



Instructions for Preparation of the
2019 – 2021

BIENNIAL BUDGET REQUEST

For State Agencies, Boards and Commissions

Asa Hutchinson

Governor, State of Arkansas

Duncan Baird

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TABLE OF CONTENTS

BUDGET CALENDAR – 2019-2021 BIENNIUM DUE DATES	2
GENERAL INFORMATION	3
Base Level	3
Change Level Requests	4
Change Level designations for the 2019-2021 biennium.....	4
BUDGET FORMS DESCRIPTIONS.....	9
NARRATIVE INSTRUCTIONS.....	11
Agency History & Organization Narrative.....	11
Agency Commentary	11
Change Level Justification By Appropriation	12
EMPLOYMENT SUMMARY INSTRUCTIONS	16
DFA – OFFICE OF STATE TECHNOLOGY PLANNING	18
STATE AGENCY PUBLICATIONS FORM INSTRUCTIONS	19
STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES.....	21
REQUEST FOR CHANGE IN FEE SCHEDULE INSTRUCTIONS	24
SPECIAL LANGUAGE INSTRUCTIONS	26
CERTIFICATION OF INCOME INSTRUCTIONS.....	28
CARRY FORWARD OF ANY REMAINING FUND BALANCES FROM FISCAL YEAR 2018 TO FISCAL YEAR 2019	30



STATE OF ARKANSAS
ASA HUTCHINSON
GOVERNOR

To: All Agency Directors
From: Governor Asa Hutchinson
Date: June 20, 2018
Subject: Budget Policy Instructions for the 2019 – 2021 Biennium

We have a unique opportunity to transform state government and improve our economic competitiveness as a state during the 2019-2021 biennium. In order to achieve this, we must be efficient and disciplined in our budget preparation.

I recently announced my goal of streamlining the organizational structure of state government, with a desire to shrink the number of cabinet agencies from over 40 to fewer than 20. My goal is to align agencies strategically in order to increase our efficiency and improve the service we provide to the citizens of Arkansas.

Over the last four years, we have reduced the tax burden for over 1.3 million Arkansas taxpayers by over \$150 million annually. I have announced my goal of further reductions to our income tax rates to improve our competitiveness economically.

By transforming the way we operate and improving our tax competitiveness, we will further my goal of growing the private sector faster than the public sector. The agency budget you submit and the Balanced Budget that I propose are critical to achieving this objective.

My expectation is that you, as an agency Director, will take ownership of this process and make aligning your agency requests with my budget goals a top priority. Please make note of these particular items as you prepare your agency budget:

1. **Statewide reorganization:** The Office of Transformation and the Transformation Advisory Board are developing a plan to reorganize state government with ideas from state agencies, legislators, and other stakeholders. For the purposes of your budget submission, your budget will reflect the statewide agency structure as it exists currently. In light of the planned reorganization, agencies should avoid new budget requests other than reallocations or reductions.
2. **Existing programs:** You are expected to review your existing operations to determine where reductions can be made due to efficiencies or the elimination of unnecessary programs and expenditures. Each agency should include a written explanation in their Agency Commentary that demonstrates the efficient and

productive use of their current level of appropriation and funding. My office and DFA will be evaluating existing programs and expenditures, and we expect you to do the same.

3. **Budget requests:** With the planned reorganization of state government and our shared goal of operating more efficiently, agencies should not make new spending requests. You should seek to meet additional spending requirements through a reallocation of existing resources. If a new request is required, you should submit a reallocation request in order to have the request properly considered. New budget requests will not be accepted without guidance and prior approval from the DFA-Office of Budget.
4. **Personnel:** Due to the implementation of the pay plan in 2017 and the recent performance increases, I am not expecting new personnel requests. Additional positions should not be requested unless specific approval for such requests is obtained from the DFA-Office of Personnel Management. Due to transformation efforts, changes to assigned grades or job titles are not expected.
5. **Excess appropriation:** You should take a close look at the amount of excess appropriation contained in your programs and line items. Historically, some line items have contained excess appropriation in order to accommodate unanticipated revenues or expenditures. This biennium, agencies should make reductions to those lines that exceed the historical level of spending. A specific written justification is required for those lines in your proposed budget that exceed the prior year's actual expenditure by more than 10%.

Your Governor's Office liaison and DFA are reviewing the budget plan and personnel plans you have submitted. Your Governor's Office liaison will be visiting with you to understand your priorities for the next biennium, as well as to discuss opportunities to achieve budget efficiencies and savings.

Together, we can achieve our goals of operating more efficiently and producing greater results for our citizens. This will position us well for continued private sector job creation and economic growth in Arkansas.

Thank you for your service to the State of Arkansas and your commitment to improving state government.


Asa Hutchinson

June 20, 2018

Dear Colleagues,

There are several updates to the budget forms that require your attention this biennium.

Changes to the printed budget manual will reduce the amount of duplicate information and pages that are published. The removal of the "Base Level" column from the forms will necessitate using the Authorized amounts as the reference point for changes to your budget.

