

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
AGENCY PROGRAM COMMENTARY
2003 - 2005

The following budget requests, information, and explanation of changes affect each of the Commission's operating programs, Cash Operations, supported by the general cash fund, and the Real Estate Recovery Program, funded by the recovery fund. Funding for the biennial budget request will be provided from fund balances and fees to be collected. Base Level in each program is satisfactory for anticipated expenditure needs, except for the following requested additions:

In Cash Operations, Capital Outlay is requested for replacement of an address printer for mass mailings and, in the second year, purchase of a multimedia projector. Also requested is a substantial reduction in the line item for Refunds/ Reimbursements.

Since Agency funds now reside in the State Treasury, the Investments line items in both programs are no longer needed and deletion of each is requested.

AGENCY ARKANSAS REAL ESTATE COMMISSION	DIRECTOR <i>Bill Williamson</i>	AGENCY PROGRAM COMMENTARY	PAGE 352
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DIVISION OF LEGISLATIVE AUDIT
AUDIT OF:
ARKANSAS REAL ESTATE COMMISSION
FOR THE YEAR ENDED JUNE 30, 2001

Findings

None

Recommendations

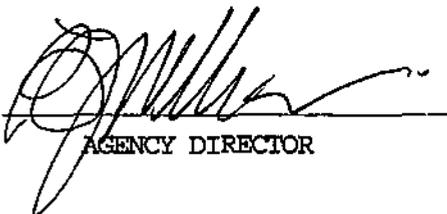
None

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ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
 EMPLOYMENT SUMMARY
 Required by: A.C.A. 19-4-307

AGENCY TITLE: 0248 AR REAL ESTATE COMM

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	4	9	13	87%
BLACK EMPLOYEES	0	2	2	13%
EMPLOYEES OF OTHER RACIAL MINORITIES	0	0	0	0%
TOTAL EMPLOYED AS OF			2	13%
DATE			TOTAL MINORITIES	
			15	100%
			TOTAL EMPLOYEES	



 AGENCY DIRECTOR

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
STATE AGENCY PUBLICATIONS

Fiscal Year 2002-2003

Required by: A.C.A. 25-1-204

AGENCY: AR REAL ESTATE COMMISSION (248)

NAME OF PUBLICATION	STATUTORY AUTHORIZATION	PUBLICATION REQUIRED FOR GOVERNOR AND/OR GENERAL ASSEMBLY ONLY	NUMBER OF COPIES PUBLISHED	REASON(S) FOR CONTINUED PUBLICATION AND DISTRIBUTION
AR Real Estate Commission Newsletter	ACA 17-42-404 ACA 17-42-203	NO	12,000 Quarterly	To aid education and enforcement. Contains articles about real estate practices, law, regulations, and hearings.
				355

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Department Appropriation Summary

Agency Name AR REAL ESTATE COMMISSION
Agency Code 248

Code	Appropriation Name	2001-02		2002-03		Agency Request				Executive Recommendation			
		Actual	Pos.	Budget	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
853	Cash Operations	864,172	15	1,106,819	15	983,340	15	998,673	15	983,340	15	998,673	15
952	Real Estate Recovery	60,770	0	504,106	0	352,500	0	352,500	0	352,500	0	352,500	0
Grand Total		924,942	15	1,610,925	15	1,335,840	15	1,351,173	15	1,335,840	15	1,351,173	15

Funding Sources			% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Name	Code												
Fund Balance	4000005	1,752,971	63.6	1,833,229	84.6	1,227,304	55.5	875,664	47.5	1,227,304	55.6	875,664	47.6
Cash Funds	4000045	1,005,200	35.4	1,005,000	35.4	984,200	44.5	969,600	52.5	984,200	44.4	969,600	52.4
Total Funding		2,758,171	100.0	2,838,229	100.0	2,211,504	100.0	1,845,264	100.0	2,211,504	100.0	1,845,264	100.0
Excess Appro/(Funding)		(1,633,229)		(1,227,304)		(875,664)		(494,091)		(875,664)		(494,091)	
Grand Total		924,942		1,610,925		1,335,840		1,351,173		1,335,840		1,351,173	

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
ANALYSIS OF BUDGET REQUEST
2003-2005

The Arkansas Real Estate Commission is funded from the receipt of fees it charges for originating and renewing the licenses of real estate brokers and salespersons. The Base Level request includes a 2.7% salary increase each year over the FY03 salary levels for all incumbents plus associated increases in Personal Services Matching. Included in Personal Services Matching is a \$33 per month increase in the monthly contribution for State employee's health insurance for a total state contribution of \$280 per month for each budgeted employee. Although 20 positions are authorized, the Commission is only budgeting 15 of those for continuation. Changes are requested as follows:

Capital Outlay of \$6,000 in the first year for replacement of an address printer for mass mailings and \$4,000 in the second year for purchase of a multimedia projector.

