

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1997 - 1999**

It is the responsibility of the State Insurance Department to regulate all persons conducting the business of insurance in the State of Arkansas. This includes the review and licensing of insurance companies desiring to be admitted, the review and approval of companies wishing to do business on a non-admitted or surplus lines basis, the examination of the affairs and financial condition of each domestic insurer every three years and foreign insurers when necessary, testing and licensing of all persons applying to become insurance agents, reviewing and analyzing policy forms and rate filings, and the collection of applicable premium taxes. In addition, the Department regulates and licenses limited surety agents, automobile clubs, health maintenance organizations, pre paid legal insurers, and hospital and medical service corporations. Other areas of regulations include the registration of self-insured plans and multiple employer trusts, issuance of permits to amusement ride operators, and the registration and examination of third party administrators. The Department also has the responsibility for the administration of deposits and the distribution of funds to the Firemen's and Police Officers' Pension Funds, assisting state agencies and institutions in the establishment of appropriate insurance programs and the procurement of coverage, receiving and investigating complaints from citizens concerning persons engaging in any of the areas regulated, and for providing information to the public with regard to these entities. The Department prepares legislation and promulgates the rules and regulations required to effectively carry out its duties.

The Department also administers domiciliary and ancillary receivership proceedings for companies placed in rehabilitation or liquidation and operates and administers the Arkansas Property and Casualty Guaranty Fund and the Arkansas Life & Disability Guaranty Association that are responsible for the payment of claims to policyholders resulting from these proceedings.

The Public Employee Claims Division was created within the State Insurance Department and designated as the unit of state government primarily responsible for the administration of Public Employee Workers' Compensation claims in the State.

The Workers Compensation Fraud Investigation Division was created within the State Insurance Department to investigate any complaint on workers compensation.

The duties and responsibilities of the pre paid funeral regulation was transferred to the State Insurance Department.

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**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1997 - 1999**

The State Insurance Department is requesting 19 positions: 5 positions for PrePaid Funeral Unit, 3 positions for the Legal Division, 5 positions to develop a career path for Rate & Form Analyst, 1 position for Risk Management Division, 3 positions for new auditing unit in Finance Division and 2 positions for Accounting along with M&O and Capitol Outlay for 14 of the new positions.

Reclassification of 6 positions to clarify job duties and upgrade of 10 existing Rate & Form Analyst positions to highest level to establish career path.

Public Employee Claims Division is requesting 3 positions along with M&O and Capitol Outlay. 3 Reclassifications are requested to clarify job duties.

Workers Compensation Fraud Unit has requested 1 reclassification.

Additional appropriation requested in the priority level to upgrade computer, PC Network, Office space rent, postage, office supplies, professional service for actuary, and establish Bldg. Repair and Maintenance for office bldg.

AGENCY State Insurance Department	DIRECTOR Lee Douglass	AGENCY PROGRAM COMMENTARY BR21	PAGE 127
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STATE INSURANCE DEPARTMENT
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1994

Assets									
Assets				Liabilities			Total Equity		
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total			
\$ 453,666,104	\$ 1,038,316	\$ 4,941,356	\$ 459,645,776	\$ 31,318,614	\$ 206,246	\$ 31,524,860	\$ 428,120,916		

Revenues					Expenditures					Other Sources (Uses)
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 25,282,557	\$ 96,217	\$ 27,658,797	\$ 1,099,563	\$ 54,137,134	\$ 3,690,801	\$ 0	\$ 157,245	\$ 36,663,156	\$ 40,511,202	\$ (41,985,459)

Findings	Recommendations
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INTERNAL CONTROL AND STATE COMPLIANCE MATTERS:

1. SECURITY DEPOSITS AND QUALIFYING BONDS

- a. MARKET VALUE CUSTODIAL SECURITIES - (Insurance companies conducting business in Arkansas are required by regulation to deposit, at approved safekeeping banks, securities assigned to the custody of the State Insurance Department. Insurance regulations also require the market value of the custodial securities to equal or exceed the required deposit amount. The Agency does not periodically verify and document that the market value of the custodial securities is equal to or exceeds the required deposit amount.)
- b. BANK CONFIRMATIONS - (Our comparison of bank confirmations to Agency records revealed that \$637,972.77 in custodial securities were not listed on Agency records.) This difference is a considerable improvement from preceding years; however, the Agency records should match the bank records.
- c. CUSTODIAL SECURITY AGREEMENTS - Agreements with approved safekeeping banks are in some cases more than twenty years old and are with institutions that no longer exist because of purchase or merger. Also, agreements have not been revised to incorporate current State Insurance Department Regulations into the custodial security agreements.

1. a. Implement procedures to periodically verify and document that the insurance companies doing business in the State are in compliance with security deposit requirements.
- b. Periodically verify that bank confirmation financial data matches or reconciles to the Agency's custodial security records.
- c. Custodial security agreements be periodically reviewed and updated as needed.

() Noted in previous year's audit report.

STATE INSURANCE DEPARTMENT
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1994

Findings (Continued)

Recommendations (Continued)

A. INTERNAL CONTROL AND STATE COMPLIANCE MATTERS: (Continued)

2. EQUIPMENT - (At June 30, 1994, various items of equipment totaling \$201,556.71 purchased during the fiscal years ended June 30, 1994, 1993, 1992, 1991 and 1990 had not been assigned decal numbers and placed on the Arkansas Inventory Control System (AICS). Also, equipment items totaling \$20,780.21 transferred to Marketing and Distribution during the fiscal years ended June 30, 1994 and 1993 had not been deleted from the AICS.) Subsequently, the Agency partially updated the equipment records by adding a total of \$162,000.01 from the purchases listed above to the AICS.

2. Update and maintain equipment records on a current basis.

B. FEDERAL GRANT COMPLIANCE MATTERS:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH INFORMATION COUNSELING AND ASSISTANCE GRANT PROGRAM (CFDA 93.779)

FEDERAL FINANCIAL REPORTS

1. Financial Status Reports (SF 269A) - The Agency failed to maintain file copies of the quarterly Financial Status Reports as required by the Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments.
2. Federal Cash Transactions Reports (PMS 272) - The Agency understated cash disbursements by \$14,604.15 for the year ended June 30, 1994. A total of \$84,831.13 was reported, while the accounting records showed total disbursements to be \$99,435.28.

1. Comply with the records keeping provisions of the Common Rule.
2. Disbursements reported be reconciled to the State's Accounting Federal Grants Management (AFGM) System.

Audited by Division of Legislative Audit
SA1042594

() Noted in previous year's audit report.

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

AGENCY TITLE 425 - STATE INSURANCE DEPT

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>33</u>	<u>58</u>	<u>91</u>	<u>73%</u>
BLACK EMPLOYEES	<u>7</u>	<u>24</u>	<u>31</u>	<u>25%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>2</u>	<u>2</u>	<u>2%</u>
TOTAL EMPLOYED AS OF 08/10/96			33	27%
DATE			<u>TOTAL MINORITIES</u>	
			124	100%
			<u>TOTAL EMPLOYEES</u>	



 AGENCY DIRECTOR

SUMMARY

STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY

AGENCY: STATE INSURANCE DEPARTMENT (425)

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	
<u>APPROPRIATION: 349 - State Operations</u>				
Addition of 9 new positions (2 clerical, 3 data processing, 2 project analysts, and an Asst. Personnel Mgr.) to assist with increasing workloads.	9	\$228,269	\$235,069	Each of these positions has been filled during FY96. Each is budgeted and filled in FY97.
Increases in Extra Help, with 7 added positions, for data entry and other clerical duties during periods of peak workload.	0	\$35,000	\$35,000	\$14,825 was used in the first year. The entire second year amount is budgeted.
Additions in Operating Expenses for increased rent, moving expenses, travel, printing, and maintenance costs.	0	\$308,500	\$308,500	\$266,168 was used in the first year. \$258,757 is budgeted in the second year.
Capital Outlay was provided for replacement of equipment and data processing network upgrade.	0	\$512,000	\$887,000	Relocation to new quarters in June, 1996, caused the Department to delay initial phases of the network upgrade to the second year. \$120,187 was used in the first year for equipment purchases. \$656,005 of the second year amount is budgeted.
<u>APPROPRIATION: 354 - Public Employee Claims Section</u>				
Addition of an Accountant position and reinstatement of a Medical Rehab Rep. and A Clerk Typist to assist with increasing workloads associated with workers' compensation cases concerning government employees.	3	\$73,407	\$74,998	None of these positions were filled in FY96. The Accountant and the Medical Rehab Rep. are budgeted for FY97.

