

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
1QA AMAIT - Operations	6,311,755	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
2SW Insurance-State Operations	11,424,872	129	12,194,745	135	12,429,915	136	12,323,512	137	12,445,243	137	12,445,243	137	12,331,243	137	12,452,948	137	12,452,948	137
2SX Fraud Investigation Unit	322,528	4	358,419	4	370,286	4	359,379	4	363,847	4	363,847	4	359,501	4	363,969	4	363,969	4
2SY Insurance Fraud Investigation Division	936,057	11	990,334	11	993,480	11	1,013,097	11	1,027,387	11	1,027,387	11	1,014,073	11	1,028,363	11	1,028,363	11
2SZ Prepaid Funeral Benefits Division	299,768	4	375,522	4	374,985	4	376,482	4	379,720	4	379,720	4	376,482	4	379,720	4	379,720	4
2TA Continuing Education Program	4,682	0	35,524	1	37,475	1	35,764	1	35,764	1	35,764	1	35,764	1	35,764	1	35,764	1
2TB State Employee Claims	12,599,583	0	15,000,000	0	15,000,000	0	16,000,000	0	16,000,000	0	16,000,000	0	16,000,000	0	16,000,000	0	16,000,000	0
2TC Governmental Bonding Board Operations	993,372	0	2,104,855	0	2,104,855	0	4,104,855	0	4,104,855	0	4,104,855	0	4,104,855	0	4,104,855	0	4,104,855	0
2TD Public Employees Claims Section	1,515,136	23	1,507,330	23	1,583,324	24	1,536,817	23	1,558,254	23	1,558,254	23	1,537,915	23	1,559,352	23	1,559,352	23
2TE Health Information Counseling	788,641	7	1,372,216	7	1,012,544	6	916,715	6	921,647	6	921,647	6	916,715	6	921,647	6	921,647	6
2TF Refunds of Overpayments	2,975,863	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0
2TG Public School Employees Claims	152,256	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
2TH County Employee Claims	14,575	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
2TJ City Employee Claims	28,446	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0
2TK Consumer Info System - Cash	14,853	0	98,887	0	130,166	0	97,546	0	97,546	0	97,546	0	97,546	0	97,546	0	97,546	0
2TM Travel & Subsistence-Cash	55,787	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
2TN Prepaid Funeral Contracts Recovery	17,149	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
4HH Criminal Background Checks-Cash	81,378	0	125,000	0	125,000	0	125,000	0	125,000	0	125,000	0	125,000	0	125,000	0	125,000	0
56A Public School Insurance Program	6,736,393	0	14,000,000	0	14,000,000	0	14,000,000	0	14,000,000	0	14,000,000	0	14,000,000	0	14,000,000	0	14,000,000	0
85P Health Insurance Premium Rate Review-Federal	880,279	5	4,781,740	5	1,000,000	5	3,240,222	5	3,246,616	5	3,246,616	5	3,240,344	5	3,246,738	5	3,246,738	5
85Q Health Care Exchange-Federal	854,524	3	424,773	3	1,000,000	3	0	0	0	0	0	0	0	0	0	0	0	0
F08 Level One Cooperative Agreement - Federal	122,407	5	7,665,483	5	0	0	7,578,242	7	7,581,430	7	7,581,430	7	7,578,242	7	7,581,430	7	7,581,430	7
NOT REQUESTED FOR THE BIENNIUM																		
85Z Consumer Assistance - Federal	233,979	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	47,364,283	192	83,884,828	198	73,012,030	194	84,557,631	198	84,737,309	198	84,737,309	198	84,567,680	198	84,747,332	198	84,747,332	198

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	68,472,189	53.2	81,438,275	48.7	67,049,218	43.6	67,049,218	43.6	67,049,218	43.6	69,435,363	44.4	69,296,104	44.4	69,296,104	44.4	69,296,104	44.4
Federal Revenue	4000020	2,879,830	2.2	14,244,212	8.5	11,735,179	7.6	11,749,693	7.6	11,749,693	7.6	11,735,301	7.5	11,749,815	7.5	11,749,815	7.5	11,749,815	7.5
Special Revenue	4000030	25,376,058	19.7	18,122,940	10.8	18,531,196	12.0	18,557,101	12.1	18,557,101	12.1	18,532,416	11.9	18,558,321	11.9	18,558,321	11.9	18,558,321	11.9
Cash Fund	4000045	142,656	0.1	208,061	0.1	225,000	0.1	225,000	0.1	225,000	0.1	225,000	0.1	225,000	0.1	225,000	0.1	225,000	0.1
Trust Fund	4000050	16,161,102	12.5	26,104,855	15.6	28,104,855	18.3	28,104,855	18.3	28,104,855	18.3	28,104,855	18.0	28,104,855	18.0	28,104,855	18.0	28,104,855	18.0
Miscellaneous Revolving	4000350	3,171,140	2.5	12,250,000	7.3	12,250,000	8.0	12,250,000	8.0	12,250,000	8.0	12,250,000	7.8	12,250,000	7.8	12,250,000	7.8	12,250,000	7.8

