

ARKANSAS BUILDING AUTHORITY

Enabling Laws

Act 58 of 2014
A.C.A. §22-2-101 et seq.

History and Organization

MISSION STATEMENT

Arkansas Building Authority's (ABA) mission is to act as the State's agent in all state agency lease negotiations, provide direction and assistance to agencies in all aspects of capital improvement projects and property transfers needs, and actively maintain and operate ABA owned or managed buildings in an efficient and economical manner pursuant to laws and regulations.

HISTORY and MAJOR OBJECTIVES

ABA (formerly known as State Building Services) was created July 1, 1975, by Arkansas Code Annotated §22-2-101 through 121. ABA is governed by an eleven (11) member council which sets policies, guidelines, standards and procedures to be implemented by ABA. ABA has a primary client base comprised of other state agencies in regards to the leasing, sale and purchase of properties; management and operations of ABA owned or leased facilities; review and approval of building plans from the initial design review; bidding, awarding and processing of final payment for capital improvement projects. Public School Districts are an additional client base for which ABA provides Americans with Disabilities Act (ADA) accessibility reviews of construction projects. ABA and its Council, through bonds issued by Arkansas Development Finance Authority, are authorized to acquire, construct, repair, remodel, renovate lands, buildings, improvements and facilities for the benefit of state agencies. ABA is comprised of the following four (4) sections:

(1) Real Estate Services Section develops and enforces minimum leasing, sale and purchase of property standards and criteria for consideration and adoption by the Council; designs standard lease forms to be approved by the Council for use by state agencies; assists state agencies in determining and evaluating rental space needs and the allocation of space for state agencies; conducts surveys to determine available rental space; assists state agencies to ensure that rental space acquired and utilized by state agencies is essential to the efficient performance of its duties and responsibilities; administers duties and responsibilities involving the purchase or sale of property by state agencies which are under the jurisdiction of ABA to ensure that the property is sold or purchased in a manner consistent with Arkansas laws and regulations.

(2) Construction Section supervises the bidding and awarding of construction contracts for capital improvements for or by state agencies; establishes and maintains complete construction files on all jobs, including observation reports, plans and specifications for all capital improvements; approves all proposed contracts, change orders, and final payments requests; ensures that on-site observation of all construction projects, alterations, and repairs is accomplished on a regular basis and maintain records of those observations; meets with the design professional to determine the responsibility and performance required by the contract documents; approves final payment; ensures contractors are licensed; ensures that the construction of all projects complies with the contract documents; and manages the bidders list.

(3) Design Review Section establishes and enforces minimum design standards and criteria for all capital improvement (public works) contracts undertaken by any state agency including but not limited to flood plain management, accessibility (ADA), and building codes. This Section reviews agency capital budget requests prior to submittal to the Legislature; reviews and approves agency requests to advertise for architectural and engineering related consultants; assist agency in drafting advertisements; reviews architectural and engineering consultant qualifications; reviews and approves construction plans and specifications for bidding; reviews, approves and issues Floodplain Development Permit Applications; reviews new property purchase requests for Floodplain Management Issues; provides technical services to agencies upon request for new capital projects or renovations, space planning, ADA accessibility surveys, roof maintenance inspections and reports, mechanical and electrical system investigations, and facility condition assessment reviews. The Section also reviews and approves public school district capital improvements for compliance with the accessibility guidelines (ADA).

(4) Building Operations Section provides for the management, maintenance, and operation of Arkansas Building Authority property as well as other public buildings. The Building Operations Section is responsible for maintenance and operation of buildings and grounds which are owned, leased, or managed by Arkansas Building Authority. Additionally, this Section is responsible for enforcement of regulations designed to standardize the level of maintenance on all Arkansas Building Authority facilities. The primary function of the Operations staff is to ensure the safety and comfort of state tenants through maintenance of life-safety devices, environmental comfort systems and other building related maintenance, and provide tenantable working conditions through internal maintenance staff and outside contractors.

In addition, the core of ABA is supported by internal services that fulfill additional programmatic functions: The Director's staff, which includes Legal, Information Technology, Human Resources and other administrative supportive services; and the Financial Management office which is responsible for the administration of the Agency's purchasing and accounting functions. In 2010, the agency added the administration of the Sustainable Building Revolving Loan Fund which manages approximately \$12 million in energy projects under contract by the State.



Agency Commentary

This commentary relates to six (6) primary appropriations (fund centers) for Arkansas Building Authority:

(1) Miscellaneous Agencies Fund (HUA2600/253) - for the administration of ABA's functions and activities pertaining to real estate services, capital improvement oversight, design review services, administrative support services, personnel and financial management. The revenues to support this fund are dispersed from State General Revenues.

(2) ABA Maintenance Fund (MWJ0100/254) - for the property management and operation function of ABA-owned and operated buildings. The revenues for this fund are generated through rent revenues collected from ABA tenant leases (self-funded).

(3) ABA Critical Maintenance Fund (MWJ0300/IVF) - for the purpose of funding urgent and critical maintenance projects for the ABA-owned

and operated buildings. The revenues for this fund are transferred from the ABA Maintenance Fund (noted directly above) creating a "reserve account" from operations savings (self-funded).

(4) Justice Building Operations Fund (MWJ0200/809) - for the maintenance and operation of the Justice Building. The revenue to support this fund is dispersed from the State Central Services Fund.

(5) Justice Building Maintenance Fund (MJB0100/915) - for critical and major maintenance projects for the Justice Building. The revenue to support this fund is generated through fees collected by the Administrative Office of the Courts.

(6) ARRA Revolving Loan Fund (MBD0000/59R) - the Sustainable Building Revolving Loan Fund being administered by ABA for energy related capital improvement projects that exceed \$250,000 for state-owned properties. The funds for this program are a combination of repaid ARRA and general improvement funds.

New Fund NBA0300/N28 - Building Improvement Fund was created in FY15 as a result of funds received by several agencies of the State for a bankruptcy claim (Delaware) filed in 2002 through the Arkansas Attorney General's office against an asbestos company, W.R. Grace. It was found that three (3) buildings owned & managed by ABA contained asbestos manufactured by the company. In 2014, ABA was notified that an award totaling \$3,291,000 was being made to ABA for its three buildings. ABA will utilize the funds to abate the asbestos remaining in the 501 Building.

