

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1997 - 1999**

Funding for this special revenue appropriation is derived from license fees collected from new motor vehicle manufacturers, distributors, factories and branches, as well as representatives, dealers, sales personnel and motor vehicle lessors.

The Commission has implemented new programs with existing funding that has proved to be a savings. Such as mediation of consumer complaints if a violation of A.C.A. §23-112-101 et seq. and/or Rules & Regulations promulgated by the Commission may have occurred. Through mediation efforts of the Director, settlements between parties have been very successful. When a settlement is reached rather than scheduling a hearing significant savings are realized. Tracking and pending files implemented and reports are now generated to allow follow-up on mailings of applications, status of license, construction status and bonding requirements. Though not mandated, the Arkansas Motor Vehicle Commission has implemented a Personnel Policy and Guidelines for Standard of Conduct, disciplinary policy and position description and responsibilities.

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

1. One additional staff member, Communication and Fiscal Manager. For the past four (4) or five (5) years Legislative Audit reports reflect that additional internal control with revenue receipts should be established. Due to staff shortage, additional internal control with revenue receipts is not possible. While enhancements and additional control measures have been established to more carefully review receipts, with current staff, control standards remain the same. Further, a programmer who has maintained a Professional Services Contract for approximately six (6) years is no longer available to the Commission, resulting in critical lack of hardware maintenance and program support. Additionally, this software is no longer sold or supported. The Commission proposes to purchase widely used and accepted software and perform all programming needs in-house.
2. Capitol Outlay, 6000 (FY98) for hardware systems (proposed position and Director) to complete programming and automation, 2000 (FY99) for additional hardware if necessary, 3000 (FY98) for office furniture for proposed new position and additional storage and filing cabinets, 1000 (FY99) for additional needs if necessary.
3. An addition of approximately 9700 base increase in maintenance and operating expenses due to rental rate increases in office space, Commission parking, copier lease, postage expense, centrex services and mileage reimbursements to newly appointed Commissioners that are traveling a greater distance than predecessors. Reproduction of Commission's ACT and Rules & Regulations will be necessary. In Conference & Travel, I request an additional 100 base increase for Inter-Agency training programs for staff.

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|--|------------------------------------|---|--------------------|
| AGENCY ARKANSAS MOTOR VEHICLE COMMISSION | DIRECTOR PATRICIA STROUD | AGENCY PROGRAM COMMENTARY BR21 | PAGE 207 |
|--|------------------------------------|---|--------------------|

ARKANSAS MOTOR VEHICLE COMMISSION
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1994

| Assets | | | | | | | | | | Liabilities | | | Total Equity |
|----------------------|-----------|--|----------|------------|---------|-----------|----------|--|--|--------------|--|--|--------------|
| Cash and Investments | Fixed | | Other | Total | Current | Long-Term | Total | | | Total Equity | | | |
| \$ 83,768 | \$ 32,279 | | \$ 5,389 | \$ 121,436 | \$ 220 | \$ 3,248 | \$ 3,468 | | | \$ 117,968 | | | |

| Revenues | | | | Expenditures | | | | | | Other Sources (Uses) |
|--------------------|---------|-------------------|--------|--------------|-----------------------|----------------|---------|-----------------|------------|----------------------|
| Inter-governmental | Federal | Licenses and Fees | Other | Total | Salaries and Matching | Grants and Aid | Capital | Other Operating | Total | Other Sources (Uses) |
| \$ 0 | \$ 0 | \$ 96,828 | \$ 123 | \$ 96,951 | \$ 93,390 | \$ 0 | \$ 259 | \$ 37,040 | \$ 130,689 | \$ 50 |

| Findings | | | | | Recommendations | | | | |
|----------|--|--|--|--|-----------------|--|--|--|--|
| one | | | | | None | | | | |