Funding Sources		%		%		%		%		%		%		%		%		
Workers' Comp Revolving	4000735	12,599,583	9.8	15,000,000	9.0		16,000,000	10.4	16,000,000	10.4	16,000,000	10.4	16,000,000	10.2	16,000,000	10.2	16,000,000	10.2
Total Funds		128,802,558	100.0	167,368,343	100.0		153,895,448	100.0	153,935,867	100.0	153,935,867	100.0	156,282,935	100.0	156,184,095	100.0	156,184,095	100.0
Excess Appropriation/(Funding)		(81,438,275)		(83,483,515)			(69,337,817)		(69,198,558)		(69,198,558)		(71,715,255)		(71,436,763)		(71,436,763)	
Grand Total		47,364,283		83,884,828			84,557,631		84,737,309		84,737,309		84,567,680		84,747,332		84,747,332	

The FY13 Budget amounts for Prepaid Funeral Benefits Division (2SZ) and the Continuing Education Program (2TA) exceed the Authorized amounts due to matching rate adjustments during the 2011-2013 Biennium. The FY13 Budget amounts for Health Information Counseling (2TE) and Level One Cooperative Agreement-Federal (F08) exceed the Authorized amounts due to transfers from the Miscellaneous Federal Grant Holding Account. Beginning Fund Balance for 2013-2014 is reduced by \$16,434,297 in accordance with the adjustment specified in A.C.A. 23-61-710(c). Variance in 2014-2015 fund balances is due to unfunded appropriation in the Consumer Information System Program (2TK).

Analysis of Budget Request

Appropriation: 1QA - AMAIT - Operations

Funding Sources: TMI - Arkansas Multi-Agency Insurance Trust Fund

The Arkansas Multi-Agency Insurance Trust Fund Program was established by Act 1762 of 2003 to reduce the costs of insurance coverage for state agencies by combining their premium dollars in purchasing broader coverage for property and vehicle insurance with higher deductibles. The program is also designed to build a growing reserve to self-insure ever larger deductible amounts allowing further reductions in policy prices.

Base Level is \$10,000,000 each year and is the Agency Request.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 1QA - AMAIT - Operations

Funding Sources: TMI - Arkansas Multi-Agency Insurance Trust Fund

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
AMAIT 5900046	6,311,755	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total	6,311,755	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000

Funding Sources									
Fund Balance 4000005	12,540,597	14,382,495		14,382,495	14,382,495	14,382,495	14,382,495	14,382,495	14,382,495
Trust Fund 4000050	8,153,653	10,000,000		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total Funding	20,694,250	24,382,495		24,382,495	24,382,495	24,382,495	24,382,495	24,382,495	24,382,495
Excess Appropriation/(Funding)	(14,382,495)	(14,382,495)		(14,382,495)	(14,382,495)	(14,382,495)	(14,382,495)	(14,382,495)	(14,382,495)
Grand Total	6,311,755	10,000,000		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000

Analysis of Budget Request

Appropriation: 2SW - Insurance-State Operations

Funding Sources: TSI - State Insurance Department Trust Fund

The State Insurance Department's State Operations appropriation is funded by special revenues that are authorized in Arkansas Code §19-5-922. Base Level for this program is \$11,954,989 for FY14 and \$11,962,589 for FY15, with 135 positions budgeted.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salaries of unclassified positions reflects the FY13 line item maximums.

Changes are requested as follows:

The addition of one position, Insurance Senior Examiner, Grade C122, is requested due to the increasing complexity of examinations and analytical reviews conducted by the Department. Salary and matching costs are \$55,163 each year.

The transfer of one position, Administrative Specialist II, Grade C109, back to this program from the Cycle I Healthcare Exchange Program is requested. Salary and matching costs are \$31,564 each year.

The reclassification of four Administrative Specialist II positions to Administrative Specialist III is also requested. Total costs of these changes are \$10,402 each year.

The addition of \$15,000 each year in Conference and Travel is requested due to increases in the cost of airfare.

The addition of \$20,000 each year in Capital Outlay is requested for replacement of Non-IT equipment. Another \$135,000 each year in Capital Outlay is for continuation of scheduled replacement and upgrading of technology equipment indicated in the Department's IT plan that has been submitted to the DFA - Office of State Technology Planning.

An increase of \$100,000 each year in Professional Services is requested for additional costs to obtain outside actuarial input in reviewing company reserves, claims processing, and reinsurance contracts.

