

AR TOBACCO SETTLEMENT COMMISSION

Enabling Laws

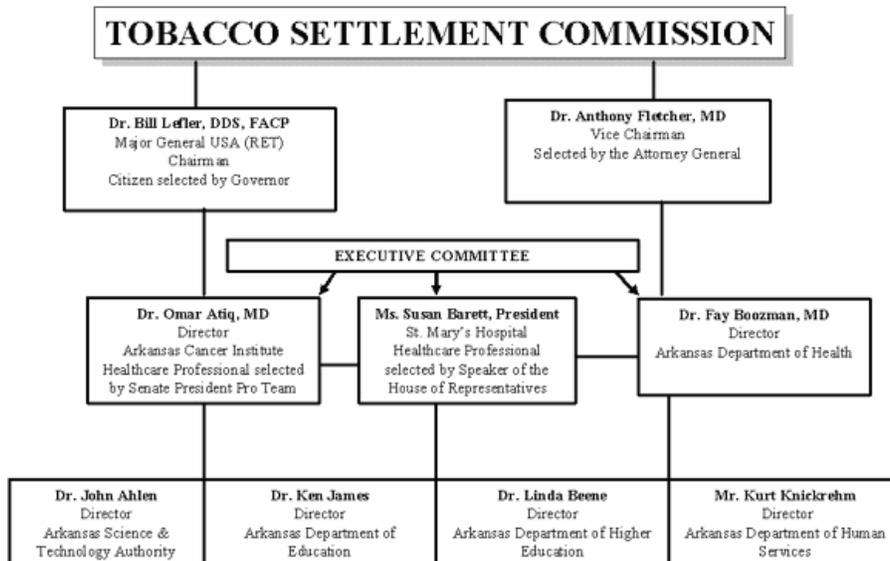
Act 1588 of 2003
A.C.A. § 19-12-117

History and Organization

In accordance with Section 17 of the Tobacco Settlement Proceeds Act of 2000, the Arkansas Tobacco Settlement Commission (ATSC) was established on October 30, 2001. The Arkansas Tobacco Settlement Commission consists of 9 members that include two citizens, two healthcare professionals, and five state agency directors.

In accordance with Section 18 of the Act, the Commission was established to monitor and evaluate specific programs established by the Act:

- Tobacco Prevention and Cessation Programs (§13)
- College of Public Health (§14(c))
- Delta Area Health Education Center (§14(d))
- Arkansas Aging Initiative (§14(e))
- Minority Health Initiative (§14(f))
- Arkansas Biosciences Institute (§15)
- Medicaid Expansion (§16)



Agency Commentary

The Arkansas Tobacco Settlement Commission is responsible for evaluating and monitoring of the programs funded by the Tobacco Settlement Proceeds Act of 2000. The operations of the Commission are funded from the interest drawn on various program accounts. The budget request for ATSC reflects an increase in operating expenses for anticipated site visits to various act funded programs and community grant program sites.

The Commission will continue with the current special language as stated in the Tobacco Settlement Proceeds Act.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS TOBACCO SETTLEMENT COMMISSION
FOR THE YEAR ENDED JUNE 30, 2003

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	0	0	0	0 %
Black Employees	0	1	1	50 %
Other Racial Minorities	1	0	1	50 %
Total Minorities			2	100 %
Total Employees			2	100 %

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
ATSC Biennial Report	19-12-117	Y	Y	200	Required by law

Analysis of Budget Request

Appropriation / Program: 468 - Operations

Funding Sources: TSC - Tobacco Settlement Commission

The Tobacco Settlement Proceeds Act (Initiated Act 1 of 2000) established funds and accounts for the deposit, investment and management of the State of Arkansas' portion of the Master Settlement Agreement with certain tobacco manufacturers. The Arkansas Tobacco Settlement Commission was created pursuant to Section 17 of this act to monitor and evaluate expenditures made from the four program accounts. Those program accounts are the Prevention and Cessation Program Account, the Targeted State Needs Program Account, the Arkansas Biosciences Institute Program Account and the Medicaid Expansion Program Account.

The Commission is funded from the investment earnings of the Tobacco Settlement Program Fund and Program Accounts, which are deposited as trust funds into the Arkansas Tobacco Settlement Commission Fund. The Commission is authorized to hire an independent third-party to monitor and evaluate program account expenditures and prepare a biennial report for the General Assembly and Governor by each August 1 preceding a general session of the General Assembly. As funding permits, the Commission is also authorized to make grants in amounts not to exceed \$50,000 to non-profit and community-based organizations.

Base Level for this appropriation includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for two (2) Base Level positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Commission is requesting an increase in the Operating Expenses line item of \$3,500 each year to cover anticipated site visits to various programs and community grant program sites.

The Executive Recommendation provides for Base Level.

Appropriation / Program Summary

Appropriation / Program: 468 Operations
Funding Sources: TSC - Tobacco Settlement Commission

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2003-2004 Actual	2004-2005 Budget	2004-2005 Authorized	2005-2006			2006-2007		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	67,010	68,718	68,718	70,779	70,779	70,779	72,902	72,902	72,902
#Positions	2	2	2	2	2	2	2	2	2
Personal Services Matching 5010003	18,489	19,598	18,890	20,986	20,986	20,986	21,386	21,386	21,386
Operating Expenses 5020002	24,390	30,870	30,870	30,870	34,370	30,870	30,870	34,370	30,870
Travel-Conference Fees 5050009	375	500	500	500	500	500	500	500	500
Professional Fees and Services 5060010	439,167	300,000	500,000	300,000	300,000	300,000	300,000	300,000	300,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	219,071	211,942	1,810,000	211,942	211,942	211,942	211,942	211,942	211,942
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	768,502	631,628	2,428,978	635,077	638,577	635,077	637,600	641,100	637,600
Funding Sources									
Fund Balance 4000005	0	483,245		305,517	305,517	305,517	141,940	141,940	141,940
Transfer from Tobacco Settlement 4000590	1,251,747	453,900		471,500	475,000	471,500	496,500	500,000	496,500
Total Funding	1,251,747	937,145		777,017	780,517	777,017	638,440	641,940	638,440
Excess Appropriation/(Funding)	(483,245)	(305,517)		(141,940)	(141,940)	(141,940)	(840)	(840)	(840)
Grand Total	768,502	631,628		635,077	638,577	635,077	637,600	641,100	637,600

The FY05 Budgeted amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2003-05 biennium.

Change Level by Appropriation

Appropriation / Program: 468-Operations

Funding Sources: TSC - Tobacco Settlement Commission

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	635,077	2	635,077	100.0	637,600	2	637,600	100.0
C01	Existing Program	3,500	0	638,577	100.5	3,500	0	641,100	100.5

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	635,077	2	635,077	100.0	637,600	2	637,600	100.0
C01	Existing Program	0	0	635,077	100.0	0	0	637,600	100.0

Justification

C01	This request in the Operating Expenses line item is for anticipated site visits to various act funded programs and community grant program sites.
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