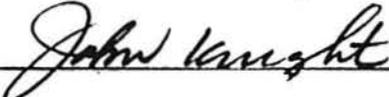


**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

To insure that the efficient provision of services may be continued for current programs and for airport aid projects, the Arkansas Department of Aeronautics requests Capital Outlay for replacement of office equipment and upgrading of data processing equipment.

In the Department's federal airport aid appropriation, the request is for continuation of the current level of authorization for dispensing anticipated federal airport aid block grant funds.

The Department is also requesting that the State Airport Aid appropriation be continued at the current budgeted level.

AGENCY ARKANSAS DEPARTMENT OF AERONAUTICS	DIRECTOR John K. Knight 	AGENCY PROGRAM COMMENTARY BR21	PAGE 2
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DEPARTMENT OF AERONAUTICS
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets				Liabilities			Total Equity
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total	
\$ 4,768,566	\$ 136,928	\$ 74,290	\$ 4,979,784	\$ 71,256	\$ 11,813	\$ 83,069	\$ 4,896,715

Revenues				Expenditures					Other Sources (Uses)	
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 3,916,409	\$ 130,996	\$ 0	\$ 31,304	\$ 4,078,709	\$ 185,223	\$ 3,040,126	\$ 0	\$ 224,627	\$ 3,449,976	\$ (14,797)

Findings

None

Recommendations

None

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

AGENCY TITLE 402 - ARK DEPT OF AERON

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>2</u>	<u>1</u>	<u>3</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			<u>0</u>	<u>0%</u>
<u>08/08/98</u> DATE			TOTAL MINORITIES	
			<u>3</u>	<u>100%</u>
			TOTAL EMPLOYEES	

John Knight

 AGENCY DIRECTOR

8/25/98

ARKANSAS BUDGET SYSTEM DEPARTMENT APPROPRIATION SUMMARY

AGENCY TITLE AR Department of Aeronautics (402)		1997-99 Expenditures				1999-01 Biennium Request				1999-01 Executive Recommendation			
Appropriations		Actual	No. of	Budgeted	No. of	Year 1	No. of	Year 2	No. of	Year 1	No. of	Year 2	No. of
Code	Name	1997-98	Pos.	1998-99	Pos.	1999-00	Pos.	2000-01	Pos.	1999-00	Pos.	2000-01	Pos.
665	State Operations	\$2,355,859	3	\$3,342,209	4	\$3,352,372	4	\$3,358,688	4	\$4,798,841	4	\$4,805,319	4
666	Federal Grants	261,083	0	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0
667	State Airport Aid Grants	1,440,600	0	1,440,600	0	1,440,600	0	1,440,600	0	0	0	0	0
TOTALS		\$4,057,542	3	\$16,782,809	4	\$16,792,972	4	\$16,799,288	4	\$16,798,841	4	\$16,805,319	4
Funding Sources			% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances		\$4,760,365	50.5%	\$5,371,563	25.0%	\$4,729,354	22.7%	\$4,076,982	20.2%	\$4,729,354	24.3%	\$2,630,513	15.2%
General Revenues		1,440,600	15.3%	1,440,600	6.7%	1,440,600	6.9%	1,440,600	7.1%				
Special Revenues		2,967,057	31.5%	2,700,000	12.6%	2,700,000	12.9%	2,700,000	13.4%	2,700,000	13.9%	2,700,000	15.6%
Federal Funds		261,083	2.7%	12,000,000	55.7%	12,000,000	57.5%	12,000,000	59.3%	12,000,000	61.8%	12,000,000	69.2%
Constitutional Officers Fund													
State Central Services Fund													
Non-Revenue Receipts													
Cash Funds													
Other													
Total Funding		9,429,105	100.0%	21,512,163	100.0%	20,869,954	100.0%	20,217,582	100.0%	19,429,354	100.0%	17,330,513	100.0%
Excess Appro./ (Funding)		(5,371,563)		(4,729,354)		(4,076,982)		(3,418,294)		(2,630,513)		(525,194)	
TOTAL		\$4,057,542		\$16,782,809		\$16,792,972		\$16,799,288		\$16,798,841		\$16,805,319	
DEPARTMENT ARKANSAS DEPARTMENT OF AERONAUTICS (402)				DIRECTOR John K. Knight					DEPARTMENT APPROPRIATION SUMMARY BR 40				

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

The Department of Aeronautics' State Operations appropriation is funded entirely by special revenues derived from a tax on the sale of aviation fuels and aviation related products sold for use in aircraft weighing less than 12,500 lbs., as authorized in Arkansas Code § 27-115-110. Base Level for this appropriation includes a cost of living increase of 2.8% each year over the FY99 salary levels for the 4 positions authorized, along with related Personal Services Matching costs. The only Change Level requested is Capital Outlay of \$1,500 each year for replacement of office equipment and an additional \$1,500 each year for upgrading of data processing equipment in accordance with the Agency's Technology Plan submitted to and approved by the Department of Information Systems.