SUMMARY
STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY
 AGENCY: STATE INSURANCE DEPARTMENT (425)

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	
Increases in Operating Expenses provided for maintenance, telephone, and printing costs.	0	\$20,000	\$20,000	Expenditures in this line item were not increased in FY96. The additional amount provided for FY97 is budgeted for the purposes indicated.
Capital Outlay was provided for replacement of office equipment.	0	\$12,000	\$8,000	There were no expenditures in FY96. \$6,000 of the FY97 amount is budgeted.

APPROPRIATION: 036 - Firemen's Pension and Relief Program

No new programs or expansions in the 1995-97 biennium.

APPROPRIATION: 045 - Police Officers' Relief and Pension Program

No new programs or expansions in the 1995-97 biennium.

APPROPRIATION: A77 - Consumer Information System -- Cash

No new programs or expansions in the 1995-97 biennium.

APPROPRIATION: A78 - Travel and Subsistence -- Cash

No new programs or expansions in the 1995-97 biennium.

APPROPRIATION: 339 - Governmental Bonding Board - Operations

No new programs or expansions in the 1995-97 biennium.

APPROPRIATION: 341 - Continuing Education Program

No new programs or expansions in the 1995-97 biennium.

SUMMARY

STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY

AGENCY: STATE INSURANCE DEPARTMENT (425)

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	
<u>APPROPRIATION: 350 - Public School Employee Claims</u>				
Reductions in appropriation were approved for both years.	0	(\$5,750,000)	(\$6,250,000)	Claims filed after July 1, 1994, are processed by private vender. Long-term claims that continue to be handled by the Department are expected to be reduced in quantity and cost as time passes.
<u>APPROPRIATION: 351 - County Employee Claims</u>				
No new programs or expansions in the 1995-97 biennium.				
<u>APPROPRIATION: 352 - City Employee Claims</u>				
No new programs or expansions in the 1995-97 biennium.				
<u>APPROPRIATION: 353 - State Employee Claims</u>				
Reductions in appropriation were approved for both years.	0	(\$2,000,000)	(\$2,000,000)	The Department has instituted a Managed Care Program to reduce the length and costs of claims by State employees. These reductions are an indication of the Program's success.
<u>APPROPRIATION: 348 - Refunds of Overpayments</u>				
No new programs or expansions in the 1995-97 biennium.				
<u>APPROPRIATION: 359 - Fraud Investigation Unit</u>				
Addition of a new position, Program Support Manager, to supervise the investigation staff.	1	\$52,338	\$53,561	This position has been filled since the beginning of FY96.

SUMMARY
STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY
 AGENCY: STATE INSURANCE DEPARTMENT (425)

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	

APPROPRIATION: 130 - Health Information Counseling

This program was appropriated with 5 positions and supporting expenses. It is 100% federally funded.

5

\$224,311

\$224,311

This program was originally authorized by a miscellaneous federal grant in July, 1993, to develop a network of volunteers to inform senior citizens and provide assistance with their insurance needs. \$149,327 was used in FY96. All 5 positions were filled in the first year. The full amount is budgeted for the second year.

**ARKANSAS BUDGET SYSTEM
DEPARTMENT APPROPRIATION SUMMARY**

AGENCY TITLE		1995-97			1997-99				1997-99			
State Insurance Department (425)		Expenditures			Biennium Request				Executive Recommendation			
Appropriations		Actual	No. of	Budgeted	Year 1	No. of	Year 2	No. of	Year 1	No. of	Year 2	No. of
Code	Name	1995-96	Pos.	1996-97	1997-98	Pos.	1998-99	Pos.	1997-98	Pos.	1998-99	Pos.
349	State Operations	\$4,136,504	91	\$5,640,167	\$7,192,788	121	\$7,180,060	121	\$5,822,910	107	\$5,947,043	107
354	Public Employee Claims Section	1,048,830	29	1,297,233	1,984,702	36	1,992,432	36	1,340,738	33	1,369,362	33
036	Firemen's Pension & Relief Program	9,330,515	0	16,150,000	16,150,000	0	16,150,000	0	16,150,000	0	16,150,000	0
045	Police Relief & Pension Program	10,793,225	0	14,250,000	14,250,000	0	14,250,000	0	14,250,000	0	14,250,000	0
A77	Consumer Info. System - Cash	28,058	0	144,400	144,400	0	144,400	0	144,400	0	144,400	0
A78	Travel & Subsistence - Cash	79,319	0	190,000	190,000	0	190,000	0	190,000	0	190,000	0
339	Governmental Bonding Bd.- Oper.	103,468	0	2,215,637	2,215,637	0	2,215,637	0	2,215,637	0	2,215,637	0
341	Continuing Education Program	17,368	1	20,004	20,674	1	21,156	1	20,674	1	21,156	1
350	Public School Employee Claims	2,519,895	0	4,000,000	2,500,000	0	2,000,000	0	2,500,000	0	2,000,000	0
351	County Employee Claims	142,398	0	1,250,000	850,000	0	500,000	0	850,000	0	500,000	0
352	City Employee Claims	100,809	0	1,500,000	800,000	0	450,000	0	800,000	0	450,000	0
353	State Employee Claims	8,240,185	0	13,000,000	13,000,000	0	12,500,000	0	13,000,000	0	12,500,000	0
348	Refunds of Overpayments	1,801,924	0	11,000,000	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0
359	Fraud Investigation Unit	391,672	8	604,156	642,683	12	647,791	12	622,543	12	635,331	12
130	Health Information Counseling	149,327	5	227,519	226,552	5	229,683	5	226,552	5	229,683	5
TOTALS		\$38,883,497	134	\$71,489,116	\$71,167,436	175	\$69,471,159	175	\$69,133,454	158	\$67,602,612	158
Funding Sources			% of Total		% of Total	% of Total	% of Total	% of Total	% of Total	% of Total	% of Total	% of Total
Fund Balances		\$14,395,778	25.6%	\$17,399,348	\$18,261,177	20.6%	\$17,569,715	20.3%	\$18,261,177	20.7%	\$18,939,593	21.6%
General Revenues												
Special Revenues		28,308,086	50.2%	38,201,389	38,927,385	43.8%	38,940,223	45.1%	38,263,281	43.4%	38,304,693	44.0%
Federal Funds		149,327	0.3%	227,519	226,552	0.3%	229,683	0.3%	226,552	0.3%	229,683	0.3%
Const. & Fiscal Agency Fund												
Trust Funds		125,394	0.2%	2,237,637	2,237,637	2.5%	2,237,637	2.6%	2,237,637	2.5%	2,237,637	2.6%
Revolving Funds		12,805,211	22.8%	30,750,000	28,150,000	31.7%	26,450,000	30.6%	28,150,000	32.0%	26,450,000	30.4%
Cash Funds		107,377	0.2%	334,400	334,400	0.4%	334,400	0.4%	334,400	0.4%	334,400	0.4%
Transfer from Workers' Comp		391,672	0.7%	600,000	600,000	0.7%	600,000	0.7%	600,000	0.7%	600,000	0.7%
Total Funding		56,282,845	100.0%	89,750,293	88,737,151	100.0%	86,361,658	100.0%	88,073,047	100.0%	87,096,006	100.0%
Excess Appro./ (Funding)		(17,399,348)		(18,261,177)	(17,569,715)		(16,890,499)		(18,939,593)		(19,493,394)	
TOTAL		\$38,883,497		\$71,489,116	\$71,167,436		\$69,471,159		\$69,133,454		\$67,602,612	
DEPARTMENT				DIRECTOR				DEPARTMENT APPROPRIATION SUMMARY				
STATE INSURANCE DEPARTMENT (425)				Lee Douglass				BR 40 135				

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The State Insurance Department's State Operations appropriation is funded by special revenues that were authorized with the passage of Act 652 of 1993. Its Base Levels are \$5,151,974 for FY98 and \$5,254,219 for FY99, with 102 positions authorized and budgeted. Priority requests by the Agency are as follows:

Reclassification of 16 positions, 10 of which are requested to be part of a career path for rate & form analysts. Costs are \$37,861 and \$38,916, respectively.

Nineteen new positions have been requested. These are described as follows:

To create a framework for career paths for market conduct examiners and rate & form analysts, 8 positions are requested with salary and matching costs of \$268,859 for FY98 and \$276,719 for FY99.

For the Legal Division, an Attorney Specialist, Grade 25, and 2 Legal Secretaries, Grade 14, are requested to assist with increasing volume of litigation and paperwork concerning company mergers, rate adjudication challenges, informal hearings, assumption agreements, and reviews of rate filings. Costs are \$83,435 in the first year and \$85,520 in the second year.

A Secretary II, Grade 13, is requested for the Risk Management Division to process bid and survey documents concerning renewals of insurance coverages on State and local government facilities. Costs are \$20,470 for FY98 and \$20,959 for FY99.

