

AR ECONOMIC DEVELOPMENT COMMISSION

Enabling Laws

Act 248 of 2012
A.C.A. § 15-4-205 through § 15-4-219

History and Organization

The Arkansas General Assembly established the Arkansas Industrial Development Commission (AIDC) by Act 404 of 1955, as amended, for the purpose of building the Arkansas economy. The immediate task of the Commission was to unite labor, industry, and agriculture in a coordinated effort to attract new industry to the State, to expand industry, and to develop the State's natural resources. In keeping with an evolving economy, by Act 540 of 1997, the General Assembly changed the name of the Commission to the Arkansas Economic Development Commission to demonstrate an expanded focus. By statutory authority (A.C.A. § 15-4-205 to §15-4-219), the Department of Economic Development (Agency) is the "official state agency" responsible for the programs established for the purpose of building and expanding Arkansas' economy. Since 1955, the emphasis, methods and strategies for this purpose have evolved with the changing global economy. The overall goal of partnering with business and industry to diversify and expand the State's economy, to stimulate job creation and retention, and to enhance the quality of life for current and future Arkansans remains the primary focus of the Agency. Act 1602 of 2007 renamed the agency as the Arkansas Economic Development Commission.

AGENCY MISSION STATEMENT

To lead statewide economic development, create targeted strategies which produce better paying jobs, promote communities and support the training and growth of a 21st century skilled workforce.

ORGANIZATIONAL STRUCTURE

The Agency consists of four primary divisions: Global Business, Marketing and Communications, Arkansas Energy Office, and Administration and Finance.

The Global Business Division has primary responsibility for interacting with customers, partners and interested parties external to the agency's operations. The Business Development program generates economic opportunity through strategic partnerships. It assists existing business and industry with their needs and actively recruits new business and industry development to Arkansas. The Community Development

program works with strategic partners to assist communities in developing and obtaining the necessary resources to identify and solve local development challenges. The following divisions reside within the Global Business Division:

- Business Development
- Community Development
- Business Retention and Expansion/Industry Training
- International Relations
- Film Commission
- Small and Minority Business
- Entrepreneurship & Innovation

The Administration and Finance Division has responsibility for most of the support functions that assist the Global Business Division. The Administrative and Support Program provides the ancillary services necessary for the Business Development and Community Development programs to achieve their goals and objectives as well as planning, technology programs. The following divisions reside within the Administration and Finance Division:

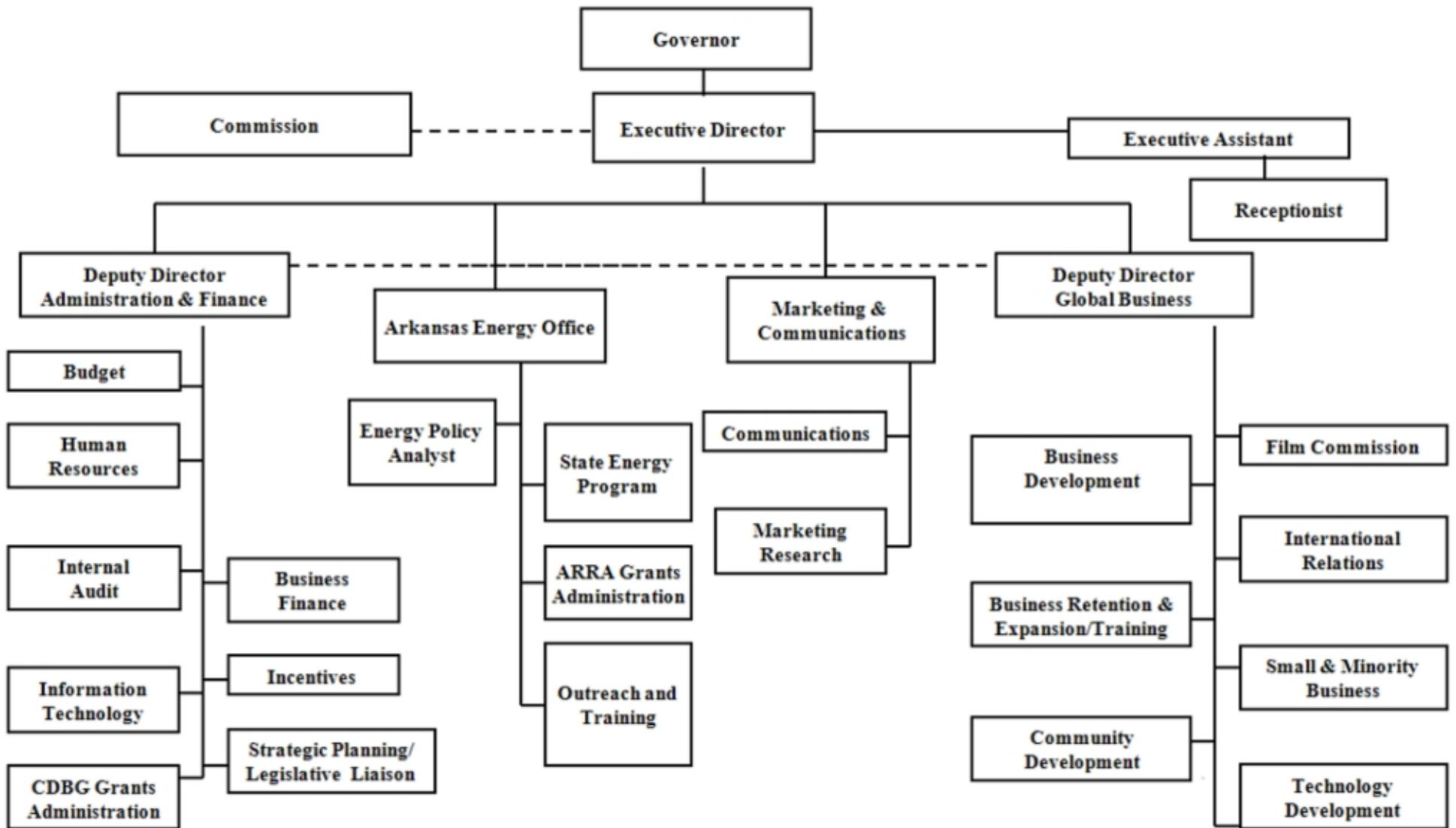
- Budget
- Human Resources
- Information Technology
- Strategic Planning/Legislative Liaison
- Business Finance
- Incentives
- Grants (CDBG)

