

# ARKANSAS STATE CLAIMS COMMISSION

## **Enabling Laws**

Act 135 of 2014

A.C.A. §19-10-201 et seq. (Creation & Operations)

A.C.A. §19-10-101 et seq. (Claims against the State)

A.C.A. §21-5-701 et seq. (Death & disability benefit eligibility)

A.C.A. §6-82-501 et seq. (Scholarship benefit eligibility)

## **History and Organization**

The Arkansas Constitution, adopted in 1874, has constitutional provisions relating to sovereign immunity. The permissive provisions of the Constitution leave the decision of whether to abrogate the doctrine and to what extent, to the discretion of the General Assembly. Arkansas' Constitution in Article 5, Section 20 states: "The State of Arkansas shall never be made a defendant in any of her courts." This provision has prohibited suits against the State.

The Arkansas General Assembly, while maintaining the State's sovereign immunity, established the Claims Commission to mitigate the impact of the rigid rule of "governmental immunity" while adhering to another constitutional direction that the "General Assembly shall from time to time provide for the payment of all just and legal debts of the State."

By creating the Claims Commission a method was found by which damaged or injured persons could be compensated without the State being made a defendant in any of its courts. The first Claims Commission, consisting of the State Auditor, Attorney General and State Comptroller, was created to review claims.

The General Assembly, thereafter, biennially established a special Claims Commission and appropriated money to pay the claims approved by that Commission. This special Claims Commission was replaced by the Board of Fiscal Control in 1945 with the passage of Act 53 of 1945 and, subsequently, by Act 462 of 1949.

In response to a demand for a body removed from political influence that could efficiently determine claims filed against the State, the General Assembly, in Act 276 of 1955, created the Arkansas State Claims Commission as it is known today. Act 861 of 1985 increased the size of the Claims Commission from three to five members, but did not otherwise affect Act 276 of 1955. The ceiling for immediate payment of claims (not including statutorily specified public employee death benefits claims) is \$15,000: claims approved by the Commission exceeding \$15,000

are brought before the General Assembly at its next regular or special session. The Commission's final and binding decision on claims can be appealed only to the General Assembly to be reversed, amended or returned to the Commission for further review.

#### Mission Statement-Jurisdiction and Responsibilities:

A.C.A. §19-10-201 et seq. defines the role of the State Claims Commission. The Claims Commission is a quasi-judicial body established by the Arkansas General Assembly as its arm to hear claims against the State of Arkansas, since such tort-type claims as personal injury, property damage, breach of contract, and other designated claim types, due to the State's constitutional sovereign immunity, cannot be brought in the State courts.

#### Primary Activities:

While living in various locations across the State, the five Commissioners convene hearings on claims in Little Rock, Department of Correction units, or at other sites several days each month.



### **Agency Commentary**

As the result of a recent decision of the Claims Review Subcommittee and the indication that there may be changes in the statutory language covering state provided public employee death benefits, the Arkansas State Claims Commission is, out of an abundance of caution, requesting

an additional \$150,000.00 in Fund Center 228, Various Claims. The total available for the payment of claims each fiscal year will increase to a total of \$1,900,000.00, from the current appropriation of \$1,750,000.00.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS STATE CLAIMS COMMISSION  
FOR THE YEAR ENDED JUNE 30, 2012

Findings	Recommendations
None	None

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

None

## **Employment Summary**

	Male	Female	Total	%
White Employees	6	2	8	80 %
Black Employees	1	1	2	20 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	20 %
Total Employees			10	100 %

## **Publications**

### **A.C.A. 25-1-201 et seq.**

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Claims Commission Annual Report	A.C.A. §25-1-103	N	Y	50	Required by legislation and requested by auditors.	0	0.00
Rules and Regulations: State Claims Commission	A.C.A. §19-10-205	N	Y	500	Required by the General Assembly.	500	817.50

## 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
227    Claims Operations	576,858	10	589,401	10	590,442	10	595,163	10	595,163	10	595,163	10	595,163	10	595,163	10	595,163	10
228    Various Claims	1,423,289	0	1,750,000	0	1,750,000	0	1,750,000	0	1,900,000	0	1,750,000	0	1,750,000	0	1,900,000	0	1,750,000	0
Total	2,000,147	10	2,339,401	10	2,340,442	10	2,345,163	10	2,495,163	10	2,345,163	10	2,345,163	10	2,495,163	10	2,345,163	10

Funding Sources			%		%			%		%		%		%		%		%
State Central Services	4000035	576,858	28.8	589,401	25.2		595,163	25.4	595,163	23.9	595,163	25.4	595,163	25.4	595,163	23.9	595,163	25.4
Miscellaneous Revolving	4000350	1,423,289	71.2	1,750,000	74.8		1,750,000	74.6	1,900,000	76.1	1,750,000	74.6	1,750,000	74.6	1,900,000	76.1	1,750,000	74.6
Total Funds		2,000,147	100.0	2,339,401	100.0		2,345,163	100.0	2,495,163	100.0	2,345,163	100.0	2,345,163	100.0	2,495,163	100.0	2,345,163	100.0
Excess Appropriation/(Funding)		0		0			0		0		0		0		0		0	
Grand Total		2,000,147		2,339,401			2,345,163		2,495,163		2,345,163		2,345,163		2,495,163		2,345,163	

