

**ALC Report
For Emergency Review of
Pay Plan Appropriation, Merit Funding, Budget Classification Transfers, Miscellaneous
Federal Grants and Cash Appropriation Requests**

June 16, 2017

On June 16, 2016, Senator Bill Sample and Representative David Branscum, Co-Chairs of the Legislative Council and Senator Bruce Maloch and Representative David Meeks, Co-Chairs of the PEER Subcommittee received written notification from Larry Walther, the Chief Fiscal Officer of the State requesting Emergency Review of Pay Plan Requests, Merit Funding, Budget Classification Transfers, Miscellaneous Federal Grants and Cash Appropriation Requests.

Under Rule 16 of the Rules of the Arkansas Legislative Council, on June 16, 2016, the Co-Chairs of the Legislative Council and PEER Subcommittee unanimously determined that emergency review of the Pay Plan Requests, Merit Funding, Budget Classification Transfers, Miscellaneous Federal Grants and Cash Appropriation Requests were necessary to enable the agencies to perform essential services and these transfers are being authorized to cover any fiscal year end shortfalls that may occur.

Below is a summary of the Pay Plan Requests, Merit Funding, Budget Classification Transfers, Miscellaneous Federal Grants and Cash Appropriation Requests that were given emergency review.

Pay Plan Appropriation

Section 2 of Act 251 of 2016 – in an amount not to exceed \$17,000,000

Section 25 of Act 251 of 2016 – in an amount not to exceed \$4,000,000

Section 33 of Act 251 of 2016 – in an amount not to exceed \$5,000,000

Merit Funding Transfers

In an amount not to exceed \$14,000,000

Budget Classification Transfers

In an amount not to exceed \$1,000,000

Miscellaneous Federal Grants

In an amount not to exceed \$1,000,000

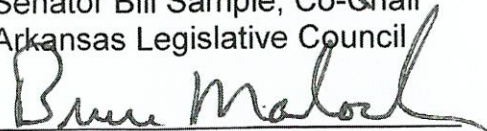
Cash Fund Appropriation Increases

In an amount not to exceed \$1,000,000

Respectfully Submitted,



Senator Bill Sample, Co-Chair
Arkansas Legislative Council



Senator Bruce Maloch, Co-Chair
ALC PEER Subcommittee



Representative David Branscum, Co-Chair
Arkansas Legislative Council



Representative David Meeks, Co-Chair
ALC PEER Subcommittee



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF BUDGET
1509 West Seventh Street, Suite 402
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-1941
Fax: (501) 682-1086
<http://www.dfa.arkansas.gov>

June 12, 2017

Senator Bill Sample, Chair
Representative David L. Branscum, Chair
Arkansas Legislative Council
State Capitol
Little Rock, AR 72201

RE: Prior Approval of Year End Adjustments

Dear Co-Chairs:

I am requesting prior approval of end of year adjustments required to close out the 2017 fiscal year. Prior approval is requested for Pay Plan appropriation adjustments, Merit Funding Transfers, Budget Classification Transfers, Miscellaneous Federal Grants and Cash Letters. Without the ability to process these unforeseen adjustments quickly the state pay roll may be delayed, the 2017 Fiscal Year cannot be closed out to allow for 2018 Fiscal Year to load into the State Accounting System AASIS or payments may be delayed to vendors.

Pay Plan approval is requested up to the amount appropriated by the General Assembly in Act 251 of 2016. The Department of Finance and Administration has a very small window of time to correct payroll issues. If there is a delay due to unforeseen appropriation constrains it could result in the entire state payroll processing being delayed and employees not receiving their pay on the scheduled payday.

Merit Funding Transfers are requested up to the balance of the Merit Fund Holding Account that was approved in Act 251 of 2016. The Governor has approved Merit Bonuses for the employees of state of Arkansas up to 3% of their annual salaries. The Merit Funding Transfers are given to agencies at the last pay period of the year to ensure an appropriate amount of funding is given when taking into account agencies existing salary savings.

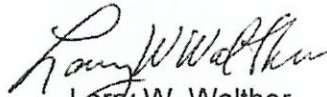
Budget Classification Transfers are requested to ensure sufficient appropriation is available in General Maintenance and Operating commitment items should unanticipated expenses arise during the end of the year. These request do not generate new appropriation but allow the agency to use the flexibility granted to them by the General Assembly to move amounts already approved by the General Assembly from one commitment item to another. DFA request prior approval of up to a cap of \$1,000,000 in total transfers for Budget Classification Transfers.

