

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
2001 - 2003**

Funding for this Special Revenue appropriation is derived solely from license fees collected from new motor vehicle manufacturers, distributors, factories and branches, as well as representatives, dealers, sales personnel and motor vehicle lessors. The Commission receives no General Revenue funds.

The Commission has implemented new programs with existing appropriation but has not been able to fully implement consumer/dealer education programs with funds available but not appropriated. The Commission is seeking legislative approval of this request to initiate dealer programs. Though not mandated, the Arkansas Motor Vehicle Commission has implemented a Personnel Policy and Guidelines for Standard of Conduct, disciplinary policy and position description and responsibilities.

The Commission is seeking to transfer §23-112-601, Used Dealer Licensees/Regulatory Authority, to this office from the Arkansas State Police (ASP). The Commission feels this could be accomplished with minimal financial impact to ASP. The Commission feels this is in the best interest of the Consumers and Dealers in the State for consistencies in the application of §23-112-101 – 707 and just as important, freeing up ASP Troopers to enforce criminal laws.

The Commission respectfully requests consideration for the following Priority Program Requests:

1. The following is based on NO LEGISLATIVE changes in the Commission's full time personnel positions. The Commission is requesting one (1) extra help position to assist the license agent with license renewals of approximately 5,000 licensees that expire in December annually. The Commission is requesting a minimal line item increase in maintenance and operating expenses that total \$11,750.00. The increases requested are based on anticipated increases in state purchasing contracts and vendor increases. It is the Commission's opinion that all educational programs will be fully funded with this request.

2. WITH LEGISLATIVE changes transferring the license and regulatory authority of the used motor vehicle dealers, the following is requested and is based on council with DFA Budget, OPM and Legislative Personnel Management. In personnel, an addition of sixteen (16) full time positions are requested with line item maximums in salaries totaling \$408,000. The Commission would request a total increase of \$257,5530 in Maintenance & Operation to include an addition of approximately 1300 sq. ft. with renovations to existing space accommodating the addition of approximately 10,000-15,000 licensees and support staff. In Conference & Travel an additional \$1,000 is requested to train additional staff in software programs utilized and to allow Director and Staff Attorney to travel to applicable seminars and conferences pertaining to industries regulated by the Commission. In Capital Outlay, approximately 264,000 which are one time purchases to accommodate necessary furniture, equipment and vehicles to accommodate investigators and staff. DP services \$100,000 to fulfill Technology Plan. If the Used Motor Vehicle Industry is transferred, it will necessitate major changes in staff, increase in rental space, renovations to same, furniture, equipment and vehicles. In order to accommodate this change, it is believed our current available funding would be sufficient for required modifications in staff and associated expenses. As previously stated, the Commission requests one-third (1/3) of license renewal fees for used dealers collected by the ASP to be transferred to the AMVC Special Revenue Funds to assist with the above changes.

Proposed Legislation will transfer the Independent Motor Vehicle Dealers to the Commission and result in the one time purchase of Laptop Computers, Desktop Computers, Cell Phones, Cameras, Automobiles for Investigators, Attorney and additional staff. Existing staff computer upgrades. Software upgrades and licenses for existing software. Server, networking of office computers, Direct Internet Access, etc., is to be designed and executed through Department of Information Systems. Expansion and updates of Web page will be executed through Information Network of Arkansas. Digital Telephones, Digital Telephone Lines and Analog Computer Modem Telephone Lines will be expanded to meet these needs. On going Computer training to keep employees up with current/upgraded software. This request is based upon quotation submitted by the Department of Information Systems. Kind consideration and approval of this request will allow the Commission to fulfill their Technology Plan.

Additionally in order to meet the Commission's Mission Statement and goals as submitted to the Governor, these increases are justified to accommodate: (1) Consumer protection, education awareness, (2) Dealer protection, education, regulation and enforcement; (3) Manufacturer/Distributor/Converter education, regulation and enforcement, (4) To process and fully investigate complaints received, (5) Maintenance of AMVC Web page and (6) Prevention and investigation of false and misleading advertising/schemes.

