

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive/Legislative Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
1QA AMAIT - Operations	6,669,817	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	11,015,658	128	12,186,716	134	12,452,948	136	13,143,262	136	12,633,662	136	12,633,662	136	12,975,487	136	12,665,887	136	12,665,887	136
2SX Fraud Investigation Unit	343,355	4	365,426	4	363,969	4	397,760	4	397,760	4	397,760	4	400,743	4	400,743	4	400,743	4
2SY Insurance Fraud Investigation Division	892,265	11	1,015,689	11	1,028,363	11	1,023,740	11	1,023,740	11	1,023,740	11	1,023,740	11	1,023,740	11	1,023,740	11
2SZ Prepaid Funeral Benefits Division	275,215	4	341,531	4	379,720	4	399,394	5	399,394	5	399,394	5	399,518	5	399,518	5	399,518	5
2TA Continuing Education Program	4,920	0	35,960	1	35,764	1	36,080	1	36,080	1	36,080	1	36,080	1	36,080	1	36,080	1
2TB State Employee Claims	14,843,808	0	16,000,000	0	16,000,000	0	16,500,000	0	16,500,000	0	16,500,000	0	16,500,000	0	16,500,000	0	16,500,000	0
2TC Governmental Bonding Board Operations	522,042	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	4,104,855	0	4,104,855	0
2TD Public Employees Claims Section	1,565,613	23	1,582,122	23	1,559,352	23	1,614,791	23	1,614,791	23	1,614,791	23	1,616,358	23	1,616,358	23	1,616,358	23
2TE Health Information Counseling	536,037	6	918,344	6	921,647	6	920,836	6	920,836	6	920,836	6	921,572	6	921,572	6	921,572	6
2TF Refunds of Overpayments	2,419,574	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	135,268	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	19,499	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	26,805	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	8,676	0	79,005	0	97,546	0	79,005	0	79,005	0	79,005	0	79,005	0	79,005	0	79,005	0
2TM Travel & Subsistence-Cash	35,235	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	10,918	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	133,782	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	6,353,934	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 Rate Review-Federal*	539,333	5	5,842,852	3	3,246,738	5	5,845,413	3	5,845,413	3	5,845,413	3	5,845,413	3	5,845,413	3	5,845,413	3
F08 Level One Cooperative Agreement*	25,812,395	25	39,781,606	31	7,581,430	7	39,589,489	28	39,589,489	28	39,713,452	29	39,590,227	28	39,590,227	28	39,714,190	29
M52 Medicare - MIPPA - 2	131,065	0	320,850	0	0	0	320,850	0	320,850	0	320,850	0	320,850	0	320,850	0	320,850	0
<b>NOT REQUESTED FOR THE BIENNIUM</b>																		
F51 Consumer Assistance Program B	149,764	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>72,444,978</b>	<b>207</b>	<b>119,549,956</b>	<b>217</b>	<b>84,747,332</b>	<b>197</b>	<b>120,950,475</b>	<b>217</b>	<b>120,440,875</b>	<b>217</b>	<b>120,564,838</b>	<b>218</b>	<b>120,788,848</b>	<b>217</b>	<b>120,479,248</b>	<b>217</b>	<b>120,603,211</b>	<b>218</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	76,142,708	47.3	88,383,845	44.4	61,977,774	33.6	61,977,774	33.6	61,977,774	33.6	63,597,841	34.2	64,107,441	34.4	64,107,441	34.4	
Federal Revenue	4000020	27,168,594	16.9	46,863,652	23.5	46,676,588	25.3	46,676,588	25.3	46,676,588	25.3	46,678,062	25.1	46,678,062	25.0	46,678,062	25.0	
Special Revenue	4000030	24,757,258	15.4	18,395,399	9.2	18,683,113	10.1	18,683,113	10.1	18,683,113	10.1	18,684,680	10.0	18,684,680	10.0	18,684,680	10.0	
Cash Fund	4000045	170,408	0.1	208,056	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	15,144,901	9.4	17,000,000	8.5	28,104,855	15.2	28,104,855	15.2	28,104,855	15.2	28,104,855	15.1	28,104,855	15.1	28,104,855	15.1	
Miscellaneous Revolving	4000350	2,601,146	1.6	12,250,000	6.2	12,250,000	6.6	12,250,000	6.6	12,250,000	6.6	12,250,000	6.6	12,250,000	6.6	12,250,000	6.6	

