

SUMMARY BUDGET INFORMATION

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ARKANSAS DEVELOPMENT FINANCE AUTHORITY

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AR DEVELOPMENT FINANCE AUTHORITY

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

Employment Summary

	Male	Female	Total	%
White Employees	20	22	42	79 %
Black Employees	0	8	8	15 %
Other Racial Minorities	2	1	3	6 %
Total Minorities			11	21 %
Total Employees			53	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Audit Report	A.C.A. 15-5-210	N	Y	2	Reporting of audited agency financials.	0	0.00
Bond Issuance Report	Act 36 of 1989	N	Y	1	Provides summary of bond transactions when executed	0	0.00
Bond Issues/Outstanding Report	Act 222 of 1987	N	N	1	Provides comprehensive list of bonds issued and outstanding.	0	0.00

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2017-2018		2018-2019		2018-2019		2019-2020				2020-2021			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
A57 ADFA-Cash Operations	11,116,358	58	31,856,566	50	30,200,423	61	32,497,968	61	32,497,968	61	32,498,658	61	32,498,658	61
C57 AR Housing Trust Advisory Comm	0	0	15,475	0	15,475	0	15,475	0	15,475	0	15,475	0	15,475	0
C91 Student Loan Auth Div of ADFA-Operations	2,062,544	4	3,794,110	4	3,778,952	4	2,392,210	4	2,392,210	4	2,392,333	4	2,392,333	4
D34 DIS IT	0	0	15,000,000	0	0	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0
X15 NHTF Grant	5,357	0	6,000,000	0	0	0	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000	0
Total	13,184,259	62	56,666,151	54	33,994,850	65	55,905,653	65	55,905,653	65	55,906,466	65	55,906,466	65

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	81,857	0.5	2,188,767	3.7			2,173,609	3.7	2,173,609	3.7	2,173,609	3.7
Federal Revenue	4000020	6,239,468	40.6	32,551,215	55.3			32,551,215	56.0	32,551,215	56.0	32,551,215	56.0
Cash Fund	4000045	9,051,701	58.9	24,099,778	41.0			23,354,438	40.2	23,354,438	40.2	23,355,251	40.2
Total Funds		15,373,026	100.0	58,839,760	100.0			58,079,262	100.0	58,079,262	100.0	58,080,075	100.0
Excess Appropriation/(Funding)		(2,188,767)		(2,173,609)				(2,173,609)		(2,173,609)		(2,173,609)	
Grand Total		13,184,259		56,666,151				55,905,653		55,905,653		55,906,466	

FY19 Budget amount for Appropriations A57 exceeds Authorized amount due to a transfer from the Cash Fund Holding Account.

FY19 Budget amount for Appropriations C91 exceeds Authorized amount due to salary and matching rate adjustments.

FY19 Budget amount for Appropriations D34 and X15 exceed Authorized amount due to a transfer from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: A57 - ADFA-Cash Operations

Funding Sources: 123 - Arkansas Development Finance Authority Cash

A.C.A. §15-5-201 created the Arkansas Development Finance Authority along with a Board of Directors that was created in A.C.A. §15-5-202. The Board of Directors is composed of the Director of the Department Finance and Administration, State Treasurer, President of ADFA and eleven (11) public members appointed by the Governor with the advice and consent of the Senate. Duties and responsibilities of the Board may include but are not limited to, powers to sue; make and issue rules, regulations, and bylaws; appoint officers, agents, and employees; borrow money; issue notes and bonds on behalf of state agencies and political subdivisions; make secured or unsecured loans; sell mortgages and security interests, collect fees and charges in connection with its loans, bond guarantees.

This appropriation reflects all operational costs of the Authority including the Federal Housing Assistance Program, HUD Home Program, and other financial programs. Funding for this appropriation is derived primarily from federal funds with other funding from bond proceeds.

The Agency is requesting \$32,497,968 in FY20 and \$32,498,658 in FY21.

The Agency Request includes the following changes for both years:

- Regular Salaries and Personal Services Matching - The agency requests the restoration a Pool position of Deputy Director and corresponding increase in Regular Salaries and Personal Services Matching.
- Operating Expenses - the Agency requests a reduction of (\$50,000) in each year.
- Conference & Travel Expenses - the Agency requests a reduction of (\$21,715) in each year.
- Capital Outlay - Agency requests \$23,000 increase in appropriation in each year to purchase vehicles.
- Federal Housing Program - Agency is requesting to increase an appropriation by \$2,000,000 to include a cash letter for both fiscal years. This program is funded by U.S. Housing and Urban Development. Funds will be used to stabilize neighborhoods that suffered from foreclosure.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Operating Expenses and Professional Fees - fluctuate from year to year. In 2020 and 2021 expenses will also increase due to implementation of Office 365.
- Conference & Travel Expenses - due to possible additional costs of attending conferences.
- Grants and Aid - budgeted at \$6,600,000 for each year. This line will be used for emergency purposes deemed necessary by the Governor and will be funded thru special purpose federal grants.
- HUD Home Program - expenses fluctuate from year to year.
- Federal Housing Programs - contingency.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: A57 - ADFA-Cash Operations

