

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

This special revenue appropriation is self funded through license fees collected from new motor vehicle manufacturers, distributors, factories and branches, 2nd stage manufacturers, converters, as well as representatives, dealers, sales personnel and motor vehicle lessors. All funds collected through authorized license fees, fines or penalties are deposited in State Treasury as special revenue in the name of Motor Vehicle Commission.

The Commission desires to implement new programs with available funding through license fees that will directly benefit licensees and consumers of Arkansas at no cost. The Commission is now able to fully fund all activities and programs of the Commission and implement current technology initiatives. Director's office now has the funding required to access Internet and e-mail capabilities. The Commission is intending to have a AMVC Web page, this will have available to consumers and licensees the Commission ACT, Rules and Regulations, complaint filing procedures, license procedures with associated applications and downloading capabilities to assist licensees. The Commission is designing a newsletter, which will be published quarterly; this newsletter will also be placed on the web page. It is also desired to begin educational classes for the different types of licensing this office is responsible.

The Commission respectfully requests consideration for the following Priority Program Requests:

1. While enhancements and additional control measures have been established to more carefully review receipts, with current staff, control standards remain the same. The Commission has taken necessary precautions in assuring the current programs are year 2000 compliant. The Commission has expressed a desire to work with the Department of Information Services, Office of Information Technology in creation and implementation of new licensing program. However, it appears this will not be cost effective and upon OIT's advise, the office is currently seeking other sources to provide a quote bid for this new program. Currently, OIT has submitted an estimated quote of \$43,000, which does not include maintenance and/or updates. The Commission has requested UALR to provide a quotation on a new licensing program. It is the Commission's desire to work with a Arkansas State entity (agency) to provide these services. 2. In Capitol Outlay \$50,000 (FY00) is requested for office space renovations through State Building Services, to better utilize total office space; to replace existing vehicle due to chronic mechanical problems; furniture for staff and additional storage; develop and implement in-house technology and software training through library holdings which will include audio/visual equipment; data processing equipment and upgrades to existing hardware and connection through DIS/OIT to LOIS for research. 3. An addition of approximately \$25,000 base increase in maintenance and operating expenses due to significant S.B.S. rental rate increase in office space and an additional 250 sq.ft. to the Commission office to accommodate position authorized in ACT 69 of 1997. Increases in Commission parking, vendor printing, copier lease, postage expense, Centrex services that will include Internet and e-mail access to one other employee, Commissioner mileage reimbursements due to new appointments traveling a greater distance than predecessors, increase in per diem due to appointed committee meetings and administrative hearings. Reproduction of Commission's ACT and Rules & Regulations will be necessary. Production and distribution of Commission's newsletter and educational seminars for licensees. In Conference & Travel, an additional \$1400 base increase for newly created training programs for staff. Director is currently Treasurer of the National Association of Motor Vehicles Boards and Commission and has recently accepted the appointment of President of the NAMVBC for Calendar years 2000 - 2003 which will necessitate additional travel by Director and selected Commissioner (s) representing Arkansas in national areas of concern.

AGENCY 320 ARKANSAS MOTOR VEHICLE COMMISSION	DIRECTOR PATRICIA STROUD 	AGENCY PROGRAM COMMENTARY BR21	PAGE 253
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ARKANSAS MOTOR VEHICLE COMMISSION
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1996

Assets										Liabilities			Total Equity
Cash and Investments	Fixed		Other	Total	Current	Long-Term	Total	Total Equity					
\$ 126,867	\$ 36,220	\$ 8,624	\$ 171,711	\$ 0	\$ 8,126	\$ 8,126	\$ 163,585						

Revenues				Expenditures					Other Sources (Uses)	
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 0	\$ 0	\$ 189,084	\$ 52	\$ 189,136	\$ 85,847	\$ 0	\$ 1,986	\$ 40,864	\$ 128,697	\$ 50