Operating Expenses:

Arkansas Building Authority operates and performs its duties through these six (6) distinct appropriations. The Agency is a dual-faceted agency providing two distinct client bases for which it serves: (1) building operation services, and (2) statewide client services. ABA does not collect fees for the client services it provides; the majority of the funds used to operate the Agency are generated through rent revenues billed and collected through tenant leases for ABA's building portfolio of more than 1.2 million square feet. These funds not only support the maintenance and operation of the buildings, it also funds more than half of the agency's administrative and client-based services that do not contribute to the operational fund.

ABA has been very successful in the management of its building portfolio which has achieved a 97% occupancy rate. Unfortunately, this success also creates a challenge to the Agency with its dependency on the rent revenues to support its operations. With very little office space inventory left for leasing, rent revenues have nearly peaked, limiting ABA's opportunities to generate more revenues without a rental rate increase. ABA has not proposed a rent increase since 2003; however, eleven years later, we are finding that our operational savings cannot be expected to sustain a capital reserve to support the ever-growing list of capital improvements necessary to maintain the ABA building portfolio. While we have done a commendable job with funding the majority of our capital projects, we find it only prudent to secure sufficient funding to manage a catastrophic loss without draining ABA's reserve or operating funds. Therefore, ABA Real Estate Services has

projected a 3% rental increase for a number of the ABA tenant leases for FY16. This increase will generate an approximate \$122,600 in additional rent revenues that will be directed to building upgrades. ABA will continue to focus its efforts on efficient and sustainable operations through energy-efficient upgrades and replacements within its building portfolio. ABA has been able to reduce operating expenses, in spite of rising utility rates, through reduced consumption in electric and gas utilities. Likewise, we have continued to experience notable success with the upgrades and replacements already accomplished and have achieved an overall 27% reduction in utility consumption to date compared to the 2008 baseline established with Act 1494. However, we can only anticipate that costs will rise, particularly with the possibility of a minimum wage increase looming in our future. If such occurs, we anticipate an across the board increase in our vendor contracts and material pricing. We have also been notified by the Arkansas Insurance Department that our insurance premium for ABA's property portfolio and agency coverage will increase in the new biennium.

At the same time, it is imperative that ABA continue to fund its Critical Maintenance Fund (MWJ0300 / IVF) at the highest possible level so that the efficiency upgrades can continue, as well as fund preventative and critical maintenance projects for ABA's aging building portfolio. In order for ABA to improve its facilities to comply with the "greening" initiatives imposed and general maintenance needs, it is of utmost importance that ABA maintain its strict discipline to reduce operational expenses in order to generate savings to fund its Critical Maintenance Fund. These funds will continue to be used to replace or upgrade critical building systems, which are largely responsible for carbon emissions being targeted in federal legislation for carbon footprint reductions. The Critical Maintenance Fund referenced above is 100% dependent on operational savings.

ABA continues to explore opportunities to expand its building management portfolio in its efforts to generate additional rent revenues and management fees. Over the past five years, ABA has been successful in negotiating public/private partnerships for the re-development of sustainable and energy-efficient facilities to be added to the ABA portfolio. In 2010, ABA added the 900 West Capitol Building (LEED Gold certified) consisting of 124,000 square feet. In December 2012, ABA added a second sustainable building, the Five Main Building located at Capitol Avenue & Main Street in downtown Little Rock, and in July 2013, a third office building of this kind, the Mann on Main located at 4th & Main Streets in downtown Little Rock was opened. While ABA does not yet own or manage the latter two buildings, the intent is to acquire these state-occupied facilities as soon as developer financing will allow. ABA hopes to continue to expand its portfolio to include similar facilities as necessary to meet the State's need for office space.

Personnel:

ABA is requesting two positions be restored in FY16-17 that were unbudgeted in FY15 for Fund Center 254: 1) ABA Fiscal Support Specialist - Grade C112 and 2) Maintenance Assistant - Grade C108.

ABA is also requesting two positions be restored that were unbudgeted in the prior fiscal year for Fund Center 253: 1) Personnel Assistant - Grade C121 and 2) Executive Assistant to the Director - C118.

ABA is requesting the reclassification of three positions for Fund Center 253: 1) Fiscal Support Analyst - Grade C115 to a Research Project Analyst - Grade C117, and 2) two positions: Human Resources Specialist - Grade C113 to a Human Resources Program Representative - Grade C115.

Capital Outlay:

ABA is not requesting a change in its appropriation for Capital Outlay, but we are asking that the appropriation be re-authorized so that major replacements can be accomplished when required for equipment necessary for its operational services.

In 2010, the Sustainable Building Revolving Loan Fund (MBD0000/59R) began operating with funding provided by two sources: \$3 million from the Governor's GIF and \$11.37 million from ARRA funding through the Arkansas Energy Office. The loan program has funded \$15,113,163 projects to date with another \$5,045,707 in loans repaid allowing the program to continually fund new projects as received. There are currently six (6) active loans totaling \$9,513,613. The appropriation request for this fund reflects the success of the program as well as its 'revolving' structure requiring all loans to be repaid within ten (10) years at no interest.

Debt Service:

The debt service appropriation is reflective of only one bond repayment for the 900 West Capitol Building which was issued in 2010 at the time of purchase. ABA is requesting retention of the full appropriation with the possibility of additional funding or refunding in the future and to ensure adequate appropriation is available for the standard bonding and servicing fees associated with ADFA issued bonds.

ABA Real Estate Fund:

During the prior biennium, ABA agreed to the transfer of specific property adjacent to the Arkansas State Fairgrounds to the Arkansas Highway Department for right-of-way easements for the re-alignment of Roosevelt Road. The property transaction(s) resulted in proceeds of \$220,628. These proceeds will be used to acquire additional properties adjacent to the fairgrounds to replace the land area lost which has necessitated a redesign of the fairground's physical orientation and main entrance.

Justice Building Construction Fund:

ABA is currently collaborating with the Justice Administration for modifications to the current library located within the Justice Building. With access to the library resources online, the Justice Administration is considering relocating and selling a portion of its legal library resources (books) in order to modify the existing library space to make room for a future visitor and interactive learning center. This fund is also used to pay the debt service for the 3 active bond issues (2000, 2005 & 2008 series), with the 2000 issue maturing during the biennium.