Here is an overview of the items that will require special consideration:

- 1. The Budget Manuals and Budget Forms have changed.** In an effort to eliminate duplicate information, the Agency Commentary, History & Organization, and Change Level by Justification forms will not be part of the printed manuals. Agencies will still be required to submit budget narratives and justifications to DFA. The "Analysis of Budget Request" page for each Appropriation Summary will be used to provide justifications of Agency Requests and Executive Recommendations. References to "Base Level" have been removed from the printing manuals.
- 2. Change Levels will be in relation to the current Authorized Level.** The "Base Level" column has been removed from the budget manuals, meaning the FY19 Authorized Level will be the frame of reference for PBAS entry and budget manual narratives. An adjustment has been made to align your FY19 Budgeted amounts to the Authorized Level by Commitment Item. Additional details can be found on Page 3 of this manual.
- 3. Justification is required for Commitment Items that Exceed Actual Expenditures by more than 10%.** Agencies should provide specific justification for any Commitment Item that would exceed the prior year Actual Expenditures (FY18) by more than 10%. This justification will be incorporated in the "Analysis of Budget Request" in the budget manual.
- 4. Previous One-time requests for Operating Expense should be identified and removed.** Any items that were requested in the previous biennium as a one-time operating expense, or other non-Capital Commitment Item, need to be identified and removed from your next budget request.

Please contact your DFA Budget Analyst or Personnel Analyst with any questions you may have or for assistance as you prepare your biennial budget.

Sincerely,

Duncan Baird
State Budget Administrator

BUDGET CALENDAR – 2019-2021 BIENNIUM DUE DATES

Budget Preparation

2018

FY2019 Annual Operations Plan	May 14
Issue Biennial Budget Instructions Packet	June 20
Issue Special Language	June 27
Initial Budget Reports with "Base Level" available	June 27
All Change Level Requests	July 16

Agency Narratives / Forms

History & Organization Narrative	July 16
Agency Commentary	July 16
Special Language Request	July 16
State Publications Listings	July 16
Change in Fee Schedule	July 16
Certification of Income	July 16
Carry Forward Report	July 16
Employment Summary Report	September 5

Capital Projects Requests

Instructions and forms distributed	July
Requests from agencies	October

Hearings Schedule

Executive	August/September
Legislative	October/November

GENERAL INFORMATION

This instruction packet addresses significant aspects of the budget process for the 2019-2021 biennium.

All agencies will utilize the Planning Budgeting and Accountability System (PBAS) to prepare their biennial budget request. AASIS user agencies that have taken and passed the PBAS Biennial training course will be allowed access to the system for preparation of their biennial budget request. Agencies that do not have system access to PBAS (e.g. Service Bureau agencies) will coordinate entry of the agency's biennial budget request with the budget analyst assigned to assist the agency.

This informational packet includes a calendar, instructions and examples of the various forms needed to complete the agency's biennial budget request. Please review this packet carefully, especially the budget calendar that outlines the specific dates agencies are required to submit information to the DFA - Office of Budget.

Agency Requests and Executive Recommendation will be presented to the Arkansas Legislative Council/Joint Budget Committee during hearings scheduled to begin in October, 2018.

It is imperative that the deadlines be met if the agency's request is to be ready for the Executive and Legislative phases of the process.

If you need additional information or require assistance, please contact the Budget Analyst assigned to your agency or contact the DFA – Office of Budget at 682-1941.

All forms are available on the DFA – Office of Budget Website

<http://www.dfa.arkansas.gov/offices/budget>

BASE LEVEL

As a frame of reference within the budget system, the FY19 Authorized Appropriation will be designated as the "BASE LEVEL" for the FY19-FY21 biennium. All operating commitment items except Capital Outlay will be carried forward at the FY19 Authorized amount.

This is a change from previous budget cycles, which used Budgeted amounts as the basis for "Base Level".

The General Ledger Codes (GL) for each Commitment Item have been populated with the Budgeted amounts from your Annual Operations Plan. For Commitment Items that are budgeted at an amount

lower than the Authorized Level, a GL has been populated with “Excess Appropriation over Budgeted” to bring Base Level for the Commitment Item up to FY19 Authorized Level.

Capital Outlay items must be requested on an item-by-item basis. Lease purchases budgeted as Capital Outlay **will** be carried forward in the Base Level.

CHANGE LEVEL REQUESTS

“Change Level” is the designation used in the biennial budget process to reflect any increases or decreases to Base Level. Agencies can group both position and line item needs together in the same Change Level to show a total program impact, or request Change Levels in any logical fashion desired to justify changes in your budget.

Change Levels will accommodate negative changes to reflect a reduction in appropriation or an internal reallocation of resources needed to finance new initiatives or mandates. Through a reduction or reallocation, and agency can demonstrate the efficient and productive use of the agency’s current level of appropriation and funding.

In accordance with the Executive Policy Statement, requests for increases in appropriation or funding should not be entered without prior approval of the DFA-Office of Budget.

CHANGE LEVEL DESIGNATIONS FOR THE 2019-2021 BIENNIUM

Change Levels (Non-Position)	
Change Level 1 (C01)	Change in existing program (includes new/restored positions)
Change Level 2 (C02)	New program (includes new/restored positions)
Change Level 3 (C03)	Discontinued program (results in a reduction from base level)
Change Level 4 (C04)	Reallocation
Change Level 5 (C05)	Unfunded appropriation
Change Level 6 (C06)	Restore Pool and MFG positions

Change Level 7 (C07)	Transfers a program and/or positions to/from an agency (results in a negative change level in the source agency and a positive change level in the receiving agency)
Change Level 8 (C08)	Technology related items including positions and supporting operations

Important: It is critical that agencies use Change Level 8 (C08) for all technology related requests. Such requests must be consistent with the agency’s Information Technology Plan filed with the DFA – Office of State Technology Planning.

