

# ARKANSAS MANUFACTURED HOME COMMISSION

## Enabling Laws

Act 148 of 2016  
A.C.A. §20-25-105

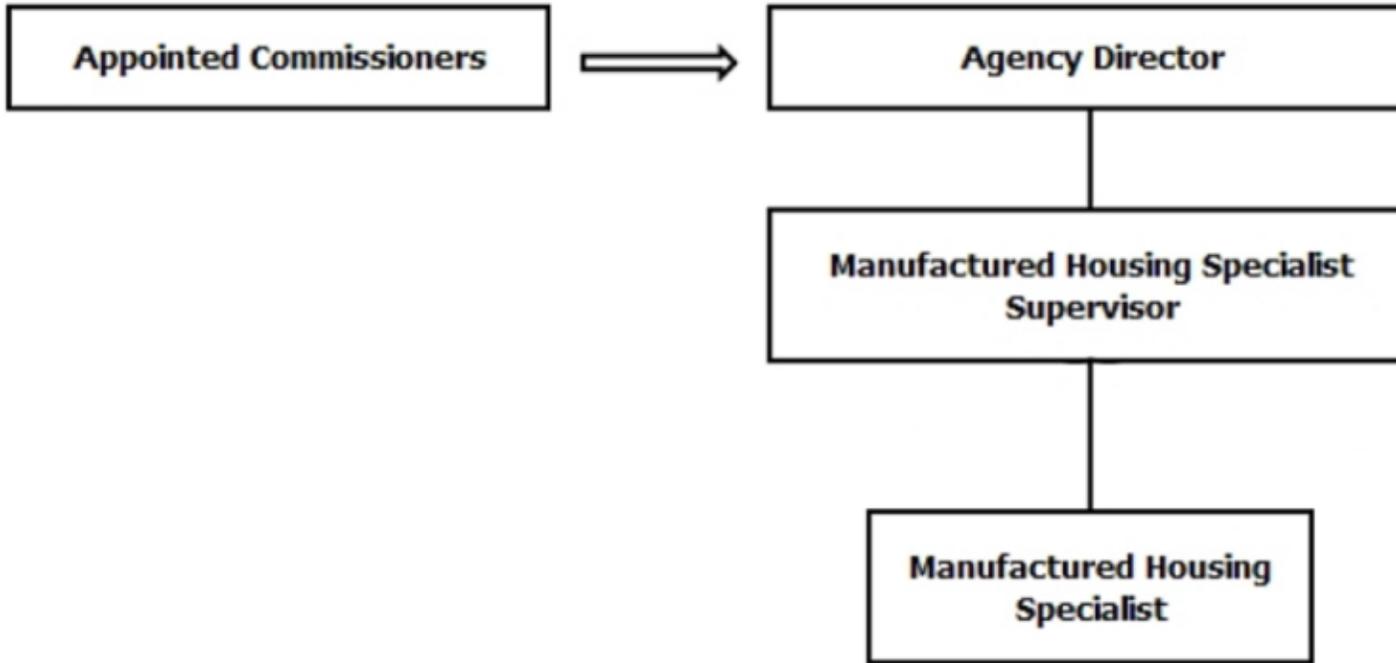
## History and Organization

The Arkansas Manufactured Home Commission was established as a division of the Department of Health by Act 510 of 1973, and then became an independent State Agency through Act 419 of 1977.

The Commission has been approved by the Department of Housing and Urban Development (HUD) to enforce the Federal Manufactured Home Construction and Safety Standards and the Federal Manufactured Home Procedural and Enforcement Regulations.

The Commission is responsible for regulating the manufactured housing industry by: ensuring compliance with the Federal Manufactured Home Construction and Safety Standards, as well as establishing and enforcing installation standards within the state of Arkansas; licensing all manufactured home retailers, manufacturers, installers, and salespeople doing business in the state of Arkansas; handling consumer complaints and conducting on-site inspections dealing with the construction, blocking, and anchoring of manufactured homes; conducting relevant training and education seminars for manufactured housing professionals and licensees; inspecting new manufactured home installations in accordance with the installation decal program; and participation in HUD's national plant monitoring quality control audits.

The Commission consists of 10 Arkansas Manufactured Home Commissioners appointed by the Governor to oversee the Agency. The Agency staff of three includes the Manufactured Housing Commission Director, Manufactured Housing Specialist Supervisor and a Manufactured Housing Specialist.



### **Agency Commentary**

“Through technological efficiencies, along with careful consideration of staffing and budgetary needs, the agency’s budget and staffing level was able to be reduced from seven positions down to five positions, and then further reduced to three positions by 2007. Agency efficiency is a constant consideration as technologies change. As a matter of function, it seems we have reached the current minimum staffing level limit, and the agency’s requested base level funding appears necessary to ensure the mandated services and protections for Arkansans continue unhindered.”

