

ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1997 - 1999

227. Salaries

With the exception of the requested third Secretary II position's salary, no changes in salaries, above those normally included automatically in biennium budgets, are being requested.

227. Capital Outlay

The agency is requesting \$10,000.00 in Year 1. Of that amount \$4,500.00 will be used, in setting up an office for the requested new Secretary II, to purchase a desk, chair, two filing cabinets, a personal computer, monitor, & printer. The remaining \$5,500.00 is the same amount found in the current biennium budget for each year. This latter amount will, by the time available, be needed to purchase 2 replacement monitors, and printers (by 1998 FY, current models will be 8 years old) and to complete the furnishing of the Commission's new office space with the purchase of a conference table and chairs for use by the Commission and staff.

In Year 2, the amount requested is \$5,500.00 which will be used to replace 4 personal computers (which by then will be 5 to 8+ years old), replace a fax machine that will be 7 years old by then and purchase other new or replacement office equipment.

227. Conference Fees and Travel

In order that agency employee skills and knowledge continue to be enhanced, an appropriation is needed to cover expenses of professional & educational training, travel and development of these persons for improved job performance. The \$3,000.00 annual request is the same appropriation received in each year of the 1993-95 & 1995-97 bienniums.

227. Maintenance and General Operation

Only very small (approximately \$600.00 per year) increases (except for those to cover the moving expenses and the rental of office and parking space for the Commission's requested move out of the State Capitol Building at the beginning of the 1995-'97 biennium) have been received in this category in the past seven fiscal years (1989-'96) in spite of a growth of approximately 33% in the number of claims filed during the 1994-95-96 fiscal years, and a 50% increase over the 4 fiscal years 1993-'96. Therefore, the requested increase, for each year of the 1997-'99 biennium, is in the amount of \$5,480.00. That figure (with some decreases in other categories) reflects an

AGENCY	DIRECTOR	AGENCY PROGRAM COMMENTARY	PAGE
ARKANSAS STATE CLAIMS.COMMISSION	NORMAN L. HODGES, JR.	BR21	29

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

increase in annual rental of \$1,800.00; \$1,200.00 to cover additional costs attributed to adding the anticipated fifth staff member; \$1,450.00 in increased cost and usage (33%/50% increase in claims filed) of paper products and office supplies; and \$1,200.00 in increased postage costs.

228. Death, Disability and other Claims

With the merging in the current biennium of the three separate funds which previously covered death and disability claims, small controversial claims and non-controversial claims, there is no longer any rational basis for categorizing these areas as all claims are being paid out of one fund.

With the raising of the amount payable directly from Claims Commission funds from \$5,000.01 to \$10,000.00 (for claims previously labeled small controversial and non-controversial) and the ever increasing number of claims being filed, an additional \$280,000.00 appropriation is requested for each year of the biennium. This amount, when added to the current biennium's annual figure of \$1,020,000.00, will provide \$1,300,000.00 in each year of the 1997-99 biennium.

<p>AGENCY ARKANSAS STATE CLAIMS COMMISSION</p>	<p>DIRECTOR NORMAN L. HODGES, JR.</p>	<p>AGENCY PROGRAM COMMENTARY BR21</p>	<p>PAGE 30</p>
---	--	--	---------------------------

ARKANSAS STATE CLAIMS 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	
\$ 275	\$ 49,802	\$ 465,304	\$ 515,381	\$ 0	\$ 462,130	\$ 462,130	\$ 53,251

Revenues					Expenditures					Other Sources (Uses)
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 1,198,000	\$ 0	\$ 0	\$ 305	\$ 1,198,305	\$ 229,236	\$ 0	\$ 5,063	\$ 672,427	\$ 906,726	\$ (292,926)

Findings

Recommendations

None

None

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

AGENCY TITLE 360 - ARK STATE CLAIMS COMM

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>3</u>	<u>3</u>	<u>6</u>	<u>67%</u>
BLACK EMPLOYEES	<u>1</u>	<u>2</u>	<u>3</u>	<u>33%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL EMPLOYED AS OF 08/10/96			<u>3</u>	<u>33%</u>
DATE			TOTAL MINORITIES	<u>3</u>
			<u>9</u>	<u>100%</u>
			TOTAL EMPLOYEES	<u>9</u>

Norman L. Hodges Jr.