Agencies that do not have system access to PBAS to perform data entry functions for non-position related Change Level requests (e.g. Service Bureau agencies) will coordinate all data entry with the analyst assigned to the agency using the Non-Personnel Cost Elements form.

Positions Related Change Levels

Change Level 9 (C09)	Not be used at this time
Change Level 10 (C10)	Regular Reclassification Requests
Change Level 11 (C11)	Upgrade/Downgrade Requests
Change Level 12 (C12)	Authorized Positions not requested (reflects positions not budgeted in agency’s FY2019 AOP)
Change Level 13 (C13)	Position not recommended (OPM only)
Change Level 14 (C14)	Position Title Change
Change Level 15 (C15)	Extraordinary Salary Increase Request

Base Level Salaries / Matching

Base level salaries will include continuation of the previously authorized 2019 Salaries and Career Service Payments, as well as the incorporation of Performance Pay of 2.8% for FY19. Bases level salaries will not include Performance Pay increases for FY20 and FY21, which will be determined at a later date.

All salary projections are based on information particular to incumbent employees as extracted from the AASIS HR module files as of March 16, 2018 and reflect adjustments made during the FY2019 annual budget process.

- Budgeted vacant positions will be carried into the next biennium at the starting salary for the grade of the position.
- If a position was budgeted below starting salary, the system will automatically bring the salary for that position up to the starting salary for the grade.
- Unclassified positions will be carried into the next biennium at the FY2019 line item maximum.

Position Detail

In accordance with the Executive Policy Statement, new position requests should not be entered without prior approval of the DFA-Office of Personnel Management.

Miscellaneous Federal Grant Positions can be identified in AASIS through transaction PA20. These existing positions have been automatically loaded in PBAS as a change level to begin the biennial process.

Agencies should not request new positions to replace those previously established by a Miscellaneous Federal Grant. **The existing positions established through the MFG process are reflected in PBAS as Change Level 6 (C06).** This includes additional MFG position requests submitted with the FY2019 Annual Operations Plan for authorization beginning on July 1, 2018 or later.

New federal grant positions and supporting operations that are anticipated for the upcoming biennium should also be requested in a C06. The amount of appropriation provided for utilization during the interim Miscellaneous Federal Grant process is limited. Agencies should insure that sufficient, but justifiable, appropriation has been requested for the next biennium.

Reclassifications/Upgrades/Downgrades/Crossgrades/Title Changes/Extraordinary Salary Increase Requests

Agencies should seek the approval of the DFA-Office of Personnel Management prior to entering any requests for personnel actions, such as reclassifications, upgrades, downgrades, crossgrades, title changes and extraordinary salary increases.

Professional Consulting Services Contracts

A.C.A. §19-11-203(27) and §19-11-1001(5) et seq., define two types of “services” as they relate to Professional Consulting Services Contracts. The following clarifications have been provided by the DFA-Office of State Procurement to assist agencies in making a determination as to the type of service and method of procurement.

- **Technical and General Services** involve services provided by individuals where performance is evaluated based upon the quality of the work and results produced. Special skills or extensive training is not required. Examples include janitorial service, guard service, transport service, actuary service, certain repair services, lawn care services, Nursing services or waste disposal services. **Expenditure of appropriation for these services would be from Operating Expense (502:00:02).**
- **Professional and Consultant Services** involve services provided by members of a recognized profession and generally include advice, counsel or direct assistance. The Agency has no direct managerial control over the day-to-day activities of the contractor providing the service. Examples include attorneys, architects, accountants, engineers, physicians and technology experts. **Expenditure of appropriation for these services would be from Professional Fees & Services (506:00:10).**

Data Processing

The “Data Processing” (509:00:12) subclassification will no longer be used; instead use Operating Expenses (502:00:02).

Capital Outlay

The threshold for Capital Outlay is \$5,000.00. In most instances Capital Outlay has been removed from Base Level. Should you have a capital lease that is in Base Level you should be mindful that this classification includes purchase of land, buildings, equipment, furniture, fixtures, and contractual agreements that are capitalized. Items of this nature valued at \$5,000 or greater should be purchased from Capital Outlay (512:00:11); items valued at \$4,999 or less should be purchased from Operating Expenses (502:00:02)

Exception for Vehicle Requests

A.C.A. §22-8-201 et. seq., prohibits agencies from requesting the purchase of vehicles from appropriations funded from General Revenues. For all other appropriations, agencies are allowed to submit a Change

Level request for vehicles in the Capital Outlay Commitment Item (512:00:11). The Office of Administrative Services in the Department of Finance and Administration coordinates General Revenue vehicle purchase requests/replacements. Questions regarding this process may be addressed to DFA – Office of Administrative Services at (501) 682-6823.

Capital Projects Requests

Separate instructions will be distributed to state agencies outlining the process for requesting capital improvement projects such as construction, major maintenance, and significant equipment purchases. Discuss any capital improvement requirements with your Budget Analyst so instructions can be sent out as needed.

