

SUMMARY BUDGET INFORMATION

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2010 AGENCY FUND TRANSFERS

For your information, the Office of Budget has enumerated the following fund transfers which were made from agency treasury fund accounts but do not appear on the Appropriation Summary as expenditures

<u>Agency</u>	<u>Blanket Surety Bond Premiums ACA §21-2-710</u>	<u>Claims ACA §19-10-204</u>	<u>Workers' Compensation Administrative Cost Reimbursement ACA §11-9-307</u>
Environmental Quality, Department of	\$590	\$426	\$1,341
Geological Survey, Arkansas	\$100	\$0	\$244
Heritage, AR Department of - Administration	\$203	\$0	\$447
Arkansas Arts Council	\$0	\$45	\$0
Historic Arkansas Museum Commission	\$0	\$0	\$48
Natural Heritage Commission	\$0	\$0	\$295
Old State House Commission	\$0	\$0	\$56
Military Department, State	\$805	\$0	\$14,484

AGENCY POSITION USAGE REPORT

Agency	FY2010 - FY2011						3 YEAR AVERAGE(FY09,FY10,FY11)					
	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
		Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
Environmental Quality, Department of	430	389	33	422	8	9.53 %	427	395	29	424	3	7.49 %
Geological Survey, Arkansas	30	27	2	29	1	10.00 %	28	26	1	27	1	7.14 %
Heritage, AR Department of - Administration	34	33	1	34	0	2.94 %	32	31	1	32	0	3.13 %
Arkansas Arts Council	10	9	1	10	0	10.00 %	10	9	0	9	1	10.00 %
Delta Cultural Center	11	10	1	11	0	9.09 %	11	10	0	10	1	9.09 %
Historic Arkansas Museum Commission	22	20	2	22	0	9.09 %	22	21	1	22	0	4.55 %
Historic Preservation	25	24	1	25	0	4.00 %	25	24	0	24	1	4.00 %
Mosaic Templars Cultural Center	8	7	1	8	0	12.50 %	9	7	0	7	2	22.22 %
Natural & Cultural Resources Council	1	1	0	1	0	0.00 %	1	1	0	1	0	0.00 %
Natural Heritage Commission	13	12	1	13	0	7.69 %	13	12	0	12	1	7.69 %
Old State House Commission	22	22	0	22	0	0.00 %	22	22	0	22	0	0.00 %
Military Department, State	759	553	76	629	130	27.14 %	772	552	57	609	163	28.50 %

DEPARTMENT OF ENVIRONMENTAL QUALITY

Enabling Laws

Act 213 of 2010

The Arkansas Department of Environmental Quality ("ADEQ") is organized into six regulatory divisions that focus on specific elements of the environment. Listed below are those divisions together with their controlling laws as are codified in The Arkansas Code of 1987 Annotated.

AIR - A.C.A. §§ 8-3-101 et seq., 8-4-301 et seq., 8-4-401 et seq.

WATER - A.C.A. §§ 8-4-101 , et seq., 8-4-201 et seq., 8-5-201 et seq.

MINING - A.C.A. §§ 15-57-101 et seq., 15-58-101 et seq.

SOLID WASTE - A.C.A. §§ 8-6-201 et seq., 8-6-601 et seq., 8-6-901 et seq., 8-6-1001 et seq., 8-6-1201 et seq., 8-6-1601 et seq., 8-9-101 et seq., 8-9-201 et seq., 8-9-301 et seq., 8-9-401 et seq.

HAZARDOUS WASTE - A.C.A. §§ 8-7-201 et seq., 8-7-501 et seq., 8-7-1101 et seq.

REGULATED STORAGE TANKS - A.C.A. §§ 8-7-801 et seq., 8-7-901 et seq.

Other statues covering the organization and administration of ADEQ include: A.C.A. §§ 8-1-101 et seq., 8-1-201 et seq., 8-2-201 et seq., 8-6-1501 et seq.

History and Organization

The Arkansas Department of Environmental Quality (formerly the Department of Pollution Control and Ecology) was officially established in 1971. As part of the overall reorganization of state government, Act 38 established the Arkansas Department of Pollution Control and Ecology as a cabinet-level unit of state government, changed the name of the Commission to the Arkansas Pollution Control and Ecology Commission, and designated the Commission as the environmental policy-making body for the state.

