

PROFESSIONAL BAIL BONDSMAN LICENSING BOARD

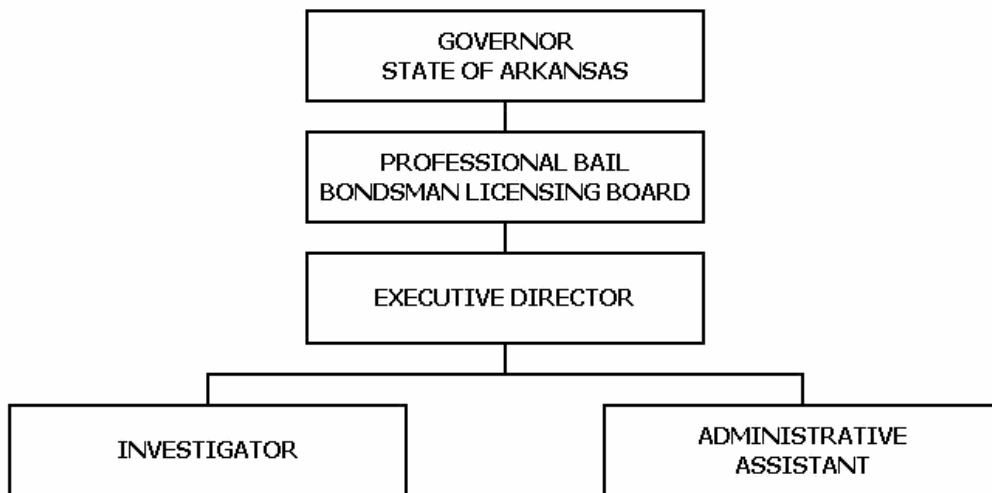
Enabling Laws

Act 89 of 2005
A.C.A. § 17-19-106

History and Organization

A.C.A. § 17-19-106 et seq. established the Professional Bail Bond Company & Professional Bail Bondsman Licensing Board. The Act provided for a seven member Board to be appointed by the Governor for terms of seven years. The Board consists of one (1) Sheriff, one (1) Chief of Police, one (1) elected Judge, one (1) citizen at large, and three (3) bail bond company owners. Act 1817 of 2001 provided that one (1) member of the Board be an African-American and that one (1) member be female.

The Board is organized as follows: An executive director, appointed by the Board, is responsible for the day-to-day administration of the duties and functions of the Board. The Board employs an investigator and an administrative assistant.



Agency Commentary

Act 500 of 1993 established the Professional Bail Bond Company & Professional Bail Bondsman Licensing Board and provided the Board with the authority and responsibility of administering and enforcing the provisions of Arkansas Code Title 17, Chapter 19. The Board was given authority to adopt and enforce such reasonable rules and regulations as it determines are necessary to enable the effective and efficient administration of its official duty of licensing and regulating professional bail bond companies and professional bail bondsmen.

The primary activities of the Board are as follows: 1) Administer the Professional Bail Bondsman Examination weekly, 2) License those who pass the examination and otherwise qualify, 3) Determine

whether those who apply for an Arkansas Bail Bond Company License qualify, 4) Annually issue renewal licenses to all qualified bail bondsmen and bail bond companies, 5) Conduct investigations into allegations of violations of Statutes and Rules & Regulations based on complaints and/or information received by the Board office, 6) Conduct hearings and take disciplinary action where appropriate, 7) Monitor mandatory continuing professional education for professional bail bondsmen who hold a valid Arkansas license, and 8) Conduct yearly audits of bail bond companies to ensure compliance with record keeping and reporting requirements.

The Board is requesting the following changes above Base Level for the 2007-09 biennium: an additional \$1,000 each fiscal year in Maintenance and Operations to cover the increase in our Rent and an additional \$18,000 each year in Maintenance and Operations to cover the cost of setting up an agency website and database to provide on-line functions to the public, bail bond companies, law enforcement and judiciary and incorporate the principles, goals and objectives of the state Strategic Information Technology Plan adopted May 1, 2006. We are also requesting \$500,000 each year in Refunds to allow us to deposit the security deposits of bail bonds companies that go out of business and pay judgments against them that are presented to the Board by the respective courts.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 PROFESSIONAL BAIL BONDSMAN LICENSING BOARD
 FOR THE YEAR ENDED JUNE 30, 2005

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	2	1	3	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			3	100 %

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
Bail Bonds Company and Bail Bondsman Licensing Board	A.C.A. §17-29-206 (f)	N	N	150	Required by law. Public Use.

