

DEPARTMENT OF COMMERCE - STATE INSURANCE DEPARTMENT

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2022

None

Employment Summary

	Male	Female	Total	%
White Employees	49	62	111	74 %
Black Employees	5	27	32	21 %
Other Racial Minorities	4	3	7	5 %
Total Minorities			39	26 %
Total Employees			150	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Report	A.C.A 23-61-112	Y	N	120	Required for the Governor and provided to others upon request.	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2021-2022		2022-2023		2022-2023		2023-2024				2024-2025			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
1QA AMAIT - Operations	12,772,660	0	20,000,000	0	20,000,000	0	40,000,000	0	40,000,000	0	40,000,000	0	40,000,000	0
2SW Insurance-State Operations	11,344,816	116	15,367,878	133	14,641,739	134	15,719,625	139	15,207,333	133	15,819,007	139	15,302,755	133
2SX Fraud Investigation Unit	823,942	10	943,064	11	861,723	11	934,534	11	934,534	11	943,027	11	943,027	11
2SY Insurance Fraud Investigation Division	474,833	3	669,056	3	626,518	3	661,663	3	661,663	3	663,643	3	663,643	3
2SZ Prepaid Funeral Benefits Division	272,171	5	438,811	5	406,544	5	433,873	5	433,873	5	437,173	5	437,173	5
2TA Continuing Education Program	0	0	0	0	31,184	0	31,184	0	31,184	0	31,184	0	31,184	0
2TB State Employee Claims	11,505,429	0	16,500,000	0	16,500,000	0	16,500,000	0	16,500,000	0	16,500,000	0	16,500,000	0
2TC Governmental Bonding Board Operations	187,325	0	3,005,000	0	3,005,000	0	3,005,000	0	3,005,000	0	3,005,000	0	3,005,000	0
2TD Public Employees Claims Section	1,620,480	21	2,137,909	23	1,978,199	23	2,122,933	23	2,122,933	23	2,139,591	23	2,139,591	23
2TE Health Information Counseling	956,767	6	1,261,040	7	1,258,950	7	1,261,537	7	1,256,702	7	1,267,512	7	1,262,677	7
2TF Refunds of Overpayments	7,836,490	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0
2TG Public School Employees Claims	21,427	0	400,000	0	400,000	0	400,000	0	400,000	0	400,000	0	400,000	0
2TH County Employee Claims	3,111	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
2TJ City Employee Claims	10,116	0	400,000	0	400,000	0	400,000	0	400,000	0	400,000	0	400,000	0
2TK Consumer Info System - Cash	1,547	0	28,005	0	28,005	0	28,005	0	28,005	0	28,005	0	28,005	0
2TM Travel & Subsistence-Cash	224	0	100,000	0	100,000	0	0	0	0	0	0	0	0	0
2TN Prepaid Funeral Contracts Recovery	28,996	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
4HH Criminal Background Checks-Cash	5,016	0	125,000	0	125,000	0	125,000	0	125,000	0	125,000	0	125,000	0
56A Public School Insurance Program	10,240,932	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0
N41 MIPPA - 3	456,359	0	490,000	0	518,000	0	488,000	0	488,000	0	488,000	0	488,000	0
V46 AR Healthcare Transparency Initiative Data	1,759,635	0	3,200,000	0	3,200,000	0	3,200,000	0	3,200,000	0	3,200,000	0	3,200,000	0
V98 Funeral Services	358,806	6	602,341	6	566,639	6	598,610	6	598,610	6	602,570	6	602,570	6
X39 Market Stabilization Grant	70,773	0	236,481	1	232,500	0	233,661	1	233,661	1	234,321	1	234,321	1
Z65 Firefighters Cancer Relief	0	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
Total	60,751,855	167	97,854,585	189	96,830,001	189	118,093,625	195	117,576,498	189	118,234,033	195	117,712,946	189

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	52,014,191	31.4	104,830,231	54.9	93,128,188	44.7	93,128,188	44.7	90,304,009	43.9	90,821,136	44.1
Federal Revenue	4000020	1,470,305	0.9	2,616,540	1.4	1,983,198	1.0	1,983,198	1.0	1,989,833	1.0	1,989,833	1.0
Special Revenue	4000030	55,841,118	33.7	33,734,845	17.7	33,813,933	16.2	33,813,933	16.2	33,830,591	16.5	33,830,591	16.4
Cash Fund	4000045	377,139	0.2	492,400	0.3	450,500	0.2	450,500	0.2	450,500	0.2	450,500	0.2
Interest	4000300	36,042	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Investments	4000315	20,996,933	12.7	6,000,000	3.1	16,000,000	7.7	16,000,000	7.7	16,000,000	7.8	16,000,000	7.8

Funding Sources			%		%		%		%		%
Inter-agency Fund Transfer	4000316	35,433	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Intra-agency Fund Transfer	4000317	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Adjustments	4000345	9,996	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Revolving	4000350	21,620,608	13.1	28,500,000	14.9	28,500,000	13.7	28,500,000	13.7	28,500,000	13.8
Miscellaneous Transfers	4000355	(35,004)	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	14,715,325	8.9	16,313,064	8.5	36,021,500	17.3	36,021,500	17.3	36,021,500	17.5
Transfer to State Central Services	4000676	(1,500,000)	(0.9)	(1,500,000)	(0.8)	(1,500,000)	(0.7)	(1,500,000)	(0.7)	(1,500,000)	(0.7)
Total Funds		165,582,086	100.0	190,987,080	100.0	208,397,319	100.0	208,397,319	100.0	205,596,433	100.0
Excess Appropriation/(Funding)		(104,830,231)		(93,132,495)		(90,303,694)		(90,820,821)		(87,362,400)	
Grand Total		60,751,855		97,854,585		118,093,625		117,576,498		118,234,033	

FY23 Budget amount in FC's 2SW Insurance-State Operations, 2SX Fraud Investigation Unit, 2SY Insurance Fraud Investigation Division, 2SZ Prepaid Funeral Benefits Division, 2TD Public Employees Claims Section, 2TE Health Information Counseling, V98 Funeral Services and X39 Market Stabilization Grant exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 Biennium. Budget Number of Positions may exceed the Authorized Number due to single salary section in appropriation act. Variance in Fund Balance is due to unfunded appropriation

Analysis of Budget Request

Appropriation: 1QA - AMAIT - Operations

Funding Sources: TMI - Arkansas Multi-Agency Insurance Trust Fund

The Arkansas Multi-Agency Insurance Trust Fund Program was established by Act 1762 of 2003 to reduce the costs of insurance coverage for state agencies by combining their premium dollars in purchasing broader coverage for property and vehicle insurance with higher deductibles. The program is also designed to build a growing reserve to self-insure ever larger deductible amounts allowing further reductions in policy prices. Act 1188 of 2015 included cybersecurity risk insurance premiums and expenses.