 AGENCY DIRECTOR

SUMMARY

STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY

AGENCY: ARKANSAS STATE CLAIMS COMMISSION

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	
<u>Appropriation 227: General Operations</u>				
Operating Expenses		\$38,133	\$38,152	The increases were granted to provide for the payment of office rent and other costs as a result of the Commission's move to the Main Street Mall, and for the purchase of office furniture and equipment. The expenditures for each of the Line Items were at 99% of the authorization for FY96. The FY97 Operating Budget allows for a transfer of \$2,200 from operating expenses to Capital Outlay in order to purchase additional office equipment.
Capital Outlay		\$5,500	\$5,500	
<u>Appropriation: 228 - Various Claims</u>				
Claims		\$75,000	\$75,000	The 95-97 Authorization provided for combining 3 separate appropriations for the payment of claims for Widows/Dependent Children, Small Controversial, and Non-Controversial Claims in to one appropriation for Various Claims. The authorization included an increase in appropriation of \$75,000. Expenditures for FY96 totaled 84% of the authorization. The Appropriation is fully budgeted for FY97.

**ARKANSAS BUDGET SYSTEM
DEPARTMENT APPROPRIATION SUMMARY**

AGENCY TITLE STATE CLAIMS COMMISSION		1995-97 Expenditures				1997-99 Biennium Request				1997-99 Executive Recommendation			
Appropriations		Actual 1995-96	No. of Pos.	Budgeted 1996-97	No. of Pos.	Year 1 1997-98	No. of Pos.	Year 2 1998-99	No. of Pos.	Year 1 1997-98	No. of Pos.	Year 2 1998-99	No. of Pos.
Code	Name												
227	General Operations	\$318,547	9	\$346,747	9	\$391,210	10	\$395,035	10	\$352,871	9	\$360,070	9
228	Various Claims	854,234		1,020,000		1,300,000		1,300,000		1,300,000		1,300,000	
TOTALS		\$1,172,781	9	\$1,366,747	9	\$1,691,210	10	\$1,695,035	10	\$1,652,871	9	\$1,660,070	9
Funding Sources			% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances													
General Revenues													
Special Revenues													
Federal Funds													
Const. & Fiscal Agency Fund													
State Central Services Fund		318,547	27.2%	346,747	25.4%	391,210	23.1%	395,035	23.3%	352,871	21.3%	360,070	21.7%
Non-Revenue Receipts													
Cash Funds													
Other: Miscellaneous Revolving		854,234	72.8%	1,020,000	74.6%	1,300,000	76.9%	1,300,000	76.7%	1,300,000	78.7%	1,300,000	78.3%
Total Funding		1,172,781	100.0%	1,366,747	100.0%	1,691,210	100.0%	1,695,035	100.0%	1,652,871	100.0%	1,660,070	100.0%
Excess Appro./ (Funding)													
TOTAL		\$1,172,781		\$1,366,747		\$1,691,210		\$1,695,035		\$1,652,871		\$1,660,070	
DEPARTMENT STATE CLAIMS COMMISSION					DIRECTOR Norman Hodges					DEPARTMENT APPROPRIATION SUMMARY BR 40			

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

This appropriation provides for the 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 9 positions, including 5 commissioners appointed by the Governor. Base for FY98 is \$350,671 and for FY99 is \$357,870. Priority Requests total \$40,539 in FY98 and \$37,165 in FY99. These amounts are funded by the State Central Services Fund.

Priority requests include an additional secretarial support position at a cost of \$22,859 in FY98 and \$23,985 in FY99. An additional \$2,200 each year would restore the Operating Expenses Line Item to its current authorization. Anticipated increases in operating expenses to cover rising costs of paper, postage, rent, and Commissioners' expenses total \$5,480 each year. The Capital Outlay request includes \$5,500 each year for equipment replacement and \$4,500 in FY98 for the furniture and equipment associated with the new position request.