Miscellaneous Federal Grants are requested to allow agencies the ability to utilize federal funding if unanticipated expenses accrue. Appropriation for Miscellaneous Federal grant requests was approved by the General Assembly in Act 251 of 2016. DFA would limit our approval to \$1,000,000 in total federal appropriation for Changes to Existing Programs.

Cash Letters appropriation increases are requested to ensure sufficient appropriation for Cash Funded agencies if unforeseen issues arise. Appropriation of Cash Fund Holding Account was approved by the General Assembly in Act 251 of 2016. DFA would limit approval to \$1,000,000 total. Without these adjustments payments could be delayed to venders.

DFA does not anticipated utilizing all of the prior approval appropriation. Appropriation will only be given in the amounts needed to each agency. These high estimates will give the Department of Finance and Administration the flexibility to process end of year closing in a timely manner. All items processed on an emergency basis with this prior approval will be reported to the next regularly scheduled PEER meeting.

Sincerely,



Larry W. Walther
Director

LWW:nf



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF BUDGET
1509 West Seventh Street, Suite 402
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-1941
Fax: (501) 682-1086
<http://www.dfa.arkansas.gov>

July 26, 2017

Senator Bruce Maloch, Co-Chair
Representative David Meeks, Co-Chair
Performance Evaluation & Expenditure Review Committee
Arkansas Legislative Council
State Capitol Building
Little Rock, AR 72201

RE: Items Approved on an Emergency Basis

Dear Co-Chairs:

I am forwarding for appropriate action as required by law, the attached items that have received my approval as Chief Fiscal Officer of the State.

Sincerely,


Larry W. Walther
Director

LWW:nf

Attachment(s)



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF THE DIRECTOR
1509 West Seventh Street, Suite 401
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-2242
Fax: (501) 682-1029
<http://www.dfa.arkansas.gov>

MEMORANDUM

TO: Agency Directors with Items Submitted for PEER Review
FROM: Larry W. Walther, Director *LWW*
DATE: June 30, 2017
SUBJECT: PEER Items Approved on an Emergency Basis

Attached is a schedule of all appropriation requests and changes that have received my emergency approval as Chief Fiscal Officer of the State and will be presented to the Legislative Council at the next regularly scheduled meeting as required by law.

Copies are included for your records.

LWW:db:nf

Attachment(s)

MERIT ADJUSTMENT FUND/PAY PLAN HOLDING ACCOUNT TRANSFERS
FOR FY17 - June PEER

BUSINESS AREA	AGENCY	FISCAL YEAR	MERIT ADJUSTMENT FUND	PAY PLAN HOLDING ACCOUNT	DATE OF TRANSFER	AMOUNT OF APPROPRIATION TRANSFER	EMERGENCY APPROVED BY CFO	PENDING ALC REVIEW	REASON FOR TRANSFER
865	Department of Arkansas Heritage	17	X	X		\$ 220,500.00	X		Additional Regular Salaries, Extra Help and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
246	Physical Therapy Board	17	X	X		\$ 3,700.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
612	DFA ABC Enforcement	17	X	X		\$ 1,000.00	X		Additional Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
288	State Board of Dental Examiners	17	X	X		\$ 6,620.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
241	Judicial Discipline and Disability Commission	17	X	X		\$ 9,000.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
324	Public Defender Commission	17	X	X		\$ 453,250.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
28	Office of the Prosecutor Coordinator	17	X	X		\$ 10,000.00	X		Additional Regular Salaries appropriation is required due to lump sum merit bonus payouts.
18	Court of Appeals	17	X	X		\$ 85,000.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
23	Administrative Office of the Courts	17	X	X		\$ 148,075.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
263	Arkansas Fire Protection Licensing Board	17	X	X		\$ 500.00	X		Additional Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
211	Professional Bail Bondsman Licensing Board	17	X	X		\$ 1,500.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
205	Arkansas Appraiser Licensing and Certification Board	17	X	X		\$ 2,800.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
203	Arkansas State Board of Accountancy	17	X	X		\$ 5,500.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
280	Board of Optometry	17	X	X		\$ 2,100.00	X		Additional Regular Salaries appropriation is required due to lump sum merit bonus payouts.
950	Law Enforcement Standards & Training	17	X	X		\$ 150.00	X		Additional Regular Salaries appropriation is required due to lump sum merit bonus payouts.