Contingency:

ABA has requested that the contingency appropriation for new property management agreements that may be secured during the period be restored so that ABA has a mechanism by which to receive management fees associated with new management contracts. Our request is at base level.

Lastly, a contingent rent appropriation (Rent of Space) has been included in past years in the amount of \$121,000 for ABA in the event that a situation arose that would necessitate ABA to pay rent for its offices to house the ABA staff. ABA occupies office space in an ABA building and does not charge itself rent, but in the event that the need arises that requires ABA to seek substitute facilities, a rent appropriation may be required.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS BUILDING AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2012

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	55	12	67	91 %
Black Employees	2	1	3	4 %
Other Racial Minorities	2	2	4	5 %
Total Minorities			7	9 %
Total Employees			74	100 %

Cash Fund Balance Description as of June 30, 2014

Fund Account	Balance	Type	Location
1320200	\$1,453,637	Checking	Regions

Statutory/Other Restrictions on use:

Financing of additions, extensions, improvements, and renovations of, and equipping of such additions extensions, and improvements of State Justice Building, Also the repayment of obligations issued by the Arkansas Development Finance Authority pursuant to the State Agencies Facilities Acquisition Act of 1991, as amended.

Statutory Provisions for Fees, Fines, Penalties:

N/A

Revenue Receipts Cycle:

Monthly

Fund Balance Utilization:

ABA pays the Semi-Annual Interest, Principal, Fees for the Justice Bond Payments.

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				
N/A	N/A	N	N	0	N/A	0	0.00

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM
STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES
Fiscal Year 2016
Required by A.C.A. 25-36-104

AGENCY: 0350 ARKANSAS BUILDING AUTHORITY

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
Clean Team	\$83,982	X					
Southern Maid	\$74,259	X					

TOTAL NUMBER OF MINORITY CONTRACTS AWARDED	<u>2</u>
TOTAL EXPENDITURES FOR CONTRACTS AWARDED	<u>\$2,444,667</u>
% OF MINORITY CONTRACTS AWARDED	<u>6.52 %</u>

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
1VF	Critical Maintenance	2,062,001	0	3,260,000	0	3,260,000	0	3,260,000	0	5,000,000	0	5,000,000	0	3,260,000	0	5,000,000	0	5,000,000	0
253	ABA - State Operations	2,332,956	32	2,590,192	37	2,684,911	39	2,586,747	37	2,686,348	39	2,586,747	37	2,587,766	37	2,687,367	39	2,587,766	37
254	Building Maintenance	9,754,328	43	12,343,872	49	13,474,265	51	12,286,482	49	13,712,988	51	13,712,988	51	12,286,728	49	13,726,042	51	13,726,042	51
488	Acquisition and Maintenance	0	0	220,628	0	1,500,000	0	220,628	0	1,500,000	0	1,500,000	0	220,628	0	1,500,000	0	1,500,000	0
59R	BLDG DSGN-Loans	0	0	6,333,996	0	6,333,996	0	4,919,788	0	8,339,371	0	8,339,371	0	4,919,788	0	8,739,371	0	8,739,371	0
809	Justice Building Operations	717,505	3	730,693	3	734,184	3	732,032	3	732,032	3	732,032	3	732,032	3	732,032	3	732,032	3
915	Justice Building Maintenance	61,581	0	504,659	0	504,659	0	504,659	0	504,659	0	504,659	0	504,659	0	504,659	0	504,659	0
D17	Justice Bldg Const-Cash	928,186	0	1,290,000	0	1,290,000	0	1,290,000	0	1,690,000	0	1,290,000	0	1,290,000	0	1,690,000	0	1,290,000	0
N28	Cash in State Treasury	0	0	0	0	0	0	0	0	3,291,000	0	3,291,000	0	0	0	3,291,000	0	3,291,000	0
NOT REQUESTED FOR THE BIENNIUM																			
84T	ASC Maint & Operations	980,169	0	0	0	980,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		16,836,726	78	27,274,040	89	30,762,015	93	25,800,336	89	37,456,398	93	36,956,797	91	25,801,601	89	37,870,471	93	37,370,870	91

Funding Sources			%		%			%		%		%		%		%		%
Fund Balance	4000005	15,026,691	45.6	16,115,392	46.7		7,208,894	27.7	7,208,894	24.5	7,208,894	24.6	1,832,768	8.9	462,957	2.0	862,957	3.8
General Revenue	4000010	2,332,956	7.1	2,590,192	7.5		2,586,747	9.9	2,686,348	9.1	2,521,747	8.6	2,587,766	12.5	2,687,367	11.8	2,522,766	11.0
DFA Motor Vehicle Acquisition	4000184	19,513	0.1	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Interest	4000300	979	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Loan Repayment	4000330	639,731	1.9	1,903,250	5.5		2,103,250	8.1	2,103,250	7.1	2,103,250	7.2	2,103,250	10.2	2,103,250	9.3	2,103,250	9.2
M & R Sales	4000340	2,537	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	511,081	1.6	440,445	1.3		440,445	1.7	440,445	1.5	440,445	1.5	440,445	2.1	440,445	1.9	440,445	1.9
Real Estate Fund	4000400	0	0.0	220,628	0.6		220,628	0.8	220,628	0.7	220,628	0.8	220,628	1.1	220,628	1.0	220,628	1.0
Rental Income	4000430	12,634,923	38.3	11,418,753	33.1		11,690,160	44.9	11,690,160	39.7	11,690,160	39.9	11,690,160	56.6	11,690,160	51.5	11,690,160	51.0
Rental Income/Fund Transfers	4000435	1,379,000	4.2	1,141,000	3.3		1,141,000	4.4	1,141,000	3.9	1,141,000	3.9	1,141,000	5.5	1,141,000	5.0	1,141,000	5.0
Settlement Proceeds	4000450	0	0.0	0	0.0		0	0.0	3,291,000	11.2	3,291,000	11.2	0	0.0	3,291,000	14.5	3,291,000	14.4
State Administration of Justice	4000470	1,291,767	3.9	1,060,090	3.1		1,060,090	4.1	1,060,090	3.6	1,060,090	3.6	1,060,090	5.1	1,060,090	4.7	1,060,090	4.6
Transfer from St Central Svcs	4000575	724,500	2.2	734,184	2.1		734,184	2.8	734,184	2.5	734,184	2.5	734,184	3.6	734,184	3.2	734,184	3.2
Transfers / Adjustments	4000683	(1,611,560)	(4.9)	(1,141,000)	(3.3)		(1,141,000)	(4.4)	(1,141,000)	(3.9)	(1,141,000)	(3.9)	(1,141,000)	(5.5)	(1,141,000)	(5.0)	(1,141,000)	(5.0)
Total Funds		32,952,118	100.0	34,482,934	100.0		26,044,398	100.0	29,434,999	100.0	29,270,398	100.0	20,669,291	100.0	22,690,081	100.0	22,925,480	100.0
Excess Appropriation/(Funding)		(16,115,392)		(7,208,894)		(244,062)		8,021,399		7,686,399		5,132,310		15,180,390		14,445,390		
Grand Total		16,836,726		27,274,040		25,800,336		37,456,398		36,956,797		25,801,601		37,870,471		37,370,870		