Funding is derived from premiums collected and any insured loss or loss expenses paid by insurance or reinsurance companies, and any interest income.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting appropriation in the amount of \$40,000,000 in each year of the biennium.

The Agency Request includes an increase of \$20,000,000 in AMAIT to offset the increases in property premiums due to the addition of the University of Arkansas for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1QA - AMAIT - Operations

Funding Sources: TMI - Arkansas Multi-Agency Insurance Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
AMAIT	5900046	12,772,660	20,000,000	20,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Total		12,772,660	20,000,000	20,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Funding Sources								
Fund Balance	4000005	6,050,926	12,470,135		8,470,135	8,470,135	4,470,135	4,470,135
Interest	4000300	19,773	0		0	0	0	0
Investments	4000315	6,000,000	6,000,000		6,000,000	6,000,000	6,000,000	6,000,000
Other	4000370	13,172,096	10,000,000		30,000,000	30,000,000	30,000,000	30,000,000
Total Funding		25,242,795	28,470,135		44,470,135	44,470,135	40,470,135	40,470,135
Excess Appropriation/(Funding)		(12,470,135)	(8,470,135)		(4,470,135)	(4,470,135)	(470,135)	(470,135)
Grand Total		12,772,660	20,000,000		40,000,000	40,000,000	40,000,000	40,000,000

Analysis of Budget Request

Appropriation: 2SW - Insurance-State Operations

Funding Sources: TSI - State Insurance Department Trust Fund

Ark. Code Ann. § 23-61-101 et seq. established the State Insurance Department to serve and protect the public interest through insurer solvency and market conduct regulation, and fraud protection and deterrence. Act 910 of 2019 transferred the Insurance Department to the Department of Commerce.

This appropriation provides for the division's state operations and is funded by special revenues that are authorized in Ark. Code Ann. § 19-5-922. Revenues are derived from: additional fees assessed or imposed upon insurers, insurance agents, brokers, professional bail bond companies, and other licensees or registrants; health maintenance organization fees; professional employer organization biennial license fees; and employer service assurance organization affidavit fees.

With the exception of Regular Salaries and Personal Services Matching, continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting appropriation in the amount of \$15,719,625 in FY24 and \$15,819,007 in FY25.

The Agency Request includes the following changes:

- Increase of six (6) new positions, including Regular Salaries of \$372,913 in both years of the biennium and Personal Services Matching of \$128,243 in FY24 and \$132,203 in FY25. The new positions are needed to assist the agency in providing risk management services, reach goal of creating a self sustaining pharmacy benefits unit, advise the commissioner on use of information services and other task.
- Increase of Regular Salaries and Personal Services Matching appropriation associated with various personnel changes which include reclassification and upgrades.
- Reallocate \$50,000 from Special Maintenance to Operating Expenses. The Special Maintenance line is no longer utilized by the agency due to the relocation of the Insurance Department.
- Restoration of \$150,000 in Capital Outlay to utilize agency funds to replace outdated equipment and vehicles during both years of the biennium.

The Executive Recommendation provides for the Agency Request with the exception of the new positions, various personnel changes and associated appropriation. These changes will be placed on hold for the new administration to review and recommend.

Appropriation Summary

Appropriation: 2SW - Insurance-State Operations
Funding Sources: TSI - State Insurance Department Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	6,542,426	8,228,328	7,736,755	8,411,667	8,029,718	8,417,867	8,035,918
#Positions		116	133	134	139	133	139	133
Extra Help	5010001	6,440	140,000	140,000	140,000	140,000	140,000	140,000
#Extra Help		3	19	19	19	19	19	19
Personal Services Matching	5010003	2,305,553	2,765,776	2,531,210	2,934,184	2,803,841	3,027,366	2,893,063
Overtime	5010006	5	27,500	27,500	27,500	27,500	27,500	27,500
Operating Expenses	5020002	1,473,906	2,200,674	2,200,674	2,250,674	2,250,674	2,250,674	2,250,674
Conference & Travel Expenses	5050009	58,826	188,000	188,000	188,000	188,000	188,000	188,000
Professional Fees	5060010	1,000	161,600	161,600	161,600	161,600	161,600	161,600
Data Processing	5090012	0	0	0	0	0	0	0
Promotional Items	5090028	2,641	0	0	0	0	0	0
Capital Outlay	5120011	79,262	150,000	150,000	150,000	150,000	150,000	150,000
Special Maintenance	5120032	0	50,000	50,000	0	0	0	0
Professional Services	5900043	486,743	956,000	956,000	956,000	956,000	956,000	956,000
AHIM EXPENSES	5900046	388,014	500,000	500,000	500,000	500,000	500,000	500,000
Total		11,344,816	15,367,878	14,641,739	15,719,625	15,207,333	15,819,007	15,302,755

Funding Sources								
Fund Balance	4000005	19,479,805	45,146,620		44,365,678	44,365,678	43,211,519	43,723,811
Special Revenue	4000030	38,647,488	16,086,936		16,065,466	16,065,466	16,056,973	16,056,973
Inter-agency Fund Transfer	4000316	22,944	0		0	0	0	0
Intra-agency Fund Transfer	4000317	(318,628)	0		0	0	0	0
Other	4000370	159,827	0		0	0	0	0
Transfer to State Central Services	4000676	(1,500,000)	(1,500,000)		(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Total Funding		56,491,436	59,733,556		58,931,144	58,931,144	57,768,492	58,280,784
Excess Appropriation/(Funding)		(45,146,620)	(44,365,678)		(43,211,519)	(43,723,811)	(41,949,485)	(42,978,029)
Grand Total		11,344,816	15,367,878		15,719,625	15,207,333	15,819,007	15,302,755

FY23 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 Biennium. Variance in number of positions in Authorized and Agency Request is due to single salary section in appropriation act.