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS MANUFACTURED HOME COMMISSION  
FOR THE YEAR ENDED JUNE 30, 2014

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Findings

Our review of 49 expenditure items, totaling \$71,225, revealed the following:

- 14 items, totaling \$13,578, did not contain evidence of approval by the Director, Supervisor or Commission.
- Supporting documentation for six items, totaling \$4,428, could not be located. Five of these items were purchased with the Agency's Pcard.

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Recommendations

Review and strengthen internal control procedures to ensure expenditures are appropriately approved and authorized. In addition, the Agency should maintain adequate supporting documentation for all expenditures.

**Agency Response:**

Management concurs with the finding. It has developed a plan of corrective action to strengthen internal control procedures to ensure expenditures are approved, authorized, and adequately supported.

A thorough review of Agency standard operating procedures is underway and the gaps noted during the audit process are being closed. Improved processes are being documented. Newly implemented sign-off procedures for purchase orders, direct invoices, and Pcard purchases will ensure the Agency is as thorough as possible at its current staffing level.

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

None

## Employment Summary

|                         | Male | Female | Total | %     |
|-------------------------|------|--------|-------|-------|
| White Employees         | 3    | 0      | 3     | 100 % |
| Black Employees         | 0    | 0      | 0     | 0 %   |
| Other Racial Minorities | 0    | 0      | 0     | 0 %   |
| Total Minorities        |      |        | 0     | 0 %   |
| Total Employees         |      |        | 3     | 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 |             |  |   |   |
| Rules and Regulations | ACA 20-25-106           | N            | N                | 250         | Periodic Updates to Rules and Regulations            | 0   | 0.00  |

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

| Appropriation                               | 2015-2016      |          | 2016-2017      |          | 2016-2017      |          | 2017-2018      |          |                |          |                |          | 2018-2019      |          |                |          |                |          |
|---|----------------|----------|----------------|----------|----------------|----------|----------------|----------|----------------|----------|----------------|----------|----------------|----------|----------------|----------|----------------|----------|
|   | Actual         | Pos      | Budget         | Pos      | Authorized     | Pos      | Base Level     | Pos      | Agency         | Pos      | Executive      | Pos      | Base Level     | Pos      | Agency         | Pos      | Executive      | Pos      |
| 089 Arkansas Manufactured Home - Operations | 219,224        | 3        | 237,055        | 3        | 270,093        | 3        | 237,722        | 3        | 237,722        | 3        | 237,722        | 3        | 237,722        | 3        | 237,722        | 3        | 237,722        | 3        |
| 235 Investments & Claims                    | 15,966         | 0        | 225,000        | 0        | 225,000        | 0        | 225,000        | 0        | 225,000        | 0        | 225,000        | 0        | 225,000        | 0        | 225,000        | 0        | 225,000        | 0        |
| <b>Total</b>                                | <b>235,190</b> | <b>3</b> | <b>462,055</b> | <b>3</b> | <b>495,093</b> | <b>3</b> | <b>462,722</b> | <b>3</b> |

| Funding Sources                |                  | %            |                  | %            |  | % |                  | %            |                  | %            |                  | %            |                  | %            |                  | %            |                  | %            |
|--------------------------------|------------------|--------------|------------------|--------------|--|---|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| Fund Balance 4000005           | 1,650,727        | 83.7         | 1,738,133        | 86.1         |  |   | 1,556,028        | 84.8         | 1,556,028        | 84.8         | 1,556,028        | 84.8         | 1,373,256        | 83.1         | 1,373,256        | 83.1         | 1,373,256        | 83.1         |
| Federal Revenue 4000020        | 89,875           | 4.6          | 93,000           | 4.6          |  |   | 93,000           | 5.1          | 93,000           | 5.1          | 93,000           | 5.1          | 93,000           | 5.6          | 93,000           | 5.6          | 93,000           | 5.6          |
| Special Revenue 4000030        | 232,721          | 11.8         | 186,950          | 9.3          |  |   | 186,950          | 10.2         | 186,950          | 10.2         | 186,950          | 10.2         | 186,950          | 11.3         | 186,950          | 11.3         | 186,950          | 11.3         |
| <b>Total Funds</b>             | <b>1,973,323</b> | <b>100.0</b> | <b>2,018,083</b> | <b>100.0</b> |  |   | <b>1,835,978</b> | <b>100.0</b> | <b>1,835,978</b> | <b>100.0</b> | <b>1,835,978</b> | <b>100.0</b> | <b>1,653,206</b> | <b>100.0</b> | <b>1,653,206</b> | <b>100.0</b> | <b>1,653,206</b> | <b>100.0</b> |
| Excess Appropriation/(Funding) | (1,738,133)      |              | (1,556,028)      |              |  |   | (1,373,256)      |              | (1,373,256)      |              | (1,373,256)      |              | (1,190,484)      |              | (1,190,484)      |              | (1,190,484)      |              |
| <b>Grand Total</b>             | <b>235,190</b>   |              | <b>462,055</b>   |              |  |   | <b>462,722</b>   |              | <b>462,722</b>   |              | <b>462,722</b>   |              | <b>462,722</b>   |              | <b>462,722</b>   |              | <b>462,722</b>   |              |