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

AGENCY TITLE 320 - ARK MOTOR VEHICLE COMM

| | MALE | FEMALE | TOTAL | PERCENTAGE OF TOTAL |
|---|----------|----------|------------------|------------------------|
| WHITE EMPLOYEES | <u>0</u> | <u>3</u> | <u>3</u> | <u>100%</u> |
| BLACK EMPLOYEES | <u>0</u> | <u>0</u> | <u>0</u> | <u>0%</u> |
| EMPLOYEES OF OTHER RACIAL MINORITIES | <u>0</u> | <u>0</u> | <u>0</u> | <u>0%</u> |
| TOTAL EMPLOYED AS OF <u>08/10/96</u> DATE | | | <u>0</u> | <u>0%</u> |
| | | | TOTAL MINORITIES | |
| | | | <u>3</u> | <u>100%</u> |
| | | | TOTAL EMPLOYEES | |

Patricia Stroud 8/27/96
 AGENCY DIRECTOR

SUMMARY
STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 79TH GENERAL ASSEMBLY
 AGENCY: ARKANSAS MOTOR VEHICLE COMMISSION

| PROGRAM AUTHORIZED | # POS. AUTH. | ADDITIONAL AUTHORIZED APPROPRIATION | | STATUS |
|---|-----------------|--|----------|--|
| | | FY 95-96 | FY 96-97 | |
| <u>APPROPRIATION: 048 - Arkansas Motor Vehicle Commission</u> | | | | |
| Operating Expenses | | \$7,850 | \$7,850 | For FY96 the Commission expended all additionally authorized appropriation and has budgeted the full amount for FY97. |
| Prof. Fees and Services | | \$2,500 | \$2,500 | None of the additional appropriation was spent in FY96 and \$893 was budgeted for FY97. |
| Capital Outlay | | \$3,000 | \$1,200 | All of the appropriation was spent in FY96 for the acquisition of office machines and furniture. None was budgeted for FY97. |

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

Funding for this special revenue appropriation is derived from license fees paid by automobile salesmen, dealers, manufacturers and manufacturers' representatives.

The Commission's priority request includes the authorization of one Communications\Fiscal Manager position to maintain hardware and software. The new employee would also develop new revenue receipt controls, create user manuals and train staff. The Commission also requests \$9,720 in FY98 and \$11,220 in FY99 for additional Operating Expenses to provide for rent increase, copier lease, and supplies, and \$100 for Conference Fees and Travel to allow staff participation in Inter-Agency Training Programs. The Commission requests \$9,000 in FY98 and \$3,000 in FY99 in Capital Outlay to purchase two computers and necessary office furniture.

The Executive Recommendation provides for Base Level, which includes appropriation for a 2.8% Cost of Living Allowance for positions on July 1 of each year of the biennium along with accompanying employee matching requirements. The Executive Recommendation also provides for an additional \$4,085 each year for Operating Expenses and \$5,000 for FY98 and \$3,000 for FY99 for Capital Outlay.

| AGENCY | APPROPRIATION | TREASURY FUND | ANALYSIS OF BUDGET REQUEST | PAGE |
|---|---|---|----------------------------|------|
| Name: Arkansas Motor Vehicle Comm. Code: 320 | Name: Arkansas Motor Vehicle Comm. Code: 048 | Name: Arkansas Motor Vehicle Comm. Code: SAB | BR20 | 211 |