The Marketing and Communications Division has responsibility for all formal communications emanating from the agency. This program includes market research, marketing and communication services. The following divisions reside within the Marketing and Communications Division:

- Communications
- Marketing Research
- Website Development

The Arkansas Energy Office has responsibility for the development and implementation of programs and policies aimed at making energy efficiency improvements and the deployment of renewable energy technologies. The following divisions reside within the Arkansas Energy Office:

- State Energy Plan (SEP)
- Outreach and Training
- State Buildings
- Energy Codes
- Emergency Response
- Commercial/Industrial Energy Efficiency Strategies
- Renewable Energy
- Sustainability
- Energy Efficiency Arkansas
- Residential Energy Efficiency



Agency Commentary

The Commission is requesting a continuation of the Base Level budget for all major programs which includes: General revenues of \$10,460,081 in FY 14 and \$10,463,108 in FY 15 for various program operations; Federal Grants of \$108,293,889 in FY 14 and \$108,294,742 in FY 15 for the Community Development Block Grant (CDBG) and Disaster Recovery programs funded from the Department of Housing and Urban Development (HUD) and \$753,921 each year of the biennium for the programs funded by the U.S. Department of Energy; Cash-in-Treasury of \$2,180,660 each year of the biennium to carry on the Energy Efficiency Arkansas program funded by utility assessments; Cash-in-Bank funded operations of \$441,219 each year of the biennium for various programs; Cash in Treasury of \$250,000 to carry out the Economic Development Regional Partnership Grants program; and Cash-in-Treasury of \$72,810 each year to carry out the Clean Cities program. The Federal CDBG programs noted include \$30,000,000 each year for grants to carry out the mandates of the HUD CDBG program and \$77,727,626 each year to carry out the mandates of the Flood and Storm Disaster Recovery Grants program of HUD. These are not operational funds of the Commission, but are passed through directly to the grant recipients as designated by HUD. In addition, the Base Level includes a continuation of the appropriation for the Super Projects Fund of \$200 million each year as has been authorized each biennium since the 2005-07 biennium and \$30 million each year for the Technology Acceleration Program as has also been authorized since the 2009-11 biennium.

In addition to Base Level, the Commission is requesting:

(1) **State Operations:** Business Development Division - Requesting a continuation of \$1 million unfunded appropriation for grants for economic development projects and Regional Partnership grants within the state that can benefit from immediate, short term funding that the Commission may be able to fund with savings in other program areas and/or salary savings. Also being requested are two (2) new positions, one (1) AEDC Director of Business Development Strategies at a grade N910 and one (1) AEDC Senior Project/Regional Manager at a grade C126. In addition, a request for \$185,000 each year of the biennium for Professional Fees and Services to allow the establishment of a China Office. Energy Program Management - the reclassification of the Energy Office Deputy Director, Grade N903, to an AEDC Arkansas Energy Office Director, Grade N908. Information Technology - an unfunded appropriation of \$100,000 each year for Capital Outlay to allow purchase of equipment for emergency backup systems and replacement of aging equipment on a pre-determined schedule as savings from other programs allow.

(2) **Community Assistance-Federal:** Grants Division - the reclassification of one (1) position from a Grade C125, AEDC Project/Regional Manager to a Grade C128, AEDC Director Grants Management to be funded by the HUD Federal CDBG grant program, and \$1,129,128 each year for the balance of the American Recovery and Re-investment Act grant from HUD.

(3) **State Energy Plan - Federal:** Energy Office - a change in title for the USDOE funded AEDC Director Arkansas Energy Office to AEDC Manager of Strategic Energy Development with no grade change and \$72,810 each year of the biennium for retention of the operations for

the Clean Cities program approved for FY 13. Also, request is made for \$110,000 each year of the biennium for Professional Fees and Services to allow for expenditure of the USDOE funded carry-forward balance for various energy conservation project contracts.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS ECONOMIC DEVELOPMENT COMMISSION
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Our testing of the receipting process revealed the Agency did not have proper segregation of duties over receipts. The lack of segregation involved accounting personnel opening mail that included cash receipts. It was also noted that receipts were not recorded in prenumbered receipt books or in a receipt log when initially received, as required by the Financial Management Guide Regulation R4-19-4-501. This lack of segregation of duties and internal control could lead to misappropriation of funds and or inaccurate recording of receipts.

Recommendations

Implement proper segregation of duties over receipts and record all funds received in prenumbered receipt books or in a receipt log when initially received.

Performance Audit Findings

*Selected Industries Receiving Economic Incentives from the Consolidated Incentive Act of 2003 – Food and Publishing Industries
Arkansas Economic Development Commission (AEDC) and
Arkansas Department of Finance and Administration (DFA)
(July 1, 2003 – December 31, 2008)*

Findings and Conclusions:

- Currently, not all incentives have expirations dates to provide for timely accounting for and analysis of incentives. This creates the potential situation where a company may, for example, delay filing a claim or a 2004 incentive until 2010.
- No exceptions were noted during the audit of the AEDC's awarding of Consolidated Incentive Act funds for food and publishing industries or DFA's monitoring of those funds.
- Related incentive programs were successful in the food and publishing industries.
- The creation of a Tier System for most programs of the Consolidated Incentive Act indicates the desire of the General Assembly to ward incentives

based on consideration of economic need. However, the majority of incentive funds were from the InvestArk statutory investment program with 61% of the total incentive funds distributed to the most prosperous counties of the State.

