

Budget and Appropriation Overview



*Fiscal Services Division
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Basic Information:

1. Each Agency & Institution has an appropriation bill(s) which provide authority for that entity to spend money and have employees.
2. In these appropriation bills the General Assembly sets:
 - maximum amount of money that entity can spend
 - what it can be spent for
 - where the money comes from (funding)
 - how many positions and what the pay is for each position
3. Prior to a Regular Session ALC/JBC meets in Budget Hearings to determine how operation appropriation bills will be drafted (those items listed in #2 above).
4. Operation appropriation bills are for the next fiscal year that will begin July 1, after the session.
 - The State Fiscal Year is July 1 to June 30.

APPROPRIATION BILL

GIVES AN AGENCY OR INSTITUTION OF HIGHER EDUCATION THE AUTHORITY TO PAY EMPLOYEES AND TO SPEND MONEY FOR OPERATING EXPENSES.



Authorizes Positions



Provides Authority to Spend

- Agencies and Institutions cannot operate (would shut down) without an appropriation bill enacted by the General Assembly

APPROPRIATION BILL

Constitutional Restrictions

1 Year Limit on Appropriations – Agencies must have an appropriation bill for each fiscal year.

- State Fiscal Year is July 1 to June 30.
- We are currently in FY2023 (July 1, 2022 to June 30, 2023) the appropriation bills for this time period were enacted during the last Fiscal Session.
- This Session the General Assembly will be considering appropriation bills for FY2024 (July 1, 2023 to June 30, 2024)

Single Subject – Each Agency & Institution must have their own appropriation bill.

General Appropriation Bill must be passed first.

APPROPRIATION BILL

Types

- **Regular Appropriation (Agency or Institutions Annual Operations)**
 - 1-year period
 - Effective July 1
- **Supplemental Appropriation (Adds spending Authority for Current Year)**
 - Effective before July 1 because it has emergency clause making it effective upon passage of the bill
 - Usually adds additional spending authority to what currently existing
 - If additional funding is needed, to go along with the authority to spend, it is usually transferred from unobligated Surplus
- **New Construction/Repair/Maintenance**
 - Development and Enhancement Fund (DEF) Previously General Improvement Fund (GIF)
- **Reappropriations (No new money – allows existing balances to be expended)**

Appropriation Bill - Regular Salary Section

For An Act To Be Entitled

AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES AND OPERATING EXPENSES FOR THE ARKANSAS DEPARTMENT OF SUMMER ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2020; AND FOR OTHER PURPOSES.

SECTION 1. REGULAR SALARIES. There is hereby established for the Arkansas Department of Summer Activities for the 2019-2020 fiscal year, the following maximum number of regular employees.

For Who

Item No.	Class Code	Authorized Titles	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2019-2020
(1)	ZZZ1N	SA DIRECTOR	1	GRADE GS15
(2)	A001C	SA DEPUTY DIRECTOR	1	GRADE GS11
(3)	B001C	SA PROGRAM MANAGER	1	GRADE GS10
(4)	L035C	NUTRITIONIST SUPERVISOR	1	GRADE GS08
(5)	G180C	GRANTS ANALYST	1	GRADE GS06
(6)	C001C	CURRICULUM COORDINATOR	2	GRADE GS06
(7)	R027C	BUDGET SPECIALIST	1	GRADE GS06
(8)	E001C	EDUCATION AND INSTRUCTION STAFF	25	GRADE GS05
(9)	C056C	ADMINISTRATIVE SPECIALIST III	2	GRADE GS04
MAX. NO. OF EMPLOYEES			35	

Grade or Authorized Salary Range

Total Number of Positions Authorized

Appropriation Bill - Appropriation Sections

Fund Source – How is it funded

What Agency

What Agency

SECTION 1. APPROPRIATION - OPERATIONS. There is hereby appropriated, to the Arkansas Department of Summer Activities, to be payable from the Miscellaneous Agencies Fund Account, for personal services and operating expenses of the Arkansas Department of Summer Activities - Operations for the fiscal year ending June 30, 2020, the following:

SECTION 4. APPROPRIATION - LUNCH PROGRAM - FEDERAL. There is hereby appropriated, to the Arkansas Department of Summer Activities, to be payable from the federal funds as designated by the Chief Fiscal Officer of the State, for personal services and operating expenses of the Arkansas Department of Summer Activities - Lunch Program - Federal for the fiscal year ending June 30, 2020, the following:

