

CONTRACTORS LICENSING BOARD

Enabling Laws

Act 58 of 2016
A.C.A. §17-25-201
A.C.A. §17-25-103
A.C.A. §17-25-503

History and Organization

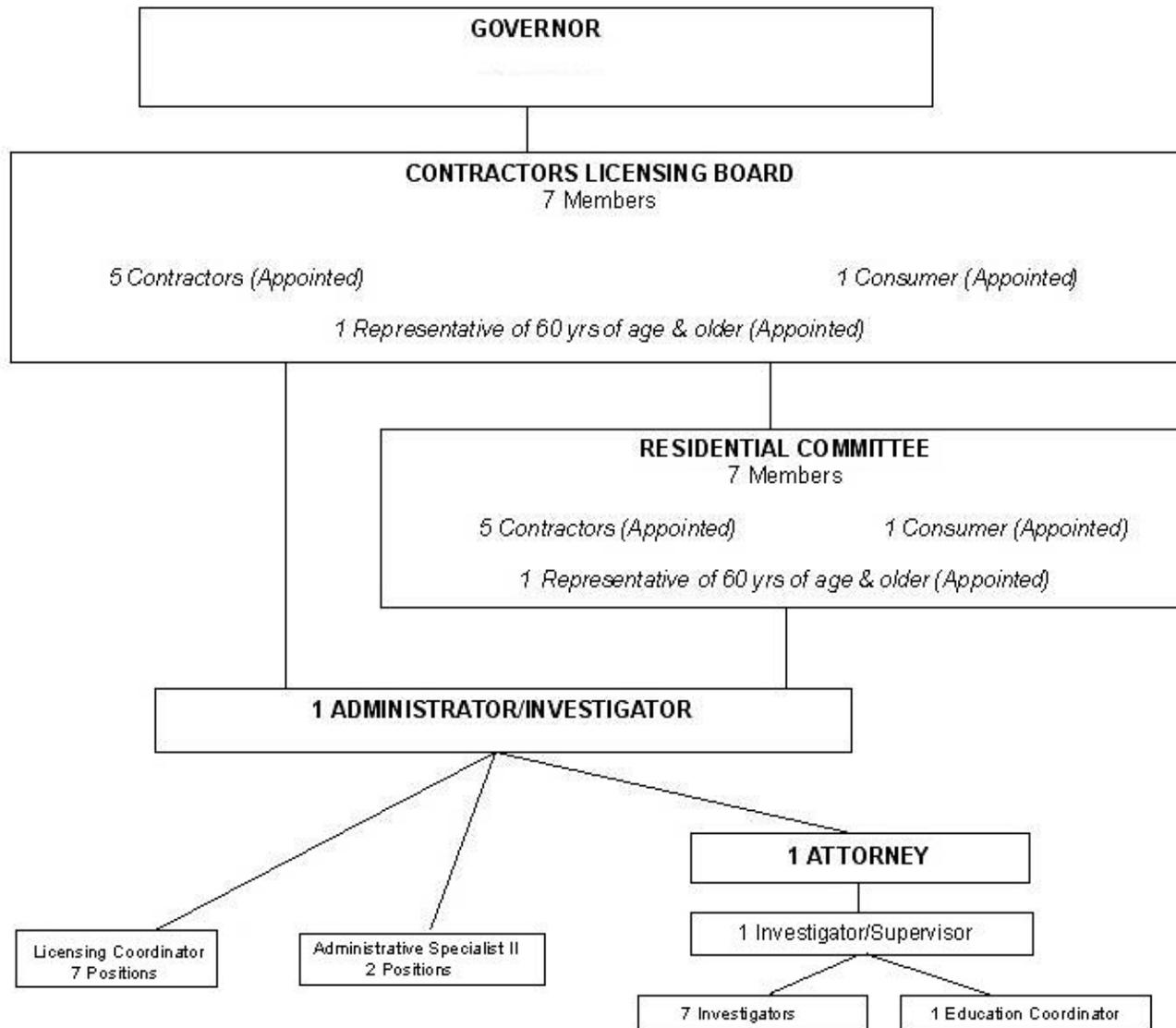
The Contractors Licensing Board was established by Act 124, approved on February 24, 1939, with the intent to preserve public health and safety in the construction industry in the State of Arkansas. Act 150 of 1965, as amended, has been established to efficiently insure public health and safety as well. The Contractors Licensing Board acting within the guidelines of the above mentioned Acts, with the diligence and concern, has endeavored to bring all contractors into compliance with the above mentioned Act.

Act 37 of the special legislative session of 1992 amended Act 162 of 1987 and placed the responsibility of the Contractors Bond Law within the frame work of the Contractors Licensing Board. The Board works well with other agencies to insure the financial obligations of contractors to the State of Arkansas are met. The Contractors Bond Law has closed many gaps of lost revenue for the Revenue Department and other agencies.

Act 950 of 1999 created the Residential Committee to preserve the public health and safety in the residential construction industry in the State of Arkansas. The Residential Committee was placed within the Contractors Board.