The Executive Recommendation provides for the Agency Request, with the exception of the addition to Conference and Travel and reclassification of the four Administrative Specialist II positions.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2SW - Insurance-State Operations

Funding Sources: TSI - State Insurance Department Trust Fund

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	6,637,222	6,878,659	7,184,698	6,858,029	6,970,493	6,970,493	6,863,829	6,976,293	6,976,293
#Positions		129	135	136	137	137	137	137	137	137
Extra Help	5010001	84,087	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
#Extra Help		10	19	19	19	19	19	19	19	19
Personal Services Matching	5010003	2,023,587	2,167,086	2,096,217	2,201,483	2,225,750	2,225,750	2,203,414	2,227,655	2,227,655
Overtime	5010006	210	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Operating Expenses	5020002	1,939,361	2,185,000	2,185,000	2,185,000	2,185,000	2,185,000	2,185,000	2,185,000	2,185,000
Conference & Travel Expenses	5050009	116,006	138,000	138,000	153,000	138,000	138,000	153,000	138,000	138,000
Professional Fees	5060010	15,485	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	232,391	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
Special Maintenance	5120032	10,782	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Professional Services	5900043	365,741	386,000	386,000	486,000	486,000	486,000	486,000	486,000	486,000
Total		11,424,872	12,194,745	12,429,915	12,323,512	12,445,243	12,445,243	12,331,243	12,452,948	12,452,948

Funding Sources										
Fund Balance	4000005	40,133,241	51,066,516		37,437,474	37,437,474	37,437,474	40,113,962	39,992,231	39,992,231
Special Revenue	4000030	22,358,147	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total Funding		62,491,388	66,066,516		52,437,474	52,437,474	52,437,474	55,113,962	54,992,231	54,992,231
Excess Appropriation/(Funding)		(51,066,516)	(53,871,771)		(40,113,962)	(39,992,231)	(39,992,231)	(42,782,719)	(42,539,283)	(42,539,283)
Grand Total		11,424,872	12,194,745		12,323,512	12,445,243	12,445,243	12,331,243	12,452,948	12,452,948

FY13 Budget amount in Personal Services Matching exceeds the Authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Beginning Fund Balance for 2013-2014 is reduced to \$37,437,474, which is the total of 3 previous years' budgets, as specified in A.C.A. 23-61-710(c).

Analysis of Budget Request

Appropriation: 2SX - Fraud Investigation Unit

Funding Sources: TSI - State Insurance Department Trust Fund

The Fraud Investigation Unit was created with the passage of Act 1136 of 1993 to investigate allegations of fraud in workers' compensation cases. Funding is provided by special revenues collected by the Insurance Department and earmarked for this purpose.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Department is requesting Base Level of \$359,379 for FY14 and \$359,501 for FY15 for this program, along with the reclassification of a Criminal Insurance Fraud Investigator, Grade C119, to Assistant Director of Fraud Investigation, Grade C126.

The Executive Recommendation provides for the Agency Request, with the reclassification title of Assistant Director of Fraud Investigation provided at Grade C122.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2SX - Fraud Investigation Unit

Funding Sources: TSI - State Insurance Department Trust Fund

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	197,405	185,380	198,608	185,380	189,040	189,040	185,480	189,140	189,140
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	60,612	59,633	58,272	60,593	61,401	61,401	60,615	61,423	61,423
Operating Expenses	5020002	62,593	90,406	90,406	90,406	90,406	90,406	90,406	90,406	90,406
Conference & Travel Expenses	5050009	1,918	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Professional Fees	5060010	0	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
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		322,528	358,419	370,286	359,379	363,847	363,847	359,501	363,969	363,969
Funding Sources										
Fund Balance	4000005	180,593	258,018		0	0	0	0	0	0
Special Revenue	4000030	399,953	100,401		359,379	363,847	363,847	359,501	363,969	363,969
Total Funding		580,546	358,419		359,379	363,847	363,847	359,501	363,969	363,969
Excess Appropriation/(Funding)		(258,018)	0		0	0	0	0	0	0
Grand Total		322,528	358,419		359,379	363,847	363,847	359,501	363,969	363,969

FY13 Budget amount in Personal Services Matching exceeds the Authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Analysis of Budget Request

Appropriation: 2SY - Insurance Fraud Investigation Division

Funding Sources: TIF - Insurance Fraud Investigation Division Trust Fund

Act 337 of 1997 (A.C.A. §23-100-101 et seq.) provides for funding of an Insurance Fraud Investigation Division in the State Insurance Department to investigate suspected cases of fraud over a broad range of activities in the insurance industry in Arkansas. An annual administrative and regulatory fee exclusively to support fraud investigation efforts is collected annually from each company under the Department's jurisdiction.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level for this program is \$993,097 for FY14 and \$994,073 for FY15, with 11 positions budgeted. The only change requested is an increase of \$20,000 each year in Operating Expenses due to higher rent of office space in a new location.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2SY - Insurance Fraud Investigation Division

Funding Sources: TIF - Insurance Fraud Investigation Division Trust Fund

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	626,142	590,824	605,084	590,924	602,631	602,631	591,724	603,431	603,431
#Positions		11	11	11	11	11	11	11	11	11
Personal Services Matching	5010003	189,017	181,875	170,761	184,538	187,121	187,121	184,714	187,297	187,297
Operating Expenses	5020002	113,569	171,635	171,635	191,635	191,635	191,635	191,635	191,635	191,635
Conference & Travel Expenses	5050009	7,292	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Professional Fees	5060010	37	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
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		936,057	990,334	993,480	1,013,097	1,027,387	1,027,387	1,014,073	1,028,363	1,028,363
Funding Sources										
Fund Balance	4000005	1,359,299	1,051,601		811,267	811,267	811,267	548,170	533,880	533,880
Special Revenue	4000030	628,359	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Total Funding		1,987,658	1,801,601		1,561,267	1,561,267	1,561,267	1,298,170	1,283,880	1,283,880
Excess Appropriation/(Funding)		(1,051,601)	(811,267)		(548,170)	(533,880)	(533,880)	(284,097)	(255,517)	(255,517)
Grand Total		936,057	990,334		1,013,097	1,027,387	1,027,387	1,014,073	1,028,363	1,028,363