Purpose

Purpose

ITEM NO.	2019-2020
(01) REGULAR SALARIES	\$418,121
(02) PERSONAL SERVICES MATCHING	135,850
(03) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	119,918
(B) CONF. & TRAVEL	0
(C) PROF. FEES	10,000
(D) CAP. OUTLAY	0
(E) DATA PROC.	0
TOTAL AMOUNT APPROPRIATED	<u>\$683,889</u>

ITEM NO.	2019-2020
(01) REGULAR SALARIES	\$359,234
(02) PERSONAL SERVICES MATCHING	127,089
(03) OVERTIME	17,041
(04) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	150,000
(B) CONF. & TRAVEL	5,000
(C) PROF. FEES	31,242
(D) CAP. OUTLAY	0
(E) DATA PROC.	0
(05) GRANTS & AID: SUMMER LUNCH PROGRAM	<u>50,000</u>
TOTAL AMOUNT APPROPRIATED	<u>\$739,606</u>

Maximum Amount Authorized to Spend

Appropriation Bill – Special Language Sections

Special Language is a section of law, usually temporary, within an Agency or Institution's appropriation bill that grants extraordinary authority or sets restrictions on how the Agency or Institution may use appropriations, funding, positions, etc.

Example:

SECTION 20. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. BREAST CARE PROGRAM. The Arkansas Department of Health shall annually budget, allocate, and expend for the Breast Care Program as appropriated in the Operations Section in this Act, the sum of at least four million seven hundred fifty-five thousand dollars (\$4,755,000) for Breast Cancer screening, diagnosis, treatment and outreach expenses of the Breast Care Program.

The Arkansas Department of Health shall file an annual progress report by each January 1 preceding a session of the General Assembly to the Co-Chairs of the ~~Legislative Women's Caucus~~ House and Senate⁸

Appropriation Bill

Appropriation
(Spending Authority) \neq Funding
(Money)

*SPENDING IS LIMITED BY THE AVAILABLE APPROPRIATION
OR THE AVAILABLE MONEY- WHICHEVER IS LESS.*

RSA / Official General Revenue Forecast Summary

Revenue Stabilization Act (RSA)

- The General Assembly enacts a new RSA each legislative session that sets the total amount and how general revenue funding will be distributed.
- RSA may have various priorities that are funded first in the event not enough taxes are collected to fully fund RSA.

The Official General Revenue Forecast.

- The Chief Fiscal Officer is charged with forecasting projected tax collections and monitoring actual tax collections. This forecast may be revised up or down at any time.
- If the Forecast is less than what the General Assembly authorized in RSA then Agencies and Institutions must adjust their budget (spending) downward so that total spending is