Findings	Recommendations
None	None

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

AGENCY TITLE 320 - ARK MOTOR VEHICLE COMM

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>0</u>	<u>4</u>	<u>4</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 08/08/98			<u>0</u>	<u>0%</u>
DATE			<u>TOTAL MINORITIES</u>	
			<u>4</u>	<u>100%</u>
			<u>TOTAL EMPLOYEES</u>	

Patricia Serna 8/21/98
 AGENCY DIRECTOR

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

Funding for this special revenue appropriation is derived from license fees paid by automobile salesmen, dealers, manufacturers and manufacturers' representatives pursuant to ACA 23-112-101 et seq. The Commission uses this appropriation to regulate and license new car manufacturers, dealers and salesmen doing business in Arkansas. Base Level for this appropriation is \$231,816 in FY00 and \$236,277 in FY01. Base Level reflects a 2.8% increase each year over FY 99 salaries, with corresponding increases in Matching.

The agency is requesting an additional \$86,315 in FY00, which represents a 37% increase over Base Level, and an additional \$33,315 in FY01, which is a 33% increase over Base Level. In Change Level 1, the agency is requesting additional Operating Expenses of \$23,015 in FY00 and \$23,515 in FY01 to cover increases in office rent, equipment rental, postage and printing; Professional Fees and Services of \$500 each year; additional Conference Fees and Travel of \$1,400 each year; and Capital Outlay of \$41,000 in FY00 and \$1,000 in FY 01 for replacement of an automobile and the purchase of office furniture and equipment. Change Level 2 reflects a request of \$1,400 each year in Professional Fees and Services for court reporters. In Change Level 8, the agency requests additional Operating Expenses of \$4,000 in FY00 and \$3,000 in FY01 to be used for the purchase of technology related library holdings and data processing software; Professional Fees and Services of \$6,000 in FY00 and \$500 in FY01 in the event that contractual services are needed to implement a new licensing program; and Capital Outlay of \$9,000 in FY00 and \$2,000 in FY01 for the purchase of additional computer equipment related to Motor Vehicle Commission Licensing and to monitor automobile sales over the Internet.

The Executive Recommendation provides for Base Level plus the following: Additional Operating Expenses of \$10,000 each year for increases in office rent, equipment rental and utilities, plus Capital Outlay of \$30,000 in FY00 and \$3,000 in FY01 for replacement of an automobile, office equipment and technology related equipment.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: Arkansas Motor Vehicle Comm. Code: 320	Name: Arkansas Motor Vehicle Comm. Code: 048	Name: Arkansas Motor Vehicle Comm. Code: SAB	BUDGET REQUEST BR20	256

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	CHANGE		TOTAL	CHANGE		TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	LEVEL	REQUEST	BASE	LEVEL	REQUEST	99-00	00-01	99-00	00-01
REGULAR SALARIES	92,524	129,908	129,404	135,391	0	135,391	139,180	0	139,180	135,391	139,180		
NUMBER OF POSITIONS	4	4	4	4	0	4	4	0	4	4	4		
PERSONAL SERV MATCHING	19,897	32,904	34,965	36,890	0	36,890	37,562	0	37,562	36,890	37,562		
OPERATING EXPENSES	37,923	51,842	52,070	51,842	27,015	78,857	51,842	26,515	78,357	61,842	61,842		
CONF FEES & TRAVEL	1,352	2,100	2,100	2,100	1,400	3,500	2,100	1,400	3,500	2,100	2,100		
PROF FEES & SERVICES	2,398	5,593	7,893	5,593	7,900	13,493	5,593	2,400	7,993	5,593	5,593		
CAPITAL OUTLAY	10,203	3,000	3,000	0	50,000	50,000	0	3,000	3,000	30,000	3,000		
DATA PROCESSING	0	0	0	0	0	0	0	0	0				
TOTAL	164,297	225,347	229,432	231,816	86,315	318,131	236,277	33,315	269,592	271,816	249,277		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	182,305	454,495	*****	629,148		629,148	661,017		661,017	629,148	707,332		
GENERAL REVENUES			*****										
SPECIAL REVENUES	436,487	400,000	*****	263,685	86,315	350,000	266,685	33,315	300,000	350,000	300,000		
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	618,792	854,495	*****	892,833	86,315	979,148	927,702	33,315	961,017	979,148	1,007,332		
EXCESS APPRO/ (FUNDING)	(454,495)	(629,148)	*****	(661,017)		(661,017)	(691,425)		(691,425)	(707,332)	(750,055)		
TOTAL	164,297	225,347	*****	231,816	86,315	318,131	236,277	33,315	269,592	271,816	249,277		

