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STATE OF ARKANSAS
**Department of Finance
and Administration**

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April 5, 2018

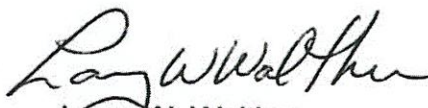
Senator Bruce Maloch, Co-Chair
Representative David Meeks, Co-Chair
Performance Evaluation & Expenditure Review Committee
Arkansas Legislative Council
State Capitol Building
Little Rock, AR 72201

RE: FY18 Budget Classification Transfer Request(s)

Dear Co-Chairs:

I am forwarding for appropriate action as required by law, the attached Budget Classification Transfer Request(s) that have received my approval as Chief Fiscal Officer of the State.

Sincerely,


Larry W. Walther
Director

LWW:kb

Attachment(s)

**FY18 MAINTENANCE & OPERATION
BUDGET CLASSIFICATION TRANSFERS**

Agency	Classification	FY18 Agency Request	FY18 Executive Recommendation	FY18 Original Appropriation	FY17 Actual Expenditures	FY18 Authorized	Adjustment Requested	FY18 Revised Authorization	DFA IGS	
									DFA-Chief Fiscal Officer	State Technology Planning Agency Request in compliance with IT Plan Certification (if applicable)
1. Administrative Office of the Courts	Operating Expenses	\$ 60,000	\$ -	\$ 60,000	\$ 55,000	\$ 60,000	\$ -	\$ 60,000		
	Conf. & Travel Exp.	\$ 10,000	\$ -	\$ 10,000	\$ 16,001	\$ 10,000	\$ 10,000	\$ 20,000	X	
	Professional Fees	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ (10,000)	\$ -		
	Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	Data Processing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	Total	\$80,000	\$0	\$80,000	\$71,001	\$80,000	\$0	\$80,000		N/A

This transfer will allow the reimbursement for hotel and meals for District Judges to Attend the 2018 ABA Traffic Court training. The state will be reimbursed by the National Highway Traffic Safety Administration for those attending. No Executive Recommendation is made on this appropriation.

**FY18 MAINTENANCE & OPERATION
BUDGET CLASSIFICATION TRANSFERS**

Agency	Classification	FY18 Agency Request	FY18 Executive Recommendation	FY18 Original Appropriation	FY17 Actual Expenditures	FY18 Authorized	Adjustment Requested	FY18 Revised Authorization	DFA IGS	
									DFA-Chief Fiscal Officer	State Technology Planning Agency Request in compliance with IT Plan Certification (if applicable)
2. AR Public Employees Retirement System	Operating Expenses	\$ 1,607,473	\$ 1,607,473	\$ 1,607,473	\$ 1,607,473	\$ 1,607,473	\$ 350,000	\$ 1,957,473		
	Conf. & Travel Exp.	\$ 42,500	\$ 42,500	\$ 42,500	\$ 42,500	\$ 42,500	\$ -	\$ 42,500		
	Professional Fees	\$ 10,583,645	\$ 10,583,645	\$ 10,583,645	\$ 10,583,645	\$ 10,583,645	\$ (350,000)	\$ 10,233,645		
	Capital Outlay	\$ 32,500	\$ 32,500	\$ 32,500	\$ -	\$ -	\$ -	\$ -		
	Data Processing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	Total	\$12,266,118	\$12,266,118	\$12,266,118	\$12,233,618	\$12,233,618	\$0	\$12,233,618	X	YES

This request is for additional appropriation only to pay the annual software maintenance contract for COMPASS, our new pension administration system. Our system went live in March 2017. The agency did not realize this expenditure would be paid from Operating Expenses and therefore, did not request an increase in the Operating Expenses during the 18-19 biennial budget process. It will be included in the 20-21 biennial budget request and going forward.

**FY18 MAINTENANCE & OPERATION
BUDGET CLASSIFICATION TRANSFERS**

Agency	Classification	FY18 Agency Request	FY18 Executive Recommendation	FY18 Original Appropriation	FY17 Actual Expenditures	FY18 Authorized	Adjustment Requested	FY18 Revised Authorization	DFA IGS	
									DFA-Chief Fiscal Officer Approve	State Technology Planning Agency Request in compliance with IT Plan Certification (if applicable)
3. Arkansas Ethics Commission / Operations	Operating Expenses	\$ 94,489	\$ 94,489	\$ 94,489	\$ 89,689	\$ 94,489	\$ (10,000)	\$ 84,489	X	YES
	Conf. & Travel Exp.	\$ -	\$ -	\$ 3,000	\$ 120	\$ 3,000	\$ -	\$ 3,000		
	Professional Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	Data Processing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000		
Total		\$94,489	\$94,489	\$97,489	\$89,809	\$97,489	\$0	\$97,489		

The Commission requests appropriation transfer to replace a six year old server. The warranty expired in 2015. The server crashed and was patched earlier in 2017. It is critical to replace the server or risk interruption of service and/or data loss. The server can be found on the Hardware tab of the commission's state IT plan.