FY13 Budget amount in Personal Services Matching exceeds the Authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Analysis of Budget Request

Appropriation: 2SZ - Prepaid Funeral Benefits Division

Funding Sources: TIP - State Insurance Department Prepaid Trust Fund

Act 372 of 1997 (Arkansas Code §23-40-107 et seq.) provides for administration of prepaid funeral benefit plans in the State of Arkansas and established the Division of Prepaid Funeral Benefits within the State Insurance Department for this purpose. Funding is derived from initial application or renewal fees for annual permits to sell prepaid funeral benefits. Base Level is \$376,482 each year, with 4 positions budgeted.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Department is requesting Base Level only for this program.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2SZ - Prepaid Funeral Benefits Division

Funding Sources: TIP - State Insurance Department Prepaid Trust Fund

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	221,515	208,415	211,696	208,415	211,067	211,067	208,415	211,067	211,067
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	60,346	64,717	60,899	65,677	66,263	66,263	65,677	66,263	66,263
Operating Expenses	5020002	17,907	71,390	71,390	71,390	71,390	71,390	71,390	71,390	71,390
Conference & Travel Expenses	5050009	0	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Professional Fees	5060010	0	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
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		299,768	375,522	374,985	376,482	379,720	379,720	376,482	379,720	379,720
Funding Sources										
Fund Balance	4000005	813,648	830,519		719,997	719,997	719,997	608,515	605,277	605,277
Special Revenue	4000030	316,639	265,000		265,000	265,000	265,000	265,000	265,000	265,000
Total Funding		1,130,287	1,095,519		984,997	984,997	984,997	873,515	870,277	870,277
Excess Appropriation/(Funding)		(830,519)	(719,997)		(608,515)	(605,277)	(605,277)	(497,033)	(490,557)	(490,557)
Grand Total		299,768	375,522		376,482	379,720	379,720	376,482	379,720	379,720

FY13 Budget amount in Personal Services Matching exceeds the Authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Analysis of Budget Request

Appropriation: 2TA - Continuing Education Program

Funding Sources: TIE - Insurance Continuing Education Trust Fund

The Insurance Department's Continuing Education Program has one position budgeted to process continuing education records that are required for agent license renewals. Funding is provided from continuing education application fees, as authorized in Arkansas Code §23-64-308.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Department is requesting continuation at the Base Level of \$35,764 each year.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2TA - Continuing Education Program

Funding Sources: TIE - Insurance Continuing Education Trust Fund

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	0	25,268	27,279	25,268	25,268	25,268	25,268	25,268	25,268
#Positions		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	4,682	10,256	10,196	10,496	10,496	10,496	10,496	10,496	10,496
Total		4,682	35,524	37,475	35,764	35,764	35,764	35,764	35,764	35,764
Funding Sources										
Fund Balance	4000005	1,012,922	1,154,584		1,239,060	1,239,060	1,239,060	1,323,296	1,323,296	1,323,296
Special Revenue	4000030	146,344	120,000		120,000	120,000	120,000	120,000	120,000	120,000
Total Funding		1,159,266	1,274,584		1,359,060	1,359,060	1,359,060	1,443,296	1,443,296	1,443,296
Excess Appropriation/(Funding)		(1,154,584)	(1,239,060)		(1,323,296)	(1,323,296)	(1,323,296)	(1,407,532)	(1,407,532)	(1,407,532)
Grand Total		4,682	35,524		35,764	35,764	35,764	35,764	35,764	35,764

FY13 Budget amount in Personal Services Matching exceeds the Authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Analysis of Budget Request

Appropriation: 2TB - State Employee Claims

Funding Sources: TUW - Workers' Compensation Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of workers' compensation claims payments for employees of the State. Revolving funds derived from agency workers' compensation benefits contributions are the revenue sources for this appropriation, as authorized in Arkansas Code §19-5-805. Base Level is \$15,000,000 each year. The Department is requesting the addition of \$1,000,000 each year to assure sufficient appropriation to cover the growing level of claims expenses.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2TB - State Employee Claims

Funding Sources: TUV - Workers' Compensation Revolving Fund

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	12,599,583	15,000,000	15,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Total	12,599,583	15,000,000	15,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000

Funding Sources									
Workers' Comp Revolving 4000735	12,599,583	15,000,000		16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Total Funding	12,599,583	15,000,000		16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	12,599,583	15,000,000		16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000

Analysis of Budget Request

Appropriation: 2TC - Governmental Bonding Board Operations

Funding Sources: TFB - Fidelity Bond Trust Fund

The State Insurance Department is the managing agency for the appropriation through which the Governmental Bonding Board administers the Self-Insured Fidelity Bond Program on behalf of officials and public employees of counties, municipalities, public schools, and the State of Arkansas. Funding is authorized in A.C.A. §21-2-711 and is derived from bond premiums withheld from the County Aid, Municipal Aid, and Public School funds and from premiums transferred from the fund accounts of State agencies.

