

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

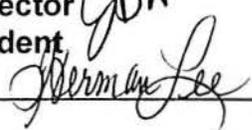
All priority programs will be funded from self-generated fees collected by the agency from members of the architectural profession. There are no state appropriations utilized in the operation of the Arkansas State Board of Architects.

The Board expects substantial increases in operating costs due to inflation and the increased Board activities generated by increasing awareness of the Arkansas statutes regarding the practice of architecture and implementation of continuing education requirements for initial licensure and renewal of licensure within the state. The number of complaints that have been filed with the agency has increased 122% over the past year. The 1999 renewal period, which began on July 31, 1998, is the first renewal whereby all registrants must document compliance with continuing education requirements.

Because of the increased duties that the Director and Administrative Assistant has undertaken, the Arkansas State Board of Architects is asking for upgrades in salaries for these two positions. The Director of the agency is an attorney by profession. As an attorney, the Director also serves as the General Counsel for the agency. The Director is also the investigator for all the complaints that are lodged with the agency. Thus, the Director not only carries the normal administrative duties for the agency but also serves two other roles: general counsel and investigator. The Administrative Assistant's duties have significantly increased due to the level of activity with the agency. The Administrative Assistant serves as a back up to the Director in investigating complaints and handles the overall operation of the agency when the Director is out of town.

The Board is emphasizing education and prevention, in an effort to reduce the number of complaints and investigations. Thus, the Board expects increases in travel by staff and board members by conducting seminars across the state. Conferences and seminar fees related to education and training of the staff is anticipated to increase due to the significant increase in the number of inquiries related to continuing education, as well.

The Board has installed a new computer system in the office to handle the increased activity. A priority of the Board is to continue to install the latest software programs to keep current and efficient.

AGENCY Arkansas State Board of Architects	DIRECTOR John D. Harris, Director Herman Lee, President  	AGENCY PROGRAM COMMENTARY BR21	PAGE 24
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ARKANSAS STATE BOARD OF ARCHITECTS
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1996

Assets				Liabilities			Total Equity
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total	
\$ 171,723	\$ 7,287	\$ 3,708	\$ 182,718	\$ 3,689	\$ 3,431	\$ 7,120	\$ 175,598

Revenues					Expenditures					Other Sources (Uses)
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 0	\$ 0	\$ 154,175	\$ 1,629	\$ 155,804	\$ 41,737	\$ 0	\$ 0	\$ 69,324	\$ 111,061	\$ 1,650

Findings

UNCOLLATERALIZED DEPOSITS - (The Agency had balances in checking and savings accounts at one (1) institution at June 30, 1996 that exceeded by \$71,722.89 the total coverage provided by the Federal Deposit Insurance Corporation (FDIC). No additional collateral was provided by the bank. Part II, Chapter 28 of the State Accounting Procedures Manual requires that bank deposits be fully insured or collateralized in order to protect public funds.)

Recommendations

Review and comply with Part II, Chapter 28 of the State Accounting Procedures Manual regarding collateralization of bank funds.

Audited by Division of Legislative Audit
SA0720696

() Noted in previous year's audit report.

ARKANSAS BUDGET SYSTEM
EMPLOYMENT SUMMARY
AS REQUIRED BY ACT 358 OF 1993

AGENCY TITLE ARKANSAS STATE BOARD OF ARCHITECTS 206

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>1</u>	<u>1</u>	<u>2</u>	<u>100%</u>
BLACK EMPLOYEES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL EMPLOYED AS OF			<u>0</u>	<u>0%</u>
<u>8/25/98</u> DATE			TOTAL MINORITIES	
			<u>2</u>	<u>100%</u>
			TOTAL EMPLOYEES	



AGENCY DIRECTOR

CASH FUND BALANCE DESCRIPTION

AS OF JUNE 30, 1998

AGENCY: ARKANSAS STATE BOARD OF ARCHITECTS (206)

