

ARKANSAS BUILDING AUTHORITY

Enabling Laws

Act 1792 of 2005
A.C.A. 22-2-101 et seq.

History and Organization

MISSION STATEMENT

Arkansas Building Authority's (ABA) mission is to act as the State's agent in all state agency lease negotiations, provide direction and assistance to agencies in all aspects of capital improvement projects and property transfers needs, and actively maintain and operate ABA owned or managed buildings in an efficient and economical manner pursuant to laws and regulations.

HISTORY and MAJOR OBJECTIVES

ABA (formerly known as State Building Services) was created July 1, 1975, by Arkansas Code Annotated §22-2-101 through 121. ABA is governed by an eleven (11) member council which sets policies, guidelines, standards and procedures to be implemented by ABA. ABA has a primary client base comprising of other state agencies in regards to the leasing, sale and purchase of properties; management and operations of ABA owned or leased facilities; review and approval of building plans from the initial design review; bidding, awarding and processing of final payment for capital improvement projects. Public School Districts are an additional client base for which ABA provides Americans with Disabilities Act (ADA) accessibility reviews of construction projects. ABA and its Council, through bonds issued by Arkansas Development Finance Authority, are authorized to acquire, construct, repair, remodel, renovate lands, buildings, improvements and facilities for the benefit of state agencies. ABA is comprised of the following four (4) sections:

(1) Real Estate Services Section develops and enforces minimum leasing, sale and purchase of property standards and criteria for consideration and adoption by the Council; designs standard lease forms to be approved by the Council for use by state agencies; assists state agencies in determining and evaluating rental space needs and the allocation of space for state agencies; conduct surveys to determine available rental space; assist state agencies to ensure that rental space acquired and utilized by state agencies is essential to the efficient performance of its duties and responsibilities; administer duties and responsibilities involving the purchase or sale of property by state agencies which are under the jurisdiction of ABA to ensure that the property is sold or purchased in a manner consistent with Arkansas laws and regulations.

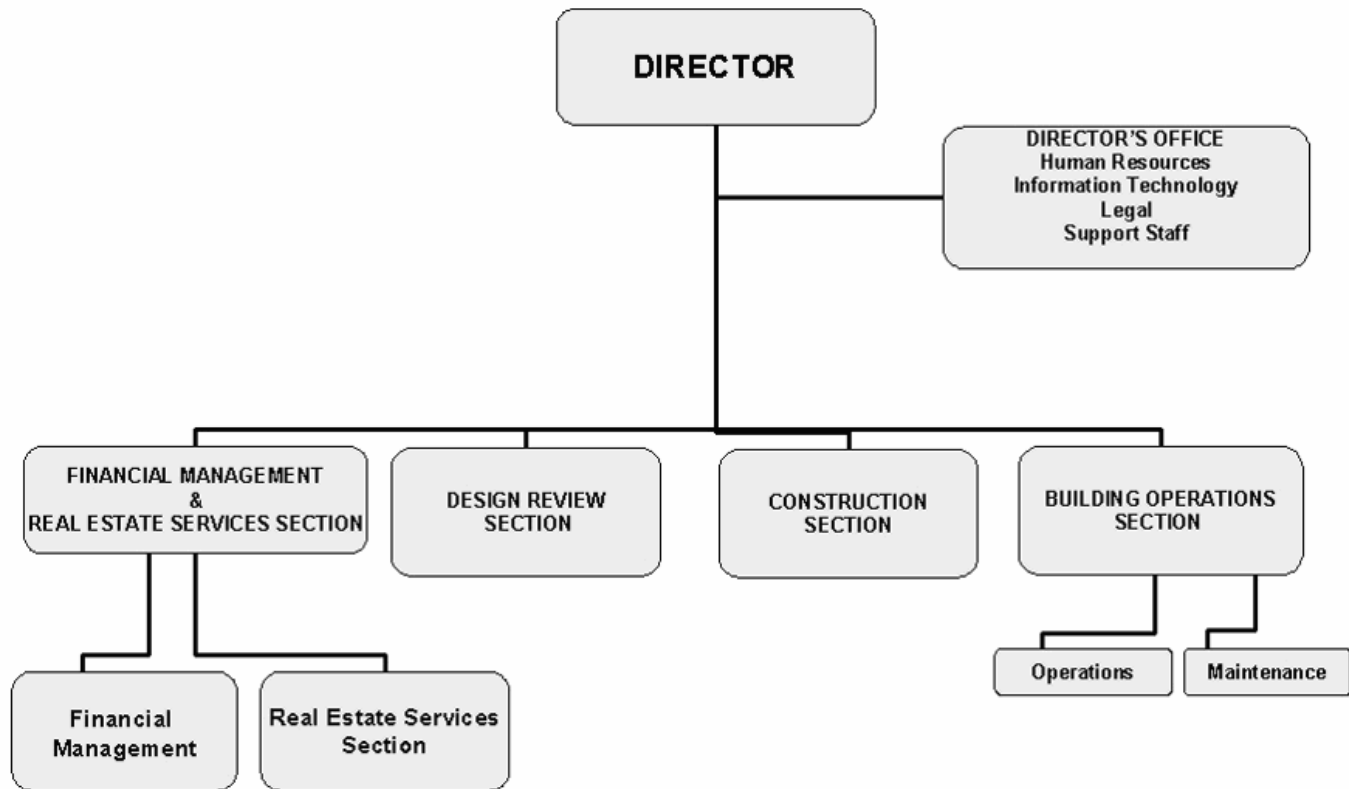
(2) Construction Section supervises the bidding and awarding of construction contracts for capital improvements for or by state agencies; establishes and maintains complete construction files on all jobs, including observation reports, plans and specifications for all capital improvements; approves all proposed contracts, change orders, and final payments requests; ensures that on-site observation of all construction projects, alterations, and repairs is accomplished on a regular basis and maintain

records of those observations; meets with the design professional to determine the responsibility and performance required by the contract documents; approves final payment; ensures contractors are licensed; ensures that the construction of all projects complies with the contract documents; and manages the bidders list.

(3) Design Review Section establishes and enforces minimum design standards and criteria for all capital improvement (public works) contracts undertaken by any state agency including but not limited to flood plain management, accessibility (ADA), and building codes. This Section reviews agency capital budget requests prior to submittal to the Legislature; reviews and approves agency requests to advertise for architectural and engineering related consultants; assist agency in drafting advertisements; reviews architectural and engineering consultant qualifications; reviews and approves construction plans and specifications for bidding; reviews, approves and issues Floodplain Development Permit Applications; reviews new property purchase requests for Floodplain Management Issues; provides technical services to agencies upon request for new capital projects or renovations, space planning, ADA accessibility surveys, roof maintenance inspections and reports, mechanical and electrical system investigations, and facility condition assessment reviews. The Section also reviews and approves public school district capital improvements for compliance with the accessibility guidelines (ADA).

