

## 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
204 Oil & Gas Commission-Operations	4,352,385	44	5,077,961	44	5,074,720	44	5,244,467	44	5,244,467	44	5,244,467	44	5,249,119	44	5,249,119	44	5,249,119	44
2XV Well Plugging Program	1,614,295	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0	2,500,000	0
A20 Refunds/Reimbursements	46,500	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
<b>Total</b>	<b>6,013,180</b>	<b>44</b>	<b>8,077,961</b>	<b>44</b>	<b>8,074,720</b>	<b>44</b>	<b>8,244,467</b>	<b>44</b>	<b>8,244,467</b>	<b>44</b>	<b>8,244,467</b>	<b>44</b>	<b>8,249,119</b>	<b>44</b>	<b>8,249,119</b>	<b>44</b>	<b>8,249,119</b>	<b>44</b>

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	33,738,360	78.4	37,006,677	79.1	38,678,716	79.9	38,678,716	79.9	38,678,716	79.9	40,184,249	80.5	40,184,249	80.5	40,184,249	80.5	
Special Revenue	4000030	12,096,365	28.1	9,250,000	19.8	9,250,000	19.1	9,250,000	19.1	9,250,000	19.1	9,250,000	18.5	9,250,000	18.5	9,250,000	18.5	
Cash Fund	4000045	45,005	0.1	500,000	1.1	500,000	1.0	500,000	1.0	500,000	1.0	500,000	1.0	500,000	1.0	500,000	1.0	
Transfer from Special Revenue	4000565	1,994,683	4.6	2,000,000	4.3	2,000,000	4.1	2,000,000	4.1	2,000,000	4.1	2,000,000	4.0	2,000,000	4.0	2,000,000	4.0	
Transfers / Adjustments	4000683	(4,854,556)	(11.3)	(2,000,000)	(4.3)	(2,000,000)	(4.1)	(2,000,000)	(4.1)	(2,000,000)	(4.1)	(2,000,000)	(4.0)	(2,000,000)	(4.0)	(2,000,000)	(4.0)	
<b>Total Funds</b>		<b>43,019,857</b>	<b>100.0</b>	<b>46,756,677</b>	<b>100.0</b>	<b>48,428,716</b>	<b>100.0</b>	<b>48,428,716</b>	<b>100.0</b>	<b>48,428,716</b>	<b>100.0</b>	<b>49,934,249</b>	<b>100.0</b>	<b>49,934,249</b>	<b>100.0</b>	<b>49,934,249</b>	<b>100.0</b>	
Excess Appropriation/(Funding)		(37,006,677)		(38,678,716)		(40,184,249)		(40,184,249)		(40,184,249)		(41,685,130)		(41,685,130)		(41,685,130)		
<b>Grand Total</b>		<b>6,013,180</b>		<b>8,077,961</b>		<b>8,244,467</b>		<b>8,244,467</b>		<b>8,244,467</b>		<b>8,249,119</b>		<b>8,249,119</b>		<b>8,249,119</b>		

## **Analysis of Budget Request**

**Appropriation:** 204 - Oil & Gas Commission-Operations

**Funding Sources:** SDO - Oil and Gas Commission Fund

The Oil & Gas Commission's operating appropriation is funded by special revenues, as authorized in A.C.A §19-6-410.

Base Level Regular Salaries and Personal Services Matching include the 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 FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

The Commission's request includes Base Level appropriation of \$5,109,467 in FY16, \$5,114,119 in FY17 and Change Level requests of \$135,000 each year. Change Level requests reflect the following:

- Increase of \$25,000 each year for the Interstate Oil Compact's operating expenses proportionate to the State's required contribution.
- Increase of \$110,000 each year in Geological Research to provide support to the Arkansas Geological Survey for geological research related to the oil and gas industry.

In addition, the Commission has requested capital appropriation through the capital projects process totaling \$6,000,000 for construction of a new facility.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

## Appropriation Summary

**Appropriation:** 204 - Oil & Gas Commission-Operations

**Funding Sources:** SDO - Oil and Gas Commission 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	1,931,826	2,049,501	2,054,486	2,069,864	2,069,864	2,069,864	2,073,664	2,073,664	2,073,664
<b>#Positions</b>		<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>
Extra Help	5010001	68,055	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>#Extra Help</b>		<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Personal Services Matching	5010003	665,833	681,946	673,720	693,089	693,089	693,089	693,941	693,941	693,941
Operating Expenses	5020002	733,491	987,797	987,797	987,797	987,797	987,797	987,797	987,797	987,797
Conference & Travel Expenses	5050009	26,114	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Professional Fees	5060010	9,654	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000
Construction	5090005	99,664	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Refunds/Reimbursements	5110014	4,224	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capital Outlay	5120011	152,839	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Data Processing Services	5900044	243,245	348,217	348,217	348,217	348,217	348,217	348,217	348,217	348,217
Interstate Oil Compact	5900046	10,000	10,000	10,000	35,000	35,000	35,000	35,000	35,000	35,000
Geological Research	5900047	0	0	0	110,000	110,000	110,000	110,000	110,000	110,000
Underground Injection Control	5900048	48,940	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Groundwater Protection	5900049	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
<b>Total</b>		<b>4,352,385</b>	<b>5,077,961</b>	<b>5,074,720</b>	<b>5,244,467</b>	<b>5,244,467</b>	<b>5,244,467</b>	<b>5,249,119</b>	<b>5,249,119</b>	<b>5,249,119</b>