Variance in fund balance is due to unfunded appropriation.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
93	78	15	93	0	16.13 %	93	73	16	89	4	21.51 %	93	74	15	89	4	20.43 %

Analysis of Budget Request

Appropriation: 1VF - Critical Maintenance

Funding Sources: MWJ - Critical Maintenance

This appropriation is used for Critical Maintenance of ABA owned or operated buildings. Funding is derived from rental income paid by state agencies housed in ABA operated buildings.

The Agency's Base Level request is \$3,260,000 each year of the 2015-2017 Biennium.

The Agency's Change Level request is \$1,740,000 each year in unfunded appropriation for the purpose of funding urgent and critical maintenance projects for the ABA-owned and operated buildings as operational savings is generated.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1VF - Critical Maintenance
Funding Sources: MWJ - Critical Maintenance

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
Special Maintenance	5120032	2,062,001	3,260,000	3,260,000	3,260,000	5,000,000	5,000,000	3,260,000	5,000,000	5,000,000
Total		2,062,001	3,260,000	3,260,000	3,260,000	5,000,000	5,000,000	3,260,000	5,000,000	5,000,000
Funding Sources										
Fund Balance	4000005	3,623,717	2,940,751		821,751	821,751	821,751	0	0	0
Other	4000370	35	0		0	0	0	0	0	0
Rental Income/Fund Transfers	4000435	1,379,000	1,141,000		1,141,000	1,141,000	1,141,000	1,141,000	1,141,000	1,141,000
Total Funding		5,002,752	4,081,751		1,962,751	1,962,751	1,962,751	1,141,000	1,141,000	1,141,000
Excess Appropriation/(Funding)		(2,940,751)	(821,751)		1,297,249	3,037,249	3,037,249	2,119,000	3,859,000	3,859,000
Grand Total		2,062,001	3,260,000		3,260,000	5,000,000	5,000,000	3,260,000	5,000,000	5,000,000

Fund transfers include a transfer from the Building Maintenance appropriation (254). The Other amount is comprised of a prior year warrant outlaw.

Change Level by Appropriation

Appropriation: 1VF - Critical Maintenance
Funding Sources: MWJ - Critical Maintenance

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	3,260,000	0	3,260,000	100.0	3,260,000	0	3,260,000	100.0
C05	Unfunded Appropriation	1,740,000	0	5,000,000	153.4	1,740,000	0	5,000,000	153.4

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	3,260,000	0	3,260,000	100.0	3,260,000	0	3,260,000	100.0
C05	Unfunded Appropriation	1,740,000	0	5,000,000	153.4	1,740,000	0	5,000,000	153.4

Justification

C05	ABA strives to generate operational savings through its building portfolio in order to fund its capital reserve for critical maintenance and capital improvement projects. As the result of numerous energy-efficiency upgrades and similar projects that have already been accomplished that are generating their projected savings, ABA continues to aggressively pursue its disciplined savings program to further improve its aging building portfolio.								
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Analysis of Budget Request

Appropriation: 253 - ABA - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

This appropriation provides for the operations of Arkansas Building Authority (ABA). Functions include administration, leasing, architectural, construction, finance, engineering, and building maintenance. This appropriation is funded entirely from general revenue.

Base Level Regular Salaries and Personal Services Matching include the 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.

The Agency's Base Level request is \$2,586,747 in FY16 and \$2,587,766 in FY17 with thirty-seven (37) budgeted base level positions.

The Agency's Change Level request consists of Regular Salaries and Personal Services Matching totaling \$99,601 each year for restoration of two (2) positions that were not budgeted in FY15, one (1) Grade C121 Personnel Manager (R014C) and one (1) Grade C118 Executive Assistant to the Director (C010C); and reclassification of three (3) positions, one (1) Grade C115 Fiscal Support Analyst to a Grade C117 Research Project Analyst, and two (2) positions Grade C113 Human Resources Specialist to a C115 Human Resources Program Representative. Additional general revenue funding of \$99,601 associated with the positions is being requested each year of the biennium.

The Agency also requests a slight adjustment in the Operating Expenses line item, an increase in association and membership dues by \$65 and a decrease in subscriptions and publications by \$65 each year.

The Executive Recommendation provides for Base Level and a reduction in general revenue funding of \$65,000 each year of the biennium.