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
1DV Bail Bondsman-Operations	249,602	3	373,750	3	361,449	3	293,860	3	293,860	3	293,860	3	293,860	3
4HD Treasury Cash Reimbursement	220,000	0	500,000	0	0	0	500,000	0	500,000	0	500,000	0	500,000	0
Total	469,602	3	873,750	3	361,449	3	793,860	3	793,860	3	793,860	3	793,860	3

Funding Sources		%		%		%		%		%		%
Fund Balance	4000005	305,046	41.2	270,379	27.9		96,043	10.3	96,043	10.3	138,389	13.8
Cash Fund	4000045	220,790	29.8	460,628	47.5		500,000	53.6	500,000	53.6	500,000	49.8
AR Insurance Fund	4000100	257,646	34.8	261,449	27.0		257,646	27.6	257,646	27.6	257,646	25.7
Fees	4000245	150,416	20.3	150,000	15.5		150,000	16.1	150,000	16.1	150,000	14.9
Intra-agency Fund Transfer	4000317	0	0.0	0	0.0		0	0.0	0	0.0	0	0.0
Transfer to General Revenue	4000635	(193,917)	(26.2)	(172,663)	(17.8)		(71,440)	(7.7)	(71,440)	(7.7)	(42,449)	(4.2)
Total Funds		739,981	100.0	969,793	100.0		932,249	100.0	932,249	100.0	1,003,586	100.0
Excess Appropriation/(Funding)		(270,379)		(96,043)			(138,389)		(138,389)		(209,726)	
Grand Total		469,602		873,750			793,860		793,860		793,860	

FY07 Budgeted amount in Board Operations (1DV) exceeds the Authorized amount due to Regular Salaries & Personal Services Matching rate adjustments. The Agency received appropriation from the DFA Cash Holding Account during the 2005-07 biennium to establish the Treasury Cash Reimbursement (4HD). At fiscal year end, this agency must transfer all but 25% of its fund balance to the General Revenue Fund Account in the State Treasury.

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
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			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
3	3	0	3	0	0.00%	3	3	0	3	0	0.00%	3	3	0	3	0	0.00%

Analysis of Budget Request

Appropriation: 1DV - Bail Bondsman-Operations

Funding Sources: MBB - Professional Bail Bondsman Licensing Board

The Professional Bail Bondsman Licensing Board uses this appropriation to cover operating expenses and to administer and enforce the provisions of the law relating to the licensing and regulating of professional bail bond companies and bondsmen. The Insurance Department collects \$10 per bond written in the State, and by statute must provide the Board with funding up to the appropriated level each fiscal year. Receipts from examination fees, license renewals and penalties also fund operations of the Board. The Board also uses this appropriation to comply with Section 4 of Act 700 of 1993, which requires the Board to transfer all but 25% of its fund balance to the State Treasury at the end of each fiscal year.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Board is requesting an increase of \$19,000 in Operating Expenses above Base Level for the 2007-09 biennium. This request is to cover a rent increase and the cost to administer a new website for the Agency. The website is an approved part of the Agency's Technology Plan. Additionally, the Agency is requesting the elimination of the Refunds/Reimbursements line item in the Operations appropriation and the establishment of a separate appropriation for this activity.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: 1DV Bail Bondsman-Operations
Funding Sources: MBB - Professional Bail Bondsman Licensing Board

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	116,476	121,183	111,401	121,183	121,183	121,183	121,183	121,183	121,183
#Positions	3	3	3	3	3	3	3	3	3
Personal Services Matching 5010003	34,215	34,981	32,462	36,091	36,091	36,091	36,091	36,091	36,091
Operating Expenses 5020002	77,468	77,800	77,800	77,800	96,800	96,800	77,800	96,800	96,800
Conference & Travel Expenses 5050009	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Professional Fees 5060010	11,380	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Data Processing 5090012	0	1,786	1,786	1,786	1,786	1,786	1,786	1,786	1,786
Refunds/Reimbursements 5110014	5,785	100,000	100,000	100,000	0	0	100,000	0	0
Capital Outlay 5120011	4,278	0	0	0	0	0	0	0	0
Total	249,602	373,750	361,449	374,860	293,860	293,860	374,860	293,860	293,860
Funding Sources									
Fund Balance 4000005	305,046	269,589		95,253	95,253	95,253	56,599	137,599	137,599
AR Insurance Fund 4000100	257,646	261,449		257,646	257,646	257,646	257,646	257,646	257,646
Fees 4000245	150,416	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Intra-agency Fund Transfer 4000317	0	(39,372)		0	0	0	0	0	0
Transfer to General Revenue 4000635	(193,917)	(172,663)		(71,440)	(71,440)	(71,440)	(42,449)	(42,449)	(42,449)
Total Funding	519,191	469,003		431,459	431,459	431,459	421,796	502,796	502,796
Excess Appropriation/(Funding)	(269,589)	(95,253)		(56,599)	(137,599)	(137,599)	(46,936)	(208,936)	(208,936)
Grand Total	249,602	373,750		374,860	293,860	293,860	374,860	293,860	293,860