With the passage of Acts 744 and 1230 in 1991, the Agency was officially renamed to the Department of Environmental Quality (ADEQ), the Pollution Control and Ecology Commission was restructured and the powers and duties of the Commission and the Agency were clarified. The Commission is now composed of the directors of six state agencies--Health Department, Forestry Commission, Game and Fish Commission, Geological Survey, Oil and Gas Commission, and Natural Resources Commission--as well as seven private citizens appointed by the Governor and confirmed by the Senate. Each of the four congressional districts existing at the time of the 1991 law must be represented by at least one private-sector appointee on the Commission, with no congressional district having more than two Commissioners.

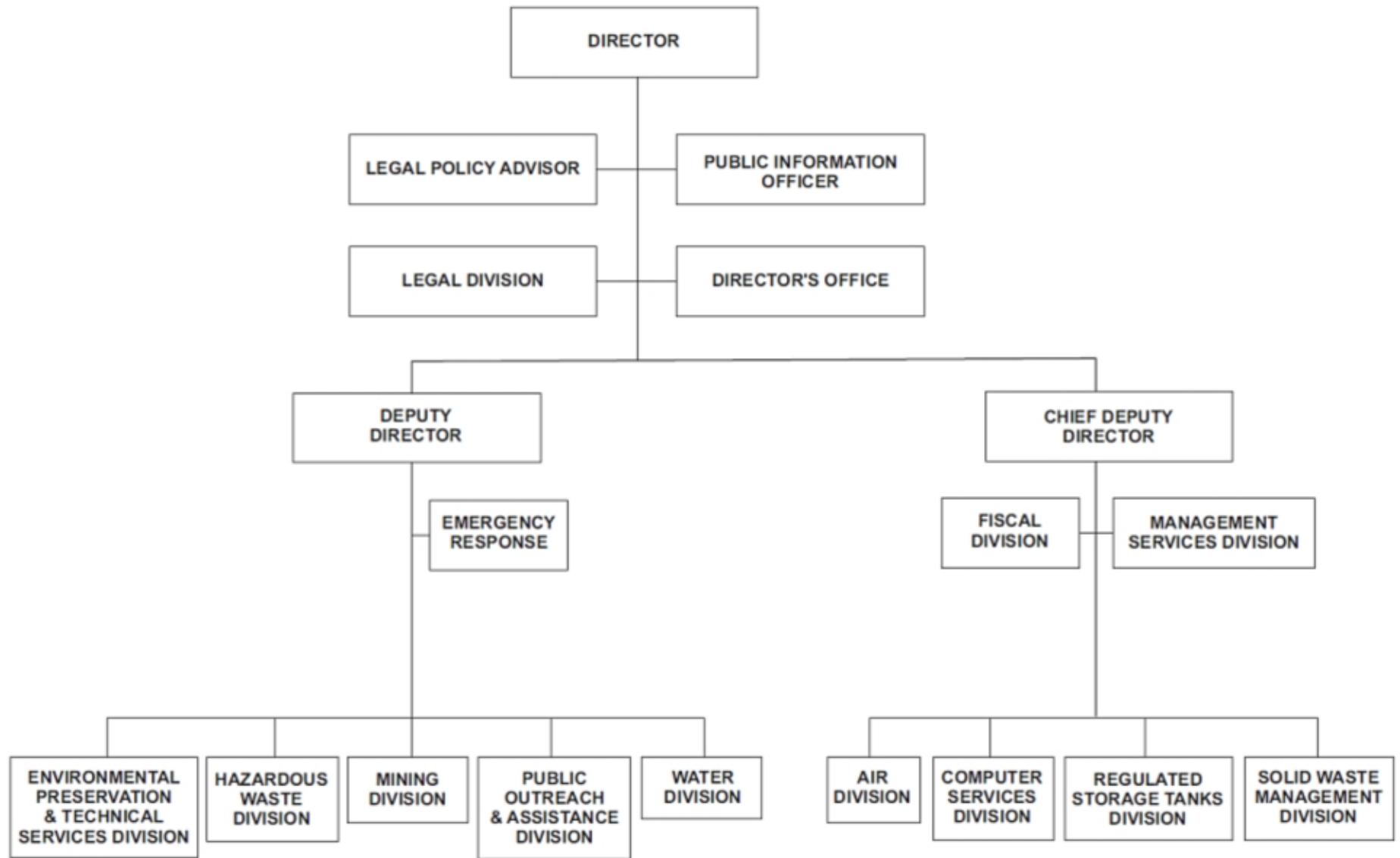
The Arkansas Department of Environmental Quality is the primary environmental regulatory agency for the State of Arkansas. The Agency is responsible for implementing the State's environmental laws and regulations as established by the Arkansas legislature and the Arkansas Pollution Control and Ecology Commission. In large part, the programs implemented by ADEQ are either authorized, or approved by delegated authority from our federal counterparts, primarily the Environmental Protection Agency and the Office of Surface Mining.

