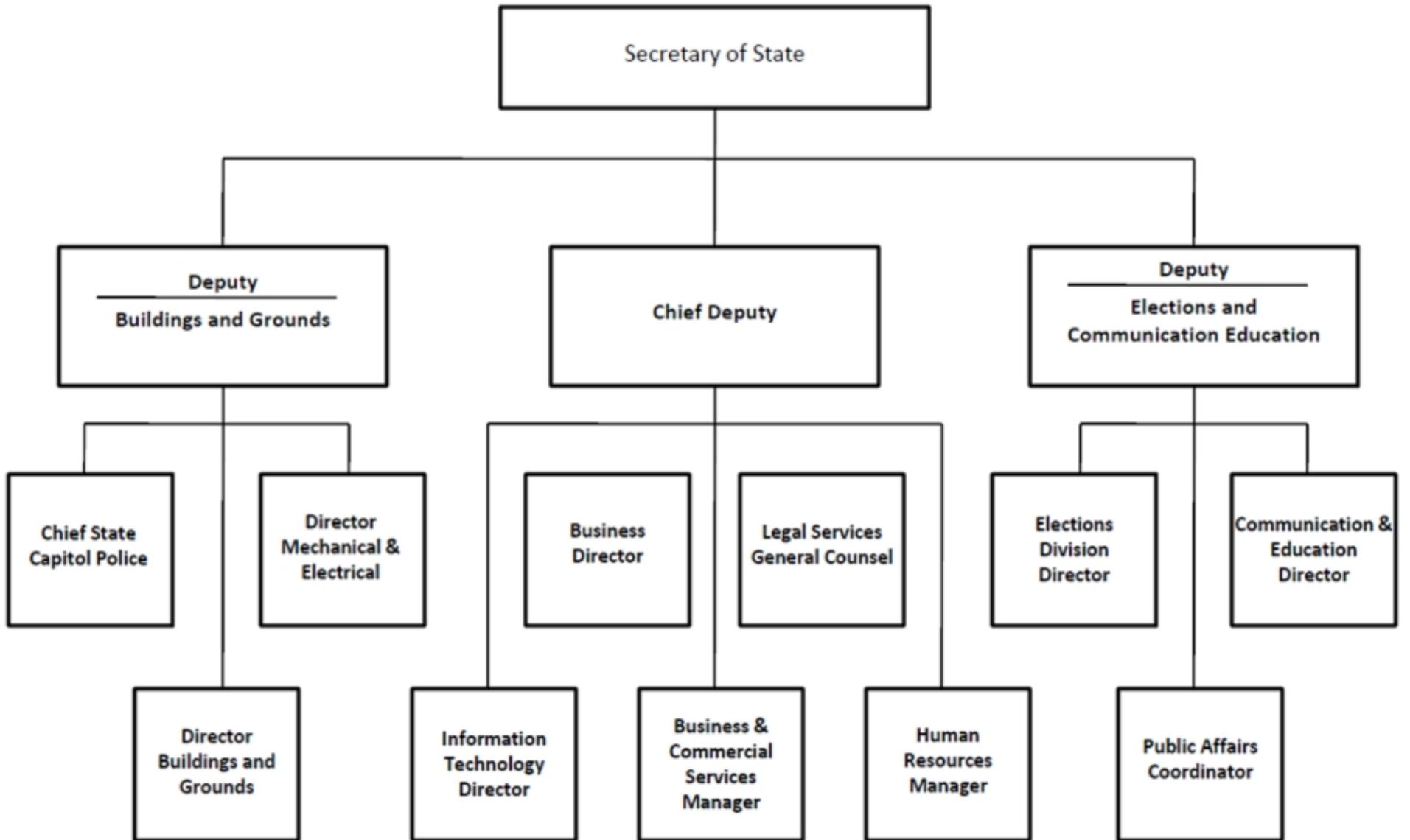
The Secretary of State is designated the Chief Election official of the State of Arkansas, responsible for the coordination of state responsibilities under the National Voter Registration Act of 1993, as required by Federal law. (Identical Acts 947 and 964 of 1995)

Implement Help America Vote Act -Act 2233 of 2005

Commission Notaries Public Act -Act 2274 of 2005 (amendment to earlier law)

Principal functions of the Office of Secretary of State are to:

- Maintain records of the official acts and proclamations of the Governor.
- Affix the Official Seal and attest commissions and other official acts made by the Governor.
- Record Acts of the General Assembly and certify copies thereof; Custodian of official records of the General Assembly, including journals, bills, resolutions and proposed Constitutional Amendments.
- Maintain initial filings, amendments, dissolution and annual reports of all domestic and foreign for-profit and non-profit corporations, limited liability companies, limited partnerships and other entities.
- Accept service of process on unregistered foreign entities and non-residents.
- Issue and record commissions of state, district and county officials, members of boards and commissions, notaries public and Justices of the Peace.
- Perform the duties of Chief Election Official as provided for by federal and state law.
- Maintain complete records of all cash receipts collected from authorized charges for fees and from the sale of legal volumes.
- Keep a complete record of all legal volumes and Acts of the Legislature disbursed by the Secretary of State, either by sales or by free issue as provided by law.
- Responsible for the maintenance and upkeep of the State Capitol Building and Grounds.



Agency Commentary

Appropriation 003 - Central Operations

Maintenance & Operations (5020002)

Agency is requesting an additional \$144,000 for the biennium. \$137,000 for the first year of the biennium and \$7,000 for the second year of the biennium.

Specific requests are shown below:

- \$50,000 first year of the biennium - Cost to license remaining SOS staff for Virtual Desktop
- \$ 7,000 each year of the biennium - Virtual Desktop Maintenance costs
- \$50,000 first year of the biennium - Upgrade current messaging system
- \$30,000 first year of the biennium - Licensing for Unified Communications Project

The Virtual Desktop project will provide future savings in hardware replacement. A desktop may be presented to most computer devices over a secure broadband connection. Equipment replacement costs would decrease. The secure connection is not blocked at most hotels or other connection areas. Software installation will take less time.

The Unified Communications Project is an upgrade to the current messaging system. Staff would be able to give out a single office number and have calls routed to their cell phones, home phones, office phones or voice mail. Live meetings could be set up using web-cams for projects similar to Web-Ex meetings.

The Agency also requests to reallocate \$108,570 each year from Data Processing to Operating Expenses due to the discontinued use of this commitment item.

Conference and Travel Expenses (5050009)

Agency is requesting a funding level equivalent to the FY2010-2011 biennium which was \$51,795 for each year of the biennium.

Professional Fees (5060010)

We are requesting an additional \$102,500 for the biennium; \$97,500 for the first year of the biennium and \$5,000 for the second year of the biennium. Specific requests are shown below:

- \$50,000 - Unified Communication Configuration and training
- \$15,000 - Wireless access setup
- \$ 5,000 - Server maintenance setup for each year of the biennium
- \$17,500 - Staff training, Virtual Desktop, Communications server
- \$10,000 - SANS Equipment setup

This request represents the training and set up fees for the above mentioned projects; the Unified Communications Project and the Virtual Desktop Project.

Ongoing professional fees cover language translation costs, quality assurance reviews, design fees for publications, construction of historical displays, special event costs, and video production projects.

Capital Outlay (5120011)

We are requesting a total of \$233,200 for the biennium; \$201,700 for the first year of the biennium, and \$31,500 for the second year of the biennium.

\$215,000 of this request will enable us to upgrade our Informational Technology Division by purchasing new software, servers, and security software packages, and replace existing equipment which has been damaged or excessively used.

\$18,200 of this request is to upgrade photography equipment which includes purchasing two MAC Pro12 processors necessary to accommodate technical upgrades in this field.

Shown below is an itemized listing of Capital Outlay needs:

- \$115,000 first year of the biennium - Equipment replacement, Expand Capitol Wireless project, Server Maintenance Project, SANS Expansion
- \$50,000 first year of the biennium - Additional Data Storage
- \$10,000 each year of the biennium - Stand alone servers
- \$15,000 each year of the biennium - Server Maintenance
- \$6,500 each year of the biennium - Mac Pro12 Processors for Photography
- \$5,200 first year of the biennium - Camera replacement

Mandatory Publications (5900034)

We are requesting a funding level equivalent to the FY2010-2011 biennium, which came to \$214,038 for each year of the biennium. Due to annual legislative sessions, The Acts of Arkansas are being printed each year.

Petition Verification (5900035)

We are requesting a funding level equivalent to the FY2010-2011 biennium, which totaled \$275,000 for each year of the biennium. However, we wish to increase the first year of the biennium by \$75,000 and decrease the second year of the biennium by \$75,000. These expenditures are seasonal in that they fluctuate during election years and costs vary with volume. They consist of hiring temporary workers to process petitions and contracting an outside CPA firm to audit the findings. These costs are also increasing. However, the level of funding at this time seems to be adequate.

Publish Legal Notices (5900036)

Agency is requesting a funding level equivalent to the FY2010-2011 biennium, which totaled \$550,000 for each year of the biennium. However, we wish to decrease the first year of the biennium by \$100,000 and increase the second year of the biennium by \$100,000. These expenditures are seasonal in that they fluctuate during election years. They consist of public announcements in the form of ads in most print media outlets statewide.

Records Management (5900037)

Agency is requesting a funding level equivalent to the FY2010-2011 biennium, which totaled \$933,977 for each year of the biennium. Funds are necessary in order to continue upgrading the UCC and Corporation areas of the Business/Commercial Services Division which will allow these Divisions to keep abreast of constant changes within the banking community regarding check imaging, lock box enhancements, and electronic file maintenance. Standard costs consist of ongoing software development and maintenance within the finance, personnel and Commercial Services Divisions, monthly banking fees associated with the lock box operation, and web fees associated with the web filing program.

Statewide Voter Registration System (5900046)

We are requesting a funding level equivalent to the FY2010-2011 biennium which was \$1,438,029 for each year of the biennium. These funds are necessary to continue the Voter Registration statewide network, and to maintain a secondary site for disaster recovery.

Flags (5900048)

Agency is requesting a funding level equivalent to the FY2010-2011 biennium which was \$181,250 for each year of the biennium. This appropriation provides United States and State of Arkansas flags to members of the General Assembly, Constitutional offices and the Governor during the biennium according to a distribution schedule authorized by ACA 1-4-104.

Appropriation 687 - Support Operations

Maintenance & Operations (5020002)

We are requesting a funding level equivalent to the FY2010-2011 biennium which was \$1,356,922 for each year of the biennium. Although utility costs for ongoing operations at the Capitol campus are expected to increase by 18% during the first year of the biennium and 13% during the second year of the biennium.

Conference and Travel Expenses (5050009)

Agency is requesting a funding level equivalent to the FY2010-2011 biennium which was \$13,856 for each year of the biennium. Although travel costs have steadily increased, we feel the current level of funding is adequate at this time.

Professional Fees (5060010)

We are requesting a funding level equivalent to the FY2010-2011 biennium which was \$138,000 for each year of the biennium. This budget line is used for continued contractual maintenance of the State Capitol building. An example of maintenance projects using Professional fees would be larger painting projects, flooring replacement or re-carpeting, and/or unexpected structural or equipment repairs.

Capitol Grounds Improvement (5090005)

Agency is requesting an increase of \$25,730 for the second year of the biennium for replacement of grounds maintenance equipment.

Capital Outlay (5120011)

Within the Capitol Building and Grounds program, we request a funding level of \$165,000 for the first year of the biennium and \$220,000 for the second year of the biennium. Specific requests include the following:

- \$165,000 for replacement of cooling towers during the first biennium
- \$220,000 for replacement of a facility freight elevator during the second year of the biennium

Special Maintenance (5120032)

Agency is requesting a funding level equivalent to the FY2010-2011 biennium which was \$488,048 for each year of the biennium. Ongoing costs consist of unexpected event repairs and maintenance, elevator and HVAC maintenance contracts, small painting projects, plumbing repairs and maintenance, electrical repair and maintenance, pest control, ground sprinkler system maintenance and vehicle fleet maintenance and upkeep.

Building Insurance (5900046)

We are requesting a funding level equivalent to the prior biennium which was \$223,278 for each year of the biennium. The purpose of this fund is to aid in the cost of insuring furniture and fixtures within the State Capitol building as well as the building itself, and other structures situated on State Capitol grounds. Premiums fluctuate with economic changes.

Other Appropriations

Appropriation 833 - Arkansas State Capitol Building & Grounds Restoration-Cash

Agency is requesting a funding level of \$25,000 equivalent to the prior biennium. The purpose of the fund is to aid in maintaining the structural integrity and beauty of the State Capitol buildings and grounds. Area 833 is dependent upon donations and, as such, the anticipated level of actual funding is unknown at this time. Expenditure appropriation is contingent upon available funding. State Treasury Money Management Program investment balances currently exist to fund this appropriation at this level.

Appropriation 2MJ - Capitol Grounds Monument and Memorial Preservation

We are requesting a funding level equivalent to the FY2010-2011 biennium of \$50,000 which was created by Act 1652 of 2001. This fund was established as a vehicle by which the office of Secretary of State can be assured of funding associated with the preservation and maintenance of memorials and monuments placed on the Capitol grounds which is funded solely by special event fees collected for use of the Capitol building and by a deposit of 10% of a new monument's total cost made at the time the new monument construction begins.

Appropriation 1NK - Help America Vote Act (HAVA) - Federal

We are requesting an appropriation at the estimated level of funding ending at FY11 of \$5,490,000. This is a continuation of HAVA Title II procurements (Act 1466 of 2003).

Appropriation 2EK - Election Assistance for the Disabled - Federal

We are requesting a continuation of this appropriation for \$135,225 each year of the biennium. This fund is in support of a Federal Grant award to the office of the Secretary of State for Election Assistance for Individuals with Disabilities (EAID). The purpose of this grant is to improve accessibility for individuals with disabilities at polling places. The purpose also includes training poll workers on how best to promote access and inform the general public about accessibility of polling places. This grant is 100% federally funded and we anticipate the fund to continue at this level.

Appropriation B97 - Parking Cash

We are requesting an appropriation at the estimated level of funding ending FY2011 of \$300,000, which reflects an increase of \$20,000 for each year of the biennium. Adequate cash and investment balances currently exist to fund this request.

Appropriation 378 - Fee and Tax Refund (Corporate Filing & Refunds)

We are requesting a continuation of this appropriation at the current base level of \$450,000 for each year of the biennium. The purpose of this appropriation is to provide a mechanism which allows the Agency to refund over-payments of various receipts processed by the Business/Commercial Services Division.

Appropriation 4JC - Fallen Firefighters Memorial Monument fund

Agency is requesting an increase of \$5,310 for each year of the biennium to reflect current fund balances. This fund was created by Act 28 of 2005 and receives funding from a one-dollar (\$1) fee collected from specialty license plates commemorating our fallen firefighters and from other means as allowed by law. Construction is expected to begin during the first year of the biennium. The fund will then be utilized to prepare the initial site for visitors to the memorial and/or for ongoing maintenance of the memorial site.

Appropriation 81W - Help America Vote Act (HAVA) Matching Funds

We are requesting a continuation of this appropriation at the current level of funding. The purpose of this appropriation is to satisfy state matching requirements of the HAVA Federal program in order to continue receiving annual allotments. Adequate balances exist to fund this appropriation.