DFA – Office of Budget Website

The DFA – Office of Budget website can be accessed for an electronic version of these instructions. AASIS user agencies that have taken and passed the PBAS biennial training course will be able to key non-position change level requests in PBAS as well as narrative information for the Agency History and Agency Commentary and other forms required to complete the biennial budget request. The website may also provide additional information regarding the budget process on occasion.

Agencies that do not have system access to PBAS (e.g. Service Bureau agencies) will coordinate entry of their biennial budget request with the budget analyst assigned to assist the agency. Forms required for completion of the budget request can be found on the website. The DFA - Office of Budget requests that care be taken in the use of the various forms to retain existing formatting such as font, font style, font size, other settings and attributes. The forms are intended for the Agency to enter relevant data in the appropriate areas. All information will be transferred to PBAS.

**All PBAS security changes should be emailed to Sandy Thomas at sandy.thomas@dfa.arkansas.gov.
<http://www.dfa.arkansas.gov/offices/budget>**

BUDGET FORMS DESCRIPTIONS

- **Agency Enabling Laws, History and Organizational Chart:** Prepared by state agencies, boards and commissions and includes current appropriation act(s) and citation of various laws that authorize the Agency's activities, mission statement(s), history and organizational structure, and describes the scope, function and public benefit derived.
- **Agency Commentary:** Prepared by each state agency, board and commission, this form provides a narrative detail of the agency budget request.
- **Employment Summary:** Prepared by the DFA - Office of Personnel Management and verified by the agency, board or commission to summarize the current employment classifications pursuant to A.C.A. §19-4-307.
- **Agency Information Technology Plan Non-Compliance:** Department of Information Systems will provide DFA - Office of Budget with a list of each agency, board or commission not in compliance with A.C.A. §25-4-110. A statement of non-compliance is inserted in agency's biennial budget request and will affect the ability for the agency to purchase or lease any information technology.
- **Publications:** Prepared by each state agency, board and commission providing a list of publications required by law in compliance with A.C.A. §25-1-204.
- **State Contracts Over \$50,000 Awarded to Minority Vendors:** Prepared by an agency to report state contracts awarded to minority-owned businesses over \$50,000 during fiscal year 2018 as required by law (A.C.A. 25-36-104).
- **Change In Fee Schedule:** Prepared by each state agency, board and commission requesting a change in a fee(s) levied for the support of the state agency, board or commission.
- **Department Appropriation Summary:** Prepared by the DFA – Office of Budget and serves as a summary document with all the appropriations presented in the biennial budget manual for each state agency, board and commission including the Executive Recommendation.
- **Analysis of Budget Request:** Prepared by the DFA - Office of Budget and explains the Agency Request and the Executive Recommendation for each appropriation.
- **Appropriation Summary:** Prepared by the DFA – Office of Budget and reflects financial data by appropriation for Historical (FY2018 actual expenditures and FY2019 budget and authorized),

and the Agency Request for FY2020 and FY2021, and the Executive Recommendation for both request years.

- **Change Level By Appropriation:** Reflects both financial data and justification for increases and/or decreases requested by each state agency, board and commission from the 2019-2021 Base Level.
- **Carry Forward of Unexpended Balance of Funding:** Reflects the estimated and actual carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year along with a written justification and status of the funding.
- **Personal Services Summary For Position/Classification Requests:** Reflects detail of all positions requested by each state agency, board and commission and recommended by the Executive with separate reports for current positions, new positions, unclassified positions and classification requests.
- **Commitment Item Detail:** Reflects detail financial data relating to the request made by each state agency, board and commission for Operating Expenses (02), Conference and Travel Expenses (09), Professional Fees (10), Capital Outlay (11) and Data Processing (12).
- **Special Language Requests:** Reflects requests for deletion, continuation or changes to language contained in the 2019 Appropriation Acts and the Executive Recommendation on the changes. Also reflects new language requested by each state agency, board and commission and the Executive Recommendation. Language is presented in marked-up format.

NARRATIVE INSTRUCTIONS

All agencies are required to prepare two narratives, the **Agency History and Agency Commentary**, to support the 2019-2021 Biennial Budget Request. Agencies with access to PBAS will key these narratives into the system. Agencies without access will submit their narratives on the approved forms and coordinate entry of this information into the system with the budget analyst assigned to assist the agency.

AGENCY HISTORY & ORGANIZATION NARRATIVE

The Agency History and Organization narrative is presented in the biennial budget manuals and should include the following information:

- **Enabling Laws** includes the current appropriation act(s) as well as citations of the various laws that authorizes the agency's activities. This information will be loaded from the previous biennium; agencies will need to update with current appropriation act information and validate/add other enabling laws.
- **History and Organization** includes the agency's mission statement as well as a brief discussion of statutory responsibilities, primary activities and affiliation with any oversight and/or advisory Board or Commission. This information will be loaded from the previous biennium; agencies will need to verify the information and make adjustments where needed.

The Agency History and Organization will not be printed in the Budget Manuals, which is a change this biennium.

AGENCY COMMENTARY

All agencies must prepare an Agency Commentary. The Commentary should summarize and explain the major parts of an agency's 2019-2021 Biennial Budget Request and include a written explanation that demonstrates the efficient and productive use of their current level of appropriation and funding. The explanation should clearly and concisely identify changes to programs requested by appropriation and funding source.