For the Accounting Division, a Mailroom Supervisor, Grade 12, and a Document Examiner I, Grade 10, are requested to handle an increasing volume of mail.

The addition of 5 positions is requested to staff the Prepaid Funeral Program that has been transferred to this Agency from the Securities Department. Costs are \$146,039 in the first year and \$149,710 in the second year. These positions are an Administrator, Grade 25, Senior Auditor, Grade 21, Junior Auditor, Grade 20, an Insurance Investigator, Grade 17, and an Administrative Assistant I, Grade 15. Supporting expenses requested for the Prepaid Funeral Program are \$23,300 each year in Operating Expenses and Capital Outlay of \$45,300 in the first year for furnishings and data processing equipment.

AGENCY Name: State Insurance Department Code: 425	APPROPRIATION Name: State Operations Code: 349	TREASURY FUND Name: State Insurance Dept. Trust Fund Code: TSI	ANALYSIS OF BUDGET REQUEST BR20	PAGE 136
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**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

Capital Outlay of \$104,007 in the first year is requested to provide modular furnishings and data processing equipment for the other new positions.

Other Capital Outlay requests are \$375,000 each year to upgrade the Department's computer equipment and network and \$70,000 each year for the purchase of additional modular furnishings and work stations.

Operating Expenses of \$209,684 in the first year and \$227,994 in the second year are requested for rent of additional floor space in the Agency's new quarters. \$40,000 each year is also requested for additional postage and office supplies.

Increases of \$30,000 each year in Conference Fees & Travel are requested for training costs to obtain certified status for market conduct examiners and rate & form analysts.

Establishment of a special line item for Building Repairs and Maintenance is requested at \$50,000 each year to provide for deferred maintenance costs and periodic repairs.

Additions of \$500,000 each year in Professional Fees are requested to contract for additional actuarial input and review concerning rate cases, medicare supplement filings, insurance contracts, and to maintain the Department's National Association of Insurance Commissioners accreditation.

The Executive Recommendation provides for Base Level, which includes appropriation for a 2.8% Cost of Living Allowance for positions on July 1 of each year of the biennium along with accompanying employee matching requirements. The Executive Recommendation also provides for priority increases above Base Level as follows:

For the Legal Division, the addition of an Attorney, Grade 24, and one Legal Secretary, Grade 14.

For the Prepaid Funeral Program, addition of 2 Junior Auditors, Grade 20, and an Administrative Assistant I, Grade 15.

Additional Operating Expenses of \$209,687 in the first year and \$227,994 in the second year for increased rent and \$13,980 each year as supporting expenses for the Prepaid Funeral Program.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: State Insurance Department Code: 425	Name: State Operations Code: 349	Name: State Insurance Dept. Trust Fund Code: TSI	BR20	137

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

Capital Outlay of \$120,000 each year.

Establishment of the special line item for Building Repairs and Maintenance at \$50,000 each year.

Additions of \$141,460 each year in Professional Fees for increasing actuarial input and review.

The Executive Recommendation does not address the Department's requests for Reclassification of positions at this time.

AGENCY Name: State Insurance Department Code: 425	APPROPRIATION Name: State Operations Code: 349	TREASURY FUND Name: State Insurance Dept. Trust Fund Code: TSI	ANALYSIS OF BUDGET REQUEST BR20	PAGE 138
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			96-97			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	AUTHORIZED	BASE	PRIORITY	TOTAL	BASE	PRIORITY	TOTAL	EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	APPRO							97-98	98-99	97-98	98-99			
REGULAR SALARIES	2,376,542	3,003,199	2,805,890	3,150,038	451,581	3,601,619	3,235,887	465,069	3,700,956	3,257,525	3,346,384					
NUMBER OF POSITIONS	91	102	102	102	19	121	102	19	121	107	107					
EXTRA HELP	19,825	40,000	40,000	40,000	0	40,000	40,000	0	40,000	40,000	40,000					
NUMBER OF POSITIONS	6	10	10	10	0	10	10	0	10	10	10					
PERSONAL SERV MATCHING	670,947	870,449	761,617	891,422	141,942	1,033,364	907,818	144,478	1,052,296	926,645	943,609					
OPERATING EXPENSES	809,768	802,357	852,100	802,357	272,984	1,075,341	802,357	291,294	1,093,651	1,026,021	1,044,331					
CONF FEES & TRAVEL	12,502	12,536	12,536	12,536	30,000	42,536	12,536	30,000	42,536	20,036	20,036					
PROF FEES & SERVICES	7,174	20,000	20,000	20,000	0	20,000	20,000	0	20,000	20,000	20,000					
CAPITAL OUTLAY	120,187	656,005	887,000	0	594,307	594,307	0	445,000	445,000	120,000	120,000					
DATA PROCESSING	1,954	102,081	102,081	102,081	0	102,081	102,081	0	102,081	102,081	102,081					
BLDG REPAIR/MAINT	0	0	0	0	50,000	50,000	0	50,000	50,000	50,000	50,000					
PROFESSIONAL SERVICES	117,605	133,540	133,540	133,540	500,000	633,540	133,540	500,000	633,540	275,000	275,000					
TOTAL	4,136,504	5,640,167	5,614,764	5,151,974	2,040,814	7,192,788	5,254,219	1,925,841	7,180,060	5,837,308	5,961,441					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES	14,324,848	17,323,860	*****	18,183,693		18,183,693	17,490,905		17,490,905	18,183,693	18,846,385					
GENERAL REVENUES			*****													
SPECIAL REVENUES	7,135,516	6,500,000	*****	4,459,186	2,040,814	6,500,000	4,574,159	1,925,841	6,500,000	6,500,000	6,500,000					
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
TRANSFER FROM WORKERS' COMP			*****													
TOTAL FUNDING	21,460,364	23,823,860	*****	22,642,879	2,040,814	24,683,693	22,065,064	1,925,841	23,990,905	24,683,693	25,360,783					
EXCESS APPRO/ (FUNDING)	(17,323,860)	(18,183,693)	*****	(17,490,905)		(17,490,905)	(16,810,845)		(16,810,845)	(18,846,385)	(19,384,941)					
TOTAL	4,136,504	5,640,167	*****	5,151,974	2,040,814	7,192,788	5,254,219	1,925,841	7,180,060	5,837,308	5,961,441					

DEPT 010 SEPARATE AGENCIES
 AGY 425 STATE INSURANCE DEPARTMENT
 APPRO 349 STATE OPERATIONS

The FY97 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 1995-97 biennium.

APPROPRIATION SUMMARY

BR 215

FUND TSI STATE INSURANCE DEPT. TRUST (425)

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

1	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	
NK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1997 - 99 BIENNIUM REQUESTS-----				-----RECOMMENDATIONS-----								
					---ACTUAL--- 95-96	---BUDGETED--- 96-97	-----FY 1997 - 98-----		-----FY 1998 - 99-----		-----EXECUTIVE-----		-----LEGISLATIVE-----						
							REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99							
0		TSI	425 349	B	4,136,504 91	5,640,167 102	5,151,974 102		5,254,219 102			5,151,973 102	5,254,218 102						
1		TSI	425 349 070 01 ADMINISTRATION DIVISION	P01		0	1,274,684 0		1,292,994 0			528,644	546,954						
					<p>Operating Expenses: \$209,684 for FY98 and \$227,994 for FY99 - Additional rent in new location with more floor space, \$30,000 each year for additional postage and \$10,000 each year for additional office supplies. Conference Fees & Travel: \$30,000 each year for employee training. Capital Outlay: \$375,000 each year to upgrade computer network and equipment. \$70,000 each year to purchase additional modular furniture units. Bldg. Repair/Maintenance: Establish new line item for \$50,000 each year. Office lease agreement does not provide for repairs and maintenance. Professional Fees & Services: \$500,000 each year for additional actuary input and review.</p>														
2		TSI	425 349 070 01 ADMINISTRATION DIVISION	P02		0	104,007 0		0										
					<p>Capital Outlay is requested in the first year for modular furniture, chairs, and computer equipment for 9 of the requested new positions.</p>														

PT 010 SEPARATE AGENCIES
 Y 425 STATE INSURANCE DEPARTMENT
 PRO 349 STATE OPERATIONS

RANK BY APPROPRIATION

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ND TSI STATE INSURANCE DEPT. TRUST (425)

