

Analysis of Budget Request

Appropriation: A57 - ADFA-Cash Operations

Funding Sources: 123 - Arkansas Development Finance Authority Cash

A.C.A. §15-5-201 created the Arkansas Development Finance Authority along with a Board of Directors that was created in A.C.A. §15-5-202. The Board of Directors is composed of the Director of the Department Finance and Administration and eleven (11) public members appointed by the Governor with the advice and consent of the Senate. Duties and responsibilities of the Board may include but are not limited to, powers to sue; make and issue rules, regulations, and bylaws; acquire, hold, and dispose of real and personal property for corporate purposes; appoint officers, agents, and employees; borrow money; issue notes and bonds on behalf of state agencies and political subdivisions; make secured or unsecured loans; sell mortgages and security interests, collect fees and charges in connection with its loans, bond guarantees; and invest moneys of the Authority.

This appropriation reflects all operational costs of the Authority including the federal Housing Assistance Program, HUD Home Program, and other financial programs. Funding for this appropriation is derived primarily from federal funds with other funding from bond proceeds.

The Base Level request of \$3,466,137 in FY10 and \$3,534,380 in FY11 includes board member Stipend payments and Career Service payments for eligible employees. Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Authority's total Base Level is \$26,391,464 for FY10 and \$26,473,024 for FY11. The Authority's request reflects an increase of \$2,102,415 for each year. The request includes Capital Outlay of \$23,000 each year to replace one existing vehicle each year; an increase in appropriation of \$2,102,415 million each year to compensate for an increase in the federally funded HUD HOME program grant availability; and a \$20,600 per year reallocation from Conference and Travel Expenses into Operating Expenses to account for a rise in office rent, fuel and membership dues for national associations.

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

The Legislative Recommendation concurs with the Executive Recommendation.

Due to the passage of Amendment 86 requiring annual sessions, the Legislative Recommendation is to discontinue Special Language provisions for carry forward of appropriation.

Appropriation Summary

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Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	3,095,921	3,421,298	3,488,420	3,466,137	3,466,137	3,466,137	3,534,380	3,534,380	3,534,380
	#Positions	58	62	62	62	62	62	62	62	62
Extra Help	5010001	22,875	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
	#Extra Help	4	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	866,106	912,314	975,555	985,542	985,542	985,542	998,859	998,859	998,859
Operating Expenses	5020002	566,792	558,858	558,858	579,458	579,458	579,458	579,458	579,458	579,458
Conference & Travel Expenses	5050009	62,884	102,315	102,315	81,715	81,715	81,715	81,715	81,715	81,715
Professional Fees	5060010	93,122	112,300	112,300	112,300	112,300	112,300	112,300	112,300	112,300
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	2,079,415	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000
Capital Outlay	5120011	3,316	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Data Processing Services	5900044	252,087	264,512	264,512	264,512	264,512	264,512	264,512	264,512	264,512
Hud Home Program	5900046	14,006,171	14,261,800	14,261,800	16,341,215	16,341,215	16,341,215	16,341,215	16,341,215	16,341,215
Total		21,048,689	26,296,397	26,426,760	28,493,879	28,493,879	28,493,879	28,575,439	28,575,439	28,575,439

Funding Sources										
Fund Balance	4000005	71,852	93,684		93,684	93,684	93,684	32,699	32,699	32,699
Federal Revenue	4000020	16,085,586	20,861,800		22,941,215	22,941,215	22,941,215	22,941,215	22,941,215	22,941,215
Cash Fund	4000045	4,984,935	5,434,597		5,491,679	5,491,679	5,491,679	5,623,239	5,623,239	5,623,239
Total Funding		21,142,373	26,390,081		28,526,578	28,526,578	28,526,578	28,597,153	28,597,153	28,597,153
Excess Appropriation/(Funding)		(93,684)	(93,684)		(32,699)	(32,699)	(32,699)	(21,714)	(21,714)	(21,714)
Grand Total		21,048,689	26,296,397		28,493,879	28,493,879	28,493,879	28,575,439	28,575,439	28,575,439

Actual exceeds Budget and Authorized Appropriation in Operating Expenses by authority of a Budget Classification Transfer.

2007-2009 Special Language provided for the carry forward of unused appropriation. No carry forward was utilized by the Agency in 2009.