

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
1QA AMAIT - Operations	5,100,982	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	10,367,596	129	11,905,831	138	11,678,229	135	11,973,879	138	12,118,350	138	12,118,350	138	11,973,879	138	12,294,915	138	12,294,915	138
2SX Fraud Investigation Unit	274,601	4	356,638	4	340,874	4	353,208	4	364,820	4	364,820	4	353,208	4	370,286	4	370,286	4
2SY St Ins Dept Criminal Investigation Division	653,845	11	969,645	11	1,034,423	11	962,512	11	979,571	11	979,571	11	962,512	11	993,480	11	993,480	11
2SZ Prepaid Funeral Benefits Division	268,274	4	356,193	4	356,565	4	361,914	4	371,086	4	371,086	4	361,914	4	374,985	4	374,985	4
2TA Continuing Education Program	35,008	1	35,506	1	35,865	1	35,514	1	36,712	1	36,712	1	35,514	1	37,475	1	37,475	1
2TB State Employee Claims	11,589,653	0	14,000,000	0	14,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0	15,000,000	0
2TC Governmental Bonding Board Operations	194,605	0	2,104,855	0	2,104,855	0	2,104,855	0	2,104,855	0	2,104,855	0	2,104,855	0	2,104,855	0	2,104,855	0
2TD Public Employees Claims Section	1,377,211	23	1,516,246	24	1,553,578	24	1,517,863	24	1,555,813	24	1,555,813	24	1,517,863	24	1,583,324	24	1,583,324	24
2TE Health Information Counseling	526,270	5	853,580	5	850,601	5	868,823	5	861,016	5	1,007,855	5	868,823	5	865,705	5	1,012,544	5
2TF Refunds of Overpayments	4,688,729	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	237,644	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	23,258	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	19,786	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	21,446	0	132,029	0	166,425	0	130,166	0	130,166	0	130,166	0	130,166	0	130,166	0	130,166	0
2TM Travel & Subsistence-Cash	76,837	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	16,874	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	84,194	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	5,378,777	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	0	0	0	0	0	0	0	0	0	0	1,000,000	5	0	0	0	0	1,000,000	5
85Q Health Care Exchange-Federal	0	0	0	0	0	0	0	0	0	0	1,000,000	2	0	0	0	0	1,000,000	2
Total	40,935,590	177	69,205,523	187	69,096,415	184	70,283,734	187	70,497,389	187	72,644,228	194	70,283,734	187	70,730,191	187	72,877,030	194

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	68,304,143	59.1	74,693,094	51.0	61,738,006	45.8	61,738,006	45.8	61,738,006	45.1	64,539,187	46.9	64,367,287	46.8	64,367,287	46.1	
Federal Revenue	4000020	526,270	0.5	853,580	0.6	868,823	0.6	861,016	0.6	3,007,855	2.2	868,823	0.6	865,705	0.6	3,012,544	2.2	
Special Revenue	4000030	18,763,630	16.2	18,269,362	12.5	18,506,071	13.7	18,555,633	13.8	18,555,633	13.6	18,506,071	13.5	18,588,610	13.5	18,588,610	13.3	
Cash Fund	4000045	163,203	0.1	212,371	0.1	225,000	0.2	225,000	0.2	225,000	0.2	225,000	0.2	225,000	0.2	225,000	0.2	
Trust Fund	4000050	11,312,368	9.8	26,104,855	17.8	26,104,855	19.4	26,104,855	19.4	26,104,855	19.1	26,104,855	19.0	26,104,855	19.0	26,104,855	18.7	
Miscellaneous Revolving	4000350	4,969,417	4.3	12,250,000	8.4	12,250,000	9.1	12,250,000	9.1	12,250,000	8.9	12,250,000	8.9	12,250,000	8.9	12,250,000	8.8	

Funding Sources			%		%		%		%		%		%		%				
Workers' Comp Revolving	4000735	11,589,653	10.0	14,000,000	9.6			15,000,000	11.1	15,000,000	11.1	15,000,000	11.0	15,000,000	10.9	15,000,000	10.9	15,000,000	10.7
Total Funds		115,628,684	100.0	146,383,262	100.0			134,692,755	100.0	134,734,510	100.0	136,881,349	100.0	137,493,936	100.0	137,401,457	100.0	139,548,296	100.0
Excess Appropriation/(Funding)		(74,693,094)		(77,177,739)				(64,409,021)		(64,237,121)		(64,237,121)		(67,210,202)		(66,671,266)		(66,671,266)	
Grand Total		40,935,590		69,205,523				70,283,734		70,497,389		72,644,228		70,283,734		70,730,191		72,877,030	

The FY11 Budget amounts for the Insurance-State Operations Program (2SW), the Fraud Investigation Unit (2SX), and the Health Information Counseling Program (2TE) exceed the Authorized amounts due to salary adjustments and matching rate adjustments during the 2009-2011 Biennium.