Funding Sources: 123 - Arkansas Development Finance Authority Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	3,055,647	3,275,264	3,520,926	3,788,788	3,788,788	3,789,088	3,789,088
#Positions		58	50	61	61	61	61	61
Extra Help	5010001	24,812	40,000	40,000	40,000	40,000	40,000	40,000
#Extra Help		4	5	5	5	5	5	5
Personal Services Matching	5010003	1,026,829	1,004,592	1,102,787	1,181,185	1,181,185	1,181,575	1,181,575
Operating Expenses	5020002	522,746	702,458	725,458	675,458	675,458	675,458	675,458
Conference & Travel Expenses	5050009	33,576	81,715	81,715	60,000	60,000	60,000	60,000
Professional Fees	5060010	111,487	123,810	123,810	123,810	123,810	123,810	123,810
Data Processing	5090012	0	0	0	0	0	0	0
Grants and Aid	5100004	0	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000
Capital Outlay	5120011	0	23,000	0	23,000	23,000	23,000	23,000
Data Processing Services	5900044	264,060	264,512	264,512	264,512	264,512	264,512	264,512
Hud Home Program	5900046	6,059,582	16,341,215	16,341,215	16,341,215	16,341,215	16,341,215	16,341,215
Federal Housing Programs	5900047	17,619	3,400,000	1,400,000	3,400,000	3,400,000	3,400,000	3,400,000
Total		11,116,358	31,856,566	30,200,423	32,497,968	32,497,968	32,498,658	32,498,658

Funding Sources								
Fund Balance	4000005	81,857	239,003		239,003	239,003	239,003	239,003
Federal Revenue	4000020	6,234,111	26,341,215		26,341,215	26,341,215	26,341,215	26,341,215
Cash Fund	4000045	5,039,393	5,515,351		6,156,753	6,156,753	6,157,443	6,157,443
Total Funding		11,355,361	32,095,569		32,736,971	32,736,971	32,737,661	32,737,661
Excess Appropriation/(Funding)		(239,003)	(239,003)		(239,003)	(239,003)	(239,003)	(239,003)
Grand Total		11,116,358	31,856,566		32,497,968	32,497,968	32,498,658	32,498,658

Budget exceeds Authorized Appropriation in Federal Housing Program due to a transfer from the Cash Fund Holding Account.

Analysis of Budget Request

Appropriation: C57 - AR Housing Trust Advisory Comm

Funding Sources: 123 - Arkansas Development Finance Authority Cash

The Arkansas Housing Trust Fund Arkansas Housing Trust Fund Advisory Committee was established by Act 661 of 2009, as amended (A.C.A. §15-5-1701) to provide a source of funds for communities to address affordable housing needs. Act 661 of 2009 also created the Arkansas Housing Trust Fund Advisory Committee to provide advice to the Authority's Board of Directors on matters relating the Housing Trust Fund and its programs. Act 764 of 2012 provided a "one time transfer" from unexpended balances of funds received by the Division of Check Cashing of the State Board of Collections Agencies under the Check-Cashers Act. Program funding is contingent on the Arkansas Housing Trust Fund Advisory Committee securing a dedicated funding source.

The Agency is requesting \$15,475 for each fiscal year within the 2019-2021 Biennium.

The Agency did not have an actual expenses in FY18 but requesting to keep this appropriation for contingency purposes.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C57 - AR Housing Trust Advisory Comm

Funding Sources: 123 - Arkansas Development Finance Authority Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Ar Housing Trust Fund	5900046	0	15,475	15,475	15,475	15,475	15,475	15,475
Total		0	15,475	15,475	15,475	15,475	15,475	15,475

Funding Sources								
Cash Fund	4000045	0	15,475		15,475	15,475	15,475	15,475
Total Funding		0	15,475		15,475	15,475	15,475	15,475
Excess Appropriation/(Funding)		0	0		0	0	0	0
Grand Total		0	15,475		15,475	15,475	15,475	15,475

Analysis of Budget Request

Appropriation: C91 - Student Loan Auth Div of ADFA-Operations

Funding Sources: 123 Student Loan Authority Cash

The Arkansas Student Loan Authority was created for the purpose of originating and acquiring student loans and support Arkansas' student financial assistance by purchasing loans made by local lenders to higher education students. The process provides liquidity to banks so additional loans may be made to students in need. Funding is based upon Trust Indentures which allow the Authority to draw the cost of loan servicing plus 80 basis points or 0.8% of the outstanding loan balance on a monthly basis for loan servicing, program administration, and general and administrative costs.