A reduction each year in the Refunds/Reimbursement line item from \$65,000 to \$10,000.

Since Real Estate Commission cash resources are now deposited into and are invested by the State Treasury, elimination of the Investments line item in this appropriation is requested.

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

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: Arkansas Real Estate Commission	Name: Real Estate - Cash Operations	Name: Real Estate - Cash	BUDGET REQUEST	357
Code: 248	Code: 853	Code: NRE		

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name AR REAL ESTATE COMMISSION
 Agency Code 248
 Appropriation Name Real Estate-Cash Operations
 Appropriation Code 853
 Fund Name Real Estate Commission - Cash
 Fund Code NRE

Character		Expenditures				
		2001-02	2002-03		2002-03	
Name	Code	Actual	Budget	Pos.	Authorized	Pos.
Regular Salaries	5010000	524,450	531,021	15	637,495	20
Extra Help	5010001	0	16,000	4	16,000	4
Personal Serv Match	5010003	139,585	139,884	0	167,478	0
Operating Expenses	5020002	155,717	211,174	0	211,174	0
Travel-Conferences	5050009	8,286	13,662	0	13,662	0
Capital Outlay	5120011	14,852	12,000	0	12,000	0
Prof. Fees & Serv.	5060010	21,282	32,929	0	32,929	0
Refunds/Reimburse	5110014	0	65,000	0	65,000	0
Investments	5120013	0	85,149	0	85,149	0
Grand Total		864,172	1,106,819	19	1,240,887	24

Funding Sources						
Name	Code					
Fund Balance	4000005	555,401	641,229	*****	*****	*****
Cash Funds	4000045	950,000	950,000	*****	*****	*****
Total Funding		1,505,401	1,591,229	*****	*****	*****
Excess Appr/(Funding)		(641,229)	(484,410)	*****	*****	*****
Grand Total		864,172	1,106,819	*****	*****	*****

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name AR REAL ESTATE COMMISSION
 Agency Code 248
 Appropriation Name Real Estate-Cash Operations
 Appropriation Code 853
 Fund Name Real Estate Commission - Cash
 Fund Code NRE

Character		Agency Request											
		2003-04						2004-05					
Name	Code	Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.
Regular Salaries	5010000	545,359	15	0	0	545,359	15	560,083	15	0	0	560,083	15
Extra Help	5010001	16,000	4	0	0	16,000	4	16,000	4	0	0	16,000	4
Personal Serv Match	5010003	148,217	0	0	0	148,217	0	150,824	0	0	0	150,824	0
Operating Expenses	5020002	211,174	0	0	0	211,174	0	211,174	0	0	0	211,174	0
Travel-Conferences	5050009	13,662	0	0	0	13,662	0	13,662	0	0	0	13,662	0
Capital Outlay	5120011	0	0	6,000	0	6,000	0	0	0	4,000	0	4,000	0
Prof. Fees & Serv.	5060010	32,929	0	0	0	32,929	0	32,929	0	0	0	32,929	0
Refunds/Reimburse	5110014	65,000	0	(55,000)	0	10,000	0	65,000	0	(55,000)	0	10,000	0
Investments	5120013	85,149	0	(85,149)	0	0	0	85,149	0	(85,149)	0	0	0
Grand Total		1,117,489	19	(134,149)	0	983,340	19	1,134,822	19	(136,149)	0	998,673	19

Funding Sources													
Name	Code												
Fund Balance	4000005	484,410	*****	0	*****	484,410	*****	451,070	*****	0	*****	451,070	*****
Cash Funds	4000045	944,000	*****	6,000	*****	950,000	*****	946,000	*****	4,000	*****	950,000	*****
Total Funding		1,428,410	*****	6,000	*****	1,434,410	*****	1,397,070	*****	4,000	*****	1,401,070	*****
Excess Appro(Funding)		(310,921)	*****	(140,149)	*****	(451,070)	*****	(262,248)	*****	(140,149)	*****	(402,397)	*****
Grand Total		1,117,489	*****	(134,149)	*****	983,340	*****	1,134,822	*****	(136,149)	*****	998,673	*****

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name AR REAL ESTATE COMMISSION
 Agency Code 248
 Appropriation Name Real Estate-Cash Operations
 Appropriation Code 853
 Fund Name Real Estate Commission - Cash
 Fund Code NRE

