

ARKANSAS FAIR HOUSING COMMISSION

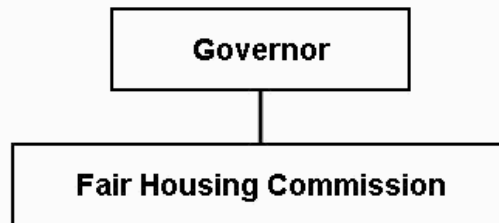
Enabling Laws

Act 1285 of 2005
A.C.A. §16-123-302

History and Organization

The Arkansas Legislature created the Arkansas Fair Housing Commission by Act 185 of 2001. The mission of the Commission is to receive, investigate, conciliate and/or resolve complaints alleging violations of the Arkansas Fair Housing Act, which prohibits housing discrimination on the basis of race, religion, color, sex, national origin, familial status or disability; to cooperate with and provide technical and other assistance to federal, state, local and other public or private entities that are formulating or operating programs to prevent or eliminate discriminatory housing practices; and to establish an education and outreach program to prevent discriminatory housing practices.

The Commission is composed of thirteen members. Seven are appointed by the Governor, three by the President Pro Tempore of the Senate and three by the Speaker of the House. Six of the appointees are industry representatives and seven are consumers. Each Congressional District must be represented by a Commissioner.



Agency Commentary

The Arkansas Fair Housing Commission (AFHC) was created in 2001 for the purpose of:

- Receiving, investigating, conciliating and/or resolving complaints alleging violations of the Arkansas Fair Housing Act, which prohibits discriminatory housing practices in lending, appraisal, sale, rental and occupancy based on seven (7) identified prohibited bases: race, color, religion, sex, national origin, familial status and disability.
- Assisting other entities (both public and private) in the formulation and operation of programs that prevent or eliminate discriminatory housing practices.
- Providing for an education and outreach program to prevent discriminatory housing practices.

Fund Center: 1NH (State Operations)

Base level appropriation is authorized in the amount \$282,129 in each year with general revenue funding in the amount of \$116,772 in each year.

The Agency requests Change Levels as follows:

00-Regular Salaries

Increase in appropriation and general revenue funding in the amount of \$27,629 for one new Investigator position. This position is necessary to ensure that the Agency carries forth the legislative declaration reflected in A.C.A §16-123-301 that, "the right to seek housing underlies the general public's ability to secure health, safety and welfare." The Arkansas Fair Housing Commission was established to support that legislative dictate to resolve fair housing issues and enforce the fair housing laws within the State. The passage of the Arkansas Fair Housing Act gained the State of Arkansas recognition as being a "substantially equivalent" agency, meaning that the state law provided substantially the same protections as the federal law - thereby granting Arkansas the avenue to enforce our own fair housing law within our borders without federal intervention.

As part of the "substantially equivalent" process, the Agency is required to complete a three-year "capacity-building" phase during which time the Commission partners with the U.S. Department of Housing and Urban Development (HUD) via a cooperative agreement to receive, investigate and conciliate fair housing complaints within Arkansas. The Commission will "graduate" in FY2007 to a "contribution agency" status with the responsibility of processing all fair housing violations within the State.

During this mandatory three-year "capacity-building" period, the Commission investigated a portion of the State's fair housing complaint caseload with HUD investigating the bulk of the fair housing complaints and providing technical assistance in support of our limited enforcement efforts. In FY2006, this Agency received approximately 200 fair housing complaints for alleged infractions occurring within the State's borders (this number does not include those complaints generated in Arkansas that were received and processed solely by HUD). The number of complaints the Agency processes is expected to substantially increase once we become a "contribution agency."

As part of the Agency's cooperative agreement with HUD, the Agency is slated to become a "contribution agency" in FY2007 and will be responsible for 100% of case processing for all fair housing complaints occurring within the State's borders. Currently, the Agency employs only two (2) investigators to cover the State's nearly three million residents (2,779,154 according to the U.S. Census Bureau) within 75 counties. HUD currently employs ten (10) full-time investigators who process fair housing complaints within Arkansas, the majority of whom are housed in Texas and have no personal knowledge of Arkansas and its residents. An additional investigator is necessary to handle the anticipated increased caseload when HUD ends its case processing in Arkansas and transfers all fair housing case processing to this Agency.

