

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

Funding for the Arkansas Public Service Commission (APSC) - Utilities Division comes from special revenues derived from assessments on jurisdictional utility companies' revenues.

Budget requests for the 1999-2001 biennium are for additional resources needed to meet existing and projected regulatory requirements. Lack of adequate resources to support the anticipated regulatory proceedings may well operate to the detriment of both ratepayers and utility companies. The APSC's primary budget requests are based on: (1) the need to attract and retain staff with the professional expertise necessary to address complex regulatory issues; and (2) the need to augment existing programs to ensure that Arkansas ratepayers receive adequate utility services at fair and reasonable rates.

RECRUITING AND RETAINING PROFESSIONAL STAFF

Attracting highly qualified personnel remains a continuing challenge for the APSC. The APSC attempts to attract applicants with education and experience comparable to counterparts in the utility industry and in surrounding regulatory commissions.

At both the state and federal level the regulation of public utilities continues to become increasingly more complex. In order to protect the public interest, it is essential for the APSC to participate in proceedings before various federal agencies, including the Federal Energy Regulatory Commission (FERC), Federal Communications Commission (FCC), and Securities Exchange Commission (SEC), to participate in national and regional regulatory organizations and work with our congressional delegation. It is critical that the APSC continue to attract and retain a qualified professional staff with expertise in public utility regulation if it is to effectively regulate the companies that provide utility services in Arkansas. To facilitate this mission, the APSC requests the continuation of special language for market conditions (special rates of pay).

AUGMENT EXISTING RESOURCES

To effectively utilize existing staff will require additional resources to accomplish the agency's objectives and program requirements. Additional resources are requested in the following areas:

<p>AGENCY ARKANSAS PUBLIC SERVICE COMMISSION</p>	<p style="text-align: center;"><i>Lavenski R. Smith</i> LAVENSKI R. SMITH, PSC CHAIRMAN</p>	<p>AGENCY PROGRAM COMMENTARY BR21</p>	<p>PAGE 552</p>
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**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999-2001**

- Maintenance and Operations - to cover a State Building Services increase in rent for the 1000 Center Street Building;
- Professional Services - to authorize contracting assistance for cost of service and rate unbundling proceedings for all jurisdictional electric utilities in response to anticipated legislation opening the electric utility industry to competition;
- Capital Outlay - to replace as needed, agency vehicles, office furniture and equipment;
- Data Processing - to fund at the 1997-99 biennium appropriation act level for needed maintenance, repair and replacement of computer equipment;
- Contingency - to provide funding at the 1997-99 biennium appropriation act level for regulatory activity that could not have been reasonably foreseen;
- Building Repairs and Maintenance - to provide at the 1997-99 biennium appropriation act level for required repairs and maintenance to the 1000 Center Street Building

The increase in the data processing appropriation is necessary to provide funding for maintenance and replacement of equipment that has been in service for a considerable period of time. This request would restore the appropriation at the same level as the 1997-99 biennium appropriation act. The APSC Staff - Data Processing Section provides ongoing operations, application development, training, and user support

for the Utilities Division and Tax Division of the APSC.

Professional services are utilized by the agency to address extraordinary regulatory proceedings in which the APSC Staff requires additional expertise and/or resources to effectively carry out the APSC's statutory responsibilities. As you are aware, the electric utility industry in Arkansas is moving toward a competitive environment much faster than earlier anticipated. A total of 22 electric utility cost of service and rate unbundling proceedings must be conducted prior to the opening of the electric market to competition, which we anticipate could occur as early as January 2002. The APSC Staff will need the technical assistance of a consulting firm in order to complete the cost of service reviews for all 22 electric utilities prior to January 2002.

The APSC seeks a continuation of the Contingency appropriation at the same level authorized by the 1997-99 appropriation act. This appropriation has been of significant benefit to the agency in the past by providing funding for a required level of regulatory activity that could not have been reasonably foreseen when the APSC appropriation was enacted.

<p>AGENCY ARKANSAS PUBLIC SERVICE COMMISSION</p>	<p style="text-align: center;"><i>Lavenski R. Smith</i> LAVENSKI R. SMITH, PSC CHAIRMAN</p>	<p>AGENCY PROGRAM COMMENTARY BR21</p>	<p>PAGE 553</p>
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*ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999-2001*

Funding is also requested to allow any approved State Building Services (SBS) repairs and maintenance requested by the APSC for the 1000 Center Street Building to be funded from APSC Special Revenues instead of SBS General Revenues. This request seeks continuation of the Building Repairs and Maintenance appropriation at the same level authorized by the 1997-99 appropriation act.

The Pipeline Safety Program will require additional resources. Capital Outlay is requested for the addition of one four wheel drive vehicle during the first fiscal year and the replacement of one vehicle the second fiscal year of the next biennium. The remainder of the request is for replacement of office furniture and equipment as needed and the purchase of a specialized engineering test device. The engineering test device is used in the safety inspections of gas pipelines. Additional resources are also requested in maintenance and general operations due to a State Building Services increase in rent allocated to the Pipeline Safety Program and official business travel reimbursement and vehicle expenses due to an increased level of inspections.