Appropriations for the Health Insurance Premium Rate Review Program-Federal (85P) and the Health Care Exchange Program-Federal (85Q) were established through the authority of the Miscellaneous Federal Program Act.

Beginning Fund Balance for 2011-2012 is reduced by \$15,439,733 in accordance with adjustment specified in A.C.A. 23-61-710(c).

Variance in 2012-2013 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 Department's 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		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
AMAIT	5900046	5,100,982	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		5,100,982	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	11,129,205	10,877,599		10,877,599	10,877,599	10,877,599	10,877,599	10,877,599	10,877,599
Trust Fund	4000050	4,849,376	10,000,000		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total Funding		15,978,581	20,877,599		20,877,599	20,877,599	20,877,599	20,877,599	20,877,599	20,877,599
Excess Appropriation/(Funding)		(10,877,599)	(10,877,599)		(10,877,599)	(10,877,599)	(10,877,599)	(10,877,599)	(10,877,599)	(10,877,599)
Grand Total		5,100,982	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 \$11,590,931 each year, with 135 positions authorized and budgeted.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salaries of unclassified positions reflect the FY11 line item maximum.

Changes are requested as follows:

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.

Reallocation of \$150,000 each year from the Data Processing line item to Operating Expenses. These resources are used to reimburse the Department of Information Systems for support and assistance with this program's IT operations. The Office of Accounting has determined that these expenditures should properly be made from the Operating Expenses line item.

Restoration of three positions that were provided from the OPM central growth pool and approved by the ALC Personnel Committee in April, 2010, to establish a Market Conduct Program. These are an Attorney Specialist and two Insurance Senior Examiners. Total salary and matching costs are \$173,148 each year.

The reclassification of four positions and upgrading of four others is also requested. Total costs of these changes are \$54,800 each year.

The Executive Recommendation provides for the Agency Request, with Capital Outlay recommended at \$20,000 each year and the position upgrades and reclassifications not recommended.

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	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries 5010000	6,187,537	6,776,409	6,576,583	6,792,635	7,036,153	7,036,153	6,792,635	7,184,698	7,184,698
#Positions	129	138	135	138	138	138	138	138	138
Extra Help 5010001	98,422	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
#Extra Help	15	19	19	19	19	19	19	19	19
Personal Services Matching 5010003	1,780,237	1,975,422	1,947,646	2,032,244	2,068,197	2,068,197	2,032,244	2,096,217	2,096,217
Overtime 5010006	233	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Operating Expenses 5020002	1,780,110	2,035,000	2,035,000	2,185,000	2,185,000	2,185,000	2,185,000	2,185,000	2,185,000
Conference & Travel Expenses 5050009	126,255	138,000	138,000	138,000	138,000	138,000	138,000	138,000	138,000
Professional Fees 5060010	21,016	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Data Processing 5090012	86,674	150,000	150,000	0	0	0	0	0	0
Capital Outlay 5120011	155,889	160,000	160,000	155,000	20,000	20,000	155,000	20,000	20,000
Special Maintenance 5120032	1,529	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Professional Services 5900043	129,694	386,000	386,000	386,000	386,000	386,000	386,000	386,000	386,000
Total	10,367,596	11,905,831	11,678,229	11,973,879	12,118,350	12,118,350	11,973,879	12,294,915	12,294,915
Funding Sources									
Fund Balance 4000005	42,165,318	47,306,484		34,959,057	34,959,057	34,959,057	37,985,178	37,840,707	37,840,707
Special Revenue 4000030	15,508,762	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total Funding	57,674,080	62,306,484		49,959,057	49,959,057	49,959,057	52,985,178	52,840,707	52,840,707
Excess Appropriation/(Funding)	(47,306,484)	(50,400,653)		(37,985,178)	(37,840,707)	(37,840,707)	(41,011,299)	(40,545,792)	(40,545,792)
Grand Total	10,367,596	11,905,831		11,973,879	12,118,350	12,118,350	11,973,879	12,294,915	12,294,915

The FY11 Budget amounts for Regular Salaries and Personal Services Matching exceed Authorized due to salary adjustments and matching rate adjustments during the 2009-2011 Biennium.