Appropriation 85G - Reapportionment

Personnel (5010000)

Agency is requesting \$63,000 in additional funding for one (1) position in the first year of the biennium. The primary duties of this position will be to fulfill the needs of Reapportionment office responsibilities in accordance with Article 8 of the Arkansas State Constitution. By using data collected from the most recent Federal Census, this employee will work with the Governor, Attorney General and Secretary of State to revise the state's electoral districts. The process of redistricting is challenging. As such, the addition of this position is necessary to ensure the revision is portrayed fairly and accurately. The Reapportionment project is scheduled to be phased out by the end of the first year of the biennium.

We are requesting the following funding for state constitutional mandated redistricting costs:

	<u>2012</u>
Regular Salaries (00)	\$ 63,000
Extra Help (01)	\$ 7,500
Personal Services Matching (03)	\$ 18,170
Operating Expenses (02)	\$317,873
Professional Fees (10)	<u>\$177,000</u>
Biennium Total	\$583,543

Salaries consist of one position. Annual salary cost is as follows:

	<u>2012</u>
Program Coordinator	\$ 80,571

Shown below is a breakdown of Operating expenses:

	<u>2012</u>
Facility Rental -	\$ 40,073
Equipment Rental -	\$ 1,300
Supplies -	\$ 20,000
Travel	\$ 54,000
Printing -	\$152,500
Advertising -	\$ 14,000
Software Maintenance services -	<u>\$ 36,000</u>
Biennium Total	\$317,873

Professional fees cover court reporting fees and other legal costs.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
SECRETARY OF STATE
FOR THE YEAR ENDED JUNE 30, 2009

Findings

None

Recommendations

None

Employment Summary

	Male	Female	Total	%
White Employees	62	52	114	74 %
Black Employees	13	23	36	23 %
Other Racial Minorities	3	1	4	3 %
	Total Minorities		40	26 %
	Total Employees		154	100 %

Cash Fund Balance Description as of June 30, 2010

Fund Account	Balance	Type	Location
1350300	\$213,299	Investments TMMP	State Treasury

Statutory/Other Restrictions on use:

A.C.A. §22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. §22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Revenue Receipts Cycle:

Fees and fines are collected throughout the year. Interest on the balance is earned.

Fund Balance Utilization:

Funds are used to properly regulate and control the flow of traffic on the State Capitol grounds and to provide parking facilities for use by the public.

Fund Account	Balance	Type	Location
1350300	\$103,821	Checking	Regions Bank

Statutory/Other Restrictions on use:

A.C.A. §22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. §22-3-401 et seq. authorizes the Secretary of State to collect parking fees and fines.

Revenue Receipts Cycle:

Fees and fines are collected throughout the year. Interest on the balance is earned.

Fund Balance Utilization:

Funds are used to properly regulate and control the flow of traffic on the State Capitol grounds and to provide parking facilities for use by the public.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Acts of Arkansas	A.C.A. §25-18-206, A.C.A. §25-18-225	N	N	500	Required by law. Provides needed references for State Officials.
Arkansas Register	A.C.A. §25-15-205 (Act 1478 of 2003)	N	N	2,600	Required by law.
Election Laws of Arkansas & State Constitution	A.C.A. §25-18-225	N	N	1,400	Required by law.
Historical Report	ACA 25-18-223	N	Y	8,000	Required by law every 10 years
Voices of Arkansas	Amendment 51 Section 8	N	N	2,500	Required by law to report on the NVRA statistics.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
003 Secretary of State Operations	10,166,666	93	11,754,171	94	11,712,443	94	11,584,712	94	11,995,912	94	0	0	11,584,712	94	11,653,212	94	0	0
1NK HAVA Title 2	231,394	0	4,780,000	0	4,780,000	0	4,780,000	0	5,490,000	0	0	0	4,780,000	0	5,490,000	0	0	0
2EK Election Assist for the Disabled	63,989	0	135,225	0	135,225	0	135,225	0	135,225	0	0	0	135,225	0	135,225	0	0	0
2MJ Cap Grnds Monument Perserv	0	0	50,000	0	50,000	0	50,000	0	50,000	0	0	0	50,000	0	50,000	0	0	0
378 Corporate Filing & Refund	377,628	0	450,000	0	450,000	0	450,000	0	450,000	0	0	0	450,000	0	450,000	0	0	0
4JC Firefighters' Memorial Monument	0	0	32,050	0	32,050	0	32,050	0	37,360	0	0	0	32,050	0	37,360	0	0	0
687 SOS-Support Operations	5,566,899	68	6,507,015	68	6,484,939	68	6,248,967	68	6,413,967	68	0	0	6,248,967	68	6,494,697	68	0	0
81W HAVA St Match-Cash	5,925	0	700,000	0	0	0	0	0	700,000	0	0	0	0	0	700,000	0	0	0
833 Treasury Cash	0	0	25,000	0	25,000	0	25,000	0	25,000	0	0	0	25,000	0	25,000	0	0	0
85G Reapportionment	0	0	0	0	0	0	0	0	583,543	1	0	0	0	0	0	0	0	0
B97 Parking/Cash	30,474	0	280,000	0	280,000	0	280,000	0	300,000	0	0	0	280,000	0	300,000	0	0	0
Total	16,442,975	161	24,713,461	162	23,949,657	162	23,585,954	162	26,181,007	163	0	0	23,585,954	162	25,335,494	162	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	360,933	2.1	1,028,842	4.1	97,570	0.4	97,570	0.4	0	0.0	17,535	0.1	12,225	0.0	0	0.0	
Federal Revenue	4000020	295,383	1.7	4,915,225	19.8	4,915,225	20.8	5,625,225	22.1	0	0.0	4,915,225	20.8	5,625,225	22.8	0	0.0	
Special Revenue	4000030	7,655	0.0	19,827	0.1	25,135	0.1	25,135	0.1	0	0.0	25,135	0.1	25,135	0.1	0	0.0	
State Central Services	4000035	15,733,565	90.1	18,261,186	73.6	17,833,679	75.6	18,993,422	74.5	0	0.0	17,833,679	75.6	18,147,909	73.7	0	0.0	
Non-Revenue Receipts	4000040	377,628	2.2	450,000	1.8	450,000	1.9	450,000	1.8	0	0.0	450,000	1.9	450,000	1.8	0	0.0	
Cash Fund	4000045	683,641	3.9	39,109	0.2	231,880	1.0	251,880	1.0	0	0.0	305,000	1.3	325,000	1.3	0	0.0	
Trust Fund	4000050	0	0.0	50,000	0.2	50,000	0.2	50,000	0.2	0	0.0	50,000	0.2	50,000	0.2	0	0.0	
Interest	4000300	13,012	0.1	46,842	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Total Funds		17,471,817	100.0	24,811,031	100.0	23,603,489	100.0	25,493,232	100.0	0	0.0	23,596,574	100.0	24,635,494	100.0	0	0.0	
Excess Appropriation/(Funding)		(1,028,842)		(97,570)		(17,535)		687,775		0		(10,620)		700,000		0		
Grand Total		16,442,975		24,713,461		23,585,954		26,181,007		0		23,585,954		25,335,494		0		

No Executive Recommendation made on these appropriations.

FY11 Budget exceeds the Authorized Amount in Secretary of State Operations (003) and SOS-Support Operations (687) due to matching rate adjustments during the 2009-2011 biennium.

Variance in fund balance due to unfunded appropriation.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
160	155	5	160	0	3.13 %	162	156	6	162	0	3.70 %	162	154	8	162	0	4.94 %

Appropriation Summary

Appropriation: 003 - Secretary of State Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	4,279,457	4,725,727	4,725,727	4,725,727	4,725,727	0	4,725,727	4,725,727	0
#Positions		93	94	94	94	94	0	94	94	0
Extra Help	5010001	72,686	87,606	87,606	87,606	87,606	0	87,606	87,606	0
#Extra Help		24	25	25	25	25	0	25	25	0
Personal Services Matching	5010003	1,213,147	1,414,411	1,372,683	1,415,860	1,415,860	0	1,415,860	1,415,860	0
Overtime	5010006	0	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Operating Expenses	5020002	1,408,354	1,529,904	1,529,904	1,529,904	1,775,474	0	1,529,904	1,645,474	0
Conference & Travel Expenses	5050009	49,693	51,795	51,795	51,795	51,795	0	51,795	51,795	0
Professional Fees	5060010	57,115	62,956	62,956	62,956	160,456	0	62,956	67,956	0
Data Processing	5090012	100,414	108,570	108,570	108,570	0	0	108,570	0	0
Capital Outlay	5120011	115,557	170,908	170,908	0	201,700	0	0	31,500	0
Mandatory Publications	5900034	34,407	214,038	214,038	214,038	214,038	0	214,038	214,038	0
Petition Verification	5900035	214,749	275,000	275,000	275,000	350,000	0	275,000	200,000	0
Publish Legal Notices	5900036	316,477	550,000	550,000	550,000	450,000	0	550,000	650,000	0
Records Management	5900037	903,498	933,977	933,977	933,977	933,977	0	933,977	933,977	0
Statewide Voter Reg System	5900046	1,385,443	1,438,029	1,438,029	1,438,029	1,438,029	0	1,438,029	1,438,029	0
Flags	5900048	15,669	181,250	181,250	181,250	181,250	0	181,250	181,250	0
Total		10,166,666	11,754,171	11,712,443	11,584,712	11,995,912	0	11,584,712	11,653,212	0
Funding Sources										
State Central Services	4000035	10,166,666	11,754,171		11,584,712	11,995,912	0	11,584,712	11,653,212	0
Total Funding		10,166,666	11,754,171		11,584,712	11,995,912	0	11,584,712	11,653,212	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		10,166,666	11,754,171		11,584,712	11,995,912	0	11,584,712	11,653,212	0

No Executive Recommendation made on this appropriation.

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 003 - Secretary of State Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	11,584,712	94	11,584,712	100.0	11,584,712	94	11,584,712	100.0
C01	Existing Program	749,177	0	12,333,889	106.5	390,988	0	11,975,700	103.4
C03	Discontinue Program	(312,977)	0	12,020,912	103.8	(347,488)	0	11,628,212	100.4
C04	Reallocation	(25,000)	0	11,995,912	103.5	25,000	0	11,653,212	100.6

Appropriation Summary

Appropriation: 1NK - HAVA Title 2

Funding Sources: FSS - HAVA Title II - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	231,394	4,780,000	4,780,000	4,780,000	5,490,000	0	4,780,000	5,490,000	0
Total	231,394	4,780,000	4,780,000	4,780,000	5,490,000	0	4,780,000	5,490,000	0
Funding Sources									
Federal Revenue 4000020	231,394	4,780,000		4,780,000	5,490,000	0	4,780,000	5,490,000	0
Total Funding	231,394	4,780,000		4,780,000	5,490,000	0	4,780,000	5,490,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	231,394	4,780,000		4,780,000	5,490,000	0	4,780,000	5,490,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 1NK - HAVA Title 2
Funding Sources: FSS - HAVA Title II - Federal

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	4,780,000	0	4,780,000	100.0	4,780,000	0	4,780,000	100.0
C01	Existing Program	710,000	0	5,490,000	114.9	710,000	0	5,490,000	114.9

Appropriation Summary

Appropriation: 2EK - Election Assist for the Disabled

Funding Sources: FSS - Election Assistance for Disabled - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	63,989	135,225	135,225	135,225	135,225	0	135,225	135,225	0
Total	63,989	135,225	135,225	135,225	135,225	0	135,225	135,225	0
Funding Sources									
Federal Revenue 4000020	63,989	135,225		135,225	135,225	0	135,225	135,225	0
Total Funding	63,989	135,225		135,225	135,225	0	135,225	135,225	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	63,989	135,225		135,225	135,225	0	135,225	135,225	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 2MJ - Cap Grnds Monument Perserv

Funding Sources: TCG - Capitol Grounds Monument/Memorial Fund - Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Construction 5090005	0	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Total	0	50,000	50,000	50,000	50,000	0	50,000	50,000	0
Funding Sources									
Trust Fund 4000050	0	50,000		50,000	50,000	0	50,000	50,000	0
Total Funding	0	50,000		50,000	50,000	0	50,000	50,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	50,000		50,000	50,000	0	50,000	50,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 378 - Corporate Filing & Refund

Funding Sources: MTA - Miscellaneous Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	377,628	450,000	450,000	450,000	450,000	0	450,000	450,000	0
Total	377,628	450,000	450,000	450,000	450,000	0	450,000	450,000	0
Funding Sources									
Non-Revenue Receipts 4000040	377,628	450,000		450,000	450,000	0	450,000	450,000	0
Total Funding	377,628	450,000		450,000	450,000	0	450,000	450,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	377,628	450,000		450,000	450,000	0	450,000	450,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 4JC - Firefighters' Memorial Monument

Funding Sources: SFF- Fallen Firefighter's Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Construction 5090005	0	32,050	32,050	32,050	37,360	0	32,050	37,360	0
Total	0	32,050	32,050	32,050	37,360	0	32,050	37,360	0
Funding Sources									
Fund Balance 4000005	29,018	36,673		24,450	24,450	0	17,535	12,225	0
Special Revenue 4000030	7,655	19,827		25,135	25,135	0	25,135	25,135	0
Total Funding	36,673	56,500		49,585	49,585	0	42,670	37,360	0
Excess Appropriation/(Funding)	(36,673)	(24,450)		(17,535)	(12,225)	0	(10,620)	0	0
Grand Total	0	32,050		32,050	37,360	0	32,050	37,360	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 4JC - Firefighters' Memorial Monument
Funding Sources: SFF- Fallen Firefighter's Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	32,050	0	32,050	100.0	32,050	0	32,050	100.0
C01	Existing Program	5,310	0	37,360	116.6	5,310	0	37,360	116.6

Appropriation Summary

Appropriation: 687 - SOS-Support Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,720,368	2,936,860	2,936,860	2,936,860	2,936,860	0	2,936,860	2,936,860	0
#Positions		68	68	68	68	68	0	68	68	0
Extra Help	5010001	8,327	9,000	9,000	9,000	9,000	0	9,000	9,000	0
#Extra Help		2	5	5	5	5	0	5	5	0
Personal Services Matching	5010003	818,512	923,657	901,581	924,549	924,549	0	924,549	924,549	0
Overtime	5010006	326	23,000	23,000	23,000	23,000	0	23,000	23,000	0
Operating Expenses	5020002	1,174,845	1,356,922	1,356,922	1,356,922	1,356,922	0	1,356,922	1,356,922	0
Conference & Travel Expenses	5050009	395	13,856	13,856	13,856	13,856	0	13,856	13,856	0
Professional Fees	5060010	70,525	138,000	138,000	138,000	138,000	0	138,000	138,000	0
Capitol Grounds Improvement	5090005	88,813	135,454	135,454	135,454	135,454	0	135,454	161,184	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	210,844	258,940	258,940	0	165,000	0	0	220,000	0
Special Maintenance	5120032	376,866	488,048	488,048	488,048	488,048	0	488,048	488,048	0
Building Insurance	5900046	97,078	223,278	223,278	223,278	223,278	0	223,278	223,278	0
Total		5,566,899	6,507,015	6,484,939	6,248,967	6,413,967	0	6,248,967	6,494,697	0
Funding Sources										
State Central Services	4000035	5,566,899	6,507,015		6,248,967	6,413,967	0	6,248,967	6,494,697	0
Total Funding		5,566,899	6,507,015		6,248,967	6,413,967	0	6,248,967	6,494,697	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		5,566,899	6,507,015		6,248,967	6,413,967	0	6,248,967	6,494,697	0

No Executive Recommendation made on this appropriation.