AGENCY ARKANSAS PUBLIC SERVICE COMMISSION	 LAVENSKI R. SMITH, PSC CHAIRMAN	AGENCY PROGRAM COMMENTARY BR21	PAGE 554
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ARKANSAS PUBLIC SERVICE COMMISSION
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets					Liabilities			Total Equity	
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total	Total Equity		
\$ 2,883,399	\$ 1,951,957	\$ 470,196	\$ 5,305,552	\$ 13,380	\$ 359,746	\$ 373,126	\$ 4,932,426		

Revenues					Expenditures					Other Sources (Uses)
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	Total
\$ 0	\$ 140,171	\$ 5,870,482	\$ 86,551	\$ 6,097,204	\$ 5,305,907	\$ 0	\$ 212,237	\$ 1,257,777	\$ 6,775,921	\$ (200,252)

Findings	Recommendations
None	None

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

AGENCY TITLE 450 - PUBLIC SERVICE COMM

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>44</u>	<u>42</u>	<u>86</u>	<u>83%</u>
BLACK EMPLOYEES	<u>7</u>	<u>9</u>	<u>16</u>	<u>16%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>1</u>	<u>1</u>	<u>1%</u>
TOTAL EMPLOYED AS OF 08/08/98			<u>17</u>	<u>17%</u>
DATE			TOTAL MINORITIES	<u>17%</u>
			<u>103</u>	<u>100%</u>
			TOTAL EMPLOYEES	



 AGENCY DIRECTOR

ARKANSAS BUDGET SYSTEM DEPARTMENT APPROPRIATION SUMMARY

AGENCY TITLE Public Service Commission (450U)		1997-99 Expenditures				1999-01 Biennium Request				1999-01 Executive Recommendation			
Appropriations		Actual	No. of	Budgeted	No. of	Year 1	No. of	Year 2	No. of	Year 1	No. of	Year 2	No. of
Code	Name	1997-98	Pos.	1998-99	Pos.	1999-00	Pos.	2000-01	Pos.	1999-00	Pos.	2000-01	Pos.
2KA	Contingency	\$0	0	\$950,000	0	\$1,000,000	0	\$1,000,000	0	\$1,000,000	0	\$1,000,000	0
255	Utilities Division	5,577,555	101	7,437,480	90	8,255,464	90	8,059,992	90	8,233,069	90	8,041,768	90
256	Pipeline Safety Program	408,125	9	575,524	8	614,371	8	622,056	8	614,371	8	622,056	8
1MU	One Call/Damage Prevention Program	0	0	20,897	0	0	0	0	0	0	0	0	0
TOTALS		\$5,985,680	110	\$8,983,901	98	\$9,869,835	98	\$9,682,048	98	\$9,847,440	98	\$9,663,824	98
Funding Sources			% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances		\$2,862,385	28.6%	\$4,028,153	33.8%	\$2,923,953	23.6%	\$2,520,000	20.7%	\$2,923,953	23.6%	\$2,520,000	20.7%
General Revenues													
Special Revenues		6,919,562	69.1%	7,608,252	63.9%	9,360,674	75.6%	9,371,021	76.8%	9,338,278	75.5%	9,352,796	76.7%
Federal Funds		231,886	2.3%	271,449	2.3%	105,208	0.8%	311,027	2.5%	105,209	0.9%	311,028	2.6%
Constitutional Officers Fund													
State Central Services Fund													
Non-Revenue Receipts													
Cash Funds													
Other													
Total Funding		10,013,833	100.0%	11,907,854	100.0%	12,389,835	100.0%	12,202,048	100.0%	12,367,440	100.0%	12,183,824	100.0%
Excess Appro./ (Funding)		(4,028,153)		(2,923,953)		(2,520,000)		(2,520,000)		(2,520,000)		(2,520,000)	
TOTAL		\$5,985,680		\$8,983,901		\$9,869,835		\$9,682,048		\$9,847,440		\$9,663,824	
DEPARTMENT PUBLIC SERVICE COMMISSION (450U)				DIRECTOR Lavenski R. Smith					DEPARTMENT APPROPRIATION SUMMARY BR 40				
									557				

ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001

The Public Service Commission - Utilities Division's Contingency appropriation provides additional spending authority that may be transferred to the Division's operating line items in emergency situations that would require additional resources. Funding for this appropriation is from special revenue balances held in the Public Service Commission Fund to support any transfers that may be made. The Agency requests that this appropriation be continued at its current authorized level of \$1,000,000 each year and that special language governing transfers during emergencies and unforeseen circumstances also be continued for the 1999-2001 Biennium.

The Executive Recommendation provides for the Agency Request.

AGENCY Name: Public Service Commission - Utilities Division Code: 450U	APPROPRIATION Name: Contingency Code: 2KA	TREASURY FUND Name: Public Service Commission Fund Code: SJP	ANALYSIS OF BUDGET REQUEST BR20	PAGE 558
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			98-99			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	CHANGE			CHANGE			EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	LEVEL	TOTAL REQUEST	BASE	LEVEL	TOTAL REQUEST	99-00	00-01	99-00	00-01			
CONTINGENCY	0	950,000	1,000,000	950,000	50,000	1,000,000	950,000	50,000	1,000,000	1,000,000	1,000,000					
TOTAL	0	950,000	1,000,000	950,000	50,000	1,000,000	950,000	50,000	1,000,000	1,000,000	1,000,000					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES	1,000,000	1,000,000	*****	1,000,000		1,000,000	1,000,000		1,000,000	1,000,000	1,000,000					
GENERAL REVENUES			*****													
SPECIAL REVENUES		950,000	*****	950,000	50,000	1,000,000	950,000	50,000	1,000,000	1,000,000	1,000,000					
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
OTHER			*****													
TOTAL FUNDING	1,000,000	1,950,000	*****	1,950,000	50,000	2,000,000	1,950,000	50,000	2,000,000	2,000,000	2,000,000					
EXCESS APPRO/ (FUNDING)	(1,000,000)	(1,000,000)	*****	(1,000,000)		(1,000,000)	(1,000,000)		(1,000,000)	(1,000,000)	(1,000,000)					
TOTAL		950,000	*****	950,000	50,000	1,000,000	950,000	50,000	1,000,000	1,000,000	1,000,000					

DEPT 010 SEPARATE AGENCIES
 AGY 450 ARKANSAS PUBLIC SERVICE COMMISSION
 APPRO 2KA CONTINGENCY
 FUND SJP PUBLIC SERVICE COMMISSION FUND (450)

