

## **Analysis of Budget Request**

**Appropriation:** A28 - Cash Operations

**Funding Sources:** 360 - Towing & Recovery - Cash

The Towing & Recovery Board was established under Arkansas Code Annotated §27-50-1203 to regulate Arkansas' towing industry. The Board is responsible for promulgating and administering rules and regulations for the industry, establishing licensing, insurance and safety equipment requirements for towing and related services and establishing tow truck safety requirements for vehicles utilized for commercial purposes. The Board issues towing business licenses and tow vehicle safety permits, assesses late filing fees, and investigates allegations of violations. Funding is derived from fees levied on towing businesses.

Base Level positions were changed from unclassified to classified to reflect the recommendations of the Pay Plan Study and salaries were adjusted accordingly. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member stipends and Career Service payments for eligible employees. 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 Change Level Request of \$41,064 for FY10 and \$41,787 for FY11 is for a new investigator position and Operating Expenses.

The new investigator position is to assist in completing administrative and consumer complaints and investigations and resolve the backlog of complaints and to conduct safety inspections. This results in an increase in Regular Salaries and Personal Services Matching of \$36,598 for FY10 and \$37,321 for FY11. The increase in Operating Expenses of \$4,466 each year is primarily for increases in mileage and board member travel expenses.

Executive Recommendation provides for Base Level. The request for an additional position is denied as unsupported under current revenue collections. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

## Appropriation Summary

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**Funding Sources:** 360 - Towing & Recovery - Cash

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries 5010000	76,250	77,946	77,346	109,580	83,049	83,049	111,936	84,795	84,795
<b>#Positions</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>
Personal Services Matching 5010003	26,301	26,431	27,446	40,196	30,129	30,129	40,637	30,457	30,457
Operating Expenses 5020002	42,708	42,840	42,840	47,306	42,840	42,840	47,306	42,840	42,840
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	6,710	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>151,969</b>	<b>154,417</b>	<b>154,832</b>	<b>204,282</b>	<b>163,218</b>	<b>163,218</b>	<b>207,079</b>	<b>165,292</b>	<b>165,292</b>
<b>Funding Sources</b>									
Fund Balance 4000005	140,607	117,764		75,108	75,108	75,108	39,644	80,708	80,708
Cash Fund 4000045	129,126	111,761		168,818	168,818	168,818	180,008	180,008	180,008
<b>Total Funding</b>	<b>269,733</b>	<b>229,525</b>		<b>243,926</b>	<b>243,926</b>	<b>243,926</b>	<b>219,652</b>	<b>260,716</b>	<b>260,716</b>
<b>Excess Appropriation/(Funding)</b>	<b>(117,764)</b>	<b>(75,108)</b>		<b>(39,644)</b>	<b>(80,708)</b>	<b>(80,708)</b>	<b>(12,573)</b>	<b>(95,424)</b>	<b>(95,424)</b>
<b>Grand Total</b>	<b>151,969</b>	<b>154,417</b>		<b>204,282</b>	<b>163,218</b>	<b>163,218</b>	<b>207,079</b>	<b>165,292</b>	<b>165,292</b>

The FY09 Budgeted amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.