This document provides decision makers the primary source of narrative information regarding an agency's justification and explanation of the Biennial Budget Request. Agencies with access to PBAS will key this information into the system. Those agencies without access must submit the narrative as a Word document so the information can be easily transferred to PBAS.

The Agency Commentary will not be printed in the Budget Manuals, which is a change this biennium.

CHANGE LEVEL JUSTIFICATION BY APPROPRIATION

The Change Level Justification by Appropriation report describes and justifies changes over base level by appropriation and funding sources. Agencies are required to provide complete and concise narratives to justify all Change Level requests. Each Change Level is a summary at an appropriation/funding source level of the detail entered on each cost center.

The Change Level Justification by Appropriation will not be printed in the Budget Manuals, which is a change this biennium.

AR MINORITY HEALTH COMMISSION

Enabling Laws

Acts 37 and 38 of 2016
A.C.A. §20-2-101 et seq.
A.C.A. §19-12-101 et seq.

History and Organization

The Arkansas Minority Health Commission was created by Act 912 of 1991 to: 1) study the issues relating to the delivery of access to health services for minorities in the State; 2) identify any gaps in the health system delivery that particularly affect minorities; 3) make recommendations to the relevant agencies for minorities and implement programs that impact the health status of minorities; and 4) study and make recommendations as to whether adequate services are available to ensure future minority health needs will be met.

Initiated Act I of 2000 provides that the Arkansas Minority Health Commission shall establish and administer the Arkansas Minority Initiatives for screening, monitoring, and treating hypertension, strokes, and other disorders disproportionately critical to minority groups in Arkansas. The program is designed to: 1) increase awareness of hypertension, strokes, and other disorders disproportionately critical to minorities by utilizing different approaches that include but are not limited to the following: advertisements, distribution of educational materials and providing medications for high risk minority populations; 2) provide screenings or access to screenings for hypertension, strokes, and other disorders disproportionately critical to minorities but will also provide this service to any citizen within the State regardless of racial/ethnic group; 3) develop intervention strategies to decrease hypertension, strokes, and other disorders noted above, as well as associated complications, including: educational programs, modification of risk factors by smoking cessations programs, weight loss, promoting healthy lifestyles, and treatment of hypertension with cost-effective, well-tolerated medications, as well as case management for patients in these programs; and 4) develop and maintain a database.

Act 358 of 2009 charges the AMHC with developing, implementing, maintaining, and disseminating a comprehensive survey of racial and ethnic minority disparities in health and health care. The Act specifies that the study is to be repeated every five years and that the commission will subsequently publish evidence-based data, define state goals and objectives, and develop pilot projects for decreasing disparities. In addition, Act 574 of 2009 modified the governance structure for the Commission and expanded and clarified its duties.

Agency Commentary

The mission of the Arkansas Minority Health Commission is to assure that all minority Arkansans' access to health care is equal to the care received by other citizens of the State. The Agency also seeks ways to address and treat diseases and conditions that are prevalent among minority populations. Funding for appropriation for the Arkansas Minority Health Commission is state general revenue, tobacco settlement funds, and cash funds from donations, grants, and reimbursements.

In addition to Base Level the Agency is requesting the following:

An increase in unfunded cash appropriation of \$71,000 in each year of the biennium to maintain budget as authorized in Act.

An increase in Tobacco Settlement funded appropriation of \$35,000 in each year of the biennium to support continued operations of current programs. The request is needed due to increases in rent, advertising due to the implementation of more programs and projects, rising fuel prices and travel expenses, postage and shipping costs, as well as increases in network services and wireless communication.

Change Level by Appropriation

Appropriation: 463 - Minority Health Initiative
 Funding Sources: TSE - Targeted State Needs Program Account

Agency Request

Change Level		2019-2020	Pos	Cumulative	% of CL	2020-2021	Pos	Cumulative	% of CL
CL	Base Level	\$1,642,223	6	\$1,642,223	100.0%	\$1,642,975	6	\$1,642,975	100.0%
CO1	Existing Program	\$61,961	1	\$1,704,184	103.8%	\$61,961	1	\$1,704,936	103.8%

Executive Recommendation

Change Level		2019-2020	Pos	Cumulative	% of CL	2020-2021	Pos	Cumulative	% of CL
CL	Base Level	\$1,642,223	6	\$1,642,223	100.0%	\$1,642,975	6	\$1,642,975	100.0%
CO1	Existing Program	\$16,584	0	\$1,658,807	101.0%	\$16,584	0	\$1,659,559	101.0%
CL3	Not Recommended	(\$16,584)	0	\$1,642,223	100.0%	(\$16,584)	0	\$1,642,975	100.0%

Justification

CO1	The Arkansas Minority Health Commission is requesting a Grade CL24 Administrative Services Manager position (Class Code G076C) to be added for the effective administration and operation of the AMHC overall. The AMHC is in critical need of an ASM mid-level management position to plan/review and monitor the implementation of the operational status of our growing and diverse programs and intervention strategies. This request is being made to ensure the stability of the agency's leadership and more important, legislatively mandated work throughout the state in assisting the state in improving the overall health of all Arkansans.
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EMPLOYMENT SUMMARY INSTRUCTIONS

A.C.A. §19-4-307 requires each state agency to submit the following information for the pre-session budget hearings conducted by the Legislative Council and Joint Budget Committee:

1. The total number of persons currently employed;
2. The number of white male employees;
3. The number of white female employees;
4. The total number of Caucasian employees;
5. The number of black male employees;
6. The number of black female employees;
7. The number of other employees who are members of racial minorities; and
8. The total number of minorities currently employed.