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-----		-----1999 - 01 BIENNIIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					ACTUAL	BUDGETED	-----FY 1999 - 00-----			-----FY 2000 - 01-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
					97-98	98-99	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01			
000		SJP	450 2KA	B		950,000	950,000	0	950,000	0				950,000	950,000			
001		SJP	450 2KA 120 02 DIRECTOR AND UTILITIES STAFF	C01			50,000	0	50,000	0				50,000	50,000			
<p>The APSC seeks a continuation of the Contingency appropriation at the same level authorized by the 1997-99 appropriation act. This appropriation has been of significant benefit to the agency in the past by providing funding for a required level of regulatory activity that could not have been reasonably foreseen when the APSC appropriation was enacted.</p>																		

DEPT 010 SEPARATE AGENCIES
AGY 450 ARKANSAS PUBLIC SERVICE COMMISSION
APPRO 2KA CONTINGENCY
FUND SJP PUBLIC SERVICE COMMISSION FUND (450)

RANK BY APPROPRIATION
BR 264

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

The Public Service Commission - Utilities Division is funded entirely by special revenues derived from assessments paid by the utility companies under its jurisdiction, as authorized in A.C.A. § 19-6-406. Base Levels for the Division total \$7,555,796 for FY00 and \$7,408,154 for FY01, with 90 budgeted positions. Also included are cost of living increases of 2.8% each year over the FY99 salary levels, along with related Personal Services Matching costs. The second year Base Level is less than the first year because current special language clauses for the Data Processing - PSC Divisions line item and the Building Repairs/Maintenance line item provide for the entire appropriation in each to be placed in the first year and its balance to be carried forward into the second year. Changes requested by the Commission are as follows:

Increases in Operating Expenses of \$111,114 each year for additional rent costs.

Capital Outlay of \$61,395 in the first year for replacement of one vehicle and office equipment and purchase of engineering and field testing equipment and \$40,724 in the second year for replacement of one vehicle and office equipment.

An increase of \$13,321 in the first year for the Data Processing Services special line item for expenses incurred in maintaining and upgrading data processing systems in the divisions. This amount would increase the account to \$277,713 for the biennial period. Continuation of carry forward special language is also requested.

Additional appropriation of \$500,000 each year in the Professional Services special line item is requested on a one-time basis for only the duration of the 1999-01 Biennium to employ private sector auditors by contract to assist Agency personnel in the continuation and completion of a study of electric utilities concerning the delivery of services and regulation in a competitive environment that began in FY99. Data gathered in these audits will be provided to the Arkansas Legislature for formulation of legislation to govern electric utilities in a competitive environment.

An increase of \$13,838 in the first year to reinstate \$48,819 as the biennial level for the Building Repair and Maintenance account. Continuation of special language carry forward authority is also requested.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: Public Service Commission - Utilities Division Code: 450U	Name: Utilities Division Code: 255	Name: Public Service Commission Fund Code: SJP	BUDGET REQUEST BR20	561

ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1999 - 2001

Continuation is requested for the special language clause that provides special pay rates for professional employees.

The Executive Recommendation provides for the rent increase, the requested increases in Building Repairs/Maintenance and Data Processing Services, and Capital Outlay of \$39,000 in the first year and \$22,500 in the second year. The requested additions in Professional Fees of \$500,000 each year are recommended with the stipulation that the study of competitive electric services will be completed by the end of the 1999-01 Biennium and no portion of the additions recommended for support of the study project should be continued beyond June 30, 2001.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Public Service Commission - Utilities Division Code: 450U	Name: Utilities Division Code: 255	Name: Public Service Commission Fund Code: SJP	BR20	562

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	CHANGE		TOTAL	CHANGE		TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	LEVEL	REQUEST	BASE	LEVEL	REQUEST	99-00	00-01	99-00	00-01
REGULAR SALARIES	3,653,950	4,449,355	4,647,815	4,600,811	0	4,600,811	4,729,615	0	4,729,615	4,600,811	4,729,615		
NUMBER OF POSITIONS	101	90	108	90	0	90	90	0	90	90	90		
XTRA HELP	0	1,325	1,325	1,325	0	1,325	1,325	0	1,325	1,325	1,325		
NUMBER OF POSITIONS	0	6	6	6	0	6	6	0	6	6	6		
PERSONAL SERV MATCHING	865,630	1,089,905	1,151,706	1,102,665	0	1,102,665	1,125,592	0	1,125,592	1,102,665	1,125,592		
VERTIME	0	25,000	25,000	25,000	0	25,000	25,000	0	25,000	25,000	25,000		
OPERATING EXPENSES	763,272	876,131	876,131	876,131	111,114	987,245	876,131	111,114	987,245	987,245	987,245		
CONF FEES & TRAVEL	54,074	58,922	58,922	58,922	0	58,922	58,922	0	58,922	58,922	58,922		
CONF FEES & SERVICES	8,748	15,000	15,000	15,000	0	15,000	15,000	0	15,000	15,000	15,000		
EQUIPMENT OUTLAY	12,920	45,900	45,900	0	61,395	61,395	0	40,724	40,724	39,000	22,500		
DATA PROCESSING	7,321	15,000	15,000	15,000	0	15,000	15,000	0	15,000	15,000	15,000		
BUILDING REPAIR/MAINT	13,838	34,981	CARRY-FORWARD *	34,981	13,838	48,819	CARRY-FORWARD			48,819	CARRY-FORWARD		
FEDERAL REGULATORY SERVICE	26,413	290,575	290,575	290,575	0	290,575	290,575	0	290,575	290,575	290,575		
PROFESSIONAL SERVICES	157,562	270,994	270,994	270,994	500,000	770,994	270,994	500,000	770,994	770,994	770,994		
DATA PROCESSING SERVICES	13,827	264,392	CARRY-FORWARD *	264,392	13,321	277,713	CARRY-FORWARD			277,713	CARRY-FORWARD		
TOTAL	5,577,555	7,437,480	7,398,360	7,555,796	699,668	8,255,464	7,408,159	651,838	8,059,992	8,233,069	8,041,768		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	1,319,660	2,450,677	*****	1,400,000		1,400,000	1,400,000		1,400,000	1,400,000	1,400,000		
GENERAL REVENUES			*****										
SPECIAL REVENUES	6,708,572	6,386,803	*****	7,555,796	699,668	8,255,464	7,408,159	651,838	8,059,992	8,233,069	8,033,901		
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	8,028,232	8,037,480	*****	8,955,796	699,668	9,655,464	8,808,159	651,838	9,459,992	9,633,069	9,433,901		
EXCESS APPRO/ (FUNDING)	(2,450,677)	(1,400,000)	*****	(1,400,000)		(1,400,000)	(1,400,000)		(1,400,000)	(1,400,000)	(1,392,133)		
TOTAL	5,577,555	7,437,480	*****	7,555,796	699,668	8,255,464	7,408,159	651,838	8,059,992	8,233,069	8,041,768		