(4) Building Operations Section provides for the management, maintenance, and operation of Arkansas Building Authority property as well as other public buildings. The Building Operations Section is responsible for maintenance and operation of buildings and grounds which are owned, leased, or managed by Arkansas Building Authority. Additionally, this Section is responsible for enforcement of regulations designed to standardize the level of maintenance on all Arkansas Building Authority facilities. The primary function of the operations staff is to insure the safety and comfort of state tenants through maintenance of life safety devices, environmental comfort systems and other building related maintenance, and provide tenantable working conditions through internal maintenance staff and outside contractors.

In addition, the core of ABA is supported by internal services that fulfill additional programmatic functions: The Director's staff which includes Legal, Information Technology, Human Resources and other administrative supportive services; and the Financial Management office which is responsible for the administration of the Agency's purchasing and accounting functions.



Agency Commentary

This commentary relates to five (5) primary ABA appropriations (fund centers):

- (1) **Miscellaneous Agencies Fund (HUA2600/253)** - for the administration of ABA's functions and activities pertaining to real estate services, capital improvement oversight, design review services, administrative support services, personnel and financial management.
- (2) **ABA Maintenance Fund (MWJ0100/254)** - for the property management and operation function of ABA-owned and operated buildings.
- (3) **ABA Critical Maintenance Fund (MWJ0300/IVF)** - for the purpose of funding urgent and critical maintenance projects for the ABA-owned and operated buildings.
- (4) **Justice Building Operations Fund (MWJ0200/809)** - for the maintenance and operation of the Justice Building.
- (5) **Justice Building Maintenance Fund (MJB0100/915)** - for critical and major maintenance projects for the Justice Building.

Arkansas Building Authority operates and performs its duties through these five (5) distinct appropriations. Within this Biennial Budget Request, ABA is requesting that its funding be delineated to appropriately reflect the two distinct client bases that ABA serves: (1) building operation services and (2) statewide client services. In 1999, ABA received Executive and Legislative approval of its plan to begin delineating those expenses specific to the building operational services funded by the

ABA Maintenance Fund (MWJ0100/254) and those agency services provided statewide to all state agencies, boards and commissions funded by the **ABA State Operations (HUA2600/253)**. The separation of these two functions and funding for each will further allow ABA to report more accurately to the Legislature and Executive Branches the true cost of ABA fulfilling its duties and responsibilities as a dual-faceted agency. While delineation of these two funds has improved over the last two biennial periods, this will be the first time that the Agency's Biennial Budget Request has been completely realigned between the two funds.

OPERATIONS:

Therefore, this Biennial Budget Request reflects a sizeable increase in the **HUA2600/253** fund to more accurately reflect the cost for the Agency to perform its functions as a service agency providing leasing, design review, and capital improvement oversight services statewide to its clients. These functions have very little, if any relevance, to the operation of the ABA-owned and managed buildings within the Maintenance Fund (MWJ0100/254) center. In past years, the Maintenance Fund (MWJ0100/254) has carried a significant burden of the Agency's operational expenses and arguably has exhausted funds that have been paid through rents by building tenants that should more appropriately be spent on building operational costs.

The increased appropriation in the HUA2600/253 will allow the Agency to separate its operational and service related expenses from the Agency's other functions.

The requested increase for this appropriation over Base Level is \$658,404 in FY08 and \$634,370 in FY09.

Thus, the **MWJ0100/254** fund will be utilized for expenditures directly related to the operation and maintenance of the buildings comprising ABA's portfolio of ten (10) free-standing buildings housing multiple state agencies, boards and commission in Little Rock and Fort Smith. The **MWJ0100/254** generates its own funding through rent collections from the tenants housed in the ABA buildings. ABA has worked diligently to operate its buildings efficiently to avoid having to increase building rents paid by the tenants. However, with utility rates on the rise, any savings that ABA has been able to generate through efficiencies has been consumed in utilities. Between FY05 and FY06, utilities in ABA buildings increased by over \$375,000 which is a 16.48% increase in utility costs alone. The forecast is for utility rates to continue to rise and coupled with the recent increase in the state minimum wage, these uncontrollable increases will continue to force building operating expenses upward. Therefore, these projected increases are reflected in the Biennial Budget Request for the **MWJ0100/254** fund. With less than a 10% vacancy rate in ABA's building portfolio, ABA can not rely on leasing efforts to absorb the projected operational increases. Unavoidably, ABA has had to propose lease rate increases for the first time in four (4) years for three of its managed buildings that showed operating losses in FY06. While the lease rate increase ranges between 3% to 6% among the three buildings, it reflects only a nominal increase overall in building rent revenues for the ABA portfolio creating a continued, significant challenge for the operating and financial management staffs.

The requested increase for this appropriation over Base Level is \$1,015,621 in FY08 and \$910,456 in FY09.

Likewise, the operational and maintenance funds for the Justice Building will experience the same challenges during the biennial period. A proportionate increase for additional appropriation is being requested for **MWJ0200/809** which is also necessitated by the increase in utilities and service contracts.

The requested increase for this appropriation over Base Level is \$48,220 in FY08 and \$71,225 in FY09.

The ABA Critical Maintenance Fund (**MWJ0300/1VF**) will continue to be funded internally by the ABA Maintenance Fund, however funding of the 1VF will be secondary to the operational fund (254). Fund transfers between the two fund centers will only occur as revenues are available, with a distinct priority being placed on payment of all building operational expenses/obligations.

Therefore no increase is being requested for this appropriation.

POSITIONS:

While ABA is requesting a restoration of two (2) unbudgeted positions to maintain flexibility within agency programming, a final, but very important, area within Personnel is being addressed regarding the delineation of ABA's two client bases. In 1999, with Executive and Legislative approval, ABA began the incremental separation and transference of "non-building" operations related positions to the appropriate funding source. The following transfer request will complete this process.