<b>Funding Sources</b>		<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>	
Workers' Comp Revolving	4000735	14,843,808	9.2	16,000,000	8.0												
						16,500,000	8.9	16,500,000	8.9	16,500,000	8.9	16,500,000	8.9	16,500,000	8.8	16,500,000	8.8
Total Funds		160,828,823	100.0	199,100,952	100.0	184,417,330	100.0	184,417,330	100.0	184,417,330	100.0	186,040,438	100.0	186,550,038	100.0	186,550,038	100.0
Excess Appropriation/(Funding)		(88,383,845)		(79,550,996)		(63,466,855)		(63,976,455)		(63,852,492)		(65,251,590)		(66,070,790)		(65,946,827)	
Grand Total		72,444,978		119,549,956		120,950,475		120,440,875		120,564,838		120,788,848		120,479,248		120,603,211	

Beginning Fund Balance for 2SW in 2015-2016 is reduced to \$38,426,208, which is the total of 3 previous years' budgets, as specified in A.C.A 23-61-710(c).

Variances in fund balance due to unfunded appropriation in 2TK and 2SY.

FY15 Budget amounts for 2SX, 2TA and 2TD exceeds the Authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

FY15 Budget amounts for 85P, F08, and M52 exceeds Authorized amount due to the addition of Appropriations established through the authority of the Miscellaneous Federal Program Act.

\*Level One Cooperative Agreement-Federal (F08), combines Phases B-E approved as Miscellaneous Federal Grant into Level One Cooperative Agreement A.

\*Rate Review – Federal (85P) combines Federal and Health Insurance Rate Review Cycle III approved as a Miscellaneous Federal Grant into Health Insurance Premium Rate Review – Federal.

## **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.

Agency Request provides for Base Level of \$10,000,000 each year of the biennium.

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	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
AMAIT 5900046	6,669,817	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	6,669,817	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	15,847,010	16,241,961		14,741,961	14,741,961	14,741,961	14,741,961	14,741,961	14,741,961
Trust Fund 4000050	7,064,768	8,500,000		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total Funding	22,911,778	24,741,961		24,741,961	24,741,961	24,741,961	24,741,961	24,741,961	24,741,961
Excess Appropriation/(Funding)	(16,241,961)	(14,741,961)		(14,741,961)	(14,741,961)	(14,741,961)	(14,741,961)	(14,741,961)	(14,741,961)
Grand Total	6,669,817	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 Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY2015 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

Base Level is \$12,311,384 in FY2016 and \$12,314,531 in FY2017.

Agency Request totals \$831,878 in FY2016 and \$660,956 in FY2017, and include the following:

- Reclassification request of one (1) position, an Attorney Specialist (C126) to Managing Attorney (C129). This reclassification results in no additional cost in salary and personal services matching for the biennium.
- Operating Expenses of \$394,878 in FY2016 and \$423,956 in FY2017 is requested for rent increases, to contract a Database administrator to engineer a new database integrating 70+ in-house application rewrites, for maintenance of the Department's new imaging system, additional data backup support at State Data Center-West and annual maintenance on requested generators.
- Professional Fees of \$82,000 each year of the biennium to contract a technical writer to assist IT programming staff rewrite more than seventy (70) in-house applications.
- Capital Outlay totaling \$355,000 in FY2016 and \$155,000 in FY2017 which includes the following: Purchase of two backup generators for the Department's IT Division, scheduled upgrades and replacement of IT equipment in accordance with the Departments IT plan submitted with the Office of State Technology Planning, and replacement of non-IT equipment.

The Executive Recommendation provides for Base Level with the addition of the following:

- Operating Expenses of \$187,278 in FY2016 and \$216,356 in FY2017 to cover rent increases.