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 687 - SOS-Support Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	6,248,967	68	6,248,967	100.0	6,248,967	68	6,248,967	100.0
C01	Existing Program	318,578	0	6,567,545	105.1	399,308	0	6,648,275	106.4
C03	Discontinue Program	(153,578)	0	6,413,967	102.6	(153,578)	0	6,494,697	103.9

Appropriation Summary

Appropriation: 81W - HAVA St Match-Cash

Funding Sources: NSS - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
HAVA State Match	5900046	5,925	700,000	0	0	700,000	0	0	700,000	0
Total		5,925	700,000	0	0	700,000	0	0	700,000	0
Funding Sources										
Fund Balance	4000005	0	653,158		0	0	0	0	0	0
Cash Fund	4000045	646,071	0		0	0	0	0	0	0
Interest	4000300	13,012	46,842		0	0	0	0	0	0
Total Funding		659,083	700,000		0	0	0	0	0	0
Excess Appropriation/(Funding)		(653,158)	0		0	700,000	0	0	700,000	0
Grand Total		5,925	700,000		0	700,000	0	0	700,000	0

No Executive Recommendation made on this appropriation.

FY11 Budget exceeds Authorized Appropriation in HAVA State Match due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 81W - HAVA St Match-Cash
Funding Sources: NSS - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	700,000	0	700,000	100.0	700,000	0	700,000	100.0

Appropriation Summary

Appropriation: 833 - Treasury Cash

Funding Sources: NSS - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Funding Sources										
Fund Balance	4000005	21,762	21,891		0	0	0	0	0	0
Cash Fund	4000045	129	3,109		25,000	25,000	0	25,000	25,000	0
Total Funding		21,891	25,000		25,000	25,000	0	25,000	25,000	0
Excess Appropriation/(Funding)		(21,891)	0		0	0	0	0	0	0
Grand Total		0	25,000		25,000	25,000	0	25,000	25,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: 85G - Reapportionment

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	0	0	63,000	0	0	0	0
#Positions	0	0	0	0	1	0	0	0	0
Extra Help 5010001	0	0	0	0	7,500	0	0	0	0
#Extra Help	0	0	0	0	1	0	0	0	0
Personal Services Matching 5010003	0	0	0	0	18,170	0	0	0	0
Operating Expenses 5020002	0	0	0	0	317,873	0	0	0	0
Professional Fees 5060010	0	0	0	0	177,000	0	0	0	0
Total	0	0	0	0	583,543	0	0	0	0
Funding Sources									
State Central Services 4000035	0	0		0	583,543	0	0	0	0
Total Funding	0	0		0	583,543	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	583,543	0	0	0	0

Change Level by Appropriation

Appropriation: 85G - Reapportionment

Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
C01	Existing Program	583,543	1	583,543	100.0	0	0	0	0.0

Appropriation Summary

Appropriation: B97 - Parking/Cash

Funding Sources: 135 - Parking Lot - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Various expenses	5900046	30,474	280,000	280,000	280,000	300,000	0	280,000	300,000	0
Total		30,474	280,000	280,000	280,000	300,000	0	280,000	300,000	0
Funding Sources										
Fund Balance	4000005	310,153	317,120		73,120	73,120	0	0	0	0
Cash Fund	4000045	37,441	36,000		206,880	226,880	0	280,000	300,000	0
Total Funding		347,594	353,120		280,000	300,000	0	280,000	300,000	0
Excess Appropriation/(Funding)		(317,120)	(73,120)		0	0	0	0	0	0
Grand Total		30,474	280,000		280,000	300,000	0	280,000	300,000	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: B97 - Parking/Cash

Funding Sources: 135 - Parking Lot - Cash

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	280,000	0	280,000	100.0	280,000	0	280,000	100.0
C01	Existing Program	20,000	0	300,000	107.1	20,000	0	300,000	107.1

ARKANSAS STATE LIBRARY

Enabling Laws

Act 244 of 2010
A.C.A. §13-2-203 et seq.

History and Organization

AGENCY MISSION STATEMENT

The mission of the Arkansas State Library is to serve as the information resource center for state agencies, legislators and legislative staffs; to provide guidance and support for the development of local public libraries and library services; and to provide the resources, services, and leadership necessary to meet the educational, informational, and cultural needs of the citizens of Arkansas. The agency administers state and federal funds appropriated for libraries and library development, including State Aid To Public Libraries funds and federal Library Services and Technology Act (LSTA) funds (formerly Library Services and Construction Act).

The goals of the State Library are to develop access to libraries and information resources; provide library and information resources and services to state government, as well as to other citizens statewide; promote the development, use, and support of public libraries and information resources; foster the recruitment, training, and education of library personnel; and provide effective administration and leadership needed to improve public libraries and library services.

ENABLING LAWS

A. Enabling Legislation

Act 139 of 1935 created the Arkansas Library Commission which guided public library development in Arkansas until 1979. Act 489 of 1979 abolished the former Commission and established the Arkansas State Library with expanded duties and responsibilities. Act 489 of 1979 transferred to the Arkansas State Library and the State Library Board all powers, functions, and duties of the former Arkansas Library Commission. The State Library was created as a division of the Department of Education with the status of a Type One Agency with its own board. The library is directed by a State Librarian appointed by the State Library Board.

B. Statutory Responsibility and Primary Activities

Act 489 of 1979 provides that within the limitations of funds, facilities, and resources, the Arkansas State Library shall 1) acquire books and other library materials for reference and research use; 2) establish and maintain a collection of books and library materials pertaining to Arkansas, its people, resources, and history; 3) assist communities, institutions, agencies and groups with library services as needed; 4) direct the development of public library systems, devise and implement a certification plan for public librarians, and assist in the design and building of public library facilities; 5) hold library institutes, training, etc., and encourage the recruitment and training of library personnel; 6) cooperate with the Department of Education and the Department of Higher Education in the development of school and academic libraries; 7) receive gifts of library materials, money, and property for purposes of the Act; 8) serve as the official state library agency to administer state and federal programs of aid to libraries and undertake other activities and services that will further statewide library systems to provide efficient, effective library service for all Arkansans; 9) cooperate with the officers and agencies of state government to assure maximum utilization of library services and programs; 10) operate and maintain a collection of multi-media materials to complement book collections; 11) provide specialized services to the physically handicapped, including the blind and the institutionalized; 12) act as a regional depository for federal documents and serve as the official depository and clearinghouse for state and local documents.

HISTORY AND ORGANIZATION

The STATE LIBRARY is organized with a seven-member board appointed by the Governor, an Agency Director who serves as State Librarian and Executive Secretary to the board, and three operational program areas: administration, information resources, and library services and development.

The STATE LIBRARY BOARD establishes policies which guide the State Library in fulfilling its mission and represents the State in local, state, regional, and national library issues. The Board has seven members appointed by the governor for seven-year terms, one appointed annually. The Board establishes policies to be followed by the staff of the Arkansas State Library as the Agency carries out its mission to provide, develop, and improve library services in Arkansas.

The STATE LIBRARIAN serves as the chief executive officer of the Agency and has responsibility for overall planning and development for improved statewide library services, for directing the programs of a multi-faceted "Library for Libraries," and for communicating the need for adequate support for library programs and activities to meet the reading, information, and knowledge needs of Arkansas citizens.

Grants and Research Services oversees the daily administration of the federal Library Services and Technology Act (LSTA) program, assists with program development for the utilization of other federal grant funds, and provides the analysis and reports of data to meet federal library program administration needs.

Information Dissemination Services develops and maintains a statewide information dissemination program, including coordination of agency publications, assistance to public libraries with information dissemination activities, and the provision of graphics, photography, duplication, and word processing services for the agency.

ADMINISTRATION is responsible for in-house administrative functions of the Agency, including disbursement of the Agency's state and federal funds, the selection and purchase of equipment and supplies, personnel administration, staff development, mail and building maintenance.

Fiscal Services provides accounting, budget monitoring, and payroll services for the Agency, including statutory and in-house reporting for these services.

Internal Services provides purchasing and personnel services, incoming and outgoing mail distribution, and custodial services for the agency.

INFORMATION RESOURCES is responsible for providing professional library technical assistance and services for the Arkansas State Library and other state and public libraries.

Collection Development Services is responsible for the development and balance of the Arkansas State Library materials collections and for promotion of a statewide collection development plan.

Cataloging Services provides access to library materials through the organization, bibliographic process, and preparation of library materials according to national standards.

Documents Services is responsible for the organization and maintenance of the depository and Publications Clearinghouse for local and state documents and the regional depository for federal documents.

LIBRARY SERVICES AND DEVELOPMENT is responsible for the provision of library service to citizens, libraries, and state government through the resources, personnel, and services of the Arkansas State Library and through local, state, interstate, national, and international library networks; for backup reference and interlibrary loan services to support Arkansas library needs for materials and services unavailable in local communities; and for library development within the state.

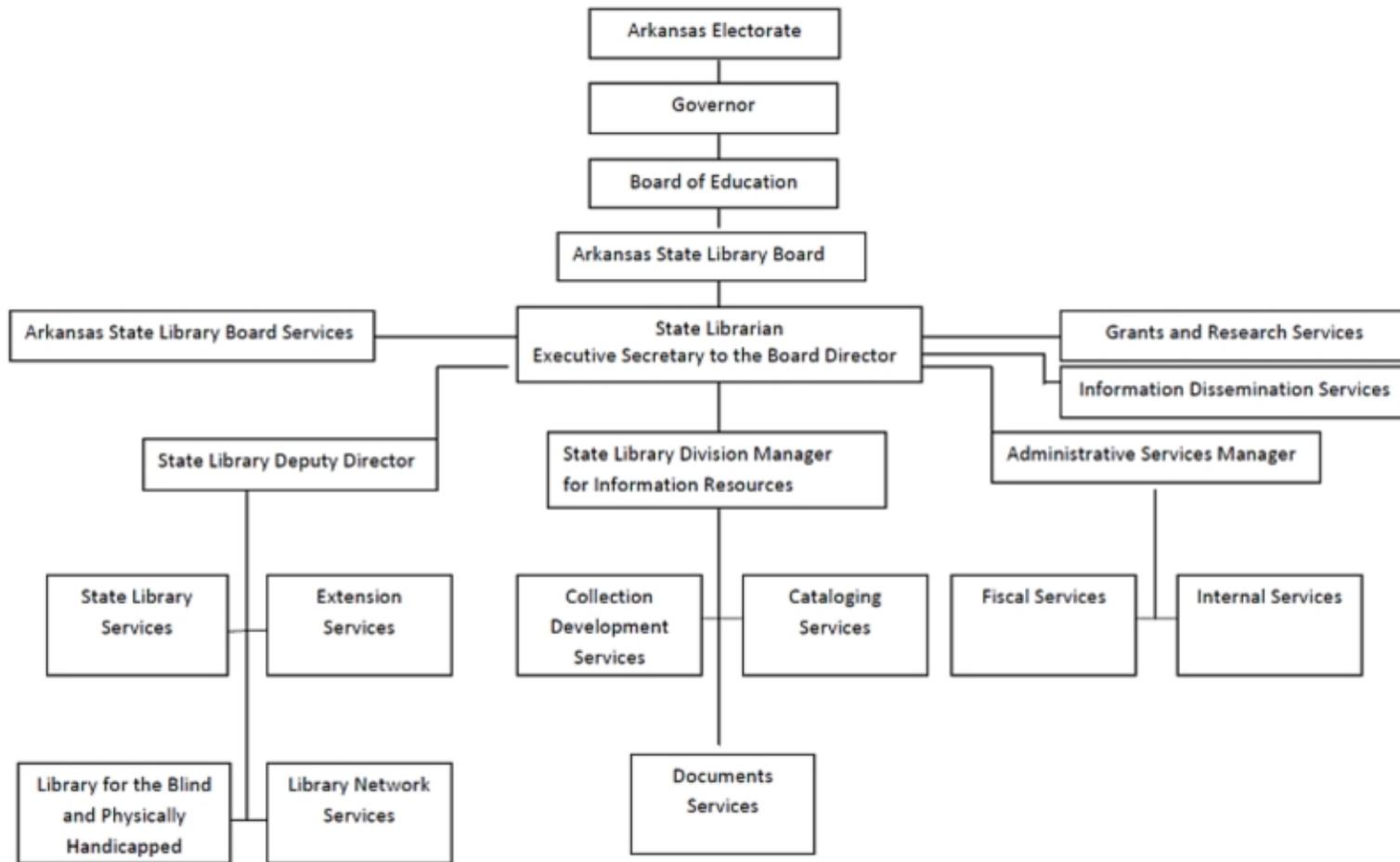
State Library Services is responsible for library services to state government and libraries which use the resources of the State Library and for operation of the Arkansas Reference and Interlibrary Loan Network. Program units include reference and circulation/interlibrary loan.

Extension Services provides leadership and direction in the development of public library services and statewide coordination of public library programs. Consultant services are provided to assist public library trustees and staff in planning, policy making, and library governance and

financial matters, and in coordination of services to specialized groups. Program units within this section include program advisors and consultants for the institutionalized.

The Library Services for the Blind and Physically Handicapped section provides special materials and services in cooperation with the Library of Congress to meet the needs of visually impaired and handicapped clients.

Library Network Services assists with the development and coordination of library networks in Arkansas, including the promotion of interlibrary cooperative resource sharing programs, and with continuing education programs for library personnel.



Agency Commentary

APPROPRIATION 054 - STATE

The Arkansas State Library relocated from #1 Capitol Mall to 900 West Capitol Avenue in 2010. Due to the \$200,000 increase in rent resulting from the move, the Library's rent now totals 85% of the total state base level operating budget for the FY12-13 Biennial. The FY11 authorized appropriation included this \$200,000 increase in rent, but the base level was set from the initial budget cut in FY10, before the rent appropriation was increased. Because over 85% of the library's operations are comprised of fixed costs associated with the rent and other necessary bills, the reduction of general revenue funding had to be absorbed by the Books and Subscriptions appropriation. This resulted in a reduction of the Books and Subscriptions budget by 80%. The Arkansas State Library requests this to be restored back to the authorized level to allow the State Library to renew its subscriptions and book purchases which provide specialized resources, reference collections, and other state documents to state agencies, public libraries and Arkansas citizens.

There are also small change levels totaling \$76,434 in our operating budget. Reductions in these line items were necessary as a result of the combination of budget cuts and increased rent. Additionally, a \$2,240 increase in Conference Fees and Travel is requested to allow representatives from the State Library to attend national conferences representing Arkansas' interests in literacy and library development.

The State Library's maintenance of effort will be adversely affected without these increases. If the maintenance of effort is reduced, then this will cause a decrease in the amount of federal funds the State Library is eligible to receive.

APPROPRIATION 055 - FEDERAL

The Arkansas State Library administers the Library Services and Technology Act (LSTA) program in Arkansas. Purposes of LSTA, P.L. 104-208, as amended, are 1) to consolidate federal library service programs; 2) to stimulate excellence and promote access to learning and information resources in all types of libraries for individuals of all ages; 3) to promote library services that provide all users access to information through state, regional, national, and international electronic networks; 4) to provide linkages among and between libraries; and 5) to promote targeted library services to people of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to people with limited functional literacy or information skills.

In order to qualify for these federal funds, the State Library is required to submit and have approved a five-year plan for library services. In addition, the agency must meet matching and maintenance-of-effort requirements. It should be noted that Congress annually appropriates funds for this Act, but there is never any way to predict the level of funding. Federal appropriation has typically ranged between one and a half million dollars and two million dollars for each year of the biennium.

We are requesting a \$25,000 reallocation from conference and travel into the professional fees line item. This will allow the library to award honorariums to bring in various authors to speak throughout the state.

Capital Outlay appropriation is requested in order to replace two (2) microfiche machines, one in each year. The current machines are over 15 years old. Additionally, the appropriation will be utilized to purchase hardbound books for the institutions and the collection housed within the library.