TRANSFER OF POSITIONS - FUNDING REALLOCATION

The following positions currently provide ABA intra-agency support services or statewide client services and do not directly relate to services provide by the ABA Building Operations Section. These positions are currently funded from the Arkansas Building Authority Maintenance Fund (MWJ0100/254):

	<u>Position #</u>	<u>Title</u>	<u>Grade</u>	<u>Class Code</u>
1)	22115696	DP Manager	23	055Z
2)	22094835	Engineer PE	22	X338
3)	22094836	ABA Real Estate Mgr	22	918Z

Therefore, ABA is requesting a C07 Change Level for the above referenced positions to be funded from the Miscellaneous Agencies Fund Account (HUA2600/253). This change level transfer is a **"budget neutral"** reallocation of funding; very little additional General Revenue funds will be needed. It is through reorganization of duties and more efficient use of existing personnel, that these three (3) "additional positions" will be absorbed through current salary savings in the Miscellaneous Agencies Fund and will be sufficient to cover the three positions referenced above. This request will not increase total number of personnel positions for the 07-09 Biennial Budget; it will remain at the previous biennial budget total of 93.

POSITION RESTORATION

ABA is requesting the following unbudgeted positions from FY 07 be restored as a C01 Change Level so that ABA remains at a total of 93 personnel positions.

	<u>Position #</u>	<u>Title</u>	<u>Grade</u>	<u>Class Code</u>
1)	22093323	General Maintenance Repairman	17	G161
2)	22079263	Construction Inspector	18	X315

Restoration of these two (2) positions is requested so that ABA is capable of maintaining its flexibility while meeting the needs of mandated programming within the Building Operations and Construction Sections. Current funding levels will sufficiently cover the restored appropriation of these positions.

Additionally, ABA has found a specific void in legislation that permits ABA's use of the ABA Real Estate Fund (MRE0400/488). The void is specific to the ability to purchase real property or land. There have been several instances in which ABA has found the need or desire to be able to acquire unimproved real property or land. Section 10 of Act 1792 of 2005 does not include "land acquisition", only acquisition of facilities; therefore, we are requesting that Section 10 be modified during the 86th regular legislative session to read "for the acquisition and maintenance of facilities and land of the Arkansas Building Authority . . .". This addition will allow ABA to purchase properties, such as vacant lots for development of parking lots, tower sites, or other appropriate uses. Furthermore, ABA is seeking re-appropriation of the Real Estate Fund at the current \$1,500,000 funding level so that as funds become available through unspecified resources or by way of state agencies, boards, and commissions, ABA may make such requests for purchase as appropriate through the property acquisition process.

In past years, a contingent rent appropriation has been included in the amount of \$121,000 for ABA in the event that a situation arose that would necessitate ABA to pay rent for its offices to house the ABA staff. ABA occupies office space in an ABA building and does not charge itself rent, but in the event that ABA managed space was not available or should an event occur that required ABA to seek substitute facilities, a rent appropriation may be required. This appropriation (the Rent of Space line item) is being transferred from the ABA Maintenance Fund (MWJ0100/254) to the Miscellaneous Agencies Fund (HUA2600/253).

ABA provides management services to those state agencies owning their own facilities that choose to contract for operating and management services through the ABA Operations Section. Therefore, ABA is requesting re-appropriation of a \$250,000 contingency should a management contract opportunity occur during the biennium. This contingency is unfunded in the ABA Maintenance Fund, but should a new management contract be negotiated, funding for the contingency would be provided through the management fees payable by the agency receiving the services.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS BUILDING AUTHORITY
 FOR THE YEAR ENDED JUNE 30, 2005

<u>Findings</u>	<u>Recommendations</u>
None	None

Employment Summary

	Male	Female	Total	%
White Employees	58	14	72	91 %
Black Employees	2	1	3	4 %
Other Racial Minorities	2	2	4	5 %
	Total Minorities		7	9%
	Total Employees		79	100 %

Cash Fund Balance Description as of June 30, 2006

Fund Account	Balance	Type	Location
1320200	\$987,232	Checking	Regions Banks

Statutory/Other Restrictions on use:

Financing of additions, extensions, improvements, and renovations of, and equipping of such additions, extensions, and improvements of the State Justice Building. Also the repayments of obligations issued by the Arkansas Development Finance Authority pursuant to the State Agencies Facilities Acquisition Act of 1991, as amended.

Statutory Provisions for Fees, Fines, Penalties:

N/A

Revenue Receipts Cycle:

Monthly

Fund Balance Utilization:

Pay the Semi-Annual Interest, Principal and Fees for Justice Bond Payments

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
ABA Standards & Criteria	22-2-102	N	N	6	To inform the public of the ABA Standards & Criteria

Department Appropriation Summary

Historical Data						Agency Request and Executive Recommendation								
Appropriation	2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
1VF Critical Maintenance	760,446	0	1,630,000	0	1,630,000	0	1,630,000	0	1,630,000	0	1,630,000	0	1,630,000	0
253 ABA - State Operations	1,782,146	33	2,066,740	36	2,210,125	37	2,737,514	40	2,275,004	39	2,713,816	40	2,275,340	39
254 Building Maintenance	7,893,791	47	8,888,225	52	10,907,164	53	9,901,452	50	9,692,436	50	9,796,287	50	9,546,060	50
488 Acquisition and Maintenance	189,789	0	0	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	0
809 Justice Building Operations	608,705	3	614,671	3	616,766	3	663,957	3	663,957	3	686,962	3	686,962	3
915 Justice Building Maintenance	199,852	0	547,600	0	573,544	0	504,659	0	504,659	0	504,659	0	504,659	0
D17 Justice Bldg Const-Cash	0	0	0	0	0	0	1,290,000	0	1,290,000	0	1,290,000	0	1,290,000	0
Total	11,434,729	83	13,747,236	91	17,437,599	93	18,227,582	93	17,556,056	92	18,121,724	93	17,433,021	92

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	3,569,286	23.8	3,584,507	20.9	4,357,267	19.7	4,357,267	20.1	3,864,856	18.1	4,073,872	19.3
General Revenue	4000010	1,782,146	11.9	2,066,740	12.1	2,737,514	12.4	2,275,004	10.5	2,713,816	12.7	2,275,340	10.8
Real Estate Fund	4000400	0	0.0	0	0.0	1,500,000	6.8	1,500,000	6.9	1,500,000	7.0	1,500,000	7.1
Reimbursement	4000425	4,920	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Rental Income	4000430	9,011,340	60.0	9,137,825	53.4	9,364,041	42.4	9,364,041	43.3	9,386,141	43.9	9,386,141	44.4
State Administration of Justice	4000470	83,528	0.6	83,528	0.5	1,073,528	4.9	1,073,528	5.0	1,073,528	5.0	1,073,528	5.1
Transfer from St Central Srvs	4000575	568,016	3.7	614,671	3.6	663,957	3.0	663,957	3.1	686,962	3.2	686,962	3.2
Transfers / Adjustments	4000683	0	0.0	1,630,000	9.5	1,630,000	7.4	1,630,000	7.5	1,630,000	7.6	1,630,000	7.7
Unfunded Appropriation	4000715	0	0.0	0	0.0	766,131	3.4	766,131	3.6	516,131	2.5	516,131	2.4
Total Funds		15,019,236	100.0	17,117,271	100.0	22,092,438	100.0	21,629,928	100.0	21,371,434	100.0	21,141,974	100.0
Excess Appropriation/(Funding)		(3,584,507)		(3,370,035)		(3,864,856)		(4,073,872)		(3,249,710)		(3,708,953)	
Grand Total		11,434,729		13,747,236		18,227,582		17,556,056		18,121,724		17,433,021	

The ending balance for FY07 does not equal the beginning balance for FY08 due to the inclusion of the new Justice Bldg Const - Cash appropriation, which has no Actual or Budget amounts.