The Executive Recommendation provides for the Agency Request and includes reclassification of 2 positions to match enhanced titles and grades currently used by the Department. Also recommended is an addition in the Grants/Aids line item of \$1,440,600 each year in this special revenue funded appropriation to offset the recommended elimination of an equal amount of general revenue supported authorization in the State Airport Aid Grants appropriation.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Department of Aeronautics Code: 402	Name: State Operations Code: 665	Name: Department of Aeronautics Fund Code: SDA	BR20	6

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			98-99			-----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	BASE	LEVEL	REQUEST	BASE	LEVEL	REQUEST	99-00	00-01	99-00	00-01			
REGULAR SALARIES	137,950	182,830	172,434	191,666	0	191,666	197,032	0	197,032	196,653	202,150					
NUMBER OF POSITIONS	3	4	4	4	0	4	4	0	4	4	4					
PERSONAL SERV MATCHING	27,563	45,530	42,583	46,857	0	46,857	47,807	0	47,807	47,739	48,712					
OPERATING EXPENSES	77,924	89,849	89,849	89,849	0	89,849	89,849	0	89,849	89,849	89,849					
CONF FEES & TRAVEL	2,015	9,000	9,000	9,000	0	9,000	9,000	0	9,000	9,000	9,000					
PROF FEES & SERVICES	8,000	12,000	12,000	12,000	0	12,000	12,000	0	12,000	12,000	12,000					
CAPITAL OUTLAY	7,058	3,000	3,000	0	3,000	3,000	0	3,000	3,000	3,000	3,000					
GRANTS/AIDS	2,095,349	3,000,000	4,000,000	3,000,000	0	3,000,000	3,000,000	0	3,000,000	4,440,600	4,440,600					
TOTAL	2,355,859	3,342,209	4,328,866	3,349,372	3,000	3,352,372	3,355,688	3,000	3,358,688	4,798,841	4,805,319					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES	4,760,366	6,371,563	*****	4,729,354		4,729,354	4,076,982		4,076,982	4,729,354	2,630,513					
GENERAL REVENUES			*****													
SPECIAL REVENUES	2,967,957	2,700,000	*****	2,697,000	3,000	2,700,000	2,697,000	3,000	2,700,000	2,700,000	2,700,000					
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
OTHER			*****													
TOTAL FUNDING	7,727,922	8,071,563	*****	7,426,354	3,000	7,429,354	6,773,982	3,000	6,776,982	7,429,354	5,330,513					
EXCESS APPRO/ (FUNDING)	(5,371,563)	(4,729,354)	*****	(4,076,982)		(4,076,982)	(3,416,294)		(3,416,294)	(2,630,513)	(525,194)					
TOTAL	2,355,859	3,342,209	*****	3,349,372	3,000	3,352,372	3,355,688	3,000	3,358,688	4,798,841	4,805,319					

DEPT 010 SEPARATE AGENCIES
 AGY 402 ARKANSAS DEPARTMENT OF AERONAUTICS
 APPRO 665 STATE OPERATIONS

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

FUND SDA DEPT. OF AERONAUTICS FUND (402)

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
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1999 - 01 BIENNIIUM 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	1999-00	2000-01	1999-00	2000-01			
000		SDA	402 665	B	2,355,859 3	3,342,209 4	3,349,372 4				3,355,688 4				3,355,241 4	3,361,719 4		
		SDA	402 665 015 11 ADMINISTRATION				0 0				0 0				1,440,600	1,440,600		
															The Executive Recommendation reflects addition of appropriation for airport aid grants through this State Operations Appropriation instead of through the requested area in the State Airport Aid Grants Program (667)			
001		SDA	402 665 015 11 ADMINISTRATION	C08			1,500 0				1,500 0				1,500	1,500		
															Capital Outlay is requested for replacement of data processing equipment in accordance with the Department's Information Technology Plan.			

DEPT 010 SEPARATE AGENCIES
 AGY 402 ARKANSAS DEPARTMENT OF AERONAUTICS
 APPRO 665 STATE OPERATIONS
 FUND SDA DEPT. OF AERONAUTICS FUND (402)

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

RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----1999 - 01 BIENNIIUM 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												
002		SDA	402 665 015 11 ADMINISTRATION	C01			1,500 0		1,500 0			1,500	1,500					

Capital Outlay is requested for routine replacement of office equipment.