- Capital Outlay of \$135,000 each year of the biennium to continue scheduled upgrades and replacement of IT equipment in accordance with the Department's IT plan.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	6,251,191	6,727,726	6,976,293	6,933,543	6,933,543	6,933,543	6,935,643	6,935,643	6,935,643
<b>#Positions</b>		<b>128</b>	<b>134</b>	<b>136</b>	<b>136</b>	<b>136</b>	<b>136</b>	<b>136</b>	<b>136</b>	<b>136</b>
Extra Help	5010001	74,480	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
<b>#Extra Help</b>		<b>8</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>
Personal Services Matching	5010003	2,110,087	2,209,990	2,227,655	2,283,841	2,283,841	2,283,841	2,284,888	2,284,888	2,284,888
Overtime	5010006	2,606	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Operating Expenses	5020002	2,013,086	2,185,000	2,185,000	2,579,878	2,372,278	2,372,278	2,608,956	2,401,356	2,401,356
Conference & Travel Expenses	5050009	85,210	138,000	138,000	138,000	138,000	138,000	138,000	138,000	138,000
Professional Fees	5060010	15,676	60,000	60,000	142,000	60,000	60,000	142,000	60,000	60,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	244,399	155,000	155,000	355,000	135,000	135,000	155,000	135,000	135,000
Special Maintenance	5120032	1,069	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Professional Services	5900043	217,854	486,000	486,000	486,000	486,000	486,000	486,000	486,000	486,000
<b>Total</b>		<b>11,015,658</b>	<b>12,186,716</b>	<b>12,452,948</b>	<b>13,143,262</b>	<b>12,633,662</b>	<b>12,633,662</b>	<b>12,975,487</b>	<b>12,665,887</b>	<b>12,665,887</b>
<b>Funding Sources</b>										
Fund Balance	4000005	42,662,906	53,186,146		38,426,208	38,426,208	38,426,208	40,282,946	40,792,546	40,792,546
Special Revenue	4000030	21,538,898	15,000,000		15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total Funding		64,201,804	68,186,146		53,426,208	53,426,208	53,426,208	55,282,946	55,792,546	55,792,546
Excess Appropriation/(Funding)		(53,186,146)	(55,999,430)		(40,282,946)	(40,792,546)	(40,792,546)	(42,307,459)	(43,126,659)	(43,126,659)
<b>Grand Total</b>		<b>11,015,658</b>	<b>12,186,716</b>		<b>13,143,262</b>	<b>12,633,662</b>	<b>12,633,662</b>	<b>12,975,487</b>	<b>12,665,887</b>	<b>12,665,887</b>

Beginning Fund Balance for 2015-2016 is reduced to \$38,426,208, 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 continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Base Level is \$368,322 in each year of the biennium.

The Agency Request provides for \$29,438 in FY2016 and \$32,421 in FY2017 for Operating Expenses to cover rent increases.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	199,894	189,141	189,140	191,107	191,107	191,107	191,107	191,107	191,107
<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>
Personal Services Matching	5010003	65,408	62,879	61,423	63,809	63,809	63,809	63,809	63,809	63,809
Operating Expenses	5020002	78,053	90,406	90,406	119,844	119,844	119,844	122,827	122,827	122,827
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
<b>Total</b>		<b>343,355</b>	<b>365,426</b>	<b>363,969</b>	<b>397,760</b>	<b>397,760</b>	<b>397,760</b>	<b>400,743</b>	<b>400,743</b>	<b>400,743</b>
<b>Funding Sources</b>										
Fund Balance	4000005	330,984	472,540		472,540	472,540	472,540	443,102	443,102	443,102
Special Revenue	4000030	484,911	365,426		368,322	368,322	368,322	368,322	368,322	368,322
<b>Total Funding</b>		<b>815,895</b>	<b>837,966</b>		<b>840,862</b>	<b>840,862</b>	<b>840,862</b>	<b>811,424</b>	<b>811,424</b>	<b>811,424</b>
Excess Appropriation/(Funding)		(472,540)	(472,540)		(443,102)	(443,102)	(443,102)	(410,681)	(410,681)	(410,681)
<b>Grand Total</b>		<b>343,355</b>	<b>365,426</b>		<b>397,760</b>	<b>397,760</b>	<b>397,760</b>	<b>400,743</b>	<b>400,743</b>	<b>400,743</b>

FY15 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2013-2015 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 continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Agency Request provides for Base Level of \$1,023,740 each year of the biennium.

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:** 2SY - Insurance Fraud Investigation Division

**Funding Sources:** TIF - Insurance Fraud Investigation Division Trust Fund

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	591,337	589,331	603,431	594,810	594,810	594,810	594,810	594,810	594,810
<b>#Positions</b>		<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
Personal Services Matching	5010003	194,436	188,723	187,297	191,295	191,295	191,295	191,295	191,295	191,295
Operating Expenses	5020002	101,503	191,635	191,635	191,635	191,635	191,635	191,635	191,635	191,635
Conference & Travel Expenses	5050009	4,798	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Professional Fees	5060010	191	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
<b>Total</b>		<b>892,265</b>	<b>1,015,689</b>	<b>1,028,363</b>	<b>1,023,740</b>	<b>1,023,740</b>	<b>1,023,740</b>	<b>1,023,740</b>	<b>1,023,740</b>	<b>1,023,740</b>
<b>Funding Sources</b>										
Fund Balance	4000005	838,669	612,448		221,759	221,759	221,759	0	0	0
Special Revenue	4000030	666,044	625,000		750,000	750,000	750,000	750,000	750,000	750,000
<b>Total Funding</b>		<b>1,504,713</b>	<b>1,237,448</b>		<b>971,759</b>	<b>971,759</b>	<b>971,759</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>
Excess Appropriation/(Funding)		(612,448)	(221,759)		51,981	51,981	51,981	273,740	273,740	273,740
<b>Grand Total</b>		<b>892,265</b>	<b>1,015,689</b>		<b>1,023,740</b>	<b>1,023,740</b>	<b>1,023,740</b>	<b>1,023,740</b>	<b>1,023,740</b>	<b>1,023,740</b>

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium. Expenditure of appropriation is contingent upon available funding.