FY06 Actual and FY07 Budgeted amounts in Regular Salaries and Personal Services Matching exceed the Authorized amounts due to salary and rate adjustments during the 2005-07 biennium. FY06 Actual amount in Capital Outlay exceeds the Authorized amount due to a Budget Classification Transfer.

At fiscal year end, this agency must transfer all but 25% of its fund balance to the General Revenue Fund Account in the State Treasury. Actual ending fund balances are reflected prior to transfer.

The FY07 Intra-agency Fund Transfer amount of \$39,372 reflects the balance of security deposits held in trust by the Board to pay judgements presented by various courts against bail bonds companies that have gone out of business. This amount is being transferred to appropriation 4HD - Treasury Cash Reimbursement to expensing.

Change Level by Appropriation

Appropriation:

1DV-Bail Bondsman-Operations

Funding Sources:

MBB - Professional Bail Bondsman Licensing Board

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	374,860	3	374,860	100.0	374,860	3	374,860	100.0
C01	Existing Program	19,000	0	393,860	105.0	19,000	0	393,860	105.0
C03	Discontinue Program	(100,000)	0	293,860	78.3	(100,000)	0	293,860	78.3

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	374,860	3	374,860	100.0	374,860	3	374,860	100.0
C01	Existing Program	19,000	0	393,860	105.0	19,000	0	393,860	105.0
C03	Discontinue Program	(100,000)	0	293,860	78.3	(100,000)	0	293,860	78.3

Justification

C01	Increases requested as follows: Additional \$1,000 each year to cover an increase in rent and an additional \$18,000 each year to cover costs of implementing a new website as detailed in our Information Technology Plan.
C03	Requesting elimination of the Refunds/Reimbursement line item in the Operations appropriation and continuation of the appropriation established in the State Treasury during the 2005-07 biennium.

Analysis of Budget Request

Appropriation: 4HD - Treasury Cash Reimbursement

Funding Sources: NBB - Bail Bondsman - Cash in Treasury

The Professional Bail Bondsman Licensing Board uses this appropriation to allow the Bail Bondsman Board to process security deposits and pay outstanding judgments of bail bonds companies that go out of business. The appropriation will allow for the proper accounting of these transactions on the state accounting system. The Board received appropriation during the 2005-07 biennium from the DFA Cash Holding Account.

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

Appropriation Summary

Appropriation: 4HD Treasury Cash Reimbursement
Funding Sources: NBB - Bail Bondsman - Cash in Treasury

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements 5110014	220,000	500,000	0	0	500,000	500,000	0	500,000	500,000
Total	220,000	500,000	0	0	500,000	500,000	0	500,000	500,000
Funding Sources									
Fund Balance 4000005	0	790		0	790	790	0	790	790
Cash Fund 4000045	220,790	460,628		0	500,000	500,000	0	500,000	500,000
Intra-agency Fund Transfer 4000317	0	39,372		0	0	0	0	0	0
Total Funding	220,790	500,790		0	500,790	500,790	0	500,790	500,790
Excess Appropriation/(Funding)	(790)	(790)		0	(790)	(790)	0	(790)	(790)
Grand Total	220,000	500,000		0	500,000	500,000	0	500,000	500,000

During the 2005-07 biennium, the Board received appropriation from the DFA Cash Holding Account. The FY07 Intra-agency Fund Transfer amount of \$39,372 reflects the balance of security deposits held in trust by the Board to pay judgements presented by various courts against bail bonds companies that have gone out of business.

Change Level by Appropriation

Appropriation: 4HD-Treasury Cash Reimbursement

Funding Sources: NBB - Bail Bondsman - Cash in Treasury

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	x	0	0	0	x
C02	New Program	500,000	0	500,000	x	500,000	0	500,000	x

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	100.0	0	0	0	100.0
C02	New Program	500,000	0	500,000	100.0	500,000	0	500,000	100.0

Justification

C02	This appropriation is needed to allow the Bail Bondsman Board to deposit security deposits and pay outstanding judgments of bail bonds companies that go out of business.
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