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		-----1997 - 99 BIENNIIUM REQUESTS-----						-----RECOMMENDATIONS-----					
					ACTUAL	BUDGETED	FY 1997 - 98			FY 1998 - 99			EXECUTIVE		LEGISLATIVE			
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99						
002		TSI	425 349 070 02 LEGAL DIVISION	P02		0	83,435 3				85,520 3				59,572 2	61,072 2		
<p>The addition of 3 new positions in Legal Division is requested due to tripled case load:</p> <p>2 Legal Secretaries 1 Attorney Specialist</p>																		
002		TSI	425 349 070 03 PROPERTY AND CASUALTY DIVISION	P02		0	90,906 3				93,198 3							
<p>To create a career path in policy review of insurance company filings, 3 new positions are requested:</p> <p>1 Rate & Form Analyst 1 Senior Rate & Form Analyst 1 Certified Rate & Form Analyst</p>																		
002		TSI	425 349 070 04 LIFE AND HEALTH DIVISION	P02		0	63,976 2				65,599 2							
<p>To create a career path for rate & form analysts, 2 new positions are requested:</p> <p>1 Senior Rate & Form Analyst 1 Certified Rate & Form Analyst</p>																		

DEPT 010 SEPARATE AGENCIES
AGY 425 STATE INSURANCE DEPARTMENT
APPRO 349 STATE OPERATIONS
FUND TSI STATE INSURANCE DEPT. TRUST (425)

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ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

L	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
PK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIAL REQUESTS		RECOMMENDATIONS									
					ACTUAL 95-96	BUDGETED 96-97	FY 1997 - 98 REQUEST	FY 1998 - 99 REQUEST	EXECUTIVE		LEGISLATIVE							
2		TSI	425 349 070 06 FINANCE DIVISION	P02		0 0	113,977 3	117,922 3										
<p>Three new positions are requested to establish a new audit unit to review the internal operations of companies and to create a career path for market conduct examiners:</p> <p>1 Market Conduct Examiner 1 Senior Market Conduct Examiner 1 Certified Market Conduct Examiner</p>																		
2		TSI	425 349 070 09 RISK MANAGEMENT DIVISION	P02		0 0	20,470 1	20,959 1										
<p>One new position is requested to assist with a doubled clerical workload in the Risk Management Division:</p> <p>1 Secretary II</p>																		
2		TSI	425 349 070 10 ACCOUNTING DIVISION	P02		0 0	36,859 2	37,723 2										
<p>Two new positions are requested to increase the mailroom staff:</p> <p>1 Mailroom Supervisor 1 Document Examiner I</p>																		

PT 010 SEPARATE AGENCIES
Y 425 STATE INSURANCE DEPARTMENT
PRO 349 STATE OPERATIONS
ND TSI STATE INSURANCE DEPT. TRUST (425)

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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-----		-----1997 - 99 BIENNIUM REQUESTS-----						-----RECOMMENDATIONS-----					
					---	---	-----FY 1997 - 98-----			-----FY 1998 - 99-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
					ACTUAL	BUDGETED	REQUEST	REQUEST	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99				
				95-96	96-97													
003		TSI	425 349 070 01 ADMINISTRATION DIVISION	P03		0	68,600			23,300					13,980	13,980		
<p>The PrePaid Funeral Program was transferred to the State Insurance Department in the current Biennium. The Department is requesting Operating Expenses of \$23,300 each year for program support and Capital Outlay of \$45,300 in the first year to purchase furniture, office, and computer equipment for 5 new positions requested to administer the PrePaid Funeral Program.</p>																		
003		TSI	425 349 070 02 LEGAL DIVISION	P03		0	146,039			149,710				83,139	85,217			
<p>The addition of 5 new positions is requested to staff the PrePaid Funeral Program:</p> <ul style="list-style-type: none"> 1 PrePaid Funeral Administrator 1 Senior Auditor 1 Junior Auditor 1 Insurance Investigator 1 Administrative Assistant I 																		
004		TSI	425 349 070 01 ADMINISTRATION DIVISION	P10		0	7,395			7,596								
<p>Reclassification is requested for 3 positions:</p> <ul style="list-style-type: none"> Administrative Assistant II to Assistant Personnel Manager Assistant Personnel Manager to Management Project Analyst II Rate & Form Analyst to Certified Rate & Form Analyst 																		

DEPT 010 SEPARATE AGENCIES
AGY 425 STATE INSURANCE DEPARTMENT
APPRO 349 STATE OPERATIONS
FUND TSI STATE INSURANCE DEPT. TRUST (425)

RANK BY APPROPRIATION
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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
PK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1997 - 99 BIENNIAL REQUESTS-----						-----RECOMMENDATIONS-----					
					ACTUAL 95-96	BUDGETED 96-97	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE					
							REQUEST	REQUEST					1997-98	1998-99	1997-98	1998-99		
4	TSI	425 349 070 03	PROPERTY AND CASUALTY DIVISION	P10		0	6,968	7,167										
<p>Reclassification of one position is requested for reorganization of supervisory staff: Reclassification of five positions to create rate & Form analyst career path.</p> <p>1 Insurance Senior Examiner to Property & Casualty Administrator 5 Rate & Form Analysts to Certified Rate & Form Analysts</p>																		
4	TSI	425 349 070 04	LIFE AND HEALTH DIVISION	P10		0	9,383	9,643										
<p>Reclassification of one position is requested as part of the reorganization of supervisory staff: Reclassification of 4 positions to create rate & form analyst career path:</p> <p>1 Rate & Form Analyst Supervisor to Life & Health Administrator 4 Rate & Form Analysts to Certified Rate & Form Analysts</p>																		
4	TSI	425 349 070 05	AGENTS LICENSE DIVISION	P10		0	6,386	6,566										
<p>Reclassification of one position is requested as part of the reorganization of supervisory staff:</p> <p>1 Insurance Licensing Supervisor to License Administrator</p>																		

PT 010 SEPARATE AGENCIES
Y 425 STATE INSURANCE DEPARTMENT
PRO 349 STATE OPERATIONS
ND TSI STATE INSURANCE DEPT. TRUST (425)

RANK BY APPROPRIATION
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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		1997 - 99 BIENNIUM REQUESTS				RECOMMENDATIONS							
					ACTUAL 95-96	BUDGETED 96-97	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE					
							REQUEST	REQUEST			1997-98	1998-99	1997-98	1998-99				
004		TSI	425 349 070 08 CONSUMER SERVICES DIVISION	P10		0	7,729	0	7,944	0								

Reclassification of one position is requested as part of the reorganization of supervisory staff:

Insurance Consumer Services Supervisor to Consumer Services Administrator

DEPT 010 SEPARATE AGENCIES
AGY 425 STATE INSURANCE DEPARTMENT
APPRO 349 STATE OPERATIONS
FUND TSI STATE INSURANCE DEPT. TRUST (425)

RANK BY APPROPRIATION
BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Insurance Department's Public Employee Claims Section is funded by transfers from the Public School Fund, the County Aid Fund, the Municipal Aid Fund, and the fund accounts of State agencies for which claims are administered by this Section. Base Level includes 33 positions and \$1,329,738 in the first year and \$1,358,362 in the second year. Priority requests by the Agency are as follows:

Reclassification of 3 positions at costs of \$8,210 for FY98 and \$8,439 for FY99.

The addition of an Attorney Specialist, Grade 25, and a Legal Secretary, Grade 14, to work with increased litigation concerning workers' compensation cases and a Benefits Determination Assistant Manager, Grade 19, to provide an entry level management position. The costs for all 3 positions are \$90,354 in the first year and \$92,631 in the second year.

Additions of \$3,000 each year in Operating Expenses to provide for additional rent expense.

Increases of \$5,000 each year in Conference Fees & Travel for additional training expenses.

Capital Outlay of \$48,400 for FY98 and \$25,000 for FY99 for replacement of office furnishings and equipment.

Add \$500,000 each year in a Professional Services special line item to contract for periodic actuarial review of the Department's workers' compensation liability.

The Executive Recommendation is for approval of Base Level, plus \$3,000 each year in Operating Expenses and Capital Outlay of \$8,000 each year. Also included is appropriation for a 2.8% Cost of Living Allowance for positions on July 1 each year of the biennium along with accompanying employee matching requirements. The Executive Recommendation does not address the Department's requests for Reclassification of positions at this time.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: State Insurance Department Code: 425	Name: Public Employee Claims Section Code: 354	Name: State General Services Code: HUA	BR20	146

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
REGULAR SALARIES	700,238	846,890	828,991	884,642	75,385	960,027	908,714	77,497	986,211	884,642	908,714		
NUMBER OF POSITIONS	29	33	37	33	3	36	33	3	36	33	33		
PERSONAL SERV MATCHING	206,243	264,566	241,451	265,319	23,179	288,498	269,871	23,573	293,444	265,319	269,871		
OPERATING EXPENSES	138,665	166,355	196,592	166,355	3,000	169,355	166,355	3,000	169,355	169,355	169,355		
CONF FEES & TRAVEL	2,514	2,700	2,700	2,700	5,000	7,700	2,700	5,000	7,700	2,700	2,700		
CAPITAL OUTLAY	0	6,000	8,000	0	48,400	48,400	0	25,000	25,000	8,000	8,000		
DATA PROCESSING	1,170	10,722	44,602	10,722	0	10,722	10,722	0	10,722	10,722	10,722		
PROFESSIONAL SERVICES	0	0	0	0	500,000	500,000	0	500,000	500,000				
TOTAL	1,048,830	1,297,233	1,322,336	1,329,738	654,964	1,984,702	1,358,362	634,070	1,992,432	1,340,738	1,369,362		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES	1,048,830	1,297,233	*****	1,329,738	654,964	1,984,702	1,358,362	634,070	1,992,432	1,340,738	1,369,362		
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	1,048,830	1,297,233	*****	1,329,738	654,964	1,984,702	1,358,362	634,070	1,992,432	1,340,738	1,369,362		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	1,048,830	1,297,233	*****	1,329,738	654,964	1,984,702	1,358,362	634,070	1,992,432	1,340,738	1,369,362		

DEPT 010 SEPARATE AGENCIES
 AGY 425 STATE INSURANCE DEPARTMENT
 APPRO 354 PUBLIC EMPLOYEE CLAIMS SECTION
 FUND HUA STATE GENERAL SERVICES(000)

The FY97 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 1995-97 biennium.