Initial reports will be produced by the DFA-Office of Personnel Management and distributed to agencies on August 6, 2018. If errors are found, the agency will make corrections to the AASIS Human Resources module and request that the report be rerun. The report with the Director's signature is due to the DFA-Office of Personnel Management on September 5, 2018.

ARKANSAS PLANNING BUDGETING AND ACCOUNTABILITY SYSTEM
 EMPLOYMENT SUMMARY
 Required by: A.C.A. 19-4-307

AGENCY TITLE: 0611 DFA - ALCOH BEV CONTROL DIV

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>3</u>	<u>6</u>	<u>9</u>	<u>90%</u>
BLACK EMPLOYEES	<u>0</u>	<u>1</u>	<u>1</u>	<u>10%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL EMPLOYED AS OF _____ DATE			<u>1</u>	<u>10%</u>
			<u>TOTAL MINORITIES</u>	
_____ AGENCY DIRECTOR			<u>10</u>	<u>100%</u>
			<u>TOTAL EMPLOYEES</u>	

EXAMPLE

DFA – OFFICE OF STATE TECHNOLOGY PLANNING

Information Technology

A.C.A. §25-4-110 mandates that each state agency, boards and commissions shall develop and submit a biennial Information Technology (IT) Plan to the DFA – Office of State Technology Planning.

A.C.A. §25-4-111(a)(1-2) states that unless the agency first receives approval for a plan or updated plan no state agency will acquire by purchase or lease any new or additional information technology; or enter into any contract for information technology.

The following notation will be added to budget request of each agency that the Department of Information Systems identifies as not having an approved IT Plan for the 2019-2021 biennium:

Agency Information Technology Plan Non-Compliance with A.C.A. §25-4-110(c)(1)

No 2019-2021 Information Technology Plan on file for this agency.

Each agency's IT Plan will identify costs associated with ongoing operations as well as ongoing and new projects. Agencies are asked to budget their information technology needs consistent with the required Information Technology Plans prepared for the Department of Information Systems. Biennial budget requests for technology should be consistent with the requirements of the Department of Information Systems to identify Support Costs, Major Applications and Projects. **New technology requests must be budgeted in Change Level 8 (C08).**

For additional information on preparing the IT Plan for the 2019-2021 biennium, please refer to the separate instructions issued by the Department of Information Systems Technology Planning.

STATE AGENCY PUBLICATIONS FORM INSTRUCTIONS

A.C.A. §25-1-204 requires a reduction in the number of unsolicited publications prepared, published and distributed by state agencies. Each agency (excluding Institutions of Higher Education) must submit with the annual budget request, a list of state publications, which are required by statutory law and provide the reason(s) for continuation and distribution of the required reports.

The State Agency Publications Form has been automated in PBAS. Information from the previous AOP (FY2019) has been copied to the biennial system. Agencies with access to PBAS should review the information and make any necessary adjustments in the system. Agencies without access to PBAS will coordinate any necessary adjustments with the budget analyst assigned to assist the agency.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Direct Deposit Form and Instructions	N/A	N	N	5,000	Public information and convenience
Employers Guide to Child Support Laws	N/A	N	N	1	Keep employers informed as to state law requirements (available online)
Financial Institution Data Match Notebook	N/A	N	N	800	Keep financial institutions informed as to law, policy and procedures on liens
Give Your Child a Gift that Lasts a Lifetime	20-18-408 (2) (3)	N	N	8,000	Federal and State law require Hospital based Paternity Acknowledgement Program and issuance of a form and information
Got Kids? General Information Brochure	N/A	N	N	5,000	Public information and convenience
Non Custodial Parent Handbook	N/A	N	N	5,000	Customer Education
Non-TEA Application Packet	N/A	N	N	15,000	Public information and convenience
OCSE Policy Manual	25-15-203	N	N	1	Staff training and public information (available online)
Paternity Acknowledgement Brochure	20-18-408(2)	N	N	20,000	Public information and convenience
Paternity Acknowledgement Form	20-18-408 (2) (3)	N	N	15,000	Federal and State law require Hospital based Paternity Acknowledgement Program and issuance of a form and information
Voluntary Paternity Acknowledgement Program of AR	20-18-408 (2) (3)	N	N	15,000	Federal and State law require Hospital based Paternity Acknowledgement Program and issuance of a form and information

STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES

FORM INSTRUCTIONS FOR FISCAL YEAR 2018

A.C.A. §25-36-104 requires the reporting of state contracts over \$50,000 awarded to minority owned businesses; the total dollar amount spent on contracts by each state agency; and the number and percentage of minority owned businesses awarded contracts by the agency. Each state agency, and vice president or vice chancellor for finance of each state college and university is required to report this information in its budget request to the Arkansas Legislative Council Joint Budget Committee.

The accompanying form has been designed to meet the requirements of A.C.A. §25-36-104.

Agency Name

Enter 4-digit Business area (also select Division if DHS or Education)

Fiscal Year

Enter the fiscal Year (2020).

Total Expenditures for Contracts Awarded

Enter the expenditures for all contracts awarded during the 2018 fiscal year.