Recommendations:

- We recommend AEDC include time limitations for payments/rebates on future incentive awards to reduce the time between when incentive payments/rebates are earned by companies and when they are paid.
- If it is the intent of the General Assembly to direct incentive funds primarily to counties with the greatest need of economic development, it would be necessary for AEDC to reevaluate the methodology used for distributing InvestArk funds.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	35	40	75	83 %
Black Employees	4	9	13	14 %
Other Racial Minorities	0	2	2	3 %
Total Minorities			15	17 %
Total Employees			90	100 %

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
1130400	\$8,742	Checking	Regions Bank, Little Rock, AR

Statutory/Other Restrictions on use:

These funds are used for marketing purposes as defined in AR Code 19-4-801.

Statutory Provisions for Fees, Fines, Penalties:

The Arkansas Economic Development Commission has the authority to set fee amounts.

Revenue Receipts Cycle:

Fees are collected and interest is earned throughout the fiscal year.

Fund Balance Utilization:

Funds are used to pay for Commission marketing expenses.

Fund Account	Balance	Type	Location
1130400	\$1,261	Checking	Regions Bank, Little Rock, AR

Statutory/Other Restrictions on use:

These funds are used to pay for administrative and legal costs associated with preparation of financial incentive plans as defined in AR Code 15-4-1901.

Statutory Provisions for Fees, Fines, Penalties:

The Arkansas Economic Development Commission is authorized to collect fees pertaining to financial incentive plans by AR Code 15-4-1901.

Revenue Receipts Cycle:

Fees are collected and interest is earned throughout the fiscal year.

Fund Balance Utilization:

Funds are used to defray the Commission's administrative and legal costs associated with the preparation of financial incentive plans.

Fund Account	Balance	Type	Location
1270600	\$101	Checking	Regions Bank, Little Rock, AR

Statutory/Other Restrictions on use:

These funds are used for operating expenses and grants as defined by AR Cocde 19-4-801.

Statutory Provisions for Fees, Fines, Penalties:

Fees are set by the U.S. Department of Energy. Interest is earned throughout the fiscal year.

Revenue Receipts Cycle:

This fund was established by multiple disbursements from the U.S. Department of Energy. Interest is earned throughout the fiscal year.

Fund Balance Utilization:

Funds are used for operating expenses and grants for qualified energy programs. CD's are purchased in various terms to allow redemption at the most effective time for payments of operating expenses and grants.

Fund Account	Balance	Type	Location
1270800	\$456,011	Checking	Regions Bank and Bank of the Ozarks, Little Rock, AR

Statutory/Other Restrictions on use:

These funds are used for operating expenses and grants as defined by AR Code 19-4-801.

Statutory Provisions for Fees, Fines, Penalties:

Fees are set by the U.S. Department of Energy. Interest is earned throughout the fiscal year.

Revenue Receipts Cycle:

This fund was established by multiple disbursements from the U.S. Department of Energy. Interest is earned throughout the fiscal year.

Fund Balance Utilization:

Funds are used for operating expenses and grants for qualified energy projects. CD's are purchased in various terms to allow redemption at the most effective time for payment of operating expenses and grants.

Fund Account	Balance	Type	Location
1271200	\$26,375	Checking	Regions Bank, Little Rock, AR

Statutory/Other Restrictions on use:

These funds are used to pay for quality management related expenses and for other industrial training expenses as defined by AR Code 19-4-801.

Statutory Provisions for Fees, Fines, Penalties:

The Arkansas Economic Development Commission has the authority to set fee amounts.

Revenue Receipts Cycle:

Fees are collected and interest is earned throughout the fiscal year.

Fund Balance Utilization:

Funds are used for quality management and other industrial related expenses.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	None	N	N	0	None

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1MZ Super Projects	0	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0	200,000,000	0
2SK State Operations	10,006,950	77	10,435,942	80	11,712,618	80	10,460,081	80	11,928,754	82	11,745,081	80	10,463,108	80	11,931,781	82	11,748,108	80
2SQ Community Assistance-Federal	37,421,659	13	109,421,229	12	130,433,033	13	108,293,889	12	109,425,365	12	109,425,365	12	108,294,742	12	109,426,218	12	109,426,218	12
2ST State Energy Plan-Federal	18,062,630	8	4,336,903	8	51,363,701	9	753,921	7	863,921	7	863,921	7	753,921	7	863,921	7	863,921	7
55L Technology Development	0	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0
56N Energy Efficiency Arkansas-Cash	590,692	1	2,180,394	1	2,307,239	1	2,180,660	1	2,180,660	1	2,180,660	1	2,180,660	1	2,180,660	1	2,180,660	1
C32 Incentive Plans-Cash	175	0	1,440	0	8,620	0	1,261	0	1,261	0	1,261	0	1,261	0	1,261	0	1,261	0
C34 Trade & International Investment-Cash	0	0	8,785	0	9,625	0	8,785	0	8,785	0	8,785	0	8,785	0	8,785	0	8,785	0
C35 Existing Business Resource Program - Cash	0	0	26,505	0	30,150	0	26,505	0	26,505	0	26,505	0	26,505	0	26,505	0	26,505	0
C36 Petroleum Violation Escrow-Cash	0	0	404,489	0	404,489	0	404,489	0	404,489	0	404,489	0	404,489	0	404,489	0	404,489	0
F11 Clean Cities	0	0	72,810	0	0	0	0	0	72,810	0	72,810	0	0	0	72,810	0	72,810	0
NOT REQUESTED FOR THE BIENNIUM																		
87A Non-Profit Grants	0	0	0	0	60,000	0	0	0	0	0	0	0	0	0	0	0	0	0
F01 Partnership Grants	0	0	250,000	0	250,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	66,082,106	99	357,138,497	101	426,579,475	103	352,129,591	100	354,912,550	102	354,728,877	100	352,133,471	100	354,916,430	102	354,732,757	100