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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-----				-----1997 - 99 BIENNIUM REQUESTS-----				-----R E C O M M E N D A T I O N S-----					
					---ACTUAL---		---BUDGETED---		-----FY 1997 - 98-----		-----FY 1998 - 99-----		-----EXECUTIVE-----		-----LEGISLATIVE-----			
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99						
000		HUA	425 354	B	1,048,830 29	1,297,233 33	1,329,738 33	1,358,362 33						1,329,738 33	1,358,362 33			
001		HUA	425 354 071 01 ADMINISTRATION	P01		0 0	533,000 0	533,000 0						11,000	11,000			
<p>Operating Expenses: \$3,000 each year is requested for additional rent in new office space. Conference Fees & Travel: \$5,000 each year for employee training. Capital Outlay: \$25,000 each year to upgrade and replace computer equipment. Professional Services: \$500,000 each year for actuarial review of workers' compensation case liability.</p>																		
002		HUA	425 354 071 01 ADMINISTRATION	P02		0 0	113,754 3	92,631 3										
<p>Three new positions are requested to assist with a doubled caseload of workers' compensation litigation:</p> <ul style="list-style-type: none"> 1 Attorney Specialist 1 Legal Secretary 1 Benefits Determination Assistant Manager <p>Capital Outlay of \$23,400 in the first year is requested to equip these positions.</p>																		

DEPT 010 SEPARATE AGENCIES
 AGY 425 STATE INSURANCE DEPARTMENT
 APPRO 354 PUBLIC EMPLOYEE CLAIMS SECTION
 FUND HUA STATE GENERAL SERVICES(000)

RANK BY APPROPRIATION
 BR 264

A R K A N S A S B U D G E T S Y S T E M
 P R O G R A M / S E R V I C E I N F O R M A T I O N L I S T
 R A N K B Y A P P R O P R I A T I O N

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	-----1997 - 99 BIENNIUM REQUESTS-----				-----R E C O M M E N D A T I O N S-----										
					-----EXPENDITURES-----		-----FY 1997 - 98-----		-----FY 1998 - 99-----		-----EXECUTIVE-----		-----LEGISLATIVE-----						
					---ACTUAL---	---BUDGETED---	-----REQUEST-----	-----REQUEST-----	1997-98	1998-99	1997-98	1998-99							
					95-96	96-97													
004		HUA	425 354 071 01 ADMINISTRATION	P10		0	0	8,210	0	8,439	0								

Reclassification of 3 positions is requested to match positions to responsibilities and duties performed:

3 Benefits Determination Asst. Managers to Benefits Determination Managers

DEPT 010 SEPARATE AGENCIES
 AGY 425 STATE INSURANCE DEPARTMENT
 APPRO 354 PUBLIC EMPLOYEE CLAIMS SECTION
 FUND HUA STATE GENERAL SERVICES(000)

RANK BY APPROPRIATION
 BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Insurance Department's Firemen's Relief and Pension Fund Program is currently budgeted at \$16,150,000 each year. Disbursement of premium taxes collected for the program are made through this account near the close of each fiscal year. The Agency is requesting continuation of this appropriation at the current level.

The Executive Recommendation is the Agency Request.

AGENCY Name: State Insurance Department Code: 425	APPROPRIATION Name: Firemen's Relief and Pension Program Code: 036	TREASURY FUND Name: Firemen's Relief and Pension Fund Code: SLM	ANALYSIS OF BUDGET REQUEST BR20	PAGE 150
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ARKANSAS BUDGET SYSTEM

01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96 ACTUAL	96-97 BUDGETED	96-97 AUTHORIZED APPRO	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										97-98	98-99	97-98	98-99
GRANTS/AIDS	9,330,515	16,150,000	16,150,000	16,150,000	0	16,150,000	16,150,000	0	16,150,000	16,150,000	16,150,000		
TOTAL	9,330,515	16,150,000	16,150,000	16,150,000	0	16,150,000	16,150,000	0	16,150,000	16,150,000	16,150,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES	9,330,515	16,150,000	*****	16,150,000		16,150,000	16,150,000		16,150,000	16,150,000	16,150,000		
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	9,330,515	16,150,000	*****	16,150,000		16,150,000	16,150,000		16,150,000	16,150,000	16,150,000		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	9,330,515	16,150,000	*****	16,150,000		16,150,000	16,150,000		16,150,000	16,150,000	16,150,000		

DEPT 010 SEPARATE AGENCIES
 AGY 425 STATE INSURANCE DEPARTMENT
 APPRO 036 FIREMEN'S RELIEF AND PENSION
 FUND SLH FIREMEN'S RELIEF & PENSION FUND (425)

APPROPRIATION SUMMARY
 BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Insurance Department's Police Officers' Pension and Relief Program is currently budgeted at \$14,250,000 each year. Disbursement of premium taxes collected for the program are made through this account near the close of each fiscal year. The Agency is requesting continuation of this appropriation at the current level.

The Executive Recommendation is the Agency Request.

AGENCY Name: State Insurance Department Code: 425	APPROPRIATION Name: Police Officers' Pension and Relief Program Code: 045	TREASURY FUND Name: Police Officers' Pension & Relief Fund Code: SLP	ANALYSIS OF BUDGET REQUEST BR20	PAGE 152
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ARKANSAS BUDGET SYSTEM

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CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96 ACTUAL	96-97 BUDGETED	96-97 AUTHORIZED APPRO	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										97-98	98-99	97-98	98-99
GRANTS/AIDS	10,793,225	14,250,000	14,250,000	14,250,000	0	14,250,000	14,250,000	0	14,250,000	14,250,000	14,250,000		
TOTAL	10,793,225	14,250,000	14,250,000	14,250,000	0	14,250,000	14,250,000	0	14,250,000	14,250,000	14,250,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES	10,793,225	14,250,000	*****	14,250,000		14,250,000	14,250,000		14,250,000	14,250,000	14,250,000		
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	10,793,225	14,250,000	*****	14,250,000		14,250,000	14,250,000		14,250,000	14,250,000	14,250,000		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	10,793,225	14,250,000	*****	14,250,000		14,250,000	14,250,000		14,250,000	14,250,000	14,250,000		

APPROPRIATION SUMMARY

DEPT 010 SEPARATE AGENCIES
 AGY 425 STATE INSURANCE DEPARTMENT
 APPRO 045 POLICE OFFICERS' PENSION AND RELIEF PROGRAM
 FUND SLP POLICE OFFICERS' PENSION & RELIEF FUND (425)

BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Insurance Department's Consumer Information System Cash Fund is requested for continuation at \$144,400 each year. Each licensed insurer is assessed at the rate of \$100 annually to provide funding for dispensing of information to the public concerning the various policy types, coverages, and purchasing options offered by the insurance industry.

The Executive Recommendation is the Agency Request.

AGENCY Name: State Insurance Department Code: 425	APPROPRIATION Name: Consumer Information System -- Cash Code: A77	CASH FUND Name: Insurance Dept. - Cash Code: 162	ANALYSIS OF BUDGET REQUEST BR20	PAGE 154
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ARKANSAS BUDGET SYSTEM

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

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96 ACTUAL	96-97 BUDGETED	96-97 AUTHORIZED APPRO	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										97-98	98-99	97-98	98-99
OPERATING EXPENSES	28,058	139,400	147,000	139,400	0	139,400	139,400	0	139,400	139,400	139,400		
PROF FEES & SERVICES	0	5,000	5,000	5,000	0	5,000	5,000	0	5,000	5,000	5,000		
TOTAL	28,058	144,400	152,000	144,400	0	144,400	144,400	0	144,400	144,400	144,400		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS	28,058	144,400	*****	144,400		144,400	144,400		144,400	144,400	144,400		
OTHER			*****										
TOTAL FUNDING	28,058	144,400	*****	144,400		144,400	144,400		144,400	144,400	144,400		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	28,058	144,400	*****	144,400		144,400	144,400		144,400	144,400	144,400		

APPROPRIATION SUMMARY

DEPT 010 SEPARATE AGENCIES
 AGY 425 STATE INSURANCE DEPARTMENT
 APPRO A77 CONSUMER INFORMATION SYSTEM -- CASH
 FUND 162 INSURANCE DEPT-CASH (425)

BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Insurance Department's Travel and Subsistence Cash Fund, through which its financial examiners are reimbursed for travel expenses, is requested to continue at \$190,000 each year.

