

**AGENCY PROGRAM COMMENTARY
2001 - 2003**

The projected income and established reserves generated by annual fees collected from the licensed/certified appraiser are projected to be sufficient to cover the expenditures noted in this proposed budget request by the Arkansas Appraiser Licensing and Certification Board.

Aside from the salaries, benefit section, the more significant part of this budget is the operating expense for this Agency. The operating expenses are becoming more defined in many areas resulting in our ability to make more intelligent projections based on agency history. The Agency plans to continue offering an annual seminar for the license holders and the additional moneys are projected for the sundry costs associated with this seminar. These seminars are funded by registration fees and the revenues generated by the event usually offset the expense.

This Agency operates with eleven board members and there exist a constant turn over due to staggered terms and the limitation on years served. This turnover results in a need to educate and inform the members of their responsibilities and participation. To enhance their competency when rendering decisions on policy matters, we not only have internal orientation sessions but encourage all the Board members to participate whenever possible, in out-of-state seminars and conferences which affords them an opportunity to learn more about their role in the regulatory process.

The Agency has now moved into the twenty-first century by developing a web site and connecting with the Arkansas Home Page on behalf of the agency. Plans are being made to go on-line with annual renewals and a basis for monitoring continuing education.

Capital Outlay will need to be budgeted for upgrading our computer system, additional office furniture and replacement, copying equipment, and filing cabinet(s). We believe it incumbent on the budget process to provide for these anticipated purchases as well as a contingency for the unknown.

Additional expenditures are proposed for the Board and staff to participate in educational seminars and conferences. This proposed budget will also incorporate an increase in the office rent due to an October, 2001 expiration of the current lease.

In general, this proposed biennial budget is essentially the same as in previous years with positive adjustments in some categories with reductions in others reflecting a better understanding of the costs associated with operating the agency. Most of the significant changes in this budget are reflected within the salaries and benefit, capital outlay, and enforcement cost centers with minor increases in general operating expenses.

AGENCY AR APPRAISER LICENSING AND CERTIFICATION BOARD	DIRECTOR  Jim Martin	AGENCY PROGRAM COMMENTARY BR21	PAGE 24
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ARKANSAS APPRAISER LICENSING AND CERTIFICATION BOARD
 SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
 FOR THE YEAR ENDED JUNE 30, 1998

Assets					Liabilities			Total Equity	
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total			
\$ 691,801	\$ 20,880	\$ 18,203	\$ 730,884	\$ 92,700	\$ 9,946	\$ 102,646	\$ 628,238		

Revenues				Expenditures						Other Sources (Uses)
Intergovernmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 0	\$ 0	\$ 172,665	\$ 36,256	\$ 208,921	\$ 107,031	\$ 0	\$ 0	\$ 79,658	\$ 186,689	\$ 0

Findings

None.

Recommendations

None.

ARKANSAS BUDGET SYSTEM
 EMPLOYMENT SUMMARY
 AS REQUIRED BY ACT 358 OF 1993
 (A.C.A 19-4-307)

AGENCY TITLE 205 - AR APPRAISER LICENSING & CERTIF BOARD

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>1</u>	<u>1</u>	<u>2</u>	<u>100%</u>
BLACK EMPLOYEES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL EMPLOYED AS OF <u>08/05/00</u> DATE			<u>0</u>	<u>0%</u>
			TOTAL MINORITIES	
			<u>2</u>	<u>100%</u>
			TOTAL EMPLOYEES	


