

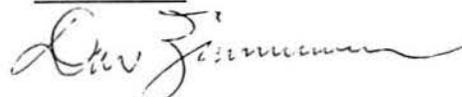
**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1995 - 1997**

Arkansas' municipalities and its General Assembly enjoy one of the best state-local working relationships in the nation. Laws have been enacted over the years which have encouraged a true partnership relationship for the provision of municipal services. Arkansas citizens receive good local police protection, fire protection, street maintenance, water/sewer services, parks and recreation programs, sanitation services, airport facilities and many more municipal services, while at the same time enjoying the lowest local taxes in the nation.

Your cities and towns operate primarily from three sources of revenue, (1) Local Sales Taxes; (2) Utility Franchise Fees; and (3) State Turnback Funds. Since enactment of Local Sales Tax Authority in the early eighties, municipalities have effectively used this source of funding to provide adequate services and, at the same time, replace federal revenue sharing and other federal funding sources which have been cut back. The Utility Franchise Fees have been a stable source of revenue and that stability was reassured in the first special legislative session of 1994, even though the utilities were given the authority to veto increases in rates from those utility franchise fees. Perhaps the most important source of revenue is the State Turnback Funds. Governor Tucker and the last Arkansas General Assembly wisely allowed municipalities to benefit from the growth in the economy of Arkansas by releasing the funding that had been placed in the lower categories of the revenue stabilization law for municipalities. This policy of allowing local governments to participate with the state in our economy's growth gives local officials a true incentive and feeling of partnership in developing and continuing the good economic growth of Arkansas.

Our budget request strongly encourages you to place in Category A the amount of funding that was actually received by municipalities in the last fiscal year. That amount was \$30,120,041. Arkansas' cities and towns will receive approximately \$20.70 per capita in 1994. This amount approximates the \$20.72 municipalities received in 1987. The highest amount municipalities have ever received for general turnback support was \$21.60 in 1980, the next being \$21.35 in 1986. All other years have been below \$20.00 per capita. Additionally, we strongly encourage you to place as incentive revenue, one (1) million dollars in Category B and two (2) million dollars in Category C, similar to the way it was done in the last biennium. This will encourage municipalities to strive for economic growth and benefit along with the state in a good partnership.

Thank you for consideration of our request as follows:	Category A \$ 30,120,041
	Category B 1,000,000
	Category C 2,000,000
Total Appropriation	\$ 33,120,041

<u>AGENCY</u> Arkansas Municipal League	<u>DIRECTOR</u> 	<u>AGENCY PROGRAM COMMENTARY</u> BR21	<u>PAGE</u> 331
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COUNTY AND MUNICIPAL AID
 SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
 FOR THE YEAR ENDED JUNE 30, 1993

	Fund Type Fiduciary	Total
Assets	\$ 6,859.03	\$ 6,859.03
Liabilities	6,859.03	6,859.03
Revenues	163,514,298.11	163,514,298.11
Expenditures	163,521,417.52	163,521,417.52

Findings

None

Recommendations

None

Audited by Division of Legislative Audit
 SA0407493

SUMMARY
STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 79TH GENERAL ASSEMBLY
AGENCY: MUNICIPAL AID

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 93-94	FY 94-95	
<u>APPROPRIATION: 034 – General Revenue to Cities</u>				
General Revenue to Cities		\$2,003,722	\$2,003,722	General Revenue collections in FY94 allowed the St. Treasurer's Office to distribute additional amount. Funding restrictions in FY95 have not allowed the St. Treasurer to budget the additional appropriation.
<u>APPROPRIATION: 035 – Special Revenue to Cities</u>				
Special Revenue to Cities		\$35,000,000	\$35,000,000	Additional appropriation was not needed by the St. Treasurer to distribute special revenue collections to cities in FY94. The additional amount has been budgeted in FY95.

**ARKANSAS BUDGET SYSTEM
DEPARTMENT APPROPRIATION SUMMARY**

AGENCY TITLE Municipal Aid(076)		1993-95 Expenditures				1995-97 Biennium Request				1995-97 Executive Recommendation			
Appropriations		Actual	No. of	Budgeted	No. of	Year 1	No. of	Year 2	No. of	Year 1	No. of	Year 2	No. of
Code	Name	1993-94	Pos.	1994-95	Pos.	1995-96	Pos.	1996-97	Pos.	1995-96	Pos.	1996-97	Pos.
034	General Revenue to Cities	\$30,120,041		\$27,132,471		\$33,120,041		\$33,120,041		\$30,136,193		\$30,136,193	
035	Special Revenue to Cities	57,764,134		100,000,000		100,000,000		100,000,000		100,000,000		100,000,000	
TOTALS		\$87,884,175		\$127,132,471		\$133,120,041		\$133,120,041		\$130,136,193		\$130,136,193	
Funding Sources			% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances													
General Revenues		\$30,120,041	34.3%	\$27,132,471	21.3%	\$33,120,041	24.9%	\$33,120,041	24.9%	\$27,132,471	21.3%	\$27,132,471	21.3%
Special Revenues		57,764,134	65.7%	100,000,000	78.7%	100,000,000	75.1%	100,000,000	75.1%	100,000,000	78.7%	100,000,000	78.7%
Federal Funds													
Const. & Fiscal Agency Fund													
State Central Services Fund													
Non-Revenue Receipts													
Cash Funds													
Other													
Total Funding		87,884,175	100.0%	127,132,471	100.0%	133,120,041	100.0%	133,120,041	100.0%	127,132,471	100.0%	127,132,471	100.0%
Excess Appro./ (Funding)										3,003,722		3,003,722	
TOTAL		\$87,884,175		\$127,132,471		\$133,120,041		\$133,120,041		\$130,136,193		\$130,136,193	
DEPARTMENT Municipal Aid(076)				DIRECTOR Don Zimmerman					DEPARTMENT APPROPRIATION SUMMARY BR 40				
									334				

*ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1995 - 1997*

These appropriations provide spending authority for the Treasurer's Office to distribute General and Special Revenues designated for the cities. The Municipal League of Arkansas is requesting a 10% increase over the 1995 authorized appropriation amount in General Revenue Turnback. No increase is requested for the special revenue appropriation utilized each year of the biennium to distribute available revenue to the cities.

The Executive Recommendation for General Revenue Turnback to Cities is the 1995 Authorized Appropriation (\$30,136,193) each year of the 1995-97 biennium. Appropriation for the Special Revenue received by the Cities is recommended at the requested amount.

<u>AGENCY</u>	<u>APPROPRIATION</u>	<u>TREASURY FUND</u>	<u>ANALYSIS OF BUDGET REQUEST</u>	<u>PAGE</u>
Name: Arkansas Municipal League Code: 076	Name: Code:	Name: Municipal Aid Fund Code: MLM	BR20	335

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			94-95			-----95-96 FISCAL YEAR-----			-----96-97 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	93-94	94-95	94-95	PRIORITY		TOTAL	PRIORITY		TOTAL	EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	AUTHORIZED	BASE	PROGRAMS	REQUEST	BASE	PROGRAMS	REQUEST	95-96	96-97	95-96	96-97			
GENERAL REVENUES -- CITIE	30,120,041	27,132,471	30,136,193	27,132,471	5,987,570	33,120,041	27,132,471	5,987,570	33,120,041	30,136,193	30,136,193					
TOTAL	30,120,041	27,132,471	30,136,193	27,132,471	5,987,570	33,120,041	27,132,471	5,987,570	33,120,041	30,136,193	30,136,193					
PROPOSED FUNDING SOURCES			*****													
UNID BALANCES			*****													
GENERAL REVENUES	30,120,041	27,132,471	*****	27,132,471	5,987,570	33,120,041	27,132,471	5,987,570	33,120,041	27,132,471	27,132,471					
SPECIAL REVENUES			*****													
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
OTHER			*****													
TOTAL FUNDING	30,120,041	27,132,471	*****	27,132,471	5,987,570	33,120,041	27,132,471	5,987,570	33,120,041	27,132,471	27,132,471					
EXCESS APPRO/ (FUNDING)			*****							3,003,722	3,003,722					
TOTAL	30,120,041	27,132,471	*****	27,132,471	5,987,570	33,120,041	27,132,471	5,987,570	33,120,041	30,136,193	30,136,193					

EPT 004 CONSTITUTIONAL OFFICES
 GY 076 MUNICIPAL AID
 PPRO 034 GENERAL REVENUES TO CITIES
 UNID MLH MUNICIPAL AID FUND(076)

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			94-95			-----95-96 FISCAL YEAR-----			-----96-97 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	93-94	94-95	94-95	PRIORITY		TOTAL	PRIORITY		TOTAL	EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	APPRO	BASE	PROGRAMS	REQUEST	BASE	PROGRAMS	REQUEST	95-96	96-97	95-96	96-97			
SPECIAL REVENUES -- CITIE	57,764,134	100,000,000	100,000,000	100,000,000	0	100,000,000	100,000,000	0	100,000,000	100,000,000	100,000,000					
TOTAL	57,764,134	100,000,000	100,000,000	100,000,000	0	100,000,000	100,000,000	0	100,000,000	100,000,000	100,000,000					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES			*****													
GENERAL REVENUES			*****													
SPECIAL REVENUES	57,764,134	100,000,000	*****	100,000,000		100,000,000	100,000,000		100,000,000	100,000,000	100,000,000					
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
OTHER			*****													
TOTAL FUNDING	57,764,134	100,000,000	*****	100,000,000		100,000,000	100,000,000		100,000,000	100,000,000	100,000,000					
EXCESS APPRO/ (FUNDING)			*****													
TOTAL	57,764,134	100,000,000	*****	100,000,000		100,000,000	100,000,000		100,000,000	100,000,000	100,000,000					

DEPT 004 CONSTITUTIONAL OFFICES
 AGY 076 MUNICIPAL AID
 APPRO 035 SPECIAL REVENUES TO CITIES
 FUND HLM MUNICIPAL AID FUND(076)

APPROPRIATION SUMMARY

BR 215