The Executive Recommendation is the Agency Request.

AGENCY Name: State Insurance Department Code: 425	APPROPRIATION Name: Travel & Subsistence -- Cash Code: A78	CASH FUND Name: Insurance Dept. - Cash Code: 162	ANALYSIS OF BUDGET REQUEST BR20	PAGE 156
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	EXPENDITURES			97-98 FISCAL YEAR			98-99 FISCAL YEAR			R E C O M M E N D A T I O N S			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
TRAVEL & SUBSISTENCE EXP	79,319	190,000	190,000	190,000	0	190,000	190,000	0	190,000	190,000	190,000		
TOTAL	79,319	190,000	190,000	190,000	0	190,000	190,000	0	190,000	190,000	190,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS	79,319	190,000	*****	190,000		190,000	190,000		190,000	190,000	190,000		
OTHER			*****										
TOTAL FUNDING	79,319	190,000	*****	190,000		190,000	190,000		190,000	190,000	190,000		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	79,319	190,000	*****	190,000		190,000	190,000		190,000	190,000	190,000		

DEPT 010 SEPARATE AGENCIES
 AGY 425 STATE INSURANCE DEPARTMENT
 APPRO A78 TRAVEL AND SUBSISTENCE -- CASH
 FUND 162 INSURANCE DEPT-CASH (425)

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The State Insurance Department is the managing agency for the appropriation through which the Governmental Bonding Board administers the State's surety and fidelity bond programs. The Department requests that the current level of \$2,215,637 each year be continued for this appropriation.

The Executive Recommendation is the Agency Request.

AGENCY Name: State Insurance Department Code: 425	APPROPRIATION Name: Governmental Bonding Board – Operations Code: 339	TREASURY FUND Name: Fidelity Bond Trust Fund Code: TFB	ANALYSIS OF BUDGET REQUEST BR20	PAGE 158
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----		96-97	-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	AUTHORIZED	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	APPRO							97-98	98-99	97-98	98-99
OPERATING EXPENSES	169	5,000	5,000	5,000	0	5,000	5,000	0	5,000	5,000	5,000		
INVESTMENTS	0	760,637	877,250	760,637	0	760,637	760,637	0	760,637	760,637	760,637		
REFUNDS/REIMBURSEMENTS	0	150,000	150,000	150,000	0	150,000	150,000	0	150,000	150,000	150,000		
CLAIMS	103,299	1,000,000	1,000,000	1,000,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000	1,000,000		
PROFESSIONAL SERVICES	0	50,000	50,000	50,000	0	50,000	50,000	0	50,000	50,000	50,000		
REINSURANCE	0	250,000	250,000	250,000	0	250,000	250,000	0	250,000	250,000	250,000		
TOTAL	103,468	2,215,637	2,332,250	2,215,637	0	2,215,637	2,215,637	0	2,215,637	2,215,637	2,215,637		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
FIDELITY BOND TRUST FUND	103,468	2,215,637	*****	2,215,637		2,215,637	2,215,637		2,215,637	2,215,637	2,215,637		
TOTAL FUNDING	103,468	2,215,637	*****	2,215,637		2,215,637	2,215,637		2,215,637	2,215,637	2,215,637		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	103,468	2,215,637	*****	2,215,637		2,215,637	2,215,637		2,215,637	2,215,637	2,215,637		

DEPT 010 SEPARATE AGENCIES
 AGY 425 STATE INSURANCE DEPARTMENT
 APPRO 339 GOVERNMENTAL BONDING BOARD -- OPERATIONS
 FUND TFB FIDELITY BOND TRUST FUND (425)

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Insurance Department's Continuing Education Program has one position budgeted to process continuing education records of agents that are required for license renewal. The Department is requesting that this Base Level position be continued for the 1997-99 Biennium.

The Executive Recommendation provides for Base Level, which includes appropriation for a 2.8% Cost of Living Allowance for this position on July 1 of each year of the biennium along with accompanying employee matching requirements.

AGENCY Name: State Insurance Department Code: 425	APPROPRIATION Name: Continuing Education Program Code: 341	TREASURY FUND Name: Insurance Continuing Education Trust Fund Code: TIE	ANALYSIS OF BUDGET REQUEST BR20	PAGE 160
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			96-97			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99			
REGULAR SALARIES	12,400	14,203	13,701	14,874	0	14,874	15,279	0	15,279	14,874	15,279					
NUMBER OF POSITIONS	1	1	1	1	0	1	1	0	1	1	1					
PERSONAL SERV MATCHING	4,968	5,801	5,138	5,800	0	5,800	5,877	0	5,877	5,800	5,877					
TOTAL	17,368	20,004	18,839	20,674	0	20,674	21,156	0	21,156	20,674	21,156					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES	70,930	75,488	*****	77,484		77,484	78,810		78,810	77,484	78,810					
GENERAL REVENUES			*****													
SPECIAL REVENUES			*****													
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
CONTINUING EDUCATION TRUST FUND	21,926	22,000	*****	22,000		22,000	22,000		22,000	22,000	22,000					
TOTAL FUNDING	92,856	97,488	*****	99,484		99,484	100,810		100,810	99,484	100,810					
EXCESS APPRO/ (FUNDING)	(75,488)	(77,484)	*****	(78,810)		(78,810)	(79,654)		(79,654)	(78,810)	(79,654)					
TOTAL	17,368	20,004	*****	20,674		20,674	21,156		21,156	20,674	21,156					

DEPT 010 SEPARATE AGENCIES
 AGY 425 STATE INSURANCE DEPARTMENT
 APPRO 341 CONTINUING EDUCATION PROGRAM
 FUND TIE INSURANCE CONTINUING EDUC TRUST (425)

The FY97 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 1995-97 biennium.

APPROPRIATION SUMMARY
 BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Insurance Department's Public Employees Claims Section is the processor of workers' compensation claims payments for employees of the State. It also continues to handle long-term claims filed before 1985 for employees of cities and counties and claims by public school employees filed before July 1, 1994. Revolving funds are the revenue sources for the appropriations through which claims payments are made.

Due to favorable results achieved by the Managed Care Program that has been applied to State employee workers' compensation cases and as long-term city, county, and public school employee claims are resolved through time, less appropriation will be required for claims paying accounts. Accordingly, the Department is requesting reductions in claims accounts as follows:

<u>Appropriation Title</u>	<u>1997-98</u>	<u>1998-99</u>
Public School Employee Claims	(\$1,500,000)	(\$2,000,000)
County Employee Claims	(400,000)	(750,000)
City Employee Claims	(700,000)	(1,050,000)
State Employee Claims	-0-	(500,000)

The Executive Recommendation is the Agency Request.

AGENCY Name: State Insurance Department Code: 425	APPROPRIATION Name: Various Code: 350, 351, 352, 353	TREASURY FUND Name: Various Code: MTA, TUW	ANALYSIS OF BUDGET REQUEST BR20	PAGE 162
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
CLAIMS	2,519,895	4,000,000	4,000,000	4,000,000	-1,500,000	2,500,000	4,000,000	-2,000,000	2,000,000	2,500,000	2,000,000		
TOTAL	2,519,895	4,000,000	4,000,000	4,000,000	(1,500,000)	2,500,000	4,000,000	(2,000,000)	2,000,000	2,500,000	2,000,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
MISCELLANEOUS REVOLVING FUND	2,519,895	4,000,000	*****	4,000,000	(1,500,000)	2,500,000	4,000,000	(2,000,000)	2,000,000	2,500,000	2,000,000		
TOTAL FUNDING	2,519,895	4,000,000	*****	4,000,000	(1,500,000)	2,500,000	4,000,000	(2,000,000)	2,000,000	2,500,000	2,000,000		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	2,519,895	4,000,000	*****	4,000,000	(1,500,000)	2,500,000	4,000,000	(2,000,000)	2,000,000	2,500,000	2,000,000		

