

DFA - MANAGEMENT SERVICES

Enabling Laws

Act 275 of 2014
A.C.A. §19-4-101 - §19-4-2004

History and Organization

Mission Statement - The Management Services Division provides leadership and assistance to all state agencies to ensure the uniformity, accountability, and efficiency in the management of human, financial and material resources necessary for those agencies to perform their missions.

The Department of Finance and Administration (DFA) in its present organization form was created by Act 38 of 1971 during the 68th Arkansas General Assembly. Effective February 4, 1971, the Administration Department and its functions, powers and duties were transferred to the newly created Department of Finance and Administration.

The Department consists of two major Divisions: The Management Services Division and the Revenue Services Division. The Management Services Division is composed of the Offices of Accounting, Budget, Personnel Management, Procurement and Intergovernmental Services. Other offices that play a major role in State Government are the Office of Administrative Services, the Office of Internal Audit, the Office of Information Services, and the Employee Benefits Division. In addition, the Racing Commission and the Alcoholic Beverage Control Administration Division were also transferred to the newly created Department of Finance and Administration. Act 729 of 1981 transferred the Alcoholic Beverage Control Enforcement Division from the Department of Public Safety to the Department of Finance and Administration.

Central Administration activity of the Department of Finance and Administration oversees the departmental goal which is to instill good management practices in Arkansas State Government and to provide the money to run it. As the Chief Fiscal Officer of the State, the DFA Director is charged with the responsibility of making certain that expenditures, use of property, purchases, and use of personnel are carried out in accordance with the laws of the State. Most of the responsibilities in this area are directed and authorized by Act 876 of the 69th General Assembly (General Accounting and Budgetary Procedures Law, §19-4-101 et seq.).

Central Administration includes the Department of Finance and Administration top-level administration personnel and economic analysis. It is devoted to furthering the department goals with special emphasis placed upon services to agencies and citizens of the State.

The Department has two distinct functions within State Government. One function is to serve as the central collector of state revenues. The other function is to operate control management systems for State Government by providing assistance to all state agencies. This includes the management of their funds, personnel, and property, while exercising certain statutory controls over the agencies in these areas.

The Management Services Division has a primary goal of providing other agencies of State Government with services to assist them in meeting their primary goals and objectives. It continues to administer statutorily required controls in a manner that ensures agencies in State Government are operating legally, deriving maximum use of personnel, money and equipment available to them, and providing maximum service to the taxpayers. The Management Services Division has as its central objective the following program areas:

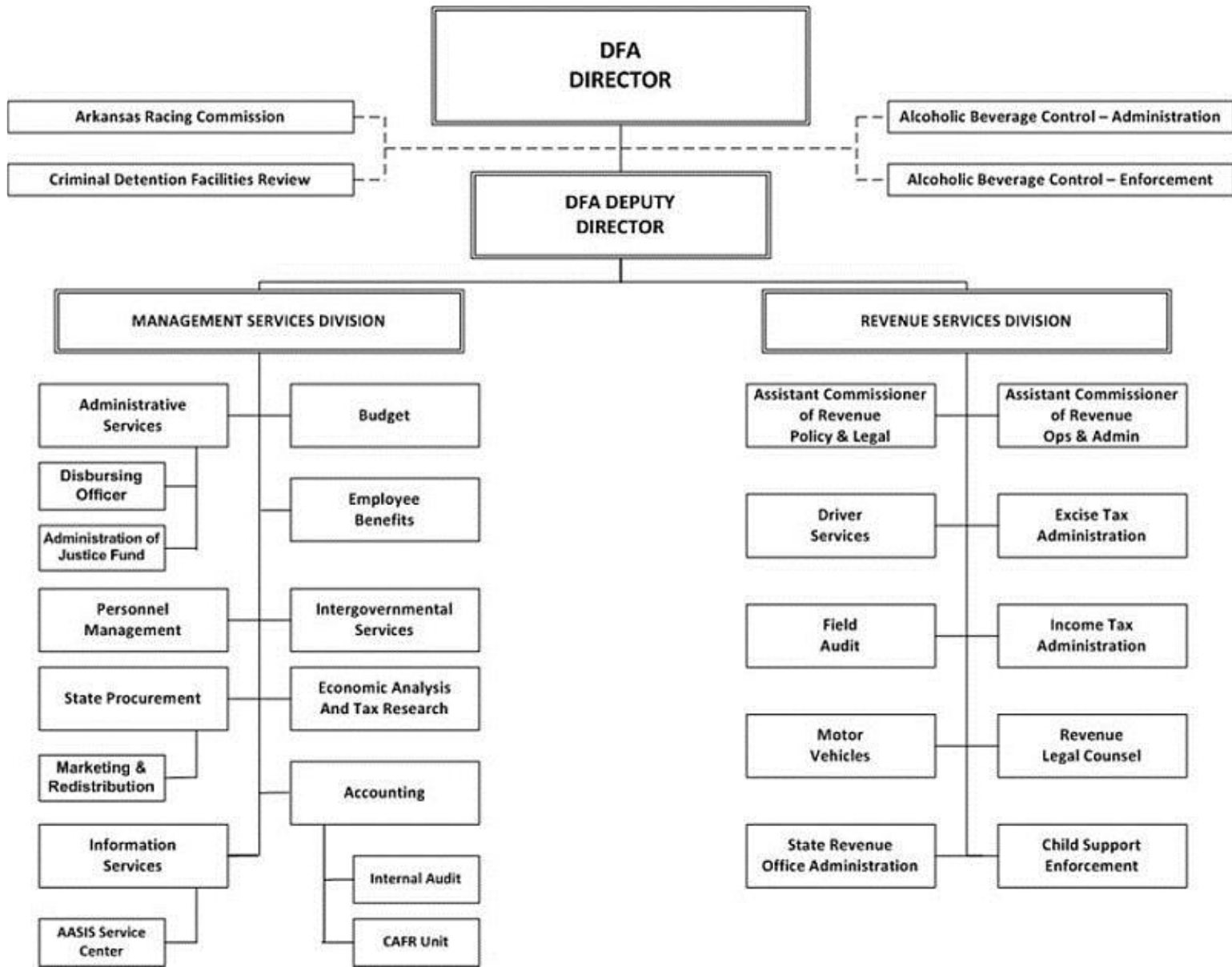
- 1) Accounting - Provide efficient and responsible fiscal management of all state programs or activities. Maintain a financial system providing information on all transactions of all state agencies for accounting and management services, apply sound pre-auditing procedures and maintain the State's accounting system in a timely and accurate manner. Additionally, the Office of Internal Audit (OIA) has merged with the Office of Accounting. The main goal for the OIA is to provide agency management with objective, proactive advice and value-added recommendations that assists them in the achievement of their goals and objectives and provide for strong accountability of state resources. To achieve this goal set forth for the OIA, a three-fold audit approach is utilized. This approach includes the performance of agency audits, Executive Order 98-04 "Compliance Audits and Special Reviews" that may be requested by agency management.
- 2) Budget - Develop, analyze, recommend, present and execute State budget matters, assist state agencies in budgetary matters and enforce the deficit prohibition law.
- 3) Personnel Management - Develop procedures and methods for the continued efficient operation of the Arkansas Personnel Management Program. Maintain personnel records for all classified agencies and payroll records for all state agencies. Provide broad spectrum training opportunities for state and local government employees and provide technical assistance and guidance to all state agencies.
- 4) Procurement - Implement the State procurement program and establish policies, procedures and controls for that program and administer a quality assurance program. Maintain a State surplus property program through the Marketing and Redistribution section.
- 5) Intergovernmental Services - Administer federal grants directed to local governments, state agencies and non-profit organizations for the improvement of narcotics and general law enforcement, drug treatment within state prisons, services for victims of crime, and prison construction. Provide an opportunity for organizations and individuals to review and comment on federally supported programs prior to their implementation.