03-Matching

Increase in appropriation and general revenue funding in the amount of \$10,544 for personal services/matching increases associated with the new Investigator position.

02-Operating Expenses

Increase in appropriation and general revenue funding in the amount of \$4,000 for office supplies necessary to support the new Investigator position (such as a computer, a desk/chair, an additional telephone line, general office supplies and mileage allowance for investigative travel). Additionally, this request is necessary to accommodate an anticipated increase in investigative travel overall due to the additional case processing mandated by HUD. Accordingly, this appropriation will aid in our fulfillment of the cooperative agreement with HUD to furnish all necessary personnel, materials, services, equipment, facilities and otherwise do all things necessary for or incidental to the performance our agreement.

02-Operating Expenses

Increase in appropriation and general revenue funding in the amount of \$14,000 for increased rent expenses anticipated by the Agency. This increase will result from the Agency's anticipated move into a larger office space located within the Main Street Mall. This move is necessary to accommodate the existing and additional staffing needs. The Agency is currently housed in a two-office suite within the Main Street Mall. At the time the Agency was created, only two of the four positions were filled; thus, the office accommodations were then sufficient for the staffing. The Agency is now fully staffed and requires additional office space to accommodate personnel and file/storage needs. The Agency has located a four-office suite within the Main Street Mall that would accommodate the office and staffing needs.

Fund Center: NEW (Arkansas Fair Housing Commission Trust Fund)

The Agency requests to create a new fund center with appropriation in the amount of \$50,000 for the Arkansas Fair Housing Commission Trust Fund. This fund was established in 2001 (A.C.A. §16-123-347) for the purpose of receiving any administrative or civil penalties levied and collected to be solely used for fair housing education of the public and the operational expenses of the commission.

The Agency requests Change Levels as follows:

02-Operating Expenses

Increase in appropriation only in the amount of \$50,000 for education/outreach and operation of the Commission. This appropriation is necessary to utilize administrative and/or civil penalties levied and collected pursuant to the Arkansas Fair Housing Act to provide for the fair housing education of the public and for the operational expenses of the Commission as mandated by the Legislature.

The Commission anticipates the establishment of a fair housing media campaign to include: public service announcements (audio and video); television, radio and print advertisements; posters; pamphlets and brochures. The Commission also will work with public and private service organizations and agencies to establish a state-wide media campaign and to establish educational training programs for industry personnel and the public at large. As required by law, this training and education will be disseminated in compliance with the adaptability and accessibility guidelines.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS FAIR HOUSING COMMISSION
FOR THE YEAR ENDED JUNE 30, 2005

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	0	1	1	33 %
Black Employees	1	1	2	67 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	67%
Total Employees			3	100 %

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

Department Appropriation

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
1NH State Operations	218,207	4	280,648	4	258,658	4	338,302	5	300,129	4	338,302	5	300,129	4
4KX FHC-Trust Operations	0	0	0	0	0	0	50,000	0	10,000	0	50,000	0	10,000	0
Total	218,207	4	280,648	4	258,658	4	388,302	5	310,129	4	388,302	5	310,129	4

Funding Sources		%		%		%		%		%		%		
Fund Balance	4000005	8,694	2.3	164,463	30.4		260,211	36.2	260,211	40.9	330,354	41.1	326,854	46.5
General Revenue	4000010	111,298	29.1	116,396	21.5		172,945	24.1	116,772	18.3	172,945	21.5	116,772	16.6
Federal Revenue	4000020	260,178	68.0	250,000	46.2		250,000	34.8	250,000	39.2	250,000	31.1	250,000	35.5
Trust Fund	4000050	2,500	0.6	10,000	1.9		35,500	4.9	10,000	1.6	50,000	6.3	10,000	1.4
Total Funds		382,670	100.0	540,859	100.0		718,656	100.0	636,983	100.0	803,299	100.0	703,626	100.0
Excess Appropriation/(Funding)		(164,463)		(260,211)			(330,354)		(326,854)		(414,997)		(393,497)	
Grand Total		218,207		280,648			388,302		310,129		388,302		310,129	

The FY07 Budgeted amount in the State Operations Appropriation (1NH) exceeds the Authorized due to Salary and Matching Rate Adjustments during the 2005-2007 biennium. The FHC-Trust Operations Appropriation (4KX) is a new appropriation requested for the 2007-2009 biennium.