DEPT 010 SEPARATE AGENCIES
 AGENCY 450 ARKANSAS PUBLIC SERVICE COMMISSION
 APPRO 255 UTILITIES DIVISION
 FUND SJP PUBLIC SERVICE COMMISSION FUND (450)

* For the 1997-99 Biennium, the authorized amount for Building Repair/Maintenance is \$48,819. The authorized amount for Data Processing Services is \$277,713.

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		1999 - 01 BIENNIIUM REQUESTS						RECOMMENDATIONS					
					ACTUAL	BUDGETED	FY 1999 - 00		FY 2000 - 01				EXECUTIVE		LEGISLATIVE			
					97-98	98-99	REQUEST		REQUEST				1999-00	2000-01	1999-00	2000-01		
000		SJP	450 255	B	5,577,555 101	7,437,400 90	7,555,796 90		7,408,154 90				7,555,796 90	7,408,154 90				
001		SJP	450 255 120 02 DIRECTOR AND UTILITIES STAFF	C01			111,114 0		111,114 0				111,114	111,114				
<p>This request is to provide additional appropriation for an increase in the rent of the 1000 Center Street Building. State Building Services notified the Arkansas Public Service Commission that the rent increase will be effective July 1, 1999.</p>																		
001		SJP	450 255 120 02 DIRECTOR AND UTILITIES STAFF	C02			500,000 0		500,000 0				500,000	500,000				
<p>This request is to provide for additional professional services to conduct necessary electric utility cost of service and rate unbundling proceedings. The electric utility industry in Arkansas is moving toward a competitive environment faster than initially contemplated. A total of 22 electric utility cost of service and rate unbundling proceedings must be conducted prior to the opening of the electric market to competition, which we anticipate will occur in January 2002. The APSC Staff will need the assistance of a consulting firm in order to complete the cost of service reviews for all 22 electric utilities before 2002.</p>																		

DEPT 010 SEPARATE AGENCIES
 AGY 450 ARKANSAS PUBLIC SERVICE COMMISSION
 APPRO 255 UTILITIES DIVISION

RANK BY APPROPRIATION

BR 264

FUND SJP PUBLIC SERVICE COMMISSION FUND (450)

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

11	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
LNK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----				-----1999 - 01 BIENNIUM REQUESTS-----				-----R E C O M M E N D A T I O N S-----					
					97-98	98-99	ACTUAL	BUDGETED	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01	EXECUTIVE	LEGISLATIVE		
11		SJP	450 255 120 02 DIRECTOR AND UTILITIES STAFF	C03			61,395 0			40,724 0			39,000	22,500				
<p>This request is to replace one agency four wheel drive vehicle the first fiscal year at a cost of \$24,000 and one station wagon at \$17,500 the second fiscal year of the next biennium. Vehicle replacement is necessitated by age and condition of the vehicles. The remainder of the request is for replacement and additional office equipment/furniture and the purchase of two specialized engineering test equipment devices (Dynatel 945 Transmission Test Set).</p>																		
11		SJP	450 255 120 02 DIRECTOR AND UTILITIES STAFF	C04			13,838 0			0 0			13,838					
<p>This request will continue to allow any approved State Building Services repairs or maintenance requested by the APSC to the 1000 Center Street Building to be funded from Special Revenues instead of General Revenues.</p> <p>This request seeks a continuation of the Building Repairs and Maintenance appropriation at the same level authorized by the 1997-99 appropriation act.</p>																		
11		SJP	450 255 120 02 DIRECTOR AND UTILITIES STAFF	C08			13,321 0			0 0			13,321					
<p>The increase in the data processing appropriation is necessary to provide funding for maintenance and replacement of equipment that has been in service for a considerable period of time. This request would restore the appropriation at the same level as the 1997-99 biennium appropriation act. The APSC Staff - Data Processing Section provides ongoing operations, application development, training, and user support for the Utilities Division and Tax Division of the Arkansas Public Service Commission.</p>																		

EPT 010 SEPARATE AGENCIES
 JY 450 ARKANSAS PUBLIC SERVICE COMMISSION
 PRO 255 UTILITIES DIVISION
 ND SJP PUBLIC SERVICE COMMISSION FUND (450)

RANK BY APPROPRIATION

BR 264

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

The Public Service Commission's Pipeline Safety Program is funded by special revenue inspection fees charged annually to each company according to its pipeline mileage in Arkansas, as authorized in Arkansas Code § 23-15-214 et seq. The Program also receives federal reimbursement for 50% of its expenditures. Under this program, the Commission maintains safety jurisdiction and monitors the transmission by pipeline of hazardous materials, such as gasoline, oil, and natural gas. Base Level provides a cost of living increase of 2.8% each year over 'FY99 salary levels, including the related Personal Services Matching costs, for the Program's 8 continuing positions. Changes requested are as follows:

Additions in Operating Expenses of \$16,625 each year for increased rent charges, official business travel, and vehicle operating expenses.

Capital Outlay amounts of \$31,290 in the first year and \$26,330 in the second year for replacement of vehicles and office equipment, and purchase of specialized engineering equipment to be used in safety inspections of pipelines.

The Executive Recommendation provides for the Agency Request.