Analysis of Budget Request

Appropriation: 2SX - Fraud Investigation Unit

Funding Sources: TSI - State Insurance Department Trust Fund

Ark. Code Ann. § 11-9-106(d) establishes the Fraud Investigation Unit within the State Insurance Department. The unit investigates allegations of fraud in workers' compensation cases, additional criminal violations that may be related, and any other insurance fraud matters.

Funding is provided by special revenues collected by the Insurance Department and earmarked for this purpose.

With the exception of Regular Salaries and Personal Services Matching, continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting appropriation in the amount of \$934,534 in FY24 and \$943,027 in FY25.

The Agency request includes a position reclassification with no change in appropriation.

The Executive Recommendation provides for the Agency Request with the exception of the position reclassification. This change will be placed on hold for the new administration to review and recommend.

Appropriation Summary

Appropriation: 2SX - Fraud Investigation Unit
Funding Sources: TSI - State Insurance Department Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries 5010000	616,400	708,993	651,500	696,450	696,450	697,450	697,450
#Positions	10	11	11	11	11	11	11
Personal Services Matching 5010003	207,542	234,071	210,223	238,084	238,084	245,577	245,577
Total	823,942	943,064	861,723	934,534	934,534	943,027	943,027
Funding Sources							
Fund Balance 4000005	46,951	914,544		884,544	884,544	884,544	884,544
Special Revenue 4000030	1,690,232	0		934,534	934,534	943,027	943,027
Inter-agency Fund Transfer 4000316	1,400	0		0	0	0	0
Other 4000370	(97)	913,064		0	0	0	0
Total Funding	1,738,486	1,827,608		1,819,078	1,819,078	1,827,571	1,827,571
Excess Appropriation/(Funding)	(914,544)	(884,544)		(884,544)	(884,544)	(884,544)	(884,544)
Grand Total	823,942	943,064		934,534	934,534	943,027	943,027

FY23 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 Biennium.

Analysis of Budget Request

Appropriation: 2SY - Insurance Fraud Investigation Division

Funding Sources: TIF - State Insurance Department Criminal Investigation Division Trust Fund

Ark. Code Ann. § 23-100-101 et seq. provides for the funding of the Insurance Fraud Investigation Division in the State Insurance Department to investigate suspected cases of fraud over a broad range of activities in the insurance industry in Arkansas.

Funding comes from special revenues derived from the Division's annual antifraud assessment and any penalties from licensed insurers.

With the exception of Regular Salaries, Personal Services Matching and Capital Outlay, continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting appropriation in the amount of \$661,663 in FY24 and \$663,643 in FY25.

The Agency Request includes a restoration of \$60,000 in Capital Outlay to replace outdated equipment and vehicles for both years of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2SY - Insurance Fraud Investigation Division

Funding Sources: TIF - State Insurance Department Criminal Investigation Division Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation		Agency Request and Executive Recommendation	
		2021-2022 Actual	2022-2023 Budget	2022-2023 Authorized	2023-2024		2024-2025	
					Agency	Executive	Agency	Executive
Regular Salaries	5010000	215,337	268,193	236,040	260,661	260,661	260,661	260,661
#Positions		3	3	3	3	3	3	3
Personal Services Matching	5010003	68,356	81,228	70,843	81,367	81,367	83,347	83,347
Operating Expenses	5020002	187,636	220,635	220,635	220,635	220,635	220,635	220,635
Conference & Travel Expenses	5050009	3,504	35,000	35,000	35,000	35,000	35,000	35,000
Professional Fees	5060010	0	4,000	4,000	4,000	4,000	4,000	4,000
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	60,000	60,000	60,000	60,000	60,000	60,000
Total		474,833	669,056	626,518	661,663	661,663	663,643	663,643

Funding Sources								
Fund Balance	4000005	3,529,285	3,962,396		3,443,340	3,443,340	3,501,677	3,501,677
Inter-agency Fund Transfer	4000316	600	0		0	0	0	0
Miscellaneous Transfers	4000355	(34,872)	0		0	0	0	0
Other	4000370	942,216	150,000		720,000	720,000	720,000	720,000
Total Funding		4,437,229	4,112,396		4,163,340	4,163,340	4,221,677	4,221,677
Excess Appropriation/(Funding)		(3,962,396)	(3,443,340)		(3,501,677)	(3,501,677)	(3,558,034)	(3,558,034)
Grand Total		474,833	669,056		661,663	661,663	663,643	663,643

FY23 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 Biennium.

Analysis of Budget Request

Appropriation: 2SZ - Prepaid Funeral Benefits Division

Funding Sources: TIP - State Insurance Department Prepaid Trust Fund

Ark. Code Ann. § 23-40-107 et seq. provides for the administration and regulation of the sale of prepaid funeral benefit plans in the State of Arkansas and established the Division of Prepaid Funeral Benefits within the State Insurance Department for this purpose.

Funding consists of investment income, grants, refunds, gifts, annual report fees, and all license fees paid.

With the exception of Regular Salaries, Personal Services Matching and Capital Outlay, continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting appropriation in the amount of \$433,873 in FY24 and \$437,173 in FY25.