Condensed RSA Schedule	2021-22	2022-2023 FISCAL YEAR			2022-23 Forecast	\$ Change	% Change
General Revenue		A	B	TOTAL ALLOCATION	May 18, 2022 Forecast	Change Level Compared to Previous Year	
Total Public School Fund	\$ 2,257,895,761	\$ 2,225,763,798	\$ 101,758,267	\$ 2,327,522,065	\$2,327,522,065	\$ 69,626,304	3.084%
Department of Education	\$17,149,189	\$ 16,379,120	\$ 817,321	\$ 17,196,441	\$17,196,441	\$ 47,252	0.276%
Div. of Elementary and Secondary Education-Succeed	\$3,300,000	\$ 3,300,000	\$ -	\$ 3,300,000	\$3,300,000	\$ -	-
Education Facilities Partnership	\$41,828,951	\$ 41,828,951	\$ 28,500,000	\$ 70,328,951	\$70,328,951	\$ 28,500,000	68.135%
Division of Academic Facilities & Transportation	2,658,305	2,531,297	131,198	2,662,495	2,662,495	\$ 4,190	0.158%
Educational Television	\$5,459,958	\$ 5,393,951	\$ 78,930	\$ 5,472,881	\$5,472,881	\$ 12,923	0.237%
School for the Blind	7,703,572	7,136,122	585,430	7,721,552	7,721,552	\$ 17,980	0.233%
School for the Deaf	\$11,070,981	\$ 10,372,183	\$ 720,136	\$ 11,092,319	\$11,092,319	\$ 21,338	0.193%
State Library	3,695,744	3,515,890	180,840	3,696,730	3,696,730	\$ 986	0.027%
Division of Career and Technical Education	\$9,500	\$ 9,500	\$ -	\$ 9,500	\$9,500	\$ -	-
Rehabilitation Services	11,596,466	11,641,802	\$ -	11,641,802	11,641,802	\$ 45,336	0.391%
Northwest TI	\$3,059,189	\$ 3,066,434	\$ -	\$ 3,066,434	\$3,066,434	\$ 7,245	0.237%
Total Department of Human Services	\$1,783,382,813	\$ 1,723,733,133	\$ 105,966,432	\$ 1,829,699,565	\$1,829,699,565	\$46,316,752	2.597%
Division of Arkansas Heritage	7,324,050	7,327,148	0	7,327,148	7,327,148	\$ 3,098	0.042%
Department of Agriculture	18,277,498	17,406,921	886,174	18,293,095	18,293,095	\$ 15,597	0.065%
Department of Labor and Licensing	3,777,575	3,127,575	650,000	3,777,575	3,777,575	\$ -	-
Division of Higher Education	11,644,080	11,066,536	579,272	11,645,808	11,645,808	\$ 1,728	0.015%
Higher Education Grants	40,619,625	38,018,752	2,600,873	40,619,625	40,619,625	\$ -	-
Economic Development Commission	15,233,684	20,355,029	680,874	21,035,903	21,035,903	\$ 5,802,219	38.088%
Division of Correction	\$375,058,996	\$ 369,577,554	\$ 9,378,462	\$ 378,956,016	\$378,956,016	\$3,897,020	1.039%
Division of Community Correction	\$96,899,889	\$ 94,397,166	\$ 3,256,341	\$ 97,653,507	\$97,653,507	\$753,618	0.778%
Department of the Military	7,745,921	7,069,321	879,051	7,748,372	7,748,372	\$ 2,451	0.032%
Parks and Tourism	20,614,754	20,630,801	0	20,630,801	20,630,801	\$ 16,047	0.078%
Division of Environmental Quality	4,045,277	3,848,855	198,271	4,047,126	4,047,126	\$ 1,849	0.046%
Miscellaneous Agencies	72,860,695	73,001,326	42,629	73,043,955	73,043,955	\$ 183,260	0.252%
County Aid	21,428,616	20,357,186	1,071,430	21,428,616	21,428,616	\$ -	-
County Jail Reimbursement	19,365,944	24,797,647	968,297	25,765,944	25,765,944	\$ 6,400,000	-
Crime Information Center	2,541,309	2,143,658	0	2,143,658	2,143,658	\$ (397,651)	-15.647%
Child Support Enforcement	12,619,632	12,631,574	0	12,631,574	12,631,574	\$ 11,942	0.095%
Health Department	\$80,387,021	\$ 80,496,222	\$ 413,847	\$ 80,910,069	\$80,910,069	\$523,048	0.651%
Performance Fund (Merit Adjustment)		0	10,000,000	10,000,000	10,000,000	\$ 10,000,000	-
Municipal Aid	29,372,099	27,903,494	1,468,605	29,372,099	29,372,099	\$ -	-
Division of Arkansas State Police	\$70,554,741	\$ 74,001,474	\$ 4,117,040	\$ 78,118,514	\$78,118,514	\$7,563,773	10.720%
Workforce Services - TANF	3,682,210	3,685,419	0	3,685,419	3,685,419	\$ 3,209	0.087%
Workforce Services - Adult Ed	918,273	918,996	0	918,996	918,996	\$ 723	0.079%
State Services for the Blind	1,897,471	1,900,926	0	1,900,926	1,900,926	\$ 3,455	0.182%
Skills Development Fund	3,585,793	3,586,921	0	3,586,921	3,586,921	\$ 1,128	0.031%
Total Institutions of Higher Education	\$762,776,198,000	\$ 712,820,603	\$ 62,856,471	\$ 775,677,074	\$775,677,074	\$12,900,876	1.691%
RESTRICTED RESERVE FUND	\$ 17,158,003	\$ -	\$ -	\$ -	\$ -	\$ -	-
TOTAL GENERAL REVENUE DISTRIBUTED	\$ 5,849,199,783	\$ 5,685,743,285	\$ 338,586,191	\$ 6,024,329,476	\$ 6,024,329,476	\$ 175,129,693	2.994%

What your Arkansas tax dollar pays for



2¢
Dept of
Public
Safety

42¢
Public School
Fund & Dept.
of Education

31¢
DHS &
Health Dept

13¢
Institutions
of Higher
Education

8¢
Dept of
Corrections

4¢
Gen
Gov't &
Local
Aid

Excludes "off the top" deductions such as refunds, claims, debt services, constitutional offices, etc.