ARKANSAS BUDGET SYSTEM

| CHARACTER TITLE | -----EXPENDITURES----- | | | -----97-98 FISCAL YEAR----- | | | -----98-99 FISCAL YEAR----- | | | -----R E C O M M E N D A T I O N S----- | | | |
|-----------------------------|------------------------|------------|------------|-----------------------------|----------|------------|-----------------------------|----------|-----------|---|------------|-------------|-------|
| | 95-96 | 96-97 | 96-97 | BASE | PRIORITY | TOTAL | BASE | PRIORITY | TOTAL | EXECUTIVE | | LEGISLATIVE | |
| | ACTUAL | BUDGETED | AUTHORIZED | | | | | | | APPRO | REQUEST | REQUEST | 97-98 |
| REGULAR SALARIES | 66,629 | 77,001 | 72,170 | 95,881 | 15,000 | 110,881 | 98,564 | 30,840 | 129,404 | 95,881 | 98,564 | | |
| NUMBER OF POSITIONS | 3 | 3 | 3 | 3 | 1 | 4 | 3 | 1 | 4 | 3 | 3 | | |
| PERSONAL SERVICES MATCHING | 19,291 | 19,644 | 20,300 | 26,018 | 4,164 | 30,182 | 26,492 | 8,473 | 34,965 | 26,018 | 26,492 | | |
| OPERATING EXPENSES | 36,780 | 40,850 | 40,850 | 40,850 | 9,720 | 50,570 | 40,850 | 11,220 | 52,070 | 44,935 | 44,935 | | |
| OFFICE FEES & TRAVEL | 1,306 | 2,000 | 2,000 | 2,000 | 100 | 2,100 | 2,000 | 100 | 2,100 | 2,000 | 2,000 | | |
| OFFICE FEES & SERVICES | 2,073 | 7,893 | 9,000 | 7,893 | 0 | 7,893 | 7,893 | 0 | 7,893 | 7,893 | 7,893 | | |
| EQUIPMENT OUTLAY | 1,986 | 0 | 1,200 | 0 | 9,000 | 9,000 | 0 | 3,000 | 3,000 | 5,000 | 3,000 | | |
| POSTAGE PROCESSING | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| TOTAL | 128,065 | 147,388 | 145,520 | 172,642 | 37,984 | 210,626 | 175,799 | 53,633 | 229,432 | 181,727 | 182,884 | | |
| PROPOSED FUNDING SOURCES | | | ***** | | | | | | | | | | |
| UNDEVELOPED BALANCES | 65,806 | 126,885 | ***** | 149,497 | | 149,497 | 108,871 | | 108,871 | 149,497 | 137,770 | | |
| GENERAL REVENUES | | | ***** | | | | | | | | | | |
| SPECIAL REVENUES | 189,144 | 170,000 | ***** | 132,016 | 37,984 | 170,000 | 116,367 | 53,633 | 170,000 | 170,000 | 170,000 | | |
| DEPARTMENTAL FUNDS | | | ***** | | | | | | | | | | |
| STATE CENTRAL SERVICES FUND | | | ***** | | | | | | | | | | |
| NON-REVENUE RECEIPTS | | | ***** | | | | | | | | | | |
| TRUST FUNDS | | | ***** | | | | | | | | | | |
| RESERVE | | | ***** | | | | | | | | | | |
| TOTAL FUNDING | 254,950 | 296,885 | ***** | 281,513 | 37,984 | 319,497 | 225,238 | 53,633 | 278,871 | 319,497 | 307,770 | | |
| CESS APPROX/ (FUNDING) | (126,885) | (149,497) | ***** | (108,871) | | (108,871) | (49,439) | | (49,439) | (137,770) | (124,886) | | |
| TOTAL | 128,065 | 147,388 | ***** | 172,642 | 37,984 | 210,626 | 175,799 | 53,633 | 229,432 | 181,727 | 182,884 | | |

PT 009 OTHER BOARDS AND COMMISSIONS
 Y 320 ARKANSAS MOTOR VEHICLE COMMISSION
 PRO 048 ARKANSAS MOTOR VEHICLE COMMISSION
 ND SAB ARK MOTOR VEHICLE COMM-(320)

The FY97 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 1995-97 biennium.