APPROPRIATION SUMMARY

DEPT 010 SEPARATE AGENCIES
 AGY 425 STATE INSURANCE DEPARTMENT
 APPRO 350 PUBLIC SCHOOL EMPLOYEES CLAIMS
 FUND HTA MISCELLANEOUS REVOLVING-(000)

BR 215

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		1997 - 99 BIENNIIUM REQUESTS						RECOMMENDATIONS						
					ACTUAL	BUDGETED	FY 1997 - 98			FY 1998 - 99			EXECUTIVE		LEGISLATIVE				
					95-96	96-97	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99				
100		MTA	425 350	B	2,519,895 0	4,000,000 0	4,000,000 0				4,000,000 0			4,000,000	4,000,000				
101		MTA	425 350 072 03 CLAIMS	P01		0 0	-1,500,000 0				-2,000,000 0			-1,500,000	-2,000,000				
<p>A reduction in appropriation is requested. School employee claims handled by the Department should continually decrease, since those filed after July 1, 1994, are handled by private vendor.</p>																			

DEPT 010 SEPARATE AGENCIES
 AGENCY 425 STATE INSURANCE DEPARTMENT
 APPRO 350 PUBLIC SCHOOL EMPLOYEES CLAIMS
 FUND MTA MISCELLANEOUS REVOLVING-(1000)

RANK BY APPROPRIATION

BR 264

ARKANSAS BUDGET SYSTEM

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

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96 ACTUAL	96-97 BUDGETED	96-97 AUTHORIZED APPRO	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										97-98	98-99	97-98	98-99
CLAIMS	142,398	1,250,000	1,250,000	1,250,000	-400,000	850,000	1,250,000	-750,000	500,000	850,000	500,000		
TOTAL	142,398	1,250,000	1,250,000	1,250,000	(400,000)	850,000	1,250,000	(750,000)	500,000	850,000	500,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
MISCELLANEOUS REVOLVING FUND	142,398	1,250,000	*****	1,250,000	(400,000)	850,000	1,250,000	(750,000)	500,000	850,000	500,000		
TOTAL FUNDING	142,398	1,250,000	*****	1,250,000	(400,000)	850,000	1,250,000	(750,000)	500,000	850,000	500,000		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	142,398	1,250,000	*****	1,250,000	(400,000)	850,000	1,250,000	(750,000)	500,000	850,000	500,000		

DEPT 010 SEPARATE AGENCIES
 AGY 425 STATE INSURANCE DEPARTMENT
 APPRO 351 COUNTY EMPLOYEE CLAIMS
 FUND HTA MISCELLANEOUS REVOLVING-(000)

APPROPRIATION SUMMARY

BR 215

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-----		-----1997 - 99 BIENNIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					ACTUAL	BUDGETED	-----FY 1997 - 98-----			-----FY 1998 - 99-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
					95-96	96-97	REQUEST			REQUEST			1997-98	1998-99	1997-98	1998-99		
000		MTA	425 351	B	142,398 0	1,250,000 0	1,250,000 0			1,250,000 0			1,250,000	1,250,000				
001		MTA	425 351 076 03 CLAIMS	P01		0 0	-400,000 0			-750,000 0			-400,000	-750,000				
<p>A reduction in appropriation is requested. Claims volume and costs continue to decrease. The Department handles only long-term claims filed before 1985.</p>																		

DEPT 010 SEPARATE AGENCIES
AGY 425 STATE INSURANCE DEPARTMENT
APPRO 351 COUNTY EMPLOYEE CLAIMS

FUND HTA MISCELLANEOUS REVOLVING-(000)

RANK BY APPROPRIATION

BR 264

ARKANSAS BUDGET SYSTEM

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

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
CLAIMS	100,809	1,500,000	1,500,000	1,500,000	-700,000	800,000	1,500,000	-1,050,000	450,000	800,000	450,000		
TOTAL	100,809	1,500,000	1,500,000	1,500,000	(700,000)	800,000	1,500,000	(1,050,000)	450,000	800,000	450,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
MISCELLANEOUS REVOLVING FUND	100,809	1,500,000	*****	1,500,000	(700,000)	800,000	1,500,000	(1,050,000)	450,000	800,000	450,000		
TOTAL FUNDING	100,809	1,500,000	*****	1,500,000	(700,000)	800,000	1,500,000	(1,050,000)	450,000	800,000	450,000		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	100,809	1,500,000	*****	1,500,000	(700,000)	800,000	1,500,000	(1,050,000)	450,000	800,000	450,000		

DEPT 010 SEPARATE AGENCIES
 AGY 425 STATE INSURANCE DEPARTMENT
 APPRO 352 CITY EMPLOYEE CLAIMS
 FUND HTA MISCELLANEOUS REVOLVING-(000)

APPROPRIATION SUMMARY

BR 215

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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-----		-----1997 - 99 BIENNIUM REQUESTS-----						-----RECOMMENDATIONS-----					
					ACTUAL	BUDGETED	FY 1997 - 98			FY 1998 - 99			EXECUTIVE		LEGISLATIVE			
					95-96	96-97	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99			
000		MTA	425 352	B	100,809 0	1,500,000 0	1,500,000 0			1,500,000 0			1,500,000	1,500,000				
001		MTA	425 352 073 03 CLAIMS	P01		0 0	-700,000 0			-1,050,000 0			-700,000	-1,050,000				
<p>A reduction in appropriation is requested. Claims volume and costs continue to decrease. The Department handles only long-term claims filed before 1985.</p>																		

DEPT 010 SEPARATE AGENCIES
 AGY 425 STATE INSURANCE DEPARTMENT
 APPRO 352 CITY EMPLOYEE CLAIMS
 FUND MTA MISCELLANEOUS REVOLVING-(000)

RANK BY APPROPRIATION

BR 264

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	EXPENDITURES			97-98 FISCAL YEAR			98-99 FISCAL YEAR			RECOMMENDATIONS			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
CLAIMS	8,240,185	13,000,000	13,000,000	13,000,000	0	13,000,000	13,000,000	-500,000	12,500,000	13,000,000	12,500,000		
TOTAL	8,240,185	13,000,000	13,000,000	13,000,000	0	13,000,000	13,000,000	(500,000)	12,500,000	13,000,000	12,500,000		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
WORKERS' COMP REVOLVING FUND	8,240,185	13,000,000	*****	13,000,000		13,000,000	13,000,000	(500,000)	12,500,000	13,000,000	12,500,000		
TOTAL FUNDING	8,240,185	13,000,000	*****	13,000,000		13,000,000	13,000,000	(500,000)	12,500,000	13,000,000	12,500,000		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	8,240,185	13,000,000	*****	13,000,000		13,000,000	13,000,000	(500,000)	12,500,000	13,000,000	12,500,000		

DEPT 010 SEPARATE AGENCIES
 AGY 425 STATE INSURANCE DEPARTMENT
 APPRO 353 STATE EMPLOYEE CLAIMS

APPROPRIATION SUMMARY

BR 215

FUND T01 WORKERS COMPENSATION REVOLVING-(425)

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	-----1997 - 99 BIENNIUM REQUESTS-----								-----R E C O M M E N D A T I O N S-----					
					-----EXPENDITURES-----		-----FY 1997 - 98-----		-----FY 1998 - 99-----				-----EXECUTIVE-----		-----LEGISLATIVE-----			
					ACTUAL 95-96	BUDGETED 96-97	REQUEST	REQUEST			1997-98	1998-99	1997-98	1998-99				
000		TUW	425 353	B	8,240,185 0	13,000,000 0	13,000,000 0		13,000,000 0			13,000,000	13,000,000					
001		TUW	425 353 074 ZZ NO TITLE	P01		0 0	0 0		-500,000 0					-500,000				
<p>A reduction is requested in the second year. The Managed Care Program initiated to control costs in State employee cases has demonstrated enough success to justify this request for reduction.</p>																		

DEPT 010 SEPARATE AGENCIES
AGY 425 STATE INSURANCE DEPARTMENT
APPRO 353 STATE EMPLOYEE CLAIMS
FUND TUW WORKERS COMPENSATION REVOLVING-(425)

RANK BY APPROPRIATION
BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Insurance Department requests that its Refunds of Overpayments appropriation be approved to continue at the current level of \$11,000,000 each year. This account is used to return premium taxes paid to this state in error and to return amounts that are overpaid.

