

Analysis of Budget Request

Appropriation: 468 - Operations

Funding Sources: TSC - Tobacco Settlement Commission

The Tobacco Settlement Proceeds Act (Initiated Act 1 of 2000) established funds and accounts for the deposit, investment and management of the State of Arkansas' portion of the Master Settlement Agreement with certain tobacco manufacturers. The Arkansas Tobacco Settlement Commission (ATSC) was created pursuant to Section 17 of this act to monitor and evaluate expenditures made from the four program accounts. Those program accounts are the Prevention and Cessation Program Account, the Targeted State Needs Program Account, the Arkansas Biosciences Institute Program Account and the Medicaid Expansion Program Account.

The Commission is funded from the investment earnings of the Tobacco Settlement Program Fund and Program Accounts, which are deposited as trust funds into the Arkansas Tobacco Settlement Commission Fund. The Commission is authorized to hire an independent third-party to monitor and evaluate program account expenditures and prepare a biennial report for the General Assembly and Governor by each August 1 preceding a regular session of the General Assembly. As funding permits, the Commission is also authorized to make grants in amounts not to exceed \$50,000 to non-profit and community-based organizations.

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 request is \$2,400,474 each year of the biennium.

The Agency's Change Level request provides for an increase in Operating Expenses of \$550 each year of the biennium for a 3% increase in rent.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

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Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	91,718	94,077	113,589	95,017	95,017	95,017	95,017	95,017	95,017
	#Positions	2	2	3	2	2	2	2	2	2
Personal Services Matching	5010003	35,416	30,923	39,693	31,432	31,432	31,432	31,432	31,432	31,432
Operating Expenses	5020002	38,347	84,025	84,025	84,575	84,575	84,575	84,575	84,575	84,575
Conference & Travel Expenses	5050009	649	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Professional Fees	5060010	290,841	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	1,187,000	1,187,000	1,187,000	1,187,000	1,187,000	1,187,000	1,187,000	1,187,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		456,971	2,399,025	2,427,307	2,401,024	2,401,024	2,401,024	2,401,024	2,401,024	2,401,024
Funding Sources										
Fund Balance	4000005	4,049,014	3,923,903		1,732,128	1,732,128	1,732,128	0	0	0
Transfer from Tobacco Settlmnt	4000590	331,860	207,250		284,000	284,000	284,000	272,500	272,500	272,500
Total Funding		4,380,874	4,131,153		2,016,128	2,016,128	2,016,128	272,500	272,500	272,500
Excess Appropriation/(Funding)		(3,923,903)	(1,732,128)		384,896	384,896	384,896	2,128,524	2,128,524	2,128,524
Grand Total		456,971	2,399,025		2,401,024	2,401,024	2,401,024	2,401,024	2,401,024	2,401,024

Expenditure of appropriation is contingent upon available funding.