In furthering the mission to provide library services to the blind and physically handicapped citizens of the state of Arkansas, the library requests to change a Library Technical Assistant (C105) position to a Library Support Assistant (C107). This change is centered on the core responsibilities of this position and the heightened workload of this division with the increase of patrons and the conversion of the collection to digital books from cassettes. No additional appropriation is needed for this classification change.

APPROPRIATION 083 - AID TO PUBLIC LIBRARIES

Since 1937, the Arkansas Legislature has regularly appropriated funds for Aid to Public Libraries. These funds augment meager local resources of public libraries which have expenditures per capita among the lowest in the United States. The purpose of Aid to Public Libraries is to encourage local library support, promote resource sharing, improve library resources, and provide library service for the blind.

Use of Arkansas's public libraries has increased throughout the recession. These local libraries are an invaluable resource for all. They provide basic services such as materials collections, licensed databases, reference services, programs along with access to essential electronic research materials to support education and economic development.

The increase of \$27,857 is a restoration of state aid to public libraries to the FY11 appropriated level.

APPROPRIATION 858 - STATE LIBRARY REVOLVING FUND

The Arkansas State Library Revolving Fund is used to receive and disburse payment for lost books, interlibrary loan charges assessed by other libraries, and to deposit funds from agency coin-operated copy machines. The cash flow from these activities is usually small, but is growing. Continuation of the base level for both years of the biennium is requested.

APPROPRIATION 1XV - GRANTS ADMINISTRATION

The Arkansas State Library receives grants from various sources throughout the year. This appropriation is a combination of grant programs including a grant from the Department of Education for our Traveler Database program. These databases are offered free to the academic,

public, special and school libraries across the state. The Arkansas Department of Education provides additional funding each year to supplement the cost of the databases used by the schools. Currently, the State Library is participating in a Bill and Melinda Gates Foundation Grant to promote broadband connectivity and technical support for rural libraries.

The Arkansas Center for the Book program coordinator actively seeks additional funds through various grant opportunities, including the Library of Congress to encourage the study of books and book culture by publicizing and promoting Arkansas’s rich literary heritage through stimulating public interest in books, reading, libraries, and bookstores.

The reallocation of various small cash appropriations into a single appropriation coupled with increases in the operating and grant line items will allow the State Library to utilize current and future grants more effectively.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF EDUCATION ARKANSAS STATE LIBRARY

Findings

A separate report for this Agency was not issued. However, financial activity for the Agency was included in the audit of the State’s CAFR for the year ended June 30, 2009.

Recommendations

Employment Summary

	Male	Female	Total	%
White Employees	10	33	43	86 %
Black Employees	1	6	7	14 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			7	14 %
Total Employees			50	100 %

Cash Fund Balance Description as of June 30, 2010

Fund Account	Balance	Type	Location
1050100	\$0	Checking	Bank of America

Statutory/Other Restrictions on use:

N/A

Statutory Provisions for Fees, Fines, Penalties:

N/A

Revenue Receipts Cycle:

N/A

Fund Balance Utilization:

Fund is used for receiving fees charged for workshops and is used only to pay for cost of space and food services used for workshops.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
The News	N/A	N	N	2,142	Quarterly newsletter published for statewide library community. The News is part of a project planned and funded through the federal Library Services & Technology Act and fits within LSTA guidelines.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
054 Library-State Operations	3,123,556	39	3,343,188	40	3,839,554	40	3,345,374	40	3,626,988	40	3,548,314	40	3,345,374	40	3,626,988	40	3,548,314	40
055 Library-Federal Operations	2,568,963	12	3,043,263	15	3,068,961	15	3,049,265	15	3,074,265	15	3,074,265	15	3,049,265	15	3,074,265	15	3,074,265	15
083 Aid to Public Library	5,681,774	0	5,672,143	0	5,700,000	0	5,672,143	0	5,700,000	0	5,700,000	0	5,672,143	0	5,700,000	0	5,700,000	0
1FM Center for the Book-Cash in Treasury	745	0	63,700	0	63,700	0	63,700	0	63,700	0	63,700	0	63,700	0	63,700	0	63,700	0
1XV Grants Administration - Cash in Treasury*	35,588	0	326,461	2	326,453	2	327,009	2	1,027,009	2	1,027,009	2	327,009	2	1,027,009	2	1,027,009	2
2ED Traveler Project	135,079	0	0	0	173,196	0	0	0	0	0	0	0	0	0	0	0	0	0
858 State Library-Revolving	267	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0	6,622	0
B42 Library Trustee Workshop	4,240	0	6,000	0	6,000	0	6,000	0	0	0	0	0	6,000	0	0	0	0	0
NOT REQUESTED FOR THE BIENNIUM																		
82Y Gates Grant II	40,152	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	11,590,364	51	12,461,377	56	13,184,486	56	12,470,113	56	13,434,884	56	13,356,210	56	12,470,113	56	13,434,884	56	13,356,210	56

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	360,939	3.0	623,178	4.9			295,600	2.3	295,600	2.2	295,600	2.2	249,872	2.0	249,872	1.8	185,671	1.4
General Revenue	4000010	3,182,631	26.1	3,343,188	26.2			3,345,374	26.3	3,626,988	26.5	3,445,374	25.5	3,345,374	26.3	3,626,988	26.5	3,445,374	25.6
Federal Revenue	4000020	2,568,963	21.0	3,043,263	23.9			3,049,265	24.0	3,074,265	22.5	3,074,265	22.8	3,049,265	24.0	3,074,265	22.5	3,074,265	22.9
Non-Revenue Receipts	4000040	799	0.0	6,622	0.1			6,622	0.1	6,622	0.0	6,622	0.0	6,622	0.1	6,622	0.0	6,622	0.0
Cash Fund	4000045	559,893	4.6	68,583	0.5			350,981	2.8	981,281	7.2	981,281	7.3	396,709	3.1	1,027,009	7.5	1,027,009	7.6
Interest	4000300	5,763	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	5,126	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
St Library Public School Fund	4000475	5,477,478	44.8	5,672,143	44.5			5,672,143	44.6	5,700,000	41.7	5,700,000	42.2	5,672,143	44.6	5,700,000	41.7	5,700,000	42.4
Transfers (to) / from Agencies	4000693	51,950	0.4	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		12,213,542	100.0	12,756,977	100.0			12,719,985	100.0	13,684,756	100.0	13,503,142	100.0	12,719,985	100.0	13,684,756	100.0	13,438,941	100.0
Excess Appropriation/(Funding)		(623,178)		(295,600)				(249,872)		(249,872)		(146,932)		(249,872)		(249,872)		(82,731)	
Grand Total		11,590,364		12,461,377				12,470,113		13,434,884		13,356,210		12,470,113		13,434,884		13,356,210	

Transfer is from Department of Education - Partnership Fund
Fund Balance from FY2012 to FY2013 under the Executive does not equal due to unfunded appropriation recommendation in Library – State Operations.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
56	48	8	56	0	14.29 %	56	51	3	54	2	8.93 %	56	50	6	56	0	10.71 %

Analysis of Budget Request

Appropriation: 054 - Library-State Operations

Funding Sources: EPA - State Library Account

The Arkansas State Library serves the knowledge and information needs of the people, institutions and agencies of the State by providing leadership in the development and coordination of library and information resources and services. Funding for this appropriation is provided by State General Revenues.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 line item maximum. The Base Level request for Regular Salaries includes board member stipend payments.

The Agency Change Level requests include:

- An increase in Operating Expenses of \$76,434 each fiscal year. This increase is requested due to various increases in fixed costs as a result of the move to 900 West Capitol. Currently, the rent of the new location accounts for 85% of the base level operating expenses budget.
- An increase in conference fees and travel of \$2,240 each fiscal year. This increase is to allow the State Librarian and Deputy Director to attend national conferences representing Arkansas' interests in literacy and library development.
- An increase in the Books and Subscriptions line item of \$202,940 each fiscal year. This increase is needed as a result of the combination for increased rent of the new location and the additional funding related to the rent increase never materializing in the general revenue forecast for FY2011. Since the rent of facilities is a fixed cost, the reduction had to be absorbed in the Books and Subscriptions line item. Due to this cut, the State Library has been unable to continue many of the purchases of books and subscriptions patrons of the State Library often use. Additionally, this increase will be used as the State Library's maintenance of effort requirement for federal funding. This will directly impact the amount of federal funds the State Library is eligible to receive.

The Executive Recommendation provides for the \$202,940 of appropriation requested in Books & Subscriptions and \$100,000 of general revenue funding for each fiscal year.

Appropriation Summary

Appropriation: 054 - Library-State Operations

Funding Sources: EPA - State Library Account

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,615,037	1,667,938	1,778,524	1,651,185	1,651,185	1,651,185	1,651,185	1,651,185	1,651,185
#Positions	39	40	40	40	40	40	40	40	40
Extra Help 5010001	0	5,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000
#Extra Help	0	6	6	6	6	6	6	6	6
Personal Services Matching 5010003	460,815	499,081	598,247	518,020	518,020	518,020	518,020	518,020	518,020
Operating Expenses 5020002	904,444	1,128,409	1,204,843	1,128,409	1,204,843	1,128,409	1,128,409	1,204,843	1,128,409
Conference & Travel Expenses 5050009	9,178	7,760	10,000	7,760	10,000	7,760	7,760	10,000	7,760
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Books & Subscriptions 5900046	134,082	35,000	237,940	35,000	237,940	237,940	35,000	237,940	237,940
Total	3,123,556	3,343,188	3,839,554	3,345,374	3,626,988	3,548,314	3,345,374	3,626,988	3,548,314
Funding Sources									
Fund Balance 4000005	0	64,201		64,201	64,201	64,201	64,201	64,201	0
General Revenue 4000010	3,182,631	3,343,188		3,345,374	3,626,988	3,445,374	3,345,374	3,626,988	3,445,374
M & R Sales 4000340	5,126	0		0	0	0	0	0	0
Total Funding	3,187,757	3,407,389		3,409,575	3,691,189	3,509,575	3,409,575	3,691,189	3,445,374
Excess Appropriation/(Funding)	(64,201)	(64,201)		(64,201)	(64,201)	38,739	(64,201)	(64,201)	102,940
Grand Total	3,123,556	3,343,188		3,345,374	3,626,988	3,548,314	3,345,374	3,626,988	3,548,314

Change Level by Appropriation

Appropriation: 054 - Library-State Operations
Funding Sources: EPA - State Library Account

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,345,374	40	3,345,374	100.0	3,345,374	40	3,345,374	100.0
C01	Existing Program	281,614	0	3,626,988	108.4	281,614	0	3,626,988	108.4

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,345,374	40	3,345,374	100.0	3,345,374	40	3,345,374	100.0
C01	Existing Program	202,940	0	3,548,314	106.1	202,940	0	3,548,314	106.1

Justification

C01	Due to the \$200,000 increase in rent resulting from the move to 900 West Capitol, the Library's rent now totals 85% of the total state base level operating budget for the FY12-13 Biennial. The FY11 authorized appropriation included this \$200,000 increase in rent, but the base level was set from the initial budget cut in FY10, before the rent appropriation was increased. Because over 85% of the library's operations are comprised of fixed costs associated with the rent and other necessary bills, the reduction of general revenue funding had to be absorbed by the Books and Subscriptions appropriation. This resulted in a reduction of the Books and Subscriptions budget by 80%. The Arkansas State Library requests this to be restored back to the authorized level to allow the State Library to renew its subscriptions and book purchases which directly benefit state agencies and Arkansas citizens. There are also small change levels totaling \$76,434. Reductions in these line items were necessary as a result of the combination of budget cuts and increased rent. Additionally, a \$2,240 increase in Conference Fees and Travel is requested to allow the State Librarian and Deputy Director to attend national conferences representing Arkansas' interests in literacy and library development. The State Library's maintenance of effort will be adversely affected without these increases. If the maintenance of effort is reduced, then this will cause a decrease in the amount of federal funds the State Library is eligible to receive.
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**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: State Library

Program: Library-State Operations

Act #: 244

Section(s) #: 3 & 12

Estimated Carry Forward Amount \$ 50,000.00 Funding Source: General

Accounting Information:

Business Area: 0519

Funds Center: 054

Fund: EPA

Functional Area: EDUC

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:

Due to budget concerns in FY10, book purchases were postponed. These purchases will be made in FY11 with the carry forward funds.

Actual Funding Carry Forward Amount \$ 64,201.00

Current status of carry forward funding:

The carryforward amount for Books and Subscriptions is currently budgeted and will be utilized in FY2011.

Note from DFA – Office of Budget: The portion of Special Language that requires this report is no longer necessary.

Carolyn Ashcraft
State Librarian

08-26-2010
Date

Analysis of Budget Request

Appropriation: 055 - Library-Federal Operations

Funding Sources: FEL - State Library Fund-LSTA

Federal funds for the Arkansas State Library are provided by the U. S. Department of Education through the Institute of Museum and Library Services. The federal program - the Library Services and Technology Act (LSTA) - promotes access to information resources in all types of libraries, promotes access to library materials through electronic networks, and provides linkages between libraries.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Change Level requests are for a \$25,000 shift in appropriation from the Conferences Fees and Travel line item to Professional Fees. This reallocation is to allow for the State Library to award honorariums to bring in authors to speak across the state. Additionally, \$25,000 is requested in Capital Outlay. This will allow the State Library to replace two (2) microfiche machines, one each year and purchase hardbound books for the institutions and in-house collection. The Agency is also requesting a reclassification of one (1) C105-Library Technical Assistant to a C107-Library Support Assistant. This reclass is requested due to a shift in the position's responsibilities since the position has been filled. Additional appropriation is not needed with this reclass.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 055 - Library-Federal Operations

Funding Sources: FEL - State Library Fund-LSTA

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	323,054	386,209	389,340	383,000	383,000	383,000	383,000	383,000	383,000
#Positions	12	15	15	15	15	15	15	15	15
Extra Help 5010001	9,628	14,625	14,625	14,625	14,625	14,625	14,625	14,625	14,625
#Extra Help	3	6	6	6	6	6	6	6	6
Personal Services Matching 5010003	121,405	137,029	159,596	146,240	146,240	146,240	146,240	146,240	146,240
Operating Expenses 5020002	2,022,739	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239	2,438,239
Conference & Travel Expenses 5050009	21,815	67,161	67,161	67,161	42,161	42,161	67,161	42,161	42,161
Professional Fees 5060010	0	0	0	0	25,000	25,000	0	25,000	25,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	70,322	0	0	0	25,000	25,000	0	25,000	25,000
Total	2,568,963	3,043,263	3,068,961	3,049,265	3,074,265	3,074,265	3,049,265	3,074,265	3,074,265
Funding Sources									
Federal Revenue 4000020	2,568,963	3,043,263		3,049,265	3,074,265	3,074,265	3,049,265	3,074,265	3,074,265
Total Funding	2,568,963	3,043,263		3,049,265	3,074,265	3,074,265	3,049,265	3,074,265	3,074,265
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,568,963	3,043,263		3,049,265	3,074,265	3,074,265	3,049,265	3,074,265	3,074,265

Actual exceeds Authorized in Capital Outlay by authority of a Budget Classification Transfer.