The Office of Administrative Services has with it human resources, fiscal accounting, purchasing and asset management, Administration of Justice Fund, State Vehicle Management Information and Acquisition System, state vehicle complaints, and state messenger service. This

Office performs numerous management-related functions for the Department of Finance and Administration, the Governor's Office, and smaller boards and commissions.

The Employee Benefits Division makes available to State and Public School Employees group health and life insurance. State employees also have the option of selecting other optional benefits, including deferred compensation. The Division oversees that customer service is available from the vendors for the participating members.

The Office of Information Services (OIS) is responsible for management of departmental information technology (IT) resources. This encompasses the Management Services and Revenue Services Divisions, and the Office of Child Support Enforcement. Functional areas include administration (including DFA web site maintenance and the AASIS Service Center), applications development and maintenance, and operations and support (computer operations, and local area network and desktop support).



Agency Commentary

The Management Services Division of the Department of Finance and Administration has a primary goal of providing other agencies of State Government with services to assist them in meeting their primary goals and objectives. It continues to administer statutorily required controls in a manner that ensures agencies in State Government are operating legally, deriving maximum use of personnel, money and equipment available to them, while providing maximum service to the taxpayer.

The Agency is requesting an increase over Base Level of \$726,629 for FY16 and \$726,788 for FY17:

- \$157,932 in FY16 and \$158,091 in FY17 for reclassification of various positions. DFA positions are now lower than comparable positions in state agencies and have been experiencing turnover in the majority of these positions. One Title Change to properly title a current position; no increase.
- 10 new positions \$596,869 each year; five (5) DFA ERP Analysts; these positions would provide additional coverage in critical areas within AASIS and this will allow for succession training that is vital due to the number of employees eligible for retirement. Two (2) State Systems Analysts; these positions would be on the Quality Assurance team, as the entry-level group to execute test scripts and document results. Two (2) Software Engineers; programmers would be available for development of new functionality for agency AASIS users. These duties are currently completed by existing programmers; however, there is a backlog of requests from several state agencies. One (1) State Systems Specialist; the current AASIS supported platforms are much more complex compared to the initial go-live platform in 2001. Additionally, the ASC requires additional support for security and web-based functions. These positions are listed in the approved IT Plan on file.
- (\$94,706) each year; transferring 1 position to Agency 0630 - DFA Revenue Services. This position will be used in ongoing support for the Arkansas Integrated Revenue System (AIRS).
- Employee Benefits Appropriation 278 shows an additional increase of \$13,345 in operating expenses for 3% ABA rent increase and increases in actuaries costs due to changes in legislation; \$25,000 increase in professional fees to cover rising costs in professional services for assisting in writing technical RFP's for pharmacy and wellness programs. A reallocation of resources reducing personal services matching (\$1,566), overtime (\$6,895) and conference and travel expenses (\$10,000) assists in offsetting the increase in professional fees.
- \$31,650 increase in rent each year for the remainder of Management Services (excludes EBD's increase mentioned above); ABA will implement a three percent (3%) increase to all ABA leases beginning in FY16.
- \$15,000; Professional Fees for an external quality assurance review anticipated for Internal Audit section of DFA.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF FINANCE AND ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2012

Findings

In accordance with Financial Management Guide Regulation R1-19-4-2004, Department of Finance and Administration staff notified DLA of several occurrences at the Conway Revenue Office during fiscal year 2012 and 2013.

- An individual modified purchase prices on bills of sale so that 63 taxpayers could avoid paying sales tax all together or pay tax at a reduced rate. The total sales tax revenue from these 63 transactions totaled \$59,822. All 63 taxpayers were later assessed the appropriate tax due, including penalties and interest.
- On two separate occasions, the change fund was short \$100.
- A deposit was short \$100 when presented to the bank.
- Two out-of-state auto dealership checks totaling \$2,170 were found in an employee's cash drawer without the corresponding documentation. In addition, the daily deposit for that day was \$400 short when presented to the bank.

Failure to review phone bills resulted in the Department of Finance and Administration paying invalid charges of \$1,517. The Agency was billed for three separate non-work related charges on two different bills. The invalid charges began appearing in May 2009 and continued monthly until August 2012 when the charges stopped appearing on the monthly bills.

Recommendations

Continue to monitor this particular Revenue Office and strengthen internal controls at Revenue Offices around the State.

Agency Response:

Upon notification of the fraudulent activity in the Conway office, the Department of Finance and Administration (DFA) contacted the Arkansas State Police to assist the agency in its investigation. DFA found that the procedures and policies used in Revenue Offices throughout the State were intentionally not followed by the Revenue Agent in the Conway Office. This resulted in the immediate dismissal of three individuals. Another person later resigned. Properly trained staff are now in place at the office. The Change fund is now maintained in a secure location and must be accessed by either the Revenue Agent or Assistant Agent only.

\$51,030.48 has been collected to date. Titles are held in suspension, or Writs of Execution have been issued on the amounts not collected to date.

James Smith was sentenced to a total of 178 months supervised probation, 120 days jail time, and a \$2,500 fine.

Review invoices properly to avoid paying invalid charges.

Agency Response:

Accounts payable clerks and supervisors have been trained to detect third party billing on phone bills. This is an unusual situation that appears to only happen on telephone bills. Currently AT&T is defending a class action lawsuit involving these types of charges commonly referred to as "Cramming". OCSE is a party to the class action lawsuit. As of July 31st, credits in the amount of \$111.60 have been received for OCSE's phone bills.

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF FINANCE AND ADMINISTRATION
 FOR THE YEAR ENDED JUNE 30, 2012

Findings

Agency personnel discovered unauthorized fuel charges of \$890 during the period May 20, 2011 and September 23, 2011. Agent William Carman, who was responsible for the charges, resigned from employment and reimbursed the Agency \$884 on September 28, 2011.

Recommendations

Continue to monitor the use of state vehicles.