The Agency Request includes a restoration of \$30,000 in Capital Outlay to replace outdated equipment and vehicles for both years of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2SZ - Prepaid Funeral Benefits Division

Funding Sources: TIP - State Insurance Department Prepaid Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	192,036	273,134	250,258	266,572	266,572	266,572	266,572	
#Positions		5	5	5	5	5	5	5	
Personal Services Matching	5010003	73,125	94,977	85,586	96,601	96,601	99,901	99,901	
Operating Expenses	5020002	7,010	36,700	36,700	36,700	36,700	36,700	36,700	
Conference & Travel Expenses	5050009	0	4,000	4,000	4,000	4,000	4,000	4,000	
Professional Fees	5060010	0	0	0	0	0	0	0	
Data Processing	5090012	0	0	0	0	0	0	0	
Capital Outlay	5120011	0	30,000	30,000	30,000	30,000	30,000	30,000	
Total		272,171	438,811	406,544	433,873	433,873	437,173	437,173	
Funding Sources									
Fund Balance	4000005	979,584	1,022,563		833,752	833,752	699,879	699,879	
Special Revenue	4000030	314,550	250,000		300,000	300,000	300,000	300,000	
Inter-agency Fund Transfer	4000316	600	0		0	0	0	0	
Total Funding		1,294,734	1,272,563		1,133,752	1,133,752	999,879	999,879	
Excess Appropriation/(Funding)		(1,022,563)	(833,752)		(699,879)	(699,879)	(562,706)	(562,706)	
Grand Total		272,171	438,811		433,873	433,873	437,173	437,173	

FY23 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 Biennium.

Analysis of Budget Request

Appropriation: 2TA - Continuing Education Program

Funding Sources: TIE - Insurance Continuing Education Trust Fund

Ark. Code Ann. § 23-64-301 et seq. requires, unless exempted by law, an insurance producer licensed in Arkansas to complete and report within the biennial period continuing education courses necessary to continue their license. The Insurance Department's Continuing Education Program ensures that requirement and maintains continuing education records which are required for agent license renewals.

Funding is provided from the certification filing fees, as authorized in Ark. Code Ann. § 23-64-307.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$31,184 for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TA - Continuing Education Program
Funding Sources: TIE - Insurance Continuing Education Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	0	0	25,268	25,268	25,268	25,268	25,268	
#Positions		0	0	0	0	0	0	0	
Personal Services Matching	5010003	0	0	5,916	5,916	5,916	5,916	5,916	
Total		0	0	31,184	31,184	31,184	31,184	31,184	
Funding Sources									
Fund Balance	4000005	2,410,050	2,531,491		2,531,491	2,531,491	2,621,307	2,621,307	
Special Revenue	4000030	121,445	0		121,000	121,000	121,000	121,000	
Miscellaneous Adjustments	4000345	(4)	0		0	0	0	0	
Total Funding		2,531,491	2,531,491		2,652,491	2,652,491	2,742,307	2,742,307	
Excess Appropriation/(Funding)		(2,531,491)	(2,531,491)		(2,621,307)	(2,621,307)	(2,711,123)	(2,711,123)	
Grand Total		0	0		31,184	31,184	31,184	31,184	

Analysis of Budget Request

Appropriation: 2TB - State Employee Claims

Funding Sources: TUW - Workers' Compensation Revolving Fund

The Insurance Department's State Employee Claims appropriation provides for the payments of state employee claims.

This appropriation is funded by the Workers' Compensation Resolving Fund derived from employer workers' compensation benefits as authorized in Ark. Code Ann. § 19-5-805.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$16,500,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TB - State Employee Claims

Funding Sources: TUW - Workers' Compensation Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Claims	5110015	11,505,429	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Total		11,505,429	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Funding Sources								
Fund Balance	4000005	4,096,405	12,653,639		12,653,639	12,653,639	12,653,639	12,653,639
Interest	4000300	4,064	0		0	0	0	0
Investments	4000315	5,996,933	0		0	0	0	0
Miscellaneous Revolving	4000350	13,775,631	16,500,000		16,500,000	16,500,000	16,500,000	16,500,000
Other	4000370	286,035	0		0	0	0	0
Total Funding		24,159,068	29,153,639		29,153,639	29,153,639	29,153,639	29,153,639
Excess Appropriation/(Funding)		(12,653,639)	(12,653,639)		(12,653,639)	(12,653,639)	(12,653,639)	(12,653,639)
Grand Total		11,505,429	16,500,000		16,500,000	16,500,000	16,500,000	16,500,000

Analysis of Budget Request

Appropriation: 2TC - Governmental Bonding Board Operations

Funding Sources: TFB - Fidelity Bond Trust Fund

The Governmental Bonding Board is responsible for the development and administration of the Self-Insured Fidelity Bond Program for officials and public employees of counties, municipalities, public schools, and the State of Arkansas, as authorized by Ark. Code Ann. § 21-2-705. The Self-Insured Fidelity Bond Program provides the fidelity bond coverage which covers actual losses sustained by a participating governmental entity through fraudulent act(s) committed by any governmental official or employee.

This appropriation provides for the operating expenses of the Governmental Bonding Board.

Funding comes the Fidelity Bond Trust Fund, Ark. Code Ann. § 21-2-711, and is derived from bond premiums withheld from the County Aid, Municipal Aid, and Public School funds and from premiums transferred from the fund accounts of State agencies.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$3,005,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TC - Governmental Bonding Board Operations

Funding Sources: TFB - Fidelity Bond Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	2,121	5,000	5,000	5,000	5,000	5,000	5,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	0	150,000	150,000	150,000	150,000	150,000	150,000
Claims	5110015	185,204	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
Capital Outlay	5120011	0	0	0	0	0	0	0
Professional Services	5900043	0	50,000	50,000	50,000	50,000	50,000	50,000
Total		187,325	3,005,000	3,005,000	3,005,000	3,005,000	3,005,000	3,005,000
Funding Sources								
Fund Balance	4000005	324,230	208,687		3,203,687	3,203,687	6,198,687	6,198,687
Special Revenue	4000030	0	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000
Other	4000370	71,782	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000
Total Funding		396,012	6,208,687		9,203,687	9,203,687	12,198,687	12,198,687
Excess Appropriation/(Funding)		(208,687)	(3,203,687)		(6,198,687)	(6,198,687)	(9,193,687)	(9,193,687)
Grand Total		187,325	3,005,000		3,005,000	3,005,000	3,005,000	3,005,000

Analysis of Budget Request

Appropriation: 2TD - Public Employees Claims Section

Funding Sources: HUA - Miscellaneous Agencies Fund

The Public Employees Claims Division, as authorized by Ark. Code Ann. § 21-5-605, is responsible for the administration of public employee workers' compensation claims in the State of Arkansas.