Appropriation Summary

Appropriation: 253 - ABA - State Operations

Funding Sources: HUA - Miscellaneous Agencies 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	1,716,184	1,922,260	1,997,811	1,914,956	1,988,016	1,914,956	1,915,556	1,988,616	1,915,556
#Positions		32	37	39	37	39	37	37	39	37
Personal Services Matching	5010003	562,712	613,138	632,306	616,997	643,538	616,997	617,416	643,957	617,416
Operating Expenses	5020002	48,311	48,594	48,594	48,594	48,594	48,594	48,594	48,594	48,594
Conference & Travel Expenses	5050009	5,749	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
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
Total		2,332,956	2,590,192	2,684,911	2,586,747	2,686,348	2,586,747	2,587,766	2,687,367	2,587,766
Funding Sources										
General Revenue	4000010	2,332,956	2,590,192		2,586,747	2,686,348	2,521,747	2,587,766	2,687,367	2,522,766
Total Funding		2,332,956	2,590,192		2,586,747	2,686,348	2,521,747	2,587,766	2,687,367	2,522,766
Excess Appropriation/(Funding)		0	0		0	0	65,000	0	0	65,000
Grand Total		2,332,956	2,590,192		2,586,747	2,686,348	2,586,747	2,587,766	2,687,367	2,587,766

Change Level by Appropriation

Appropriation: 253 - ABA - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,586,747	37	2,586,747	100.0	2,587,766	37	2,587,766	100.0
C01	Existing Program	99,666	2	2,686,413	103.9	99,666	2	2,687,432	103.9
C03	Discontinue Program	(65)	0	2,686,348	103.9	(65)	0	2,687,367	103.8
C10	Reclass	0	0	2,686,348	103.9	0	0	2,687,367	103.8

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,586,747	37	2,586,747	100.0	2,587,766	37	2,587,766	100.0
C01	Existing Program	26,606	0	2,613,353	101.0	26,606	0	2,614,372	101.0
C03	Discontinue Program	(65)	0	2,613,288	101.0	(65)	0	2,614,307	101.0
C10	Reclass	0	0	2,613,288	101.0	0	0	2,614,307	101.0
C13	Not Recommended	(26,541)	0	2,586,747	100.0	(26,541)	0	2,587,766	100.0

Justification

C01	Two positions were restored during this period that were previously unbudgeted: Personnel Manager/Grade 121 and Executive Assistant to the Director/Grade C118 resulting a total salary increase.
C03	Minor adjustment due to recalculations but no new programs were discontinued for the period.

Analysis of Budget Request

Appropriation: 254 - Building Maintenance

Funding Sources: MWJ - ABA Maintenance

The Building Maintenance appropriation is funded from rental income and reimbursements from ABA operated buildings. It supports the property management function of state-owned and ABA-operated office buildings.

Base Level Regular Salaries and Personal Services Matching include the 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's Base Level request is \$12,286,482 in FY16 and \$12,286,728 in FY17 with forty-nine (49) budgeted base level positions each year of the biennium.

The Agency's Change Level request is \$1,426,506 in FY16 and \$1,439,314 in FY17 and consists of the following:

- Regular Salaries and Personal Services Matching totaling \$66,513 each year of the biennium for restoration of two (2) positions, one (1) C112 Fiscal Support Specialist and one (1) C108 Maintenance Assistant position.
- Operating Expenses increase of \$667,946 in FY16 and \$680,754 in FY17 which consists of:
 1. \$460,129 increase in FY16 and \$498,649 increase in FY17 funded appropriation for maintenance of facilities, electricity, water and sewage, and other repair expenses,
 2. \$400,000 increase each year unfunded appropriation for special purpose supplies, and
 3. (\$192,183) decrease in FY16 and (\$217,895) decrease in FY17 for janitorial service, trash pickup, contractual services, and improvement district taxes.
- Capital Outlay increase of \$84,100 each year of the biennium for major equipment replacements and necessary repairs.
- Debt Services increase of \$361,947 each year of the biennium for any possible debt service increases is requested as unfunded appropriation.
- Contingency line item increase of \$125,000 each year of the biennium as unfunded appropriation to restore previously authorized levels.
- Rent of Space line item increase of \$121,000 each year of the biennium as unfunded appropriation to restore previously authorized levels.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 254 - Building Maintenance

Funding Sources: MWJ - ABA Maintenance

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	1,550,458	1,755,814	1,847,511	1,772,037	1,818,093	1,818,093	1,772,237	1,818,293	1,818,293
#Positions		43	49	51	49	51	51	49	51	51
Extra Help	5010001	360	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
#Extra Help		2	9	9	9	9	9	9	9	9
Personal Services Matching	5010003	595,477	646,303	669,441	656,790	677,247	677,247	656,836	677,293	677,293
Overtime	5010006	6,150	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Operating Expenses	5020002	6,160,125	7,802,416	8,210,027	7,802,416	8,470,362	8,470,362	7,802,416	8,483,170	8,483,170
Conference & Travel Expenses	5050009	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Professional Fees	5060010	24,965	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	19,513	84,100	84,100	0	84,100	84,100	0	84,100	84,100
Debt Service	5120019	1,397,280	1,945,239	2,307,186	1,945,239	2,307,186	2,307,186	1,945,239	2,307,186	2,307,186
Facilities Management Contingen	5130018	0	0	125,000	0	125,000	125,000	0	125,000	125,000
Rent of Space	5900022	0	0	121,000	0	121,000	121,000	0	121,000	121,000
Total		9,754,328	12,343,872	13,474,265	12,286,482	13,712,988	13,712,988	12,286,728	13,726,042	13,726,042
Funding Sources										
Fund Balance	4000005	3,001,811	3,832,382		2,206,708	2,206,708	2,206,708	909,831	0	0
DFA Motor Vehicle Acquisition	4000184	19,513	0		0	0	0	0	0	0
M & R Sales	4000340	2,537	0		0	0	0	0	0	0
Other	4000370	510,260	440,445		440,445	440,445	440,445	440,445	440,445	440,445
Rental Income	4000430	11,654,754	11,418,753		11,690,160	11,690,160	11,690,160	11,690,160	11,690,160	11,690,160
Transfers / Adjustments	4000683	(1,602,165)	(1,141,000)		(1,141,000)	(1,141,000)	(1,141,000)	(1,141,000)	(1,141,000)	(1,141,000)
Total Funding		13,586,710	14,550,580		13,196,313	13,196,313	13,196,313	11,899,436	10,989,605	10,989,605
Excess Appropriation/(Funding)		(3,832,382)	(2,206,708)		(909,831)	516,675	516,675	387,292	2,736,437	2,736,437
Grand Total		9,754,328	12,343,872		12,286,482	13,712,988	13,712,988	12,286,728	13,726,042	13,726,042

Transfers/Adjustments include a transfer to the Critical Maintenance appropriation (1VF).