The Executive Recommendation is the Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: State Insurance Department Code: 425	Name: Refunds of Overpayments Code: 348	Name: Miscellaneous Revolving Fund Code: MTA	BR20	171

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
FUNDS/REIMBURSEMENTS	1,801,924	11,000,000	11,000,000	11,000,000	0	11,000,000	11,000,000	0	11,000,000	11,000,000	11,000,000		
TOTAL	1,801,924	11,000,000	11,000,000	11,000,000	0	11,000,000	11,000,000	0	11,000,000	11,000,000	11,000,000		
PROPOSED FUNDING SOURCES			*****										
UNDEVELOPED BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
GENERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
STATE REVENUE RECEIPTS			*****										
OTHER FUNDS			*****										
MISCELLANEOUS REVOLVING FUND	1,801,924	11,000,000	*****	11,000,000		11,000,000	11,000,000		11,000,000	11,000,000	11,000,000		
TOTAL FUNDING	1,801,924	11,000,000	*****	11,000,000		11,000,000	11,000,000		11,000,000	11,000,000	11,000,000		
UNLESS APPROVED (FUNDING)			*****										
TOTAL	1,801,924	11,000,000	*****	11,000,000		11,000,000	11,000,000		11,000,000	11,000,000	11,000,000		

*T 010 SEPARATE AGENCIES
 *R 425 STATE INSURANCE DEPARTMENT
 *RO 348 REFUNDS OF OVERPAYMENTS
 *D HTA MISCELLANEOUS REVOLVING-(000)

APPROPRIATION SUMMARY

BR 215

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Fraud Investigation Unit was created with the passage of Act 1136 of 1993 and became an operating section of the State Insurance Department at the beginning of the 1993-95 Biennium. The first \$600,000 of its funding each year is transferred to the State Insurance Department Trust Fund from the Workers' Compensation Commission. The Unit's Base Level consists of 12 positions and \$622,543 for FY98 and \$635,331 for FY99. Priority requests for this program are as follows:

Reclassification of a Secretary II position to an Administrative Assistant II at costs of \$4,340 in the first year and \$4,460 in the second year.

Increases of \$2,000 each year in Conference Fees & Travel for additional training expenses.

Capital Outlay of \$13,800 and \$6,000, respectively, for replacement of office equipment and purchase of data processing equipment.

The Executive Recommendation provides for Base Level, which includes appropriation for a 2.8% Cost of Living Allowance for positions on July 1 of each year of the biennium along with accompanying employee matching requirements. The Executive Recommendation does not address the request for Reclassification of the Secretary II position at this time.

AGENCY Name: State Insurance Department Code: 425	APPROPRIATION Name: Fraud Investigation Unit Code: 359	TREASURY FUND Name: State Insurance Dept. Trust Fund Code: TSI	ANALYSIS OF BUDGET REQUEST BR20	PAGE 173
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
REGULAR SALARIES	259,637	379,109	348,743	394,928	3,654	398,582	405,692	3,756	409,448	394,928	405,692		
NUMBER OF POSITIONS	8	12	12	12	0	12	12	0	12	12	12		
PERSONAL SERV MATCHING	71,053	107,661	96,531	110,229	686	110,915	112,253	704	112,957	110,229	112,253		
OPERATING EXPENSES	57,260	102,386	132,000	102,386	0	102,386	102,386	0	102,386	102,386	102,386		
CONFERENCE FEES AND TRAVE	2,172	4,000	4,000	4,000	2,000	6,000	4,000	2,000	6,000	4,000	4,000		
PROFESSIONAL FEES AND SER	1,550	11,000	11,000	11,000	0	11,000	11,000	0	11,000	11,000	11,000		
CAPITAL OUTLAY	0	0	0	0	13,800	13,800	0	6,000	6,000				
TOTAL	391,672	604,156	592,274	622,543	20,140	642,683	635,331	12,460	647,791	622,543	635,331		
PROPOSED FUNDING SOURCES			*****										
UNDEVELOPED BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES		4,156	*****	22,543	20,140	42,683	35,331	12,460	47,791	22,543	35,331		
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
TRANSFER FROM WORKERS' COMP	391,672	600,000	*****	600,000		600,000	600,000		600,000	600,000	600,000		
TOTAL FUNDING	391,672	604,156	*****	622,543	20,140	642,683	635,331	12,460	647,791	622,543	635,331		
UNDEVELOPED APPRO/ (FUNDING)			*****										
TOTAL	391,672	604,156	*****	622,543	20,140	642,683	635,331	12,460	647,791	622,543	635,331		

DEPT 010 SEPARATE AGENCIES
 DIV 425 STATE INSURANCE DEPARTMENT
 PROJ 359 FRAUD INVESTIGATION UNIT
 FUND TSI STATE INSURANCE DEPT. TRUST (425)

The FY97 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 1995-97 biennium.

APPROPRIATION SUMMARY
 BR 215

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-----		-----1997 - 99 BIENNIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					ACTUAL	BUDGETED	-----FY 1997 - 98-----			-----FY 1998 - 99-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
					95-96	96-97	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99			
000		TSI	425 359	B	391,672 8	604,156 12	622,543 12				635,331 12				622,543 12	635,331 12		
001		TSI	425 359 070 12 WC FRAUD UNIT	P01		0 0	8,000 0				8,000 0							
	<p>Conference Fees & Travel: \$2,000 each year for job related training of employees. Capital Outlay: \$6,000 each year to upgrade and replace computer equipment.</p>																	
002		TSI	425 359 070 12 WC FRAUD UNIT	P02		0 0	7,800 0				0 0							
	<p>Capital Outlay: \$7,800 in the first year to purchase modular furnishings and computer equipment for the special research projects Administrative Assistant position.</p>																	

DEPT 010 SEPARATE AGENCIES
AGY 425 STATE INSURANCE DEPARTMENT
APPRO 359 FRAUD INVESTIGATION UNIT
FUND TSI STATE INSURANCE DEPT. TRUST (425)

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	EXPENDITURES		1997 - 99 BIENNIUM REQUESTS						R E C O M M E N D A T I O N S					
					ACTUAL	BUDGETED	FY 1997 - 98		FY 1998 - 99				EXECUTIVE		LEGISLATIVE			
					95-96	96-97	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99		
004		TSI	425 359 070 01 ADMINISTRATION DIVISION	P10		0	4,340					4,460						
<p>Reclassification of one position is requested for special research projects:</p> <p>1 Secretary II to Administrative Assistant II</p>																		

DEPT 010 SEPARATE AGENCIES
 AGENCY 425 STATE INSURANCE DEPARTMENT
 PROGRAM 359 FRAUD INVESTIGATION UNIT

FUND TSI STATE INSURANCE DEPT. TRUST (425)

RANK BY APPROPRIATION

BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Insurance Department's Health Information Counseling Program is 100% federally funded. Its purpose is to develop and maintain a network of local volunteers to dispense information and assist senior citizens with their insurance needs. Base Levels are \$226,552 for FY98 and \$229,683 for FY99, with 5 positions authorized. The Department requests that this program be continued at Base Level for the 1998-99 Biennium.

The Executive Recommendation is the Agency Request. Also included is appropriation for a 2.8% Cost of Living Allowance for positions on July 1 each year of the biennium along with accompanying employee matching requirements.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: State Insurance Department Code: 425	Name: Health Insurance Counseling Code: 130	Name: Insurance Dept. - Federal Code: FID	BR20	177

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	EXPENDITURES			97-98 FISCAL YEAR			98-99 FISCAL YEAR			RECOMMENDATIONS			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
REGULAR SALARIES	78,868	92,843	89,520	96,946	0	96,946	99,585	0	99,585	96,946	99,585		
NUMBER OF POSITIONS	5	5	5	5	0	5	5	0	5	5	5		
PERSONAL SERV MATCHING	27,256	33,317	33,432	33,247	0	33,247	33,739	0	33,739	33,247	33,739		
OPERATING EXPENSES	35,448	90,359	90,359	90,359	0	90,359	90,359	0	90,359	90,359	90,359		
TRAVEL FEES & TRAVEL	1,639	3,000	3,000	3,000	0	3,000	3,000	0	3,000	3,000	3,000		
OTHER FEES & SERVICES	2,370	3,000	3,000	3,000	0	3,000	3,000	0	3,000	3,000	3,000		
CAPITAL OUTLAY	3,746	5,000	5,000	0	0	0	0	0	0				
TOTAL	149,327	227,519	224,311	226,552	0	226,552	229,683	0	229,683	226,552	229,683		
PROPOSED FUNDING SOURCES			*****										
UNDEVELOPED BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS	149,327	227,519	*****	226,552		226,552	229,683		229,683	226,552	229,683		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
OTHER FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	149,327	227,519	*****	226,552		226,552	229,683		229,683	226,552	229,683		
UNASSIGNED APPROX/ (FUNDING)			*****										
TOTAL	149,327	227,519	*****	226,552		226,552	229,683		229,683	226,552	229,683		

PT 010 SEPARATE AGENCIES
 Y 425 STATE INSURANCE DEPARTMENT
 PRO 130 HEALTH INFORMATION COUNSELING
 ND FID INSURANCE DEPT-FEDERAL (425)

The FY97 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 1995-97 biennium.

APPROPRIATION SUMMARY

BR 215