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 and an additional \$2,200 each year in operating expenses.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: State Claims Commission Code: 360	Name: General Operations Code: 227	Name: State Central Services Code: HSC	BR20	35

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	EXPENDITURES		96-97	97-98 FISCAL YEAR			98-99 FISCAL YEAR			RECOMMENDATIONS			
	95-96	96-97	AUTHORIZED	BASE	PRIORITY	TOTAL	BASE	PRIORITY	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	APPRO							97-98	98-99	97-98	98-99
REGULAR SALARIES	205,685	214,290	196,513	224,423	16,861	241,284	230,537	17,818	248,355	224,423	230,537		
NUMBER OF POSITIONS	9	9	9	9	1	10	9	1	10	9	9		
PERSONAL SERV MATCHING	46,033	65,357	48,435	66,848	5,998	72,846	67,933	6,167	74,100	66,848	67,933		
OPERATING EXPENSES	58,321	56,400	58,600	56,400	7,680	64,080	56,400	7,680	64,080	58,600	58,600		
CONF FEES & TRAVEL	2,851	3,000	3,000	3,000	0	3,000	3,000	0	3,000	3,000	3,000		
CAPITAL OUTLAY	5,494	7,700	5,500	0	10,000	10,000	0	5,500	5,500				
RESERVE & R PROCEEDS	163	0	0	0	0	0	0	0	0				
TOTAL	318,547	346,747	312,048	350,671	40,539	391,210	357,870	37,165	395,035	352,871	360,070		
PROPOSED FUNDING SOURCES			*****										
UNDEVELOPED BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND	318,547	346,747	*****	350,671	40,539	391,210	357,870	37,165	395,035	352,871	360,070		
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	318,547	346,747	*****	350,671	40,539	391,210	357,870	37,165	395,035	352,871	360,070		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	318,547	346,747	*****	350,671	40,539	391,210	357,870	37,165	395,035	352,871	360,070		

EPT 010 SEPARATE AGENCIES
 GY 360 ARKANSAS STATE CLAIMS COMMISSION
 PPRO 227 GENERAL OPERATIONS
 UND HSC STATE CENTRAL SERV-(000)

APPROPRIATION SUMMARY

Various Maintenance and General Operation line items may be greater than the authorized appropriation amounts due to reclassification transfers processed in FY97.

BR 215

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.

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-----				-----R E C O M M E N D A T I O N S-----							
					---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		HSC	360 227	B	318,547 9	346,747 9	350,671 9			357,870 9			350,671 9	357,870 9				
001		HSC	360 227	P01		0	22,859 1			23,985 1								
<p>To fund a third Secretary II position to the Claims Commission staff (<u>the first staff member added in 18 years</u>) to assist with the 33%/50% increase in claim filings over the past 3/4 fiscal years. The requested salary for the position is \$16,861.00 (plus appropriate personnel matching costs), \$4,500.00 to equip an office and \$1,200 to cover the additional annual cost (parking, etc.) of having a fifth staff member.</p>																		
002		HSC	360 227	P04		0	2,200 0			2,200 0			2,200	2,200				
<p>To restore M&O to 1995-97 authorized amounts. Priority #2 is based on the assumption that this appropriation is restored. In June of 1996, we were able to get a pre-approved \$2,200 Transfer of M&O to capital for the 1996-97 fiscal year to purchase a copy machine; our eight-year old machine was not only inadequate given our increased workload, but was subject to incessant repairs.</p>																		

DEPT 010 SEPARATE AGENCIES
AGY 360 ARKANSAS STATE CLAIMS COMMISSION
APPRO 227 GENERAL OPERATIONS
FUND HSC STATE CENTRAL SERV-(000)