Funding for the Agency is derived from bond issues and participation in loan administration under the Health Care and Education Reconciliation Act of 2010. ASLA is a self-sufficient agency which does not receive any state revenue dollars.

The Agency is requesting \$2,392,210 in FY20 and \$2,392,333 in FY21.

The Agency Request includes the following changes for both years:

- Operational Expenses - The Agency requests a reduction of (\$95,405) for each year.
- Conference & Travel Expenses - The Agency requests a reduction of (\$8,867) for each year.
- Professional Fees - The Agency requests a reduction of (\$1,294,514) for each year.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Professional Fees - expenses fluctuate from year to year. Agency reduced authorized amount by \$1,294,514 and asking to keep this line item at \$1,818,875.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C91 - Student Loan Auth Div of ADFA-Operations

Funding Sources: 123 Student Loan Authority Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	347,139	351,309	340,036	348,521	348,521	348,621	348,621	
#Positions		4	4	4	4	4	4	4	
Personal Services Matching	5010003	97,988	100,856	96,971	100,530	100,530	100,553	100,553	
Operating Expenses	5020002	100,284	205,717	205,717	110,312	110,312	110,312	110,312	
Conference & Travel Expenses	5050009	12,701	22,839	22,839	13,972	13,972	13,972	13,972	
Professional Fees	5060010	1,504,432	3,113,389	3,113,389	1,818,875	1,818,875	1,818,875	1,818,875	
Data Processing	5090012	0	0	0	0	0	0	0	
Capital Outlay	5120011	0	0	0	0	0	0	0	
Total		2,062,544	3,794,110	3,778,952	2,392,210	2,392,210	2,392,333	2,392,333	
Funding Sources									
Fund Balance	4000005	0	1,949,764		1,934,606	1,934,606	1,934,606	1,934,606	
Federal Revenue	4000020	0	210,000		210,000	210,000	210,000	210,000	
Cash Fund	4000045	4,012,308	3,568,952		2,182,210	2,182,210	2,182,333	2,182,333	
Total Funding		4,012,308	5,728,716		4,326,816	4,326,816	4,326,939	4,326,939	
Excess Appropriation/(Funding)		(1,949,764)	(1,934,606)		(1,934,606)	(1,934,606)	(1,934,606)	(1,934,606)	
Grand Total		2,062,544	3,794,110		2,392,210	2,392,210	2,392,333	2,392,333	

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

Analysis of Budget Request

Appropriation: D34 - DIS IT

Funding Sources: 123 DIS IT Cash

Appropriation was established in FY18 by Cash Letter. Agency will use this appropriation to purchase IT equipment for DIS, for the data consolidation center.

The Agency is requesting \$15,000,000 in each year of the 2019-2021 Biennium.

DIS will begin to expend funds for the Data Center consolidation at the beginning of FY19 and will possibly continue through both fiscal years of the biennium.

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

Appropriation Summary

Appropriation: D34 - DIS IT
Funding Sources: 123 DIS IT Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Computer Equipment and Related 5900044	0	15,000,000	0	15,000,000	15,000,000	15,000,000	15,000,000
Total	0	15,000,000	0	15,000,000	15,000,000	15,000,000	15,000,000

Funding Sources							
Cash Fund 4000045	0	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000
Total Funding	0	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	0	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: X15 - NHTF Grant

Funding Sources: FDF-NHTF Federal

Appropriation was established in FY18 by Miscellaneous Federal Grant. Funding will be derived from Federal Grants. Agency will use this appropriation for the construction of rental housing for Extremely Low Income (ELI) AR veterans.

The Agency is requesting \$6,000,000 in each year of the 2019-2021 Biennium.

The Agency had only start-up expenses in FY18, due to receiving the Miscellaneous Federal Grant at the end of FY18, but expecting to continue construction and will use award funds in 2019-2021. Program expenses for this program will fluctuate between fiscal years depending on the project development.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: X15 - NHTF Grant

Funding Sources: FDF-NHTF Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Federal Housing Program 5900046	5,357	6,000,000	0	6,000,000	6,000,000	6,000,000	6,000,000
Total	5,357	6,000,000	0	6,000,000	6,000,000	6,000,000	6,000,000
Funding Sources							
Federal Revenue 4000020	5,357	6,000,000		6,000,000	6,000,000	6,000,000	6,000,000
Total Funding	5,357	6,000,000		6,000,000	6,000,000	6,000,000	6,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	5,357	6,000,000		6,000,000	6,000,000	6,000,000	6,000,000