

## **Analysis of Budget Request**

**Appropriation:** A57 - ADFA-Cash Operations

**Funding Sources:** 123 - Arkansas Development Finance Authority Cash

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

This appropriation reflects all operational costs of the Authority including the Federal Housing Assistance Program, HUD Home Program, American Recovery and Reinvestment Act (ARRA) Programs and other financial programs. Funding for this appropriation is derived primarily from federal funds with other funding from bond proceeds.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 line item maximum. The Base Level request for Regular Salaries includes board member stipend payments.

The Authority's request includes Base Level appropriation totaling \$48,371,868 each year. The Authority's change level requests total \$91,206,422 in FY12 and \$31,422 in FY13, respectively. Change Level requests reflect the following:

- Reduction in Federal funded ARRA appropriation of \$61,075,000 in FY12 and \$152,250,000 in FY13 in accordance with federal disbursement guidelines. Authorized ARRA appropriation for the 2009-2011 biennium totaled \$152,250,000 each year.
- Federal funded ARRA appropriation totaling \$91,175,000 in FY12 to continue the HUD Tax Credit Assistance Program (TCAP) and the Treasury's Exchange Program, which target multi-family developments. TCAP provides federal funding to Arkansas from HUD for the express purpose of providing financing to those taxpayers "awarded" low-income housing tax credits under Section 42(h) of the Internal Revenue Code. The Treasury Exchange is a grant program whereby Arkansas can elect to receive a grant of funds in an amount up to \$.85 per tax credit for tax credits consisting of all unused and returned credits held by the Authority.
- Capital Outlay of \$23,000 each year to replace an existing vehicle due to the vehicle exceeding mileage and/or due to the age of the vehicle.

- Regular Salaries and Personal Services Matching totaling \$8,422 each year to reclassify a A080C Finance Authority Specialist to a D054C Computer Support Coordinator to provide technical support.

The Executive Recommendation provides for the Agency Request except for the reclassification of a A080C Finance Authority Specialist to a D054C Computer Support Coordinator. The replacement of an aging, high mileage vehicle each year will be determined in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

## Appropriation Summary

**Appropriation:** A57 - ADFA-Cash Operations

**Funding Sources:** 123 - Arkansas Development Finance Authority 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	3,292,081	3,534,380	3,534,380	3,486,590	3,620,390	3,620,390	3,486,590	3,689,364	3,689,364
<b>#Positions</b>		<b>59</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>
Extra Help	5010001	27,717	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
<b>#Extra Help</b>		<b>3</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Personal Services Matching	5010003	871,441	998,015	998,859	1,028,500	1,050,894	1,050,894	1,028,500	1,064,937	1,064,937
Operating Expenses	5020002	699,061	825,458	825,458	825,458	825,458	825,458	825,458	825,458	825,458
Conference & Travel Expenses	5050009	55,519	81,715	81,715	81,715	81,715	81,715	81,715	81,715	81,715
Professional Fees	5060010	107,464	112,300	112,300	112,300	112,300	112,300	112,300	112,300	112,300
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000
Capital Outlay	5120011	27,311	29,000	29,000	23,000	23,000	23,000	23,000	23,000	23,000
Data Processing Services	5900044	264,368	264,512	264,512	264,512	264,512	264,512	264,512	264,512	264,512
Hud Home Program	5900046	11,149,367	16,341,215	16,341,215	16,341,215	16,341,215	16,341,215	16,341,215	16,341,215	16,341,215
Federal Housing Programs	5900047	8,107,225	19,600,000	19,600,000	19,600,000	19,600,000	19,600,000	19,600,000	19,600,000	19,600,000
ARRA2009	5900052	27,107,785	152,250,000	152,250,000	91,175,000	91,175,000	91,175,000	0	0	0
<b>Total</b>		<b>51,709,339</b>	<b>200,676,595</b>	<b>200,677,439</b>	<b>139,578,290</b>	<b>139,734,484</b>	<b>139,734,484</b>	<b>48,403,290</b>	<b>48,642,501</b>	<b>48,642,501</b>

Funding Sources										
Fund Balance	4000005	237,684	231,508		231,508	231,508	231,508	231,508	75,314	75,314
Federal Revenue	4000020	19,256,592	42,541,215		42,541,215	42,541,215	42,541,215	42,541,215	42,541,215	42,541,215
Cash Fund	4000045	5,338,786	5,885,380		5,862,075	5,862,075	5,862,075	5,862,075	5,862,075	5,862,075
Federal Funds-ARRA	4000244	27,107,785	152,250,000		91,175,000	91,175,000	91,175,000	0	0	0
<b>Total Funding</b>		<b>51,940,847</b>	<b>200,908,103</b>		<b>139,809,798</b>	<b>139,809,798</b>	<b>139,809,798</b>	<b>48,634,798</b>	<b>48,478,604</b>	<b>48,478,604</b>
Excess Appropriation/(Funding)		(231,508)	(231,508)		(231,508)	(75,314)	(75,314)	(231,508)	163,897	163,897
<b>Grand Total</b>		<b>51,709,339</b>	<b>200,676,595</b>		<b>139,578,290</b>	<b>139,734,484</b>	<b>139,734,484</b>	<b>48,403,290</b>	<b>48,642,501</b>	<b>48,642,501</b>