**FY18 MAINTENANCE & OPERATION
BUDGET CLASSIFICATION TRANSFERS**

<u>Agency</u>	<u>Classification</u>	<u>FY18 Agency Request</u>	<u>FY18 Executive Recommendation</u>	<u>FY18 Original Appropriation</u>	<u>FY17 Actual Expenditures</u>	<u>FY18 Authorized</u>	<u>Adjustment Requested</u>	<u>FY18 Revised Authorization</u>	<u>DFA IGS</u>	
									<u>Approve</u>	<u>Disapprove</u>
4. Minority Health Commission / Minority Health Initiative	Operating Expenses	\$ 639,788	\$ 531,788	\$ 531,788	\$ 254,803	\$ 531,788	\$ (44,000)	\$ 487,788		
	Conf. & Travel Exp.	\$ 25,000	\$ 20,000	\$ 20,000	\$ 5,164	\$ 20,000	\$ 44,000	\$ 64,000		
	Professional Fees	\$ 250,000	\$ 250,000	\$ 250,000	\$ 7,000	\$ 250,000	\$ -	\$ 250,000		
	Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	Data Processing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Total		\$914,788	\$801,788	\$801,788	\$266,767	\$801,788	\$0	\$801,788	X	n/a

The purpose of this transfer is to ensure all conference expenditures are allocated to the Conference and Travel Expenses, as it relates to the 2018 AR Minority Health Commission's Biennial Summit. This is necessary so that the agency can make these expenditures from the correct commitment item.

State Technology Planning
Agency Request in
compliance with IT Plan
Certification (if applicable)

ARKANSAS ADMINISTRATION STATEWIDE INFORMATION SYSTEM REQUEST FOR BUDGET CLASSIFICATION TRANSFERS (BCT)

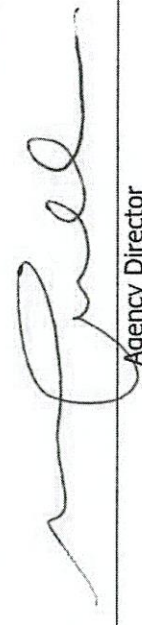
FY 2018

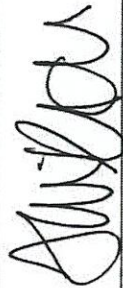
Business Area:	0023	Business Area Title:	Administrative Office of the Courts
Funds Center:	158	Funds Center Title:	District Judges Continuing Education
Fund:	HSC2300	Fund Title:	State Central Service Fund
			Functional Area: CMST

Line-Item Classifications	Authorized Appropriation	Actual Expenditures ** FY2017	Transfer From		Transfer To	
			CI	Fund	CI	Fund
502:00:02 Operating Expenses	60,000	55,000.00			02	HSC2300
505:00:09 Conference & Travel Expenses	10,000	16,000.59			09	HSC2300
506:00:10 Professional Fees	10,000	0	10	HSC2300		10,000
512:00:11 Capital Outlay *	0	0				
509:00:12 Data Processing *	0	0				

Reason for Transfer:

This transfer will allow the reimbursement for hotel and meals for District Judges to Attend the 2018 ABA Traffic Court training. The state will be reimbursed by the National Highway Traffic Safety Administration for those attending.


Agency Director



Budget Approval

DFA IGS State Technology Planning
(approval only needed if applicable ***)

3/7/18

* Transfers may not be made from the capital outlay (512:00:11) sub classifications unless specific authority for such transfers is provided by law. (ACA 19-4-522(C)(1))

** For transfers requested during the month of July 2017 use the agency's fiscal year 2017 expenditures as of April 30, 2017 for each of the Maintenance & Operations commitment items. For transfers requested during the months August 2017 - May 2018 use the agency's fiscal year 2017 expenditures. For transfers requested during the month of June 2018 use the agency's fiscal year 2018 expenditures as of April 30, 2018.

*** Transfers requested for the purchase of information technology related items must be in compliance with the agency's Information Technology Plan submitted to DFA-Technology Planning Unit.

ARKANSAS ADMINISTRATION STATEWIDE INFORMATION SYSTEM REQUEST FOR BUDGET CLASSIFICATION TRANSFERS (BCT)

FY 2018

Business Area: 0370	Business Area Title: AR Public Employees Retirement System
Funds Center: 2QR	Funds Center Title: Public Employees Retirement-Operations
Fund: TSR0000	Fund Title: Public Employees-Opr
	Functional Area: RETR

Line-Item Classifications	Authorized Appropriation	Actual Expenditures ** FY2017	Transfer From		Transfer To	
			CI	Fund	CI	Fund
502:00:02 Operating Expenses	1,607,473	1,447,215			502:00:02	2QR
505:00:09 Conference & Travel Expenses	42,500	19,568				
506:00:10 Professional Fees	10,583,645	2,441,442		2QR		
512:00:11 Capital Outlay *	0	0				
509:00:12 Data Processing *	0	0				

Reason for Transfer:

This request is for additional appropriation only to pay the annual software maintenance contract for COMPASS, our new pension administration system. Our system went live in March 2017. We did not think about this expenditure being paid from Operating Expenses and therefore, did not request an increase in the CI 02 line item during the 18-19 biennial budget process. It will be included in the 20-21 biennial budget request and going forward.