AGENCY Name: Public Service Commission - Utilities Division Code: 450U	APPROPRIATION Name: Pipeline Safety Program Code: 256	TREASURY FUND Name: Public Service Utility Safety Fund Code: SAD	ANALYSIS OF BUDGET REQUEST BR20	PAGE 566
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ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----		98-99	-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98 ACTUAL	98-99 BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										99-00	00-01	99-00	00-01
REGULAR SALARIES	275,747	370,511	390,500	382,765	0	382,765	393,481	0	393,481	382,765	393,481		
NUMBER OF POSITIONS	9	8	9	8	0	8	8	0	8	8	8		
PERSONAL SERV MATCHING	68,212	92,775	96,615	93,453	0	93,453	95,382	0	95,382	93,453	95,382		
OPERATING EXPENSES	48,927	46,389	46,389	46,389	16,625	63,014	46,389	16,625	63,014	63,014	63,014		
CONF FEES & TRAVEL	7,626	20,620	20,620	20,620	0	20,620	20,620	0	20,620	20,620	20,620		
PROF FEES & SERVICES	1,019	23,229	23,229	23,229	0	23,229	23,229	0	23,229	23,229	23,229		
CAPITAL OUTLAY	6,594	22,000	22,000	0	31,290	31,290	0	26,330	26,330	31,290	26,330		
TOTAL	408,125	575,524	599,433	566,456	47,915	614,371	579,101	42,955	622,056	614,371	622,056		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	542,725	556,579	*****	523,953		523,953	120,000		120,000	523,953	120,000		
GENERAL REVENUES			*****										
SPECIAL REVENUES	210,990	271,449	*****	81,252	23,958	105,210	289,551	21,478	311,029	105,209	311,028		
FEDERAL FUNDS	210,989	271,449	*****	81,251	23,957	105,208	289,550	21,477	311,027	105,209	311,028		
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	964,704	1,029,477	*****	686,456	47,915	734,371	699,101	42,955	742,056	734,371	742,056		
EXCESS APPRO/ (FUNDING)	(556,579)	(523,953)	*****	(120,000)		(120,000)	(120,000)		(120,000)	(120,000)	(120,000)		
TOTAL	408,125	575,524	*****	566,456	47,915	614,371	579,101	42,955	622,056	614,371	622,056		

DEPT 010 SEPARATE AGENCIES
 AGY 450 ARKANSAS PUBLIC SERVICE COMMISSION
 APPRO 256 PIPELINE SAFETY PROGRAM
 FUND SAD PUBLIC SERV UTIL SAFETY FUND (450)

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-----		-----1999 - 01 BIENNIIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					---ACTUAL--- 97-98	---BUDGETED--- 98-99	-----FY 1999 - 00-----		-----FY 2000 - 01-----		-----EXECUTIVE-----		-----LEGISLATIVE-----					
							REQUEST	REQUEST						1999-00	2000-01	1999-00	2000-01	
000		SAD	450 256	B	408,125 9	575,524 8	566,456 8		579,101 8					566,456 8	579,101 8			
001		SAD	450 256 120 02 DIRECTOR AND UTILITIES STAFF	C01			5,425 0		5,425 0					5,425	5,425			
	This request is to provide additional appropriation for an increase in the rent of the 1000 Center Street Building. State Building Services notified the Arkansas Public Service Commission that the rent increase will be effective July 1, 1999.																	
001		SAD	450 256 120 02 DIRECTOR AND UTILITIES STAFF	C02			11,200 0		11,200 0					11,200	11,200			
	This request is for additional maintenance and operations funding for official business travel reimbursement and state vehicle expenses due to an increased level of safety inspections.																	

DEPT 010 SEPARATE AGENCIES
AGY 450 ARKANSAS PUBLIC SERVICE COMMISSION
APPRO 256 PIPELINE SAFETY PROGRAM
FUND SAD PUBLIC SERV UTIL SAFETY FUND (450)

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-----		-----1999 - 01 BIENNIIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					ACTUAL 97-98	BUDGETED 98-99	-----FY 1999 - 00-----		-----FY 2000 - 01-----				-----EXECUTIVE-----		-----LEGISLATIVE-----			
							REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01	
001		SAD	450 256 120 02 DIRECTOR AND UTILITIES STAFF	C03			31,290 0							31,290	26,330			

This request is for the addition of one four wheel drive vehicle the first fiscal year and replacement of one four wheel drive vehicle the second fiscal year of the next biennium. Vehicle replacement is necessitated by age and condition. The remainder of the request is for replacement of office furniture and equipment as needed and the purchase of a specialized engineering test device (Flame Pack and Fuel). This test device is used in the safety inspections of gas pipelines.

DEPT 010 SEPARATE AGENCIES
AGY 450 ARKANSAS PUBLIC SERVICE COMMISSION
APPRO 256 PIPELINE SAFETY PROGRAM
FUND SAD PUBLIC SERV UTIL SAFETY FUND (450)

RANK BY APPROPRIATION
BR 264

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	EXPENDITURES			99-00 FISCAL YEAR			00-01 FISCAL YEAR			R E C O M M E N D A T I O N S			
	97-98	98-99	98-99							EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	99-00	00-01	99-00	00-01
PROF FEES & SERVICES	0	20,897	0	0	0	0	0	0	0	0	0		
THIS APPROPRIATION IS NOT REQUESTED FOR THE NEW BIENNIUM													
TOTAL	0	20,897	0	0	0	0	0	0	0	0	0		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES		20,897	*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS	20,897		*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
OTHER			*****										
TOTAL FUNDING	20,897	20,897	*****										
EXCESS APPRO/ (FUNDING)	(20,897)		*****										
TOTAL		20,897	*****										

DEPT 010 SEPARATE AGENCIES
 AGY 450 ARKANSAS PUBLIC SERVICE COMMISSION
 APPRO 1M1 ONE-CALL/DAMAGE PREVENTION PROGRAM
 FUND SAD PUBLIC SERV UTIL SAFETY FUND (450)

Appropriation was established through the authority of the MFG Holding Account.