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
4	3	1	4	0	25.00%	4	4	0	4	0	0.00%	4	3	1	4	0	25.00%

Analysis of Budget Request

Appropriation: 1NH - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Arkansas Fair Housing Commission (AFHC) was created in 2001 to investigate housing discrimination complaints and punish violators, in cooperation with the State Attorney General.

The Agency's Base Level request is \$282,129 each year of the biennium with general revenue funding in the amount of \$116,772 each year and four (4) regular positions. A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. The Base Level request of \$149,137 each year for Regular Salaries does include board member Stipend payments. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching reflects increases in the Base Level due to certain increases in Worker's Compensation rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350/month.

The Agency Change Level Request includes additional appropriation and general revenue funding in the amount of \$56,173 each year and is comprised of the following:

Regular Salaries and Personal Services Matching: Increase of \$38,173 each year for one new grade 19 Investigator position. Currently the Agency partners with the US Department of Housing and Urban Development (HUD) to receive, investigate and conciliate fair housing complaints within Arkansas. However, as part of the Agency's cooperative agreement with HUD, the AFHC is scheduled to take over the processing of all of the State's fair housing complaints, including those currently performed by HUD. This new position is necessary to enable the Agency to handle the resulting anticipated increase in caseload.

Operating Expenses: Increase of \$18,000 each year for the following:

- \$4,000 for increased operating expenses associated with the new Investigator position, including office supplies and mileage reimbursement as well as for increased mileage reimbursement for all current Investigator positions due to increased investigative travel related to the anticipated increase in caseload.
- \$14,000 for increase rent expenses related to the Agency's anticipated move to a larger office space to accommodate the existing and additional staffing needs. When the Agency is fully staffed with the four (4) current positions and the one (1) requested additional position, the current office accommodations are not considered by the Agency to be adequate to accommodate the staffing, filing and storage needs of the Agency.

The Executive Recommendation provides for the Agency Change Level Request for Operating Expenses with no additional general revenue funding.

Appropriation

Appropriation: 1NH State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	126,526	149,137	134,175	149,137	176,766	149,137	149,137	176,766	149,137
#Positions		4	4	4	4	5	4	4	5	4
Personal Services Matching	5010003	38,297	47,612	40,584	49,093	59,637	49,093	49,093	59,637	49,093
Operating Expenses	5020002	45,155	50,000	50,000	50,000	68,000	68,000	50,000	68,000	68,000
Conference & Travel Expenses	5050009	4,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Professional Fees	5060010	3,330	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Public Education	5900046	899	899	899	899	899	899	899	899	899
Total		218,207	280,648	258,658	282,129	338,302	300,129	282,129	338,302	300,129
Funding Sources										
Fund Balance	4000005	6,694	159,963		245,711	245,711	245,711	330,354	330,354	312,354
General Revenue	4000010	111,298	116,396		116,772	172,945	116,772	116,772	172,945	116,772
Federal Revenue	4000020	260,178	250,000		250,000	250,000	250,000	250,000	250,000	250,000
Total Funding		378,170	526,359		612,483	668,656	612,483	697,126	753,299	679,126
Excess Appropriation/(Funding)		(159,963)	(245,711)		(330,354)	(330,354)	(312,354)	(414,997)	(414,997)	(378,997)
Grand Total		218,207	280,648		282,129	338,302	300,129	282,129	338,302	300,129

The FY07 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the authorized due to salary and matching rate adjustments during the 2005-2007 biennium.