This appropriation is funded by transfers from the Public School Fund, the County Aid Fund, the Municipal Aid Fund, and various treasury fund accounts of State agencies to the Miscellaneous Agencies Fund for workers' compensation claims administered by the Public Employees Claims Division, Ark. Code Ann. § 11-9-307.

With the exception of Regular Salaries and Personal Services Matching, continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$2,122,933 in FY24 and \$2,139,591 in FY25.

The Agency Request includes position reclassifications with no change in appropriation.

The Executive Recommendation provides for the Agency Request with the exception of the position reclassifications. These changes will be placed on hold for the new administration to review and recommend.

Appropriation Summary

Appropriation: 2TD - Public Employees Claims Section

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	996,536	1,192,858	1,080,850	1,168,948	1,168,948	1,170,148	1,170,148
#Positions		21	23	23	23	23	23	23
Personal Services Matching	5010003	369,388	422,120	374,418	431,054	431,054	446,512	446,512
Operating Expenses	5020002	239,608	498,631	498,631	498,631	498,631	498,631	498,631
Conference & Travel Expenses	5050009	14,948	24,300	24,300	24,300	24,300	24,300	24,300
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
Total		1,620,480	2,137,909	1,978,199	2,122,933	2,122,933	2,139,591	2,139,591
Funding Sources								
Fund Balance	4000005	33,192	27,590		27,590	27,590	27,590	27,590
Special Revenue	4000030	1,596,789	2,137,909		2,122,933	2,122,933	2,139,591	2,139,591
Inter-agency Fund Transfer	4000316	8,089	0		0	0	0	0
Miscellaneous Adjustments	4000345	10,000	0		0	0	0	0
Total Funding		1,648,070	2,165,499		2,150,523	2,150,523	2,167,181	2,167,181
Excess Appropriation/(Funding)		(27,590)	(27,590)		(27,590)	(27,590)	(27,590)	(27,590)
Grand Total		1,620,480	2,137,909		2,122,933	2,122,933	2,139,591	2,139,591

FY23 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 Biennium.

Analysis of Budget Request

Appropriation: 2TE - Health Information Counseling

Funding Sources: FID - Insurance Department - Federal

The Insurance Department's Health Information Counseling Program is to help Arkansans save money and make informed decisions about Medicare. The program also provides consultations for Medicare beneficiaries and caregivers about Medicare, MEDICAP policies, Medicare Advantage, Medicare Part D and Long-term care insurance.

Funding is 100% federal.

With the exception of Regular Salaries, Personal Services Matching and Capital Outlay, continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting appropriation in the amount of \$1,261,537 in FY24 and \$1,267,512 in FY25.

The Agency Request includes an increase of Regular Salaries and Personal Services Matching appropriation associated with position upgrades.

The Executive Recommendation provides for the Agency Request with the exception of the position upgrades and associated appropriation. These changes will be placed on hold for the new administration to review and recommend.

Appropriation Summary

Appropriation: 2TE - Health Information Counseling

Funding Sources: FID - Insurance Department - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	235,819	286,418	265,684	283,242	279,319	284,342	280,419
#Positions		6	7	7	7	7	7	7
Personal Services Matching	5010003	101,193	110,663	99,307	114,336	113,424	119,211	118,299
Operating Expenses	5020002	272,097	217,407	217,407	217,407	217,407	217,407	217,407
Conference & Travel Expenses	5050009	25	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	5060010	311,755	601,552	601,552	601,552	601,552	601,552	601,552
Data Processing	5090012	0	0	0	0	0	0	0
Promotional Items	5090028	35,878	35,000	35,000	35,000	35,000	35,000	35,000
Capital Outlay	5120011	0	0	30,000	0	0	0	0
Total		956,767	1,261,040	1,258,950	1,261,537	1,256,702	1,267,512	1,262,677

Funding Sources								
Fund Balance	4000005	16,098	9,414		39,414	39,414	39,414	44,249
Federal Revenue	4000020	945,980	1,291,040		1,261,537	1,261,537	1,267,512	1,267,512
Inter-agency Fund Transfer	4000316	1,200	0		0	0	0	0
Other	4000370	2,903	0		0	0	0	0
Total Funding		966,181	1,300,454		1,300,951	1,300,951	1,306,926	1,311,761
Excess Appropriation/(Funding)		(9,414)	(39,414)		(39,414)	(44,249)	(39,414)	(49,084)
Grand Total		956,767	1,261,040		1,261,537	1,256,702	1,267,512	1,262,677

FY23 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 Biennium.

Analysis of Budget Request

Appropriation: 2TF - Refunds of Overpayments

Funding Sources: MTA - Miscellaneous Revolving Fund

The Insurance Department's Refunds of Overpayments appropriation is used to return premium taxes paid to this State in error and to return amounts that are overpaid. Funding comes from the Miscellaneous Revolving Fund derived from employer workers' compensation benefits contribution.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$11,000,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TF - Refunds of Overpayments
Funding Sources: MTA - Miscellaneous Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Refunds/Reimbursements 5110014	7,836,490	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Total	7,836,490	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Funding Sources							
Fund Balance 4000005	834,793	823,044		823,044	823,044	823,044	823,044
Miscellaneous Revolving 4000350	7,824,873	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000
Miscellaneous Transfers 4000355	(132)	0		0	0	0	0
Total Funding	8,659,534	11,823,044		11,823,044	11,823,044	11,823,044	11,823,044
Excess Appropriation/(Funding)	(823,044)	(823,044)		(823,044)	(823,044)	(823,044)	(823,044)
Grand Total	7,836,490	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000

Analysis of Budget Request

Appropriation: 2TG - Public School Employees Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

The Insurance Department's Public School Employees Claims appropriation provides for the payments of public school employees claims. Funding comes from the Miscellaneous Revolving Fund derived from employer workers' compensation benefits contribution.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$400,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TG - Public School Employees Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Claims	5110015	21,427	400,000	400,000	400,000	400,000	400,000	400,000
Total		21,427	400,000	400,000	400,000	400,000	400,000	400,000
Funding Sources								
Fund Balance	4000005	431,893	430,511		430,511	430,511	430,511	430,511
Miscellaneous Revolving	4000350	20,045	400,000		400,000	400,000	400,000	400,000
Total Funding		451,938	830,511		830,511	830,511	830,511	830,511
Excess Appropriation/(Funding)		(430,511)	(430,511)		(430,511)	(430,511)	(430,511)	(430,511)
Grand Total		21,427	400,000		400,000	400,000	400,000	400,000