APPROPRIATION SUMMARY

BR 215

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

Funding for the Arkansas Public Service Commission - **Tax Division** comes primarily from special revenues and its share of ad valorem taxes, along with general revenues if needed. The Tax Division is responsible for determining, for assessment purposes, the fair market value of the property of all public utilities and carriers doing business in Arkansas. In 1997, assessments rendered by the Division totaled over \$2 billion. This assessment amount will generate approximately \$84 million in property tax revenue to be collected during 1998 for the support of public schools and various aspects of government.

The specialized field of utility and carrier assessment is becoming increasingly complex as the utilities and carriers subject to assessment continue to be effected by technological, regulatory, legal, competitive, and federally mandated changes. These changes bring about more complicated assessment issues and more and more companies subject to assessment (for example: 90,000 companies projected for assessment in 2001 compared to the 26,000 assessed in 1997).

In preparation for the 1999-2001 biennial budget process, the Tax Division has continued to monitor its aggressive streamlining efforts in all program areas. However, with the dramatic increase in the number

of companies subject to assessment expected during the next biennium, the Division must make certain requests in order for its programs to continue to function properly and meet statutory obligations. The Tax Division's budget requests are directly related to the expected increase in companies to be assessed and the critical need to retain and recruit qualified personnel. These requests are summarized as follows:

Staffing Matters:

- Retention and Recruitment of Professional Tax Staff - As previously stated, the appraisal of utilities and carriers is becoming increasingly complex, requiring a highly trained professional staff. As the level of complexity continues to increase, utilities and carriers are augmenting their professional staffs with outside experts to assist in presenting their issues. To maintain the effectiveness of the Division's programs, it is imperative that the Division be able to retain its highly trained staff members and recruit personnel qualified to handle complex issues. The Division has experienced significant staff turnover in recent years, making it even more difficult to be both efficient with resources and highly productive.

<p>AGENCY</p> <p>ARKANSAS PUBLIC SERVICE COMMISSION - TAX DIVISION</p>	<p>TAX DIVISION DIRECTOR</p> <p>TOBY L. REESE </p>	<p>AGENCY PROGRAM COMMENTARY BR21</p>	<p>PAGE</p> <p>571</p>
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**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

- **Reclassification of Program Personnel** - Because of the problems associated with the management of a continuously growing assessment base and the advancement in complex assessment practices, the responsibilities of two positions have evolved to the point that the Division requests reclassification of the positions to Program Support Managers.
- **Extra-Help Positions** - The dramatic increase in the number of companies projected to be subject to assessment during the 99-01 biennium is the result of upcoming Federally mandated changes to the system used as an information source for discovery of motor carrier companies. Due to these expected increases, the Division has a critical need for four additional extra-help positions to assist with the voluminous flow of paperwork, which will enable the Division's experienced staff to focus on productivity gains. Attachment #1 depicts past levels of motor carrier program staffing and the increased workload that will be placed on existing staff during the next biennium. In order for existing staff to handle projected workload, the Division is requesting four extra-help positions.

Augment Existing Resources:

Due to the increasing number of companies to be assessed and the necessity of

having a properly trained staff, additional resources are requested in the following areas in order to maintain Division programs and meet statutory obligations:

- **Postage, Printing, Centrex, and Office Supplies** - to cover the cost of mailing forms to and contacting additional companies subject to assessment. This accounts for announced increase in postage rates.
- **Rent of Office Furniture & Equipment** - to cover the rental of a new postage machine (old machine is at the end of its serviceable life).
- **Capital Outlay** - to cover costs of purchasing additional file cabinets for tax reports storage and for purchase of furniture and equipment for requested extra-help positions.
- **Overtime Appropriation** - to cover payments to nonexempt employees for excessive overtime. To meet assessment deadlines, experienced staff worked excessive overtime last year. This is expected to occur again during the 99-01 biennium due to increasing workload.
- **Rent of State-Owned Office Space** - to cover rental rate increase announced by State Building Services.
- **Subscriptions and Publications** - to cover annual average increase in costs of subscriptions and publications used as financial data sources.
- **Conferences and Conventions** - to cover costs associated with training

AGENCY ARKANSAS PUBLIC SERVICE COMMISSION - TAX DIVISION	TAX DIVISION DIRECTOR TOBY L. REESE 	AGENCY PROGRAM COMMENTARY BR21	PAGE 572
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**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1999 - 2001**

new and existing staff members. Employees must stay abreast of changes in utility and carrier industries and must receive adequate levels of training in order to be productive. Because of specialized nature of work performed, conferences, workshops, and conventions are the only sources for staff skills development.

- Association Dues & Memberships - to cover the costs of the Multistate Tax Commission's Property Tax Fairness Project and to allow for possible participation in Commission audits.

The Tax Division continues to make its operations more efficient and productive. However, changes in the utility and carrier industries that are beyond the control of the Division continue to strain the Division's existing level of resources to the limits. Therefore, in order to continue to fulfill its legal obligations, the Division is making the above mentioned staffing and operations requests for the 1999-2001 biennium.

AGENCY ARKANSAS PUBLIC SERVICE COMMISSION - TAX DIVISION	TAX DIVISION DIRECTOR TOBY L. REESE 	AGENCY PROGRAM COMMENTARY BR21	PAGE 573
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ARKANSAS PUBLIC SERVICE COMMISSION - TAX DIVISION