Change Level by Appropriation

Appropriation: 1NH-State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	282,129	4	282,129	100.0	282,129	4	282,129	100.0
C01	Existing Program	56,173	1	338,302	119.9	56,173	1	338,302	119.9

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	282,129	4	282,129	100.0	282,129	4	282,129	100.0
C01	Existing Program	18,000	0	300,129	106.3	18,000	0	300,129	106.3

Justification

C01 The Agency is requesting an increase in appropriation and general revenue funding in the amount of \$27,629 for Regular Salaries and \$10,544 for Personal Services Matching in each year for one new Investigator position to handle projected increases in caseloads. The Agency is also requesting an increase in appropriation and general revenue funding in the amount of \$4,000 in each year for Operating Expenses to support the new Investigator position and to accommodate an increase in investigative travel for all Investigator positions due to the anticipated increase in caseloads. The Agency is also requesting an increase in appropriation and general revenue funding in the amount of \$14,000 in each year for increased rent expenses anticipated by the Agency. This increase is due to the Agency's move from a small 2 office suite in located within the Main Street Mall to a larger 4 office suite also located within the Main Street Mall.

Analysis of Budget Request

Appropriation: 4KX - FHC-Trust Operations

Funding Sources: TFH - Arkansas Fair Housing Commission Trust Fund

The Arkansas Fair Housing Commission Trust Fund was established in 2001, and is authorized by ACA §16-123-347 to consist of the following:

- Funds received by the Arkansas Fair Housing Commission, and any other moneys as may be provided by the General Assembly, there to be used for the administration and operations of the commission; and
- Any administrative or civil penalty levied and collected pursuant to this subchapter to be solely used for fair housing education of the public and the operational expenses of the Commission.
- The appropriation to the Arkansas Fair Housing Commission providing for "public education" may be used to fund all expenses incurred in conducting educational seminars and other forms of educational projects for use and benefit generally of the public, including the production and distribution of information literature of an educational nature.

No Base Level appropriation is authorized because this trust fund was not appropriated for the 2005-2007 biennium. The unappropriated trust fund balance that carried over from FY06 to FY07 was \$4,500.

The Agency Change Level Request is to establish appropriation for Operating Expenses in the amount of \$50,000 to enable the Agency to expense both the current and the anticipated increases in available funding. The Agency expects funding to increase due to the impending transfer of all fair housing case processing within the State of Arkansas from the U.S. Department of Housing and Urban Development (HUD) to the Arkansas Fair Housing Commission (AFHC). This appropriation will be utilized to supplement operational expenses of the Agency and to provide fair housing education to the public, including the establishment of a state-wide media campaign and training programs for industry personnel and the general public.

The Executive Recommendation provides for appropriation in the amount of \$10,000 each year.

Appropriation

Appropriation: 4KX FHC-Trust Operations
Funding Sources: TFH - Arkansas Fair Housing Commission Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	0	0	0	50,000	10,000	0	50,000	10,000
Total	0	0	0	0	50,000	10,000	0	50,000	10,000
Funding Sources									
Fund Balance 4000005	2,000	4,500		0	14,500	14,500	0	0	14,500
Trust Fund 4000050	2,500	10,000		0	35,500	10,000	0	50,000	10,000
Total Funding	4,500	14,500		0	50,000	24,500	0	50,000	24,500
Excess Appropriation/(Funding)	(4,500)	(14,500)		0	0	(14,500)	0	0	(14,500)
Grand Total	0	0		0	50,000	10,000	0	50,000	10,000

This is a new appropriation created during the 2007-2009 biennial budget request.

Change Level by Appropriation

Appropriation: 4KX-FHC-Trust Operations

Funding Sources: TFH - Arkansas Fair Housing Commission Trust Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
C02	New Program	50,000	0	50,000	100.0	50,000	0	50,000	100.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
C02	New Program	10,000	0	10,000	100.0	10,000	0	10,000	100.0

Justification

C02	The Agency is requesting an increase in appropriation only in the amount of \$50,000 in each year to establish a new appropriation to enable the Agency to utilize the Arkansas Fair Housing Commission Trust Fund, which was established in 2001 for the purpose of receiving any administrative or civil penalty levied and collected to be solely used for fair housing education of the public and operational expenses of the Agency.								
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