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	1,815,420	2.7	2,156,168	0.6													
						752,393	0.2	752,393	0.2	752,393	0.2	0	0.0	0	0.0	0	0.0	
General Revenue	4000010	10,006,950	14.7	10,435,942	2.9	10,460,081	3.0	10,828,754	3.1	10,645,081	3.0	10,463,108	3.0	10,831,781	3.1	10,648,108	3.0	
Federal Revenue	4000020	36,766,668	53.9	139,055,363	38.9	139,047,810	39.5	139,160,158	39.4	139,160,158	39.4	139,048,663	39.5	139,161,011	39.4	139,161,011	39.4	
Cash Fund	4000045	680,772	1.0	1,541,491	0.4	1,482,170	0.4	1,554,980	0.4	1,554,980	0.4	2,180,660	0.6	2,253,470	0.6	2,253,470	0.6	
Bond Proceeds	4000125	0	0.0	200,000,000	55.9	200,000,000	56.9	200,000,000	56.6	200,000,000	56.6	200,000,000	56.9	200,000,000	56.6	200,000,000	56.6	
Federal Funds-ARRA	4000244	18,717,621	27.4	4,702,769	1.3	0	0.0	1,129,128	0.3	1,129,128	0.3	0	0.0	1,129,128	0.3	1,129,128	0.3	
Interest	4000300	843	0.0	258	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Inter-agency Fund Transfer	4000316	0	0.0	(1,101)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Transfer from General Imprv	4000540	250,000	0.4	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Total Funds		68,238,274	100.0	357,890,890	100.0	351,742,454	100.0	353,425,413	100.0	353,241,740	100.0	351,692,431	100.0	353,375,390	100.0	353,191,717	100.0	
Excess Appropriation/(Funding)		(2,156,168)		(752,393)		387,137		1,487,137		1,487,137		441,040		1,541,040		1,541,040		
Grand Total		66,082,106		357,138,497		352,129,591		354,912,550		354,728,877		352,133,471		354,916,430		354,732,757		

The appropriation for the Clean Cities Program (F11) was established by a transfer from the Cash Fund Holding Account. Partnership Grants Program (F01) has ended. Remaining fund balance of \$1,101 transferred by inter-agency fund transfer to the State Treasury. Community Assistance Program-Federal (2SQ) includes a Change Level request of ARRA appropriation for \$1,129,128 in 2013-2014 and 2014-2015 due to a temporary extension of ARRA funding from the federal granting agency.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Total	Total	Total	Total			Total	Total	Total	Total	
100	111	2	113	-13	-11.00 %	114	90	12	102	12	21.05 %	103	90	12	102	1	12.62 %

Budgeted positions exceed Authorized due to positions authorized through the Miscellaneous Federal Grant process.

Analysis of Budget Request

Appropriation: 1MZ - Super Projects

Funding Sources: TSP - Department of Economic Development Super Projects Fund

The Super Projects Program was established by the 84th General Assembly to provide resources in support of industries that indicate the intention to invest in the State of Arkansas at least \$500 million and hire at least 500 employees. The Agency is requesting continuation of the current appropriated amount of \$200,000,000 each year.

The second of two proposals to amend the State Constitution referred by the 84th General Assembly to the people and approved by vote in the General Election on November 2, 2004, authorizes this program with funding from bond proceeds. This is now Amendment 82 to the current State Constitution which also authorizes up to 5% of general revenues to be applied toward amortization of bonded indebtedness.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1MZ - Super Projects

Funding Sources: TSP - Department of Economic Development Super Projects Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Super Projects 5900046	0	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Total	0	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Funding Sources									
Bond Proceeds 4000125	0	200,000,000		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Total Funding	0	200,000,000		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	200,000,000		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000

Analysis of Budget Request

Appropriation: 2SK - State Operations

Funding Sources: HOA - Department of Economic Development Fund

This is the primary operating appropriation for the Arkansas Economic Development Commission and is funded by general revenues. In addition to the Director's Office, there are four functional groups within the Agency that utilize this State Operations appropriation. They are: (1) Administration and Finance, (2) Global Business, (3) Marketing and Communications, and (4) Energy Office.

Base Level is \$10,460,081 for FY14 and \$10,463,108 for FY15, with 80 positions budgeted.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salaries of unclassified positions reflects the FY13 line item maximums.

The Agency's Change Level requests totaling \$1,468,673 in appropriation and \$368,673 each year in additional general revenue funding are as follows:

- The addition of a Director of Business Development Strategies, Grade N910, is requested to manage the Business Development Division and integrate its operations with the Research and Strategic Planning Division. Salary and matching costs are \$117,686 each year.
- The addition of an AEDC Senior Project/Regional Manager, Grade C126, is requested to serve as the primary coordinator and intermediary for the Business Development, Community Development, and Business Retention & Expansion divisions. Salary and matching costs are \$65,987 each year.
- Also requested is the reclassification of the Energy Office Deputy Director position to Energy Office Director, since the position now performs the duties of Director. No additional costs are involved in this change.
- The addition of \$185,000 each year is requested in Professional Fees & Services to maintain a China Trade Office.
- Capital Outlay of \$100,000 in unfunded appropriation each year is requested for replacement of IT hardware. The Agency plans to assign funding from any savings that may be realized in other line items to support any replacement purchases.

- Grants line item of \$1,000,000 in unfunded appropriation to provide grants to cities and counties to support public works projects or job training efforts designed to contribute to the enhancement of the State's economy. The Agency plans to assign funding from any savings that may be realized to support grants made from this account.

The Executive Recommendation provides for the Agency Request without the requested two new positions and includes additional General Revenue funding of \$185,000 each year for the China Trade Office.