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	
94	78	13	91	3	17.02%	93	78	13	91	2	16.13%	93	79	12	91	2	15.05%

Analysis of Budget Request

Appropriation: 1VF - Critical Maintenance

Funding Sources: MWJ - Critical Maintenance

This appropriation is used for Critical Maintenance of ABA owned or operated buildings. Funding is derived from rental income paid by state agencies housed in ABA operated buildings.

The Agency Request is for Base Level appropriation of \$1,630,000 each year of the 2007-09 biennium.

The Executive Recommendation provides for the Agency request.

Appropriation Summary

Appropriation: 1VF Critical Maintenance
Funding Sources: MWJ - Critical Maintenance

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
Special Maintenance	5120032	760,446	1,630,000	1,630,000	1,630,000	1,630,000	1,630,000	1,630,000	1,630,000	1,630,000
Total		760,446	1,630,000	1,630,000	1,630,000	1,630,000	1,630,000	1,630,000	1,630,000	1,630,000
Funding Sources										
Fund Balance	4000005	2,002,879	2,709,433		2,709,433	2,709,433	2,709,433	2,709,433	2,709,433	2,709,433
Transfers / Adjustments	4000683	1,467,000	1,630,000		1,630,000	1,630,000	1,630,000	1,630,000	1,630,000	1,630,000
Total Funding		3,469,879	4,339,433		4,339,433	4,339,433	4,339,433	4,339,433	4,339,433	4,339,433
Excess Appropriation/(Funding)		(2,709,433)	(2,709,433)		(2,709,433)	(2,709,433)	(2,709,433)	(2,709,433)	(2,709,433)	(2,709,433)
Grand Total		760,446	1,630,000		1,630,000	1,630,000	1,630,000	1,630,000	1,630,000	1,630,000

The Transfers/Adjustments Actual funding is a transfer from the Building Maintenance appropriation.

Analysis of Budget Request

Appropriation: 253 - ABA - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

This appropriation provides for the operations of Arkansas Building Authority (ABA). Functions include administration, leasing, architectural, construction, finance, engineering, and building maintenance. This appropriation is funded entirely from general revenue.

The Base Level appropriation request is \$2,079,110 in FY08 and \$2,079,446 in FY09. A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax 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 per month.

The Change Level request for appropriation and general revenue funding is \$658,404 in FY08 and \$634,370 in FY09. It include the following items:

- Regular Salaries and associated Personal Services Matching for 1 restored Construction Inspector position in order to meet the needs of mandated programming within the Construction Section.
- Regular Salaries and associated Personal Services Matching for 3 positions transferred from appropriation 254 - Building Maintenance. These positions are DP Manager, Engineer PE, and ABA Real Estate Manager. The Agency is requesting this transfer because these positions currently provide intra-agency support services or statewide client services that do not directly relate to services provided by the ABA Building Operations section.
- Transfer of \$109,588 in Operating Expenses per year from Building Maintenance to State Operations. This is for items such as telephone services, office supplies, data processing, and postage that have no direct relationship to the operation of ABA-owned and managed buildings.
- Additional Operating Expenses of \$68,190 in FY08 and \$31,230 in FY09 for network service expenses, special purpose supplies, and software/licenses.
- Additional Conference & Travel Expenses of \$15,800 per year for training conferences.
- Additional Professional Fees of \$20,000 per year for IT service contracts.
- Additional Capital Outlay of \$15,000 in FY08 and \$25,000 in FY09 for server and network upgrades.
- Transfer of \$121,000 per year Rent of Space line item from Building Maintenance to State Operations. This is for payment of rent should ABA as an agency find itself in a situation that would require it to pay rent for its use of office space.
- Transfer of \$97,537 in FY08 and \$100,463 in FY09 Lease Purchase Expense line item from Building Maintenance to State Operations. This is for the Lease Purchase Agreement for the 701 Pulaski Building.

The Executive Recommendation provides Base Level appropriation and general revenue funding and the following:

- Additional Regular Salaries appropriation of \$135,559 per year and associated Personal Services Matching of \$40,335 per year for 3 positions transferred from appropriation 254 - Building Maintenance. These positions are DP Manager, Engineer PE, and ABA Real Estate Manager.
- Additional Operating Expense appropriation of \$10,000 per year.
- Additional Capital Outlay appropriation of \$10,000 per year.
- The total Executive Recommendation for appropriation above Base Level is \$195,894 in FY08 and \$195,894 in FY09.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$135,559 each year in Regular Salaries for transfer of 3 positions
- \$40,335 each year in Personal Services Matching for transfer of 3 positions
- \$10,000 each year in Operating Expenses for network service supplies, special purpose supplies, and software/licenses
- \$10,000 each year in Capital Outlay for server and network upgrades

Appropriation Summary

Appropriation: 253 ABA - 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	1,337,273	1,563,927	1,692,395	1,563,927	1,725,383	1,699,486	1,563,927	1,725,383	1,699,486
#Positions	33	36	37	36	40	39	36	40	39
Personal Services Matching 5010003	400,086	458,019	472,936	470,389	520,222	510,724	470,725	520,558	511,060
Operating Expenses 5020002	38,592	38,594	38,594	38,594	216,372	48,594	38,594	179,412	48,594
Conference & Travel Expenses 5050009	6,195	6,200	6,200	6,200	22,000	6,200	6,200	22,000	6,200
Professional Fees 5060010	0	0	0	0	20,000	0	0	20,000	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	15,000	10,000	0	25,000	10,000
Rent of Space 5900022	0	0	0	0	121,000	0	0	121,000	0
Lease Purchase Expense 5900046	0	0	0	0	97,537	0	0	100,463	0
Total	1,782,146	2,066,740	2,210,125	2,079,110	2,737,514	2,275,004	2,079,446	2,713,816	2,275,340
Funding Sources									
General Revenue 4000010	1,782,146	2,066,740		2,079,110	2,737,514	2,275,004	2,079,446	2,713,816	2,275,340
Total Funding	1,782,146	2,066,740		2,079,110	2,737,514	2,275,004	2,079,446	2,713,816	2,275,340
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,782,146	2,066,740		2,079,110	2,737,514	2,275,004	2,079,446	2,713,816	2,275,340

