

ARKANSAS HOME INSPECTOR REGISTRATION BOARD

Enabling Laws

Act 62 of 2014
A.C.A. §17-52-301 et seq.

History and Organization

The Arkansas Home Inspector Registration Board was created by Act 1328 of 2003.

The purpose of the Board is to protect the public from those persons who are untrained and unqualified to perform home inspections, to license those individuals who meet the qualifications of licensure under the Act, and to hear and resolve such disciplinary matters as may come before it.

The Board evaluates qualifications of applicants, and investigates complaints or allegations of violations of the Act.

The Board is composed of seven (7) members appointed by the Governor as follows: four (4) registered home inspectors, one (1) licensed real estate professional, one (1) licensed real estate appraiser, and one (1) at large member to serve as a consumer advocate.

Act 92 of 2013 authorized the position of Executive Director. The duties of the previous administrative support contractor evolved to require more managerial responsibility than is traditionally provided by a contractor. The employment of professional staff allowed the Board to utilize standard State regulations and guidelines to monitor staff performance and regulate compensation.



Agency Commentary

The mission of the Board is to protect the public from those persons who are untrained and unqualified to perform home inspections, to license those individuals who meet the qualifications of licensure under the Act, and to hear and resolve such disciplinary matters as may come before it. The Board evaluates qualifications of applicants, and investigates complaints or allegations of violations of the Act. Funding for appropriations for the Board are from license fees, fines, and fees charged to review and certify educational programs of commercial providers.

OPERATIONS: The Agency requests Base Level appropriation of \$64,198 for FY16 and \$64,320 for FY17 . This Base Level appropriation is funded within annual actual income collected.

PUBLIC AWARENESS: The Board also requests continuance of Base Level appropriation of \$25,000 per year to develop and conduct a public awareness campaign to acquaint the public with the benefits of using a licensed home inspector, and the pitfalls of not having a home inspection prior to purchase. This Base Level appropriation, when eventually utilized, is to be funded from fund balances.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS HOME INSPECTOR REGISTRATION BOARD
FOR THE YEAR ENDED JUNE 30, 2012

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	1	0	1	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			1	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				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2JV Operations	58,967	1	63,597	1	62,446	1	64,198	1	64,198	1	64,198	1	64,320	1	64,320	1	64,320	1
86N Public Awareness Campaign	0	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0	25,000	0
Total	58,967	1	88,597	1	87,446	1	89,198	1	89,198	1	89,198	1	89,320	1	89,320	1	89,320	1

Funding Sources		%		%		%		%		%		%		%		%
Fund Balance 4000005	336,128	84.4	339,294	84.1			314,697	83.1	314,697	83.1	314,697	83.1	289,499	81.9	289,499	81.9
Cash Fund 4000045	62,133	15.6	64,000	15.9			64,000	16.9	64,000	16.9	64,000	16.9	64,000	18.1	64,000	18.1
Total Funds	398,261	100.0	403,294	100.0			378,697	100.0	378,697	100.0	378,697	100.0	353,499	100.0	353,499	100.0
Excess Appropriation/(Funding)	(339,294)		(314,697)				(289,499)		(289,499)		(289,499)		(264,179)		(264,179)	
Grand Total	58,967		88,597				89,198		89,198		89,198		89,320		89,320	

FY15 Budget amount in 2JV Operations exceeds authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00 %	1	1	0	1	0	0.00 %	1	1	0	1	0	0.00 %

Analysis of Budget Request

Appropriation: 2JV - Operations

Funding Sources: MHR - Home Inspector Registration Board - Cash

The Arkansas Home Inspector Registration Board was created by Act 1328 of 2003. Act 1328 repealed Subchapters 1 and 2 of Arkansas Code Title 17, Chapter 52 and added an additional subchapter. Subchapter 3 cited as "The Arkansas Home Inspectors Registration Act" created the Arkansas Home Inspector Registration Board. The Board became a state agency effective July 1, 2004, having met fund balance requirements.

The purpose of the Board is to protect the public from those persons who are untrained and unqualified to conduct home inspections, to license those individuals who meet the qualifications of licensure under the Act, and to hear and resolve such disciplinary matters as may come before the Board. The Board is funded by license fees.

Act 92 of 2013 authorized the position of Executive Director. The duties of the previous administrative support contractor evolved to require more managerial responsibility than is traditionally provided by a contractor. The employment of professional staff allowed the Board to utilize standard State regulations and guidelines to monitor staff performance and regulate compensation.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service payments for eligible employees. Personal Services Matching also includes a \$10 increase in 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 Merit Pay Increases.

The Board requests Base Level appropriation for the 2015-2017 Biennium.

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

Appropriation Summary

Appropriation: 2JV - Operations

Funding Sources: MHR - Home Inspector Registration Board - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	37,414	38,132	37,332	38,505	38,505	38,505	38,605	38,605	38,605
#Positions	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	13,363	13,465	13,114	13,693	13,693	13,693	13,715	13,715	13,715
Various Maintenance and Op 5900046	8,190	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Total	58,967	63,597	62,446	64,198	64,198	64,198	64,320	64,320	64,320
Funding Sources									
Fund Balance 4000005	261,128	264,294		264,697	264,697	264,697	264,499	264,499	264,499
Cash Fund 4000045	62,133	64,000		64,000	64,000	64,000	64,000	64,000	64,000
Total Funding	323,261	328,294		328,697	328,697	328,697	328,499	328,499	328,499
Excess Appropriation/(Funding)	(264,294)	(264,697)		(264,499)	(264,499)	(264,499)	(264,179)	(264,179)	(264,179)
Grand Total	58,967	63,597		64,198	64,198	64,198	64,320	64,320	64,320

FY15 Budget amount in Regular Salaries and Personal Services Matching exceeds authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

Analysis of Budget Request

Appropriation: 86N - Public Awareness Campaign

Funding Sources: MHR - Home Inspector Registration Board - Cash

This appropriation was approved during the Regular Session of the 88th General Assembly and is used for the research, procurement, and implementation of a public awareness program to promote the benefits of the services of a licensed home inspector, especially prior to purchase. Although this will fund a variety of efforts, it will primarily consist of the development and broadcast of TV and radio spots.

The Board requests Base Level appropriation for the 2015-2017 Biennium.

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

Appropriation Summary

Appropriation: 86N - Public Awareness Campaign
Funding Sources: MHR - Home Inspector Registration Board - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2015-2016			2016-2017		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Public Awareness Campaign 5900046	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Funding Sources									
Fund Balance 4000005	75,000	75,000		50,000	50,000	50,000	25,000	25,000	25,000
Total Funding	75,000	75,000		50,000	50,000	50,000	25,000	25,000	25,000
Excess Appropriation/(Funding)	(75,000)	(50,000)		(25,000)	(25,000)	(25,000)	0	0	0
Grand Total	0	25,000		25,000	25,000	25,000	25,000	25,000	25,000