The Contractors Licensing Board and its administration is very conscious of cost in relation to services rendered and has been able to implement a program that places this agency in a very cost efficient, economic position.

The Contractors Licensing Board is made up of seven (7) members appointed by the Governor and confirmed by the Senate. The Residential Committee is made up of seven (7) members appointed by the Governor.



Agency Commentary

The Arkansas Contractors Licensing Board strives to work as efficiently and cost effectively as possible to serve the citizens of Arkansas. We closely monitor all expenses and have attempted to reduce expenditures whenever possible. We have not asked for an increase in any category and are asking for a decrease of two employee positions for the upcoming biannual budget.

While the costs of operations rise, we have been able to stay within our budget by using technology more effectively and cutting cost, including personnel, whenever possible. We will continue to reduce cost wherever possible.

The Board is requesting a reduction of two positions. The results in a reduction in Regular Salaries in the amount of \$67,785 in FY 2018 and FY 2019. In addition, this results in a reduction in Personal Services Matching of \$25,474 in FY 2018 and FY 2019.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS CONTRACTORS LICENSING BOARD
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	5	9	14	93 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	1	1	7 %
Total Minorities			1	7 %
Total Employees			15	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Contractors License, Law, Bond Law and Rules Regulations	A.C.A. §17-25-315	N	N	3,000	Public Use	0	0.00
New and Renewal Applications	A.C.A. §17-25-303	N	N	18,000	Necessary for Licensure Process	0	0.00
Newsletters Annually	A.C.A. §17-25-206	N	N	1,000	Information Purposes	0	0.00

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
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		
22	17	2	19	3	22.73 %	20	16	4	20	0	20.00 %	20	15	5	20	0	25.00 %

Analysis of Budget Request

Appropriation: 96Z - Treasury Cash

Funding Sources: NLC - Contractor's Licensing Board - Cash in Treasury

The Contractor's Licensing Board is responsible for determining qualifications of applicants for contractor's licenses and authorizing the issuance of new and renewal licenses. The Board investigates all alleged and factual violations of the contractor's licensing law and contractor's bond law as well as holds hearings and assesses penalties to ensure compliance. The Contractor's Licensing Board is funded from the receipt of fees charged for examination, issuance, and renewal of commercial contractor's licenses and penalties associated with violations of regulations pursuant to A.C.A. §17-25-101 et seq. Expenditures from the cash funds are solely dependent on the availability of funds.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

Base Level for the biennium is \$1,925,942 in FY18 and \$1,926,801 in FY19.

The Board's Change Level request of (\$93,259) for each year reflects a decrease in Regular Salaries and Personal Services Matching for the elimination of one (1) Contractor's Board Investigator position and one (1) Administrative Specialist III position.

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

Appropriation Summary

Appropriation: 96Z - Treasury Cash

Funding Sources: NLC - Contractor's Licensing Board - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	826,442	909,266	951,839	910,566	842,781	842,781	911,266	843,481	843,481
#Positions	19	20	20	20	18	18	20	18	18
Personal Services Matching 5010003	282,019	301,149	313,601	306,495	281,021	281,021	306,654	281,180	281,180
Operating Expenses 5020002	244,381	345,481	345,481	345,481	345,481	345,481	345,481	345,481	345,481
Conference & Travel Expenses 5050009	5,878	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400
Professional Fees 5060010	24,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Grants and Aid 5100004	117,805	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Refunds/Reimbursements 5110014	40,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Construction Industry Training G 5900047	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total	1,540,525	1,919,296	1,974,321	1,925,942	1,832,683	1,832,683	1,926,801	1,833,542	1,833,542
Funding Sources									
Fund Balance 4000005	1,696,007	1,766,768		1,147,472	1,147,472	1,147,472	521,530	614,789	614,789
Cash Fund 4000045	1,611,286	1,300,000		1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Total Funding	3,307,293	3,066,768		2,447,472	2,447,472	2,447,472	1,821,530	1,914,789	1,914,789
Excess Appropriation/(Funding)	(1,766,768)	(1,147,472)		(521,530)	(614,789)	(614,789)	105,271	(81,247)	(81,247)
Grand Total	1,540,525	1,919,296		1,925,942	1,832,683	1,832,683	1,926,801	1,833,542	1,833,542

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 96Z - Treasury Cash
Funding Sources: NLC - Contractor's Licensing Board - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,925,942	20	1,925,942	100.0	1,926,801	20	1,926,801	100.0
C03	Discontinue Program	(93,259)	(2)	1,832,683	95.2	(93,259)	(2)	1,833,542	95.2

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,925,942	20	1,925,942	100.0	1,926,801	20	1,926,801	100.0
C03	Discontinue Program	(93,259)	(2)	1,832,683	95.2	(93,259)	(2)	1,833,542	95.2

Justification

C03	Regular Salaries and Personal Services Matching decrease of (\$93,259) each year for the elimination of one (1) Contractor's Board Investigator position and one (1) Administrative Specialist III position.
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