Analysis of Budget Request

Appropriation: 2TH - County Employee Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

The Insurance Department's County Employees Claims appropriation provides for the payments of county employees claims. Funding comes from the Miscellaneous Revolving Fund derived from employer workers' compensation benefits contribution.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$200,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TH - County Employee Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Claims 5110015	3,111	200,000	200,000	200,000	200,000	200,000	200,000
Total	3,111	200,000	200,000	200,000	200,000	200,000	200,000
Funding Sources							
Fund Balance 4000005	32,949	29,865		29,865	29,865	29,865	29,865
Miscellaneous Revolving 4000350	27	200,000		200,000	200,000	200,000	200,000
Total Funding	32,976	229,865		229,865	229,865	229,865	229,865
Excess Appropriation/(Funding)	(29,865)	(29,865)		(29,865)	(29,865)	(29,865)	(29,865)
Grand Total	3,111	200,000		200,000	200,000	200,000	200,000

Analysis of Budget Request

Appropriation: 2TJ - City Employee Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

The Insurance Department's City Employees Claims appropriation provides for the payments of city employees claims. Funding comes from the Miscellaneous Revolving Fund derived from employer workers' compensation benefits contribution.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$400,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TJ - City Employee Claims

Funding Sources: MTA - Miscellaneous Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			
	2021-2022 Actual	2022-2023 Budget	2022-2023 Authorized	2023-2024		2024-2025	
				Agency	Executive	Agency	Executive
Claims 5110015	10,116	400,000	400,000	400,000	400,000	400,000	400,000
Total	10,116	400,000	400,000	400,000	400,000	400,000	400,000
Funding Sources							
Fund Balance 4000005	286,145	276,061		276,061	276,061	276,061	276,061
Miscellaneous Revolving 4000350	32	400,000		400,000	400,000	400,000	400,000
Total Funding	286,177	676,061		676,061	676,061	676,061	676,061
Excess Appropriation/(Funding)	(276,061)	(276,061)		(276,061)	(276,061)	(276,061)	(276,061)
Grand Total	10,116	400,000		400,000	400,000	400,000	400,000

Analysis of Budget Request

Appropriation: 2TK - Consumer Info System - Cash

Funding Sources: NDD - Insurance Department - Cash in Treasury

The Consumer Information System is used to dispense information to the public concerning the various policy types, coverages, and purchasing options offered by the insurance industry. Funding comes from earned interest on a previous \$100 annual assessment levied on each licensed insurer, as authorized by Ark. Code Ann. § 23-63-108, but was repealed in the 2001-2003 Biennium.

Expenditure of appropriation is contingent upon available funding.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$28,005 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TK - Consumer Info System - Cash
Funding Sources: NDD - Insurance Department - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	1,547	28,005	28,005	28,005	28,005	28,005	28,005
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
Total		1,547	28,005	28,005	28,005	28,005	28,005	28,005
Funding Sources								
Fund Balance	4000005	55,832	54,795		27,190	27,190	0	0
Cash Fund	4000045	510	400		500	500	500	500
Total Funding		56,342	55,195		27,690	27,690	500	500
Excess Appropriation/(Funding)		(54,795)	(27,190)		315	315	27,505	27,505
Grand Total		1,547	28,005		28,005	28,005	28,005	28,005

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 2TM - Travel & Subsistence-Cash

Funding Sources: NDD - Insurance Department - Cash in Treasury

The Travel and Subsistence appropriation provides reimbursements to individual examiners for their personal expenses incurred during the examination process. Funding is cash revenues derived from examination of compliance costs paid by the insurer, pool, advisory organization, or residual market mechanism as determined by the Insurance Department.

Expenditure of appropriation is contingent upon available funding.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to discontinue this appropriation for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TM - Travel & Subsistence-Cash
Funding Sources: NDD - Insurance Department - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Travel & Subsistence Expenses 5900046	224	100,000	100,000	0	0	0	0
Total	224	100,000	100,000	0	0	0	0
Funding Sources							
Fund Balance 4000005	4,267	4,307		0	0	0	0
Cash Fund 4000045	264	100,000		0	0	0	0
Total Funding	4,531	104,307		0	0	0	0
Excess Appropriation/(Funding)	(4,307)	(4,307)		0	0	0	0
Grand Total	224	100,000		0	0	0	0

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 2TN - Prepaid Funeral Contracts Recovery

Funding Sources: TIP - Prepaid Funeral Contracts Program Recovery Fund

Act 1043 of 2001 established the Prepaid Funeral Contracts Recovery Program to reimburse purchasers of pre-need funeral contracts who suffer financial loss due to impairment, insolvency, business interruption, or improper inactivity of a licensed prepaid funeral organization.

Funding comes from one-time fees of no less than \$5 per contract, up to a maximum set by the State Insurance Commissioner, deposited into the State Insurance Department Prepaid Trust Fund. A portion of these collections may be transferred to the Prepaid Funeral Contracts Recovery Program Fund to pay expenses and claims incurred, as determined by the State Insurance Commissioner.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$500,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TN - Prepaid Funeral Contracts Recovery

Funding Sources: TIP - Prepaid Funeral Contracts Program Recovery Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Expenses & Claims	5900046	28,996	500,000	500,000	500,000	500,000	500,000	500,000
Total		28,996	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources								
Fund Balance	4000005	970,370	1,011,942		571,942	571,942	141,942	141,942
Special Revenue	4000030	5	60,000		70,000	70,000	70,000	70,000
Other	4000370	70,563	0		0	0	0	0
Total Funding		1,040,938	1,071,942		641,942	641,942	211,942	211,942
Excess Appropriation/(Funding)		(1,011,942)	(571,942)		(141,942)	(141,942)	288,058	288,058
Grand Total		28,996	500,000		500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 4HH - Criminal Background Checks-Cash

Funding Sources: NDD - Insurance Department - Cash in Treasury

This appropriation provides for criminal background checks for first-time license applicants. Funding is cash revenues derived from a \$22 fee charge and is used to obtain criminal background data from the Arkansas State Police.