Change Level by Appropriation

Appropriation: 055 - Library-Federal Operations
Funding Sources: FEL - State Library Fund-LSTA

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,049,265	15	3,049,265	100.0	3,049,265	15	3,049,265	100.0
C01	Existing Program	25,000	0	3,074,265	100.8	25,000	0	3,074,265	100.8
C04	Reallocation	0	0	3,074,265	100.8	0	0	3,074,265	100.8
C10	Reclass	0	0	3,074,265	100.8	0	0	3,074,265	100.8

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,049,265	15	3,049,265	100.0	3,049,265	15	3,049,265	100.0
C01	Existing Program	25,000	0	3,074,265	100.8	25,000	0	3,074,265	100.8
C04	Reallocation	0	0	3,074,265	100.8	0	0	3,074,265	100.8
C10	Reclass	0	0	3,074,265	100.8	0	0	3,074,265	100.8

Justification

C01	Capital Outlay appropriation is requested in order to replace two (2) ailing microfiche machines, one in each year. The current machines are over 15 years old. Additionally, the appropriation will be utilized to purchase hardbound books for the institutions and the in-house collection.
C04	This request is a reallocation of \$25,000 from the conference fees and travel line item to professional fees. This change level will allow the Arkansas State Library to award honorariums to bring in authors to speak across the state.
C10	This request is to change the stated position from a Library Technical Assistant (C105) to a Library Support Assistant (C107). This change is centered on the core responsibilities of the 2 classes and the incumbent's assumed responsibilities since being hired at the Arkansas State Library.

Analysis of Budget Request

Appropriation: 083 - Aid to Public Library

Funding Sources: JSL - State Library Public School Fund

Since 1937, the Arkansas Legislature has regularly appropriated funds for Aid to Public Libraries. These funds supplement local libraries. The purpose of Aid to Public Libraries is to encourage local library support, promote resource sharing, provide professional administration, improve local library resources, promote system regionalization, and provide library services for the blind. Funding for this appropriation is received from the Public School Fund.

The Change Level request for appropriation and funding is \$27,857 in Grants and Aids for both fiscal years of the 2011-2013 biennium. These increases will allow the State Library to further aid and encourage local library support and assist the local libraries with providing the basic services such as materials collections, licensed databases, reference services and access to essential electronic research materials to support education and economic development.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 083 - Aid to Public Library

Funding Sources: JSL - State Library Public School Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	5,681,774	5,672,143	5,700,000	5,672,143	5,700,000	5,700,000	5,672,143	5,700,000	5,700,000
Total		5,681,774	5,672,143	5,700,000	5,672,143	5,700,000	5,700,000	5,672,143	5,700,000	5,700,000
Funding Sources										
Fund Balance	4000005	313,175	160,829		160,829	160,829	160,829	160,829	160,829	160,829
St Library Public School Fund	4000475	5,477,478	5,672,143		5,672,143	5,700,000	5,700,000	5,672,143	5,700,000	5,700,000
Transfers (to) / from Agencies	4000693	51,950	0		0	0	0	0	0	0
Total Funding		5,842,603	5,832,972		5,832,972	5,860,829	5,860,829	5,832,972	5,860,829	5,860,829
Excess Appropriation/(Funding)		(160,829)	(160,829)		(160,829)	(160,829)	(160,829)	(160,829)	(160,829)	(160,829)
Grand Total		5,681,774	5,672,143		5,672,143	5,700,000	5,700,000	5,672,143	5,700,000	5,700,000

Transfer is from Department of Education - Partnership Fund

Change Level by Appropriation

Appropriation: 083 - Aid to Public Library
Funding Sources: JSL - State Library Public School Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	5,672,143	0	5,672,143	100.0	5,672,143	0	5,672,143	100.0
C01	Existing Program	27,857	0	5,700,000	100.5	27,857	0	5,700,000	100.5

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	5,672,143	0	5,672,143	100.0	5,672,143	0	5,672,143	100.0
C01	Existing Program	27,857	0	5,700,000	100.5	27,857	0	5,700,000	100.5

Justification

C01	This request is a restoration of state aid to public libraries. This aid is given directly to all qualifying public libraries throughout the state and directly supplies Arkansas citizens with library services.
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Analysis of Budget Request

Appropriation: 1FM - Center for the Book-Cash in Treasury

Funding Sources: NSL - Cash in Treasury

The Arkansas Center for the Book at the Arkansas State serves the state's librarians, booksellers, readers, and writers. Through sustained partnerships, the Center for the Book presents a number of annual programs and publications to promote Arkansas authors and encourage reading and book-related activities. In addition, the Center for the Book offers financial, logistical, or in-kind assistance to public libraries and organizations for development of workshops and public programs. Funding for this appropriation comes from various cash grants and donations.

The Agency is requesting transfer of this program to another appropriation. This transfer will allow the Agency to consolidate its cash funded programs for better program performance.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 1FM - Center for the Book-Cash in Treasury

Funding Sources: NSL - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	745	63,700	63,700	63,700	0	0	63,700	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	745	63,700	63,700	63,700	0	0	63,700	0	0
Funding Sources									
Fund Balance 4000005	941	1,117		0	0	0	0	0	0
Cash Fund 4000045	900	62,583		63,700	0	0	63,700	0	0
Interest 4000300	21	0		0	0	0	0	0	0
Total Funding	1,862	63,700		63,700	0	0	63,700	0	0
Excess Appropriation/(Funding)	(1,117)	0		0	0	0	0	0	0
Grand Total	745	63,700		63,700	0	0	63,700	0	0

Request is to transfer program to Grants Administration – Cash in Treasury appropriation.

Change Level by Appropriation

Appropriation: 1FM - Center for the Book-Cash in Treasury
Funding Sources: NSL - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	63,700	0	63,700	100.0	63,700	0	63,700	100.0
C04	Reallocation	(63,700)	0	0	0.0	(63,700)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	63,700	0	63,700	100.0	63,700	0	63,700	100.0
C04	Reallocation	(63,700)	0	0	0.0	(63,700)	0	0	0.0

Justification

C04	Reallocation of separate cash appropriations into one appropriation will allow the State Library to utilize the appropriation more efficiently.
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Analysis of Budget Request

Appropriation: 1XV - Grants Administration - Cash in Treasury*

Funding Sources: NSL - Cash in Treasury

The Gates Grant program receives funds from the Bill and Melinda Gates Foundation - U.S. Library Initiative. The foundation's U.S. Libraries initiative began with one goal-ensuring that if you can get to a public library, you can access the Internet to learn, explore opportunities, and enrich your life. The challenge now is for public libraries-particularly in low-income communities-to stay connected and meet the growing needs of patrons. The Foundation, through the U.S. Library Initiative, helps libraries across the U.S. to ensure quality technology services are available for the millions who count on them for their only access to computers and the Internet. The Foundation continues to create new initiatives and invites the Arkansas State Library to apply.

Base Level salaries and personal service matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency is requesting consolidation of other cash programs to this program as well as an increase in cash appropriation of \$630,000. This will allow the Agency to operate the programs funded from cash funds more efficiently. Additionally, the Agency is requesting the name of this appropriation be changed to Grants Administration - Cash in Treasury. This name change will give a better description of the appropriation's intent.

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

Appropriation Summary

Appropriation: 1XV - Grants Administration - Cash in Treasury*

Funding Sources: NSL - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	78,398	79,355	78,398	78,398	78,398	78,398	78,398	78,398
#Positions	0	2	2	2	2	2	2	2	2
Personal Services Matching 5010003	0	25,125	24,160	25,173	25,173	25,173	25,173	25,173	25,173
Operating Expenses 5020002	35,588	26,064	26,064	26,564	326,564	326,564	26,564	326,564	326,564
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	0	196,874	196,874	196,874	596,874	596,874	196,874	596,874	596,874
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	35,588	326,461	326,453	327,009	1,027,009	1,027,009	327,009	1,027,009	1,027,009
Funding Sources									
Fund Balance 4000005	34,006	372,189		68,418	68,418	68,418	22,690	22,690	22,690
Cash Fund 4000045	368,601	0		281,281	981,281	981,281	327,009	1,027,009	1,027,009
Interest 4000300	5,170	0		0	0	0	0	0	0
Total Funding	407,777	372,189		349,699	1,049,699	1,049,699	349,699	1,049,699	1,049,699
Excess Appropriation/(Funding)	(372,189)	(45,728)		(22,690)	(22,690)	(22,690)	(22,690)	(22,690)	(22,690)
Grand Total	35,588	326,461		327,009	1,027,009	1,027,009	327,009	1,027,009	1,027,009

Fund Balance for FY2012 and FY2013 includes balance from the Traveler Project program.

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 1XV - Grants Administration - Cash in Treasury*
Funding Sources: NSL - Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	327,009	2	327,009	100.0	327,009	2	327,009	100.0
C01	Existing Program	630,300	0	957,309	292.7	630,300	0	957,309	292.7
C04	Reallocation	69,700	0	1,027,009	314.1	69,700	0	1,027,009	314.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	327,009	2	327,009	100.0	327,009	2	327,009	100.0
C01	Existing Program	630,300	0	957,309	292.7	630,300	0	957,309	292.7
C04	Reallocation	69,700	0	1,027,009	314.1	69,700	0	1,027,009	314.1

Justification

C01	Increases in operating and grants line items to allow the State Library to efficiently utilize cash grants that the Library will receive.
C04	Reallocation of separate cash appropriations into one appropriation will allow the State Library to utilize the appropriation more effectively.

Analysis of Budget Request

Appropriation: 2ED - Traveler Project

Funding Sources: NSL - Cash in Treasury

The Arkansas Traveler Project is an on line data base project in the Arkansas State Library. The Traveler databases provide reliable and current research material to 1,300 Arkansas academic, public and school Libraries.

The Agency is requesting transfer of this program and associated funding to another appropriation. This transfer will allow the Agency to consolidate it's cash funds programs for better program performance.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 2ED - Traveler Project

Funding Sources: NSL - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	135,079	0	173,196	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	135,079	0	173,196	0	0	0	0	0	0
Funding Sources									
Fund Balance 4000005	11,197	22,690		0	0	0	0	0	0
Cash Fund 4000045	146,000	0		0	0	0	0	0	0
Interest 4000300	572	0		0	0	0	0	0	0
Total Funding	157,769	22,690		0	0	0	0	0	0
Excess Appropriation/(Funding)	(22,690)	(22,690)		0	0	0	0	0	0
Grand Total	135,079	0		0	0	0	0	0	0

Request is to transfer program to Grants Administration – Cash in Treasury appropriation.
Fund balance has been reflected in the Grants Administration - Cash in Treasury Appropriation Summary.

Analysis of Budget Request

Appropriation: 858 - State Library-Revolving

Funding Sources: TSL - State Library Revolving

The revolving fund receives and disburses payment of fines for lost books, interlibrary loan charges, reference services through online bibliographic databases, and coin-operated copy machines.

The Agency is requesting Base Level for the 2011-2013 Biennium.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 858 - State Library-Revolving

Funding Sources: TSL - State Library Revolving

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	267	6,622	6,622	6,622	6,622	6,622	6,622	6,622	6,622
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	267	6,622	6,622	6,622	6,622	6,622	6,622	6,622	6,622
Funding Sources									
Fund Balance 4000005	1,620	2,152		2,152	2,152	2,152	2,152	2,152	2,152
Non-Revenue Receipts 4000040	799	6,622		6,622	6,622	6,622	6,622	6,622	6,622
Total Funding	2,419	8,774		8,774	8,774	8,774	8,774	8,774	8,774
Excess Appropriation/(Funding)	(2,152)	(2,152)		(2,152)	(2,152)	(2,152)	(2,152)	(2,152)	(2,152)
Grand Total	267	6,622		6,622	6,622	6,622	6,622	6,622	6,622

Analysis of Budget Request

Appropriation: B42 - Library Trustee Workshop

Funding Sources: 105 - State Library Account-Workshops

The Arkansas State Library periodically hosts various workshops related to library development. This cash appropriation is used to process the registration fees charged to workshop participants.

The Agency is requesting transfer of this program to the Grants Administration appropriation. This transfer will allow the Agency to consolidate it's cash funded programs for better program performance.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: B42 - Library Trustee Workshop
Funding Sources: 105 - State Library Account-Workshops

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	4,240	6,000	6,000	6,000	0	0	6,000	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	4,240	6,000	6,000	6,000	0	0	6,000	0	0
Funding Sources									
Cash Fund 4000045	4,240	6,000		6,000	0	0	6,000	0	0
Total Funding	4,240	6,000		6,000	0	0	6,000	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	4,240	6,000		6,000	0	0	6,000	0	0

Request is to transfer program to Grants Administration – Cash in Treasury

Change Level by Appropriation

Appropriation: B42 - Library Trustee Workshop
Funding Sources: 105 - State Library Account-Workshops

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	6,000	0	6,000	100.0	6,000	0	6,000	100.0
C04	Reallocation	(6,000)	0	0	0.0	(6,000)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	6,000	0	6,000	100.0	6,000	0	6,000	100.0
C04	Reallocation	(6,000)	0	0	0.0	(6,000)	0	0	0.0

Justification

C04	Reallocation of separate cash appropriations into one appropriation will allow the State Library to utilize the appropriation more efficiently.
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Appropriation Summary

Appropriation: 82Y - Gates Grant II

Funding Sources: NSL - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	18,798	0	0	0	0	0	0	0	0
Grants and Aid 5100004	21,354	0	0	0	0	0	0	0	0
Total	40,152	0	0	0	0	0	0	0	0
Funding Sources									
Cash Fund 4000045	40,152	0		0	0	0	0	0	0
Total Funding	40,152	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	40,152	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM

SUPREME COURT

Enabling Laws

Arkansas Code Annotated 16-10-101 et seq.; 16-11-101 et seq.
Constitution of Arkansas, Article 7
Constitution of Arkansas, Amendments 9, 28, 58, 66, 77 and 80

History and Organization

The first Supreme Court of the State of Arkansas was organized in November, 1836, pursuant to the Arkansas Constitution of 1836. The Constitution of 1836 granted unto the Supreme Court appellate jurisdiction over the other courts of the state and the power to issue Writs of Error and Supersedeas, Certiorari, Habeas Corpus, Mandamus, Quo Warranto, and other remedial writs. The same or similar powers were also granted to the Supreme Court by the Arkansas Constitutions of 1864 and 1868.

The most recent authority for the organization, powers and purposes of the Supreme Court is the Constitution of 1874 and its amendments, and, specifically, Sections One, Four, Five, Six, Seven, Eight, Nine and Ten of Article Seven and Amendments 9, 28, 58, 66, 77 and 80. Pursuant to the authority of Amendment 80, the Supreme Court is composed of one Chief Justice and six Associate Justices and shall have statewide appellate jurisdiction, shall have general supervising control over all courts, the power to provide rules for all courts, authority to determine the suffering of state instructive and referendum petitions and proposed constitutional amendments, the power to answer questions certified by federal courts, and the power to issue writs in aid of its jurisdiction. Amendment 28 grants unto the Supreme Court the authority to regulate the practice of law and the professional conduct of attorneys. Amendment 66 provides the authority to appoint and receive recommendations from the Judicial Discipline and Disability Commission.