Appropriation Summary

Appropriation: 2SK - State Operations
Funding Sources: HOA - Department of Economic Development Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	4,682,815	4,687,205	4,813,135	4,689,769	4,832,313	4,689,769	4,691,969	4,834,513	4,691,969
#Positions		77	80	80	80	82	80	80	82	80
Extra Help	5010001	0	0	20,000	0	0	0	0	0	0
#Extra Help		0	0	11	0	0	0	0	0	0
Personal Services Matching	5010003	1,281,966	1,398,547	1,337,971	1,420,122	1,461,251	1,420,122	1,420,949	1,462,078	1,420,949
Operating Expenses	5020002	1,444,527	1,550,204	1,641,526	1,550,204	1,550,204	1,550,204	1,550,204	1,550,204	1,550,204
Conference & Travel Expenses	5050009	106,927	141,486	141,486	141,486	141,486	141,486	141,486	141,486	141,486
Professional Fees	5060010	1,276,950	1,280,000	1,280,000	1,280,000	1,465,000	1,465,000	1,280,000	1,465,000	1,465,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	35,000	0	1,000,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000
Capital Outlay	5120011	31,823	0	100,000	0	100,000	100,000	0	100,000	100,000
Far East Trade/Ind Recruitment	5900046	148,234	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Industry Training Program	5900049	991,511	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
State Match for Grants	5900050	7,197	228,500	228,500	228,500	228,500	228,500	228,500	228,500	228,500
Total		10,006,950	10,435,942	11,712,618	10,460,081	11,928,754	11,745,081	10,463,108	11,931,781	11,748,108
Funding Sources										
General Revenue	4000010	10,006,950	10,435,942		10,460,081	10,828,754	10,645,081	10,463,108	10,831,781	10,648,108
Total Funding		10,006,950	10,435,942		10,460,081	10,828,754	10,645,081	10,463,108	10,831,781	10,648,108
Excess Appropriation/(Funding)		0	0		0	1,100,000	1,100,000	0	1,100,000	1,100,000
Grand Total		10,006,950	10,435,942		10,460,081	11,928,754	11,745,081	10,463,108	11,931,781	11,748,108

FY13 Budget amount in Personal Services Matching exceeds the Authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

Appropriation: 2SK - State Operations
Funding Sources: HOA - Department of Economic Development Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	10,460,081	80	10,460,081	100.0	10,463,108	80	10,463,108	100.0
C01	Existing Program	368,673	2	10,828,754	103.5	368,673	2	10,831,781	103.5
C05	Unfunded Appropriation	1,100,000	0	11,928,754	114.0	1,100,000	0	11,931,781	114.0
C10	Reclass	0	0	11,928,754	114.0	0	0	11,931,781	114.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	10,460,081	80	10,460,081	100.0	10,463,108	80	10,463,108	100.0
C01	Existing Program	185,000	0	10,645,081	101.8	185,000	0	10,648,108	101.8
C05	Unfunded Appropriation	1,100,000	0	11,745,081	112.3	1,100,000	0	11,748,108	112.3
C10	Reclass	0	0	11,745,081	112.3	0	0	11,748,108	112.3

Justification

C01	First, a request is made for an AEDC Director of Business Development Strategies at a grade level of N910 in order to be able to hire a person capable of creating a model for innovative sales strategies and incorporating those strategies into the internal sales unit. The position will be responsible for managing the Business Development Division as well as integrating its operations with those of the Research and Strategic Planning Division. The position will demand a person with strong skills in relationship building, "prospecting", and "closing the deal". The position will require a person with experience in leading a team as well as one having the ability to model, coach, reinforce and mentor these behavior traits in the other members of the Division. The person in this position will be responsible for proactively creating opportunities to showcase Arkansas as THE place for investment and job creation. Secondly a request is made for an AEDC Senior Project/Regional Manager at a grade level of C126. This position will serve as the primary coordinator and intermediary between the Business Development, Community Development and Business Retention and Expansion Divisions. A request is also made for \$185,000 each year for continuation of the contractual arrangement for the operation of an office in China to recruit companies to Arkansas and to secure investment in Arkansas companies by Chinese investors. The original partial contract was approved in August of 2012 and was funded with the balance of funds from the former arrangement.
C05	A request is made for a \$1 million unfunded appropriation each year of the biennium for grants for economic development projects and for regional strategic planning projects within the state that can benefit from immediate, short term funding which the Commission might provide with savings in other program areas and/or salary savings. Also requested is an unfunded appropriation of \$100,000 each year of the biennium for Capital Outlay to allow purchase of equipment for emergency backup systems and for replacement of aging equipment on a pre-determined schedule in the Information Technology Division, also from savings that might occur in other programs.
C10	A request is made for reclassification of the Energy Office Deputy director, Grade N903, to an AEDC Energy Office Director, Grade N908. This reclassification is needed due to the position of Deputy Director now being the de facto Director of the Arkansas Energy Office.

Analysis of Budget Request

Appropriation: 2SQ - Community Assistance-Federal

Funding Sources: FAK - Economic Development - Federal

This is a federally funded appropriation used to operate the Community Development Block Grant Program at the Arkansas Economic Development Commission. Funding is provided by grants from the Department of Housing and Urban Development and through repayments of previous loans.

Base Level is \$108,293,889 for FY14 and \$108,294,742 for FY15. with 12 positions budgeted.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level requests totaling \$1,131,476 are as follows:

- Reclassification of one position from AEDC Project/Regional Manager, Grade C125, to AEDC Director Grants Management, Grade C128. The additional salary and matching costs, \$2,348 each year, reflect the adjustment up to entry level in the higher grade requested.
- Continuation of \$1,129,128 each year in appropriation using ARRA federal funding for recovery grants associated with the Community Development Block Grant Program.

The Executive Recommendation provides for the Agency Request, with the requested reclassification title of AEDC Director Grants Management recommended as Director of Community Development & Improvement, Grade C128.

