

## **Analysis of Budget Request**

**Appropriation:** A56 - Division of Collections - Cash Operations

**Funding Sources:** 310 - Collection Agencies Board - Cash

The State Board of Collection Agencies (SBCA) is responsible for such matters as licensing, revocation of licenses, investigation and prosecution of violations, enforcement of bonding requirements, setting and enforcing standards of ethical operations, and generally policing the activities of approximately 1,200 collection agencies presently operating in Arkansas. The aspiration of the SBCA is to reduce undesirable collection activity, fraud, misrepresentation of client funds, and unprofessional conduct.

The Board's funding is derived from the receipts of license fees for collection agencies.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level request for Regular Salaries includes board member stipend payments.

The Agency requests Base Level appropriation for FY12 and FY13.

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

The Executive Recommendation concurs with the Executive Recommendation.

## Appropriation Summary

**Appropriation:** A56 - Division of Collections - Cash Operations

**Funding Sources:** 310 - Collection Agencies Board - Cash

| Commitment Item              |         | 2009-2010        | 2010-2011        | 2010-2011        | 2011-2012        |                  |                  | 2012-2013        |                  |                  |
|------------------------------|---------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                              |         | Actual           | Budget           | Authorized       | Agency           | Executive        | Legislative      | Agency           | Executive        | Legislative      |
| Regular Salaries             | 5010000 | 175,968          | 186,447          | 188,243          | 184,547          | 192,694          | 192,694          | 184,547          | 196,594          | 196,594          |
| <b>#Positions</b>            |         | <b>4</b>         | <b>4</b>         | <b>4</b>         | <b>4</b>         | <b>4</b>         | <b>4</b>         | <b>4</b>         | <b>4</b>         | <b>4</b>         |
| Extra Help                   | 5010001 | 2,381            | 5,000            | 5,000            | 5,000            | 5,000            | 5,000            | 5,000            | 5,000            | 5,000            |
| <b>#Extra Help</b>           |         | <b>1</b>         | <b>1</b>         | <b>1</b>         | <b>1</b>         | <b>1</b>         | <b>1</b>         | <b>1</b>         | <b>1</b>         | <b>1</b>         |
| Personal Services Matching   | 5010003 | 51,922           | 62,108           | 55,859           | 61,725           | 63,149           | 63,149           | 61,725           | 64,051           | 64,051           |
| Operating Expenses           | 5020002 | 53,414           | 86,700           | 86,700           | 86,700           | 86,700           | 86,700           | 86,700           | 86,700           | 86,700           |
| Conference & Travel Expenses | 5050009 | 2,470            | 4,500            | 4,500            | 4,500            | 4,500            | 4,500            | 4,500            | 4,500            | 4,500            |
| Professional Fees            | 5060010 | 3,586            | 21,000           | 21,000           | 21,000           | 21,000           | 21,000           | 21,000           | 21,000           | 21,000           |
| Data Processing              | 5090012 | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Grants and Aid               | 5100004 | 1,065,000        | 1,200,000        | 1,200,000        | 1,200,000        | 1,200,000        | 1,200,000        | 1,200,000        | 1,200,000        | 1,200,000        |
| Claims                       | 5110015 | 0                | 24,642           | 24,642           | 24,642           | 24,642           | 24,642           | 24,642           | 24,642           | 24,642           |
| Capital Outlay               | 5120011 | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| <b>Total</b>                 |         | <b>1,354,741</b> | <b>1,590,397</b> | <b>1,585,944</b> | <b>1,588,114</b> | <b>1,597,685</b> | <b>1,597,685</b> | <b>1,588,114</b> | <b>1,602,487</b> | <b>1,602,487</b> |

| Funding Sources                       |         |                    |                    |  |                    |                    |                    |                    |                    |                    |
|---------------------------------------|---------|--------------------|--------------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Fund Balance                          | 4000005 | 5,743,207          | 5,761,620          |  | 5,271,223          | 5,271,223          | 5,271,223          | 4,783,109          | 4,773,538          | 4,773,538          |
| Cash Fund                             | 4000045 | 1,373,154          | 1,100,000          |  | 1,100,000          | 1,100,000          | 1,100,000          | 1,100,000          | 1,100,000          | 1,100,000          |
| <b>Total Funding</b>                  |         | <b>7,116,361</b>   | <b>6,861,620</b>   |  | <b>6,371,223</b>   | <b>6,371,223</b>   | <b>6,371,223</b>   | <b>5,883,109</b>   | <b>5,873,538</b>   | <b>5,873,538</b>   |
| <b>Excess Appropriation/(Funding)</b> |         | <b>(5,761,620)</b> | <b>(5,271,223)</b> |  | <b>(4,783,109)</b> | <b>(4,773,538)</b> | <b>(4,773,538)</b> | <b>(4,294,995)</b> | <b>(4,271,051)</b> | <b>(4,271,051)</b> |
| <b>Grand Total</b>                    |         | <b>1,354,741</b>   | <b>1,590,397</b>   |  | <b>1,588,114</b>   | <b>1,597,685</b>   | <b>1,597,685</b>   | <b>1,588,114</b>   | <b>1,602,487</b>   | <b>1,602,487</b>   |

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.