The mission of the Arkansas Department of Environmental Quality is: "To protect, enhance and restore the natural environment for the well-being of all Arkansans." The Agency has a two-part vision of the future--"We envision Arkansas with clean air, water and land, where all Arkansans strive to conserve and protect these assets for the benefit and enjoyment of this and future generations" and "We envision the Arkansas Department of Environmental Quality as a respected steward of the environment, where pro-active, results-oriented staff, operating in a professional atmosphere, inspire Arkansans to conserve and protect our natural resources".

The Agency's programs are comprised of four distinct program areas: Air, Water, Land and Environmental Management. The Air Program is responsible for ensuring that the air is clean and healthy. The Water Program is responsible for ensuring that the physical, chemical and biological integrity of all Arkansas' waters are protected and enhanced. The Land Program, which consists of the regulatory divisions of Solid Waste, Mining, Hazardous Waste, and Regulated Storage Tanks, is responsible for ensuring that land-based activities achieve, maintain and enhance a healthy environment.

The ADEQ Environmental Management Program includes a number of other divisions which are involved in specific environmental activities or which provide general support for other Agency divisions. Program area divisions include the Environmental Preservation and Technical Services Division which provides assistance on environmental impact analyses and restoration activities which are not generally subject to regulation as well as Geographic Information Systems support for program activities. The Public Outreach and Assistance Division assists industries and other regulated entities in understanding and following their statutory and regulatory requirements and ADEQ's processes for obtaining permits, licenses and registrations. The Emergency Response Program serves as the Agency's coordinator for overseeing and assisting in the response to environmental emergencies, spills, releases and other conditions that pose an immediate threat to human health and the environment.

The Agency's support groups consist of the Technical Services Division, which performs environmental sample analyses; the Public Outreach and Assistance Division which maintains the Agency's official records and handles FOI requests; the Computer Services Division, which maintains the Agency's data network and information processing systems; the Legal Division, which represents the Agency regarding all legal issues and litigation involving permit appeals and enforcement actions, and assists Agency administration in legislative and regulatory matters; the Fiscal Division which is responsible for tracking state appropriations and federal grants, collection and disbursement of various permit fees, other general bookkeeping activities, and permit fee administration. The support group is rounded out by the Management Services Division, which provides support services for such areas as human resource management; telecommunications; and building and fleet operation and maintenance. The Environmental Management Program efficiently and effectively applies its resources and authorities to achieve the highest standards of agency and environmental management.



Agency Commentary

The Arkansas Department of Environmental Quality (ADEQ) works to protect and enhance the State's environment through regulatory programs, outreach and educational activities. The Agency consists of four major program areas: Air, Water, Land, and Environmental Management.

During the 2009-11 biennium, ADEQ maintained or increased its efforts in the program areas of air, water, land, and environmental management. The budget request found in the following pages continues current mandated programs and addresses emerging environmental issues. Special emphasis is placed on covering projected needs for the biennium through reallocation of base level funding and appropriation.

Estimated federal monies available to the Agency for this biennium are listed below. Full utilization of these funds is contingent on actual Congressional appropriation, availability of matching funds, if required, and specific grant requirements.

PROGRAM	ANNUAL AMOUNT
105 Air Program	\$1,003,114
Ambient Air Monitoring	350,000
Abandoned Mine Program (Admin)	474,235
RCRA Hazardous Waste	905,000
Permanent Mining Program	156,704
604 (b) Water Quality Planning	100,000
Underground Injection Control	84,990
106 Water Pollution Control	1,972,200
Superfund Program	700,000
Abandoned Mine Reclamation	1,832,944
Underground Storage Tanks	1,182,644
Pine Bluff Arsenal	300,000
Small, Various Grants	825,000
ARRA Funds Underground Storage Tanks	750,000
TOTAL	\$10,636,831

The Agency's budget includes contingency appropriations, which are considered non-operating expenses and are utilized for specific purposes, as needed and funded. These appropriations are utilized for various purposes such as cleanup, remediation and closure activities, reclamation work, and funding of grants for solid waste management activities, recycling, and waste tires collection and handling efforts. Even though some currently reflect appropriation in excess of estimated funding, we are requesting approval of the total amount shown on the Biennial Budget Request forms as monies may become available during the biennium from existing or alternate sources to fully fund any or all of these.