Total Contracts Awarded

Enter the total dollar amount for all contracts awarded during the 2018 fiscal year.

Minority Business

Enter the name of the minority owned business awarded a state contract over \$50,000.

Total Contract Awarded

Enter the total dollar amount of the minority contract awarded during the 2018 fiscal year.

Minority Type

In the Minority Type drop down box select the appropriate minority type.

After saving, to view the document, select Reports – FSRPTSLN – *Fiscal Session Report Selection* from the menu and then *MINBSFC – Minority Business Contract Awarded Selection*.

Total Number of Minority Contracts Awarded as well as % of Minority Contracts Awarded will be calculated. (No entry required.)

**ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2018
Required by A.C.A. 25-36-104**

AGENCY: 0480 DEPARTMENT OF CORRECTION

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Elkins Machinery	\$141,020		X				

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED	<u>1</u>
TOTAL EXPENDITURES FOR CONTRACTS AWARDED	<u>\$12,558,200</u>
% OF MINORITY CONTRACTS AWARDED	<u>0.74 %</u>

REQUEST FOR CHANGE IN FEE SCHEDULE INSTRUCTIONS

If the budget request for the 2019-2021 Biennium requires a change to an agency's fee structure, a request must be submitted for consideration. Requests should only be made for those fees and charges established by law.

NOTE: The Executive Recommendation does not reflect a recommendation for fee increases. Agencies are responsible for securing legislative sponsorship for introduction of legislation required to increase fees.

Agencies having system access should complete the Request for Change in Fee Schedule Form in PBAS. The blank form is available on the DFA - Office of Budget web site for agencies without system access. Further, if the requested fee increase will result in additional appropriation or position needs, a budget must be prepared both with the fee increase and without the fee increase. Contact your Budget Analyst for further details. Instructions for completing the form are as follows:

Current Fee Structure

Description	Describe the fee collected.
Fee Amount	List the amount of each individual fee collected (e.g. cost of a license).
Estimated Receipts	Insert the total estimated collections from all fees in FY2019
Authorizing Act	Insert the Act or Arkansas Code of 1987 Annotated or AR Code citation which authorizes the collection of the fee.

Proposed Changes

Fee Amount	Insert the new proposed amount to be collected for each license or fee.
Estimated Receipts	Record the amount of expected receipts for each fiscal year of the 2019-2021 biennium under the new fee structure.
Reason for Change	Explain and justify the request for the rate adjustment.

SPECIAL LANGUAGE INSTRUCTIONS

Special Language that provides special authorization or limitations to an agency's fiscal operations is typically found within an agency's appropriation act. Current Special Language found in the 2019 appropriation acts will be provided to the agency.

The efficient operation of state government is impacted by both statutory law and special language. Be assertive in recommending changes, deletions, or new language that would help the state operate more efficiently and improve the delivery of services.

The Special Language form reflects current language as well as the agency request in the first column. The agency will request changes to current language in the same "marked-up" format used by the General Assembly in its session bills. The second column will show the Executive Recommendation.

Agencies having system access should complete the Special Language form in PBAS for existing language or new language that may be contemplated to complete an agency's fiscal needs for the 2019-2021 biennium. A blank form is available on the DFA - Office of Budget web site for agencies without system access. Requests for new language will be shown in the first column and should be underscored in keeping with the "marked-up" format. Text to be ~~deleted must be in strikeout format.~~

An example of marked-up style is attached. Guidelines adopted are as follows:

1. If no change is desired, the language should show no "mark-up" (i.e. exactly as received from the Office of Budget).
2. If the language is to be discontinued, ~~strike through~~ the language in the first column.
3. If a change is desired, underscore the changes/additions and ~~strike through the deletions~~ in the first column.
4. If the language has been codified, insert "LANGUAGE IS CODIFIED IN A.C.A. ----- (include actual code cite)" at the top of the first column above the current language.
5. If the language has been codified, but a CHANGE is requested, insert "THIS LANGUAGE IS CODIFIED IN A.C.A. -----(include actual code cite); HOWEVER, THE FOLLOWING CHANGE IS REQUESTED at the top of the first column; Make the requested changes in the first column with NEW LANGUAGE BEING UNDERSCORED and Text to be ~~deleted in strikeout format.~~

2019 - 2021 REQUEST FOR SPECIAL LANGUAGE IN APPROPRIATION

AGENCY: 0319 AR MINORITY HEALTH COMMISSION

ACT#: 80

SECTION#: 6

CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)

EXECUTIVE RECOMMENDATION

POSITIONS. (a) Nothing in this act shall be construed as a commitment of the State of Arkansas or any of its agencies or institutions to continue funding any position paid from the proceeds of the Tobacco Settlement in the event that Tobacco Settlement funds are not sufficient to finance the position.

(b) State funds will not be used to replace Tobacco Settlement funds when such funds expire, unless appropriated by the General Assembly and authorized by the Governor.

(c) A disclosure of the language contained in (a) and (b) of this Section shall be made available to all new hire and current positions paid from the proceeds of the Tobacco Settlement by the Minority Health Commission.

(d) Whenever applicable the information contained in (a) and (b) of this Section shall be included in the employee handbook and/or Professional Services Contract paid from the proceeds of the Tobacco Settlement.

