

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
AGENCY PROGRAM COMMENTARY
2003 - 2005

The projected income and established reserves generated by annual fees collected from the registered, licensed and certified appraisers are projected to be sufficient to cover the expenditures noted in this proposed budget request by the Arkansas Appraiser Licensing and Certification Board.

Aside from the salary and benefit sections, the more significant part of this budget is the operating expense for this Agency. The operating expenses are becoming more defined in many areas resulting in our ability to make more intelligent projections based on agency history. The Agency plans to continue offering an annual seminar for the license holders and the additional moneys are projected for the sundry costs associated with this seminar. These seminars are funded by registration fees and the revenues generated by the event usually offset the expense.

This Agency operates with ten board members and there exist a constant turn over due to staggered terms and the limitation on years served. This turnover results in a need to educate and inform the members of their responsibilities and participation. To enhance their competency when rendering decisions on policy matters, we not only have internal orientation sessions but encourage all the Board members to participate whenever possible, in out-of-state seminars and conferences which affords them an opportunity to learn more about their role in the regulatory process.

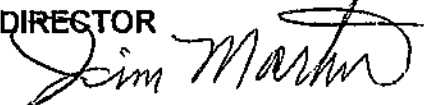
The Agency has now moved into the twenty-first century by developing a web site and interfacing with the Arkansas Home Page on behalf of this Agency. On line renewals are now being utilized.

Additional personnel – There is included in this budget funds for making permanent the position of Chief Investigator, and for adding a Part-Time clerical employee. The Board has also recommended a merit raise of 10% for the existing staff of two. (The current staff has not received tenured or a performance based raise since being employed in 1991.)

Capital Outlay will need to be budgeted for upgrading and expanding our computer system for the additional staff investigator, additional office furniture, copying equipment, and filing cabinets. We believe it incumbent on the budget process to provide for these anticipated purchases as well as a contingency for the unknown.

Additional expenditures are proposed for the Board and staff to participate in educational seminars and conferences. This proposed budget will also incorporate an increase in the office rent due to an anticipated move.

In summary, this proposed biennial budget reflects essentially the above cost centers, which are anticipated for an expanded and maturing Regulatory agency. Positive adjustments in some categories reflecting a better understanding of the costs associated with operating this agency. Most of the changes in this proposed budget are reflected in the additional staffing salary and benefits, merit raises for existing staff, capital Outlay, and enforcement cost centers with minor increases in general operating expenses.

| | | | |
|--|---|--|--------------------------|
| AGENCY AR Appraiser Licensing and Certification Board | DIRECTOR  | AGENCY PROGRAM COMMENTARY | PAGE 32 |
|--|---|--|--------------------------|

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF:
ARKANSAS APPRAISER LICENSING AND CERTIFICATION BOARD
FOR THE YEAR ENDED JUNE 30, 2001

| Findings | Recommendations |
|----------|-----------------|
| None | None |

SA0720501

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
 EMPLOYMENT SUMMARY
 Required by: A.C.A. 19-4-307

AGENCY TITLE: 0205 AR APPRAISER LIC AND CERT BD

| | MALE | FEMALE | TOTAL | PERCENTAGE OF TOTAL |
|--|------------|--------|------------------|------------------------|
| WHITE EMPLOYEES | 1 | 1 | 2 | 100% |
| BLACK EMPLOYEES | 0 | 0 | 0 | 0% |
| EMPLOYEES OF OTHER RACIAL MINORITIES | 0 | 0 | 0 | 0% |
| TOTAL EMPLOYED AS OF | | | 0 | 0% |
| DATE | 08/05/2002 | | | |
| | | | TOTAL MINORITIES | |
| | | | 2 | 100% |
| | | | TOTAL EMPLOYEES | |