The following chart reflects contingency appropriation and bond forfeitures:

APPROP	TOTAL REQUESTED	CONTINGENCY	PURPOSE
2UG	\$7,433,373	\$4,400,000	Landfill Post-Closure Program (Contractual Services) (TLP)
2UC	4,650,000	1,000,000	Solid Waste & Recycling Program (Recycling grants) (TWS)
2UC	2,500,000	2,000,000	Solid Waste & Recycling Program (Electronic Waste Recycling Infrastructure) (TWS)
2UA	372,655	300,000	Emergency Response (Contractual Services) (THS)
2UH	6,425,000	1,000,000	Waste Tire Recycling Program (Grants) (TTG)
2TU	5,700,000	4,000,000	State Abandoned Mine Reclamation (Contractual Services) (MAE)
2TW	1,520,000	1,520,000	Mine Reclamation-Bond Forfeitures (Contractual Services) (TMA)
2TZ	6,194,000	4,000,000	Hazardous Waste Clean Up (Contractual Services) (THS)
2TY	500,000	500,000	Landfill Closure-Bond Forfeiture (Contractual Services) (MWP)
2TQ	2,565,000	2,565,000	Federal Operations-Hazardous Waste Clean Up (Contractual Services) (FYP)
2TS	950,000	950,000	Non-Coal Reclamation-Bond Forfeiture (Contractual Services) (TLR)
2UE	18,999,800	10,000,000	Petroleum Storage Tank Remediation (Operating Expenses) (TPT)
2UF	3,925,000	3,925,000	Regulated Storage Tank Remediation (Contractual Services) (FYP)
TOTAL	\$61,734,828	\$36,160,000	

The following paragraphs briefly describe the program's needs requested as changes over the Base Level budget, including reclassifications as a result of DF&A definitional changes in capital outlay and professional fees.

AIR DIVISION

The Air Division is responsible for enhancing and protecting human health and the environment by protecting the air we breathe. This is accomplished through the safe management of air pollutants emitted into the air.

Responsibilities of this Division involve maintenance of the National Ambient Air Quality Standards (NAAQS), provisions for air quality monitoring, modeling, and development of emission standards. The Division continues to address the 1997 8-hour Ozone NAAQS issues related to Crittenden County, which is located in the Memphis Metropolitan Statistical Area. Re-attainment for Crittenden County was accomplished and the area was officially re-designated as in attainment and is currently subject to maintenance requirements.

The Division is also planning for probable future 8-hour ozone non-attainment designations which will be based on Ozone NAAQS revisions to be finalized in August 2010. Several areas of the State including the Little Rock-North Little Rock Metropolitan Statistical Area, Crittenden, Newton, Polk and Sebastian Counties may face being designated as Non-Attainment under the 2010 Ozone NAAQS. Revisions to existing state regulations will be required to deal with the development of new pollution control strategies for non-attainment areas and proposed changes to the NAAQS.

Legislative and regulatory movement at both the federal and state level to deal with the impact of greenhouse gas emissions on global warming will undoubtedly trigger action by ADEQ during this biennium. These issues will impact several regulatory Divisions within the Agency, but primarily the Air Division. These workload impacts cannot be estimated at this time.

The Division is requesting Capital Outlay appropriation to replace one high mileage fleet vehicle each year out of (2TX) and (2TQ). These vehicles will be used by the department inspectors to conduct facility inspections and investigate complaints statewide. The Division is requesting (2TQ) Capital Outlay appropriation to purchase an Infrared Camera in fiscal year 2012 and 2013. This device provides rapid non-intrusive inspection capabilities of equipment and processes potentially emitting Volatile Organic Compounds (VOCs). Imaging capabilities of this instrument provide visual evidence of emission leaks/releases that are otherwise invisible to the naked eye and enables the tracking of the leak directly to the source. It also provides the capability to verify that leaks have been repaired.