Agency Response:

The fraudulent actions by Agent Carman were found through the reconciliation process performed each month by staff within the Alcoholic Beverage Control Enforcement Division. Legislative Audit and the Arkansas State Police were notified by letter on October 5, 2011 of this incident as required by Department of Finance and Administration policy. Additional procedures were added to that monthly reconciliation process to strengthen the internal controls. No charges were filed by the prosecuting attorney.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	112	172	284	75 %
Black Employees	18	65	83	22 %
Other Racial Minorities	6	6	12	3 %
Total Minorities			95	25 %
Total Employees			379	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 Budget Instruction Packet	A.C.A. 19-4-607	N	N	200	Assist State Agencies in the preparation of annual operations budgets. Electronic copy available on DFA Website.	0	0.00
Biennial Budget Book	None	N	N	0	Reports detailing appropriation and positions authorized by the General Assembly. Published annually on the DFA Website at the conclusion of the Legislative Session.	0	0.00
Biennial Budget Instruction Packet	A.C.A. 19-4-304	N	N	200	Provide information and assistance to state agencies in the preparation of biennial budget requests. Electronic copy available on DFA Website.	0	0.00
Biennial, Fiscal & Capital Projects Budget Manuals	A.C.A. 19-4-305 - 307	Y	Y	2,972	Compile agency requests and Governor's recommendations for Legislative Council/Joint Budget Committee. Electronic copy available on DFA Website.	2,972	23,391.84
COBRA Packets	None	N	N	0	Federal legislation requires former employees or dependents have insurance benefits after termination of group benefits. Continuing coverage information is provided to individuals. Printed on demand when employee terminates.	0	0.00
Comprehensive Annual Financial Report (CAFR)	A.C.A. 19-5-517	N	N	0	To provide the detailed information of the State's financial status and to ensure proper handling of the taxpayers' money. Published only on DFA Website.	0	0.00
EBD Buzz	None	N	N	252,170	Newsletter to be sent quarterly on insurance updates and information.	504,340	31,428.83

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				
Enrollment Guide for Arkansas Public School Employees	None	N	N	0	The enrollment guide provides information regarding open enrollment, rates and benefit changes. Electronic copy available on DFA website.	0	0.00
Enrollment Guide for Arkansas State and Public School Retired Employees	None	N	N	0	Enrollment guide provides information regarding open enrollment, rates and benefit changes. Electronic copy available on DFA website.	0	0.00
Enrollment Guide for Arkansas State Employees	None	N	N	0	The enrollment guide provides information regarding open enrollment, rates and benefit changes. Electronic copy available on DFA website.	0	0.00
Facts about the Arkansas State Budget	None	N	N	150	Informational brochure for the public. Electronic copy available on DFA Website.	0	0.00
Summary Plan Description	None	N	N	0	The Department of Labor requires that a summary of the plan be available to all employees. The summary plan description describes insurance benefits for the State and Public School Employees enrolled in the plan. Electronic copy available on DFA website.	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1DF Victims of Crime Justice Assistance - Federal	6,761,844	8	13,898,725	8	13,891,771	8	13,799,780	8	13,799,780	8	13,799,780	8	13,799,903	8	13,799,903	8	13,799,903	8
1GA Purchase / Corporate Travel Card Program	1,722,210	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
251 Dept of Justice Non-Victim Assistance Grants - S	527,430	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
252 Dept of Justice Non-Victim Assistance Grants - F	3,962,462	6	9,926,852	6	9,851,165	6	9,929,484	6	9,929,484	6	9,929,484	6	9,929,484	6	9,929,484	6	9,929,484	6
272 DFA Management Services - Operations	25,059,649	351	27,418,374	367	27,769,201	367	27,534,675	367	28,192,102	376	29,179,615	383	27,549,969	367	28,207,420	376	29,195,055	383
274 Marketing and Redistribution	789,959	16	1,387,718	17	1,377,149	17	1,296,454	17	1,300,154	17	1,300,154	17	1,297,313	17	1,301,013	17	1,301,013	17
278 Employee Benefits Division	2,760,919	31	3,034,921	37	2,969,953	37	3,055,129	37	3,113,290	37	3,113,290	37	3,056,601	37	3,114,897	37	3,114,897	37
279 Information Technology	29,681,221	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	28,658,302	0	30,000,000	0	30,000,000	0	28,658,180	0
2HG Personnel Management - Employee Awards	0	0	32,280	0	32,280	0	32,280	0	32,280	0	32,280	0	32,280	0	32,280	0	32,280	0
34Z Victims of Crime Justice Assistance - State	0	0	359,196	0	359,196	0	359,196	0	359,196	0	359,196	0	359,196	0	359,196	0	359,196	0
574 Statewide Payroll Paying	0	0	2,100,000,000	0	2,100,000,000	0	2,100,000,000	0	2,100,000,000	0	2,100,000,000	0	2,100,000,000	0	2,100,000,000	0	2,100,000,000	0
83Q IT Projects - Federal	0	0	2,406,608	0	2,406,608	0	2,406,608	0	2,406,608	0	2,406,608	0	2,406,608	0	2,406,608	0	2,406,608	0
907 DFA Management Services - Miscellaneous Cash	1,009,924	10	2,876,589	10	2,705,569	10	2,595,721	10	2,603,062	10	2,603,062	10	2,596,457	10	2,603,798	10	2,603,798	10
Total	72,275,618	422	2,196,341,263	445	2,196,362,892	445	2,196,009,327	445	2,196,735,956	454	2,196,381,771	461	2,196,027,811	445	2,196,754,599	454	2,196,400,414	461

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	3,623,585	4.8	2,712,521	0.1	1,809,025	0.1	1,809,025	0.1	1,809,025	0.1	2,105,809	0.1	2,105,809	0.1	2,105,809	0.1	
General Revenue	4000010	629,362	0.8	1,359,196	0.1	1,359,196	0.1	1,359,196	0.1	1,159,196	0.1	1,359,196	0.1	1,359,196	0.1	1,159,196	0.1	
Federal Revenue	4000020	10,724,306	14.3	26,232,185	1.2	26,135,872	1.2	26,135,872	1.2	26,135,872	1.2	26,135,995	1.2	26,135,995	1.2	26,135,995	1.2	
State Central Services	4000035	57,484,690	76.7	60,485,575	2.8	60,622,084	2.8	61,337,672	2.8	60,983,487	2.8	60,638,850	2.8	61,354,597	2.8	61,000,412	2.8	
Non-Revenue Receipts	4000040	4,443,553	5.9	5,360,811	0.2	5,696,300	0.3	5,700,000	0.3	5,700,000	0.3	5,996,300	0.3	6,000,000	0.3	6,000,000	0.3	
Cash Fund	4000045	571,455	0.8	2,000,000	0.1	2,492,659	0.1	2,500,000	0.1	2,500,000	0.1	2,492,659	0.1	2,500,000	0.1	2,500,000	0.1	
Agency Payroll Paying Accounts	4000085	0	0.0	2,100,000,000	95.5	2,100,000,000	95.5	2,100,000,000	95.5	2,100,000,000	95.5	2,100,000,000	95.5	2,100,000,000	95.5	2,100,000,000	95.5	
Interest	4000300	18,486	0.0	0	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	(594,398)	(0.8)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Intra-agency Fund Transfer	4000317	400,000	0.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
M & R Sales	4000340	17,099	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Transfer to DFA Disbursing	4000610	(2,329,999)	(3.1)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Total Funds		74,988,139	100.0	2,198,150,288	100.0	2,198,115,136	100.0	2,198,841,765	100.0	2,198,287,580	100.0	2,198,728,809	100.0	2,199,455,597	100.0	2,198,901,412	100.0	
Excess Appropriation/(Funding)		(2,712,521)		(1,809,025)		(2,105,809)		(2,105,809)		(1,905,809)		(2,700,998)		(2,700,998)		(2,500,998)		
Grand Total		72,275,618		2,196,341,263		2,196,009,327		2,196,735,956		2,196,381,771		2,196,027,811		2,196,754,599		2,196,400,414		

FY15 Budget amounts exceed the Authorized amount in Funds Centers 1DF, 252, 274 and 278 due to salary and matching rate adjustments during the 2013-2015 Biennium.