Change Level by Appropriation

Appropriation: 254 - Building Maintenance
Funding Sources: MWJ - ABA Maintenance

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	12,286,482	49	12,286,482	100.0	12,286,728	49	12,286,728	100.0
C01	Existing Program	623,420	2	12,909,902	105.1	661,244	2	12,947,972	105.4
C03	Discontinue Program	(204,861)	0	12,705,041	103.4	(229,877)	0	12,718,095	103.5
C05	Unfunded Appropriation	1,007,947	0	13,712,988	111.6	1,007,947	0	13,726,042	111.7

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	12,286,482	49	12,286,482	100.0	12,286,728	49	12,286,728	100.0
C01	Existing Program	623,420	2	12,909,902	105.1	661,244	2	12,947,972	105.4
C03	Discontinue Program	(204,861)	0	12,705,041	103.4	(229,877)	0	12,718,095	103.5
C05	Unfunded Appropriation	1,007,947	0	13,712,988	111.6	1,007,947	0	13,726,042	111.7

Justification

C01	This change level is reflective of the scheduled rental income for the ABA portfolio and the planned expenditures in the ABA buildings to maintain the facilities in tenantable condition through contract services, maintenance and necessary repairs. Contract increases were included for a number of contracts (elevator, chiller, window-washing, water treatment) which were learned when bidding the services for the new period. Our budget projection is also reflective of a 3% increase in utility cost reported by the utility provider. In addition, ABA has added a new landscaping contract to the budget to supplement the work being performed by a 2-man grounds crew at ABA. ABA continues to strive to implement efficiencies in operations wherever possible, but also recognizes the growing needs of an aging building portfolio. Additional spending is scheduled within the areas of public facility maintenance and buildings & grounds. ABA has expanded its safety program under the direction of a new safety officer where a focus will be placed on employee training and public safety initiatives within the buildings. Lastly, ABA has budgeted to restore two (2) positions that were unbudgeted in the prior year: ABA Fiscal Support Specialist/Grade C112 and Maintenance Assistant/C108, in response to the ever-changing needs of the ABA Operations section.
C03	Due to a change in the base bid form for janitorial contracts proposed by DFA, ABA received a number of new janitorial bids for the current fiscal year that will reduce overall contract costs. However, it is unknown at this time whether the "additional services" removed from the base contract due to the bid form change will net a lower overall contract cost as projected.
C05	The "unfunded appropriation" is for a reduction in debt service with retirement of the bond issue for the Main Street Mall 1993 bonds that were paid in full, in addition to allowing ABA to maintain flexibility in its operating fund for unanticipated expenditures that may arise.

Analysis of Budget Request

Appropriation: 488 - Acquisition and Maintenance

Funding Sources: MRE - ABA Real Estate Fund

The purpose of this appropriation is the acquisition and operation of additional buildings for state occupancy. Funding payable from the Real Estate Fund allows the Arkansas Building Authority to acquire buildings for general government use as opportunities arise as well as provide construction and renovation as needed. Expenditures would be offset by income from the operation of properties acquired.

The Base Level Request is \$220,628 each year of the 2015-2017 Biennium.

The Agency's Change Level request is a total of \$1,279,372 each year in unfunded appropriation to restore the appropriation back to the previously authorized level of \$1,500,000 in the event that additional buildings are needed. The Change Level Request modifies the following line items:

- Operating Expenses increase of \$300,000
- Construction/Renovation increase of \$979,372

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

Appropriation Summary

Appropriation: 488 - Acquisition and Maintenance

Funding Sources: MRE - ABA Real Estate 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
Operating Expenses	5020002	0	0	300,000	0	300,000	300,000	0	300,000	300,000
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
Construction/Renovation	5090005	0	220,628	1,200,000	220,628	1,200,000	1,200,000	220,628	1,200,000	1,200,000
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		0	220,628	1,500,000	220,628	1,500,000	1,500,000	220,628	1,500,000	1,500,000
Funding Sources										
Real Estate Fund	4000400	0	220,628		220,628	220,628	220,628	220,628	220,628	220,628
Total Funding		0	220,628		220,628	220,628	220,628	220,628	220,628	220,628
Excess Appropriation/(Funding)		0	0		0	1,279,372	1,279,372	0	1,279,372	1,279,372
Grand Total		0	220,628		220,628	1,500,000	1,500,000	220,628	1,500,000	1,500,000

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 488 - Acquisition and Maintenance
Funding Sources: MRE - ABA Real Estate Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	220,628	0	220,628	100.0	220,628	0	220,628	100.0
C05	Unfunded Appropriation	1,279,372	0	1,500,000	679.9	1,279,372	0	1,500,000	679.9

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	220,628	0	220,628	100.0	220,628	0	220,628	100.0
C05	Unfunded Appropriation	1,279,372	0	1,500,000	679.9	1,279,372	0	1,500,000	679.9

Justification

C05	ABA continues to consider opportunities to acquire properties that are in the best interests of the State for use by ABA or that of other state agencies, boards and commissions. ABA anticipates purchasing property adjacent to the current State Fairgrounds, working in partnership with the Livestock Show Association, to replace property lost through right-of-way easements for the Roosevelt Road expansion by the Highway Department. ABA is requesting the reappropriation of the Acquisition and Maintenance appropriation at its current authorized level of \$1.5 million so that such property transactions may be completed if funding is made available.								
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Analysis of Budget Request

Appropriation: 59R - BLDG DSGN-Loans

Funding Sources: MBD - Sustainable Building Design Revolving

The purpose of this appropriation is to provide loans to State Agencies for the Sustainable Building Design Program A.C.A. 22-3-1901. A loan made from this program must be for a renovation of a state-owned property for an amount that exceeds two hundred fifty thousand dollars (\$250,000) with the term for repayment not to exceed ten (10) years.

Funding for this appropriation consists of funds transferred from the General Improvement Fund, federal grants, and loan repayments from state agencies.

The Agency's Base Level request is \$4,919,788 each year of the 2015-2017 Biennium.

The Agency's Change Level request totaling \$3,419,583 in FY16 and \$3,819,583 in FY17 consists of the following:

- Loans line item increase of \$2,419,583 in FY16 and \$2,819,583 in FY17 for the agency to continue issuing loans to agencies based on available funds.
- Loans Repayment Grants line item increase of \$1,000,000 each year for appropriation that will be needed to repay loans due to some agency projects not being completed until sometime during the 2015-17 Biennium.
 1. The decrease of (\$414,208) in the Loans Repayment Grants line item each year represents completed loan projects that utilized funds made available through the ARRA portion of the loan program.