Continuing and new programs consist of Planning Branch ICF contract funding for future ozone modeling projects, modeling for non-attainment areas and ePermitting contracted with Windsor Solutions.

WATER DIVISION

The Water Division is responsible for water quality related programs such as: 106 water pollution control, saltwater disposal, water quality planning/standards, groundwater quality protection, clean lakes, concentrated animal feeding operations, and the National Pollutant Discharge Elimination System (NPDES), which includes storm water permitting.

Additionally, the Division is responsible for the Watershed Planning and Environmental Education programs aimed at protecting water quality. The Division coordinates these efforts internally and with other state and federal natural resource and health agencies, as well as local citizens.

Because the Division is funded largely through federal EPA grants (2TQ), program work plans are developed internally and approved in cooperation with EPA Region 6. Environmental education efforts are developed through cooperative partnerships with national partners and state schools.

Recent drilling activities in the Fayetteville Shale Gas Play have only shown a slight increase. Although reserve pit authorization requests appear to be decreasing over recent years to 1,256 in 2008, 801 in 2009 and 420 by mid 2010; requests for authorization for multiple wells using the same drill pad and reserve pit have increased. Therefore, the number of reserve pit permits is not a direct reflection of the number of wells drilled. The Arkoma basin and south Arkansas continue to be explored and we believe the drilling presence in central Arkansas will continue to develop the Arkoma Basin in the coming years.

Under the authority of the Arkansas Water and Air Pollution Control Act (Act 472 of 1949, as amended A.C.A. § 8-4-203, et seq) the Agency is charged with the duty to issue permits to prevent the discharge of wastes into waters of the state. In conjunction with drilling activities, the

Agency issues permits for land application activities, reserve pits, and storage facilities associated with salt water injection wells. We also perform site inspections and respond to citizen complaints. In order to carry out its charge in overseeing oil and gas exploration activities, it is important for the Agency to have adequate staff.

To address these needs the Division is requesting reallocation of the Federal Operations (2TQ) appropriation from Operating Expenses to Capital Outlay to utilize existing funds to replace equipment as it becomes inoperable, i.e., samplers, multiprobe monitoring devices, incubators, sterilizers, etc.

The Water Division is requesting appropriation to purchase a vehicle for the Wastewater Licensing section from (2TR). This will allow replacement of an older, high mileage, less fuel efficient fleet vehicle. We are requesting appropriation to conduct on-site specialty classes that will assist Class 3 and 4 wastewater license operators to manage their treatment systems more efficiently. These classes will be geared toward advanced operators and will not compete with the classes currently offered by SAU.

Under Section 303(d) of the federal Clean Water Act, states are to develop lists of impaired waterbodies or stream segments. This list is developed every two years after reviewing water quality data collected from streams throughout the state and evaluating the data against assessment criteria. ADEQ has recently submitted the 2010 list of impaired stream segments to EPA for their review and approval. There are currently 225 proposed impaired stream segments in Arkansas which is a reduction from the 2008 list of 258.

In order to address the pollutant impairing a given waterbody, the Clean Water Act requires states to develop a Total Maximum Daily Load (TMDL). A TMDL is a calculation of the amount of a pollutant that an impaired waterbody can receive and still meet water quality standards. In 2000, EPA agreed to establish TMDLs for certain impaired stream segments in Arkansas covered under the terms of a Consent Decree. During the next biennium, EPA will continue to require ADEQ to develop TMDLs for impaired stream segments at a cost which could exceed \$500,000 per year. To date, ADEQ has primarily been using ARRA monies to hire contractors for TMDL development.

The Water Division's mission is to restore and maintain water quality in all waters of the State consistent with the economic well being of all its citizens. The requests above will enhance our ability to fulfill that mission as well as meet state and federal mandated performance targets.

The Water Division also requests Regular Salaries appropriation (2TP - State Operations) for restoration of the seven (7) previously budgeted positions and related matching expenses, for inspectors relating to the Fayetteville Shale Play natural gas drilling and production activities funded by a grant from the Arkansas Game and Fish Commission for the fiscal year ending June 30, 2012 and, at this time, contingency appropriation to address Fayetteville Shale issues as needed for the fiscal year ending June 30, 2013.