DEPT 010 SEPARATE AGENCIES
 AGY 402 ARKANSAS DEPARTMENT OF AERONAUTICS
 APPRO 665 STATE OPERATIONS
 FUND SDA DEPT. OF AERONAUTICS FUND (402)

RANK BY APPROPRIATION

BR 264

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

This appropriation is funded entirely by federal funds. Base level is \$12,000,000 each year. The Agency requests continuation of this appropriation at the level currently authorized, to provide for disbursement of anticipated federal airport aid block grant funds. These grants will be used to make improvements to airport infrastructures and upgrade safety features and equipment. FY98 expenditures reflect costs of preliminary planning and assessment projects conducted to prioritize the order of disbursements to airports when and if funds are received.

The Executive Recommendation provides for the Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Department of Aeronautics Code: 402	Name: Aeronautics - Federal Grants Code: 666	Name: Aeronautics - Federal Code: FAA	BR20	10

ARKANSAS BUDGET SYSTEM

01	02	03	04	05	06	07	08	09	10	11	12	13	14
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	BASE	LEVEL	REQUEST	BASE	LEVEL	REQUEST	99-00	00-01	99-00	00-01
GRANTS/AIDS	261,083	12,000,000	12,000,000	12,000,000	0	12,000,000	12,000,000	0	12,000,000	12,000,000	12,000,000		
TOTAL	261,083	12,000,000	12,000,000	12,000,000	0	12,000,000	12,000,000	0	12,000,000	12,000,000	12,000,000		
PROPOSED FUNDING SOURCES			XXXXXXXXXX										
FUND BALANCES			XXXXXXXXXX										
GENERAL REVENUES			XXXXXXXXXX										
SPECIAL REVENUES			XXXXXXXXXX										
FEDERAL FUNDS	261,083	12,000,000	XXXXXXXXXX	12,000,000		12,000,000	12,000,000		12,000,000	12,000,000	12,000,000		
STATE CENTRAL SERVICES FUND			XXXXXXXXXX										
NON-REVENUE RECEIPTS			XXXXXXXXXX										
CASH FUNDS			XXXXXXXXXX										
OTHER			XXXXXXXXXX										
TOTAL FUNDING	261,083	12,000,000	XXXXXXXXXX	12,000,000		12,000,000	12,000,000		12,000,000	12,000,000	12,000,000		
EXCESS APPRO/ (FUNDING)			XXXXXXXXXX										
TOTAL	261,083	12,000,000	XXXXXXXXXX	12,000,000		12,000,000	12,000,000		12,000,000	12,000,000	12,000,000		

DEPT 010 SEPARATE AGENCIES
 AGY 402 ARKANSAS DEPARTMENT OF AERONAUTICS
 APPRO 666 FEDERAL GRANTS
 FUND FAA AERONAUTICS-FEDERAL (402)

APPROPRIATION SUMMARY

BR 215

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

The State Airport Aid Grants Program for the Department of Aeronautics is funded entirely by general revenues. This appropriation was provided to replace special revenue fees lost to the Agency as a result of tax exemptions that were granted on certain aircraft parts and services. The Agency requests continuation of this appropriation at the Base Level of \$1,440,600 each year.

The Executive Recommendation reflects elimination of this appropriation, with its general revenue funding, but provides increases of \$1,440,600 each year in the Grants/Aids line item of the special revenue funded State Operations appropriation to insure granting authority is available at the overall maximum level originally requested, with use of the Agency's fund balances.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: Arkansas Department of Aeronautics Code: 402	Name: State Airport Aid Grants Code: 667	Name: State General Services Code: HUA	BUDGET REQUEST BR20	12

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

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	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED							99-00	00-01	99-00	00-01
GRANTS/AIDS	1,440,600	1,440,600	1,470,000	1,440,600	0	1,440,600	1,440,600	0	1,440,600	0	0		
TOTAL	1,440,600	1,440,600	1,470,000	1,440,600	0	1,440,600	1,440,600	0	1,440,600	0	0		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES	1,440,600	1,440,600	*****	1,440,600		1,440,600	1,440,600		1,440,600				
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	1,440,600	1,440,600	*****	1,440,600		1,440,600	1,440,600		1,440,600				
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	1,440,600	1,440,600	*****	1,440,600		1,440,600	1,440,600		1,440,600				

DEPT 010 SEPARATE AGENCIES
 AGY 402 ARKANSAS DEPARTMENT OF AERONAUTICS
 APPRO 667 STATE AIRPORT AID GRANTS
 FUND HUA STATE GENERAL SERVICES(000)

APPROPRIATION SUMMARY

BR 215