The provisions of this section shall be in effect only from July 1, ~~2014~~ 2019 through June 30, ~~2015~~ 2020.

AGENCY REQUEST

EXAMPLE

CERTIFICATION OF INCOME INSTRUCTIONS

For every appropriation requested for the 2019-2021 biennium, funding should be anticipated at a level which will cover each fiscal year of the Biennial Budget Request. Use the following instructions for completing the enclosed form to be returned with the Biennial Budget Request:

Agency	Enter your 4-digit Agency (Business Area) code and title
Funds Center	Enter your 3-digit Appropriation (Funds Center) code and title
Fund	Enter the 3-digit fund code which begins the fund family and the fund name from the 2018 Appropriation Act or a descriptive fund title.
Fund Balance	<p>FY2019 reflects the projected beginning fund balance submitted during preparation of the fiscal year's Annual Operations Plan. This figure will be adjusted after July 1st to reflect the actual beginning fund balance for FY2019.</p> <p>FY2020 and FY2021 Fund Balances will be calculated at a later date, based on the actual FY2019 beginning fund balance.</p>
Receipts	<p>FY2019 reflects the estimated receipts projected by the agency during the preparation of the fiscal year Annual Operations Plan.</p> <p>FY2020 and FY2021 should be completed for projected receipts collected during each of these fiscal years.</p>

Agencies requesting a fee increase must submit two Certification of Income Forms; one reflecting receipts based on current fees and one reflecting receipts based on the new requested fees.

The total requested for Base Level and all Change Levels must be supported by anticipated funding.

**CERTIFICATION OF INCOME
FOR DEVELOPMENT OF THE
2019 - 2021 BIENNIAL REQUEST**

AGENCY NAME 0634 DFA - CHILD SUPPORT ENFORCEMENT
FUNDS CENTER 120 - CHILD SUPPORT ENFORCEMENT OPERATIONS
FUND MCE – CHILD SUPPORT ENFORCEMENT

Funding Sources	Fund Title or Description	FY2019 Amount	FY2020 Amount	FY2021 Amount
Fund Balance	Estimated	1,297,333	1,738,385	2,251,161
Special Revenue				
Federal Revenue	Title IV-D Grant	16,366,000	35,000,000	17,395,000
Revolving Fund				
Cash Fund				
General Revenue	Allotment	6,377,317	6,377,317	6,377,317
Merit Adjustment				
Other	Child Support Fees, Retained Earnings, etc.	5,267,500	5,267,500	5,267,500
	TOTAL ESTIMATED FUNDING	\$ 29,308,150	\$ 30,533,202	\$ 31,290,978

AGENCY DIRECTOR

DATE

CARRY FORWARD OF ANY REMAINING FUND BALANCES FROM FISCAL YEAR 2018 TO FISCAL YEAR 2019

All special language carry forward provisions require DFA to report to the Arkansas Legislative Council the amount of funding carried forward on June 30th. This language states any carry forward of remaining fund balances may be carried forward under the following conditions:

“(1) Prior to June 30, 2018 the Agency shall by written statement set forth its reason(s) for the need to carry forward said funding to the Department of Finance and Administration Office of Budget;

(2) The Department of Finance and Administration Office of Budget shall report to the Arkansas Legislative Council all amounts carried forward by the September Arkansas Legislative Council or Joint Budget Committee meeting which report shall include the name of the Agency, Board, Commission or Institution and the amount of funding carried forward, the program name or line item, the funding source of that appropriation and a copy of the written request set forth in (1) above;

(3) Each Agency, Board, Commission or Institution shall provide a written report to the Arkansas Legislative Council or Joint Budget Committee containing all information set forth in item (2) above, along with a written statement as to the current status of the project, contract, purpose etc. for which the carry forward was originally requested no later than thirty (30) days prior to the time the Agency, Board, Commission or Institution presents its budget request to the Arkansas Legislative Council/Joint Budget Committee; and

(4) Thereupon, the Department of Finance and Administration shall include all information obtained in item (3) above in the biennial budget manuals and/or a statement of non-compliance by the Agency, Board, Commission or Institution.”

The Carry Forward of Any Unexpended Funding form (example attached) has been automated in PBAS. Agencies that do not have system access to PBAS will coordinate entry of this data with the budget analyst assigned to assist the agency. Agencies must print the report from PBAS, sign, date and submit it with the 2019-2021 Biennial Request.

FY2019 initial report reflected the agency’s specific line items that had carry forward authority. Agencies entered estimated amounts they anticipated to carry forward from FY2018 to FY2019 as well as provided justification for the carry forward of any unexpended balance of funding.

Actual Funding Carry Forward amounts will be populated after June 30, 2018 when the amounts have been validated by DFA – Office of Accounting. Agencies will need to enter the Actual Funding Carry Forward amount and the current status of carry forward funding sections of the form.

CARRY FORWARD OF ANY REMAINING FUND BALANCES

Agency: Law Enforcement Standards & Training Commission

Program: Law Enforcement Standards-Operations

Act #: 202 Section(s) #: 2 & 8

Estimated Carry Forward \$ 0.00 Funding Source: Miscellaneous Agencies

Accounting Information:

Business Area: 0950 Funds Center: 172 Fund: HUA Functional Area: SFTY

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

No Carry Forward.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

All funds were expended by year end.

Director

Date