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE: A.C.A. 17-15-202(e) provides that the agency may use funds collected to reimburse and carry out the functions of the agency.
FUND ACCT.	BALANCE	TYPE	LOCATION	
304	\$ 5159	checking	First Commercial, LR	STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: A.C.A. 17-15-204(d) and 17-15-311 authorizes the agency to collect fees, fines and penalties. REVENUE RECEIPTS CYCLE: Fees, fines, and penalties are collected throughout the year. The renewal times are July 31 and December 31, annually. FUND BALANCE UTILIZATION: The fees are used to carry out the functions of the agency. Because the activities of the agency has dramatically increased, the fund balances will be used to carry out the normal duties of the agency.
304	\$100000	CD	Capitol Bank, LR	
304	\$100000	CD	Mercantile, Sheridan	
304	\$ 31954	savings	Bank of Little Rock LR	
ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
				STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: REVENUE RECEIPTS CYCLE: FUND BALANCE UTILIZATION:

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001**

The State Board of Architects is responsible for the regulation of the practice of architecture by providing examinations for qualifications for the issuance of certificates of registration and licenses. The agency also provides for the education of building officials and the public regarding the provisions of the Arkansas Architectural Act and the rules and regulations of the Board. The operations of the Board are funded from Cash Funds generated from the receipt of fees charged by the Agency.

The Board is requesting a Base Level of \$289,175 in FY00 and \$289,618 in FY01. Included in the Base Level request are payplan increases of 2.8% each year with associated Personal Services Matching. Also included are extraordinary line item salary increases for the Director (from \$63,120 in FY99 to \$75,000 in each year of the biennium) and Administrative Assistant/Office Manager (from \$31,560 in FY99 to \$45,000 in each year of the biennium). Implementation of continuing education requirements, as well as a greater number of investigations has resulted in an increased workload for the staff.

The Board is requesting Change Levels that total \$14,200 each year. Additional Operating Expenses of \$3,550 each year is requested as follows: 1) \$1,800 is requested to maintain and enhance the use of the agency's web page; 2) \$1,000 is requested for additional printing costs for newsletters; and 3) \$750 is requested for an increase in the cost of paper used for printing licenses. The agency is also requesting an increase in the Contract Salaries line item of \$7,150 each year. This line item is currently used to provide compensation to the Board of Architects Director and Administrative Assistant for administrative duties performed for the Advisory Committee for Registration of Landscape Architects. The request would increase the amount paid the Director from \$1,200 to \$5,000 each year and the amount paid the Administrative Assistant from \$1,650 to \$5,000 each year. The increase is requested for additional administrative responsibilities associated with regulating the practice of landscape architecture. Finally, the Board is requesting Capital Outlay of \$3,500 each year to purchase computer equipment compatible with the system being used by the National Council of Architectural Registration Boards.

The Executive Recommendation provides for the Base Level Request and elimination of the Contract Salaries line item. The extraordinary salary increases for the Director and Administrative Assistant are denied and reflect a recommendation to incorporate the Base Level Contract Salaries in the Regular Salaries line item and provide a 2.8% cost of living increase in each year of the biennium.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF	PAGE
Name: State Board of Architects	Name: Cash Operations	Name: Board of Architects - Cash	BUDGET REQUEST	28
Code: 206	Code: A07	Code: 304	BR20	

ARKANSAS BUDGET SYSTEM

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CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	BASE	CHANGE	TOTAL	BASE	CHANGE	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED							99-00	00-01	99-00	00-01
REGULAR SALARIES - NUMBER OF POSITIONS	95,671 3	100,171 3	99,782 3	127,640 3	0 0	127,640 3	127,853 3	0 0	127,853 3	107,899 3	110,920 3		
PERSONAL SERV MATCHING	22,687	27,368	26,758	32,099	0	32,099	32,329	0	32,329	28,792	29,328		
OPERATING EXPENSES	78,614	93,944	97,290	93,944	3,550	97,494	93,944	3,550	97,494	93,944	93,944		
CONF FEES & TRAVEL	3,742	5,750	5,750	5,750	0	5,750	5,750	0	5,750	5,750	5,750		
PROF FEES & SERVICES	1,303	13,000	13,000	13,000	0	13,000	13,000	0	13,000	13,000	13,000		
CAPITAL OUTLAY	3,500	3,500	6,000	0	3,500	3,500	0	3,500	3,500	0	0		
CONTRACT SALARIES	2,850	2,850	2,850	2,850	7,150	10,000	2,850	7,150	10,000	0	0		
PHAMS	3,750	13,892	15,892	13,892	0	13,892	13,892	0	13,892	13,892	13,892		
TOTAL	212,117	269,475	267,322	289,175	14,200	303,375	289,618	14,200	303,818	263,277	266,834		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	223,105	237,114	*****	242,064		242,064	204,864		204,864	242,064	244,962		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS	226,126	265,425	*****	266,175		266,175	271,175		271,175	266,175	271,175		
OTHER			*****										
TOTAL FUNDING	449,231	502,539	*****	508,239		508,239	476,039		476,039	508,239	516,137		
EXCESS APPRO/ (FUNDING)	(237,114)	(242,064)	*****	(219,064)	14,200	(204,864)	(186,421)	14,200	(172,221)	(244,962)	(249,303)		
TOTAL	212,117	260,475	*****	289,175	14,200	303,375	289,618	14,200	303,818	263,277	266,834		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
 AGENCY 206 STATE BOARD OF ARCHITECTS
 APPROPRIATION 007 CASH OPERATIONS
 FUND 304 BOARD OF ARCHITECTS CASH(206)