Character		Recommendations							
		Executive				Legislative			
Name	Code	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
Regular Salaries	5010000	545,359	15	560,083	15	0	0	0	0
Extra Help	5010001	16,000	4	16,000	4	0	0	0	0
Personal Serv Match	5010003	148,217	0	150,824	0	0	0	0	0
Operating Expenses	5020002	211,174	0	211,174	0	0	0	0	0
Travel-Conferences	5050009	13,662	0	13,662	0	0	0	0	0
Capital Outlay	5120011	6,000	0	4,000	0	0	0	0	0
Prof. Fees & Serv.	5060010	32,929	0	32,929	0	0	0	0	0
Refunds/Reimburse	5110014	10,000	0	10,000	0	0	0	0	0
Investments	5120013	0	0	0	0	0	0	0	0
Grand Total		983,340	19	998,673	19	0	0	0	0

Funding Sources									
Name	Code	2003-04		2004-05		2003-04		2004-05	
Fund Balance	4000005	484,410	*****	451,070	*****	0	*****	0	*****
Cash Funds	4000045	950,000	*****	950,000	*****	0	*****	0	*****
Total Funding		1,434,410	*****	1,401,070	*****	0	*****	0	*****
Excess Appro/(Funding)		(451,070)	*****	(402,397)	*****	0	*****	0	*****
Grand Total		983,340	*****	998,673	*****	0	*****	0	*****

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

Biennial Rank by Appropriation

Agency Name AR REAL ESTATE COMMISSION
 Agency Code 248
 Appropriation Name Real Estate-Cash Operations
 Appropriation Code 853
 Fund Name Real Estate Commission - Cash
 Fund Code NRE

Rank	Justification	Designation		Cost Center	2001-02			2002-03			Agency Request			Executive Recommendation			Legislative Recommendation		
		BL	Base Level		Actual	Budget	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
				Total	864,172	1,106,819	15	1,117,489	15	1,134,822	15	1,117,489	15	1,134,822	15	0	0	0	0
1	Capital Outlay is requested for replacement of an address printer for mass mailings in the first year and purchase of a multimedia projector in the second year.	C01		204220 Real Estate-Cash Oper	0	0	0	6,000	0	4,000	0	6,000	0	4,000	0	0	0	0	0
		C01		Total	0	0	0	6,000	0	4,000	0	6,000	0	4,000	0	0	0	0	0
1	A reduction of \$55,000 is requested for each year in the Refunds/Reimbursement line item.	C02		204220 Real Estate-Cash Oper	0	0	0	(55,000)	0	(55,000)	0	(55,000)	0	(55,000)	0	0	0	0	0
		C02		Total	0	0	0	(55,000)	0	(55,000)	0	(55,000)	0	(55,000)	0	0	0	0	0
1	The Real Estate Commission now deposits its cash funds into the State Treasury which manages the investment of those funds. The Investments line item in this appropriation is no longer needed and its elimination is requested.	C03		204220 Real Estate-Cash Oper	0	0	0	(85,149)	0	(85,149)	0	(85,149)	0	(85,149)	0	0	0	0	0
		C03		Total	0	0	0	(85,149)	0	(85,149)	0	(85,149)	0	(85,149)	0	0	0	0	0
				Grand Total	864,172	1,106,819	15	983,340	15	998,673	15	983,340	15	998,673	15	0	0	0	0

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
ANALYSIS OF BUDGET REQUEST
2003 – 2005

The Arkansas Real Estate Commission's Recovery Fund cash appropriation is supported by a one-time fee of \$25 charged to each new license applicant and also includes interest earned from investing the Fund's balances. If damages are assessed against any licensee who is insolvent, the Commission covers the claim from fees collected in this fund. Earned interest is applied toward support of the Commission's educational efforts to keep its licensees and the general public informed of changes in regulations, market conditions, and illegal practices. Base Level is \$504,106 each year.

Since the Commission has placed its Recovery Fund cash resources in the State Treasury, investments are made by the Treasury on behalf of the Commission. Accordingly, the Investments line item in this appropriation is no longer needed and its deletion is requested.