MOTOR CARRIER COMPANIES SUBJECT TO ASSESSMENT

1983 - 2001

Year	Number of Companies	Tax Revenue Generated	Number of Regular Positions	Number of Companies per Position	Tax Revenue Generated per Position
1983	4,969	\$ 1,809,099	4	1,242	\$ 452,275
1984	5,937	\$ 1,654,154	4	1,484	\$ 413,539
1985	6,383	\$ 1,698,885	4	1,596	\$ 424,721
1986	6,703	\$ 2,095,391	5	1,341	\$ 419,078
1987	7,347	\$ 2,381,035	5	1,469	\$ 476,207
1988	8,859	\$ 2,888,664	5	1,772	\$ 577,733
1989	9,837	\$ 3,269,621	5	1,967	\$ 653,924
1990	10,875	\$ 3,734,053	6	1,813	\$ 622,342
1991	12,174	\$ 4,041,698	6	2,029	\$ 673,616
1992	13,018	\$ 4,555,963	6	2,170	\$ 759,327
1993	14,158	\$ 5,051,875	6	2,360	\$ 841,979
1994	16,798	\$ 5,971,281	6	2,800	\$ 995,214
1995	21,609	\$ 7,209,119	6	3,602	\$1,201,520
1996	23,541	\$ 8,249,234	6	3,924	\$1,374,872
1997	25,532	\$ 9,105,393	6	4,255	\$1,517,566
1998	40,000		8	5,000	
1999	Projected	46,250	8	5,781 *	
2000	Projected	75,000	8	9,375 *	
2001	Projected	90,000	8	11,250 *	

* Additional Extra-Help positions needed in order for regular positions to handle tremendous increase in workload projected for 1999-2001. Without extra-help positions, ability to meet statutory deadlines will be seriously jeopardized.

ARKANSAS PUBLIC SERVICE COMMISSION - TAX DIVISION
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1997

Assets					Liabilities			Total Equity	
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total			
\$ 278,335	\$ 42,039	\$ 38,509	\$ 358,883	\$ 773	\$ 33,013	\$ 33,786	\$ 325,097		

Revenues				Expenditures				Other Sources (Uses)		
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 351,119	\$ 0	\$ 0	\$ 37	\$ 351,156	\$ 386,599	\$ 0	\$ 5,444	\$ 85,778	\$ 477,821	\$ 201,040

Findings

Recommendations

None

None

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

The Public Service Commission - Tax Division's appropriation is funded by special revenues transferred from the Public Service Commission Fund, the Division's share of ad valorem taxes, as authorized in Arkansas Code §19-5-1024, and general revenues, if needed. Base Level provides a cost of living increase of 2.8% each year over FY99 salary levels, including the related Personal Services Matching costs, for 15 continuing positions. Change levels requested are as follows:

Enhanced title and grade for one position in accordance with provisions of the Career Ladder Incentive Program.

Reclassification of two positions, an Accounting Supervisor I and a Management Project Analyst II, each Grade 20, to Program Support Manager, Grade 22, is requested at costs of \$4,843 for FY00 and \$4,975 for FY01.

Addition of four Extra Help positions to assist with assessment certifications and the growing volume of motor carrier filings, notices, and records. Costs are \$32,028 in the first year and \$32,900 in the second year.

Establishment of an Overtime line item in the amount of \$5,000 each year is requested for remuneration of employees who work extra hours preparing property assessment data for certification deadlines.

Additions in Operating Expenses of \$52,952 in the first year and \$68,512 in the second year for increases in postage, rent, printing, supplies, publications, telephone expenses, and association dues to cover part of the State's membership in the Multi-State Tax Commission.

Increases in Conference Fees & Travel of \$7,200 each year to provide additional training of employees in new assessment practices concerning telephone deregulation and utilities in a competitive environment. These will be one-time training sessions that will not be continued beyond the 1999-01 Biennium.

Capital Outlay of \$8,200 in the first year and \$6,200 in the second year for replacement of office equipment.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: Public Service Commission - Tax Division	Name: Tax Division	Name: Tax Division Fund	BUDGET REQUEST	576
Code: 450T	Code: 257	Code: HTD	BR20	

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

The Executive Recommendation is the Agency Request, except for position reclassifications. The Executive Recommendation also stipulates that the Change Level additions in Conference Fees & Travel should not be continued beyond June 30, 2001.

AGENCY Name: Public Service Commission - Tax Division Code: 450T	APPROPRIATION Name: Tax Division Code: 257	TREASURY FUND Name: Tax Division Fund Code: HTD	ANALYSIS OF BUDGET REQUEST BR20	PAGE 577
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	99-00 FISCAL YEAR		00-01 FISCAL YEAR		00-01 FISCAL YEAR		EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	99-00	00-01	99-00	00-01
REGULAR SALARIES	359,217	420,643	422,943	441,068	4,113	445,181	453,418	4,228	457,646	441,068	453,418		
NUMBER OF POSITIONS	15	15	15	15	0	15	15	0	15	15	15		
EXTRA HELP	5,989	8,500	8,500	8,500	28,928	37,428	8,500	29,738	38,238	37,428	38,238		
NUMBER OF POSITIONS	1	1	1	1	4	5	1	4	5	5	5		
PERSONAL SERV MATCHING	95,823	124,101	121,438	127,186	3,830	131,016	129,375	3,909	133,284	130,286	132,537		
OVERTIME	3,664	0	0	0	5,000	5,000	0	5,000	5,000	5,000	5,000		
OPERATING EXPENSES	103,785	112,617	112,617	112,617	52,952	165,569	112,617	68,512	181,129	165,569	181,129		
CONF FEES & TRAVEL	5,266	5,300	5,300	5,300	7,200	12,500	5,300	7,200	12,500	12,500	12,500		
CAPITAL OUTLAY	10,095	5,700	5,700	0	8,200	8,200	0	6,200	6,200	8,200	6,200		
TOTAL	583,839	676,861	676,498	694,671	110,223	804,894	709,210	124,787	833,997	800,051	829,022		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	278,335	315,110	*****	254,123		254,123	182,230		182,230	254,123	183,925		
GENERAL REVENUES			*****										
SPECIAL REVENUES	259,597	249,874	*****	286,356	71,645	358,001	342,537	81,112	423,649	354,853	419,313		
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
AD VALOREM TAX	379,017	375,000	*****	336,422	38,578	375,000	331,325	43,675	375,000	375,000	375,000		
TOTAL FUNDING	898,949	930,984	*****	876,901	110,223	987,124	856,092	124,787	980,879	983,976	978,238		
EXCESS APPRO/ (FUNDING)	(315,110)	(254,123)	*****	(182,230)		(182,230)	(146,882)		(146,882)	(183,925)	(149,216)		
TOTAL	583,839	676,861	*****	694,671	110,223	804,894	709,210	124,787	833,997	800,051	829,022		