MERIT ADJUSTMENT FUND/PAY PLAN HOLDING ACCOUNT TRANSFERS
FOR FY17 - June PEER

BUSINESS AREA	FISCAL YEAR	MERIT FUND	PAY PLAN ACCOUNT	DATE OF TRANSFER	AMOUNT OF APPROPRIATION TRANSFER	EMERGENCY APPROVED BY CFO	PENDING ALC REVIEW	REASON FOR TRANSFER
323	17	X	Parole Board		\$ 28,500.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
900	17	X	Department of Parks and Tourism		\$ 1,125,000.00	X		Additional Regular Salaries appropriation is required due to lump sum merit bonus payouts.
210	17	X	Auctioneer's Licensing Board		\$ 1,100.00	X		Additional Regular Salaries appropriation is required due to lump sum merit bonus payouts.
248	17	X	Arkansas Real Estate Commission		\$ 4,000.00	X		Additional Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
380	17	X	Veteran's Child Welfare Service		\$ 4,046.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
800	17	X	Department of Labor		\$ 16,000.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
700	17	X	Department of Higher Education		\$ 7,000.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
665	17	X	Health Services Permit Agency		\$ 8,000.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
420	17	X	Arkansas Geological Survey		\$ 2,500.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
455	17	X	Natural Resources Commission		\$ 51,500.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
400	17	X	Agriculture Department		\$ 65,000.00	X		Additional Regular Salaries and Personal Services Matching appropriation is required due to lump sum merit bonus payouts.
480	17	X	Department of Correction		\$ 25.00	X		Additional Regular Salaries appropriation is required due to lump sum merit bonus payouts.
59	17	X	Auditor of State		\$ 240,000.00	X		Additional Regular Salaries appropriation is required due to lump sum merit bonus payouts.
510	17	X	Arkansas School for the Blind		\$ 44,052.00	X		Merit Funding required due to lump sum merit bonus payouts.
513	17	X	Arkansas School for the Deaf		\$ 125,242.00	X		Merit Funding required due to lump sum merit bonus payouts.
900	17	X	Department of Parks and Tourism		\$ 220,000.00	X		Merit Funding required due to lump sum merit bonus payouts.
					<u>\$ 2,891,660.00</u>			



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF THE DIRECTOR
1509 West Seventh Street, Suite 401
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-2242
Fax: (501) 682-1029
<http://www.dfa.arkansas.gov>

June 29, 2017

Ms. Jerry Himes, Secretary/Treasurer
Board of Dispensing Opticians
P.O. Box 627
Helena, AR 72342

Dear Ms. Himes,

This is to inform you that I have approved on an emergency basis a Budget Classification Transfer request in the amount of \$6,000. This item will be presented at the next scheduled meeting of the Performance Evaluation and Expenditure Review Committee for appropriate action as required by law.

The transfer document has been submitted to the Office of Accounting for processing and you will be notified when the transfer is completed.

Sincerely,

A handwritten signature in cursive script that reads "Larry W. Walther".

Larry W. Walther
Director

LWW:nf

**ARKANSAS ADMINISTRATION STATEWIDE INFORMATION SYSTEM
REQUEST FOR BUDGET CLASSIFICATION TRANSFERS (BCT)
FY2017**

Business Area: 0279 Business Area Title: Arkansas State Board of Dispensing Opticians
 Funds Center: 2KN Funds Center Title: Dispensing Opticians
 Fund: SDB 0100 Fund Title: Bd Dispensing Optics

Functional Area:

Line-Item Classifications	Authorized Appropriation	Actual Expenditures ** FY2016	Transfer From		Transfer To	
			CI	Amount	CI	Amount
502:00:02 Operating Expenses	17,900	21,926.12			505:00:02 SDB0100	\$6,000
505:00:09 Conference & Travel Expenses	0	0				
506:00:10 Professional Fees	\$6,000	0	506:00:10 SDB0100	\$6,000		
512:00:11 Capital Outlay *	0	0				
509:00:12 Data Processing *	0	0				

Reason for Transfer:

[Handwritten Signature]
 Agency Director

Budget Approval

DFA IGS State Technology Planning
 (approval only needed if applicable ***)

* Transfers may not be made from the capital outlay (512:00:11) sub classification unless specific authority for such transfers is provided by law. (ACA 19-9-522(C)(1))
 ** For transfers requested during the month of July 2016 use the agency's fiscal year 2015 expenditures as of April 30, 2016 for each of the Maintenance & Operations commitment items. For transfers requested during the months August 2016 - May 2017, use the agency's fiscal year 2016 expenditures. For transfers requested during the month of June 2017 use the agency's fiscal year 2017 as of April 30, 2017.
 *** Transfers requested for the purchase of information technology related items must be in compliance with the agency's Information Technology Plan submitted to the DFA Technology Planning Unit.