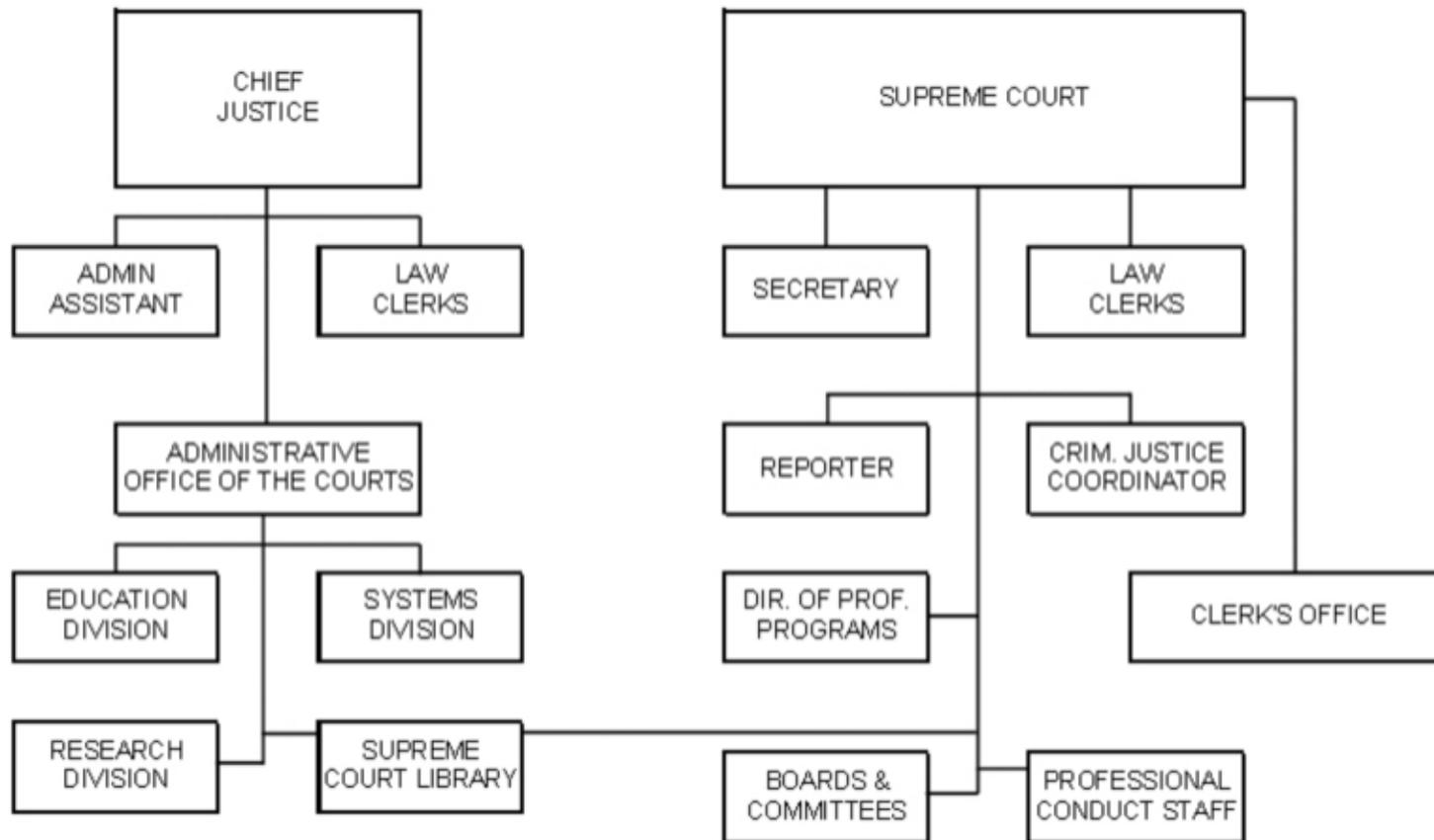
Amendment 80, Section 5, gives to the Supreme Court the power to determine the appellate jurisdiction of the Court of Appeals. The Supreme Court has, by Rule 1-2 of the Rules of the Supreme Court and Court of Appeals, provided that the Court of Appeals will have appellate jurisdiction over all cases appealed from the Circuit Courts, with the exception of the following types of cases, which are appealed to the Supreme Court:

- All cases involving the interpretation or construction of the Constitution of Arkansas;
- Criminal appeals in which the death penalty or life imprisonment has been imposed;
- Petitions for quo warranto, prohibition, injunction, or mandamus directed to the state, county, or municipal officials or to circuit courts;

- Appeals pertaining to elections and election procedures;
- Appeals involving the discipline of attorneys-at-law and or arising under the power of the Supreme Court to regulate the practice of law;
- Appeals involving the discipline and disability of judges;
- Second or subsequent appeals following an appeal which has been decided in the Supreme Court; and
- Appeals required by law to be heard by the Supreme Court.

Reassignment of cases. Any case is subject to reassignment by the Supreme Court, and in doing so; the Supreme Court will consider but not be limited to the following:

- Issues of first impression;
- Issues upon which there is a perceived inconsistency in the decisions of the Court of Appeals or Supreme Court;
- Issues involving federal constitutional interpretation;
- Issues of substantial public interest;
- Significant issues needing clarification or development of the law, or overruling of precedent; and
- Appeals involving substantial questions of law concerning the validity, construction, or interpretation of an act of the General Assembly, ordinance of a municipality or county, or a rule or regulation of any court, administrative agency, or regulatory body.



Agency Commentary

Regular Salaries (Commitment Item 5010000): Salary requests for the Court reflect one (1) new position and one (1) position upgrade. The Court is requesting a grade C118 position with an annual salary of \$33,861 entitled Public Service Librarian. This position would be responsible for handling acquisition of new materials in all formats (print and electronic), cataloging, binding, physical arrangement of library material. The position upgrade request to C129 and title change to Communications Counsel will allow the Court the ability to correctly title and grade this position for parity with other positions with equivalent job responsibilities within the Agency.

Extra Help (Commitment Item 5010001): The Court is asking that its 2009 authorized appropriation of \$30,000 be restored. These funds are necessary to allow the Court to hire temporary personnel if necessary because of employee illness or injury.

Personal Services Matching (Commitment Item 5010003): The Court is requesting an amount in proportion to the salary appropriation request. This amount includes the monthly contribution for state employee's health insurance and retirement contributions.

Operating Expenses (Commitment Item 5020002): The Court requests that its FY11 authorized appropriation of \$323,089 be restored each year of the biennium.

Conference and Travel Expenses (Commitment Item 5050009): The Court requests that its FY11 authorized appropriation level of \$30,000 be restored each year of the biennium.

Professional Fees (Commitment Item 5060010): The Court requests that its FY11 authorized appropriation level of \$25,000 be restored each year of the biennium.

Capital Outlay (Commitment Item 5120011): The Court requests that its FY11 authorized appropriation level of \$112,000 be restored each year of the biennium.

Cash Holding Account (Commitment Item 5060010): The Supreme Court Clerk's Office received a grant from the Arkansas Alternative Dispute Resolution Commission for an Appellate Mediation Pilot Program. The NSC0000 cash appropriation balance of \$18,200 should continue both years of the biennium and will be utilized for mediation purposes. Expense of appropriation is contingent upon available funding.

Arkansas Reports* (Commitment Item 5900034): The Court requests that its FY11 authorized appropriation level be reduced to \$229,477 each year of the biennium to offset the salary and matching for the new position request. *Also, the Court requests a change in this Commitment Item title from Printing and Binding to Arkansas Reports to reflect the change to electronic production, storage and access to appellate records, opinions and proceedings.

Court Appointed Attorneys (Commitment Item 5900040): The Court requests that its FY11 authorized appropriation level of \$195,000 be restored each year of the biennium.

Commissions and Committees (Commitment Item 5900041): The Court requests that its FY11 authorized appropriation level of \$20,000 be restored each year of the biennium.

Special Justices (Commitment Item 5900046): The Court requests that its FY11 authorized appropriation level of \$5,500 be restored each year of the biennium.

Judicial Education (Commitment Item 5900048): The Court requests that its FY11 authorized appropriation level of \$100,000 be restored each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS SUPREME COURT
FOR THE YEAR ENDED JUNE 30, 2009

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	10	30	40	89 %
Black Employees	1	3	4	9 %
Other Racial Minorities	1	0	1	2 %
Total Minorities			5	11 %
Total Employees			45	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Arkansas Reports/ AR Appellate Reports	ACA 16-11-201; AR Supreme Court Rule 5-2	N	N	0	Publication of the Supreme Court opinions ceased with volume 375 Ark/104 Ark. App. These opinions are now published online. IN RE: Arkansas Supreme Court and Court of Appeals Rule 5-2 (May 28, 2009)

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
008 Supreme Court - Operations	3,699,136	45	4,123,659	45	4,123,659	45	4,060,867	45	4,172,867	46	0	0	4,060,867	45	4,172,867	46	0	0
56S Appellate Mediation - Cash	1,800	0	18,200	0	20,000	0	18,200	0	18,200	0	0	0	18,200	0	18,200	0	0	0
Total	3,700,936	45	4,141,859	45	4,143,659	45	4,079,067	45	4,191,067	46	0	0	4,079,067	45	4,191,067	46	0	0

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	20,474	0.6	19,030	0.5			19,030	0.5	19,030	0.5	0	0.0	19,030	0.5	19,030	0.5	0	0.0
State Central Services 4000035	3,699,136	99.4	4,123,659	99.1			4,060,867	99.1	4,172,867	99.1	0	0.0	4,060,867	99.1	4,172,867	99.1	0	0.0
Cash Fund 4000045	0	0.0	18,200	0.4			18,200	0.4	18,200	0.4	0	0.0	18,200	0.4	18,200	0.4	0	0.0
Interest 4000300	356	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds	3,719,966	100.0	4,160,889	100.0			4,098,097	100.0	4,210,097	100.0	0	0.0	4,098,097	100.0	4,210,097	100.0	0	0.0
Excess Appropriation/(Funding)	(19,030)		(19,030)				(19,030)		(19,030)		0		(19,030)		(19,030)		0	
Grand Total	3,700,936		4,141,859				4,079,067		4,191,067		0		4,079,067		4,191,067		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
44	44	0	44	0	0.00 %	45	45	0	45	0	0.00 %	45	45	0	45	0	0.00 %

Appropriation Summary

Appropriation: 008 - Supreme Court - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,178,843	2,338,492	2,338,492	2,353,448	2,387,309	0	2,353,448	2,387,309	0
#Positions		45	45	45	45	46	0	45	46	0
Extra Help	5010001	13,444	30,000	30,000	30,000	30,000	0	30,000	30,000	0
#Extra Help		5	5	5	5	5	0	5	5	0
Personal Services Matching	5010003	593,828	669,578	669,578	703,830	715,492	0	703,830	715,492	0
Operating Expenses	5020002	316,130	323,089	323,089	323,089	323,089	0	323,089	323,089	0
Conference & Travel Expenses	5050009	27,156	30,000	30,000	30,000	30,000	0	30,000	30,000	0
Professional Fees	5060010	23,325	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	111,716	112,000	112,000	0	112,000	0	0	112,000	0
Arkansas Reports*	5900034	247,261	275,000	275,000	275,000	229,477	0	275,000	229,477	0
Court Appointed Attorneys	5900040	98,199	195,000	195,000	195,000	195,000	0	195,000	195,000	0
Commissions and Committees	5900041	12,885	20,000	20,000	20,000	20,000	0	20,000	20,000	0
Special Justices	5900046	1,933	5,500	5,500	5,500	5,500	0	5,500	5,500	0
Judicial Education	5900048	74,416	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Total		3,699,136	4,123,659	4,123,659	4,060,867	4,172,867	0	4,060,867	4,172,867	0
Funding Sources										
State Central Services	4000035	3,699,136	4,123,659		4,060,867	4,172,867	0	4,060,867	4,172,867	0
Total Funding		3,699,136	4,123,659		4,060,867	4,172,867	0	4,060,867	4,172,867	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,699,136	4,123,659		4,060,867	4,172,867	0	4,060,867	4,172,867	0

*The Court Request provides for a commitment item title change from "Printing and Binding" to "Arkansas Reports".

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 008 - Supreme Court - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	4,060,867	45	4,060,867	100.0	4,060,867	45	4,060,867	100.0
C01	Existing Program	171,523	1	4,232,390	104.2	171,523	1	4,232,390	104.2
C03	Discontinue Program	(59,523)	0	4,172,867	102.8	(59,523)	0	4,172,867	102.8
C10	Reclass	0	0	4,172,867	102.8	0	0	4,172,867	102.8

Appropriation Summary

Appropriation: 56S - Appellate Mediation - Cash

Funding Sources: NCS - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	0	0	0	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	1,800	18,200	20,000	18,200	18,200	0	18,200	18,200	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	1,800	18,200	20,000	18,200	18,200	0	18,200	18,200	0
Funding Sources									
Fund Balance 4000005	20,474	19,030		19,030	19,030	0	19,030	19,030	0
Cash Fund 4000045	0	18,200		18,200	18,200	0	18,200	18,200	0
Interest 4000300	356	0		0	0	0	0	0	0
Total Funding	20,830	37,230		37,230	37,230	0	37,230	37,230	0
Excess Appropriation/(Funding)	(19,030)	(19,030)		(19,030)	(19,030)	0	(19,030)	(19,030)	0
Grand Total	1,800	18,200		18,200	18,200	0	18,200	18,200	0

TREASURER OF STATE

Enabling Laws

Act 80 of 2010

Act 81 of 2010

Act 84 of 2010

Act 85 of 2010

Act 86 of 2010

Act 87 of 2010

Act 207 of 2010

Constitution of the State of Arkansas, Article 6

A.C.A. §25-16-601 through §25-16-615

History and Organization

Mission

The mission of the Office of the Treasurer of the State of Arkansas is guided by the words of Henry Clay who state, "Government is a trust, and the officers of the government are trustees, both the trust and the trustees are created for the benefit of the people." To fulfill our constitutional and statutory responsibilities as trustees, the State Treasurer's Office shall, in a cost efficient, modern environment, provide the citizens of Arkansas uncompromising safety, operating liquidity, and wealth building yield in collecting, investing and disbursing their money while maintaining, above all, the highest ethical standards.

History

The Constitution of the State of Arkansas, Article 6, provides for the Office to the Treasurer of State, who is elected by the qualified electors of the State. Arkansas Code Annotated §25-16-601 through §25-16-615, specifies the duties of the Treasurer of State. Those duties are to receive and keep all moneys of the State not expressly required by law to be kept by some other person; to disburse the public money upon warrants drawn upon the Treasurer according to law, and not otherwise; and to keep a just, true and comprehensive account of all moneys received and disbursed in books to be kept for that purpose, in which it shall state from whom moneys have been received and on what account, and to whom and on what account disbursed.

Virtually every section of the Arkansas Code Annotated pertaining to appropriations, funds receipts and disbursements, and fiscal transactions impacts the State Treasurer's Office. It is not practical to list each and every code citing that is relevant to the operations of the Office. The

Treasurer's Office maintains a current listing and copy of these codes. In reference to the statutory responsibility of the Treasurer, the following citing of Arkansas Code Annotated covers the primary activities of the Office.

➤ State Treasury Management

State Treasury Management, as prescribed by Arkansas Code Annotated §19-3-501 through §19-3-606, provides for general provisions of State Treasury Management, the State Treasury Management Law, account composition, investment of Treasury funds, and temporary loans to local government.

➤ General and Special Revenues

Arkansas Code Annotated §19-5-202 and §19-5-203 authorizes the Treasurer to distribute on a monthly basis general and special revenues respectively.

➤ Municipal and County Aid

The responsibility for the disbursement of Municipal and County Aid is established by Arkansas Code Annotated §19-5-601 and 19-5-602 respectively.

➤ State Board of Finance

The State Treasurer serves as Secretary, Executive Officer and Disbursing Officer for the State Board of Finance as designated by Arkansas Code Annotated §19-3-101.

➤ County Sales and Use Tax

The State Treasurer is responsible for the disbursement of County and Municipal Sales and Use Taxes as prescribed by Arkansas Code Annotated §26-74-214 and §26-75-217.

