

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1997 - 1999**

Arkansas' municipalities enjoy one of the best state-local working relationships with it's state government that there is 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, parks & recreation programs, sanitation services, airport facilities, and many more municipal services, while at the same time enjoying among 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 the 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 but need to be protected in legislation dealing with the implementation of the new federal telecommunications law. Perhaps the most important source of revenue to municipalities is State Turnback Funds. These funds provide for at least a minimum level of local services throughout the state regardless of the tax base or wealth of an individual community. We recommend a policy of allowing your cities and towns to participate with the state in the economic growth of the state. This policy gives local officials a true incentive to develop the economy of the state and work with you in a partnership arrangement. Our budget request is based on that partnership principle.

Our request for the coming biennium is that you increase the appropriation (contained in Act 1027 of 1995) by 6%. This would allow the Municipal Aid Appropriation to keep pace with the overall economic growth of state revenue and would amount to the following:

General Turnback	FY98 \$35,107,243
	FY99 \$37,213,678

Thank you for your consideration of our request.

AGENCY Arkansas Municipal League	DIRECTOR 	AGENCY PROGRAM COMMENTARY BR21	PAGE 476
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COUNTY AND MUNICIPAL AID
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1995

Assets				Liabilities			Total Equity
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total	
\$ 80,263	\$ 0	\$ 0	\$ 80,263	\$ 80,263	\$ 0	\$ 80,263	\$ 0

Revenues					Expenditures					Other Sources (Uses)
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 180,019,877	\$ 159,693	\$ 0	\$ 3,493	\$ 180,183,063	\$ 0	\$ 0	\$ 0	\$ 181,436,528	\$ 181,436,528	\$ 0

Findings

None

Recommendations

None

SUMMARY

STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY

AGENCY: Municipal Aid(076)

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	

APPROPRIATION: 034 - General Revenue to Cities

General Revenue to Cities		\$5,987,570	\$5,987,570	General Revenue collections in FY96 allowed the St. Treasurer's Office to distribute the additional amount. FY97 General Revenue Forecast has allowed the Treasurer's Office to budget the additional appropriation.
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APPROPRIATION: 035 - Special Revenue to Cities

Special Revenue to Cities				No new programs or expansions in the 1995-97 biennium.
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ARKANSAS BUDGET SYSTEM DEPARTMENT APPROPRIATION SUMMARY

AGENCY TITLE Municipal League(076)		1995-97 Expenditures				1997-99 Biennium Request				1997-99 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	1995-96	Pos.	1996-97	Pos.	1997-98	Pos.	1998-99	Pos.	1997-98	Pos.	1998-99	Pos.
034	General Revenue to Cities	\$30,136,193		\$30,136,193		\$35,107,243		\$37,213,678		\$30,136,193		\$30,136,193	
035	Special Revenue to Cities	61,530,987		100,000,000		100,000,000		100,000,000		100,000,000		100,000,000	
TOTALS		\$91,667,180		\$130,136,193		\$135,107,243		\$137,213,678		\$130,136,193		\$130,136,193	
Funding Sources			% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances													
General Revenues		30,136,193	31.6%	30,136,193	23.2%	35,107,243	26.0%	37,213,678	27.1%	30,136,193	23.2%	30,136,193	20.1%
Special Revenues		65,106,956	68.4%	100,000,000	76.8%	100,000,000	74.0%	100,000,000	72.9%	100,000,000	76.8%	100,000,000	66.6%
Federal Funds												20,000,000	13.3%
Const. & Fiscal Agency Fund													
State Central Services Fund													
Non-Revenue Receipts													
Cash Funds													
Other													
Total Funding		95,243,149	100.0%	130,136,193	100.0%	135,107,243	100.0%	137,213,678	100.0%	130,136,193	100.0%	150,136,193	100.0%
Excess Appro./ (Funding)													
TOTAL		\$95,243,149		\$130,136,193		\$135,107,243		\$137,213,678		\$130,136,193		\$150,136,193	
DEPARTMENT Municipal League(076)					DIRECTOR Don Zimmerman					DEPARTMENT APPROPRIATION SUMMARY BR 40 479			

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

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 6% increase over the 1997 authorized appropriation amount in General Revenue Turnback. The total request is \$35,107,243 in FY98 and \$37,213,678 in FY99. 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 continues the 1997 funding level of \$30,136,193 each year of the 1997-99 biennium. Appropriation for the Special Revenue received by the Cities is recommended at the requested amount.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Municipal League Code: 076	Name: Code:	Name: Municipal Aid Fund Code: MLM	BR20	430

ARKANSAS BUDGET SYSTEM

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

CHARACTER TITLE	-----EXPENDITURES-----			96-97 AUTHORIZED			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97			PRIORITY	TOTAL		PRIORITY	TOTAL	EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	APPRO	BASE	PROGRAMS	REQUEST	BASE	PROGRAMS	REQUEST	97-98	98-99	97-98	98-99			
GENERAL REVENUES -- CITIES	30,136,193	30,136,193	33,120,041	30,136,193	4,971,050	35,107,243	30,136,193	7,077,485	37,213,678	30,136,193	30,136,193					
TOTAL	30,136,193	30,136,193	33,120,041	30,136,193	4,971,050	35,107,243	30,136,193	7,077,485	37,213,678	30,136,193	30,136,193					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES			*****													
GENERAL REVENUES	30,136,193	30,136,193	*****	30,136,193	4,971,050	35,107,243	30,136,193	7,077,485	37,213,678	30,136,193	30,136,193					
SPECIAL REVENUES			*****													
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
OTHER			*****													
TOTAL FUNDING	30,136,193	30,136,193	*****	30,136,193	4,971,050	35,107,243	30,136,193	7,077,485	37,213,678	30,136,193	30,136,193					
EXCESS APPRO/ (FUNDING)			*****													
TOTAL	30,136,193	30,136,193	*****	30,136,193	4,971,050	35,107,243	30,136,193	7,077,485	37,213,678	30,136,193	30,136,193					

DEPT 004 CONSTITUTIONAL OFFICES
 AGY 076 MUNICIPAL AID
 APPRO 034 GENERAL REVENUES TO CITIES
 FUND 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-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
SPECIAL REVENUES -- CITIES	61,530,987	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	61,530,987	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	61,530,987	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	61,530,987	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	61,530,987	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