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

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: Arkansas Real Estate Commission	Name: Real Estate Recovery - Cash	Name: Real Estate Recovery Fund - Cash	BUDGET REQUEST	362
Code: 248	Code: 952	Code: NRE		

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name AR REAL ESTATE COMMISSION
 Agency Code 248
 Appropriation Name Real Estate Recovery Program
 Appropriation Code 952
 Fund Name Real Estate Recovery - Cash
 Fund Code NRE

Character		Expenditures				
		2001-02	2002-03		2002-03	
Name	Code	Actual	Budget	Pos.	Authorized	Pos.
Investments	5120013	0	151,606	0	151,606	0
Damage Payment	5900046	0	250,000	0	250,000	0
Education	5900047	60,770	102,500	0	102,500	0
Grand Total		60,770	504,106	0	504,106	0

Funding Sources						
Name	Code					
Fund Balance	4000005	1,197,570	1,192,000	*****	*****	*****
Cash Funds	4000045	55,200	55,000	*****	*****	*****
Total Funding		1,252,770	1,247,000	*****	*****	*****
Excess Appro/(Funding)		(1,192,000)	(742,894)	*****	*****	*****
Grand Total		60,770	504,106	*****	*****	*****

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name AR REAL ESTATE COMMISSION
 Agency Code 248
 Appropriation Name Real Estate Recovery Program
 Appropriation Code 952
 Fund Name Real Estate Recovery - Cash
 Fund Code NRE

Character		Agency Request											
		2003-04						2004-05					
Name	Code	Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.
Investments	5120013	151,606	0	(151,606)	0	0	0	151,606	0	(151,606)	0	0	0
Damage Payment	5900046	250,000	0	0	0	250,000	0	250,000	0	0	0	250,000	0
Education	5900047	102,500	0	0	0	102,500	0	102,500	0	0	0	102,500	0
Grand Total		504,106	0	(151,606)	0	352,500	0	504,106	0	(151,606)	0	352,500	0

Funding Sources													
Name	Code												
Fund Balance	4000005	742,894	*****	0	*****	742,894	*****	424,594	*****	0	*****	424,594	*****
Cash Funds	4000045	34,200	*****	0	*****	34,200	*****	19,600	*****	0	*****	19,600	*****
Total Funding		777,094	*****	0	*****	777,094	*****	444,194	*****	0	*****	444,194	*****
Excess Approl(Funding)		(272,988)	*****	(151,606)	*****	(424,594)	*****	59,912	*****	(151,606)	*****	(91,684)	*****
Grand Total		504,106	*****	(151,606)	*****	352,500	*****	504,106	*****	(151,606)	*****	352,500	*****

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name AR REAL ESTATE COMMISSION
 Agency Code 248
 Appropriation Name Real Estate Recovery Program
 Appropriation Code 952
 Fund Name Real Estate Recovery - Cash
 Fund Code NRE

Character		Recommendations								
		Executive				Legislative				
		Name	Code	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05
Investments	5120013	0	0	0	0	0	0	0	0	0
Damage Payment	5900046	250,000	0	250,000	0	0	0	0	0	0
Education	5900047	102,500	0	102,500	0	0	0	0	0	0
Grand Total		352,500	0	352,500	0	0	0	0	0	0

Funding Sources									
Name	Code								
Fund Balance	4000005	742,894	*****	424,594	*****	0	*****	0	*****
Cash Funds	4000045	34,200	*****	19,600	*****	0	*****	0	*****
Total Funding		777,094	*****	444,194	*****	0	*****	0	*****
Excess Appro/(Funding)		(424,594)	*****	(91,694)	*****	0	*****	0	*****
Grand Total		352,500	*****	352,500	*****	0	*****	0	*****

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Rank by Appropriation

Agency Name AR REAL ESTATE COMMISSION
 Agency Code 248
 Appropriation Name Real Estate Recovery Program
 Appropriation Code 952
 Fund Name Real Estate Recovery - Cash
 Fund Code NRE

Rank	Justification	Designation	Cost Center	2001-02		2002-03		Agency Request				Executive Recommendation		Legislative Recommendation							
				Actual	Pos.	Budget	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.		
		BL	Base Level	Total	60,770	504,106	0	504,106	0	504,106	0	504,106	0	504,106	0	504,106	0	0	0	0	
I	The Real Estate Commission deposits its cash funds into the State Treasury which manages the investment of those funds. Accordingly, the Commission no longer requires an Investment line item in this appropriation and is requesting its deletion.	C03	204240 Real Estate Cash		0	0	0	(151,606)	0	(151,606)	0	(151,606)	0	(151,606)	0	(151,606)	0	0	0	0	0
		C03	Total		0	0	0	(151,606)	0	(151,606)	0	(151,606)	0	(151,606)	0	(151,606)	0	0	0	0	0
		Grand Total	Total		60,770	504,106	0	352,500	0	352,500	0	352,500	0	352,500	0	352,500	0	0	0	0	0