FY15 Budget amount exceeds the Authorized amount in Funds Center 278 due to a Supplemental Appropriation (Act 202 of 2014).

FY15 Budget amount exceeds the Authorized amount in Funds Center 907 due to a transfer from the Cash Fund Holding Account.

Variance in Fund Balance is due to unfunded appropriation in (34Z) Victims and Crime Justice Assistance - State.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
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	
453	375	72	447	6	17.22 %	445	390	55	445	0	12.36 %	445	385	60	445	0	13.48 %

Analysis of Budget Request

Appropriation: 1DF - Victims of Crime Justice Assistance - Federal

Funding Sources: FVD - Victims of Crime Justice Assistance

This federally funded appropriation for the Victims of Crime Justice Assistance Program includes salary, operating expenses and the administration of federal funds received through the Victims of Crime Act (VOCA), STOP Violence Against Women and Family Violence Prevention and the Family Violence Prevention and Services Act (FVPSA). The program provides for statewide violence prevention activities.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency is requesting Base Level of \$13,799,780 for FY16 and \$13,799,903 for FY17.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1DF - Victims of Crime Justice Assistance - Federal

Funding Sources: FVD - Victims of Crime Justice Assistance

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	272,674	375,420	368,466	296,677	296,677	296,677	296,777	296,777	296,777
#Positions		8	8	8	8	8	8	8	8	8
Extra Help	5010001	0	6,272	6,272	6,272	6,272	6,272	6,272	6,272	6,272
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	91,512	129,189	129,189	108,987	108,987	108,987	109,010	109,010	109,010
Overtime	5010006	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Operating Expenses	5020002	34,025	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Conference & Travel Expenses	5050009	5,499	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Professional Fees	5060010	0	74,219	74,219	74,219	74,219	74,219	74,219	74,219	74,219
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	6,310,076	13,100,000	13,100,000	13,100,000	13,100,000	13,100,000	13,100,000	13,100,000	13,100,000
Refunds/Reimbursements	5110014	48,058	78,125	78,125	78,125	78,125	78,125	78,125	78,125	78,125
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		6,761,844	13,898,725	13,891,771	13,799,780	13,799,780	13,799,780	13,799,903	13,799,903	13,799,903
Funding Sources										
Federal Revenue	4000020	6,761,844	13,898,725		13,799,780	13,799,780	13,799,780	13,799,903	13,799,903	13,799,903
Total Funding		6,761,844	13,898,725		13,799,780	13,799,780	13,799,780	13,799,903	13,799,903	13,799,903
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		6,761,844	13,898,725		13,799,780	13,799,780	13,799,780	13,799,903	13,799,903	13,799,903

FY15 Budget amount in Regular Salaries exceeds the authorized amount due to salary rate adjustments during the 2013-2015 Biennium.

Analysis of Budget Request

Appropriation: 1GA - Purchase / Corporate Travel Card Program

Funding Sources: MPC - Purchase & Travel Card Program Fund

This appropriation is funded by a miscellaneous revolving fund and is used for rebates from vendor banks, distribution to participating agencies and for operating expenses connected with the administration of the Purchase and Corporate Travel Card Program.

Arkansas Agency Travel Card Program

The Department of Finance and Administration (DFA) - Office of State Procurement (OSP), State Agencies and Institutions of Higher Education have developed and implemented the Arkansas Agency Travel Card Program for employees that have valid business related travel expenses. The Office of State Procurement has responsibility for the development of policy and procedures. Agencies and Higher Education Institutions are responsible for the development of procedures consistent with State policies implementing the program.

Card holders use the card for any authorized travel related expense at any establishment or merchant that accepts the VISA card. The Arkansas Travel Regulations govern most aspects of the State Travel Card Program.

Arkansas Purchasing Card Program

The State of Arkansas and participating organizations have implemented the Arkansas Purchasing Card Program (P-Card) with US Bank VISA Purchasing Card to simplify, streamline, and facilitate the purchase and payment process.

The P-Card is a fast, flexible purchasing tool offering an enhancement to the existing purchasing processes and provides an extremely efficient and effective method for purchasing and paying for supplies with a total maximum per cycle limit that will be determined on an individual basis. The default maximum charges per individual card holder are \$2,000 per cycle. The P-Card is to be used only for official business purchases for the State of Arkansas. Any attempt to use the P-Card for a purchase in excess of the set card limit will result in the purchase being rejected by the bank and the vendor.

The Agency is requesting Base Level of \$4,000,000 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1GA - Purchase / Corporate Travel Card Program

Funding Sources: MPC - Purchase & Travel Card Program Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Refunds/Reimbursements	5110014	1,722,210	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total		1,722,210	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Funding Sources										
Fund Balance	4000005	1,249,099	139,189		0	0	0	0	0	0
Non-Revenue Receipts	4000040	1,104,766	3,860,811		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Inter-agency Fund Transfer	4000316	(492,466)	0		0	0	0	0	0	0
Total Funding		1,861,399	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Excess Appropriation/(Funding)		(139,189)	0		0	0	0	0	0	0
Grand Total		1,722,210	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

Inter-Agency Transfers - Rebates to Agencies

Analysis of Budget Request

Appropriation: 251 - Dept of Justice Non-Victim Assistance Grants - State

Funding Sources: HUA - Miscellaneous Agencies Fund

This general revenue funded appropriation provides city and county governments and state agencies with matching funds to implement programs authorized under the Federal Drug Law Enforcement Program. This appropriation provides matching funds to the sub-grantees of the Federal Law Enforcement Block Grant, Violent Offender, and Substance Abuse Treatment Programs.

The Agency is requesting Base Level of \$1,000,000 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request

Appropriation Summary

Appropriation: 251 - Dept of Justice Non-Victim Assistance Grants - State

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	527,430	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total		527,430	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Funding Sources										
General Revenue	4000010	629,362	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Inter-agency Fund Transfer	4000316	(101,932)	0		0	0	0	0	0	0
Total Funding		527,430	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		527,430	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Inter-agency fund transfers to Community Corrections & Corrections

Analysis of Budget Request

Appropriation: 252 - Dept of Justice Non-Victim Assistance Grants - Federal

Funding Sources: FIG - DFA Federal Funds

Department of Finance and Administration - Intergovernmental Services is responsible for the management of a federal grant program that supports improvements in the State's criminal justice system. This grant program provides funds to cities and counties, prosecuting attorneys, state courts and state agencies. Grant programs operated through Intergovernmental Services include the Edward Byrne Memorial Drug Law Enforcement Program (DLEP) for narcotics enforcement and violent crime control.