<p>AGENCY ARKANSAS MOTOR VEHICLE COMMISSION</p>	<p>DIRECTOR <i>Patricia Stroud</i></p>	<p>AGENCY PROGRAM COMMENTARY BR21</p>	<p>PAGE 252</p>
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ARKANSAS MOTOR VEHICLE COMMISSION
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1998

Assets				Liabilities			Total Equity
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total	
\$ 454,514	\$ 46,849	\$ 7,670	\$ 509,033	\$ 0	\$ 7,603	\$ 7,603	\$ 501,430

Revenues					Expenditures					Other Sources (Uses)
Intergovernmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 0	\$ 0	\$ 436,358	\$ 129	\$ 436,487	\$ 112,367	\$ 0	\$ 10,203	\$ 41,805	\$ 164,375	\$ 78

Findings

None

Recommendations

None

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

AGENCY TITLE 320 - ARK MOTOR VEHICLE COMM

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>0</u>	<u>4</u>	<u>4</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>08/05/00</u> DATE			<u>0</u>	<u>0%</u>
			TOTAL MINORITIES	
			<u>4</u>	<u>100%</u>
			TOTAL EMPLOYEES	

Judicia Stronce

 AGENCY DIRECTOR

STATE AGENCY PUBLICATIONS

2001-2003 Biennium

Act 1276 of 1999

AGENCY: ARKANSAS MOTOR VEHICLE COMMISSION

AGENCY # 320

NAME OF PUBLICATION	STATUTORY AUTHORIZATION ACT # OR A.C.A.	REQUIRED FOR GOVERNOR AND/OR GENERAL ASSEMBLY ONLY	NUMBER OF COPIES PUBLISHED & DISTRIBUTED	REASON(S) FOR CONTINUED PUBLICATION AND DISTRIBUTION
NONE ARE REQUIRED.				

**ANALYSIS OF BUDGET REQUEST
2001-2003**

Funding for this special revenue appropriation is derived from license fees paid by automobile salesmen, dealers, manufacturers and manufacturers' representatives pursuant to A.C.A. § 23-112-101 et seq. The Commission uses this appropriation to regulate and license new car manufacturers, dealers and salesmen doing business in Arkansas. Base Level for this appropriation is \$263,279 in FY02 and \$267,647 in FY03. Base Level includes a payplan increase of 2.6% each year over the Fiscal Year 2001 Salaries with a corresponding increase in Matching.

The Commission is requesting an additional \$104,180 in FY02, which represents a 39.6% increase over Base Level, and an additional \$43,941 in FY03, which is a 16.5% increase over Base Level. The Motor Vehicle Commission requests include the following:

- ◆ Salaries and Matching-\$10,040 in FY02 and \$10,301 FY03 to Reclassify Motor Vehicle Commission Director to Motor Vehicle Commission Executive Director
- ◆ Extra Help-One (1) position-\$5,000 each year to assist with license renewals.
- ◆ Operating Expenses-\$11,750 each year for general line item increases in postage, advertising, copier, travel and maintenance expenses.
- ◆ Professional Fees and Services-\$2,007 each year to support educational programs.
- ◆ Capital Outlay-\$5,000 in FY02 for the purchase of office furniture and equipment.
- ◆ Data Processing-\$70,000 in FY02 and \$10,000 in FY03 for the upgrade of computer and networking requirements.

The Executive Recommendation provides for the Agency Request for Capital Outlay and Data Processing and Base Level on the remainder of requests.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Motor Vehicle Comm. Code: 320	Name: Arkansas Motor Vehicle Comm. Code: 048	Name: Arkansas Motor Vehicle Comm. Code: SAB	BR20	256