## Agency Position Usage Report

| FY2014 - 2015     |          |          |       |            |                        | FY2015 - 2016     |          |          |       |            |                        | FY2016 - 2017     |          |          |       |            |                        |
|-------------------|----------|----------|-------|------------|------------------------|-------------------|----------|----------|-------|------------|------------------------|-------------------|----------|----------|-------|------------|------------------------|
| 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      |                        |
| 3                 | 2        | 1        | 3     | 0          | 33.33 %                | 3                 | 2        | 1        | 3     | 0          | 33.33 %                | 3                 | 2        | 1        | 3     | 0          | 33.33 %                |

## **Analysis of Budget Request**

**Appropriation:** 089 - Arkansas Manufactured Home - Operations

**Funding Sources:** SHM - Manufactured Homes Standard Fund

The Arkansas Manufactured Home Commission monitors manufactured home dealer lots and mandatory continuing education classes for persons performing installations, participates in the National Plant monitoring quality control audits, establishes and enforces installation standards, and conducts on-site home inspections. The Commission is funded by receipt of fees charged by the Agency, as authorized by A.C.A. § 20-25-101 et seq.

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 Commission is requesting Base Level of \$237,722 each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 089 - Arkansas Manufactured Home - Operations

**Funding Sources:** SHM - Manufactured Homes Standard Fund

### Historical Data

### Agency Request and Executive Recommendation

| Commitment Item                |         | Historical Data     |                     |                         | Agency Request and Executive Recommendation |                |                | Agency Request and Executive Recommendation |                |                |
|--------------------------------|---------|---------------------|---------------------|-------------------------|---|----------------|----------------|---|----------------|----------------|
|                                |         | 2015-2016<br>Actual | 2016-2017<br>Budget | 2016-2017<br>Authorized | 2017-2018                                   |                |                | 2018-2019                                   |                |                |
|                                |         |                     |                     |                         | Base Level                                  | Agency         | Executive      | Base Level                                  | Agency         | Executive      |
| Regular Salaries               | 5010000 | 112,396             | 118,990             | 145,655                 | 118,990                                     | 118,990        | 118,990        | 118,990                                     | 118,990        | 118,990        |
| <b>#Positions</b>              |         | <b>3</b>            | <b>3</b>            | <b>3</b>                | <b>3</b>                                    | <b>3</b>       | <b>3</b>       | <b>3</b>                                    | <b>3</b>       | <b>3</b>       |
| Personal Services Matching     | 5010003 | 40,064              | 41,477              | 47,850                  | 42,144                                      | 42,144         | 42,144         | 42,144                                      | 42,144         | 42,144         |
| Operating Expenses             | 5020002 | 66,764              | 66,038              | 66,038                  | 66,038                                      | 66,038         | 66,038         | 66,038                                      | 66,038         | 66,038         |
| Conference & Travel Expenses   | 5050009 | 0                   | 7,500               | 7,500                   | 7,500                                       | 7,500          | 7,500          | 7,500                                       | 7,500          | 7,500          |
| Professional Fees              | 5060010 | 0                   | 3,050               | 3,050                   | 3,050                                       | 3,050          | 3,050          | 3,050                                       | 3,050          | 3,050          |
| Data Processing                | 5090012 | 0                   | 0                   | 0                       | 0   | 0              | 0              | 0   | 0              | 0              |
| Capital Outlay                 | 5120011 | 0                   | 0                   | 0                       | 0   | 0              | 0              | 0   | 0              | 0              |
| <b>Total</b>                   |         | <b>219,224</b>      | <b>237,055</b>      | <b>270,093</b>          | <b>237,722</b>                              | <b>237,722</b> | <b>237,722</b> | <b>237,722</b>                              | <b>237,722</b> | <b>237,722</b> |
| <b>Funding Sources</b>         |         |                     |                     |                         |   |                |                |   |                |                |
| Fund Balance                   | 4000005 | 294,436             | 351,225             |                         | 385,170                                     | 385,170        | 385,170        | 418,448                                     | 418,448        | 418,448        |
| Federal Revenue                | 4000020 | 89,875              | 93,000              |                         | 93,000                                      | 93,000         | 93,000         | 93,000                                      | 93,000         | 93,000         |
| Special Revenue                | 4000030 | 186,138             | 178,000             |                         | 178,000                                     | 178,000        | 178,000        | 178,000                                     | 178,000        | 178,000        |
| <b>Total Funding</b>           |         | <b>570,449</b>      | <b>622,225</b>      |                         | <b>656,170</b>                              | <b>656,170</b> | <b>656,170</b> | <b>689,448</b>                              | <b>689,448</b> | <b>689,448</b> |
| Excess Appropriation/(Funding) |         | (351,225)           | (385,170)           |                         | (418,448)                                   | (418,448)      | (418,448)      | (451,726)                                   | (451,726)      | (451,726)      |
| <b>Grand Total</b>             |         | <b>219,224</b>      | <b>237,055</b>      |                         | <b>237,722</b>                              | <b>237,722</b> | <b>237,722</b> | <b>237,722</b>                              | <b>237,722</b> | <b>237,722</b> |