SURFACE MINING AND RECLAMATION DIVISION

This Division is responsible for all permitting, inspection, and enforcement activities necessary to ensure compliance with the state law concerning various surface mining regulations. These responsibilities include a State program authorized under Public Law 95-87 to regulate

all surface coal-mining operations in Arkansas. This includes the Abandoned Mine Lands Program that receives federal grant monies to reclaim dangerous, abandoned pre-law coal mines. The Non-Coal section is responsible for ensuring compliance with the Arkansas Open-Cut Land Reclamation Act, the Arkansas Quarry Operation, and the Reclamation and Safe Closure Act. The Open Cut Land Reclamation Act also includes responsibilities in permitting, inspection, and enforcement of mining operations within the channel of streams in Arkansas.

This Division is responsible for protecting society and the environment from the adverse effects of surface mining activities by ensuring that the reclamation and restoration of affected lands results in future productive use. Performance of these measures can be gauged by determining the acres of known environmentally impacted land returned to productive use.

Federally funded (2TQ) Capital Outlay appropriation is requested to replace one vehicle. This vehicle will be used to conduct overnight inspections of contractors, performing reclamation under the Abandoned Mine Land Program and investigations of future reclamation projects.

REGULATED STORAGE TANK DIVISION

This Division is responsible for the implementation of state and federal laws and regulations concerning the installation, repair, upgrading, and closure of regulated underground storage tanks in Arkansas, as well as registering, collecting fees and responding to environmental concerns associated with certain aboveground petroleum storage tanks. The Division performs compliance inspections, leak and complaint investigations, emergency responses, oversees and conducts clean-up activities to correct environmental problems at leaking tank sites, conducts trust fund certification and financial assurance reviews for regulated tanks, licenses UST contractors and individuals, trains and certifies UST operators, and reimburses qualified tank owners for trust fund-eligible corrective actions and third-party claims resulting from leaking tanks.

The Division's performance objectives are to enforce all environmental standards and ensure timely, fair, and effective enforcement for violators of these standards, to expeditiously assess and implement appropriate cleanup of leaking underground storage tanks and certain noted above ground storage tanks, to continue developing outreach materials and conduct compliance workshops to educate the regulated community, to maintain the solvency of the Petroleum Storage Tank Trust Fund, and to provide efficient and timely processing of new/amended notification forms and tank fee collections.

Federally funded (2TQ) Capital Outlay appropriation is requested to replace one fleet vehicle each year. These vehicles will be used by RST inspectors to conduct facility inspections statewide.

The Division also requests American Recovery and Reinvestment Act (ARRA) appropriation for corrective action and oversight activities relating to leaking underground storage tanks for several state lead sites which are scheduled for the last three months of the federal grant period which ends September 30, 2011.

SOLID WASTE MANAGEMENT DIVISION

This Division is responsible for programs necessary to provide for the siting, permitting and inspections of existing and proposed solid waste management facilities in Arkansas as well as waste tires grants, recycling grants, regional solid waste planning, solid waste operator licensing, landfill post-closure activities, tax credit program, and engineering standards. The Solid Waste Division provides technical assistance to landfill owners/operators, provides a solid waste liaison service to the Regional Solid Waste Management Districts, conduct recycling workshops that educate and assist the public, industry, local governments and also offers compliance assistance through regular inspections and audits of permitted facilities.

Special revenue (2TX) Capital Outlay appropriation is requested to purchase a survey grade GPS unit that will be utilized in collecting elevations and slide slope data at the landfills. This unit will be utilized by the inspection and technical branch staff.

ENVIRONMENTAL MANAGEMENT PROGRAM

The Environmental Management Program encompasses a broad array of activities administered through the Agency's Divisions of Administration, Legal, Computer Service, Public Outreach, and Environmental Preservation and Technical Services.

ADMINISTRATION

This group is composed of the Office of the Director, Fiscal Division, and the Management Services Office comprising the Human Resources Section, Operations Section, the Public Information Officer and the Emergency Response Section. This group performs the Agency's administrative functions and is responsible for responding to environmental emergencies such as spills from tanker trucks and railcars.

SHARED RESOURCES

This area reflects the Agency's overhead costs, such as utilities, phone services, vehicle maintenance, field office leases and other costs that are necessary for all the programs to operate. These costs are shared by funding sources allocated through General Revenue distribution, trust funds, federal programs and special revenue generating programs. General Revenues, special revenues, and federal funding have historically supported department overhead costs.