This grant program has varying eligibility requirements, and a twenty-five percent match requirement. Grant funds are made available for application after the State receives notification of a state level grant award. All federal grant funds are made available through the U. S. Department of Justice.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency is requesting Base Level of \$9,929,484 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request

Appropriation Summary

Appropriation: 252 - Dept of Justice Non-Victim Assistance Grants - Federal

Funding Sources: FIG - DFA Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	223,369	261,415	206,704	262,809	262,809	262,809	262,809	262,809	262,809
#Positions		6	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	75,473	88,808	67,832	90,046	90,046	90,046	90,046	90,046	90,046
Operating Expenses	5020002	18,720	168,129	168,129	168,129	168,129	168,129	168,129	168,129	168,129
Conference & Travel Expenses	5050009	361	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Professional Fees	5060010	0	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	3,627,031	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Refunds/Reimbursements	5110014	17,508	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		3,962,462	9,926,852	9,851,165	9,929,484	9,929,484	9,929,484	9,929,484	9,929,484	9,929,484
Funding Sources										
Federal Revenue	4000020	3,962,462	9,926,852		9,929,484	9,929,484	9,929,484	9,929,484	9,929,484	9,929,484
Total Funding		3,962,462	9,926,852		9,929,484	9,929,484	9,929,484	9,929,484	9,929,484	9,929,484
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,962,462	9,926,852		9,929,484	9,929,484	9,929,484	9,929,484	9,929,484	9,929,484

FY14 Actual and FY15 Budget amounts in Regular Salaries and Personal Services Matching exceed the authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

Analysis of Budget Request

Appropriation: 272 - DFA Management Services - Operations

Funding Sources: HSC - State Central Services

This State Central Services funded appropriation provides for operations of the Management Services Division of the Department of Finance and Administration. The Management Services Division provides state agencies with assistance in accounting, budgeting, personnel, purchasing, and administering statutorily required controls. The Division includes the Office of the Director, Economic Analysis and Tax Research, Office of Administrative Services, Office of Accounting, Office of Budget, Office of Personnel Management, Office of State Procurement, Office of Internal Audit, Office of Information Systems, Office of Intergovernmental Services and the Criminal Detention Facilities Coordinator.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

Base Level for the biennium is \$27,534,675 in FY16 and \$27,549,969 for FY17.

The Agency's Change Level request of \$657,427 in FY16 and \$657,451 in FY17 reflects the following:

- Regular Salaries and Personal Service Matching of \$610,777 in FY16 and \$610,801 FY17 to include ten (10) new technology positions which include five (5) DFA ERP Analysts; two (2) State System Analysts; two (2) Software Engineers; and one (1) State Systems Specialist. The transferring of one (1) position to DFA - Revenue Services and the reclassification and/or upgrade of various positions due to DFA positions now lower in classification/grade than comparable positions in other state agencies and experiencing higher turnover rates in a majority of these positions.
- Operating Expenses of \$31,650 each year to cover an ABA 3% rent increase.
- Professional Fees of \$15,000 to cover an external quality assurance review for DFA Internal Audit section.

In addition to Base Level, the Executive Recommendation provides for increases totaling \$1,644,900 in FY16 and \$1,657,086 FY17 with the following:

- Regular Salaries and Personal Service Matching in the amount of \$1,598,250 in FY16 and \$1,610,436 in FY17.
 - Four (4) new technology positions.

- Thirteen (13) transferred positions from the Department of Information Systems to the Department of Finance and Administration - Office of Information Services to transfer support of internal administration of the AASIS Service Center. There will be an equivalent reduction in Appropriation 279 - Information Technology, AASIS Billings line item.
- One (1) position transfer to DFA - Revenue Services.
- Reclassification and/or upgrade of various positions due to DFA positions now lower in classification/grade than comparable positions in other state agencies and experiencing higher turnover rates in a majority of these positions.
- Operating Expenses of \$31,650 each year to cover an ABA 3% rent increase.
- Professional Fees of \$15,000 to cover an external quality assurance review for DFA Internal Audit section.

Appropriation Summary

Appropriation: 272 - DFA Management Services - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	17,255,059	18,455,423	18,836,063	18,509,271	18,968,936	19,745,105	18,521,271	18,980,936	19,757,205
#Positions		351	367	367	367	376	383	367	376	383
Extra Help	5010001	3,270	41,512	41,512	41,512	41,512	41,512	41,512	41,512	41,512
#Extra Help		1	20	20	20	20	20	20	20	20
Personal Services Matching	5010003	5,709,498	5,991,297	5,961,484	6,053,750	6,204,862	6,416,206	6,057,044	6,208,180	6,419,546
Overtime	5010006	35	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Operating Expenses	5020002	1,887,261	2,537,543	2,537,543	2,537,543	2,569,193	2,569,193	2,537,543	2,569,193	2,569,193
Conference & Travel Expenses	5050009	156,122	377,599	377,599	377,599	377,599	377,599	377,599	377,599	377,599
Professional Fees	5060010	9,141	10,000	10,000	10,000	25,000	25,000	10,000	25,000	25,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	39,263	0	0	0	0	0	0	0	0
Total		25,059,649	27,418,374	27,769,201	27,534,675	28,192,102	29,179,615	27,549,969	28,207,420	29,195,055

Funding Sources										
State Central Services	4000035	25,054,170	27,418,374		27,534,675	28,192,102	29,179,615	27,549,969	28,207,420	29,195,055
M & R Sales	4000340	5,479	0		0	0	0	0	0	0
Total Funding		25,059,649	27,418,374		27,534,675	28,192,102	29,179,615	27,549,969	28,207,420	29,195,055
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		25,059,649	27,418,374		27,534,675	28,192,102	29,179,615	27,549,969	28,207,420	29,195,055

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

Appropriation: 272 - DFA Management Services - Operations
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	27,534,675	367	27,534,675	100.0	27,549,969	367	27,549,969	100.0
C01	Existing Program	46,650	0	27,581,325	100.2	46,650	0	27,596,619	100.2
C07	Agency Transfer	(94,706)	(1)	27,486,619	99.8	(94,706)	(1)	27,501,913	99.8
C08	Technology	596,869	10	28,083,488	102.0	596,869	10	28,098,782	102.0
C10	Reclass	104,861	0	28,188,349	102.4	104,885	0	28,203,667	102.4
C11	Upgrade/Downgrade	3,753	0	28,192,102	102.4	3,753	0	28,207,420	102.4
C14	Title Change	0	0	28,192,102	102.4	0	0	28,207,420	102.4

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	27,534,675	367	27,534,675	100.0	27,549,969	367	27,549,969	100.0
C01	Existing Program	46,650	0	27,581,325	100.2	46,650	0	27,596,619	100.2
C07	Agency Transfer	1,246,992	12	28,828,317	104.7	1,247,114	12	28,843,733	104.7
C08	Technology	242,888	4	29,071,205	105.6	242,888	4	29,086,621	105.6
C10	Reclass	104,861	0	29,176,066	106.0	104,885	0	29,191,506	106.0
C11	Upgrade/Downgrade	3,549	0	29,179,615	106.0	3,549	0	29,195,055	106.0
C14	Title Change	0	0	29,179,615	106.0	0	0	29,195,055	106.0