## **Analysis of Budget Request**

**Appropriation:** 235 - Investments & Claims

**Funding Sources:** THR - Manufactured Housing Recovery Fund

The Arkansas Manufactured Home Commission's Investment and Claims appropriation is funded by receipt of fees from license renewals by manufacturers, dealers, and installers. Funds collected are subsequently paid out in the form of actual costs of repairs to qualifying homeowners and as refunds for businesses that cease operations.

The Commission is requesting Base Level of \$225,000 for the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 235 - Investments & Claims

**Funding Sources:** THR - Manufactured Housing Recovery Fund

### Historical Data

### Agency Request and Executive Recommendation

| Commitment Item                |         | Historical Data     |                     |                         | Agency Request and Executive Recommendation |                  |                  | Agency Request and Executive Recommendation |                |                |
|--------------------------------|---------|---------------------|---------------------|-------------------------|---|------------------|------------------|---|----------------|----------------|
|                                |         | 2015-2016<br>Actual | 2016-2017<br>Budget | 2016-2017<br>Authorized | 2017-2018                                   |                  |                  | 2018-2019                                   |                |                |
|                                |         |                     |                     |                         | Base Level                                  | Agency           | Executive        | Base Level                                  | Agency         | Executive      |
| Operating Expenses             | 5020002 | 5,066               | 20,000              | 20,000                  | 20,000                                      | 20,000           | 20,000           | 20,000                                      | 20,000         | 20,000         |
| Conference & Travel Expenses   | 5050009 | 0                   | 20,000              | 20,000                  | 20,000                                      | 20,000           | 20,000           | 20,000                                      | 20,000         | 20,000         |
| Professional Fees              | 5060010 | 0                   | 0                   | 0                       | 0   | 0                | 0                | 0   | 0              | 0              |
| Data Processing                | 5090012 | 0                   | 0                   | 0                       | 0   | 0                | 0                | 0   | 0              | 0              |
| Refunds/Reimbursements         | 5110014 | 10,000              | 50,000              | 50,000                  | 50,000                                      | 50,000           | 50,000           | 50,000                                      | 50,000         | 50,000         |
| Claims                         | 5110015 | 900                 | 135,000             | 135,000                 | 135,000                                     | 135,000          | 135,000          | 135,000                                     | 135,000        | 135,000        |
| Capital Outlay                 | 5120011 | 0                   | 0                   | 0                       | 0   | 0                | 0                | 0   | 0              | 0              |
| <b>Total</b>                   |         | <b>15,966</b>       | <b>225,000</b>      | <b>225,000</b>          | <b>225,000</b>                              | <b>225,000</b>   | <b>225,000</b>   | <b>225,000</b>                              | <b>225,000</b> | <b>225,000</b> |
| <b>Funding Sources</b>         |         |                     |                     |                         |   |                  |                  |   |                |                |
| Fund Balance                   | 4000005 | 1,356,291           | 1,386,908           |                         | 1,170,858                                   | 1,170,858        | 1,170,858        | 954,808                                     | 954,808        | 954,808        |
| Special Revenue                | 4000030 | 46,583              | 8,950               |                         | 8,950                                       | 8,950            | 8,950            | 8,950                                       | 8,950          | 8,950          |
| <b>Total Funding</b>           |         | <b>1,402,874</b>    | <b>1,395,858</b>    |                         | <b>1,179,808</b>                            | <b>1,179,808</b> | <b>1,179,808</b> | <b>963,758</b>                              | <b>963,758</b> | <b>963,758</b> |
| Excess Appropriation/(Funding) |         | (1,386,908)         | (1,170,858)         |                         | (954,808)                                   | (954,808)        | (954,808)        | (738,758)                                   | (738,758)      | (738,758)      |
| <b>Grand Total</b>             |         | <b>15,966</b>       | <b>225,000</b>      |                         | <b>225,000</b>                              | <b>225,000</b>   | <b>225,000</b>   | <b>225,000</b>                              | <b>225,000</b> | <b>225,000</b> |