Beginning Fund Balance for 2011-2012 is reduced to \$34,959,057, which is the total of 3 previous years' budgets, as specified in A.C.A. 23-61-710(c).

The FY11 Budget includes 3 positions provided from the OPM Central Growth Pool.

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 salaries and matching provide for the continuation of four positions and do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level for this program is \$353,208 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: 2SX - Fraud Investigation Unit

Funding Sources: TSI - State Insurance Department Trust Fund

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	175,698	186,798	173,978	183,898	194,062	194,062	183,898	198,608	198,608
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	52,427	56,434	53,490	55,904	57,352	57,352	55,904	58,272	58,272
Operating Expenses	5020002	46,476	90,406	90,406	90,406	90,406	90,406	90,406	90,406	90,406
Conference & Travel Expenses	5050009	0	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		274,601	356,638	340,874	353,208	364,820	364,820	353,208	370,286	370,286
Funding Sources										
Fund Balance	4000005	113,165	238,522		0	0	0	0	0	0
Special Revenue	4000030	399,958	118,116		353,208	364,820	364,820	353,208	370,286	370,286
Total Funding		513,123	356,638		353,208	364,820	364,820	353,208	370,286	370,286
Excess Appropriation/(Funding)		(238,522)	0		0	0	0	0	0	0
Grand Total		274,601	356,638		353,208	364,820	364,820	353,208	370,286	370,286

The FY11 Budget amounts for Regular Salaries and Personal Services Matching exceed Authorized due to salary adjustments and matching rate adjustments during the 2009-2011 Biennium.

Analysis of Budget Request

Appropriation: 2SY - St Ins Dept Criminal 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 salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level for this program is \$955,512 each year, with 11 positions budgeted. Changes are requested as follows:

Reallocation of resources that provide for assistance by the Department of Information Systems in the amounts of \$1,000 each year from Data Processing to the Operating Expenses line item.

Additional Operating Expenses of \$7,000 each year for this program's share of information technology equipment replacement costs.

The Executive Recommendation provides for the reduction in the Data Processing line item and for Base Level in all other line items.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2SY - St Ins Dept Criminal Investigation Division

Funding Sources: TIF - Insurance Fraud Investigation Division Trust Fund

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	426,910	576,196	628,120	571,796	593,380	593,380	571,796	605,084	605,084
#Positions		11	11	11	11	11	11	11	11	11
Personal Services Matching	5010003	138,374	167,814	180,668	165,081	168,556	168,556	165,081	170,761	170,761
Operating Expenses	5020002	82,761	171,635	171,635	179,635	171,635	171,635	179,635	171,635	171,635
Conference & Travel Expenses	5050009	5,800	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Professional Fees	5060010	0	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Data Processing	5090012	0	1,000	1,000	0	0	0	0	0	0
Capital Outlay	5120011	0	7,000	7,000	0	0	0	0	0	0
Total		653,845	969,645	1,034,423	962,512	979,571	979,571	962,512	993,480	993,480
Funding Sources										
Fund Balance	4000005	1,084,017	1,463,228		1,243,583	1,243,583	1,243,583	1,031,071	1,014,012	1,014,012
Special Revenue	4000030	1,033,056	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Total Funding		2,117,073	2,213,228		1,993,583	1,993,583	1,993,583	1,781,071	1,764,012	1,764,012
Excess Appropriation/(Funding)		(1,463,228)	(1,243,583)		(1,031,071)	(1,014,012)	(1,014,012)	(818,559)	(770,532)	(770,532)
Grand Total		653,845	969,645		962,512	979,571	979,571	962,512	993,480	993,480

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 \$361,914 each year, with 4 positions budgeted. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The only change requested is reallocation of \$2,000 in the Data Processing line item for assistance and support by the Department of Information Systems to the Operating Expenses line item, as determined by the Office of Accounting.