## **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 Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Base Level Request is \$343,794 in FY2016 and \$343,918 in FY2017.

The Agency Request provides for Regular Salaries and Personal Service Matching of \$55,600 each year of the biennium for one (1) new position, Audit Coordinator (C122). The Audit Coordinator would assist two (2) existing Senior Auditors complete audits in a timely manner under the increasing monitoring requirements for funeral homes.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	194,096	178,656	211,067	221,267	221,267	221,267	221,367	221,367	221,367
<b>#Positions</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Personal Services Matching	5010003	63,384	60,485	66,263	75,737	75,737	75,737	75,761	75,761	75,761
Operating Expenses	5020002	13,897	71,390	71,390	71,390	71,390	71,390	71,390	71,390	71,390
Conference & Travel Expenses	5050009	3,838	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
<b>Total</b>		<b>275,215</b>	<b>341,531</b>	<b>379,720</b>	<b>399,394</b>	<b>399,394</b>	<b>399,394</b>	<b>399,518</b>	<b>399,518</b>	<b>399,518</b>
<b>Funding Sources</b>										
Fund Balance	4000005	895,137	1,000,097		958,566	958,566	958,566	859,172	859,172	859,172
Special Revenue	4000030	380,175	300,000		300,000	300,000	300,000	300,000	300,000	300,000
<b>Total Funding</b>		<b>1,275,312</b>	<b>1,300,097</b>		<b>1,258,566</b>	<b>1,258,566</b>	<b>1,258,566</b>	<b>1,159,172</b>	<b>1,159,172</b>	<b>1,159,172</b>
Excess Appropriation/(Funding)		(1,000,097)	(958,566)		(859,172)	(859,172)	(859,172)	(759,654)	(759,654)	(759,654)
<b>Grand Total</b>		<b>275,215</b>	<b>341,531</b>		<b>399,394</b>	<b>399,394</b>	<b>399,394</b>	<b>399,518</b>	<b>399,518</b>	<b>399,518</b>

## **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 continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Agency Request provides for Base Level of \$36,080 each year of the biennium.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	0	25,268	25,268	25,268	25,268	25,268	25,268	25,268	25,268
<b>#Positions</b>		<b>0</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	4,920	10,692	10,496	10,812	10,812	10,812	10,812	10,812	10,812
<b>Total</b>		<b>4,920</b>	<b>35,960</b>	<b>35,764</b>	<b>36,080</b>	<b>36,080</b>	<b>36,080</b>	<b>36,080</b>	<b>36,080</b>	<b>36,080</b>
<b>Funding Sources</b>										
Fund Balance	4000005	1,268,647	1,382,750		1,486,790	1,486,790	1,486,790	1,600,710	1,600,710	1,600,710
Special Revenue	4000030	119,023	140,000		150,000	150,000	150,000	150,000	150,000	150,000
<b>Total Funding</b>		<b>1,387,670</b>	<b>1,522,750</b>		<b>1,636,790</b>	<b>1,636,790</b>	<b>1,636,790</b>	<b>1,750,710</b>	<b>1,750,710</b>	<b>1,750,710</b>
Excess Appropriation/(Funding)		(1,382,750)	(1,486,790)		(1,600,710)	(1,600,710)	(1,600,710)	(1,714,630)	(1,714,630)	(1,714,630)
<b>Grand Total</b>		<b>4,920</b>	<b>35,960</b>		<b>36,080</b>	<b>36,080</b>	<b>36,080</b>	<b>36,080</b>	<b>36,080</b>	<b>36,080</b>

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

## **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 \$16,000,000 each year of the biennium.

Agency Request provides \$500,000 each year of the biennium to ensure 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:** TUW - Workers' Compensation Revolving Fund

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	14,843,808	16,000,000	16,000,000	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Total	14,843,808	16,000,000	16,000,000	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000

Funding Sources									
Workers' Comp Revolving 4000735	14,843,808	16,000,000		16,500,000	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Total Funding	14,843,808	16,000,000		16,500,000	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	14,843,808	16,000,000		16,500,000	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000