Base Level for this program is \$2,104,855 each year. The Agency is requesting an additional \$2,000,000 each year for the Claims line item to assure sufficient resources to process all claims received during each fiscal year.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2TC - Governmental Bonding Board Operations

Funding Sources: TFB - Fidelity Bond Trust Fund

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	361	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	1,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Claims	5110015	992,011	1,000,000	1,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Investments	5120013	0	760,637	760,637	760,637	760,637	760,637	760,637	760,637	760,637
Professional Services	5900043	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Reinsurance	5900046	0	139,218	139,218	139,218	139,218	139,218	139,218	139,218	139,218
Total		993,372	2,104,855	2,104,855	4,104,855	4,104,855	4,104,855	4,104,855	4,104,855	4,104,855
Funding Sources										
Fund Balance	4000005	3,502,618	3,175,145		3,175,145	3,175,145	3,175,145	3,175,145	3,175,145	3,175,145
Trust Fund	4000050	665,899	2,104,855		4,104,855	4,104,855	4,104,855	4,104,855	4,104,855	4,104,855
Total Funding		4,168,517	5,280,000		7,280,000	7,280,000	7,280,000	7,280,000	7,280,000	7,280,000
Excess Appropriation/(Funding)		(3,175,145)	(3,175,145)		(3,175,145)	(3,175,145)	(3,175,145)	(3,175,145)	(3,175,145)	(3,175,145)
Grand Total		993,372	2,104,855		4,104,855	4,104,855	4,104,855	4,104,855	4,104,855	4,104,855

Analysis of Budget Request

Appropriation: 2TD - Public Employees Claims Section

Funding Sources: HUA - Miscellaneous Agencies Fund

This program is funded by transfers from the Public School Fund, the County Aid Fund, the Municipal Aid Fund, and the fund accounts of State agencies for which workers' compensation claims are administered by this Section, as authorized in Arkansas Code §11-9-307. Base Level is \$1,527,817 for FY14 and \$1,528,915 for FY15, with 23 positions budgeted.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

In addition to Base Level, the Department is requesting an increase in Operating Expenses of \$9,000 each year due to higher rent of office space in a new location and the reclassification of one position: A Workers Compensation Specialist to a Workers Compensation Program Manager, both at Grade C121.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2TD - Public Employees Claims Section

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,014,195	944,115	1,020,250	956,375	973,937	973,937	957,275	974,837	974,837
	#Positions	23	23	24	23	23	23	23	23	23
Personal Services Matching	5010003	325,742	316,006	315,865	324,233	328,108	328,108	324,431	328,306	328,306
Operating Expenses	5020002	167,885	233,209	233,209	242,209	242,209	242,209	242,209	242,209	242,209
Conference & Travel Expenses	5050009	7,314	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
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		1,515,136	1,507,330	1,583,324	1,536,817	1,558,254	1,558,254	1,537,915	1,559,352	1,559,352
Funding Sources										
Special Revenue	4000030	1,515,136	1,507,330		1,536,817	1,558,254	1,558,254	1,537,915	1,559,352	1,559,352
Total Funding		1,515,136	1,507,330		1,536,817	1,558,254	1,558,254	1,537,915	1,559,352	1,559,352
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,515,136	1,507,330		1,536,817	1,558,254	1,558,254	1,537,915	1,559,352	1,559,352

FY13 Budget amount in Personal Services Matching exceeds the Authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Analysis of Budget Request

Appropriation: 2TE - Health Information Counseling

Funding Sources: FID - Insurance Department - Federal

The Insurance Department's Health Information Counseling Program is 100% federally funded by the U.S. Department of Health and Human Services. Its purpose is to develop and maintain a network of local volunteers to dispense information and assist senior citizens with their insurance needs.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level for this program is \$916,715 each year and is the Agency Request.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2TE - Health Information Counseling

Funding Sources: FID - Insurance Department - Federal

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	238,683	234,365	167,887	202,116	206,156	206,156	202,116	206,156	206,156
#Positions		7	7	6	6	6	6	6	6	6
Personal Services Matching	5010003	73,863	84,484	57,346	74,127	75,019	75,019	74,127	75,019	75,019
Operating Expenses	5020002	162,928	350,663	307,107	284,063	284,063	284,063	284,063	284,063	284,063
Conference & Travel Expenses	5050009	0	2,500	0	0	0	0	0	0	0
Professional Fees	5060010	313,167	700,204	480,204	356,409	356,409	356,409	356,409	356,409	356,409
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		788,641	1,372,216	1,012,544	916,715	921,647	921,647	916,715	921,647	921,647
Funding Sources										
Federal Revenue	4000020	788,641	1,372,216		916,715	921,647	921,647	916,715	921,647	921,647
Total Funding		788,641	1,372,216		916,715	921,647	921,647	916,715	921,647	921,647
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		788,641	1,372,216		916,715	921,647	921,647	916,715	921,647	921,647

