

DENNIS MILLIGAN
Auditor of State



230 State Capitol
Little Rock, AR 72201

State of Arkansas

March 21, 2025

Honorable Jonathan Dismang, Co-Chair
Honorable Lane Jean, Co-Chair
Joint Budget Committee
Arkansas General Assembly
One Capitol Mall
Little Rock, AR 72201

Re: **FY2026 - Appropriations of the Office of Auditor of State**

Dear Senator Dismang and Representative Jean:

I respectfully request the following changes to the FY2026 Auditor of State’s appropriation bill, SB52 of 2025.

Section 1. Regular Salaries – Operations.

I am requesting a title change of Administrative Tech I to Executive Assistant to the Auditor.

I am not requesting or adding any new positions, and I will defer until the next fiscal session of the General Assembly to request any staff salary changes. I would like additional time to study the Governor’s proposed pay plan and job classifications. My goal remains to ensure the Auditor’s office is competitive in recruiting and retaining top talent across the public and private sector.

Section 3. Appropriation – Operations.

(01) Regular Salaries appropriation for the Auditor of State’s office totals \$1,753,495. Personal Services Matching is calculated at 40% of Regular Salaries. This will require a change to (03) Personal Services Matching from \$626,000 to \$701,398, an increase of \$74,398. If the Arkansas General Assembly approves the above change, the Total Amount Appropriated would also need to be changed from \$3,117,945 to \$3,192,343.

Section 4. Regular Salaries – Unclaimed Property Program.

I am requesting the following title changes but am not requesting or adding any new positions to the Unclaimed Property Program. The changes are as follows:

Item No.	Title	Max No of Employees	Maximum Annual Salary
(1)	Asst. Chief of Staff/UCP Operations Manager	1	\$ 126,675
(2)	UCP Compliance Lead <u>Manager</u>	1	\$ 91,175
(3)	UCP Claims Lead <u>Manager</u>	1	\$ 91,175
(4)	Senior UCP Tech <u>Asst. UCP Claims Manager II</u>	2 <u>1</u>	\$ 73,230
(5)	<u>Asst. UCP Claims Manager I</u>	<u>1</u>	\$ 73,230
(6)	UCP Compliance Agent	<u>1</u>	\$ 65,630
(5) (7)	UCP Tech <u>UCP Claims Examiner II</u>	4 <u>2</u>	\$ 65,630
(8)	UCP Claims Examiner I	<u>2</u>	\$ 65,630
	Max. No. of Employees	10	

Section 5. Appropriation – Unclaimed Property Program.

(01) Regular Salaries appropriation for the Unclaimed Property Program totals \$783,635. Personal Services Matching is calculated at 40% of Regular Salaries. This will require a change to (03) Personal Services Matching from \$302,000 to \$313,454, an increase of \$11,454. If the Arkansas General Assembly approves the above change, the Total Amount Appropriated would also need to be changed from \$2,973,635 to \$2,985,089.

(New Section) Appropriation – Funding for Data Match

The Arkansas General Assembly passed Act 114 of 2025 (Sen. Dave Wallace/Rep. Jon Milligan) enabling my office to begin an unclaimed property verification program called “Data Match.” This legislation allows my office to send out unclaimed property checks valued between \$50 and \$5,000 to single property owners. I currently have a backlog of 359,796 records that need to go through the data match verification system. My office conservatively estimates it will cost \$2.79 per record to process this backlog of records.

I am requesting a new line item for Data Match. I am requesting \$1 million to fund this new program for the first year to catch up on the backlog of records. I intend for this to be paid with interest earned by the State Treasury Money Management Trust. The projected interest to be earned next year is between \$5 million and \$5.5 million. This request of an additional \$1 million would raise the Unclaimed Property Program’s appropriation to \$3,985,089, if the Joint Budget Committee and the Legislature approve the adjustment requested in Section 5 for Personal Services Matching at 40% of Regular Salaries.

In FY2027, I will request a reduction for Data Match to \$420,000 annually to fund this program.

To accomplish this, Sen. Ricky Hill and Rep. Paul Childress recently introduced SB454. This bill cleans up the accounting for interest earned on unclaimed property. Currently, our Unclaimed Property Proceeds Trust Fund does not separate interest earned from the principal. SB454 proposes separating these two amounts and creates the Unclaimed Property Interest Trust Fund which will establish a clear accounting of both amounts. If passed, this legislation will require the interest to be used to reimburse State Central Services for the expenses incurred within the Unclaimed Property Program during a fiscal year.

With the passage and implementation of SB454, this request for additional funds for Data Match will have no negative impact on the state’s general revenue. It will be revenue neutral.

I appreciate your consideration of this request. Should you have any questions or need any additional information, please do not hesitate to contact me.

Sincerely,



Dennis Milligan
Auditor of State

ARKANSAS SENATE
95th General Assembly - Regular Session, 2025
Amendment Form

DRAFT

Subtitle of Senate Bill 52

AN ACT FOR THE AUDITOR OF STATE - OPERATIONS AND UNCLAIMED PROPERTY
PROGRAM APPROPRIATION FOR THE 2025-2026 FISCAL YEAR.

Amendment No. ___ to Senate Bill 52

Amend Senate Bill 52 as originally introduced:

Page 2, line 10, delete "ADMINISTRATIVE TECH I" and insert "EXECUTIVE ASSISTANT TO THE AUDITOR"

And

Page 2, line 32, delete "626,000" and insert "701,398"

And

Page 3, line 3, delete " \$3,117,945" and insert " \$3,193,343"

And

Page 3, delete Section 4 in its entirety and insert the following:

" SECTION 4. REGULAR SALARIES - UNCLAIMED PROPERTY PROGRAM. There is hereby established for the Auditor of State - Unclaimed Property Program for the 2025-2026 fiscal year, the following maximum number of regular employees.

Item No.	Title	Maximum No. of Employees	Maximum Annual
			Salary Rate Fiscal Year 2025-2026
(1)	ASST. CHIEF OF STAFF/UCP OPERATIONS MANAGER	1	\$126,675
(2)	UCP COMPLIANCE MANAGER	1	\$91,175
(3)	UCP CLAIMS MANAGER	1	\$91,175
(4)	ASST UCP CLAIMS MANAGER II	1	\$73,230

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(5)	ASST UCP CLAIMS MANAGER I	1	\$73,230
(6)	UCP COMPLIANCE AGENT	1	\$65,630
(7)	UCP CLAIMS EXAMINER II	2	\$65,630
(8)	UCP CLAIMS EXAMINER I	<u>2</u>	\$65,630
	MAX. NO. OF EMPLOYEES	10"	

And

Page 3, line 29, delete "302,000" and insert "313,454"

And

Page 3, delete lines 35 and 36 in their entirety and insert the following:

"(E) DATA PROC.	0
(04) DATA MATCH	<u>1,000,000</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$3,985,089"</u></u>

The Amendment was read the first time, rules suspended and read the second time and
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Secretary