 AGENCY DIRECTOR

**CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 2002**

AGENCY: AR Appraiser Licensing and Certification Board, #0205

| ACCOUNT INFORMATION | | | | STATUTORY/OTHER RESTRICTIONS ON USE: |
|---------------------|--------------|--------------|---|--|
| FUND ACCT. | BALANCE | TYPE | LOCATION | |
| Cash | \$50,000.00 | CD | First Security Bank Fayetteville, AR 72703 | ACA 17-14-203(10) authorizes the setting and collection of fees and for pass thru payment of a fee as required by Section 1109(a)(2) of FIRREA of 1989, currently set at \$25 per licensee. |
| | \$69,849.11 | CD | Simmons First National Little Rock | STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: ACA 17-14-203(6)(g) establishes maximum fees not including exam for license. ACA 17-14-206(a) authorizes fines for disciplinary action. |
| | \$61,201.36 | CD | Bancorp South Hope | REVENUE RECEIPTS CYCLE: Fines and penalties are collected throughout the year. The majority of fees are collected in June of each year. |
| | \$60,967.52 | CD | American State Bank Paragould | FUND BALANCE UTILIZATION: The Board anticipates more expenses in the budget thereby reducing the Agency reserves. |
| | \$432,746.52 | Money Market | State Treasury Management Fund/Chad Puyear | |
| | \$8,961.32 | Checking | Bank of America | |
| ACCOUNT INFORMATION | | | | STATUTORY/OTHER RESTRICTIONS ON USE: |
| FUND ACCT. | BALANCE | TYPE | LOCATION | |
| | | | | |
| | | | | STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: |
| | | | | REVENUE RECEIPTS CYCLE: |
| | | | | FUND BALANCE UTILIZATION: |

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
STATE AGENCY PUBLICATIONS**

Fiscal Year 2002-2003

Required by: A.C.A. 25-1-204

AGENCY: Arkansas Appraiser's Licensing & Certification Board

| NAME OF PUBLICATION | STATUTORY AUTHORIZATION | PUBLICATION REQUIRED FOR GOVERNOR AND/OR GENERAL ASSEMBLY ONLY | NUMBER OF COPIES PUBLISHED | REASON(S) FOR CONTINUED PUBLICATION AND DISTRIBUTION |
|-------------------------|-------------------------|--|----------------------------|---|
| Statutes and Amendments | Act 541 of 1991 | No | 1200 | Sent to newly registered, licensed and certified appraisers and other Appraiser State Boards. |
| Rules and Regulations | 17-14-201 | No | 1200 | Periodically need minor changes for housekeeping purposes and federal guideline updates. Make available to all registered and licensed appraisers. |
| The Appraiser | N/A | No | 1200 | Quarterly newsletter published and mailed to all registered, licensed and certified appraisers to keep them abreast of the Board's activities and operations. |
| | | | | |
| | | | | |

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
ANALYSIS OF BUDGET REQUEST
2003 - 2005

The mission of the Arkansas Appraiser Licensing and Certification Board is to maintain a system for licensing and regulating real estate appraisers which is in compliance with federal guidelines and results in license holders that have verified adequate education, experience, and have demonstrated a competency to provide quality service consistent with their specific credentials. The Appraiser Licensing Board is funded from the receipts of fees for applications and annual renewal of appraisers' licenses.

The Base Level request includes a 2.7% salary increase each year over the FY03 salary levels for all incumbents plus associated increases in Personal Services Matching. Included in Personal Services Matching is a \$33 per month increase in the monthly contribution for State employee's health insurance for a total state contribution of \$280 per month per budgeted employee. Change Level requests total \$158,827 in FY04 and \$168,144 in FY05. The request includes two additional positions (investigator and clerical), and increases for rent, web site enhancements, supplies, and conferences.

The Executive Recommendation provides for one additional position Chief Investigator, and \$20,000 each year for Operating Expenses, in addition to the Base Level. Expenditure of appropriation is contingent upon available funding.

| AGENCY | APPROPRIATION | CASH FUND | ANALYSIS OF | PAGE |
|---|--|---|-----------------------|-----------|
| Name: Arkansas Appraiser Licensing & Certification Board Code: 205 | Name: Appraiser Licensing & Certification Board – Cash Operations Code: A86 | Name: Appraiser Licensing & Certification Board - Cash Code: 345 | BUDGET REQUEST | 37 |

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS APPRAISER LICENSING AND CERTIFICATION BOARD
 Agency Code 205
 Appropriation Name Appraiser Licensing - Cash Operations
 Appropriation Code A86
 Fund Name Appraiser Licensing - Cash
 Fund Code 345