Funding Sources										
Fund Balance	4000005	30,922,161	33,507,219		35,429,258	35,429,258	35,429,258	37,184,791	37,184,791	37,184,791
Special Revenue	4000030	11,791,999	9,000,000		9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Transfers / Adjustments	4000683	(4,854,556)	(2,000,000)		(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Total Funding		37,859,604	40,507,219		42,429,258	42,429,258	42,429,258	44,184,791	44,184,791	44,184,791
Excess Appropriation/(Funding)		(33,507,219)	(35,429,258)		(37,184,791)	(37,184,791)	(37,184,791)	(38,935,672)	(38,935,672)	(38,935,672)
<b>Grand Total</b>		<b>4,352,385</b>	<b>5,077,961</b>		<b>5,244,467</b>	<b>5,244,467</b>	<b>5,244,467</b>	<b>5,249,119</b>	<b>5,249,119</b>	<b>5,249,119</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:** 2XV - Well Plugging Program

**Funding Sources:** SAW - Abandoned and Orphan Well Plugging Fund

This appropriation is funded by special revenue derived from fees, forfeited bonds, proceeds from the sale of hydrocarbons, and grants or gifts from the public. In addition, upon review of the Chief Fiscal Officer of the State and the Legislative Council, special language allows a transfer up to \$750,000 per year from the Oil and Gas Fund to the Abandoned and Orphan Well Plugging Fund. The Oil & Gas Commission's Abandoned and Orphan Well Plugging Fund was established by Acts 1265 and 1267 of 2005 (A.C.A. §15-71-115). The fund is utilized for well plugging program expenses. The Commission specifically utilizes the funds to plug abandoned and orphaned wells by means of contracts, grants to landowners, or for the payment of other plugging costs or corrective work.

The Commission requests Base Level for both years of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

## Appropriation Summary

**Appropriation:** 2XV - Well Plugging Program

**Funding Sources:** SAW - Abandoned and Orphan Well Plugging Fund

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Well Plugging Expenses	5900046	1,614,295	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total		1,614,295	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
<b>Funding Sources</b>										
Fund Balance	4000005	2,381,868	3,066,622		2,816,622	2,816,622	2,816,622	2,566,622	2,566,622	2,566,622
Special Revenue	4000030	304,366	250,000		250,000	250,000	250,000	250,000	250,000	250,000
Transfer from Special Revenue	4000565	1,994,683	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Funding		4,680,917	5,316,622		5,066,622	5,066,622	5,066,622	4,816,622	4,816,622	4,816,622
Excess Appropriation/(Funding)		(3,066,622)	(2,816,622)		(2,566,622)	(2,566,622)	(2,566,622)	(2,316,622)	(2,316,622)	(2,316,622)
Grand Total		1,614,295	2,500,000		2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000

## **Analysis of Budget Request**

**Appropriation:** A20 - Refunds/Reimbursements

**Funding Sources:** 301 - Oil and Gas Commission Cash

The Oil & Gas Commission's cash fund is used for deposit of special revenue fees collected by the Commission and to hold bonds posted by companies engaged in seismographic exploration in the State. This account provides checks with which to make transfers to the State Treasury and eliminates the necessity of sending cash through the mail. The Commission then transfers collected funds to the Oil and Gas Commission Fund to be utilized for Regular Salaries and Operating Expenses.

The Commission is requesting Base Level for each year of the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

**Appropriation Summary**

**Appropriation:** A20 - Refunds/Reimbursements

**Funding Sources:** 301 - Oil and Gas Commission Cash

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Refunds/Reimbursements	5110014	46,500	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		46,500	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

Funding Sources										
Fund Balance	4000005	434,331	432,836		432,836	432,836	432,836	432,836	432,836	432,836
Cash Fund	4000045	45,005	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding		479,336	932,836		932,836	932,836	932,836	932,836	932,836	932,836
Excess Appropriation/(Funding)		(432,836)	(432,836)		(432,836)	(432,836)	(432,836)	(432,836)	(432,836)	(432,836)
Grand Total		46,500	500,000		500,000	500,000	500,000	500,000	500,000	500,000