Expenditure of appropriation is contingent upon available funding.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$125,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 4HH - Criminal Background Checks-Cash

Funding Sources: NDD - Insurance Department - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation		Agency Request and Executive Recommendation	
		2021-2022 Actual	2022-2023 Budget	2022-2023 Authorized	2023-2024		2024-2025	
					Agency	Executive	Agency	Executive
Operating Expenses	5020002	5,016	125,000	125,000	125,000	125,000	125,000	125,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
Total		5,016	125,000	125,000	125,000	125,000	125,000	125,000
Funding Sources								
Fund Balance	4000005	10,163	10,731		10,731	10,731	10,731	10,731
Cash Fund	4000045	5,584	125,000		125,000	125,000	125,000	125,000
Total Funding		15,747	135,731		135,731	135,731	135,731	135,731
Excess Appropriation/(Funding)		(10,731)	(10,731)		(10,731)	(10,731)	(10,731)	(10,731)
Grand Total		5,016	125,000		125,000	125,000	125,000	125,000

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 56A - Public School Insurance Program

Funding Sources: TPS - Public School Insurance Trust Fund

Act 738 of 2007 combined the School Motor Vehicle Operations Program and the Public Elementary and Secondary School Insurance Operations Program into the Public School Motor Vehicle Insurance Program to more efficiently and more economically provide coverage for vehicles of participating public school districts, education service cooperatives, and open-enrollment public charter schools.

Funding is derived from vehicle insurance premiums paid by participating entities.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$20,000,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 56A - Public School Insurance Program

Funding Sources: TPS - Public School Insurance Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Expenses and Claims	5900046	10,240,932	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total		10,240,932	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Funding Sources								
Fund Balance	4000005	10,611,400	20,957,396		11,957,396	11,957,396	11,957,396	11,957,396
Special Revenue	4000030	11,574,723	11,000,000		10,000,000	10,000,000	10,000,000	10,000,000
Interest	4000300	12,205	0		0	0	0	0
Investments	4000315	9,000,000	0		10,000,000	10,000,000	10,000,000	10,000,000
Total Funding		31,198,328	31,957,396		31,957,396	31,957,396	31,957,396	31,957,396
Excess Appropriation/(Funding)		(20,957,396)	(11,957,396)		(11,957,396)	(11,957,396)	(11,957,396)	(11,957,396)
Grand Total		10,240,932	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000

Analysis of Budget Request

Appropriation: N41 - MIPPA - 3

Funding Sources: FID - Insurance Department - Federal

This appropriation was established through the authority of the Miscellaneous Federal Grant Act and was originally approved by Arkansas legislative Council in FY15. The Medicare Improvements for Patients and Providers Act (MIPPA) Program provides application assistance to people likely to be eligible for low income subsidy program (LIS), the Medicaid Part D Prescription Drug Program, and outreach aimed at preventing disease and promoting wellness.

Funding is 100% federal.

With the exception of Capital Outlay, continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting appropriation in the amount of \$488,000 in each year of the biennium.

The Agency Request includes the following changes:

- Reallocation of appropriation within commitment items for better alignment of expenditures.
- Change the Appropriation Title to "MIPPA" to allow the agency to utilize appropriation for all MIPPA related grants.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: N41 - MIPPA - 3

Funding Sources: FID - Insurance Department - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	0	0	20,000	20,000	20,000	20,000	20,000	
#Positions		0	0	0	0	0	0	0	
Personal Services Matching	5010003	0	0	8,000	8,000	8,000	8,000	8,000	
Operating Expenses	5020002	106,561	150,000	150,000	150,000	150,000	150,000	150,000	
Conference & Travel Expenses	5050009	0	10,000	10,000	10,000	10,000	10,000	10,000	
Professional Fees	5060010	298,700	250,000	250,000	250,000	250,000	250,000	250,000	
Data Processing	5090012	0	0	0	0	0	0	0	
Promotional Items	5090028	51,098	50,000	50,000	50,000	50,000	50,000	50,000	
Capital Outlay	5120011	0	30,000	30,000	0	0	0	0	
Total		456,359	490,000	518,000	488,000	488,000	488,000	488,000	
Funding Sources									
Fund Balance	4000005	9,246	65		185,565	185,565	185,565	185,565	
Federal Revenue	4000020	445,178	675,500		488,000	488,000	488,000	488,000	
Other	4000370	2,000	0		0	0	0	0	
Total Funding		456,424	675,565		673,565	673,565	673,565	673,565	
Excess Appropriation/(Funding)		(65)	(185,565)		(185,565)	(185,565)	(185,565)	(185,565)	
Grand Total		456,359	490,000		488,000	488,000	488,000	488,000	

Analysis of Budget Request

Appropriation: V46 - AR Healthcare Transparency Initiative Database

Funding Sources: THT - Arkansas Healthcare Transparency Initiative Fund

The Arkansas Healthcare Transparency Initiative was established, Ark. Code Ann. § 23-61-904, with the purpose to create a database, including ongoing all-payer claims database projects funded through the State Insurance Department that receives and stores data from a submitting entity relating to medical, dental, and pharmaceutical and other insurance claims information, unique identifiers, and geographic and demographic information for covered individuals.

Funding comes from the Arkansas Healthcare Transparency Initiative Fund consisting of penalties imposed on entities who fail to submit data as requested by the Department and any interest invested.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$3,200,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: V46 - AR Healthcare Transparency Initiative Database

Funding Sources: THT - Arkansas Healthcare Transparency Initiative Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Healthcare Transparency Initiati 5900046	1,759,635	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Total	1,759,635	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Funding Sources							
Fund Balance 4000005	780,183	1,235,062		1,235,062	1,235,062	1,235,062	1,235,062
Special Revenue 4000030	1,895,886	3,200,000		3,200,000	3,200,000	3,200,000	3,200,000
Intra-agency Fund Transfer 4000317	318,628	0		0	0	0	0
Total Funding	2,994,697	4,435,062		4,435,062	4,435,062	4,435,062	4,435,062
Excess Appropriation/(Funding)	(1,235,062)	(1,235,062)		(1,235,062)	(1,235,062)	(1,235,062)	(1,235,062)
Grand Total	1,759,635	3,200,000		3,200,000	3,200,000	3,200,000	3,200,000

Analysis of Budget Request

Appropriation: V98 - Funeral Services

Funding Sources: NBS - Insurance Department - Cash in Treasury

Act 788 of 2017 transferred the Arkansas Cemetery Board, State Board of Embalmers and Funeral Directors, and Burial Association Board to the State Insurance Department and merged the boards together as the State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services. The Board consists of 9 members, including the Insurance Commissioner, appointed by the Governor.

