

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

All priority programs will be funded from self-generating fees collected by the agency from members of the architectural profession. There are no state appropriations utilized in the operation of the Board.

The Board expects substantial increases in operating costs due to inflation and increased Board activities generated by increasing awareness of the Arkansas statutes regarding the practice of architecture and implementation of continuing education requirements for relicensure within the state. Increases in travel expenses for the staff are anticipated because of the expanding efforts to enforce the provisions of the Arkansas Architectural Act. Additionally, with new computer equipment and software programs, expenses related to training of the staff in implementing the new programs have been projected.

An upgrading of the computer system and programs and the provision of networking capabilities for multiple staff personnel, as well as nationally, is mandatory if the Board is to continue to fulfill its mission to the State.

Conference and seminar fees related to education and training of the staff are anticipated to increase due to the significant increase in the number of inquiries related to continuing education and investigations of complaints. More investigations are involving cooperation between similar agencies in other states, as well as the Engineer's Board, Fire Marshall's office, and State Building Services, so that the increased awareness is generating a greater necessity for handling and documenting these various issues.

Although the Board is emphasizing education and prevention, in an effort to reduce the number of complaints and investigations, these activities still continue to escalate, primarily due to the educational process. This necessitates more formal hearings and substantially increased expenditures due to the requirement for the services of a court reporter at all formal hearings.

The Intern Development Program requires the commitment of a representative of the profession to coordinate the program in Arkansas. This program defines a criteria and required pre-professional activities of candidates in preparation for the examination for licensure and ultimate professional practice. In addition to the normal administrative costs, it is necessary that the individual responsible for this activity travel within the State of Arkansas in assigning responsibilities and checking on the performance of the candidates and also to attend meetings in Washington, D.C. where these activities are coordinated on a national basis. The Intern Development Program is a requirement in the State of Arkansas. It is a mandatory requirement for admission to the examination and insures a broad comprehensive training program after graduation and prior to admission to the examination.

AGENCY	DIRECTOR	AGENCY PROGRAM COMMENTARY	PAGE
Arkansas State Board of Architects	Lugean Chilcote	BR21	32

ARKANSAS STATE BOARD OF ARCHITECTS
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1994

Assets					Liabilities			Total Equity
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total		
\$ 84,930	\$ 11,463	\$ 2,924	\$ 99,317	\$ 1,193	\$ 2,694	\$ 3,887	\$ 95,430	

Revenues					Expenditures				Other Sources (Uses)	
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 0	\$ 0	\$ 141,100	\$ 1,431	\$ 142,531	\$ 57,570	\$ 0	\$ 1,883	\$ 42,948	\$ 102,401	\$ 2,551

Findings

1. CASH FUND RECONCILIATION - (The Accounting Federal Grants Management (AFGM) System Fund Analysis Report was not reconciled to the Agency's cash balances as required by Section II-24.1 of the State Accounting Procedures Manual.)
2. PAYROLL RECORDS - (The review of the Agency's payroll records revealed the following:
 - A. Personnel files were not maintained for any of the Agency's employees.
 - B. Actual hours worked by the part-time employees were not documented.
 - C. Leave records for one employee were not available for audit and were not posted for the other full-time employee.)

Recommendations

1. Comply with State regulations regarding the reconciliation of appropriated cash funds.
2.
 - A. Maintain personnel files for all employees.
 - B. Maintain adequate documentation for hours worked by all employees.
 - C. Maintain adequate leave records for all employees.

Audited by Division of Legislative Audit
SA0720694

() 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

206 - Board of Architects

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>0</u>	<u>1</u>	<u>1</u>	<u>100%</u>
BLACK EMPLOYEES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EMPLOYED AS OF			<u>0</u>	<u>0</u>
<u>08/10/96</u> DATE			TOTAL MINORITIES	
			<u>1</u>	<u>100%</u>
			TOTAL EMPLOYEES	

Don Spann
Don Spann, President
AGENCY DIRECTOR

SUMMARY

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

AGENCY: STATE BOARD OF ARCHITECTS

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	
<u>APPROPRIATION A07 - CASH OPERATIONS</u>				
Operating Expenses		\$18,486	\$18,486	The Agency utilized \$2,867 of the additional authority in FY96 and has budgeted all of the additional authority in FY97.
Conference Fees and Travel		\$2,320	\$2,320	The Agency did not utilize the authority provided in FY96 but has budgeted all of the authority provided for FY97.
Capital Outlay		\$3,000	\$3,500	The Agency utilized \$2,277 of the additional authority provided for FY96 and has budgeted all of the authority provided for FY97.

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

The State Board of Architects is responsible for the regulation of the practice of architecture by providing examinations for qualifications, providing for the issuance of certificates of registration and licenses; and for the education of building officials and the public regarding the provisions of the Arkansas Architectural Act and the rules and regulations of the Board. The operations of the Board are funded from Cash Funds generated from the receipt of fees charged by the Agency. The Board is not requesting a fee increase.

The Board is requesting a Base Level of \$254,778 for each year of the biennium. Included in the Base Level request are payplan increases of 2.8% each year with associated Personal Services Matching. Also included are extraordinary line item salary increases for the Executive Director/Investigator (from \$47,587 in FY97 to \$60,000 in each year of the biennium); Administrative Assistant/Office Manager (from \$23,376 to \$40,000 in each year of the biennium); and Clerk/Bookkeeper (from \$6,873 in FY97 to \$30,000 in each year of the biennium). The justification for these requests is to raise the maximum salary levels so that qualified employees could be attracted and retained. The increase for the Director/Investigator position is seeking licensed architect; the increase for the Administrative Assistant/Office Manager is an effort establish the salary at a level that is deemed necessary for the replacement of a long time employee; and the request for the Clerk/Bookkeeper position also represents changing a part time employee (40%) to a full time.