## **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.

Agency Request provides for Base Level of \$4,104,855 each year of the biennium.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	84	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	10,927	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Claims	5110015	511,031	3,000,000	3,000,000	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
<b>Total</b>		<b>522,042</b>	<b>4,104,855</b>	<b>4,104,855</b>	<b>4,104,855</b>	<b>4,104,855</b>	<b>4,104,855</b>	<b>4,104,855</b>	<b>4,104,855</b>	<b>4,104,855</b>
<b>Funding Sources</b>										
Fund Balance	4000005	3,814,176	4,138,301		533,446	533,446	533,446	533,446	533,446	533,446
Trust Fund	4000050	846,167	500,000		4,104,855	4,104,855	4,104,855	4,104,855	4,104,855	4,104,855
<b>Total Funding</b>		<b>4,660,343</b>	<b>4,638,301</b>		<b>4,638,301</b>	<b>4,638,301</b>	<b>4,638,301</b>	<b>4,638,301</b>	<b>4,638,301</b>	<b>4,638,301</b>
Excess Appropriation/(Funding)		(4,138,301)	(533,446)		(533,446)	(533,446)	(533,446)	(533,446)	(533,446)	(533,446)
<b>Grand Total</b>		<b>522,042</b>	<b>4,104,855</b>		<b>4,104,855</b>	<b>4,104,855</b>	<b>4,104,855</b>	<b>4,104,855</b>	<b>4,104,855</b>	<b>4,104,855</b>

## **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 Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Base Level is \$1,597,391 in FY2016 and \$1,597,636 in FY2017

The Agency Request provides for Operating Expenses of \$17,400 in FY2016 and \$18,722 in FY2017 to cover rent increases.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,015,022	987,262	974,837	997,445	997,445	997,445	997,645	997,645	997,645
<b>#Positions</b>		<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>
Personal Services Matching	5010003	349,718	338,651	328,306	343,737	343,737	343,737	343,782	343,782	343,782
Operating Expenses	5020002	193,669	242,209	242,209	259,609	259,609	259,609	260,931	260,931	260,931
Conference & Travel Expenses	5050009	6,204	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Professional Fees	5060010	1,000	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
<b>Total</b>		<b>1,565,613</b>	<b>1,582,122</b>	<b>1,559,352</b>	<b>1,614,791</b>	<b>1,614,791</b>	<b>1,614,791</b>	<b>1,616,358</b>	<b>1,616,358</b>	<b>1,616,358</b>
<b>Funding Sources</b>										
Special Revenue	4000030	1,565,613	1,582,122		1,614,791	1,614,791	1,614,791	1,616,358	1,616,358	1,616,358
Total Funding		1,565,613	1,582,122		1,614,791	1,614,791	1,614,791	1,616,358	1,616,358	1,616,358
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>1,565,613</b>	<b>1,582,122</b>		<b>1,614,791</b>	<b>1,614,791</b>	<b>1,614,791</b>	<b>1,616,358</b>	<b>1,616,358</b>	<b>1,616,358</b>

FY15 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2013-2015 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 continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Request provides for Base Level of \$920,836 in FY2016 and \$921,572 in FY2017.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	147,121	202,176	206,156	203,617	203,617	203,617	204,217	204,217	204,217
<b>#Positions</b>		<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Personal Services Matching	5010003	58,043	75,696	75,019	76,747	76,747	76,747	76,883	76,883	76,883
Operating Expenses	5020002	117,845	284,063	284,063	284,063	284,063	284,063	284,063	284,063	284,063
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	213,028	356,409	356,409	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
<b>Total</b>		<b>536,037</b>	<b>918,344</b>	<b>921,647</b>	<b>920,836</b>	<b>920,836</b>	<b>920,836</b>	<b>921,572</b>	<b>921,572</b>	<b>921,572</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	536,037	918,344		920,836	920,836	920,836	921,572	921,572	921,572
Total Funding		536,037	918,344		920,836	920,836	920,836	921,572	921,572	921,572
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>536,037</b>	<b>918,344</b>		<b>920,836</b>	<b>920,836</b>	<b>920,836</b>	<b>921,572</b>	<b>921,572</b>	<b>921,572</b>

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

## **Analysis of Budget Request**

**Appropriation:** 2TF - Refunds of Overpayments

**Funding Sources:** MTA - Miscellaneous Revolving Fund

The Insurance Department's Refunds of Overpayments appropriation is used to return premium taxes paid to this State in error and to return amounts that are overpaid.

The Agency Request provides for Base Level of \$11,000,000 each year of the biennium.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements	5110014	2,419,574	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		2,419,574	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
<b>Funding Sources</b>										
Miscellaneous Revolving	4000350	2,419,574	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Total Funding		2,419,574	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		2,419,574	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 Agency Request provides for Base Level of \$450,000 each year of the biennium.