Budget exceeds Authorized Appropriation in various line items due to transfers from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 2TF - Refunds of Overpayments

Funding Sources: MTA - Miscellaneous Revolving Fund

The Insurance Department requests that its Refunds of Overpayments appropriation be approved to continue at the current level of \$11,000,000 each year. This account is used to return premium taxes paid to this State in error and to return amounts that are overpaid.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2TF - Refunds of Overpayments

Funding Sources: MTA - Miscellaneous Revolving Fund

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements 5110014	2,975,863	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Total	2,975,863	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000

Funding Sources									
Miscellaneous Revolving 4000350	2,975,863	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Total Funding	2,975,863	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,975,863	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000

Analysis of Budget Request

Appropriation: 2TG - Public School Employees Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of payments for long-term workers' compensation claims filed prior to July 1, 1994, by public school employees. Revolving funds derived from employer workers' compensation benefits contributions are the revenue sources for the appropriation through which claims payments are made, as authorized in A.C.A. §19-5-1009.

The Department is requesting continuation of the Base Level of \$450,000 each year.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2TG - Public School Employees Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	152,256	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Total	152,256	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000

Funding Sources									
Miscellaneous Revolving 4000350	152,256	450,000		450,000	450,000	450,000	450,000	450,000	450,000
Total Funding	152,256	450,000		450,000	450,000	450,000	450,000	450,000	450,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	152,256	450,000		450,000	450,000	450,000	450,000	450,000	450,000

Analysis of Budget Request

Appropriation: 2TH - County Employee Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of payments for long-term workers' compensation claims filed prior to January 1, 1985, by county employees. Revolving funds derived from employer workers' compensation benefits contributions are the revenue sources for the appropriation through which claims payments are made, as authorized in Arkansas Code §19-5-1009.

The Department is requesting continuation of the Base Level of \$200,000 each year.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2TH - County Employee Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	14,575	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total	14,575	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000

Funding Sources									
Miscellaneous Revolving 4000350	14,575	200,000		200,000	200,000	200,000	200,000	200,000	200,000
Total Funding	14,575	200,000		200,000	200,000	200,000	200,000	200,000	200,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	14,575	200,000		200,000	200,000	200,000	200,000	200,000	200,000

Analysis of Budget Request

Appropriation: 2TJ - City Employee Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of payments for long-term workers' compensation claims filed prior to January 1, 1985, by city employees. Revolving funds derived from employer workers' compensation benefits contributions are the revenue sources for the appropriation through which claims payments are made, as authorized in Arkansas Code §19-5-1009.

The Department is requesting continuation of the Base Level of \$600,000 each year.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2TJ - City Employee Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	28,446	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total	28,446	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000

Funding Sources									
Miscellaneous Revolving 4000350	28,446	600,000		600,000	600,000	600,000	600,000	600,000	600,000
Total Funding	28,446	600,000		600,000	600,000	600,000	600,000	600,000	600,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	28,446	600,000		600,000	600,000	600,000	600,000	600,000	600,000

Analysis of Budget Request

Appropriation: 2TK - Consumer Info System - Cash

Funding Sources: NDD - Insurance Department - Cash in Treasury

The Department's Consumer Information System Cash Fund is used to dispense information to the public concerning the various policy types, coverages, and purchasing options offered by the insurance industry. Base Level for this program is \$97,546 each year and is the request for 2013-2015.

The current Cash in Treasury balance and previous funding support for this program were derived from a \$100 annual assessment levied on each licensed insurer, as authorized in Arkansas Code §23-63-108. This assessment is no longer collected and support of consumer information through this appropriation will end when the current fund balance and earned interest have been depleted.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2TK - Consumer Info System - Cash
Funding Sources: NDD - Insurance Department - Cash in Treasury

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	14,853	98,887	130,166	97,546	97,546	97,546	97,546	97,546	97,546
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
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		14,853	98,887	130,166	97,546	97,546	97,546	97,546	97,546	97,546
Funding Sources										
Fund Balance	4000005	110,868	97,507		0	0	0	0	0	0
Cash Fund	4000045	1,492	1,380		0	0	0	0	0	0
Total Funding		112,360	98,887		0	0	0	0	0	0
Excess Appropriation/(Funding)		(97,507)	0		97,546	97,546	97,546	97,546	97,546	97,546
Grand Total		14,853	98,887		97,546	97,546	97,546	97,546	97,546	97,546

Analysis of Budget Request

Appropriation: 2TM - Travel & Subsistence-Cash

Funding Sources: NDD - Insurance Department - Cash in Treasury

The Insurance Department's Travel and Subsistence Cash Fund is currently authorized at \$100,000 each year. Arkansas Code §23-67-220 provides for recovery of reasonable costs incurred by the Department in conducting financial examinations of entities under its jurisdiction. Part of the recovered costs are passed through this account to reimburse individual examiners for their personal expenses incurred during the examination process. The Department is requesting continuation at the Base Level of \$100,000 each year.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2TM - Travel & Subsistence-Cash
Funding Sources: NDD - Insurance Department - Cash in Treasury