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		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	201,147	203,203	196,417	200,303	208,437	208,437	200,303	211,696	211,696
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	55,315	50,600	57,758	59,221	60,259	60,259	59,221	60,899	60,899
Operating Expenses	5020002	11,812	69,390	69,390	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	2,000	2,000	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		268,274	356,193	356,565	361,914	371,086	371,086	361,914	374,985	374,985

Funding Sources										
Fund Balance	4000005	742,464	779,263		688,070	688,070	688,070	591,156	581,984	581,984
Special Revenue	4000030	305,073	265,000		265,000	265,000	265,000	265,000	265,000	265,000
Total Funding		1,047,537	1,044,263		953,070	953,070	953,070	856,156	846,984	846,984
Excess Appropriation/(Funding)		(779,263)	(688,070)		(591,156)	(581,984)	(581,984)	(494,242)	(471,999)	(471,999)
Grand Total		268,274	356,193		361,914	371,086	371,086	361,914	374,985	374,985

The FY11 Budget amount for Regular Salaries exceeds Authorized due to salary adjustments during the 2009-2011 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 salaries and matching provide for the continuation of one position and do not include appropriation for a Cost of Living Adjustment or a Career Service Payment.

The Department is requesting continuation at the Base Level of \$35,514 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		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	25,440	25,647	25,849	25,647	26,645	26,645	25,647	27,279	27,279
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	9,568	9,859	10,016	9,867	10,067	10,067	9,867	10,196	10,196
Total		35,008	35,506	35,865	35,514	36,712	36,712	35,514	37,475	37,475
Funding Sources										
Fund Balance	4000005	809,777	897,465		981,959	981,959	981,959	1,066,445	1,065,247	1,065,247
Special Revenue	4000030	122,696	120,000		120,000	120,000	120,000	120,000	120,000	120,000
Total Funding		932,473	1,017,465		1,101,959	1,101,959	1,101,959	1,186,445	1,185,247	1,185,247
Excess Appropriation/(Funding)		(897,465)	(981,959)		(1,066,445)	(1,065,247)	(1,065,247)	(1,150,931)	(1,147,772)	(1,147,772)
Grand Total		35,008	35,506		35,514	36,712	36,712	35,514	37,475	37,475

Analysis of Budget Request

Appropriation: 2TB - State Employee Claims

Funding Sources: TUV - 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 \$14,000,000 each year. The Department is requesting the addition of \$1,000,000 each year to assure sufficient appropriation to cover the growing level of expenses for claims.

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: TUW - Workers' Compensation Revolving Fund

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	11,589,653	14,000,000	14,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total	11,589,653	14,000,000	14,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Funding Sources									
Workers' Comp Revolving 4000735	11,589,653	14,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total Funding	11,589,653	14,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	11,589,653	14,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000

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. The Department requests that the current level of \$2,104,855 each year be continued for this appropriation.

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		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	311	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	1,414	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Claims	5110015	192,880	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
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		194,605	2,104,855	2,104,855	2,104,855	2,104,855	2,104,855	2,104,855	2,104,855	2,104,855

Funding Sources										
Fund Balance	4000005	3,635,465	3,919,803		3,919,803	3,919,803	3,919,803	3,919,803	3,919,803	3,919,803
Trust Fund	4000050	478,943	2,104,855		2,104,855	2,104,855	2,104,855	2,104,855	2,104,855	2,104,855
Total Funding		4,114,408	6,024,658		6,024,658	6,024,658	6,024,658	6,024,658	6,024,658	6,024,658
Excess Appropriation/(Funding)		(3,919,803)	(3,919,803)		(3,919,803)	(3,919,803)	(3,919,803)	(3,919,803)	(3,919,803)	(3,919,803)
Grand Total		194,605	2,104,855		2,104,855	2,104,855	2,104,855	2,104,855	2,104,855	2,104,855

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 \$1,502,863 each year, with 24 positions budgeted. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. Requested changes are as follows:

Reclassification of one position, WCC CLaims Specialist to WCC Program Manager. Each of these titles has the same grade, C121, so no additional costs are involved.

The Data Processing line item contains \$4,000 each year for assistance and support by the Department of Information Systems. The Office of Accounting has determined that this appropriation should be reallocated for expenditure in the Operating Expenses line item.

Operating Expenses of \$15,000 each year for equipment replacement, of which \$5,000 each year is earmarked as this program's share of information technology equipment costs.