Joint Budget Committee (JBC)

- During the Legislative Session the Joint Budget Committee (JBC) begins meeting at the call of the Chairs.
 - JBC traditionally meets Tuesday, Wednesday and Thursday from 9am to 10am in Big Mac A.
- Subcommittees are appointed, which are:
 - Personnel
 - Rules and Regulations
 - Special Language
 - PEER / Review
 - Claims
- Bills with new positions are referred to the JBC Personnel Subcommittee and bills with new special language are referred to the JBC Special Language Subcommittees for a recommendation prior to a vote by the

Joint Budget Committee

The Role of the Joint Budget Committee:

1. Consider the appropriation bills before recommending them to the House and Senate Chambers to be placed on a Budget Calendar.
2. Consider any Governor's proposed changes and new initiatives, which are referred to as "Governors Letters".
 - Some examples of Governors Letter requests include, new Supplemental bills, new Construction appropriation bills, and amendments to existing appropriation bills to address a change in priority or newly identified need.
3. Consider new individual member(s) sponsored appropriation bills.
4. Recommend a state employee classification and compensation bill, which sets out how much state employees are paid and associated pay restrictions or flexibility.
5. Recommend general revenue funding level for the next fiscal year, with an amendment to Revenue

Joint Budget Committee

Process:

1. First the appropriation or budget related bills are introduced in the House or Senate Chamber and are referred to the Joint Budget Committee.
 - These bills include appropriation bills (operation bills, reappropriation bills, supplemental bills and construction/capital improvement bills), a Revenue Stabilization bill, a Restricted Reserve bill, and the Classification and Compensation bill.
2. Amendments or new member bills with additional positions are usually referred to the Personnel Subcommittee for consideration.
3. Amendments or new member bills with new special language are usually referred to the Special Language Subcommittee for consideration.
4. Legislators can place “Holds” on appropriation bills to keep them in JBC.
 - Holds can be for pending member amendments

How an Appropriation Bill can become an Act



1. Budget Hearings Arkansas Legislative Council/Joint Budget Committee (ALC/JBC) for a Regular Session or Joint Budget Committee (JBC) for a Fiscal Session conducts Budget Hearings to determine how appropriation bills will be drafted for Agencies & Institutions.

Legislative Session Starts

2. Appropriation bills are introduced in House or Senate then referred to the Joint Budget Committee.

3. Joint Budget Committee

The bill may be referred to a subcommittee prior to receiving a vote. Bills or amendments with new positions or new special language are usually referred to a JBC Subcommittee prior to full committee vote on a motion.

Possible JBC Motions:

“AMENDMENT ADOPTED”
The amendment is placed on House or Senate Budget Calendar to be voted on. If adopted the bill is engrossed **and referred back to JBC**. An appropriation bill may be amended multiple times.



“DO PASS”
Bill Receives
“Do Pass” in
JBC...



“DO PASS AS AMENDED”
First the Amendment is placed on House or Senate Budget Calendar. Once Amendment is adopted the bill is then engrossed, the bill is then ready...



***4.** The bill or amendment is placed on a **House or Senate Budget Calendar** to be voted on in House/Senate. If it is an amendment and it passes, the amendment is then engrossed into the bill. If the bill passes (3/4 vote required) it is transmitted to the other chamber.

***5.** If the bill on the Budget Calendar passes the second chamber (3/4 vote required) it is delivered to the Governor.

6. The Governor may sign bill into law, wait for the bill to become an Act without his or her signature or veto the bill or line item. If the Governor vetoes the bill or line item, the General Assembly may vote to override the veto, with a majority vote in both chambers.

* Appropriation bill may be re-referred to JBC from the House or Senate.