Carol H. Stone
Agency Director

[Signature]
Budget Approval

Miglena Li
DFA IGS State Technology Planning
(approval only needed if applicable ***)

Transfers may not be made from the capital outlay (512:00:11) sub classifications unless specific authority for such transfers is provided by law. (ACA 19-4-522(C)(1))

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Transfers requested for the purchase of information technology related items must be in compliance with the agency's Information Technology Plan submitted to DFA-Technology Planning Unit.

ARKANSAS ADMINISTRATION STATEWIDE INFORMATION SYSTEM REQUEST FOR BUDGET CLASSIFICATION TRANSFERS (BCT) FY2018

Business Area: 0238 Business Area Title: Arkansas Ethics Commission
 Funds Center: 192 Funds Center Title: Operations
 Fund: HUA2300 Fund Title: Miscellaneous Agencies Fund Functional Area: PROF

Line-Item Classifications	Authorized Appropriation	Actual Expenditures ** FY2017	Transfer From		Transfer To	
			CI	Fund	CI	Fund
502:00:02 Operating Expenses	\$94,489	\$89,689	502:00:02	HUA2300		
505:00:09 Conference & Travel Expenses	\$3,000	\$120				
506:00:10 Professional Fees						
512:00:11 Capital Outlay *					512:00:11	HUA2300
509:00:12 Data Processing *						\$10,000

Reason for Transfer:

The Commission requests appropriation transfer to replace a six (6) year old server. The warranty expired in 2015. The server 'crashed' and was 'patched' earlier in 2017. It is critical to replace the server or risk interruption of service and/or data loss. The server can be found on the Hardware tab of the commission's state IT plan.

Matthew Gray
 Agency Director

Ninghua Li
 DFA IGS/State Technology Planning
 (approval only needed if applicable ***)

[Signature]
 Budget Approval

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 ** For transfers requested during the month of July 2017 use the agency's fiscal year 2017 expenditures as of April 30, 2017 for each of the Maintenance & Operations commitment items. For transfers requested during the months August 2017 - May 2018, use the agency's fiscal year 2017 expenditures. For transfers requested during the month of June 2018 use the agency's fiscal year 2018 as of April 30, 2018.
 *** Transfers requested for the purchase of information technology related items must be in compliance with the agency's Information Technology Plan submitted to the DFA-Technology Planning Unit.

**ARKANSAS ADMINISTRATION STATEWIDE INFORMATION SYSTEM
REQUEST FOR BUDGET CLASSIFICATION TRANSFERS (BCT)
FY2018**

Business Area: 0319 Business Area Title: Minority Health Commission
 Funds Center: 463 Funds Center Title: Minority Health Initiative
 Fund: TSE0100 Fund Title: Targeted Needs Functional Area: PROF

Line-Item Classifications	Authorized Appropriation	Actual Expenditures ** FY2017	Transfer From		Transfer To	
			CI	Fund	CI	Fund
502:00:02 Operating Expenses	✓ \$31,788	\$254,603				
505:00:09 Conference & Travel Expenses	✓ \$20,000	\$5,164	502:00:02	TSE0100		\$44,000
506:00:10 Professional Fees	✓ \$250,000	\$7,000			505:00:09	TSE0100
512:00:11 Capital Outlay *	\$0	\$0				
509:00:12 Data Processing *	\$0	\$0				

Reason for Transfer:

The purpose of this transfer is to ensure all conference expenditures are allocated to the 505:00:09 Conference & Travel Expenses line item as outlined in TSE0100-Appropriation 463, as it relates to the 2018 AR Minority Health Commission's Biennial Summit.

19-4-522. Maintenance and general operation.

(a) The maintenance and general operation classification shall cover items of expense necessary for the proper and efficient operation of the state agency, authority, board, commission, department, or institution of higher education, except as otherwise classified in this subchapter.

(2) Conference and Travel Expenses. This subclassification shall include:

(A) The costs of an employee attending a conference, seminar, or training program; and

(B) The costs of a state agency-sponsored or hosted conference, seminar, or training program where the expenses are not otherwise classified according to this section;

Shakonda J. Love
 Shakonda J. Love
 Agency Director

Cherubino
 Cherubino
 Budget Approval

DFA IGS State Technology Planning
 (approval only needed if applicable ***)

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 ** For transfers requested during the month of July 2017 use the agency's fiscal year 2017 expenditures as of April 30, 2017 for each of the Maintenance & Operations commitment items. For transfers requested during the months August 2017 - May 2018, use the agency's fiscal year 2017 expenditures. For transfers requested during the month of June 2018 use the agency's fiscal year 2018 as of April 30, 2018.
 *** Transfers requested for the purchase of information technology related items must be in compliance with the agency's Information Technology Plan submitted to the DFA-Technology Planning Unit.