| Character | | Expenditures | | | | |
|---------------------|---------|----------------|----------------|----------|----------------|----------|
| | | 2001-02 | 2002-03 | | 2002-03 | |
| Name | Code | Actual | Budget | Pos. | Authorized | Pos. |
| Regular Salaries | 5010000 | 98,305 | 100,293 | 2 | 100,293 | 2 |
| Personal Serv Match | 5010003 | 22,907 | 23,676 | 0 | 23,690 | 0 |
| Operating Expenses | 5020002 | 93,800 | 103,883 | 0 | 103,883 | 0 |
| Travel-Conferences | 5050009 | 5,076 | 5,700 | 0 | 5,700 | 0 |
| Capital Outlay | 5120011 | 497 | 7,000 | 0 | 7,000 | 0 |
| Prof. Fees & Serv. | 5060010 | 8,475 | 11,500 | 0 | 11,500 | 0 |
| Data Processing | 5090012 | 0 | 500 | 0 | 500 | 0 |
| Grand Total | | 229,060 | 252,552 | 2 | 252,566 | 2 |

| Funding Sources | | | | | | |
|------------------------|---------|----------------|----------------|--------------|--------------|--------------|
| Name | Code | | | | | |
| Fund Balance | 4000005 | 695,744 | 626,800 | ***** | ***** | ***** |
| Cash Funds | 4000045 | 160,116 | 180,659 | ***** | ***** | ***** |
| Total Funding | | 855,860 | 807,459 | ***** | ***** | ***** |
| Excess Appro/(Funding) | | (626,800) | (554,907) | ***** | ***** | ***** |
| Grand Total | | 229,060 | 252,552 | ***** | ***** | ***** |

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

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 Agency Code 205
 Appropriation Name Appraiser Licensing - Cash Operations
 Appropriation Code A86
 Fund Name Appraiser Licensing - Cash
 Fund Code 345

| Character | | Agency Request | | | | | | | | | | | |
|---------------------|---------|----------------|----------|----------------|----------|----------------|----------|----------------|----------|----------------|----------|----------------|----------|
| | | 2003-04 | | | | | | 2004-05 | | | | | |
| | | Base Level | Pos. | Change Level | Pos. | Total | Pos. | Base Level | Pos. | Change Level | Pos. | Total | Pos. |
| Regular Salaries | 5010000 | 103,001 | 2 | 81,120 | 2 | 184,121 | 4 | 105,782 | 2 | 83,428 | 2 | 189,210 | 4 |
| Personal Serv Match | 5010003 | 24,961 | 0 | 21,086 | 0 | 46,047 | 0 | 25,454 | 0 | 21,495 | 0 | 46,949 | 0 |
| Operating Expenses | 5020002 | 103,883 | 0 | 49,903 | 0 | 153,786 | 0 | 103,883 | 0 | 55,503 | 0 | 159,386 | 0 |
| Travel-Conferences | 5050009 | 5,700 | 0 | 6,718 | 0 | 12,418 | 0 | 5,700 | 0 | 7,718 | 0 | 13,418 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Prof. Fees & Serv. | 5060010 | 11,500 | 0 | 0 | 0 | 11,500 | 0 | 11,500 | 0 | 0 | 0 | 11,500 | 0 |
| Data Processing | 5090012 | 500 | 0 | 0 | 0 | 500 | 0 | 500 | 0 | 0 | 0 | 500 | 0 |
| Grand Total | | 249,545 | 2 | 158,827 | 2 | 408,372 | 4 | 252,819 | 2 | 168,144 | 2 | 420,963 | 4 |

| Funding Sources | | | | | | | | | | | | | |
|------------------------|---------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| Name | Code | | | | | | | | | | | | |
| Fund Balance | 4000005 | 554,907 | ***** | 0 | ***** | 554,907 | ***** | 317,621 | ***** | 0 | ***** | 317,621 | ***** |
| Cash Funds | 4000045 | 12,259 | ***** | 158,827 | ***** | 171,086 | ***** | 3,351 | ***** | 168,144 | ***** | 171,495 | ***** |
| Total Funding | | 567,166 | ***** | 137,741 | ***** | 725,993 | ***** | 320,972 | ***** | 168,144 | ***** | 489,116 | ***** |
| Excess Appro/(Funding) | | (317,621) | ***** | 0 | ***** | (317,621) | ***** | (68,153) | ***** | 0 | ***** | (68,153) | ***** |
| Grand Total | | 249,545 | ***** | 158,827 | ***** | 408,372 | ***** | 252,819 | ***** | 168,144 | ***** | 420,963 | ***** |