APPROPRIATION SUMMARY
 BR 215

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

| 01 | 02 | 03 | 04 | 05 | 06 | 07 | 08 | 09 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 |
|------|--|------|------------------------|-------------|------------------------|----------------|---------------------------------------|---------|------------------------|--------------|---------------------------|---------|-----------------------|--------------|--------------|----|----|----|
| RANK | PROGRAM DESCRIPTION | FUND | ACCOUNTING INFORMATION | D E S | -----EXPENDITURES----- | | -----1997 - 99 BIENNIUM REQUESTS----- | | | | -----RECOMMENDATIONS----- | | | | | | | |
| | | | | | ---ACTUAL--- | ---BUDGETED--- | -----FY 1997 - 98----- | | -----FY 1998 - 99----- | | -----EXECUTIVE----- | | -----LEGISLATIVE----- | | | | | |
| | | | | | 95-96 | 96-97 | REQUEST | REQUEST | 1997-98 | 1998-99 | 1997-98 | 1998-99 | | | | | | |
| 000 | | SAB | 320 048 | B | 128,065 3 | 147,388 3 | 172,642 3 | | | 175,799 3 | | | | 172,642 3 | 175,799 3 | | | |
| 001 | | SAB | 320 048 | P03 | | | 19,164 1 | | | 39,313 1 | | | | | | | | |
| | <p>The proposed position of Communications & Fiscal Manager will replace a Professional Services Contract for a programmer. Installation, updates and maintenance of hardware and Commission owned software will be performed in-house. Current revenue receipts program is no longer upgradeable, sold or supported. New revenue receipts program and new programs for fiscal management will be developed as well as inventory control and purchasing with an ultimate goal of networking all systems. The Communications and Fiscal Manager shall create both program manuals and user manuals and train staff. Additionally, will serve as fiscal manager in purchasing authorizations and accounts payable. Will assist in licensee activity reports, industry trend analysis and budgetary analysis and projections. This position will allow better internal audit controls, thereby allowing the Director to more thoroughly oversee day-to-day operations and enforce licensing laws and regulations.</p> | | | | | | | | | | | | | | | | | |
| 002 | | SAB | 320 048 | P02 | | | 9,000 0 | | | 3,000 0 | | | | 5,000 | 3,000 | | | |
| | <p>Two Computer systems are needed to complete automation of licensing, fiscal management, purchasing and inventory control. Director will utilize one system and proposed Communications and Fiscal Manager will utilize one for programming needs and accounts payable, purchasing and inventory control. Office furniture will be necessary to accommodate computer systems and additional position.</p> | | | | | | | | | | | | | | | | | |

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

RANK BY APPROPRIATION
BR 264

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

| 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 | | 1997 - 99 BIENNIAL REQUESTS | | | | RECOMMENDATIONS | | | | | | | |
| | | | | | ACTUAL 95-96 | BUDGETED 96-97 | FY 1997 - 98 | | FY 1998 - 99 | | EXECUTIVE | | LEGISLATIVE | | | | | |
| | | | | | | | REQUEST | REQUEST | | | 1997-98 | 1998-99 | 1997-98 | 1998-99 | | | | |
| 3 | | SAB | 320 048 | P01 | | 0 | 9,820 | 11,320 | | | 4,085 | 4,085 | | | | | | |
| | | | | | | 0 | 0 | 0 | | | | | | | | | | |
| <p>Rental rates will increase on July 1, 1997. This includes office space, Commission parking, copier lease and maintenance agreements. Consumption of postage, stationary and office supplies have increased due to Commission programs benefiting licensees, such as regulation forums to help educate licensees, Commission sponsored conferences for manufacturers and dealers, in-house design, printing and implementation of all licensees application and associated forms. Reproduction of Commission's ACT and Rules & Regulations will be necessary. Commission Committee appointments and newly appointed Commissioners will increase mileage, per diem and travel expenses as Commissioners involvement with licensees have increase. The Commission is requesting a minimal increase in Conference and Travel appropriation to allow staff participation in Inter-Agency Training Programs.</p> | | | | | | | | | | | | | | | | | | |

PT 009 OTHER BOARDS AND COMMISSIONS
 Y 320 ARKANSAS MOTOR VEHICLE COMMISSION
 PRO 048 ARKANSAS MOTOR VEHICLE COMMISSION
 ND SAB ARK MOTOR VEHICLE COMH-(320)

RANK BY APPROPRIATION

BR 264