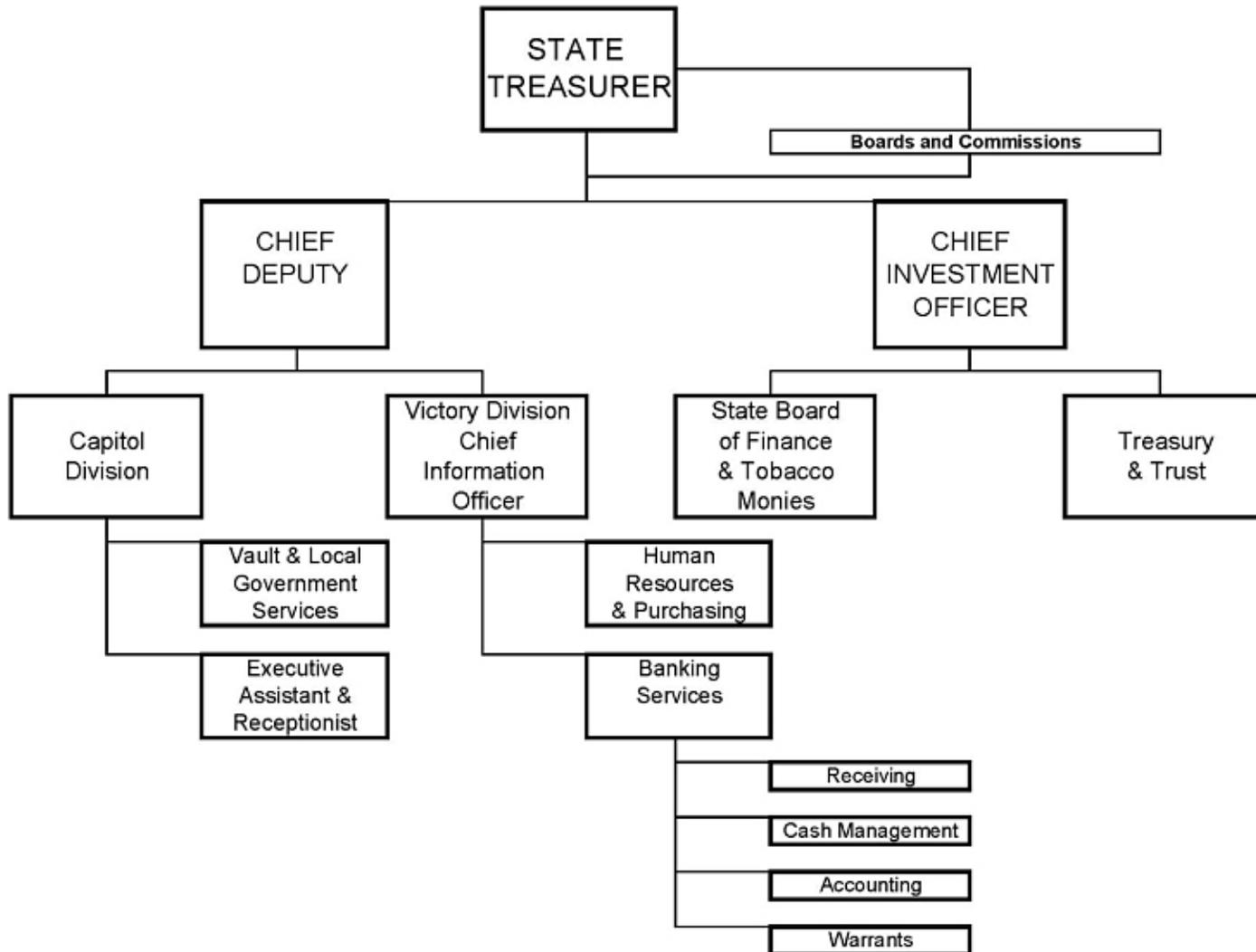
Organization

The Treasurer functions as a bank for State Government. The Treasurer's Office is divided into the follow sections: fund control, accounting, safekeeping, trust, investment, collateral, warrant redemption, receiving, data processing and cashier.

The Treasurer of State belongs to the following boards and commissions:

1. State Board of Finance - member and secretary
2. Board of Trustees of the Arkansas Public Employees Retirement System - ex officio member
3. Board of Trustees of the Arkansas Teacher Retirement System - ex officio member
4. Board of Trustees of the Arkansas State Highway Employees Retirement System - member
5. Arkansas Development Finance Authority - ex officio member

Treasurer of State



Agency Commentary

TREASURER'S OFFICE OPERATIONS (007)

The Office of the Treasurer of State requests Base Level of \$3,872,574 each year of the biennium, with a request to restore previously authorized appropriation for Capital Outlay of \$75,000 each year.

STATE WATER, WASTE DISPOSAL AND POLLUTION ABATEMENT BONDS (1TP)

The Treasurer's Office is responsible for debt service on these bonds. The principal and interest requested is for debt service on outstanding bonds and any new issues during the 2011-2013 biennium. A continuation of Base Level is requested in the amount of \$68,000,000 each year of the biennium.

COLLEGE SAVINGS GENERAL OBLIGATION BONDS (990)

The Treasurer's Office is responsible for debt service on these bonds. The principal and interest requested is for debt service on outstanding bonds and any new issues during the 2011-2013 biennium. A continuation of Base Level is requested in the amount of \$52,000,000 each year of the biennium.

CITY-COUNTY TOURIST MEETING AND ENTERTAINMENT FACILITIES BONDS (043)

The Treasurer's Office is responsible for 80% of the debt service on these bonds. The requested appropriation of \$5,270,212 in FY12 and \$2,808,954 in FY13 will meet the outstanding obligations of the current Facilities Agreement between the State Board of Finance and the participating cities. These funds cannot be expended without the approval of the State Board of Finance.

LOCAL SALES AND USE TAX - COUNTY SHARE (2ME)

This appropriation for distribution of the local sales tax is due to the continuing increase as well as the projected increase in the number of counties collecting a local sales tax. The distribution is limited to the amount collected in accordance with state law. A continuation of Base Level is requested in the amount of \$500,000,000 each year of the biennium.

LOCAL SALES AND USE TAX - CITY SHARE (2MQ)

This appropriation for distribution of the local sales tax is due to the continuing increase as well as the projected increase in the number of cities collecting a local sales tax. The distribution is limited to the amount collected in accordance with state law. A continuation of Base Level is requested in the amount of \$600,000,000 each year of the biennium.

COUNTY'S SHARE OF AMENDMENT 74 (2MR)

Uniform Rate of Tax

This appropriation is used for the distribution of the uniform rate of tax to Arkansas school districts. The distribution is limited to the amount collected in accordance with state law. A continuation of Base Level is requested in the amount of \$1,100,000,000 each year of the biennium.

EMERGENCY MEDICAL (2ZC)

A.C.A. § 19-6-495 created the Arkansas Citizens First Responder Safety Enhancement Fund and established a fine for failure to present proof of insurance at the time of a traffic stop. A.C.A. § 27-22-104(c)(1)(B) provides that 80% of those fines collected be paid to the Treasurer of State to the benefit of the fund and that 50% of the fund shall be used for emergency medical services. The Treasurer's Office is requesting continuation of Base Level of \$300,000 each year to cover anticipated funding for 2011-2013.

LOCAL LAW ENFORCEMENT (2ZD)

A.C.A. § 19-6-495 created the Arkansas Citizens First Responder Safety Enhancement Fund and established a fine for failure to present proof of insurance at the time of a traffic stop. A.C.A. § 27-22-104(c)(1)(B) provides that 80% of those fines collected be paid to the Treasurer of State to the benefit of the fund and that 50% of the fund shall be used for local law enforcement. The Treasurer's Office is requesting continuation of Base Level of \$300,000 each year to cover anticipated funding for 2011-2013.

ANIMAL RESCUE SHELTERS - CITY (58Q)

A.C.A. § 19-5-1136 established the Animal Rescue Shelter Trust Fund for revenues from a special issue licenses plate. 35% of these revenues are distributed to each municipality that has at least one (1) registered governmentally owned animal rescue shelter which shall receive a proportional distribution based on the municipality's population as determined by the most recent federal decennial census. The Treasurer's Office is requesting Base Level of \$100,000 each year to cover anticipated funding for 2011-2013.

ANIMAL RESCUE SHELTERS - COUNTY (58R)

A.C.A. § 19-5-1136 established the Animal Rescue Shelter Trust Fund for revenues from a special issue licenses plate. 35% of these revenues are distributed to each county that has at least one (1) registered governmentally owned animal rescue shelter which shall receive a proportional distribution based on the county's population as determined by the most recent federal decennial census. The Treasurer's Office is requesting Base Level of \$100,000 each year to cover anticipated funding for 2011-2013.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS TREASURER OF STATE
FOR THE YEAR ENDED JUNE 30, 2009

Findings	Recommendations
None	None

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
COMPREHENSIVE ANNUAL FINANCIAL REPORT FINDINGS ON:
TREASURER OF STATE
FOR THE YEAR ENDED JUNE 30, 2009

Findings

The Constitution of the State of Arkansas established the Office of Treasurer of State. The duties of the Treasurer of State include the receipt and deposit of state monies collected by various administering agencies; the reconciliation of funds held by the Treasurer of State to the fund equities of more than 200 state agencies and institutions; the management, investment and safekeeping of State funds; the redemption of warrants drawn on the Treasurer of State in accordance with State law; and the distribution of county and municipal aid and local sales and use tax. Adequate controls should be in place to assure that these transactions are accounted for properly.

As reported in the previous audit, our review of the internal control over the Treasurer of State's processes identified the following deficiencies:

- There was no testing or implementation of the written contingency plan, which specifies the recovery procedures in the event of a short-term or long-term interruption of computer service.
- The Treasurer of State processes various payments to counties and municipalities. The payee information, including direct deposit information, is stored in the Treasurer of State's computer system. The person who has the ability to change this information also has the authority for the processing and approving of payments.

Failure to properly implement controls increases the risk of:

- Loss of the ability to process and account for State funds in a timely manner due to computer processing being hindered because of a disaster.
- Misappropriation of assets.
- Misstatement of the State's financial records and financial statements.

The Treasurer of State indicated that they have been working on corrective procedures on these control deficiencies subsequent to the prior year audit. However, complete corrective action had not been taken as of June 30, 2009.

Recommendations

We recommend that the management of the Treasurer of State continue efforts to strengthen internal control.

Employment Summary

	Male	Female	Total	%
White Employees	10	20	30	91 %
Black Employees	0	3	3	9 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			3	9 %
Total Employees			33	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
007 State Treasurer-Operations	3,307,191	33	3,790,251	33	3,958,308	33	3,872,574	33	3,947,574	33	0	0	3,872,574	33	3,947,574	33	0	0
043 City-Co Tourist Facilities Assist	7,266,312	0	5,274,683	0	5,274,683	0	5,274,683	0	5,270,212	0	0	0	5,274,683	0	2,808,954	0	0	0
1TP Water, Waste Disposal & Pollution Abatement	18,221,783	0	68,000,000	0	68,000,000	0	68,000,000	0	68,000,000	0	0	0	68,000,000	0	68,000,000	0	0	0
2ME Local Sales & Use Tax-City	435,962,435	0	500,000,000	0	500,000,000	0	500,000,000	0	500,000,000	0	0	0	500,000,000	0	500,000,000	0	0	0
2MQ Local Sales & Use Tax-County	454,259,791	0	600,000,000	0	600,000,000	0	600,000,000	0	600,000,000	0	0	0	600,000,000	0	600,000,000	0	0	0
2MR Uniform Tax Rate-Amendment 74	911,384,389	0	1,100,000,000	0	1,100,000,000	0	1,100,000,000	0	1,100,000,000	0	0	0	1,100,000,000	0	1,100,000,000	0	0	0
22C Emergency Medical	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	0	0	300,000	0	300,000	0	0	0
22D Local Law Enforcement	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	0	0	300,000	0	300,000	0	0	0
58Q Rescue Shelters-City	594	0	100,000	0	100,000	0	100,000	0	100,000	0	0	0	100,000	0	100,000	0	0	0
58R Rescue Shelters-Cnty	594	0	100,000	0	100,000	0	100,000	0	100,000	0	0	0	100,000	0	100,000	0	0	0
990 College/Higher Education Savings Bonds	23,658,230	0	52,000,000	0	52,000,000	0	52,000,000	0	52,000,000	0	0	0	52,000,000	0	52,000,000	0	0	0
Total	1,854,661,319	33	2,329,864,934	33	2,330,032,991	33	2,329,947,257	33	2,330,017,786	33	0	0	2,329,947,257	33	2,327,556,528	33	0	0

Funding Sources		%		%		%		%		%		%		%		%		%	
Special Revenue	4000030	600,000	0.0	600,000	0.0	600,000	0.0	600,000	0.0	0	0.0	600,000	0.0	600,000	0.0	0	0.0	0	0.0
State Central Services	4000035	3,307,191	0.2	3,790,251	0.2	3,872,574	0.2	3,947,574	0.2	0	0.0	3,872,574	0.2	3,947,574	0.2	0	0.0	0	0.0
Trust Fund	4000050	953,265,590	51.4	1,220,200,000	52.4	1,220,200,000	52.4	1,220,200,000	52.4	0	0.0	1,220,200,000	52.4	1,220,200,000	52.4	0	0.0	0	0.0
Local Sales and Use Tax	4000335	890,222,226	48.0	1,100,000,000	47.2	1,100,000,000	47.2	1,100,000,000	47.2	0	0.0	1,100,000,000	47.2	1,100,000,000	47.3	0	0.0	0	0.0
Sales and Income Tax	4000445	7,266,312	0.4	5,274,683	0.2	5,274,683	0.2	5,270,212	0.2	0	0.0	5,274,683	0.2	2,808,954	0.1	0	0.0	0	0.0
Total Funds		1,854,661,319	100.0	2,329,864,934	100.0	2,329,947,257	100.0	2,330,017,786	100.0	0	0.0	2,329,947,257	100.0	2,327,556,528	100.0	0	0.0	0	0.0
Excess Appropriation/(Funding)		0		0		0		0		0		0		0		0		0	
Grand Total		1,854,661,319		2,329,864,934		2,329,947,257		2,330,017,786		0		2,329,947,257		2,327,556,528		0		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
34	30	4	34	0	11.76 %	33	31	2	33	0	6.06 %	33	33	0	33	0	0.00 %

Appropriation Summary

Appropriation: 007 - State Treasurer-Operations

Funding Sources: HSC - State Central Services Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,729,451	1,815,303	1,958,888	1,945,287	1,945,287	0	1,945,287	1,945,287	0
#Positions		33	33	33	33	33	0	33	33	0
Extra Help	5010001	11,276	50,000	50,000	50,000	50,000	0	50,000	50,000	0
#Extra Help		2	10	10	10	10	0	10	10	0
Personal Services Matching	5010003	464,407	523,323	547,795	550,662	550,662	0	550,662	550,662	0
Operating Expenses	5020002	297,324	353,500	353,500	353,500	353,500	0	353,500	353,500	0
Conference & Travel Expenses	5050009	19,899	36,000	36,000	36,000	36,000	0	36,000	36,000	0
Professional Fees	5060010	3,530	32,125	32,125	32,125	32,125	0	32,125	32,125	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	14,870	75,000	75,000	0	75,000	0	0	75,000	0
Data Processing Syst/Services	5900044	766,434	900,000	900,000	900,000	900,000	0	900,000	900,000	0
Debt Collection	5900047	0	5,000	5,000	5,000	5,000	0	5,000	5,000	0
Total		3,307,191	3,790,251	3,958,308	3,872,574	3,947,574	0	3,872,574	3,947,574	0
Funding Sources										
State Central Services	4000035	3,307,191	3,790,251		3,872,574	3,947,574	0	3,872,574	3,947,574	0
Total Funding		3,307,191	3,790,251		3,872,574	3,947,574	0	3,872,574	3,947,574	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,307,191	3,790,251		3,872,574	3,947,574	0	3,872,574	3,947,574	0

No Executive Recommendation made on this appropriation.