Change Level by Appropriation

Appropriation: 253-ABA - 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	2,079,110	36	2,079,110	100.0	2,079,446	36	2,079,446	100.0
C01	Existing Program	110,835	1	2,189,945	105.3	126,995	1	2,206,441	106.1
C07	Agency Transfer	504,019	3	2,693,964	129.5	506,945	3	2,713,386	130.4
C08	Technology	43,550	0	2,737,514	131.6	430	0	2,713,816	130.5

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	2,079,110	36	2,079,110	100.0	2,079,446	36	2,079,446	100.0
C01	Existing Program	20,000	0	2,099,110	100.9	20,000	0	2,099,446	100.9
C07	Agency Transfer	175,894	3	2,275,004	109.4	175,894	3	2,275,340	109.4
C08	Technology	0	0	2,275,004	109.4	0	0	2,275,340	109.4

Justification

C01	We are requesting the restoration of one Construction Inspector position. This restoration is being requested so that ABA is capable of maintaining its flexibility while meeting the needs of mandated programming within the Construction Section of the agency. Current funding levels will sufficiently cover the restored appropriation of this position. We are also requesting additional Professional Fees for IT service contracts and Capital Outlay for server and network upgrades.
C07	As explained in our Agency Commentary, ABA is realigning funding based on its two distinct client bases. The Agency's administrative operating fund is being increased with this request to shift all "non-building" related operating expenses from the ABA Maintenance Fund to the Miscellaneous Agencies Fund (HUA/253). As a result, all operational costs such as Conference & Travel Expenses for personnel, as well as network services are being included in this request. Furthermore, ABA is requesting the transfer of three (3) positions into the Miscellaneous Agencies Fund (HUA/253) from the ABA Maintenance Fund. These positions currently provide ABA intra-agency support services or statewide client services and do not directly relate to services provided by the ABA Building Operations Section. The three positions transferred: DP Manager, Engineer PE and ABA Real Estate Manager will result in a "budget neutral" reallocation of funding; little additional general revenue funds will be needed. Current salary savings should be sufficient to cover the three positions. Furthermore, this transfer will not increase the total number of personnel positions for the 08-09 Biennial Budget; it will remain at the previous biennial budget total of 93 positions. Likewise, numerous operational expenses are being transferred from the ABA Maintenance Fund to the Miscellaneous Agencies Fund such as gas credit card charges for the Construction Section "observers" who monitor capital projects statewide; telephone services, office supplies, data processing supplies, postage, HR advertising for positions, etc. These are all ABA operational expenses that have no direct relationship to the operation of the ABA-owned and managed buildings which have funded these expenses in the past. Another sizeable expenditure that has been funded by the ABA-owned and managed buildings is the software and licensing costs required in order to remain technologically current with operational software. These expenses are also being transferred from the ABA Maintenance Fund to the Miscellaneous Agencies Fund for ABA's "non-building" related operations. This line item is primarily associated with license renewals and software upgrades for existing programs, including a proposed upgrade for Microsoft Office XP being used agency-wide. Lastly, a rent appropriation which is being transferred is for the payment of rent should ABA as an agency find itself in a situation that would require it to pay rent for its use of office space. While this appropriation is a contingency, we are requesting a funded appropriation for unforeseen situations.
C08	This request is for the purchase a program that will allow the Financial Management office to begin converting its accounting documents (i.e. invoices, purchase orders and requisitions) to electronic data rather than maintaining hard copies which requires consumption of valuable office and storage space. This conversion from paper to electronic data is being strongly encouraged by the NIGP, AGA and other governmental entities as a smart business practice.

Analysis of Budget Request

Appropriation: 254 - Building Maintenance

Funding Sources: MWJ - ABA Maintenance

The Building Maintenance appropriation is funded from rental income and reimbursements from ABA operated buildings. It supports the property management function of state-owned and ABA-operated office buildings.

The Base Level appropriation request is \$8,885,843 per year. A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax 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 per month.

The Agency's Change Level requests include the following items:

- Regular Salaries and associated Personal Services Matching for restoration of 1 General Maintenance Repairman position in order to meet the needs of mandated programming within the Building Operations Section.
- Transfer of Regular Salaries and associated Personal Services Matching for 3 positions to appropriation 253 - State Operations. These positions are DP Manager, Engineer PE, and ABA Real Estate Manager. The Agency is requesting this transfer because these positions currently provide intra-agency support services or statewide client services that do not directly relate to services provided by the ABA Building Operations section.
- Additional \$60,000 per year in unfunded Extra Help appropriation, which will restore the Agency's previously authorized level of Extra Help.
- Additional \$35,000 per year in unfunded Overtime appropriation, which will restore the Agency's previously authorized level of Overtime.
- Transfer of \$109,588 in Operating Expenses per year to appropriation 253 - State Operations. This is for items such as telephone services, office supplies, data processing, and postage that have no direct relationship to the operation of ABA-owned and managed buildings.
- Additional Operating Expenses of \$1,033,099 in FY08 and \$1,175,210 in FY09 for increases in electric, natural gas, and water/sewer expenses, increases in some service contracts due to the increase in the state minimum wage, and additional special purpose supplies.
- Reduction in Conference and Travel Expenses appropriation of \$1,300 per year.
- Additional Professional Fees of \$21,750 per year for IT service contracts.
- Additional Capital Outlay of \$79,100 per year for network upgrades and miscellaneous office equipment.
- Additional Debt Service appropriation of \$4,669 in FY08 and \$8,293 in FY09.
- Restoration of an unfunded \$250,000 biennial contingency appropriation, which will restore this to its currently authorized level.
- Transfer of \$121,000 per year Rent of Space line item to State Operations. This is for payment

of rent should ABA as an agency find itself in a situation that would require it to pay rent for its use of office space.

- Transfer of \$97,537 in FY08 and \$100,463 in FY09 Lease Purchase Expense line item to State Operations. This is for the Lease Purchase Agreement for the 701 Pulaski Building.