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	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	135,268	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Total	135,268	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000

Funding Sources									
Miscellaneous Revolving 4000350	135,268	450,000		450,000	450,000	450,000	450,000	450,000	450,000
Total Funding	135,268	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	135,268	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 Agency Request provides for Base Level of \$200,000 each year of the biennium.

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	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	19,499	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total	19,499	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000

Funding Sources									
Miscellaneous Revolving 4000350	19,499	200,000		200,000	200,000	200,000	200,000	200,000	200,000
Total Funding	19,499	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	19,499	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 Agency Request provides for Base Level of \$600,000 each year of the biennium.

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	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Claims 5110015	26,805	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total	26,805	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000

Funding Sources									
Miscellaneous Revolving 4000350	26,805	600,000		600,000	600,000	600,000	600,000	600,000	600,000
Total Funding	26,805	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	26,805	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.

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 Agency Request provides for Base Level of \$79,005 each year of the biennium.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	8,676	79,005	97,546	79,005	79,005	79,005	79,005	79,005	79,005
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
<b>Total</b>		<b>8,676</b>	<b>79,005</b>	<b>97,546</b>	<b>79,005</b>	<b>79,005</b>	<b>79,005</b>	<b>79,005</b>	<b>79,005</b>	<b>79,005</b>
<b>Funding Sources</b>										
Fund Balance	4000005	86,789	79,005		0	0	0	0	0	0
Cash Fund	4000045	892	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>87,681</b>	<b>79,005</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)		(79,005)	0		79,005	79,005	79,005	79,005	79,005	79,005
<b>Grand Total</b>		<b>8,676</b>	<b>79,005</b>		<b>79,005</b>	<b>79,005</b>	<b>79,005</b>	<b>79,005</b>	<b>79,005</b>	<b>79,005</b>

Expenditure of appropriation is contingent upon available funding.

## **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 is passed through this account to reimburse individual examiners for their personal expenses incurred during the examination process.

The Agency Request provides for Base Level of \$100,000 each year of the biennium.

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 - Insurance Department - Cash in Treasury

Commitment Item	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Travel & Subsistence Expenses 5900046	35,235	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>Total</b>	<b>35,235</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>

  

Funding Sources									
Fund Balance 4000005	1,130	1,145		0	0	0	0	0	0
Cash Fund 4000045	35,250	98,855		100,000	100,000	100,000	100,000	100,000	100,000
<b>Total Funding</b>	<b>36,380</b>	<b>100,000</b>		<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
Excess Appropriation/(Funding)	(1,145)	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>35,235</b>	<b>100,000</b>		<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>

Expenditure of appropriation is contingent upon available funding.

## **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 no 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 Agency Request provides for Base Level of \$500,000 each year of the biennium.

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	2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Expenses & Claims 5900046	10,918	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	10,918	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

Funding Sources									
Fund Balance 4000005	125,473	117,149		0	0	0	0	0	0
Special Revenue 4000030	2,594	382,851		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	128,067	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)	(117,149)	0		0	0	0	0	0	0
Grand Total	10,918	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 FY2006 and FY2007. 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.

The Agency Request provides for Base Level of \$125,000 each year of the biennium.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	133,782	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
<b>Total</b>		<b>133,782</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>
<b>Funding Sources</b>										
Fund Balance	4000005	15,315	15,799		0	0	0	0	0	0
Cash Fund	4000045	134,266	109,201		125,000	125,000	125,000	125,000	125,000	125,000
<b>Total Funding</b>		<b>149,581</b>	<b>125,000</b>		<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>
Excess Appropriation/(Funding)		(15,799)	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>133,782</b>	<b>125,000</b>		<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>

Expenditure of appropriation is contingent upon available funding.

## **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.

The Agency Request provides for Base Level of \$14,000,000 each year of the biennium.

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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Expenses and Claims	5900046	6,353,934	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		6,353,934	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
<b>Funding Sources</b>										
Fund Balance	4000005	10,256,472	11,136,504		5,136,504	5,136,504	5,136,504	5,136,504	5,136,504	5,136,504
Trust Fund	4000050	7,233,966	8,000,000		14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
Total Funding		17,490,438	19,136,504		19,136,504	19,136,504	19,136,504	19,136,504	19,136,504	19,136,504
Excess Appropriation/(Funding)		(11,136,504)	(5,136,504)		(5,136,504)	(5,136,504)	(5,136,504)	(5,136,504)	(5,136,504)	(5,136,504)
Grand Total		6,353,934	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 - 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 approved in October, 2010. Cycle II, the second phase of the program was approved as a miscellaneous federal grant in December, 2012, and was added to the appropriation in the 2013-2015 Biennium. \*The Agency is now requesting the addition of Cycle III to the Health Insurance Premium Rate Review appropriation and to amend the appropriation name to "Rate Review-Federal."