Appropriation Summary

Appropriation: 2SQ - Community Assistance-Federal
Funding Sources: FAK - Economic Development - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	324,367	308,505	323,924	308,505	310,268	310,268	309,205	310,968	310,968
#Positions	13	12	13	12	12	12	12	12	12
Personal Services Matching 5010003	99,941	100,292	97,327	102,158	102,743	102,743	102,311	102,896	102,896
Operating Expenses 5020002	57,686	60,600	60,600	60,600	60,600	60,600	60,600	60,600	60,600
Conference & Travel Expenses 5050009	23,179	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Professional Fees 5060010	9,597	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	16,735,189	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Storm Recovery Grants 5900046	15,908,594	76,422,704	90,475,898	76,422,626	76,422,626	76,422,626	76,422,626	76,422,626	76,422,626
Flood Recovery Grants 5900047	3,161,225	1,305,000	4,747,501	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000
ARRA of 2009 5900052	1,101,881	1,129,128	4,632,783	0	1,129,128	1,129,128	0	1,129,128	1,129,128
Total	37,421,659	109,421,229	130,433,033	108,293,889	109,425,365	109,425,365	108,294,742	109,426,218	109,426,218
Funding Sources									
Federal Revenue 4000020	36,319,778	108,292,101		108,293,889	108,296,237	108,296,237	108,294,742	108,297,090	108,297,090
Federal Funds-ARRA 4000244	1,101,881	1,129,128		0	1,129,128	1,129,128	0	1,129,128	1,129,128
Total Funding	37,421,659	109,421,229		108,293,889	109,425,365	109,425,365	108,294,742	109,426,218	109,426,218
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	37,421,659	109,421,229		108,293,889	109,425,365	109,425,365	108,294,742	109,426,218	109,426,218

FY13 Budget amount in Personal Services Matching exceeds the Authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Agency Change Level request includes ARRA appropriation in the ARRA of 2009 line item due to a temporary extension of ARRA funding from the federal granting agency.

Change Level by Appropriation

Appropriation: 2SQ - Community Assistance-Federal
Funding Sources: FAK - Economic Development - Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	108,293,889	12	108,293,889	100.0	108,294,742	12	108,294,742	100.0
C10	Reclass	2,348	0	108,296,237	100.0	2,348	0	108,297,090	100.0
C16	ARRA	1,129,128	0	109,425,365	101.0	1,129,128	0	109,426,218	101.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	108,293,889	12	108,293,889	100.0	108,294,742	12	108,294,742	100.0
C10	Reclass	2,348	0	108,296,237	100.0	2,348	0	108,297,090	100.0
C16	ARRA	1,129,128	0	109,425,365	101.0	1,129,128	0	109,426,218	101.0

Justification

C10	The reclassification of one (1) AEDC Project/Regional Manager, Grade C125, to an AEDC Director Grants Management, Grade C128, due to increased workload and management responsibilities this position now has as the manager of the Community Development Block Grants program. This program has increased in fund size from \$20 - \$30 million per year to over \$100 million per year and the number of grants managed and Grants Analysts supervised has increased in concert with the fund size.
C16	This request is for continuation of the remaining balance of the American Recovery and Reinvestment Act of 2009 funding for the Community Development Block Grant program until all of the funds have been awarded and the projects have been monitored until completion. This is a grant program with no personnel costs associated as the monitoring and management of the grants is carried out by the annual Community Development Block Grant and Disaster Recovery personnel.

Analysis of Budget Request

Appropriation: 2ST - State Energy Plan-Federal

Funding Sources: FKE - Department of Energy - Federal

This is one of the major federal programs administered by the Arkansas Economic Development Commission. Federal funding for the State Energy Plan is received from the U.S. Department of Energy and is directed at projects that address the State's needs in energy conservation. This appropriation is also used to expend indirect cost obligations for all federal programs administered by the Department.

Base Level is \$753,921 each year, with 7 positions budgeted.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

- The Commission is requesting Base Level, plus \$110,000 each year in Professional Fees to allow for expenditure of funding through various energy conservation activity contracts.
- Also requested is a title change for one position from AEDC Director Arkansas Energy Office to AEDC Manager of Strategic Energy Development, with no change in Grade and no additional costs.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2ST - State Energy Plan-Federal

Funding Sources: FKE - Department of Energy - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	188,664	299,782	374,103	290,597	290,597	290,597	290,597	290,597	290,597
#Positions	8	8	9	7	7	7	7	7	7
Personal Services Matching 5010003	92,430	98,382	117,259	98,226	98,226	98,226	98,226	98,226	98,226
Operating Expenses 5020002	22,968	93,273	93,273	93,273	93,273	93,273	93,273	93,273	93,273
Conference & Travel Expenses 5050009	6,877	11,788	11,788	11,788	11,788	11,788	11,788	11,788	11,788
Professional Fees 5060010	6,431	108,085	108,085	108,085	218,085	218,085	108,085	218,085	218,085
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	129,520	151,952	151,952	151,952	151,952	151,952	151,952	151,952	151,952
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
ARRA of 2009 5900052	17,615,740	3,573,641	50,507,241	0	0	0	0	0	0
Total	18,062,630	4,336,903	51,363,701	753,921	863,921	863,921	753,921	863,921	863,921
Funding Sources									
Federal Revenue 4000020	446,890	763,262		753,921	863,921	863,921	753,921	863,921	863,921
Federal Funds-ARRA 4000244	17,615,740	3,573,641		0	0	0	0	0	0
Total Funding	18,062,630	4,336,903		753,921	863,921	863,921	753,921	863,921	863,921
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	18,062,630	4,336,903		753,921	863,921	863,921	753,921	863,921	863,921

ARRA of 2009 appropriation has been removed from Base Level and is not requested for the 2013-2015 Biennium.