## 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		
10	10	0	10	0	0.00 %	10	10	0	10	0	0.00 %	10	10	0	10	0	0.00 %

## **Analysis of Budget Request**

**Appropriation:** 227 - Claims Operations

**Funding Sources:** HSC - State Central Services

This appropriation provides personal services and operating expenses of the State Claims Commission. The Commission is a quasi-judicial body established to hear claims against the State of Arkansas and its agencies, boards, commissions, and institutions, unless otherwise exempted by statute. The Commission consists of a staff of 10 positions, including 5 commissioners appointed by the Governor. The appropriation is funded from the State Central Services fund.

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

The Agency Request is Base Level in the amount of \$595,163 each year of the 2015-2017 Biennium for this appropriation, with ten (10) budgeted base level positions.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 227 - Claims Operations

**Funding Sources:** HSC - State Central Services

### 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	352,971	356,362	356,910	359,930	359,930	359,930	359,930	359,930	359,930
<b>#Positions</b>		<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Personal Services Matching	5010003	138,375	137,649	138,142	139,843	139,843	139,843	139,843	139,843	139,843
Operating Expenses	5020002	85,512	92,390	92,390	92,390	92,390	92,390	92,390	92,390	92,390
Conference & Travel Expenses	5050009	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
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		576,858	589,401	590,442	595,163	595,163	595,163	595,163	595,163	595,163
<b>Funding Sources</b>										
State Central Services	4000035	576,858	589,401		595,163	595,163	595,163	595,163	595,163	595,163
Total Funding		576,858	589,401		595,163	595,163	595,163	595,163	595,163	595,163
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		576,858	589,401		595,163	595,163	595,163	595,163	595,163	595,163



## **Analysis of Budget Request**

**Appropriation:** 228 - Various Claims

**Funding Sources:** MTA - Miscellaneous Revolving Fund

This appropriation provides for the payment of Small Controversial Claims, Non-Controversial Claims, and Death Benefit Awards to the surviving spouses and/or dependent children of policemen, firemen, correctional officers, and specified state employees killed in the official line of duty. Payment of the claims is from the Miscellaneous Revolving Fund.

The Base Level Request is \$1,750,000 each year of the 2015-2017 Biennium.

The Agency's Change Level Request is \$150,000 each year due to proposed changes in the statutory language covering state provided public employee death benefits.

The Executive Recommendation provides for Base Level.

## Appropriation Summary

**Appropriation:** 228 - Various Claims

**Funding Sources:** MTA - Miscellaneous Revolving 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
Claims	5110015	1,423,289	1,750,000	1,750,000	1,750,000	1,900,000	1,750,000	1,750,000	1,900,000	1,750,000
Total		1,423,289	1,750,000	1,750,000	1,750,000	1,900,000	1,750,000	1,750,000	1,900,000	1,750,000
<b>Funding Sources</b>										
Miscellaneous Revolving	4000350	1,423,289	1,750,000		1,750,000	1,900,000	1,750,000	1,750,000	1,900,000	1,750,000
Total Funding		1,423,289	1,750,000		1,750,000	1,900,000	1,750,000	1,750,000	1,900,000	1,750,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,423,289	1,750,000		1,750,000	1,900,000	1,750,000	1,750,000	1,900,000	1,750,000

## Change Level by Appropriation

**Appropriation:** 228 - Various Claims  
**Funding Sources:** MTA - Miscellaneous Revolving Fund

### Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,750,000</b>	<b>0</b>	<b>1,750,000</b>	<b>100.0</b>	<b>1,750,000</b>	<b>0</b>	<b>1,750,000</b>	<b>100.0</b>
C01	Existing Program	150,000	0	1,900,000	108.6	150,000	0	1,900,000	108.6

### Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>1,750,000</b>	<b>0</b>	<b>1,750,000</b>	<b>100.0</b>	<b>1,750,000</b>	<b>0</b>	<b>1,750,000</b>	<b>100.0</b>
C01	Existing Program	0	0	1,750,000	100.0	0	0	1,750,000	100.0

### Justification

C01	As the result of a recent decision of the Claims Review Subcommittee and the indication that there may be changes in the statutory language covering state provided public employee death benefits, the Arkansas State Claims Commission is, out of an abundance of caution, requesting an additional \$150,000.00 in Fund Center 228, Various Claims. The total available for the payment of claims each fiscal year will increase to a total of \$1,900,000.00, from the current appropriation of \$1,750,000.00.								
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