DEPT 009 OTHER BOARDS AND COMMISSIONS
 AGY 320 ARKANSAS MOTOR VEHICLE COMMISSION
 APPRO 048 ARKANSAS MOTOR VEHICLE COMMISSION
 FUND SAB ARK MOTOR VEHICLE COMM-(320)

The FY99 Budgeted amounts in Regular Salaries and/or Personal Services Matching may exceed the Authorized amounts due to the implementation of the pay plan during the 1997-99 biennium.

APPROPRIATION SUMMARY
 BR 215

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19

PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1999 - 01 BIENNIUM REQUESTS						R E C O M M E N D A T I O N S					
				ACTUAL	BUDGETED	FY 1999 - 00			FY 2000 - 01			EXECUTIVE		LEGISLATIVE			
				97-98	98-99	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01		
	SAB	320 048	B	164,297 4	225,347 4	231,816 4			236,277 4			231,816 4	236,277 4				
	SAB	320 048	C01			65,915 0			26,415 0			35,000	11,000				
<p>All rental rates are due to increase July 1, 1999. This includes office space, Commission parking, copier lease, postage meter, communication equipment and services, and maintenance agreements. Consumption of paper and postage has increased significantly due to additional mass mailings and the increase in postal rates. Stationery and office supplies have increased due to Commission initiated programs benefiting consumers as well as licensees. In subscriptions, an increase is requested to allow the Commission access to LOIS offered on the Internet through D.I.S. for legal research. Additional expenses associated with appointed Commissioners have increased due to travel requirements and formation of committees.</p> <p>In Conference and Travel, it is kindly requested that this increase be approved, allowing the Director and selected Commissioners to participate and be instrumental in National Internet Regulation working closely with the Federal Trade Commission as well as the National Association of Motor Vehicle Boards and Commissions in protecting consumers as well as dealer's investments. In Capital Outlay, while the requested is significant, these are primarily one time purchases necessary to carry out the legislative intent and responsibilities of the Commission in enforcement of the Statutory Codes and Rules and Regulations of the Commission.</p>																	
	SAB	320 048	C02			1,400 0			1,400 0								
<p>Additional appropriation for Professional Fees and Services is requested to cover anticipated increases for court reporters' contracts.</p>																	

009 OTHER BOARDS AND COMMISSIONS
320 ARKANSAS MOTOR VEHICLE COMMISSION
048 ARKANSAS MOTOR VEHICLE COMMISSION
SAB ARK MOTOR VEHICLE COMM-(320)

RANK BY APPROPRIATION
BR 264

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
AMK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	1999 - 01 BIENNIUM REQUESTS				R E C O M M E N D A T I O N S									
					EXPENDITURES		FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE					
					ACTUAL	BUDGETED	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
					97-98	98-99												
02		SAB	320 048	C08			19,000 0		5,500 0			5,000	2,000					

Technology Initiatives and new licensing program is essential to this office in order to enhance current programs. This is a one time purchase of services provided under contract and will be monitored closely to ensure data integrity and license tracking is intact and accurate. This Commission is charged with the responsibility of licensing, regulation and enforcement of Seven (7) unique industries that generate approximately \$450,000 annually. The license program must be able to perform several functions that the majority of programmers do not understand, thus the significant request in technology.

DEPT 009 OTHER BOARDS AND COMMISSIONS
 IGY 320 ARKANSAS MOTOR VEHICLE COMMISSION
 IPRO 048 ARKANSAS MOTOR VEHICLE COMMISSION
 UND SAB ARK MOTOR VEHICLE COMM-(320)

RANK BY APPROPRIATION
BR 264