The Executive Recommendation provides for the Agency Request, with reallocation of the Loan Repayment Grants (American Recovery Reinvestment Act) line item to Loan Repayment due to the expiration of ARRA funding.

Appropriation Summary

Appropriation: 59R - BLDG DSGN-Loans
Funding Sources: MBD - Sustainable Building Design Revolving

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
Loans	5120029	0	4,919,788	4,919,788	4,919,788	7,339,371	7,339,371	4,919,788	7,739,371	7,739,371
Loan Repayment	5900046	0	0	0	0	0	1,000,000	0	0	1,000,000
Loan Repayment Grants	5900052	0	1,414,208	1,414,208	0	1,000,000	0	0	1,000,000	0
Total		0	6,333,996	6,333,996	4,919,788	8,339,371	8,339,371	4,919,788	8,739,371	8,739,371
Funding Sources										
Fund Balance	4000005	6,667,533	7,307,264		2,876,518	2,876,518	2,876,518	59,980	0	0
Loan Repayment	4000330	639,731	1,903,250		2,103,250	2,103,250	2,103,250	2,103,250	2,103,250	2,103,250
Total Funding		7,307,264	9,210,514		4,979,768	4,979,768	4,979,768	2,163,230	2,103,250	2,103,250
Excess Appropriation/(Funding)		(7,307,264)	(2,876,518)		(59,980)	3,359,603	3,359,603	2,756,558	6,636,121	6,636,121
Grand Total		0	6,333,996		4,919,788	8,339,371	8,339,371	4,919,788	8,739,371	8,739,371

Change Level by Appropriation

Appropriation: 59R - BLDG DSGN-Loans
Funding Sources: MBD - Sustainable Building Design Revolving

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	4,919,788	0	4,919,788	100.0	4,919,788	0	4,919,788	100.0
C01	Existing Program	2,419,583	0	7,339,371	149.2	2,819,583	0	7,739,371	157.3
C03	Discontinue Program	(414,208)	0	6,925,163	140.8	(414,208)	0	7,325,163	148.9
C16	ARRA	1,414,208	0	8,339,371	169.5	1,414,208	0	8,739,371	177.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	4,919,788	0	4,919,788	100.0	4,919,788	0	4,919,788	100.0
C01	Existing Program	2,419,583	0	7,339,371	149.2	2,819,583	0	7,739,371	157.3
C03	Discontinue Program	0	0	7,339,371	149.2	0	0	7,739,371	157.3
C16	ARRA	0	0	7,339,371	149.2	0	0	7,739,371	157.3
C19	Executive Changes	1,000,000	0	8,339,371	169.5	1,000,000	0	8,739,371	177.6

Justification

C01	ABA wants to ensure that adequate appropriation remains available for those agencies wishing to participate in the Sustainable Building Revolving Loan Fun program, so ABA is requesting an additional \$2.4M in appropriation to maintain in excess of \$7 million in available appropriation for future energy projects approved for the loan program.
C03	This represents completed loan projects that utilized funds made available through the ARRA portion of the loan program.
C16	Due to the "revolving" nature of the loan program, ABA prefers to maintain a minimum appropriation for the for those loans repaid that were funded through the ARRA portion of the program. The program has been advised that while the ARRA funds may be expended through the loan program for qualifying projects, the loan repayments still retain the ARRA character in the program. ABA tracks the GIF and ARRA funds separately in the program for this reason.
C19	The Executive Recommendation reallocates the Loan Repayment Grants (American Recovery Reinvestment Act) line item to Loan Repayment due to the expiration of ARRA funding.

Analysis of Budget Request

Appropriation: 809 - Justice Building Operations

Funding Sources: MWJ - ABA Maintenance

This appropriation provides for the operations of the Justice Building. Funding is provided under special language provisions for a transfer from the State Central Services Fund to the Arkansas Building Authority Maintenance Fund for actual expenditures up to the authorized appropriation level.

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's Base Level and total request is \$732,032 each year of the biennium and includes three (3) budgeted base level positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 809 - Justice Building Operations

Funding Sources: MWJ - ABA Maintenance

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	113,113	107,330	110,550	108,104	108,104	108,104	108,104	108,104	108,104
#Positions		3	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	40,371	38,910	39,181	39,475	39,475	39,475	39,475	39,475	39,475
Operating Expenses	5020002	564,021	584,453	584,453	584,453	584,453	584,453	584,453	584,453	584,453
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
Total		717,505	730,693	734,184	732,032	732,032	732,032	732,032	732,032	732,032
Funding Sources										
Fund Balance	4000005	5,291	3,677		7,168	7,168	7,168	9,320	9,320	9,320
Other	4000370	786	0		0	0	0	0	0	0
Transfer from St Central Srvs	4000575	724,500	734,184		734,184	734,184	734,184	734,184	734,184	734,184
Transfers / Adjustments	4000683	(9,395)	0		0	0	0	0	0	0
Total Funding		721,182	737,861		741,352	741,352	741,352	743,504	743,504	743,504
Excess Appropriation/(Funding)		(3,677)	(7,168)		(9,320)	(9,320)	(9,320)	(11,472)	(11,472)	(11,472)
Grand Total		717,505	730,693		732,032	732,032	732,032	732,032	732,032	732,032

Analysis of Budget Request

Appropriation: 915 - Justice Building Maintenance

Funding Sources: MJB - Justice Building Fund

The Justice Building Maintenance appropriation provides for maintenance of the Justice Building. Funding is provided by court cost receipts transferred from the State Administration of Justice Fund to be used exclusively for maintenance of the Justice Building (A.C.A. §19-5-1052).