Justification

C01	\$31,650; ABA will implement a three percent (3%) increase to all ABA leases beginning in FY16. \$15,000; Professional Fees for an external quality assurance reviews anticipated for DFA Internal Audit.
C07	Transferring 1 position to Agency 0630 - DFA Revenue Services. This position will be used in ongoing support for the Arkansas Integrated Revenue System (AIRS). Transfer of 13 positions to DFA from DIS \$1,1341,698 FY16 and \$1,341,730 FY17. Equal reduction was taken in Appropriation 279 AASIS billings where DIS previously billed DFA for the labor costs.
C08	Five (5) DFA ERP Analysts; these positions would provide additional coverage in critical areas within AASIS and this will allow for succession training that is vital due to the number of employees eligible for retirement. Two (2) State Systems Analysts; these positions would be on the Quality Assurance team, as the entry-level group to execute test scripts and document results. Two (2) Software Engineers; programmers would be available for development of new functionality for agency AASIS users. These duties are currently completed by existing programmers; however, there is a backlog of requests from several state agencies. One (1) State Systems Specialist; the current AASIS supported platforms are much more complex compared to the initial go-live platform in 2001. Additionally, the ASC requires additional support for security and web-based functions. These positions are listed in the approved IT Plan on file.
C10	Reclassifications due to several DFA positions now lower than comparable positions in state agencies and experiencing higher turnover rates in the majority of these positions.
C11	Reclassifications due to several DFA positions now lower than comparable positions in state agencies and experiencing higher turnover rates in the majority of these positions.
C14	To properly title a current position; no increase.

Analysis of Budget Request

Appropriation: 274 - Marketing and Redistribution

Funding Sources: MPH - Property Sales Holding Fund

This appropriation provides for operation of the Department of Finance and Administration - Management Services Division - Marketing and Redistribution (M&R) Program. State agencies are required to dispose of furnishings, equipment, vehicles and other inventory items through M&R. State and public agencies have first option to purchase these items. Funding for this service is provided via fees charged for goods and services offered through the M&R Warehouse.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Base Level for the biennium is \$1,296,454 in FY16 and \$1,297,313 for FY17.

The Agency's Change Level request of \$3,700 each year in Regular Salaries and Personal Services Matching is to reclassify four (4) Administrative Specialists II to DFA Service Representatives to properly align with current job responsibilities and duties.

The Executive Recommendation provides for the Agency Request

Appropriation Summary

Appropriation: 274 - Marketing and Redistribution

Funding Sources: MPH - Property Sales Holding Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	492,155	525,821	519,751	531,148	533,997	533,997	531,848	534,697	534,697
#Positions		16	17	17	17	17	17	17	17	17
Extra Help	5010001	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	190,680	203,292	198,793	206,701	207,552	207,552	206,860	207,711	207,711
Operating Expenses	5020002	107,028	528,605	528,605	528,605	528,605	528,605	528,605	528,605	528,605
Conference & Travel Expenses	5050009	96	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Professional Fees	5060010	0	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	100,000	100,000	0	0	0	0	0	0
Total		789,959	1,387,718	1,377,149	1,296,454	1,300,154	1,300,154	1,297,313	1,301,013	1,301,013

Funding Sources										
Fund Balance	4000005	980,174	1,199,003		1,311,285	1,311,285	1,311,285	1,711,131	1,711,131	1,711,131
Non-Revenue Receipts	4000040	3,338,787	1,500,000		1,696,300	1,700,000	1,700,000	1,996,300	2,000,000	2,000,000
Transfer to DFA Disbursing	4000610	(2,329,999)	0		0	0	0	0	0	0
Total Funding		1,988,962	2,699,003		3,007,585	3,011,285	3,011,285	3,707,431	3,711,131	3,711,131
Excess Appropriation/(Funding)		(1,199,003)	(1,311,285)		(1,711,131)	(1,711,131)	(1,711,131)	(2,410,118)	(2,410,118)	(2,410,118)
Grand Total		789,959	1,387,718		1,296,454	1,300,154	1,300,154	1,297,313	1,301,013	1,301,013

FY15 Budget amounts in Regular Salaries and Personal Services Matching exceed the authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

Appropriation: 274 - Marketing and Redistribution
Funding Sources: MPH - Property Sales Holding Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,296,454	17	1,296,454	100.0	1,297,313	17	1,297,313	100.0
C10	Reclass	3,700	0	1,300,154	100.3	3,700	0	1,301,013	100.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,296,454	17	1,296,454	100.0	1,297,313	17	1,297,313	100.0
C10	Reclass	3,700	0	1,300,154	100.3	3,700	0	1,301,013	100.3

Justification

C10	To properly reclassify four positions to current job responsibilities.
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Analysis of Budget Request

Appropriation: 278 - Employee Benefits Division

Funding Sources: HSC - State Central Services

The Department of Finance and Administration - Employees Benefit Division (EBD) manages the group health and life programs, other select benefit programs for active and retired state and public school employees, and builds quality programs that operate in an efficient manner to ensure responsive customer service, promote product education, affordability and accessibility.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Base Level for the biennium is \$3,055,129 in FY16 and \$3,056,601 for FY17.

The Agency's Change Level request of \$58,161 in FY16 and \$58,296 in FY17 reflects the following:

- Regular Salaries and Personal Services Matching of \$38,277 in FY16 and \$38,412 FY17 to reclassify seven (7) positions and upgrade sixteen (16) positions due to DFA positions now lower in classification/grade than comparable positions in other state agencies and experiencing higher turnover rates in a majority of these positions.
- Operating Expenses of \$13,345 each year which includes increase in rent in the amount of \$6,450 (3% ABA increase) and increase in actuaries costs of \$6,895 due to changes in legislation.
- Professional Fees of \$25,000 each year to cover the rising costs in professional services for assisting in writing technical RFP's for pharmacy and wellness programs. The following corresponding reallocations of resources assist in offsetting this increase to a net \$6,539 increase:
 - Overtime and Personal Services Matching reduction of (\$8,461) each year.
 - Conference and Travel Expenses reduction of (\$10,000) each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 278 - Employee Benefits Division