The Executive Recommendation provides Base Level appropriation and the following:

- Restoration of 1 General Maintenance Repairman position and associated Regular Salaries and Personal Services Matching appropriation.
- Transfer of 3 positions and associated Salary and Personal Services Matching to Appropriation 253 - State Operations. These positions are DP Manager, Engineer PE, and ABA Real Estate Manager.
- Additional \$60,000 per year in unfunded Extra Help appropriation.
- Additional \$35,000 per year in unfunded Overtime appropriation.
- Additional Operating Expenses appropriation of \$500,000 in FY08 and \$600,000 in FY09.
- Reduction in Conference and Travel Expenses appropriation of \$1,300 per year.
- Additional Professional Fees appropriation of \$21,750 per year.
- Additional Capital Outlay appropriation of \$79,100 per year.
- Additional Debt Service appropriation of \$4,669 in FY08 and \$8,293 in FY09.
- Restoration of the unfunded \$250,000 biennial contingency appropriation.

Appropriation Summary

Appropriation: 254 Building Maintenance
Funding Sources: MWJ - ABA Maintenance

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	1,652,570	1,755,403	1,792,658	1,755,403	1,643,975	1,643,975	1,755,403	1,643,975	1,643,975
#Positions		47	52	53	52	50	50	52	50	50
Extra Help	5010001	8,778	15,000	75,000	15,000	75,000	75,000	15,000	75,000	75,000
#Extra Help		6	9	9	9	9	9	9	9	9
Personal Services Matching	5010003	531,751	562,151	570,824	579,769	548,571	548,571	579,769	548,571	548,571
Overtime	5010006	0	5,000	40,000	5,000	40,000	40,000	5,000	40,000	40,000
Operating Expenses	5020002	4,941,888	5,661,574	7,309,725	5,661,574	6,585,985	6,161,574	5,661,574	6,727,196	6,261,574
Conference & Travel Expenses	5050009	15,766	8,300	56,700	8,300	7,000	7,000	8,300	7,000	7,000
Professional Fees	5060010	21,490	18,250	86,700	18,250	40,000	40,000	18,250	40,000	40,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	20,000	79,100	0	79,100	79,100	0	79,100	79,100
Debt Service	5120019	358,391	358,390	390,000	358,390	363,059	363,059	358,390	366,683	366,683
Contingency	5130018	0	0	0	0	250,000	250,000	0	0	0
Rent of Space	5900022	0	121,000	121,000	121,000	0	121,000	121,000	0	121,000
Lease Purchase Expense	5900046	363,157	363,157	385,457	363,157	268,762	363,157	363,157	268,762	363,157
Total		7,893,791	8,888,225	10,907,164	8,885,843	9,901,452	9,692,436	8,885,843	9,796,287	9,546,060

Funding Sources										
Fund Balance	4000005	904,459	404,404		654,004	654,004	654,004	654,004	461,593	670,609
Rental Income	4000430	9,011,340	9,137,825		8,885,843	9,364,041	9,364,041	8,885,843	9,386,141	9,386,141
Transfers / Adjustments	4000683	(1,617,604)	0		0	0	0	0	0	0
Unfunded Appropriation	4000715	0	0		0	345,000	345,000	0	95,000	95,000
Total Funding		8,298,195	9,542,229		9,539,847	10,363,045	10,363,045	9,539,847	9,942,734	10,151,750
Excess Appropriation/(Funding)		(404,404)	(654,004)		(654,004)	(461,593)	(670,609)	(654,004)	(146,447)	(605,690)
Grand Total		7,893,791	8,888,225		8,885,843	9,901,452	9,692,436	8,885,843	9,796,287	9,546,060

The Transfers/Adjustments Actual funding includes \$1,467,000 transfer to the Critical Maintenance appropriation and \$150,604 transfer to the Acquisition and Maintenance appropriation. The Unfunded Appropriation request is comprised of \$250,000 Contingency in FY08, \$60,000 in Extra Help per year, and \$35,000 in Overtime per year.

Change Level by Appropriation

Appropriation: 254-Building Maintenance

Funding Sources: MWJ - ABA Maintenance

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	8,885,843	52	8,885,843	100.0	8,885,843	52	8,885,843	100.0
C01	Existing Program	1,202,358	1	10,088,201	113.5	1,348,400	1	10,234,243	115.1
C03	Discontinue Program	(27,730)	0	10,060,471	113.2	(26,011)	0	10,208,232	114.8
C05	Unfunded Appropriation	345,000	0	10,405,471	117.1	95,000	0	10,303,232	115.9
C07	Agency Transfer	(504,019)	(3)	9,901,452	111.4	(506,945)	(3)	9,796,287	110.2

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	8,885,843	52	8,885,843	100.0	8,885,843	52	8,885,843	100.0
C01	Existing Program	638,787	1	9,524,630	107.1	742,411	1	9,628,254	108.3
C03	Discontinue Program	(1,300)	0	9,523,330	107.1	(1,300)	0	9,626,954	108.3
C05	Unfunded Appropriation	345,000	0	9,868,330	111.0	95,000	0	9,721,954	109.4
C07	Agency Transfer	(175,894)	(3)	9,692,436	109.0	(175,894)	(3)	9,546,060	107.4

Justification

C01	<p>There are two primary areas in which operational costs for the ABA Maintenance Fund have been budgeted for increase. The first is the continued rise in utility rates for electricity and natural gas. Based on information received from our Entergy account representative, ABA has budgeted an additional \$287,606 in FY08 and \$612,224 in FY09 for electricity. We have also budgeted an additional \$126,365 in FY08 and \$267,402 in FY09 for natural gas. We have budgeted an additional \$11,908 in FY08 and \$22,955 in FY09 for water and sewer service. A number of service contracts providing operational services in the ABA buildings are expected to increase with either re-bid due to term expiration or the increase in the state minimum wage effective October, 2006. Contracts subject to renewal or re-bid have been budgeted with an increase of approximately 10 percent. Lastly, we are requesting the restoration of one General Maintenance Repairman position so that ABA may maintain its flexibility while meeting the needs of mandated programming within the Building Operations Section. Current funding levels will sufficiently cover the restored appropriation for this position. Several tenant improvement projects are contemplated during this biennial period to maintain ABA buildings in tenantable condition; this too has been included in this Change Level request. Debt Service for the Main Street Mall bonds is scheduled at the same level as the prior fiscal year, however with the uncertainty of interest rates, a minimal contingency of \$100 is being added.</p>
C03	<p>We are requesting relatively small reductions in appropriation for several Operating Expense components and for Conference & Travel Expenses.</p>
C05	<p>A contingency appropriation of \$250,000 in FY08 has been included for the purpose of allowing ABA to enter into additional management agreements with state agencies who choose to contract with ABA for management and operating services for their facilities. Funding would be provided through management fees collected as outlined in the new contract. ABA is seeking additional unfunded appropriation of \$35,000 per year for Overtime and \$60,000 per year for Extra Help. This unfunded appropriation will ensure a contingency is available to allow ABA to perform its duties should an unplanned event or situation occur. This contingency will also support the agency's Disaster Preparedness Plan to ensure that the agency can fulfill its course of action in the occurrence of a catastrophic event.</p>
C07	<p>Lastly, with the realignment of expenditures pursuant to the agency's two client bases, ABA is requesting the transfer of three positions out of the ABA Maintenance Fund which have no direct relationship to the operations of the ABA-owned and operated buildings, but rather positions that provide ABA intra-agency support services or statewide client services. The three positions are DP Manager, Engineer PE, and ABA Real Estate Manager. This Change Level transfer is a "budget neutral" reallocation of funding; little additional general revenue will be needed. Furthermore, this transfer will not increase the total number of personnel positions for the 08-09 Biennial Budget with the total number of positions remaining at 93. Additional Operating Expenses transferred with the realignment are expenses associated with mileage reimbursement, stipend and meeting costs for the ABA Council and its eleven (11) members. These costs have all been reallocated to the Miscellaneous Agencies Fund, as well as cost associated with the travel and auto fuel for the Construction Section "observers" who travel statewide for state capital projects. As noted in funds center 253, the transfer also includes software license and upgrades necessary for the maintenance of the Agency's computer systems, as well as miscellaneous office supplies, office equipment leases, and various administrative costs for typical office operations. Lastly, a rent appropriation in the amount of \$121,000 for rent to be paid by ABA in the event the Agency was required to pay rent for its use of lease space is being transferred to the Miscellaneous Agencies Fund (HUA2600/253).</p>