The Agency's Base Level and total request is \$504,659 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 915 - Justice Building Maintenance

Funding Sources: MJB - Justice Building 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
Special Maintenance	5120032	61,581	504,659	504,659	504,659	504,659	504,659	504,659	504,659	504,659
Total		61,581	504,659	504,659	504,659	504,659	504,659	504,659	504,659	504,659
Funding Sources										
Fund Balance	4000005	568,495	577,681		143,112	143,112	143,112	0	0	0
State Administration of Justice	4000470	70,767	70,090		70,090	70,090	70,090	70,090	70,090	70,090
Total Funding		639,262	647,771		213,202	213,202	213,202	70,090	70,090	70,090
Excess Appropriation/(Funding)		(577,681)	(143,112)		291,457	291,457	291,457	434,569	434,569	434,569
Grand Total		61,581	504,659		504,659	504,659	504,659	504,659	504,659	504,659

Analysis of Budget Request

Appropriation: D17 - Justice Bldg Const-Cash

Funding Sources: 132 - Justice Building Construction Fund

The Justice Building Construction cash appropriation provides for debt service obligations associated with construction and renovation of the Justice Building. Funding is provided by court cost receipts transferred from the State Administration of Justice Fund to the Justice Building Construction Fund. This funding is to be used exclusively for the financing of additions, extensions, and improvements to the Justice Building. This includes the repayment of debt service obligations which were incurred in order to make improvements to the Justice Building (A.C.A. §19-5-1087).

The Base Level Request is \$1,290,000 each year of the 2015-2017 Biennium. The Agency's Change Level Request is \$400,000 each year of the biennium. This appropriation will be used to make major modifications to the Justice Building library.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: D17 - Justice Bldg Const-Cash

Funding Sources: 132 - Justice Building Construction 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
Operating Expenses	5020002	0	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	19,275	35,000	35,000	35,000	85,000	35,000	35,000	85,000	35,000
Construction/Renovation	5090005	0	0	0	0	350,000	0	0	350,000	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
Debt Service	5120019	908,911	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Total		928,186	1,290,000	1,290,000	1,290,000	1,690,000	1,290,000	1,290,000	1,690,000	1,290,000
Funding Sources										
Fund Balance	4000005	1,159,844	1,453,637		1,153,637	1,153,637	1,153,637	853,637	453,637	853,637
Interest	4000300	979	0		0	0	0	0	0	0
State Administration of Justice	4000470	1,221,000	990,000		990,000	990,000	990,000	990,000	990,000	990,000
Total Funding		2,381,823	2,443,637		2,143,637	2,143,637	2,143,637	1,843,637	1,443,637	1,843,637
Excess Appropriation/(Funding)		(1,453,637)	(1,153,637)		(853,637)	(453,637)	(853,637)	(553,637)	246,363	(553,637)
Grand Total		928,186	1,290,000		1,290,000	1,690,000	1,290,000	1,290,000	1,690,000	1,290,000

Change Level by Appropriation

Appropriation: D17 - Justice Bldg Const-Cash
Funding Sources: 132 - Justice Building Construction Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,290,000	0	1,290,000	100.0	1,290,000	0	1,290,000	100.0
C02	New Program	400,000	0	1,690,000	131.0	400,000	0	1,690,000	131.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,290,000	0	1,290,000	100.0	1,290,000	0	1,290,000	100.0
C02	New Program	0	0	1,290,000	100.0	0	0	1,290,000	100.0

Justification

C02	ABA is working in concert with the Administrative Office of the Courts to consider a major modification to the current Justice Building library through a proposed downsizing of the library's collection. The appropriation will allow ABA to utilize funds from the Justice Construction Fund specifically designated for the "financing of additions, extensions, and improvements to, the renovation of, and the equipping of such additions, extensions, and improvements of the State Justice Building situated on the Capitol grounds. Modification to the existing library will allow under-utilized space to be re-purposed for a future visitor and training center. The initial modification for the library is projected at \$250,000 - \$300,000 and additional funds for equipping and design fees totalling a projected \$400,000.								
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Analysis of Budget Request

Appropriation: N28 - Cash in State Treasury

Funding Sources: NBA- Cash in Treasury

The Building Improvement Fund was created in FY15 as a result of funds received by several agencies of the State for a bankruptcy claim (Delaware) filed in 2002 through the Arkansas Attorney General's office against an asbestos company, W.R. Grace. This appropriation will be used for Building Improvements such as Asbestos Abatement. Funding comes from a settlement transfer from the Attorney General's office.

The Agency's Change Level Request is \$3,291,000 each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: N28 - Cash in State Treasury

Funding Sources: NBA- Cash in Treasury

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
Building Improvements (Asbestos: 5900046)	0	0	0	0	3,291,000	3,291,000	0	3,291,000	3,291,000
Total	0	0	0	0	3,291,000	3,291,000	0	3,291,000	3,291,000
Funding Sources									
Settlement Proceeds 4000450	0	0		0	3,291,000	3,291,000	0	3,291,000	3,291,000
Total Funding	0	0		0	3,291,000	3,291,000	0	3,291,000	3,291,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	3,291,000	3,291,000	0	3,291,000	3,291,000

Appropriation was established through the authority of the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: N28 - Cash in State Treasury
Funding Sources: NBA- Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C02	New Program	3,291,000	0	3,291,000	100.0	3,291,000	0	3,291,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
C02	New Program	3,291,000	0	3,291,000	100.0	3,291,000	0	3,291,000	100.0

Justification

C02	New Fund NBA0300/N28 - Building Improvement Fund was created in FY15 as a result of funds received by several agencies of the State for a bankruptcy claim (Delaware) filed in 2002 through the Arkansas Attorney General's office against an asbestos company, W.R. Grace. It was found that three (3) buildings owned & managed by ABA contained asbestos manufactured by the company. In 2014, ABA was notified that an award totaling \$3,291,000 was being made to ABA for its three buildings. ABA will utilize the funds to abate the asbestos remaining in the 501 Building.
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Appropriation Summary

Appropriation: 84T - ASC Maint & Operations

Funding Sources: MWJ - ABA Maintenance

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
Operating Expenses	5020002	979,944	0	0	0	0	0	0	0	0
Professional Fees	5060010	225	0	0	0	0	0	0	0	0
AR Services Center	5900046	0	0	980,000	0	0	0	0	0	0
Total		980,169	0	980,000	0	0	0	0	0	0
Funding Sources										
Rental Income	4000430	980,169	0		0	0	0	0	0	0
Total Funding		980,169	0		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		980,169	0		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2015-2017 BIENNIUM