Change Level by Appropriation

Appropriation: 2ST - State Energy Plan-Federal
Funding Sources: FKE - Department of Energy - Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	753,921	7	753,921	100.0	753,921	7	753,921	100.0
C01	Existing Program	110,000	0	863,921	114.6	110,000	0	863,921	114.6
C14	Title Change	0	0	863,921	114.6	0	0	863,921	114.6

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	753,921	7	753,921	100.0	753,921	7	753,921	100.0
C01	Existing Program	110,000	0	863,921	114.6	110,000	0	863,921	114.6
C14	Title Change	0	0	863,921	114.6	0	0	863,921	114.6

Justification

C01	A request for \$110,000 each year of the biennium in Professional Fees and Services for the State Energy Plan annual program to allow for expenditure of carry forward funding through various Energy Conservation activity contracts.
C14	This request is for a title change only from the USDOE federally funded AEDC Director Arkansas Energy Office to the USDOE federally funded AEDC Manager of Strategic Energy Development due to the change in duties for this position. The grade level remains at C128.

Analysis of Budget Request

Appropriation: 55L - Technology Development

Funding Sources: MTL - Technology Acceleration Fund

The Technology Development Program was established by Act 806 of 2009 to provide a means to deliver investment incentives to attract and retain development in the State by high technology centered businesses. Any use of this program requires a proposal made by this agency, the Arkansas Science and Technology Authority, and the Arkansas Development Finance Authority, that is approved by the Governor. Funding may be received from several sources, such as gifts, bequests, grants, emergency funds, bond proceeds, service charges, or interagency transfers, but centers on the probability of federal funding from the U.S. Department of Commerce.

Base Level for this program is \$30,000,000 each year and is the Agency Request.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 55L - Technology Development

Funding Sources: MTL - Technology Acceleration Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Technology Acceleration Prgm 5900046	0	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total	0	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Funding Sources									
Federal Revenue 4000020	0	30,000,000		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total Funding	0	30,000,000		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	30,000,000		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000

Analysis of Budget Request

Appropriation: 56N - Energy Efficiency Arkansas-Cash

Funding Sources: NDE - Energy Efficiency - Cash in Treasury

The Energy Efficiency Arkansas - Cash in Treasury appropriation was originally authorized by request from the Cash Fund Holding Account in January, 2008.

Funding for this program is received from various energy companies operating within the State for the Quick Start Statewide Energy Efficiency Program mandated by the Public Service Commission.

Base Level for this program is \$2,180,660 each year, with one position budgeted.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for continuation at Base Level for the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 56N - Energy Efficiency Arkansas-Cash

Funding Sources: NDE - Energy Efficiency - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	45,684	43,161	44,672	43,161	43,161	43,161	43,161	43,161	43,161
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	14,317	14,128	13,712	14,394	14,394	14,394	14,394	14,394	14,394
Operating Expenses	5020002	29,787	43,900	43,900	43,900	43,900	43,900	43,900	43,900	43,900
Conference & Travel Expenses	5050009	98	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Professional Fees	5060010	404,026	1,977,205	2,102,955	1,977,205	1,977,205	1,977,205	1,977,205	1,977,205	1,977,205
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	96,780	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		590,692	2,180,394	2,307,239	2,180,660	2,180,660	2,180,660	2,180,660	2,180,660	2,180,660
Funding Sources										
Fund Balance	4000005	1,375,483	1,412,835		698,490	698,490	698,490	0	0	0
Cash Fund	4000045	628,044	1,466,049		1,482,170	1,482,170	1,482,170	2,180,660	2,180,660	2,180,660
Total Funding		2,003,527	2,878,884		2,180,660	2,180,660	2,180,660	2,180,660	2,180,660	2,180,660
Excess Appropriation/(Funding)		(1,412,835)	(698,490)		0	0	0	0	0	0
Grand Total		590,692	2,180,394		2,180,660	2,180,660	2,180,660	2,180,660	2,180,660	2,180,660

FY13 Budget amount in Personal Services Matching exceeds the Authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Analysis of Budget Request

Appropriation: C32 - Incentive Plans-Cash

Funding Sources: 113 - Arkansas Industrial Development - Cash in Bank

The Department of Economic Development's cash appropriation for Incentive Plans provides resources with which to work with industries to develop financial incentive plans that will attract them to locate or expand in a particular area. The Department is authorized to collect a one-time fee of \$2,500 from businesses to offset administrative and legal expenses incurred in the preparation of these plans.

Base Level for this program is \$1,261 each year and is the Agency's request.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: C32 - Incentive Plans-Cash

Funding Sources: 113 - Arkansas Industrial Development - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Incentive Plans	5900046	175	1,440	8,620	1,261	1,261	1,261	1,261	1,261	1,261
Total		175	1,440	8,620	1,261	1,261	1,261	1,261	1,261	1,261
Funding Sources										
Fund Balance	4000005	1,090	1,261		0	0	0	0	0	0
Cash Fund	4000045	346	179		0	0	0	0	0	0
Total Funding		1,436	1,440		0	0	0	0	0	0
Excess Appropriation/(Funding)		(1,261)	0		1,261	1,261	1,261	1,261	1,261	1,261
Grand Total		175	1,440		1,261	1,261	1,261	1,261	1,261	1,261

Analysis of Budget Request

Appropriation: C34 - Trade & International Investment-Cash

Funding Sources: 113 - Arkansas Industrial Development - Cash in Bank

This cash appropriation is utilized by the Department of Economic Development to disburse funds collected from participating companies for various promotional events. This appropriation is used to pay for expenses such as booth rental and display costs that are shared on a pro-rated basis among participating companies. Base Level is \$8,785 each year. No additional appropriation is being requested for the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: C34 - Trade & International Investment-Cash
Funding Sources: 113 - Arkansas Industrial Development - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Trade & Inter Invest Exp 5900046	0	8,785	9,625	8,785	8,785	8,785	8,785	8,785	8,785
Total	0	8,785	9,625	8,785	8,785	8,785	8,785	8,785	8,785
Funding Sources									
Fund Balance 4000005	8,738	8,742		0	0	0	0	0	0
Cash Fund 4000045	4	43		0	0	0	0	0	0
Total Funding	8,742	8,785		0	0	0	0	0	0
Excess Appropriation/(Funding)	(8,742)	0		8,785	8,785	8,785	8,785	8,785	8,785
Grand Total	0	8,785		8,785	8,785	8,785	8,785	8,785	8,785