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Travel & Subsistence Expenses 5900046	55,787	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total	55,787	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000

Funding Sources									
Fund Balance 4000005	1,075	4,538		0	0	0	0	0	0
Cash Fund 4000045	59,250	95,462		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding	60,325	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Excess Appropriation/(Funding)	(4,538)	0		0	0	0	0	0	0
Grand Total	55,787	100,000		100,000	100,000	100,000	100,000	100,000	100,000

Analysis of Budget Request

Appropriation: 2TN - Prepaid Funeral Contracts Recovery

Funding Sources: TIP - Prepaid Funeral Contracts Program Recovery Fund

Act 1043 of 2001 established the Prepaid Funeral Contracts Recovery Program to reimburse purchasers of preneed funeral contracts who suffer financial loss due to impairment, insolvency, business interruption, or improper inactivity of a licensed prepaid funeral organization. Funding is authorized from one-time fees of not less than \$5 per contract, up to a maximum set by the State Insurance Commissioner. Such fees collected are to be deposited into the State Insurance Department Prepaid Trust Fund. A portion of these collections may be designated by the State Insurance Commissioner for transfer to the Prepaid Funeral Contracts Recovery Program Fund to pay expenses and claims incurred. The Department is requesting continuation of the Base Level amount of \$500,000 each year for this program.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2TN - Prepaid Funeral Contracts Recovery

Funding Sources: TIP - Prepaid Funeral Contracts Program Recovery Fund

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Expenses & Claims	5900046	17,149	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		17,149	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

Funding Sources									
Fund Balance	4000005	125,460	119,791		0	0	0	0	0
Special Revenue	4000030	11,480	380,209		500,000	500,000	500,000	500,000	500,000
Total Funding		136,940	500,000		500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)		(119,791)	0		0	0	0	0	0
Grand Total		17,149	500,000		500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 4HH - Criminal Background Checks-Cash

Funding Sources: NDD - Criminal Background Checks - Cash in Treasury

The Insurance Department's appropriation for conducting criminal background checks was established by requests from the Cash Fund Holding Account during FY06 and FY07. Funding is provided through a \$22 fee charged to each first-time license applicant and is used to obtain criminal background data from the Arkansas State Police.

This program was appropriated by the General Assembly for the 2011-2013 Biennium in the amounts of \$125,000 each year. The Department is requesting continuation at the Base Level of \$125,000.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 4HH - Criminal Background Checks-Cash

Funding Sources: NDD - Criminal Background Checks - Cash in Treasury

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	81,378	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
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		81,378	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Funding Sources										
Fund Balance	4000005	13,245	13,781		0	0	0	0	0	0
Cash Fund	4000045	81,914	111,219		125,000	125,000	125,000	125,000	125,000	125,000
Total Funding		95,159	125,000		125,000	125,000	125,000	125,000	125,000	125,000
Excess Appropriation/(Funding)		(13,781)	0		0	0	0	0	0	0
Grand Total		81,378	125,000		125,000	125,000	125,000	125,000	125,000	125,000

Analysis of Budget Request

Appropriation: 56A - Public School Insurance Program

Funding Sources: TPS - Public School Insurance Trust Fund

Act 738 of 2007 combined the School Motor Vehicle Operations Program and the Public Elementary and Secondary School Insurance Operations Program into the Public School Insurance Program to more efficiently and more economically provide coverage for the vehicles and property of participating school districts.

Base Level for the combined program is \$14,000,000 each year and is the Agency Request.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 56A - Public School Insurance Program

Funding Sources: TPS - Public School Insurance Trust Fund

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Expenses and Claims	5900046	6,736,393	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
Total		6,736,393	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000

Funding Sources										
Fund Balance	4000005	8,678,623	9,283,780		9,283,780	9,283,780	9,283,780	9,283,780	9,283,780	9,283,780
Trust Fund	4000050	7,341,550	14,000,000		14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
Total Funding		16,020,173	23,283,780		23,283,780	23,283,780	23,283,780	23,283,780	23,283,780	23,283,780
Excess Appropriation/(Funding)		(9,283,780)	(9,283,780)		(9,283,780)	(9,283,780)	(9,283,780)	(9,283,780)	(9,283,780)	(9,283,780)
Grand Total		6,736,393	14,000,000		14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000

Analysis of Budget Request

Appropriation: 85P - Health Insurance Premium Rate Review-Federal

Funding Sources: FID - Insurance Department - Federal

This federally funded Health Insurance Premium Rate Review Program provides federal dollars from the Department of Health and Human Services to establish or enhance a current state program that will conduct an annual review of health insurance premiums to protect consumers from unreasonable, unjustified, or excessive rate increases. This program is offered through authority in Section 2974 of the federal Public Health Service Act. It was originally established by a miscellaneous federal grant in the amount of \$1,000,000, with 5 positions, approved in October, 2010.