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Base Level for this program is \$3,109,699 each year of the biennium.

The Agency Request provides for \$2,735,714 each year of the biennium for the continuation of Cycle III, the third phase of this program which was approved as a Miscellaneous Federal Grant in June of 2014. The request is detailed as follows:

- \$129,032 in Operating Expenses associated with Cycle III of the program including office supplies, rent, postage, telecommunications, and software.
- \$25,775 in Conference & Travel Expenses including lodging, common carrier, and meals.
- \$2,580,907 in Professional Fees each year for contracts with organizations that aid in collecting and analyzing policy data, and delivering services for the Rate Review program.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

## Appropriation Summary

**Appropriation:** 85P - Rate Review-Federal\*

**Funding Sources:** FID - Insurance Department - Federal

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	213,464	197,692	305,239	199,667	199,667	199,667	199,667	199,667	199,667
<b>#Positions</b>		<b>5</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Personal Services Matching	5010003	71,745	59,913	91,966	60,725	60,725	60,725	60,725	60,725	60,725
Operating Expenses	5020002	43,037	1,013,525	884,493	1,013,525	1,013,525	1,013,525	1,013,525	1,013,525	1,013,525
Conference & Travel Expenses	5050009	2,755	191,416	165,641	191,416	191,416	191,416	191,416	191,416	191,416
Professional Fees	5060010	208,332	4,380,080	1,799,173	4,380,080	4,380,080	4,380,080	4,380,080	4,380,080	4,380,080
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	226	226	0	0	0	0	0	0
<b>Total</b>		<b>539,333</b>	<b>5,842,852</b>	<b>3,246,738</b>	<b>5,845,413</b>	<b>5,845,413</b>	<b>5,845,413</b>	<b>5,845,413</b>	<b>5,845,413</b>	<b>5,845,413</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	539,333	5,842,852		5,845,413	5,845,413	5,845,413	5,845,413	5,845,413	5,845,413
Total Funding		539,333	5,842,852		5,845,413	5,845,413	5,845,413	5,845,413	5,845,413	5,845,413
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>539,333</b>	<b>5,842,852</b>		<b>5,845,413</b>	<b>5,845,413</b>	<b>5,845,413</b>	<b>5,845,413</b>	<b>5,845,413</b>	<b>5,845,413</b>

Budget exceeds Authorized Appropriation in Operating Expenses, Conference & Travel Expenses, and Professional Fees due to addition of Appropriation established through the authority of the Miscellaneous Federal Program Act.

\*Rate Review – Federal, Agency is requesting to combine Rate Review- Federal (85P) and Health Insurance Rate Review Cycle III (M57) into a single appropriation.

## **Analysis of Budget Request**

**Appropriation:** F08 - Level One Cooperative Agreement\*

**Funding Sources:** FID - Insurance Department - Federal

Level One Cooperative Agreement provides federal funding from the Department of Health and Human Services (HHS) to assist in the development and implementation of a Public Insurance Health Care Exchange within the time frame and requirements determined by the federal Affordable Care Act and subject to regulations established by HHS. Grants received under the Agreement are utilized to assist with the implementation and operation of the Arkansas Health Insurance Marketplace, as authorized in Arkansas Code §23-61-803.

Level One Cooperative Agreement A was established as a miscellaneous federal in April, 2012 and continued during the 2013-2015 Biennium. During the 2013-2015 Biennium the Insurance Department has, on behalf of the Arkansas Health Insurance Marketplace, received additional phases of the grant established as Miscellaneous Federal Grants. These grants including: Level One Cooperative Agreement B, Level One Cooperative Agreement C, Level One Cooperative Agreement D, and Level One Cooperative Agreement E. \*The Agency is requesting to combine the appropriations for Phases A through E of the Cooperative Agreement into a single appropriation titled "Level One Cooperative Agreement."

Base Level Request is \$7,595,584 in each year of the biennium.

The Agency Request totals \$31,993,905 in FY2016 and \$31,994,643 in FY2017 associated with the continuation of Phases B through E of the Cooperative Agreement that were authorized as Miscellaneous Federal Grants in June of 2014. This request is detailed as follows:

The Agency's Request includes the following:

- \$1,295,027 in FY2016 and \$1,295,765 in FY2017 in salary and matching for the restoration of twenty one (21) positions.
- \$913,070 for Operating Expenses for offices supplies, rent, telecommunications, postage, software and other costs associated with phases B through E of the Cooperative Agreement.
- \$199,786 for Conference & Travel Expenses for meals, lodging, and common carrier.
- \$29,586,022 for Professional Fees for contracts with individuals and organization assisting in the planning and implementation of the Arkansas Health Care Exchange.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation. In addition, the Legislative Recommendation provides for the transfer of one (1) position from the Department of Information Systems to the Insurance Department to support The Level One Cooperative Agreement.