The Executive Recommendation provides for Base Level, but also includes the reduction of \$4,000 in the Data Processing line item.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2TD - Public Employees Claims Section

Funding Sources: HUA - Miscellaneous Agencies Fund

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries 5010000	925,990	949,718	978,800	947,708	997,367	997,367	947,708	1,020,250	1,020,250
#Positions	23	24	24	24	24	24	24	24	24
Personal Services Matching 5010003	282,185	300,319	308,569	303,946	311,237	311,237	303,946	315,865	315,865
Operating Expenses 5020002	161,035	233,209	233,209	252,209	233,209	233,209	252,209	233,209	233,209
Conference & Travel Expenses 5050009	8,001	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	4,000	4,000	0	0	0	0	0	0
Capital Outlay 5120011	0	15,000	15,000	0	0	0	0	0	0
Total	1,377,211	1,516,246	1,553,578	1,517,863	1,555,813	1,555,813	1,517,863	1,583,324	1,583,324
Funding Sources									
Special Revenue 4000030	1,377,211	1,516,246		1,517,863	1,555,813	1,555,813	1,517,863	1,583,324	1,583,324
Total Funding	1,377,211	1,516,246		1,517,863	1,555,813	1,555,813	1,517,863	1,583,324	1,583,324
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,377,211	1,516,246		1,517,863	1,555,813	1,555,813	1,517,863	1,583,324	1,583,324

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 for this program is \$853,627 each year. Salaries and matching contained in Base Level do not include appropriation for a Cost of Living Adjustment or Career Service Payments for the five continuing positions.

Requested changes are upgrading of the position of Senior Health Insurance Information Program Manager from Grade C124 to C130 at salary and matching costs of \$15,196 each year and reallocation of resources that provide for assistance by the Department of Information Systems in the amounts of \$1,600 each year from Data Processing to the Operating Expenses line item.

The Executive Recommendation provides for the Agency Request, with the position upgrade not recommended.

The Legislative Recommendation concurs with the Executive Recommendation and also provides for additional federal appropriation and anticipated funding approved for inclusion in the Insurance Department's appropriation bill.

Appropriation Summary

Appropriation: 2TE - Health Information Counseling

Funding Sources: FID - Insurance Department - Federal

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries 5010000	145,328	157,840	155,125	170,480	163,986	163,986	170,480	167,887	167,887
#Positions	5	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	46,669	55,268	55,004	57,871	56,558	56,558	57,871	57,346	57,346
Operating Expenses 5020002	125,101	282,463	282,463	284,063	284,063	307,107	284,063	284,063	307,107
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	209,172	356,409	356,409	356,409	356,409	480,204	356,409	356,409	480,204
Data Processing 5090012	0	1,600	1,600	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	526,270	853,580	850,601	868,823	861,016	1,007,855	868,823	865,705	1,012,544
Funding Sources									
Federal Revenue 4000020	526,270	853,580		868,823	861,016	1,007,855	868,823	865,705	1,012,544
Total Funding	526,270	853,580		868,823	861,016	1,007,855	868,823	865,705	1,012,544
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	526,270	853,580		868,823	861,016	1,007,855	868,823	865,705	1,012,544

The FY11 Budget amounts for Regular Salaries and Personal Services Matching exceed Authorized due to salary adjustments and matching rate adjustments during the 2009-2011 Biennium.

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	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements 5110014	4,688,729	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	4,688,729	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	4,688,729	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Total Funding	4,688,729	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	4,688,729	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	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	237,644	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Total	237,644	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Funding Sources									
Miscellaneous Revolving 4000350	237,644	450,000		450,000	450,000	450,000	450,000	450,000	450,000
Total Funding	237,644	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	237,644	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	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	23,258	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total	23,258	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000

Funding Sources									
Miscellaneous Revolving 4000350	23,258	200,000		200,000	200,000	200,000	200,000	200,000	200,000
Total Funding	23,258	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	23,258	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	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	19,786	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total	19,786	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Funding Sources									
Miscellaneous Revolving 4000350	19,786	600,000		600,000	600,000	600,000	600,000	600,000	600,000
Total Funding	19,786	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	19,786	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 \$130,166 each year and is the request for 2011-2013.

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. Expenditure of appropriation is contingent upon available funding.

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		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	21,446	132,029	166,425	130,166	130,166	130,166	130,166	130,166	130,166
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		21,446	132,029	166,425	130,166	130,166	130,166	130,166	130,166	130,166
Funding Sources										
Fund Balance	4000005	148,980	130,166		0	0	0	0	0	0
Cash Fund	4000045	2,632	0		0	0	0	0	0	0
Total Funding		151,612	130,166		0	0	0	0	0	0
Excess Appropriation/(Funding)		(130,166)	1,863		130,166	130,166	130,166	130,166	130,166	130,166
Grand Total		21,446	132,029		130,166	130,166	130,166	130,166	130,166	130,166