RANK BY APPROPRIATION
BR 264

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				R E C O M M E N D A T I O N S							
					ACTUAL	BUDGETED	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE					
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99						
13		HSC	360 227	P02		0	5,480	0	5,480	0								
<p>To fund anticipated increases in the following items due to the 33%/50% increase in claim filings over the past 3/4 fiscal years: Paper & postage cost increases amounting to approximately \$2,650.00, an \$1,800.00 rent increase, approximately \$1,200.00 associated with having a fifth staff member (see previous priority), and miscellaneous increases associated with commission expenses, furniture & equipment maintenance, etc. A \$5,480.00 annual increase in M & O is requested to cover these items.</p>																		
14		HSC	360 227	P03		0	10,000	0	5,500	0								
<p>To establish a \$10,000.00 appropriation in the first year; \$4,500.00 of this is directly related to purchasing furniture & office equipment for the new Secretary II requested in priority one. The remaining \$5,500.00 will be used to replace 2 monitors & 2 printers that will be approximately 8 years old by this date, and some additional furniture for the new office space. In the second year, only \$5,500.00 is requested for replacing 4 personal computers and a fax machine that will be 5 to 8+ years old by this date.</p>																		

EPT 010 SEPARATE AGENCIES
 GY 360 ARKANSAS STATE CLAIMS COMMISSION
 PPRO 227 GENERAL OPERATIONS
 UND HSC STATE CENTRAL SERV-(000)

RANK BY APPROPRIATION

BR 264

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

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 for the Biennium is \$1,020,000. Priority Requests total \$280,000 to cover the projected increase in filings each year.

The Executive Recommendation provides for Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: State Claims Commission Code: 360	Name: Various Claims Code: 228	Name: Miscellaneous Revolving Code: MTA	BR20	39

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 PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
.AHS	854,234	1,020,000	1,020,000	1,020,000	280,000	1,300,000	1,020,000	280,000	1,300,000	1,300,000	1,300,000		
TOTAL	854,234	1,020,000	1,020,000	1,020,000	280,000	1,300,000	1,020,000	280,000	1,300,000	1,300,000	1,300,000		
PROPOSED FUNDING SOURCES			*****										
UNDEVELOPED BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
ASSET FUNDS			*****										
OTHER MISCELLANEOUS REVOLVING	854,234	1,020,000	*****	1,020,000	280,000	1,300,000	1,020,000	280,000	1,300,000	1,300,000	1,300,000		
TOTAL FUNDING	854,234	1,020,000	*****	1,020,000	280,000	1,300,000	1,020,000	280,000	1,300,000	1,300,000	1,300,000		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	854,234	1,020,000	*****	1,020,000	280,000	1,300,000	1,020,000	280,000	1,300,000	1,300,000	1,300,000		

DEPT 010 SEPARATE AGENCIES
 AGENCY 360 ARKANSAS STATE CLAIMS COMMISSION
 PROGRAM 228 VARIOUS CLAIMS
 FUND HTA MISCELLANEOUS REVOLVING-(000)

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		MTA	360 228	B	854,234 0	1,020,000 0	1,020,000 0			1,020,000 0			1,020,000 0		1,020,000 0			
001		MTA	360 228	P01			280,000 0			280,000 0			280,000 0		280,000 0			
<p>During the 1995-96 fiscal year, \$854,117.63 was expended for payment of death, disability and all other claims out of the provided \$1,020,000 appropriation. If, as requested for the 1997-99 biennium, the Claims Commission had been able to pay claims falling between the amounts of \$5,000.01 and \$10,000.00, another \$113,327.04 would have been expended. (\$854,117.63 + \$113,327.04 = \$967,444.67.) Thus, only \$52,555.33 would have remained out of the \$1,020,000.00 appropriation. Therefore, taking into account the requested doubling of the amount payable directly by the Claims Commission and the ever rising number of claims being filed, an additional \$280,000.00 is requested in this appropriation, providing \$1,300,000.00 in each year of the 1997-99 biennium.</p>																		

DEPT 010 SEPARATE AGENCIES
AGY 360 ARKANSAS STATE CLAIMS COMMISSION
APPRO 228 VARIOUS CLAIMS
FUND MTA MISCELLANEOUS REVOLVING-(000)

RANK BY APPROPRIATION
BR 264