Analysis of Budget Request

Appropriation: 488 - Acquisition and Maintenance

Funding Sources: MRE - ABA Real Estate Fund

The purpose of this appropriation is the acquisition and operation of additional buildings for state occupancy. Funding payable from the Real Estate Fund allows ABA to acquire buildings for general government use as opportunities arise as well as provide construction and renovations as needed. Expenditures would be offset by income from the operation of properties acquired.

The Agency's Change Level request is for \$300,000 per year in Operating Expenses and \$1,200,000 per year in the Construction/Renovations line item. This would restore this appropriation back to its previously authorized level of \$1,500,000.

The Agency is also requesting that the language in Section 10 - Acquisition and Maintenance of Act 1792 of 2005 be modified to include the acquisition of land as well as facilities. This would allow the Agency to purchase properties, such as vacant lots for development of parking lots or other appropriate uses.

The Executive Recommendation provides for the Agency Request for appropriation and for the modification of language in Section 10 to include land acquisition.

Appropriation Summary

Appropriation: 488 Acquisition and Maintenance
Funding Sources: MRE - ABA Real Estate Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	39,185	0	300,000	0	300,000	300,000	0	300,000	300,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Construction/Renovations 5090005	150,604	0	1,200,000	0	1,200,000	1,200,000	0	1,200,000	1,200,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	189,789	0	1,500,000	0	1,500,000	1,500,000	0	1,500,000	1,500,000
Funding Sources									
Fund Balance 4000005	39,389	204		204	204	204	204	204	204
Real Estate Fund 4000400	0	0		0	1,500,000	1,500,000	0	1,500,000	1,500,000
Transfers / Adjustments 4000683	150,604	0		0	0	0	0	0	0
Total Funding	189,993	204		204	1,500,204	1,500,204	204	1,500,204	1,500,204
Excess Appropriation/(Funding)	(204)	(204)		(204)	(204)	(204)	(204)	(204)	(204)
Grand Total	189,789	0		0	1,500,000	1,500,000	0	1,500,000	1,500,000

The Transfers/Adjustments Actual funding is a transfer from the Building Maintenance appropriation.

Change Level by Appropriation

Appropriation: 488-Acquisition and Maintenance

Funding Sources: MRE - ABA Real Estate Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
C01	Existing Program	1,500,000	0	1,500,000	100.0	1,500,000	0	1,500,000	100.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
C01	Existing Program	1,500,000	0	1,500,000	100.0	1,500,000	0	1,500,000	100.0

Justification

C01 ABA will continue to consider opportunities to acquire properties that are in the best interests of the State for use by the ABA or that of other state agencies, boards and commissions. ABA is requesting the reappropriation of the Acquisition and Maintenance appropriation at its current Authorized level of \$1.5 million so that such property transactions may be completed if funding is made available. Furthermore, ABA has requested that language found in Section 10 of Act 1792 of 2005 be amended to allow for the purchase of unimproved lands in addition to current facilities. See Agency Commentary.

Analysis of Budget Request

Appropriation: 809 - Justice Building Operations

Funding Sources: MWJ - ABA Maintenance

This appropriation provides for the operations of the Justice Building. Funding is provided under special language provisions for a transfer from the State Central Services Fund to the Arkansas Building Authority Maintenance Fund for actual expenditures up to the authorized appropriation level.

Base Level for this appropriation is \$615,737 per year. A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax 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 per month.

The Agency is requesting an additional \$48,220 in FY08 and \$71,225 in FY09 in Operating Expenses due to increases in electric and natural gas utility rates and increases in some service contracts impacted by the increase in the state minimum wage.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 809 Justice Building Operations
Funding Sources: MWJ - ABA Maintenance

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	89,405	89,492	91,829	89,492	89,492	89,492	89,492	89,492	89,492
#Positions	3	3	3	3	3	3	3	3	3
Personal Services Matching 5010003	29,445	29,844	29,602	30,910	30,910	30,910	30,910	30,910	30,910
Operating Expenses 5020002	489,855	495,335	495,335	495,335	543,555	543,555	495,335	566,560	566,560
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	608,705	614,671	616,766	615,737	663,957	663,957	615,737	686,962	686,962
Funding Sources									
Fund Balance 4000005	47,083	6,394		6,394	6,394	6,394	6,394	6,394	6,394
Transfer from St Central Srvs 4000575	568,016	614,671		615,737	663,957	663,957	615,737	686,962	686,962
Total Funding	615,099	621,065		622,131	670,351	670,351	622,131	693,356	693,356
Excess Appropriation/(Funding)	(6,394)	(6,394)		(6,394)	(6,394)	(6,394)	(6,394)	(6,394)	(6,394)
Grand Total	608,705	614,671		615,737	663,957	663,957	615,737	686,962	686,962

The FY07 Budgeted amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2005-07 biennium. The Agency is requesting continuation of Special Language that allows request for funds transfer from State Central Services Fund in amount not to exceed the total amount appropriated for Justice Building Operations.