DEPT 010 SEPARATE AGENCIES
 AGY 450 ARKANSAS PUBLIC SERVICE COMMISSION
 APPRO 257 TAX DIVISION

APPROPRIATION SUMMARY

BR 215

FUND HTD TAX DIVISION FUND (450)

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

11	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
UNK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1999 - 01 BIENNIIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					-----ACTUAL-----		-----FY 1999 - 00-----		-----FY 2000 - 01-----		-----EXECUTIVE-----		-----LEGISLATIVE-----					
					97-98	98-99	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
10		HTD	450 257	B	583,839 15	676,861 15	694,671 15		709,210 15			694,671 15	709,210 15					
11		HTD	450 257 150 01 ADMINISTRATION	C01			80,595 0		94,887 0			80,595	94,887					
<p>Request is for increases in postage, printing, centrex, office supplies, and rent-office furniture & equipment (postage machine) due to the expected growth in the number of motor carriers to be reviewed for assessment: number of companies for 1999 = 46,250; 2000 = 75,000; 2001 = 90,000. This accounts for the announced increase in postage, increase in volume of calls regarding assessment, supplies usage, and the replacement of our postage machine, which service personnel have stated is at the end of its serviceable life and must be replaced. Request for extra-help and capital outlay increases are necessary in order to have adequate man-power to handle the increasing workload in the motor carrier program. Extra-help amount requested is based on 4 additional employees working 20 hours per week and being paid at entry level for Document Examiner II's, while the capital outlay amount is requested for the purchase of additional file cabinets and to provide office furniture and equipment for the additional extra-help positions. Finally, a new appropriation request for overtime is needed to allow for overtime payments to Non-Exempt employees. It was necessary for a number of employees to work overtime during the past year, with one employee having to be payed for excessive overtime. The overtime situation is expected to occur again in the future due to increased workload and is the reason for this request.</p>																		
11		HTD	450 257 150 01 ADMINISTRATION	C02			7,185 0		7,185 0			7,185	7,185					
<p>Request is due to rental rate increase announced by State Building Services for rent of state-owned office space. The rental rate will increase to \$10.00 per square foot from the previous rate of \$6.50 per square foot.</p>																		

EPT 010 SEPARATE AGENCIES
 BY 450 ARKANSAS PUBLIC SERVICE COMMISSION
 PPRO 257 TAX DIVISION

RANK BY APPROPRIATION

BR 264

JND HTD TAX DIVISION FUND (450)

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		-----1999 - 01 BIENNIIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					ACTUAL	BUDGETED	FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE					
					97-98	98-99	REQUEST		REQUEST		1999-00	2000-01	1999-00	2000-01				
001		HTD	450 257 150 01 ADMINISTRATION	C03			8,600	0	8,740	0	8,600	8,740						
<p>Requested increases are necessary to ensure that existing and new staff members are adequately trained in all areas of utility and carrier appraisal and assessment. Changes in technology, deregulation, and the restructuring of certain utility and carrier industries, along with recent personnel replacements and other staff members new to this specialized field, have made this increase necessary. In order to maintain efficient levels of productivity and the skills necessary to perform duties consistent with statutory mandates, it is important for the Division to provide proper training for its staff. Due to specialized nature of work performed, trade workshops, conferences, and conventions are the best sources for staff skills development. The conference and conventions increase is based on the average conference cost of \$1,200 per employee. The requested increase in subscriptions and publications is necessary for the Division to continue receiving financial data and commentary necessary to complete assessment work. The increase in subscriptions and publications is based on an annual average increase in subscriptions rates of 10% per fiscal year.</p>																		
001		HTD	450 257 150 01 ADMINISTRATION	C04			9,000	0	9,000	0	9,000	9,000						
<p>Request is for an increase in association dues and memberships in order to allow the Division to pay for all or a portion of the Multistate Tax Commission's Property Tax Fairness Project and/or allow for the Division to participate in Multistate Tax Commission audits of interstate utility and carrier companies.</p>																		
001		HTD	450 257 150 01 ADMINISTRATION	C09			0	0	0	0								
<p>An enhanced title and grade are requested in accordance with provisions of the Career Ladder Incentive Program. Specifically requested is a change from Administrative Assistant I, Grade 15, to Administrative Assistant II, Grade 17.</p>																		

DEPT 010 SEPARATE AGENCIES
 AGY 450 ARKANSAS PUBLIC SERVICE COMMISSION
 APPRO 257 TAX DIVISION

RANK BY APPROPRIATION

BR 264

FUND HTD TAX DIVISION FUND (450)

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		1999 - 01 BIENNIIUM REQUESTS						R E C O M M E N D A T I O N S					
					ACTUAL 97-98	BUDGETED 98-99	FY 1999 - 00		FY 2000 - 01		EXECUTIVE		LEGISLATIVE					
							REQUEST	REQUEST										
001		HTD	450 257 150 01 ADMINISTRATION	C10			4,843 0	4,975 0										

Request is for reclassification of the Division's Accounting Supervisor I (Grade 20) and Management Project Analyst II (Grade 20) positions to Program Support Managers (Grade 22). The responsibilities of these positions have continued to expand and evolve as the Division continues to experience problems associated with managing the dramatic growth in the number of companies that must be assessed, and as the Division continues to be confronted with increasingly complex issues related to the assessment of utilities and carriers. The duties and responsibilities associated with the programs that these positions manage have evolved to the point that a reclassification request is necessary.

DEPT 010 SEPARATE AGENCIES
 AGY 450 ARKANSAS PUBLIC SERVICE COMMISSION
 APPRO 257 TAX DIVISION
 FUND HTD TAX DIVISION FUND (450)

RANK BY APPROPRIATION

BR 264