Analysis of Budget Request

Appropriation: 2TM - Travel & Subsistence-Cash

Funding Sources: NDD - Travel and Subsistence - 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. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2TM - Travel & Subsistence-Cash

Funding Sources: NDD - Travel and Subsistence - Cash in Treasury

Commitment Item		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Travel & Subsistence Expenses	5900046	76,837	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total		76,837	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Funding Sources										
Fund Balance	4000005	1,000	1,035		0	0	0	0	0	0
Cash Fund	4000045	76,872	98,965		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding		77,872	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Excess Appropriation/(Funding)		(1,035)	0		0	0	0	0	0	0
Grand Total		76,837	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 pre-need 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	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Expenses & Claims 5900046	16,874	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	16,874	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources									
Special Revenue 4000030	16,874	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	16,874	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	16,874	500,000		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 2009-2011 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. Expenditure of appropriation is contingent upon available funding.

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		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	84,194	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		84,194	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Funding Sources										
Fund Balance	4000005	12,089	11,594		0	0	0	0	0	0
Cash Fund	4000045	83,699	113,406		125,000	125,000	125,000	125,000	125,000	125,000
Total Funding		95,788	125,000		125,000	125,000	125,000	125,000	125,000	125,000
Excess Appropriation/(Funding)		(11,594)	0		0	0	0	0	0	0
Grand Total		84,194	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. Authorization for the combined program is \$14,000,000, which is also the Base Level and 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		2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Expenses and Claims	5900046	5,378,777	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		5,378,777	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	8,462,663	9,067,935		9,067,935	9,067,935	9,067,935	9,067,935	9,067,935	9,067,935
Trust Fund	4000050	5,984,049	14,000,000		14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
Total Funding		14,446,712	23,067,935		23,067,935	23,067,935	23,067,935	23,067,935	23,067,935	23,067,935
Excess Appropriation/(Funding)		(9,067,935)	(9,067,935)		(9,067,935)	(9,067,935)	(9,067,935)	(9,067,935)	(9,067,935)	(9,067,935)
Grand Total		5,378,777	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 - Health Premium Rate Review - 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.

Accordingly, a miscellaneous federal grant in the amount of \$1,000,000, with 5 position, was approved in October, 2010.

The Legislative Recommendation provides for this additional federal appropriation and its anticipated funding to be approved for inclusion in the Insurance Department's appropriation bill.

Appropriation Summary

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

Funding Sources: FID - Health Premium Rate Review - Federal

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries 5010000	0	0	0	0	0	329,650	0	0	329,650
#Positions	0	0	0	0	0	5	0	0	5
Personal Services Matching 5010003	0	0	0	0	0	90,455	0	0	90,455
Operating Expenses 5020002	0	0	0	0	0	221,332	0	0	221,332
Conference & Travel Expenses 5050009	0	0	0	0	0	2,400	0	0	2,400
Professional Fees 5060010	0	0	0	0	0	276,808	0	0	276,808
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	79,355	0	0	79,355
Total	0	0	0	0	0	1,000,000	0	0	1,000,000
Funding Sources									
Federal Revenue 4000020	0	0		0	0	1,000,000	0	0	1,000,000
Total Funding	0	0		0	0	1,000,000	0	0	1,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	0	1,000,000	0	0	1,000,000

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

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.

Accordingly, a miscellaneous federal grant in the amount of \$1,000,000, with 2 position, was approved in October, 2010.

The Legislative Recommendation provides for this additional federal appropriation and its anticipated funding to be approved for inclusion in the Insurance Department's appropriation bill.

Appropriation Summary

Appropriation: 85Q - Health Care Exchange-Federal

Funding Sources: FID - Health Care Exchange Planning - Federal

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries 5010000	0	0	0	0	0	126,695	0	0	126,695
#Positions	0	0	0	0	0	2	0	0	2
Personal Services Matching 5010003	0	0	0	0	0	34,980	0	0	34,980
Operating Expenses 5020002	0	0	0	0	0	37,877	0	0	37,877
Conference & Travel Expenses 5050009	0	0	0	0	0	10,448	0	0	10,448
Professional Fees 5060010	0	0	0	0	0	790,000	0	0	790,000
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	0	0	0	0	0	1,000,000	0	0	1,000,000
Funding Sources									
Federal Revenue 4000020	0	0		0	0	1,000,000	0	0	1,000,000
Total Funding	0	0		0	0	1,000,000	0	0	1,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		0	0	1,000,000	0	0	1,000,000

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