Change Level by Appropriation

Appropriation: 007 - State Treasurer-Operations
Funding Sources: HSC - State Central Services Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,872,574	33	3,872,574	100.0	3,872,574	33	3,872,574	100.0
C01	Existing Program	75,000	0	3,947,574	101.9	75,000	0	3,947,574	101.9

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Treasurer of State

Program: State Treasurer-Operations

Act #: 87 Section(s) #: 3 & 4

Estimated Carry Forward Amount \$ 336,762.00 Funding Source: State Central Services

Accounting Information:

Business Area: 0069 Funds Center: 007 Fund: HSC Functional Area: CNST

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:

Carry forward of funds is necessary to ensure the State's data systems are sufficient to meet the required needs of the agencies and its citizens.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

No carry forward of funding available.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Honorable Martha Shoffner
State Treasurer

08-26-2010
Date

Appropriation Summary

Appropriation: 043 - City-Co Tourist Facilities Assist

Funding Sources: MLA - City-County Tourist Facilities

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Debt Service/Operating Exp 5900046	7,266,312	5,274,683	5,274,683	5,274,683	5,270,212	0	5,274,683	2,808,954	0
Total	7,266,312	5,274,683	5,274,683	5,274,683	5,270,212	0	5,274,683	2,808,954	0
Funding Sources									
Sales and Income Tax 4000445	7,266,312	5,274,683		5,274,683	5,270,212	0	5,274,683	2,808,954	0
Total Funding	7,266,312	5,274,683		5,274,683	5,270,212	0	5,274,683	2,808,954	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	7,266,312	5,274,683		5,274,683	5,270,212	0	5,274,683	2,808,954	0

No Executive Recommendation made for this appropriation.

Change Level by Appropriation

Appropriation: 043 - City-Co Tourist Facilities Assist
Funding Sources: MLA - City-County Tourist Facilities

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	5,274,683	0	5,274,683	100.0	5,274,683	0	5,274,683	100.0
C03	Discontinue Program	(4,471)	0	5,270,212	99.9	(2,465,729)	0	2,808,954	53.3

Appropriation Summary

Appropriation: 1TP - Water, Waste Disposal & Pollution Abatement

Funding Sources: TPX - Water, Waste Disposal & Pollution Abatement Facilities Bond Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	37,250	40,000,000	40,000,000	40,000,000	40,000,000	0	40,000,000	40,000,000	0
Debt Service	5120019	18,184,533	28,000,000	28,000,000	28,000,000	28,000,000	0	28,000,000	28,000,000	0
Total		18,221,783	68,000,000	68,000,000	68,000,000	68,000,000	0	68,000,000	68,000,000	0
Funding Sources										
Trust Fund	4000050	18,221,783	68,000,000		68,000,000	68,000,000	0	68,000,000	68,000,000	0
Total Funding		18,221,783	68,000,000		68,000,000	68,000,000	0	68,000,000	68,000,000	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		18,221,783	68,000,000		68,000,000	68,000,000	0	68,000,000	68,000,000	0

No Executive Recommendation made for this appropriation.

Appropriation Summary

Appropriation: 2ME - Local Sales & Use Tax-City

Funding Sources: TSU - Local Sales/Use Tax Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	435,962,435	500,000,000	500,000,000	500,000,000	500,000,000	0	500,000,000	500,000,000	0
Total	435,962,435	500,000,000	500,000,000	500,000,000	500,000,000	0	500,000,000	500,000,000	0
Funding Sources									
Local Sales and Use Tax 4000335	435,962,435	500,000,000		500,000,000	500,000,000	0	500,000,000	500,000,000	0
Total Funding	435,962,435	500,000,000		500,000,000	500,000,000	0	500,000,000	500,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	435,962,435	500,000,000		500,000,000	500,000,000	0	500,000,000	500,000,000	0

No Executive Recommendation made for this appropriation.

Appropriation Summary

Appropriation: 2MQ - Local Sales & Use Tax-County

Funding Sources: TSU - Local Sales/Use Tax Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	454,259,791	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total	454,259,791	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
Funding Sources									
Local Sales and Use Tax 4000335	454,259,791	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total Funding	454,259,791	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	454,259,791	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0

No Executive Recommendation made for this appropriation.

Appropriation Summary

Appropriation: 2MR - Uniform Tax Rate-Amendment 74

Funding Sources: TTR - Uniform Tax Rate Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	911,384,389	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000	0	1,100,000,000	1,100,000,000	0
Total	911,384,389	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000	0	1,100,000,000	1,100,000,000	0
Funding Sources									
Trust Fund 4000050	911,384,389	1,100,000,000		1,100,000,000	1,100,000,000	0	1,100,000,000	1,100,000,000	0
Total Funding	911,384,389	1,100,000,000		1,100,000,000	1,100,000,000	0	1,100,000,000	1,100,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	911,384,389	1,100,000,000		1,100,000,000	1,100,000,000	0	1,100,000,000	1,100,000,000	0

No Executive Recommendation made for this appropriation.

Appropriation Summary

Appropriation: 2ZC - Emergency Medical

Funding Sources: SSE - Arkansas Citizens First Responder Safety Enhancement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Emergency Medical Expenses 5900046	300,000	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Total	300,000	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Funding Sources									
Special Revenue 4000030	300,000	300,000		300,000	300,000	0	300,000	300,000	0
Total Funding	300,000	300,000		300,000	300,000	0	300,000	300,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	300,000	300,000		300,000	300,000	0	300,000	300,000	0

No Executive Recommendation made for this appropriation.

Appropriation Summary

Appropriation: 2ZD - Local Law Enforcement

Funding Sources: SSE - Arkansas Citizens First Responder Safety Enhancement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Local Law Enforcement Exp 5900046	300,000	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Total	300,000	300,000	300,000	300,000	300,000	0	300,000	300,000	0
Funding Sources									
Special Revenue 4000030	300,000	300,000		300,000	300,000	0	300,000	300,000	0
Total Funding	300,000	300,000		300,000	300,000	0	300,000	300,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	300,000	300,000		300,000	300,000	0	300,000	300,000	0

No Executive Recommendation made for this appropriation.

Appropriation Summary

Appropriation: 58Q - Rescue Shelters-City

Funding Sources: TRS - City/County Rescue Shelters - Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	594	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Total	594	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Funding Sources									
Trust Fund 4000050	594	100,000		100,000	100,000	0	100,000	100,000	0
Total Funding	594	100,000		100,000	100,000	0	100,000	100,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	594	100,000		100,000	100,000	0	100,000	100,000	0

No Executive Recommendation made for this appropriation.

Appropriation Summary

Appropriation: 58R - Rescue Shelters-Cnty
Funding Sources: TRS - City/County Rescue Shelters - Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	594	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Total	594	100,000	100,000	100,000	100,000	0	100,000	100,000	0
Funding Sources									
Trust Fund 4000050	594	100,000		100,000	100,000	0	100,000	100,000	0
Total Funding	594	100,000		100,000	100,000	0	100,000	100,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	594	100,000		100,000	100,000	0	100,000	100,000	0

No Executive Recommendation made for this appropriation.

Appropriation Summary

Appropriation: 990 - College/Higher Education Savings Bonds

Funding Sources: TBJ - College Savings Bond Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	14,795	20,000,000	20,000,000	20,000,000	20,000,000	0	20,000,000	20,000,000	0
Debt Service 5120019	23,643,435	32,000,000	32,000,000	32,000,000	32,000,000	0	32,000,000	32,000,000	0
Total	23,658,230	52,000,000	52,000,000	52,000,000	52,000,000	0	52,000,000	52,000,000	0
Funding Sources									
Trust Fund 4000050	23,658,230	52,000,000		52,000,000	52,000,000	0	52,000,000	52,000,000	0
Total Funding	23,658,230	52,000,000		52,000,000	52,000,000	0	52,000,000	52,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	23,658,230	52,000,000		52,000,000	52,000,000	0	52,000,000	52,000,000	0

No Executive Recommendation made for this appropriation.

BOARD OF FINANCE

Enabling Laws

Act 69 of 2010
Act 95 of 2010
Act 206 of 2010
A.C.A. §19-3-101

History and Organization

Members of the State Board of Finance consist of the Governor, Treasurer of State, Auditor of State, Bank Commissioner and Director of the Department of Finance and Administration. The Governor acts as the Board Chair with the Treasurer acting as the secretary, executive officer and disbursing agent for the Board. Meetings of the Board shall be held upon the call of the Governor, or by any three (3) or more members.

Agency Commentary

The Treasurer of State has submitted Base Level budget requests for the following appropriations on behalf of the Board:

	<u>FY2011-2012</u>	<u>FY2012-2013</u>
Investments-Purchase of Securities (1CV)	\$ 600,000,000	\$ 600,000,000
Operations-Manage/Invest Tobacco (287)	\$ 202,800	\$ 202,800
Investment-Premiums/Discounts (2BM)	\$ 600,000	\$ 600,000
Investments-Principal/Int/Agent Fee (2BN)	\$ 3,000,000	\$ 3,000,000

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
BOARD OF FINANCE
FOR THE YEAR ENDED JUNE 30, 2009

Findings

Recommendations

The Division of Legislative Audit does not perform an audit for the Agency.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1CV Investments-Purchase of Securities	0	0	600,000,000	0	600,000,000	0	600,000,000	0	600,000,000	0	0	0	600,000,000	0	600,000,000	0	0	0
287 Operations - Tobacco Settlement Proceeds	0	0	202,800	2	209,579	2	202,800	2	202,800	2	202,800	2	202,800	2	202,800	2	202,800	2
2BM Investments-Premiums/Discounts	0	0	600,000	0	600,000	0	600,000	0	600,000	0	0	0	600,000	0	600,000	0	0	0
2BN Investments-Principal/Interest/Service Charges	207,183	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	0	0	3,000,000	0	3,000,000	0	0	0
Total	207,183	0	603,802,800	2	603,809,579	2	603,802,800	2	603,802,800	2	202,800	2	603,802,800	2	603,802,800	2	202,800	2

Funding Sources		%		%		%		%		%		%		%		%
Trust Fund 4000050	207,183	100.0	603,000,000	99.9	603,000,000	99.9	0	0.0	603,000,000	99.9	603,000,000	99.9	0	0.0	0	0.0
Investments 4000315	0	0.0	600,000	0.1	600,000	0.1	0	0.0	600,000	0.1	600,000	0.1	0	0.0	0	0.0
Trust Fund Interest 4000705	0	0.0	202,800	0.0	202,800	0.0	202,800	100.0	202,800	0.0	202,800	0.0	202,800	100.0	202,800	100.0
Total Funds	207,183	100.0	603,802,800	100.0	603,802,800	100.0	202,800	100.0	603,802,800	100.0	603,802,800	100.0	202,800	100.0	202,800	100.0
Excess Appropriation/(Funding)	0		0		0		0		0		0		0		0	
Grand Total	207,183		603,802,800		603,802,800		202,800		603,802,800		603,802,800		202,800		202,800	

No Executive Recommendation is made for appropriations 1CV, 2BM or 2BN.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
2	0	2	2	0	100.00 %	2	0	2	2	0	100.00 %	2	0	2	2	0	100.00 %

Appropriation Summary

Appropriation: 1CV - Investments-Purchase of Securities

Funding Sources: XXX - Investments

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Purchase of Securities 5900046	0	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total	0	600,000,000	600,000,000	600,000,000	600,000,000	0	600,000,000	600,000,000	0
Funding Sources									
Trust Fund 4000050	0	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
Total Funding	0	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	600,000,000		600,000,000	600,000,000	0	600,000,000	600,000,000	0

No Executive Recommendation made for this appropriation.

Analysis of Budget Request

Appropriation: 287 - Operations - Tobacco Settlement Proceeds

Funding Sources: TSA - Arkansas Healthy Century Trust Fund

The Tobacco Settlement Proceeds Act (Initiated Act 1 of 2000) established funds and accounts for the deposit, investment and management of the State's portion of the Master Settlement Agreement with certain tobacco manufacturers. This legislation authorized the State Board of Finance to perform the following duties with respect to the Tobacco Settlement:

- Receive all authorized disbursements from the Master Settlement Agreement Escrow account for immediate deposit into the Tobacco Settlement Cash Holding Fund;
- Manage and invest all amounts held in the various funds and program accounts created by the Tobacco Settlement Proceeds Act in compliance with prudent investor standards and State Board of Finance investment policy;
- Employ professionals to assist in properly managing and investing the Arkansas Healthy Century Trust Fund and use investment earnings from the Arkansas Healthy Century Trust Fund to compensate those professionals and pay the reasonable costs and expenses of the State Board of Finance in administering the funds and program accounts created under the Tobacco Settlement Proceeds Act.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The State Board of Finance is requesting the continuation of Base Level of \$202,800 each year of the biennium.

The Executive Recommendation provides for the Board Request.

Appropriation Summary

Appropriation: 287 - Operations - Tobacco Settlement Proceeds

Funding Sources: TSA - Arkansas Healthy Century Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	63,112	63,112	63,112	63,112	63,112	63,112	63,112	63,112
#Positions	0	2	2	2	2	2	2	2	2
Personal Services Matching 5010003	0	14,188	20,967	14,188	14,188	14,188	14,188	14,188	14,188
Operating Expenses 5020002	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Conference & Travel Expenses 5050009	0	500	500	500	500	500	500	500	500
Professional Fees 5060010	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	0	202,800	209,579	202,800	202,800	202,800	202,800	202,800	202,800
Funding Sources									
Trust Fund Interest 4000705	0	202,800		202,800	202,800	202,800	202,800	202,800	202,800
Total Funding	0	202,800		202,800	202,800	202,800	202,800	202,800	202,800
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	202,800		202,800	202,800	202,800	202,800	202,800	202,800

Appropriation Summary

Appropriation: 2BM - Investments-Premiums/Discounts

Funding Sources: TAS - Securities Reserve

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Premium & Discounts 5900046	0	600,000	600,000	600,000	600,000	0	600,000	600,000	0
Total	0	600,000	600,000	600,000	600,000	0	600,000	600,000	0
Funding Sources									
Investments 4000315	0	600,000		600,000	600,000	0	600,000	600,000	0
Total Funding	0	600,000		600,000	600,000	0	600,000	600,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	600,000		600,000	600,000	0	600,000	600,000	0

No Executive Recommendation made for this appropriation.

Appropriation Summary

Appropriation: 2BN - Investments-Principal/Interest/Service Charges

Funding Sources: TAS - Securities Reserve

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Principal/Interest/Service Chgs 5900046	207,183	3,000,000	3,000,000	3,000,000	3,000,000	0	3,000,000	3,000,000	0
Total	207,183	3,000,000	3,000,000	3,000,000	3,000,000	0	3,000,000	3,000,000	0
Funding Sources									
Trust Fund 4000050	207,183	3,000,000		3,000,000	3,000,000	0	3,000,000	3,000,000	0
Total Funding	207,183	3,000,000		3,000,000	3,000,000	0	3,000,000	3,000,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	207,183	3,000,000		3,000,000	3,000,000	0	3,000,000	3,000,000	0

No Executive Recommendation made for this appropriation.