The Board is also requesting priorities of \$48,128 for each year. The requested priorities are deemed to be maximums that might be needed and are liberally requested due to some uncertainty about costs associated with administering new continuing education requirements that were authorized by the 80th General Assembly. The agency has requested additional Operating Expenses of \$35,500 each year for inflation, staff travel and expenses associated with administration of the new continuing education requirements. The request also provides for board member per diem. The request for Capital Outlay of \$6,000 each year is for new and replacement computers capable of networking with the national architectural organization. Conference Fees and Travel of \$930 each year is requested for inflation. The increase of \$2,000 each year for Professional Fees and Services is to provide court reporter services for formal hearings. Finally, the \$3,698 for Exams is for anticipated cost increases associated with administering the architectural professional examination.

Expenditure of appropriation is dependent upon available funds.

The Executive Recommendation provides for Agency Request, however the recommendation does not reflect the extraordinary increases requested for non-classified positions at this time.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF	PAGE
Name: State Board of Architects Code: 206	Name: Cash Operations Code: A07	Name: Board of Architects - Cash Code: 304	BUDGET REQUEST BR20	36

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	PRIORITY		TOTAL	PRIORITY		TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	APPRO	BASE	PROGRAMS	REQUEST	BASE	PROGRAMS	REQUEST	97-98	98-99	97-98	98-99
REGULAR SALARIES	32,426	76,312	72,204	130,000	0	130,000	130,000	0	130,000	80,014	82,252		
NUMBER OF POSITIONS	3	3	3	3	0	3	3	0	3	3	3		
PERSONAL SERV MATCHING	7,701	22,572	18,137	32,124	0	32,124	32,124	0	32,124	23,246	23,644		
OPERATING EXPENSES	46,171	61,790	61,790	61,790	35,500	97,290	61,790	35,500	97,290	97,290	97,290		
CONF FEES & TRAVEL	0	4,820	4,820	4,820	930	5,750	4,820	930	5,750	5,750	5,750		
PROF FEES & SERVICES	2,614	11,000	12,000	11,000	2,000	13,000	11,000	2,000	13,000	13,000	13,000		
CAPITAL OUTLAY	2,277	3,500	3,500	0	6,000	6,000	0	6,000	6,000	6,000	6,000		
CONTRACT SALARIES	1,650	2,850	2,850	2,850	0	2,850	2,850	0	2,850	2,850	2,850		
EXAMS	15,468	12,194	15,000	12,194	3,698	15,892	12,194	3,698	15,892	15,892	15,892		
TOTAL	108,307	195,038	190,301	254,778	48,128	302,906	254,778	48,128	302,906	244,042	246,678		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	122,512	171,722	*****	166,059		166,059	82,528		82,528	166,059	141,392		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS	157,517	189,375	*****	171,247	48,128	219,375	191,247	48,128	239,375	219,375	239,375		
OTHER			*****										
TOTAL FUNDING	280,029	361,097	*****	337,306	48,128	385,434	273,775	48,128	321,903	385,434	380,767		
EXCESS APPRO/ (FUNDING)	(171,722)	(166,059)	*****	(82,528)		(82,528)	(18,997)		(18,997)	(141,392)	(134,089)		
TOTAL	108,307	195,038	*****	254,778	48,128	302,906	254,778	48,128	302,906	244,042	246,678		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
 AGY 206 STATE BOARD OF ARCHITECTS
 APPRO A07 CASH OPERATIONS
 FUND 304 BOARD OF ARCHITECTS CASH(206)

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
ANX	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												
00		304	206 A07	B	108,307 3	195,038 3	254,778 3	254,778 3						195,914 3	198,550 3			
01		304	206 A07	P01		0 0	35,500 0	35,500 0						35,500	35,500			
<p>The Board has experienced substantial increases in operating cost because of inflation and the activities generated by new legislation. An increase in travel for the staff is expected because of the efforts required to enforce the provisions of the Arkansas Architectural Act throughout the state. The number of complaints continue to increase requiring more hearings. Board member per diem has also been added to the budget.</p>																		
002		304	206 A07	P02		0 0	6,000 0	6,000 0						6,000	6,000			
<p>Upgrading, expanding and replacing computers with networked system capable of sharing files, software, networking, e-mail and remote access functions for multiple staff personnel and to link with 50 states and territories as well as with National Council of Architectural Registration Boards headquarters in Washington, D. C.</p>																		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
AGY 206 STATE BOARD OF ARCHITECTS
APPRO A07 CASH OPERATIONS
FUND 304 BOARD OF ARCHITECTS CASH(206)

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				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						
003		304	206 A07	P03		0	930			930				930	930			
<p>Usual and customary increases of expenses and costs incurred by state employees in the fulfillment of their required job responsibilities and functions. Impacted significantly by increased level of complaints and investigations.</p>																		
004		304	206 A07	P04		0	2,000			2,000				2,000	2,000			
<p>The board's activities in enforcement and formal disciplinary proceedings has increased to the extent that the services of a court reporter is required at this level for each fiscal year.</p>																		
005		304	206 A07	P05		0	3,698			3,698				3,698	3,698			
<p>A new architectural exam format (A.R.E.) will be implemented during FY97 requiring an increase in board activities related to the Intern Development Program. This will include in-state and out-of-state travel, printing, postage and the usual expenses associated with the exam process.</p>																		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
 AGY 206 STATE BOARD OF ARCHITECTS
 APPRO A07 CASH OPERATIONS
 FUND 304 BOARD OF ARCHITECTS CASH(206)

RANK BY APPROPRIATION
 BR 264