Change Level by Appropriation

Appropriation: 809-Justice Building Operations

Funding Sources: MWJ - ABA Maintenance

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	615,737	3	615,737	100.0	615,737	3	615,737	100.0
C01	Existing Program	52,220	0	667,957	108.4	75,225	0	690,962	112.2
C03	Discontinue Program	(4,000)	0	663,957	107.8	(4,000)	0	686,962	111.5

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	615,737	3	615,737	100.0	615,737	3	615,737	100.0
C01	Existing Program	52,220	0	667,957	108.4	75,225	0	690,962	112.2
C03	Discontinue Program	(4,000)	0	663,957	107.8	(4,000)	0	686,962	111.5

Justification

C01	Electric and natural gas utility rates are expected to continue to increase. Based on information received from our Entergy account representative, we have budgeted an additional \$30,000 in FY08 and \$50,000 in FY09 for electricity. We have also budgeted an additional \$5,752 in FY08 and \$8,752 in FY09 for natural gas. Many service contracts entered into for the building will be impacted by the increase in the state minimum wage. Therefore, increases of 6% to 9% have been included for several of these service-related contracts for the period.
C03	We are requesting a reduction in an Operating Expense component (Special Purpose Supplies) in order to work within the funding limitations.

Analysis of Budget Request

Appropriation: 915 - Justice Building Maintenance

Funding Sources: MJB - Justice Building Fund

The Justice Building Maintenance appropriation provides for maintenance of the Justice Building. Funding is provided by court cost receipts transferred from the State Administration of Justice Fund to be used exclusively for maintenance of the Justice Building (A.C.A. 19-5-1052).

The Base Level request is \$547,600 per year. The Agency is requesting a reduction in the Base Level budget of \$42,941 per year due to funding limitations.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 915 Justice Building Maintenance
Funding Sources: MJB - Justice Building 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
Special Maintenance	5120032	199,852	547,600	573,544	547,600	504,659	504,659	547,600	504,659	504,659
Total		199,852	547,600	573,544	547,600	504,659	504,659	547,600	504,659	504,659
Funding Sources										
Fund Balance	4000005	575,476	464,072		0	0	0	0	0	0
Reimbursement	4000425	4,920	0		0	0	0	0	0	0
State Administration of Justice	4000470	83,528	83,528		83,528	83,528	83,528	83,528	83,528	83,528
Unfunded Appropriation	4000715	0	0		464,072	421,131	421,131	464,072	421,131	421,131
Total Funding		663,924	547,600		547,600	504,659	504,659	547,600	504,659	504,659
Excess Appropriation/(Funding)		(464,072)	0		0	0	0	0	0	0
Grand Total		199,852	547,600		547,600	504,659	504,659	547,600	504,659	504,659

Change Level by Appropriation

Appropriation: 915-Justice Building Maintenance

Funding Sources: MJB - Justice Building Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	547,600	0	547,600	100.0	547,600	0	547,600	100.0
C03	Discontinue Program	(42,941)	0	504,659	92.1	(42,941)	0	504,659	92.1

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	547,600	0	547,600	100.0	547,600	0	547,600	100.0
C03	Discontinue Program	(42,941)	0	504,659	92.1	(42,941)	0	504,659	92.1

Justification

C03	Expenditures in the Justice Building Maintenance Fund have been reduced as a result of funding limitations. Only critical projects will be addressed during this biennial period.
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Analysis of Budget Request

Appropriation: D17 - Justice Bldg Const-Cash

Funding Sources: 132 - Justice Building Construction Fund

The Justice Building Construction Cash appropriation provides for debt service obligations associated with construction and renovation of the Justice Building. Funding is provided by court cost receipts transferred from the State Administration of Justice Fund to the Justice Building Construction Fund. This funding is to be used exclusively for the financing of additions, extensions, and improvements to the Justice Building. This includes the repayment of debt service obligations which were incurred in order to make improvements to the Justice Building (A.C.A. 19-5-1087).

There is no Base Level request because debt service was authorized by a Capital Improvement appropriation in the 2005-2007 biennium. The Agency is requesting this new appropriation as part of its biennial Operations request because debt service is an ongoing obligation over many years rather than a one-time cost like construction activity.

The Agency is requesting \$55,000 per year in Operating Expenses appropriation for interest expenses incurred through arbitrage activities, \$35,000 per year in Professional Fees appropriation for payments to the bond trustee and Arkansas Development Finance Authority, and \$1,200,000 per year in Debt Service appropriation for principal and interest payments.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: D17 Justice Bldg Const-Cash
Funding Sources: 132 - Justice Building Construction Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	0	0	0	55,000	55,000	0	55,000	55,000
Professional Fees 5060010	0	0	0	0	35,000	35,000	0	35,000	35,000
Debt Service 5120019	0	0	0	0	1,200,000	1,200,000	0	1,200,000	1,200,000
Total	0	0	0	0	1,290,000	1,290,000	0	1,290,000	1,290,000
Funding Sources									
Fund Balance 4000005	0	0		0	987,232	987,232	0	687,232	687,232
State Administration of Justice 4000470	0	0		0	990,000	990,000	0	990,000	990,000
Total Funding	0	0		0	1,977,232	1,977,232	0	1,677,232	1,677,232
Excess Appropriation/(Funding)	0	0		0	(687,232)	(687,232)	0	(387,232)	(387,232)
Grand Total	0	0		0	1,290,000	1,290,000	0	1,290,000	1,290,000

Actual and Budget amounts are not shown because spending was authorized by a Capital Improvement appropriation during the 2005-2007 biennium. Actual expenditures in FY06 were \$55,385 in Operating Expenses, \$30,513 in Professional Fees, and \$806,430 in Debt Service.

Change Level by Appropriation

Appropriation: D17-Justice Bldg Const-Cash

Funding Sources: 132 - Justice Building Construction Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
C02	New Program	1,290,000	0	1,290,000	100.0	1,290,000	0	1,290,000	100.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
C02	New Program	1,290,000	0	1,290,000	100.0	1,290,000	0	1,290,000	100.0

Justification

C02 We are requesting appropriation for debt service obligations associated with construction and renovation of the Justice Building. The debt service appropriation was previously authorized through a Capital Improvement appropriation for capital projects. However, the debt service obligations are an ongoing activity over many years rather than a one-time cost like construction activity. Thus we are requesting that the debt service appropriation be included in our Operations Act with our other ongoing expenses. We are requesting appropriation in the Debt Service line item for principal and interest payments on the Justice Building construction debt. We are also requesting Operating Expenses appropriation for interest expenses incurred through arbitrage activities and Professional Fees appropriation for payments to the bond trustee (Regions Bank) and Arkansas Development Finance Authority.