This appropriation provides for the personal services and operating expenses of the Board. Funding comes from cash revenues derived from license and renewal fees and annual permit costs pertaining to burial associations, cemetery maintenance, embalmers and funeral directors.

Expenditure of appropriation is contingent upon available funding.

With the exception of Regular Salaries and Personal Services Matching, continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$598,610 in FY24 and \$602,570 in FY25.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: V98 - Funeral Services

Funding Sources: NBS - Insurance Department - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	240,756	270,923	245,995	264,828	264,828	264,828	264,828
#Positions		6	6	6	6	6	6	6
Personal Services Matching	5010003	97,039	100,762	89,988	103,126	103,126	107,086	107,086
Operating Expenses	5020002	20,568	167,242	167,242	167,242	167,242	167,242	167,242
Conference & Travel Expenses	5050009	443	5,464	5,464	5,464	5,464	5,464	5,464
Professional Fees	5060010	0	2,950	2,950	2,950	2,950	2,950	2,950
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
Loans	5120029	0	55,000	55,000	55,000	55,000	55,000	55,000
Total		358,806	602,341	566,639	598,610	598,610	602,570	602,570

Funding Sources								
Fund Balance	4000005	1,005,924	1,018,499		683,158	683,158	461,048	461,048
Cash Fund	4000045	370,781	267,000		325,000	325,000	325,000	325,000
Inter-agency Fund Transfer	4000316	600	0		0	0	0	0
Other	4000370	0	0		51,500	51,500	51,500	51,500
Total Funding		1,377,305	1,285,499		1,059,658	1,059,658	837,548	837,548
Excess Appropriation/(Funding)		(1,018,499)	(683,158)		(461,048)	(461,048)	(234,978)	(234,978)
Grand Total		358,806	602,341		598,610	598,610	602,570	602,570

FY23 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 Biennium. Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: X39 - Market Stabilization Grant

Funding Sources: FID - Insurance Department - Federal

This appropriation was established through the authority of the Miscellaneous Federal Grant Act and was approved by Arkansas Legislative Council in FY19. The State Flexibility to Stabilize the Market Grant Program, also known as the Market Stabilization Grant Program, provides for the study of cost and utilization of Marketplace plans derived from the State's innovative tool, Arkansas All Payer Claims Database (APCD). An actuary is contracted to determine whether options exist that could lower premiums and further stabilize the health insurance market in AR through use of a high risk pool, a reinsurance pool, etc.

Funding is 100% federal.

With the exception of Regular Salaries and Personal Services Matching, continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting appropriation in the amount of \$233,661 in FY24 and \$234,321 in FY25.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: X39 - Market Stabilization Grant

Funding Sources: FID - Insurance Department - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	18,222	76,421	72,500	73,621	73,621	73,621	73,621
#Positions		0	1	0	1	1	1	1
Personal Services Matching	5010003	5,688	24,060	24,000	24,040	24,040	24,700	24,700
Operating Expenses	5020002	2,441	8,000	8,000	8,000	8,000	8,000	8,000
Conference & Travel Expenses	5050009	50	3,000	3,000	3,000	3,000	3,000	3,000
Professional Fees	5060010	44,372	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing	5090012	0	0	0	0	0	0	0
Promotional Items	5090028	0	25,000	25,000	25,000	25,000	25,000	25,000
Capital Outlay	5120011	0	0	0	0	0	0	0
Total		70,773	236,481	232,500	233,661	233,661	234,321	234,321
Funding Sources								
Fund Balance	4000005	0	8,374		421,893	421,893	421,893	421,893
Federal Revenue	4000020	79,147	650,000		233,661	233,661	234,321	234,321
Total Funding		79,147	658,374		655,554	655,554	656,214	656,214
Excess Appropriation/(Funding)		(8,374)	(421,893)		(421,893)	(421,893)	(421,893)	(421,893)
Grand Total		70,773	236,481		233,661	233,661	234,321	234,321

FY23 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2021-2023 Biennium. Variance in number of positions in Authorized and Agency Request is due to single salary section in appropriation act.

Analysis of Budget Request

Appropriation: Z65 - Firefighters Cancer Relief

Funding Sources: TFC - Arkansas Firefighter Cancer Relief Network Trust Fund

Act 823 of 2019 created the Arkansas Firefighter Cancer Relief Network Trust Fund to fund relief for firefighters who are diagnosed with cancer and participating in a firefighter cancer relief network created and governed by the Arkansas Association of Fire Chiefs, the Arkansas Professional Fire Fighters Association, and the Arkansas State Firefighters Association Inc. Funding comes from donations.

Continuing level of appropriation is the FY2023 Authorized.

The Agency is requesting to continue appropriation in the amount of \$250,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: Z65 - Firefighters Cancer Relief

Funding Sources: TFC - Arkansas Firefighter Cancer Relief Network Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2021-2022	2022-2023	2022-2023	2023-2024		2024-2025	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Grants and Aid	5100004	0	250,000	250,000	250,000	250,000	250,000	250,000
Total		0	250,000	250,000	250,000	250,000	250,000	250,000
Funding Sources								
Fund Balance	4000005	14,500	22,500		22,500	22,500	22,500	22,500
Other	4000370	8,000	250,000		250,000	250,000	250,000	250,000
Total Funding		22,500	272,500		272,500	272,500	272,500	272,500
Excess Appropriation/(Funding)		(22,500)	(22,500)		(22,500)	(22,500)	(22,500)	(22,500)
Grand Total		0	250,000		250,000	250,000	250,000	250,000