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----01-02 FISCAL YEAR-----			-----02-03 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	99-00	00-01	00-01	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED							01-02	02-03	01-02	02-03
REGULAR SALARIES	128,262	139,188	139,180	142,798	8,528	151,326	146,509	8,750	155,259	142,798	146,509		
NUMBER OF POSITIONS	4	4	4	4	0	4	4	0	4	4	4		
EXTRA HELP	0	0	0	0	5,000	5,000	0	5,000	5,000	0	0		
NUMBER OF POSITIONS	0	0	0	0	1	1	0	1	1	0	0		
PERSONAL SERV MATCHING	34,258	36,488	37,562	37,146	1,895	39,041	37,803	1,934	39,737	37,146	37,803		
OPERATING EXPENSES	57,135	71,842	71,842	71,842	11,750	83,592	71,842	11,750	83,592	71,842	71,842		
CONF FEES & TRAVEL	1,156	3,500	3,500	3,500	0	3,500	3,500	0	3,500	3,500	3,500		
PROF FEES & SERVICES	2,300	7,993	7,993	7,993	2,007	10,000	7,993	2,007	10,000	7,993	7,993		
CAPITAL OUTLAY	28,127	3,000	3,000	0	5,000	5,000	0	4,500	4,500	5,000	4,500		
DATA PROCESSING	0	0	0	0	70,000	70,000	0	10,000	10,000	70,000	10,000		
TOTAL	251,238	262,011	263,077	263,279	104,180	367,459	267,647	43,941	311,588	338,279	282,147		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	761,670	1,036,655	*****	1,294,644		1,294,644	1,447,185		1,447,185	1,294,644	1,476,365		
GENERAL REVENUES			*****										
SPECIAL REVENUES	526,223	520,000	*****	415,820	104,180	520,000	476,059	43,941	520,000	520,000	520,000		
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	1,287,893	1,556,655	*****	1,710,464	104,180	1,814,644	1,923,244	43,941	1,967,185	1,814,644	1,996,365		
EXCESS APPRO/ (FUNDING)	(1,036,655)	(1,294,644)	*****	(1,447,185)		(1,447,185)	(1,655,597)		(1,655,597)	(1,476,365)	(1,714,218)		
TOTAL	251,238	262,011	*****	263,279	104,180	367,459	267,647	43,941	311,588	338,279	282,147		

DEPT 009 OTHER BOARDS AND COMMISSIONS
 AGY 320 ARKANSAS MOTOR VEHICLE COMMISSION
 APPRO 048 ARKANSAS MOTOR VEHICLE COMMISSION
 FUND SAB ARK MOTOR VEHICLE COMM-(320)

The FY01 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 1999-01 biennium.

APPROPRIATION SUMMARY

BR 215

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		2001 - 03 BIENNIIUM REQUESTS						R E C O M M E N D A T I O N S					
					ACTUAL	BUDGETED	FY 2001 - 02			FY 2002 - 03			EXECUTIVE		LEGISLATIVE			
					99-00	00-01	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	2001-02	2002-03	2001-02	2002-03		
000		SAB	320 048	B	251,238 4	262,011 4	263,279 4					267,647 4			263,279 4	267,647 4		
001		SAB	320 048 010 ARK MOTOR VEHICLE COMM.	C01			23,640 0					23,640 0			4,500	4,500		
<p>The Commission is requesting one (1) extra help position to assist the license agent with license renewals-\$5,383 each year. General line item increase of \$11,750 each year for Maintenance and Operating Expenses. Professional Fees and Services of \$2,007 each year for educational programs. \$4,500 in Capital Outlay each year for purchase of office furniture and equipment.</p>																		
002		SAB	320 048 010 ARK MOTOR VEHICLE COMM.	C08			500 0					0 0			500			
<p>Computer/Software update and purchase.</p>																		

DEPT 009 OTHER BOARDS AND COMMISSIONS
AGY 320 ARKANSAS MOTOR VEHICLE COMMISSION
APPRO 048 ARKANSAS MOTOR VEHICLE COMMISSION
FUND SAB ARK MOTOR VEHICLE COMM-(320)

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-----		-----2001 - 03 BIENNIUM REQUESTS-----		-----R E C O M M E N D A T I O N S-----										
					---ACTUAL--- 99-00	---BUDGETED--- 00-01	-----FY 2001 - 02----- REQUEST-----	-----FY 2002 - 03----- REQUEST-----	-----EXECUTIVE-----		-----LEGISLATIVE-----								
002		SAB	320 048 020 INFORMATION TECHNOLOGY COSTS	C08			70,000 0	10,000 0	70,000	10,000									
Expansion and updates of Web page, software upgrades and licenses for existing software, server and networking of office computers. Direct Internet Access, digital telephones, digital telephone lines and analog computer modem telephone lines as well as computer training. According to Department of Information Systems quotation this amounts to \$70,000 in FY02 and \$10,000 in FY03.																			
003		SAB	320 048 010 ARK MOTOR VEHICLE COMM.	C10			10,040 0	10,301 0											
Reclassify Motor Vehicle Commission Director to Motor Vehicle Commission Executive Director.																			

DEPT 009 OTHER BOARDS AND COMMISSIONS
AGY 320 ARKANSAS MOTOR VEHICLE COMMISSION
APPRO 048 ARKANSAS MOTOR VEHICLE COMMISSION

FUND SAB ARK MOTOR VEHICLE COMM-(320)

RANK BY APPROPRIATION
BR 264