 AGENCY DIRECTOR

**CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 2000**

AGENCY: AR Appraiser Licensing & Certification Board

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
345	\$27,689.94	Checking	Bank of America/LR	ACA 17-14-203(10) authorizes the setting and collection of fees and for pass thru payment of a fee as required by Section 1109 (a)(2) of FIRREA of 1989, currently set at \$25 per licensee.
	\$174,326.00	Money Market	State Treasury Mgmt Fund	
	\$59,175.78	CD	Nat'l Bk of AR/NLR	
	\$68,875.14	CD	Mid-South/Jonesboro	
	\$58,402.03	CD	DeWitt Bank & Trust	STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: ACA 17-14-203(6)(G) establishes maximum fees not including exam for license. ACA 17-14-206(a) authorizes fines for disciplinary action.
	\$60,000.00	CD	Simmons Bk/LR	
	\$50,881.94	CD	American Bk/Paragould	REVENUE RECEIPTS CYCLE: Fines and penalties are collected throughout the year. The majority of fees are collected in June of each year.
	\$52,495.39	CD	Citizens Bank/Hope	
	\$50,000.00	CD	Regions Bank/LR	
\$50,000.00	CD	Arvest/Central Bk/LR	FUND BALANCE UTILIZATION: The Board anticipates reducing licensing fees in future years as a basis for reducing the Agency reserves.	
ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
				STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:
				REVENUE RECEIPTS CYCLE:
				FUND BALANCE UTILIZATION:

STATE AGENCY PUBLICATIONS

2001-2003 Biennium

Act 1276 of 1999

AGENCY: AR Appraiser Licensing & Certification Bd **AGENCY #** 205

NAME OF PUBLICATION	STATUTORY AUTHORIZATION ACT # OR A.C.A.	REQUIRED FOR GOVERNOR AND/OR GENERAL ASSEMBLY ONLY	NUMBER OF COPIES PUBLISHED & DISTRIBUTED	REASON(S) FOR CONTINUED PUBLICATION AND DISTRIBUTION
Statutes & Amendments	ACT 541 of 1991	NO	700 and when revised	Sent to newly licensed and certified appraisers
Rules & Regulations	ACA 17-14-201	NO	700 and when revised	Periodically need minor changes for housekeeping purposes and Federal guideline updates. Made available to all licensees when revised and to newly licensed appraisers.
"The Appraiser"	N/A	NO	750	Quarterly newsletter published and mailed to all licensed and certified appraisers to keep them abreast of the Board's activities, operation, and other helpful information.

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
2001 – 2003**

The mission of the Arkansas Appraiser Licensing and Certification Board is primarily to maintain a system for licensing and regulating real estate appraisers which is in compliance with federal guidelines and results in license holders that have verified adequate education, experience, and have demonstrated a competency to provide quality service consistent with their specific credentials. The Appraiser Licensing Board is funded from the receipt of fees for applications and annual renewal of appraisers' licenses. Expenditure of appropriation is dependent upon available funding.

Base Level includes a cost of living increase of 2.6% each year over the FY01 salary levels, related Personal Services Matching costs, as well as supportive Maintenance & General Operations. Change Level requests total \$19,850 in FY02 and \$20,850 in FY03 and include the following:

- ◆ \$10,850 in FY02 and \$11,850 in FY03 in Operating Expenses for rent increases, subscriptions, per diem, mileage, meals, lodging, contract labor, and internet expenses,
- ◆ \$2,000 each year in Professional Fees & Services for honorarium, and
- ◆ \$7,000 each year in Capital Outlay to purchase office equipment and furniture.

The Executive Recommendation provides for the Agency Request.