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,136,281	1,368,396	1,329,988	1,380,909	1,411,510	1,411,510	1,382,109	1,412,710	1,412,710
#Positions		31	37	37	37	37	37	37	37	37
Personal Services Matching	5010003	439,529	494,714	468,154	502,409	508,519	508,519	502,681	508,926	508,926
Overtime	5010006	7	11,895	11,895	11,895	5,000	5,000	11,895	5,000	5,000
Operating Expenses	5020002	1,158,382	1,116,827	1,116,827	1,116,827	1,130,172	1,130,172	1,116,827	1,130,172	1,130,172
Conference & Travel Expenses	5050009	1,720	14,000	14,000	14,000	4,000	4,000	14,000	4,000	4,000
Professional Fees	5060010	25,000	29,089	29,089	29,089	54,089	54,089	29,089	54,089	54,089
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,760,919	3,034,921	2,969,953	3,055,129	3,113,290	3,113,290	3,056,601	3,114,897	3,114,897
Funding Sources										
State Central Services	4000035	2,760,877	3,034,921		3,055,129	3,113,290	3,113,290	3,056,601	3,114,897	3,114,897
M & R Sales	4000340	42	0		0	0	0	0	0	0
Total Funding		2,760,919	3,034,921		3,055,129	3,113,290	3,113,290	3,056,601	3,114,897	3,114,897
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,760,919	3,034,921		3,055,129	3,113,290	3,113,290	3,056,601	3,114,897	3,114,897

FY15 Budget amounts in Regular Salaries and Personal Services Matching exceed the authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

Appropriation: 278 - Employee Benefits Division
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	3,055,129	37	3,055,129	100.0	3,056,601	37	3,056,601	100.0
C01	Existing Program	19,884	0	3,075,013	100.7	19,884	0	3,076,485	100.7
C04	Reallocation	0	0	3,075,013	100.7	0	0	3,076,485	100.7
C10	Reclass	217	0	3,075,230	100.7	217	0	3,076,702	100.7
C11	Upgrade/Downgrade	38,060	0	3,113,290	101.9	38,195	0	3,114,897	101.9

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	3,055,129	37	3,055,129	100.0	3,056,601	37	3,056,601	100.0
C01	Existing Program	19,884	0	3,075,013	100.7	19,884	0	3,076,485	100.7
C04	Reallocation	0	0	3,075,013	100.7	0	0	3,076,485	100.7
C10	Reclass	217	0	3,075,230	100.7	217	0	3,076,702	100.7
C11	Upgrade/Downgrade	38,060	0	3,113,290	101.9	38,195	0	3,114,897	101.9

Justification

C01	Additional increase of \$13,434 in Operating Expenses for 3% ABA rent increase and increases in actuaries costs due to changes in legislation; \$25,000 increase in Professional Fees to cover rising costs in professional services for assisting in writing technical RFP's for pharmacy and wellness programs.
C04	A reallocation of resources reducing Overtime and Personal Services Matching (\$8,461) and Conference and Travel Expenses (\$10,000) assists in offsetting the increase in Professional Fees.
C10	Reclassifications due to several DFA positions now lower than comparable positions in state agencies and the experiencing higher turnover rates in the majority of these positions.
C11	Reclassifications due to several DFA positions now lower than comparable positions in state agencies and the experiencing higher turnover rates in the majority of these positions.

Analysis of Budget Request

Appropriation: 279 - Information Technology

Funding Sources: HSC - State Central Services

The Department of Finance and Administration (DFA) - Office of Information Technology facilitates a more effective and efficient management of the Department's information technology assets. Funded from State Central Services, this appropriation provides for data processing, development, implementation, enhancement, and operation of automated systems within the Department of Finance and Administration. The AASIS Billings line item represents Department of Information Systems bills and related expenses for the AASIS Service Center.

The Agency is requesting Base Level of \$30,000,000 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request. In addition, with the transfer of 13 positions from the Department of Information Services to DFA - Office of Information Services (Appropriation 272), the AASIS Billings line item is reduced by \$1,341,698 in FY16 and \$1,341,820 in FY17 which was previously billed by DIS to DFA.

Appropriation Summary

Appropriation: 279 - Information Technology

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2015-2016			2016-2017		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Information Technology Services 5900044	23,181,227	23,500,000	23,500,000	23,500,000	23,500,000	23,500,000	23,500,000	23,500,000	23,500,000
AASIS Billings 5900046	6,499,994	6,500,000	6,500,000	6,500,000	6,500,000	5,158,302	6,500,000	6,500,000	5,158,180
Total	29,681,221	30,000,000	30,000,000	30,000,000	30,000,000	28,658,302	30,000,000	30,000,000	28,658,180
Funding Sources									
State Central Services 4000035	29,669,643	30,000,000		30,000,000	30,000,000	28,658,302	30,000,000	30,000,000	28,658,180
M & R Sales 4000340	11,578	0		0	0	0	0	0	0
Total Funding	29,681,221	30,000,000		30,000,000	30,000,000	28,658,302	30,000,000	30,000,000	28,658,180
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	29,681,221	30,000,000		30,000,000	30,000,000	28,658,302	30,000,000	30,000,000	28,658,180

Change Level by Appropriation

Appropriation: 279 - Information Technology
Funding Sources: HSC - State Central Services

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	30,000,000	0	30,000,000	100.0	30,000,000	0	30,000,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	30,000,000	0	30,000,000	100.0	30,000,000	0	30,000,000	100.0
C07	Agency Transfer	(1,341,698)	0	28,658,302	95.5	(1,341,820)	0	28,658,180	95.5

Justification

C07	Reduction in DIS AASIS Billings for 13 positions transferred from DIS to DFA appropriation 272 Operations. DIS billings for labor costs were previously paid from this line item.								
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Analysis of Budget Request

Appropriation: 2HG - Personnel Management - Employee Awards

Funding Sources: HSC - State Central Services

This appropriation provides authority for payment of awards made through the Arkansas Employee Suggestion System (A.C.A. §21-11-101 et seq.). Through this program, state employees are encouraged to submit cost saving ideas for State Government. Employees eligible to participate in the Employee Suggestion System Program are those who are full-time state employees of all departments, agencies, institutions, boards, commissions or other agencies of the State supported by state and/or federal funds.

Up to \$5,000 in cash awards is given for suggestions that provide tangible monetary savings. Awards are paid in an amount equal to 10% of the first year's estimated net cost savings. There is a maximum award possible for tangible savings of \$5,000 and a Certificate of Recognition. Certificates are given for suggestions providing intangible benefits such as more efficient procedures and forms and improved employee morale, employee health or safety. Awards for intangible savings range from a Certificate of Recognition to \$100.

Funds disbursed for awards from the State Central Services Fund are reimbursed from funds of the benefiting Agency.

The Agency is requesting Base Level of \$32,280 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2HG - Personnel Management - Employee Awards

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	4,951	4,951	4,951	4,951	4,951	4,951	4,951	4,951
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Employee Awards	5900046	0	27,329	27,329	27,329	27,329	27,329	27,329	27,329	27,329
Total		0	32,280	32,280	32,280	32,280	32,280	32,280	32,280	32,280
Funding Sources										
State Central Services	4000035	0	32,280		32,280	32,280	32,280	32,280	32,280	32,280
Total Funding		0	32,280		32,280	32,280	32,280	32,280	32,280	32,280
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	32,280		32,280	32,280	32,280	32,280	32,280	32,280

Analysis of Budget Request

Appropriation: 34Z - Victims of Crime Justice Assistance - State

Funding Sources: HUA - Miscellaneous Agencies Fund

This general revenue funded appropriation provides the state match for the Victims of Crime Justice Assistance Program which receives federal funds through the Victims of Crime Act (VOCA), STOP Violence Against Women and Family Violence Prevention and the Family Violence Prevention and Services Act (FVPSA). The program provides for statewide violence prevention activities.