APPROPRIATION SUMMARY

The FY99 Budgeted amounts in Regular Salaries and/or Personal Services Matching may exceed the Authorized amounts due to the implementation of the pay plan during the 1997-99 biennium.

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ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

1	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
NK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1999 - 01 BIENNIUM REQUESTS-----						-----RECOMMENDATIONS-----					
					ACTUAL	BUDGETED	-----FY 1999 - 00-----			-----FY 2000 - 01-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
					97-98	98-99	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01			
0		304	206 A07	B	212,117 3	260,475 3	289,175 3					289,618 3			263,277 3	266,834 3		
1		304	206 A07	C08			1,800 0					1,800 0						
<p>The Board has developed a comprehensive Web page that includes a searchable roster of all 2000 registrants. The roster on the Web page eliminates the printing of the roster each year as required by A.C.A. 17-15-204. The Web page saves the agency \$4,000 a year by eliminating the printing of the roster. The increase in cost is to maintain the Web page and to update the page each year. Next year, the Board will utilize the Web page to allow registrants to renew their license. The increase in the \$1,800 is to pay for this service.</p>																		
2		304	206 A07	C02			7,150 0					7,150 0						
<p>On 2/11/83, the Architects agreed to allow the Landscape Board to use their office to maintain the daily operations and license registration for the Landscape Board. The Architects received no reimbursement from the Landscape to defray expenses. During the 1995 Legislative Session, the Landscape Act was changed from a title act to a title and practice act. Thus, the daily operations and responsibilities increased tremendously. Both agencies agreed the Landscape needs to help defray their expenses. The Landscape Board is now charged with enforcing the act without necessary staff. The Landscape Board uses the two employees of the Architect Board to carry out their responsibilities. The Landscape Board has agreed to increase the amount of compensation they pay to each Architect staff from \$1,200 a year to \$5,000 per year.</p>																		

PT 007 REGULATORY BOARDS AND COMMISSIONS
 F 206 STATE BOARD OF ARCHITECTS
 PRO A07 CASH OPERATIONS
 ID 304 BOARD OF ARCHITECTS CASH(206)

RANK BY APPROPRIATION
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PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		-----1999 - 01 BIENNIUM REQUESTS-----				-----R E C O M M E N D A T I O N S-----							
					ACTUAL	BUDGETED	FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE					
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
003		304	206 A07	C03			3,500			3,500								
<p>Upgrading and expanding computers with a network system capable of sharing files, software, networking, and remote access functions for staff personnel and to link with 50 states and territories as well as with the National Council of Architectural Registration Boards headquartered in Washington, D.C. Also the need to purchase a terminal and system capable of administering the Architectural Examination which is required for registration.</p>																		
004		304	206 A07	C01			1,750			1,750								
<p>The Board publishes two newsletters a year. The cost of publishing and printing the newsletter is \$2,500 a year. The publishing of the newsletter allows the Board to communicate with its registrants concerning changes and current topics which affect their practice. The Board is also asking for an increase in office supplies. The reason for the increase is to purchase the paper that the licenses are printed on.</p>																		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
 AGY 206 STATE BOARD OF ARCHITECTS
 APPRO A07 CASH OPERATIONS
 FUND 304 BOARD OF ARCHITECTS CASH(206)

RANK BY APPROPRIATION
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