Analysis of Budget Request

Appropriation: C35 - Existing Business Resource Program - Cash

Funding Sources: 127 - Department of Energy - Cash in Bank

This is a cash appropriation used by the Department of Economic Development to organize and conduct quality management training seminars for industry personnel. Funding for this program comes from the various participating companies and is used to cover the expenses of providing newsletters, speakers, and materials for program sessions. Base Level is \$26,505 each year. No changes are requested for the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: C35 - Existing Business Resource Program - Cash

Funding Sources: 127 - Department of Energy - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Existing Business 5900046	0	26,505	30,150	26,505	26,505	26,505	26,505	26,505	26,505
Total	0	26,505	30,150	26,505	26,505	26,505	26,505	26,505	26,505
Funding Sources									
Fund Balance 4000005	26,363	26,375		0	0	0	0	0	0
Cash Fund 4000045	12	130		0	0	0	0	0	0
Total Funding	26,375	26,505		0	0	0	0	0	0
Excess Appropriation/(Funding)	(26,375)	0		26,505	26,505	26,505	26,505	26,505	26,505
Grand Total	0	26,505		26,505	26,505	26,505	26,505	26,505	26,505

Analysis of Budget Request

Appropriation: C36 - Petroleum Violation Escrow-Cash

Funding Sources: 127 - Department of Energy - Cash in Bank

The Department of Economic Development's Petroleum Violation Escrow cash appropriation is used to disburse the State's share of federal court-ordered settlement dollars received from oil companies. Funding is provided by interest earned on current deposits and any future oil company refunds.

Base Level is \$404,489 each year and is the Agency Request.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: C36 - Petroleum Violation Escrow-Cash

Funding Sources: 127 - Department of Energy - Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	0	404,489	404,489	404,489	404,489	404,489	404,489	404,489	404,489
Total		0	404,489	404,489	404,489	404,489	404,489	404,489	404,489	404,489
Funding Sources										
Fund Balance	4000005	403,746	456,112		53,903	53,903	53,903	0	0	0
Cash Fund	4000045	52,366	2,280		0	0	0	0	0	0
Total Funding		456,112	458,392		53,903	53,903	53,903	0	0	0
Excess Appropriation/(Funding)		(456,112)	(53,903)		350,586	350,586	350,586	404,489	404,489	404,489
Grand Total		0	404,489		404,489	404,489	404,489	404,489	404,489	404,489

Analysis of Budget Request

Appropriation: F11 - Clean Cities

Funding Sources: NDE - Clean Cities Coalition - Cash in Treasury

The Arkansas Clean Cities Coalition Program - Cash In Treasury was established by a Cash Fund Holding Account request that was approved in June, 2012.

This program will facilitate working groups to explore issues associated with the use of alternative fuels and alternative fuel vehicles, to initiate education and training programs, to encourage vehicle manufacturers to participate in the Arkansas market, and to promote research, development, and investment in alternative fuel vehicle projects.

Funding for this program is by grants from Leonardo Technologies, a contractor that is administering the nationwide Clean Cities Program for the U.S. Department of Energy.

The Commission is requesting continuation of the program's current level of \$72,810 for each year of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: F11 - Clean Cities

Funding Sources: NDE - Clean Cities Coalition - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	12,500	0	0	12,500	12,500	0	12,500	12,500
Conference & Travel Expenses	5050009	0	5,000	0	0	5,000	5,000	0	5,000	5,000
Professional Fees	5060010	0	25,000	0	0	25,000	25,000	0	25,000	25,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	30,310	0	0	30,310	30,310	0	30,310	30,310
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	72,810	0	0	72,810	72,810	0	72,810	72,810
Funding Sources										
Cash Fund	4000045	0	72,810		0	72,810	72,810	0	72,810	72,810
Total Funding		0	72,810		0	72,810	72,810	0	72,810	72,810
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	72,810		0	72,810	72,810	0	72,810	72,810

This appropriation was established by a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: F11 - Clean Cities
Funding Sources: NDE - Clean Cities Coalition - Cash in Treasury

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	72,810	0	72,810	100.0	72,810	0	72,810	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	72,810	0	72,810	100.0	72,810	0	72,810	100.0

Justification

C01	The request is to continue the Clean Cities program which began with a cash fund letter that was authorized in June, 2012. This program will be supported by Cash-in-Treasury funds allotted from the US Department of Energy through a private foundation to the State. These funds are for operations only. The Arkansas Energy Office will provide manpower, as needed.								
-----	--	--	--	--	--	--	--	--	--

Appropriation Summary

Appropriation: 87A - Non-Profit Grants

Funding Sources: HOA - Department of Economic Development Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	0	60,000	0	0	0	0	0	0
Total	0	0	60,000	0	0	0	0	0	0

THIS APPROPRIATION IS NOT REQUESTED FOR THE 2013-2015 BIENNIUM.

Appropriation Summary

Appropriation: F01 - Partnership Grants

Funding Sources: NDE - Regional Partnerships - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	250,000	250,000	0	0	0	0	0	0
Total	0	250,000	250,000	0	0	0	0	0	0
Funding Sources									
Fund Balance 4000005	0	250,843		0	0	0	0	0	0
Interest 4000300	843	258		0	0	0	0	0	0
Inter-agency Fund Transfer 4000316	0	(1,101)		0	0	0	0	0	0
Transfer from General Imprv 4000540	250,000	0		0	0	0	0	0	0
Total Funding	250,843	250,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	(250,843)	0		0	0	0	0	0	0
Grand Total	0	250,000		0	0	0	0	0	0

Program completed. Remaining fund balance transferred by inter-agency fund transfer to the State Treasury.

THIS APPROPRIATION IS NOT REQUESTED FOR THE 2013-2015 BIENNIUM.