## Appropriation Summary

**Appropriation:** F08 - Level One Cooperative Agreement\*

**Funding Sources:** FID - Insurance Department - Federal

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	1,007,599	1,365,784	295,323	1,272,386	1,272,386	1,369,198	1,272,986	1,272,986	1,369,798
<b>#Positions</b>		<b>25</b>	<b>31</b>	<b>7</b>	<b>28</b>	<b>28</b>	<b>29</b>	<b>28</b>	<b>28</b>	<b>29</b>
Personal Services Matching	5010003	335,931	530,454	99,617	431,735	431,735	458,886	431,873	431,873	459,024
Operating Expenses	5020002	324,350	1,009,574	96,504	1,009,574	1,009,574	1,009,574	1,009,574	1,009,574	1,009,574
Conference & Travel Expenses	5050009	29,536	257,148	57,362	257,148	257,148	257,148	257,148	257,148	257,148
Professional Fees	5060010	24,114,979	36,618,646	7,032,624	36,618,646	36,618,646	36,618,646	36,618,646	36,618,646	36,618,646
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>25,812,395</b>	<b>39,781,606</b>	<b>7,581,430</b>	<b>39,589,489</b>	<b>39,589,489</b>	<b>39,713,452</b>	<b>39,590,227</b>	<b>39,590,227</b>	<b>39,714,190</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	25,812,395	39,781,606		39,589,489	39,589,489	39,589,489	39,590,227	39,590,227	39,590,227
Total Funding		25,812,395	39,781,606		39,589,489	39,589,489	39,589,489	39,590,227	39,590,227	39,590,227
Excess Appropriation/(Funding)		0	0		0	0	123,963	0	0	123,963
<b>Grand Total</b>		<b>25,812,395</b>	<b>39,781,606</b>		<b>39,589,489</b>	<b>39,589,489</b>	<b>39,713,452</b>	<b>39,590,227</b>	<b>39,590,227</b>	<b>39,714,190</b>

FY15 Budget exceeds Authorized Appropriation due to the addition of Appropriations established through the authority of the Miscellaneous Federal Program Act.

\*Level One Cooperative Agreement-Federal, combines various Miscellaneous Federal Grants and their supporting operations and restoration of twenty-one (21) positions and appropriation approved by Miscellaneous Federal Grant June of 2014 into Level One Cooperative Agreement A.

## **Analysis of Budget Request**

**Appropriation:** M52 - Medicare - MIPPA - 2

**Funding Sources:** FID -MIPPA-2

Medicare Improvements for Patients and Providers (MIPPA) Program is funded through federal grants administered by the United States Administration for Community Living and the Centers for Medicare & Medicaid Services. MIPPA provides application assistance for Medicaid Part D programs and benefits including the Low-Income Subsidy program (LIS) and Medicare Savings Program (MSP). This Phase was approved as a Miscellaneous Federal Grant in June 2014.

The Agency Request is to continue the program at \$320,850 each year of the biennium. This request consists of the following:

- \$72,452 in Operating Expenses each year of the biennium for telecommunication services.
- \$81,896 in Professional Fees of each year of the biennium to contract with community based organizations in Arkansas to assist beneficiaries eligible for the programs complete enrollment paperwork.
- \$166,502 in Grant and Aid each year of the biennium for grants and aid which are passed on to organizations and agencies supplying program benefits to eligible recipients.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

## **Appropriation Summary**

**Appropriation:** M52 - Medicare - MIPPA - 2

**Funding Sources:** FID -MIPPA-2

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Operating Expenses	5020002	876	72,452	0	72,452	72,452	72,452	72,452	72,452	72,452
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	30,210	81,896	0	81,896	81,896	81,896	81,896	81,896	81,896
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	99,979	166,502	0	166,502	166,502	166,502	166,502	166,502	166,502
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>131,065</b>	<b>320,850</b>	<b>0</b>	<b>320,850</b>	<b>320,850</b>	<b>320,850</b>	<b>320,850</b>	<b>320,850</b>	<b>320,850</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	131,065	320,850		320,850	320,850	320,850	320,850	320,850	320,850
Total Funding		131,065	320,850		320,850	320,850	320,850	320,850	320,850	320,850
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>131,065</b>	<b>320,850</b>		<b>320,850</b>	<b>320,850</b>	<b>320,850</b>	<b>320,850</b>	<b>320,850</b>	<b>320,850</b>

Appropriation was established through the authority of the Miscellaneous Federal Program Act.