Base Level Regular Salaries and Personal Services Matching include Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level for this program is \$891,229 for FY14 and \$891,351 for FY15, with 5 positions budgeted. The Department is requesting the addition of \$2,348,993 each year for continuation of the second phase of this program that was approved as a miscellaneous federal grant in December, 2011.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 85P - Health Insurance Premium Rate Review-Federal

Funding Sources: FID - Insurance Department - Federal

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	257,349	1,478,030	329,650	299,901	305,139	305,139	300,001	305,239	305,239
#Positions		5	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	77,996	374,822	90,455	90,788	91,944	91,944	90,810	91,966	91,966
Operating Expenses	5020002	215,135	884,493	221,332	884,493	884,493	884,493	884,493	884,493	884,493
Conference & Travel Expenses	5050009	5,128	165,641	2,400	165,641	165,641	165,641	165,641	165,641	165,641
Professional Fees	5060010	228,934	1,799,173	276,808	1,799,173	1,799,173	1,799,173	1,799,173	1,799,173	1,799,173
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	95,737	79,581	79,355	226	226	226	226	226	226
Total		880,279	4,781,740	1,000,000	3,240,222	3,246,616	3,246,616	3,240,344	3,246,738	3,246,738
Funding Sources										
Federal Revenue	4000020	880,279	4,781,740		3,240,222	3,246,616	3,246,616	3,240,344	3,246,738	3,246,738
Total Funding		880,279	4,781,740		3,240,222	3,246,616	3,246,616	3,240,344	3,246,738	3,246,738
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		880,279	4,781,740		3,240,222	3,246,616	3,246,616	3,240,344	3,246,738	3,246,738

Budget exceeds Authorized Appropriation in various line items due to transfers from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 85Q - Health Care Exchange-Federal

Funding Sources: FID - Health Care Exchange Planning - Federal

This federally funded Health Care Exchange Planning Program provides federal dollars from the Department of Health and Human Services (HHS) to assist the State of Arkansas in the process of developing Arkansas' Insurance Health Care Exchange within the time frame and requirements determined by the federal Affordable Care Act and subject to regulations established by HHS.

It was established by a miscellaneous federal grant in the amount of \$1,000,000 in October, 2010, and was continued in the 2011-2013 Biennium.

This program is being phased out by the end of September, 2012. The Agency Request is for transfer of one of the program's positions to return it to the State Operations Program. Transfer of the other two positions is requested to the Level One Cooperative Agreement, which is the next phase of this initiative.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 85Q - Health Care Exchange-Federal

Funding Sources: FID - Health Care Exchange Planning - Federal

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	128,731	153,257	126,695	0	0	0	0	0	0
#Positions		3	3	3	0	0	0	0	0	0
Personal Services Matching	5010003	35,899	47,864	34,980	0	0	0	0	0	0
Operating Expenses	5020002	30,147	37,877	37,877	0	0	0	0	0	0
Conference & Travel Expenses	5050009	22,100	10,448	10,448	0	0	0	0	0	0
Professional Fees	5060010	637,647	175,327	790,000	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		854,524	424,773	1,000,000	0	0	0	0	0	0
Funding Sources										
Federal Revenue	4000020	854,524	424,773		0	0	0	0	0	0
Total Funding		854,524	424,773		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		854,524	424,773		0	0	0	0	0	0

Analysis of Budget Request

Appropriation: F08 - Level One Cooperative Agreement - Federal

Funding Sources: FID - Insurance Department - Federal

The federally funded Level One Cooperative Agreement is the follow up to the Health Care Exchange Planning Program. This phase was approved as a miscellaneous federal grant with 5 positions in April, 2012. It provides federal dollars from the Department of Health and Human Services (HHS) to assist the State of Arkansas in the process of developing a federally funded Arkansas Insurance Health Care Exchange within the time frame and requirements determined by the federal Affordable Care Act and subject to regulations established by HHS.

This request is to continue this program, including the original 5 positions and 2 other positions transferred from the original Planning phase, in the amount of \$7,578,242 each year.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: F08 - Level One Cooperative Agreement - Federal

Funding Sources: FID - Insurance Department - Federal

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	48,417	336,690	0	292,711	295,323	295,323	292,711	295,323	295,323
#Positions		5	5	0	7	7	7	7	7	7
Personal Services Matching	5010003	11,000	142,303	0	99,041	99,617	99,617	99,041	99,617	99,617
Operating Expenses	5020002	29,398	96,504	0	96,504	96,504	96,504	96,504	96,504	96,504
Conference & Travel Expenses	5050009	3,792	57,362	0	57,362	57,362	57,362	57,362	57,362	57,362
Professional Fees	5060010	29,800	7,032,624	0	7,032,624	7,032,624	7,032,624	7,032,624	7,032,624	7,032,624
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		122,407	7,665,483	0	7,578,242	7,581,430	7,581,430	7,578,242	7,581,430	7,581,430
Funding Sources										
Federal Revenue	4000020	122,407	7,665,483		7,578,242	7,581,430	7,581,430	7,578,242	7,581,430	7,581,430
Total Funding		122,407	7,665,483		7,578,242	7,581,430	7,581,430	7,578,242	7,581,430	7,581,430
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		122,407	7,665,483		7,578,242	7,581,430	7,581,430	7,578,242	7,581,430	7,581,430

This appropriation was established through the authority of the Miscellaneous Federal Program Act.