AGENCY Name: AR Appraiser Licensing & Cert. Bd. Code: 205	APPROPRIATION Name: AR Appraiser Licensing & Cert. Bd. Code: A86	CASH FUND Name: Appraiser Licensing Cert.-Cash Code: 345	ANALYSIS OF BUDGET REQUEST BR20	PAGE 29
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CHARACTER TITLE	-----EXPENDITURES-----			-----01-02 FISCAL YEAR-----			-----02-03 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	99-00	00-01	00-01	01-02		02-03		02-03		EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	01-02	02-03	01-02	02-03
REGULAR SALARIES	92,654	95,277	95,277	97,753	0	97,753	100,293	0	100,293	97,753	100,293		
NUMBER OF POSITIONS	2	2	2	2	0	2	2	0	2	2	2		
PERSONAL SERV MATCHING	22,332	22,748	23,330	23,240	0	23,240	23,690	0	23,690	23,240	23,690		
OPERATING EXPENSES	80,580	92,033	92,033	92,033	10,850	102,883	92,033	11,850	103,883	102,883	103,883		
CONF FEES & TRAVEL	1,542	5,700	5,700	5,700	0	5,700	5,700	0	5,700	5,700	5,700		
PROF FEES & SERVICES	6,234	9,500	9,500	9,500	2,000	11,500	9,500	2,000	11,500	11,500	11,500		
CAPITAL OUTLAY	0	2,500	2,500	0	7,000	7,000	0	7,000	7,000	7,000	7,000		
DATA PROCESSING	0	500	500	500	0	500	500	0	500	500	500		
TOTAL	203,342	228,258	228,040	228,726	19,850	248,576	231,716	20,850	252,566	248,576	252,566		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	672,178	634,829	*****	571,571		571,571	487,995		487,995	571,571	487,995		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS	165,993	165,000	*****	145,150	19,850	165,000	144,150	20,850	165,000	165,000	165,000		
OTHER			*****										
TOTAL FUNDING	838,171	799,829	*****	716,721	19,850	736,571	632,145	20,850	652,995	736,571	652,995		
EXCESS APPRO/ (FUNDING)	(634,829)	(571,571)	*****	(487,995)		(487,995)	(400,429)		(400,429)	(487,995)	(400,429)		
TOTAL	203,342	228,258	*****	228,726	19,850	248,576	231,716	20,850	252,566	248,576	252,566		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
 AGY 205 ARKANSAS APPRAISER LICENSING AND CERTIFICATION BOARD
 APPRO A86 CASH OPERATIONS
 FUND 345 APPRAISER LICENSING CERT CASH-(205)

APPROPRIATION SUMMARY

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ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		2001 - 03 BIENNIUM REQUESTS						RECOMMENDATIONS					
					ACTUAL	BUDGETED	FY 2001 - 02		FY 2002 - 03		EXECUTIVE		LEGISLATIVE					
					99-00	00-01	REQUEST	REQUEST	2001-02	2002-03	2001-02	2002-03						
000		345	205 A86	B	203,342 2	228,258 2	228,726 2					231,716 2			228,726 2	231,716 2		
001		345	205 A86 100 ARKANSAS APPRAISER LICENSING #	C01			19,850 0					15,350 0			19,850	15,350		
<p>An increase of \$10,850 in FY02 and \$11,850 in FY03 is for Operating Expenses to cover rent, on-line license renewal fees, Board sponsored seminars, per diem, and expenses for Board members due to an increase in number of meetings, out-of-state conferences, moving expenses, and contract labor. An increase of \$2,000 each year for Professional Fees and Services is to cover honorarium fees. This is necessary due to the speakers for the Board seminars held each year. The overall impact of this adjustment is of no consequence as it is offset by income via seminar registration fees. An increase of \$7,000 in FY02 and \$1,500 in FY03 is for Capital Outlay to cover furnishing an office should an investigative position be established.</p>																		
002		345	205 A86 A90 INFORMATION TECHNOLOGY	C08			0 0					5,500 0				5,500		
<p>An increase of \$5,500 in FY03 for Capital Outlay is to cover the cost of a new computer system for the AASIS system and adjustments to the web page for appraisers to be put in place during this next biennium. In the event these projections become a reality, the need for an increase in capital improvement expenditures is necessary.</p>																		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
 AGY 205 ARKANSAS APPRAISER LICENSING AND CERTIFICATION BOARD
 APPRO A86 CASH OPERATIONS
 FUND 345 APPRAISER LICENSING CERT CASH-(205)

RANK BY APPROPRIATION
 BR 264