This appropriation provides for the required State match obligation for corresponding federal appropriation (1DF), also administered by DFA Management Services.

The Agency is requesting Base Level of \$359,196 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request for appropriation with a reduction of Base Level general revenue of (\$200,000) each year of the Biennium.

Appropriation Summary

Appropriation: 34Z - Victims of Crime Justice Assistance - State

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	359,196	359,196	359,196	359,196	359,196	359,196	359,196	359,196
Total	0	359,196	359,196	359,196	359,196	359,196	359,196	359,196	359,196
Funding Sources									
General Revenue 4000010	0	359,196		359,196	359,196	159,196	359,196	359,196	159,196
Total Funding	0	359,196		359,196	359,196	159,196	359,196	359,196	159,196
Excess Appropriation/(Funding)	0	0		0	0	200,000	0	0	200,000
Grand Total	0	359,196		359,196	359,196	359,196	359,196	359,196	359,196

Analysis of Budget Request

Appropriation: 574 - Statewide Payroll Paying

Funding Sources: PAY - State Payroll Fund

This appropriation provides the authority for disbursement of personal services of the various state agencies as a result of the consolidation to one federal identification number for all state agencies in the State of Arkansas. Actual expenditures are reflected at the individual agency level.

The Agency is requesting Base Level of \$2,100,000,000 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request

Appropriation Summary

Appropriation: 574 - Statewide Payroll Paying

Funding Sources: PAY - State Payroll Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2015-2016			2016-2017		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Statewide Payroll Paying 5900046	0	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Total	0	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Funding Sources									
Agency Payroll Paying Accounts 4000085	0	2,100,000,000		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Total Funding	0	2,100,000,000		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	2,100,000,000		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000

Analysis of Budget Request

Appropriation: 83Q - IT Projects – Federal

Funding Sources: FOI - IT Projects Federal Funds

This federally funded appropriation provides appropriation to the Department of Finance and Administration (DFA) - Office of Information Technology (OIT) to facilitate a more effective and efficient management of the Department's federally funded information technology projects. Current projects include the State of Arkansas's ability to improve the security and integrity of driver's license and identification card issuance processes to include information technology system, facilities, source document verification and the required security protections of individual's personal identification information.

The Agency is requesting Base Level of \$2,406,608 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request

Appropriation Summary

Appropriation: 83Q - IT Projects – Federal

Funding Sources: FOI - IT Projects Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Info Tech Services & Equipment 5900046	0	2,406,608	2,406,608	2,406,608	2,406,608	2,406,608	2,406,608	2,406,608	2,406,608
Total	0	2,406,608	2,406,608	2,406,608	2,406,608	2,406,608	2,406,608	2,406,608	2,406,608
Funding Sources									
Federal Revenue 4000020	0	2,406,608		2,406,608	2,406,608	2,406,608	2,406,608	2,406,608	2,406,608
Total Funding	0	2,406,608		2,406,608	2,406,608	2,406,608	2,406,608	2,406,608	2,406,608
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	2,406,608		2,406,608	2,406,608	2,406,608	2,406,608	2,406,608	2,406,608

Analysis of Budget Request

Appropriation: 907 - DFA Management Services - Miscellaneous Cash

Funding Sources: NFA - DFA Miscellaneous Paying - Cash in Treasury

This appropriation is used to provide spending authority for various activities such as the DFA Office of Personnel Management - Inter-Agency Training Program, DFA Office of State Procurement seminars, vendor fees and rebates, and DFA - Employee Benefits Division. The source of funding for this appropriation is registration fees collected from participants attending training sessions, seminars, payment of vendor fees, and other miscellaneous reimbursements and revenues.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Base Level for the biennium is \$2,595,721 in FY16 and \$2,596,457 for FY17.

The Agency's Change Level request of \$7,341 each year in Regular Salaries and Personal Services Matching is to reclassify one (1) Benefits Analyst and to upgrade (3) DFA EBD Benefit Specialists due to DFA positions now lower in classification/grade than comparable positions in other state agencies and experiencing higher turnover rates in a majority of these positions.

The Executive Recommendation provides for the Agency Request

Appropriation Summary

Appropriation: 907 - DFA Management Services - Miscellaneous Cash

Funding Sources: NFA - DFA Miscellaneous Paying - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	302,095	468,427	523,340	442,179	448,032	448,032	442,779	448,632	448,632
#Positions		10	10	10	10	10	10	10	10	10
Personal Services Matching	5010003	137,549	155,440	179,507	150,820	152,308	152,308	150,956	152,444	152,444
Operating Expenses	5020002	79,636	888,222	888,222	888,222	888,222	888,222	888,222	888,222	888,222
Conference & Travel Expenses	5050009	3,196	71,800	71,800	71,800	71,800	71,800	71,800	71,800	71,800
Professional Fees	5060010	220,000	275,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	267,448	1,017,700	1,017,700	1,017,700	1,017,700	1,017,700	1,017,700	1,017,700	1,017,700
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,009,924	2,876,589	2,705,569	2,595,721	2,603,062	2,603,062	2,596,457	2,603,798	2,603,798

Funding Sources										
Fund Balance	4000005	1,394,312	1,374,329		497,740	497,740	497,740	394,678	394,678	394,678
Cash Fund	4000045	571,455	2,000,000		2,492,659	2,500,000	2,500,000	2,492,659	2,500,000	2,500,000
Interest	4000300	18,486	0		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	400,000	0		0	0	0	0	0	0
Total Funding		2,384,253	3,374,329		2,990,399	2,997,740	2,997,740	2,887,337	2,894,678	2,894,678
Excess Appropriation/(Funding)		(1,374,329)	(497,740)		(394,678)	(394,678)	(394,678)	(290,880)	(290,880)	(290,880)
Grand Total		1,009,924	2,876,589		2,595,721	2,603,062	2,603,062	2,596,457	2,603,798	2,603,798

FY 14 Actual and FY15 Budget amounts in Professional Fees exceed Authorized due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 907 - DFA Management Services - Miscellaneous Cash
Funding Sources: NFA - DFA Miscellaneous Paying - Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,595,721	10	2,595,721	100.0	2,596,457	10	2,596,457	100.0
C10	Reclass	1,794	0	2,597,515	100.1	1,794	0	2,598,251	100.1
C11	Upgrade/Downgrade	5,547	0	2,603,062	100.3	5,547	0	2,603,798	100.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,595,721	10	2,595,721	100.0	2,596,457	10	2,596,457	100.0
C10	Reclass	1,794	0	2,597,515	100.1	1,794	0	2,598,251	100.1
C11	Upgrade/Downgrade	5,547	0	2,603,062	100.3	5,547	0	2,603,798	100.3

Justification

C10	Reclassifications due to several DFA positions now lower than comparable positions in state agencies and experiencing higher turnover rates in the majority of these positions.
C11	Reclassifications due to several DFA positions now lower than comparable positions in state agencies and experiencing higher turnover rates in the majority of these positions.