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

Biennial Appropriation Summary

Agency Name ARKANSAS APPRAISER LICENSING AND CERTIFICATION BOARD
 Agency Code 205
 Appropriation Name Appraiser Licensing - Cash Operations
 Appropriation Code A86
 Fund Name Appraiser Licensing - Cash
 Fund Code 345

| Character | | Recommendations | | | | | | | |
|---------------------|---------|-----------------|----------|----------------|----------|-------------|----------|----------|----------|
| | | Executive | | | | Legislative | | | |
| | | Name | Code | 2003-04 | Pos. | 2004-05 | Pos. | 2003-04 | Pos. |
| Regular Salaries | 5010000 | 156,001 | 3 | 160,782 | 3 | 0 | 0 | 0 | 0 |
| Personal Serv Match | 5010003 | 37,708 | 0 | 38,554 | 0 | 0 | 0 | 0 | 0 |
| Operating Expenses | 5020002 | 123,883 | 0 | 123,883 | 0 | 0 | 0 | 0 | 0 |
| Travel-Conferences | 5050009 | 5,700 | 0 | 5,700 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Prof. Fees & Serv. | 5060010 | 11,500 | 0 | 11,500 | 0 | 0 | 0 | 0 | 0 |
| Data Processing | 5090012 | 500 | 0 | 500 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 335,292 | 3 | 340,919 | 3 | 0 | 0 | 0 | 0 |

| Funding Sources | | | | | | | | | |
|------------------------|---------|----------------|--------------|----------------|--------------|----------|--------------|----------|--------------|
| Name | Code | | | | | | | | |
| Fund Balance | 4000005 | 554,907 | ***** | 390,701 | ***** | 0 | ***** | 0 | ***** |
| Cash Funds | 4000045 | 171,086 | ***** | 171,495 | ***** | 0 | ***** | 0 | ***** |
| Total Funding | | 725,993 | ***** | 562,196 | ***** | 0 | ***** | 0 | ***** |
| Excess Appro/(Funding) | | (390,701) | ***** | (221,277) | ***** | 0 | ***** | 0 | ***** |
| Grand Total | | 335,292 | ***** | 340,919 | ***** | 0 | ***** | 0 | ***** |

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Rank by Appropriation

Agency Name ARKANSAS APPRAISER LICENSING AND CERTIFICATION BOARD
 Agency Code 205
 Appropriation Name Appraiser Licensing - Cash Operations
 Appropriation Code A86
 Fund Name Appraiser Licensing - Cash
 Fund Code 345

| Rank | Justification | Designation | | Cost Center | 2001-02 | 2002-03 | | Agency Request | | | | Executive Recommendation | | | | Legislative Recommendation | | | |
|------|--|-------------|------------|-----------------------------|---------|---------|--------|----------------|---------|---------|---------|--------------------------|---------|---------|---------|----------------------------|---------|------|---------|
| | | BL | Base Level | | Total | Actual | Budget | Pos. | 2003-04 | Pos. | 2004-05 | Pos. | 2003-04 | Pos. | 2004-05 | Pos. | 2003-04 | Pos. | 2004-05 |
| | | | | Total | 229,060 | 252,552 | 2 | 249,545 | 2 | 252,819 | 2 | 249,545 | 2 | 252,819 | 2 | 0 | 0 | 0 | 0 |
| 1 | An increase is requested for web site enhancements, supplies, conferences, and an increase in rent. Two additional positions are requested. One position, a Chief Investigator, is currently authorized by a supplemental. | C01 | | 154210 Appraiser Operations | 0 | 0 | 0 | 56,621 | 0 | 63,221 | 0 | 20,000 | 0 | 20,000 | 0 | 0 | 0 | 0 | 0 |
| | | C01 | | 154230 Appraiser PAYROLL | 0 | 0 | 0 | 93,590 | 2 | 95,944 | 2 | 65,746 | 1 | 68,101 | 1 | 0 | 0 | 0 | 0 |
| | | C01 | | Total | 0 | 0 | 0 | 150,211 | 2 | 159,165 | 2 | 85,746 | 1 | 88,101 | 1 | 0 | 0 | 0 | 0 |
| 2 | Extraordinary salary increases in the amount of 10% for existing staff. Staff have not been given raises, other than COLA, since 1991. | C10 | Reclass | 154230 Appraiser PAYROLL | 0 | 0 | 0 | 8,616 | 0 | 8,979 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | C10 | Reclass | Total | 0 | 0 | 0 | 8,616 | 0 | 8,979 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | Grand Total | 229,060 | 252,552 | 2 | 408,372 | 4 | 420,963 | 4 | 335,292 | 3 | 340,919 | 3 | 0 | 0 | 0 | 0 |