LEGAL SERVICES DIVISION

This Division is responsible for all legal aspects of the Agency. The Legal Division represents the Agency in all administrative enforcement actions, including the negotiation and review of all final agreements. The Division also represents the Agency in all permit appeals initiated by the regulated entities and/or citizens in communities in which regulated facilities are located. Additionally, the Division advises the Agency on personnel issues and other internal matters, represents ADEQ in fee collection and cost recovery actions, tracks penalties collected in enforcement actions, maintains original signed orders, represents the Agency in civil litigation seeking enforcement of the State's environmental laws and regulations, and drafts regulations and legislation. The Division's efforts also enable each and every Division of the Agency to meet their specific Division goals.

PUBLIC OUTREACH AND ASSISTANCE DIVISION

The Public Outreach and Assistance Division provide non-regulatory environmental assistance and education to communities, businesses, and individuals. The Public Outreach and Assistance Division provides small-businesses technical and regulatory assistance, manages public input regarding ADEQ's permitting and regulatory decisions, and develops informational materials for ADEQ's environmental programs. The Division will continue to utilize revolving loan fund (2UN) appropriation for the Small Business Compliance Assistance and Pollution Prevention Loan Program, providing low interest loans to small businesses, assisting small businesses to comply with environmental requirements, or institute pollution prevention measures in their business.

COMPUTER SERVICES DIVISION

This Division is responsible for designing, developing, and maintaining ADEQ's information technology infrastructure. The Division encompasses a wide array of duties ranging from designing and maintaining the Agency's computer network, to developing mission critical software, and providing desktop user assistance to the Agency's approximately four hundred staff members.

The Division will continue utilizing the Performance Partnership Trust fund (2UQ) balance to complete the .NET application upgrade and development of the integrated information system (PDS), which plays an integral part in consolidating data from multiple environmental areas by facility or incident.

The Environmental Protection Agency (EPA) designed the National Environmental Information Exchange Network to facilitate the electronic transmission of environmental data between entities. The Agency is working with EPA and other states to develop and implement data exchange templates across all of our delegated programs to eliminate duplicate data entry into both state and federal systems as well as improve data quality. The EPA is providing grant funds to ADEQ to accomplish some of this work.

The Division is requesting reallocation of the Fee Fund (2TX) appropriation from Professional and Administrative Fees to Operating Expenses for support of Title V technical service projects.

ENVIRONMENTAL PRESERVATION AND TECHNICAL SERVICES DIVISION

The Environmental Preservation and Technical Services Division is responsible for testing Arkansas' environment and providing input in environmental projects. This includes air, water, soil, hazardous waste, solid waste, and biological samples. The Division also certifies environmental labs, collects fish and other biological samples, and provides assistance for stream restoration and wastewater plant operation.

The Division provides scientific advice to the Director's office concerning a myriad of projects related to federal environmental protection laws that could potentially affect the environment and offers technical services to citizens to effectively manage non-point source pollution. Because the Division is funded largely through federal EPA grants (2TQ), program work plans are developed internally and approved in cooperation with EPA Region 6.

The federal Particulate Matter (PM) 2.5 Air regulations, which are related to non-attainment issues, continue to increase the demand for analytical testing materials and supplies, training and analytical equipment. To address these needs, the Division is requesting increases in federal (2TQ), and trust fund (2TZ) appropriations, respectively.

Federal (2TQ) Capital Outlay appropriation is requested to replace obsolete equipment, such as data loggers, which capture data from continuous monitors, particle matter air monitors, and ozone, sulfur dioxide, nitrogen oxides, and carbon monoxide analyzers. The request is also to add new monitoring sites required by EPA. Trust fund (2TZ) Capital Outlay appropriation is requested to purchase replacement lab and field equipment, global positioning systems (GPS), and sample collection equipment.

POLLUTION CONTROL AND ECOLOGY COMMISSION HEARING OFFICER

This office was created by Act 921 of 1993, which authorized the Pollution Control and Ecology Commission to hire a full-time, independent administrative hearing officer. The Hearing Officer conducts adjudicatory proceedings initiated by an applicant, violator, or third party on permitting, enforcement, and other decisions rendered by the Arkansas Department of Environmental Quality. The Hearing Officer manages the Commission’s office and its staff, and serves as legal counsel (along with the Attorney General’s office) to the Commission. The Act also transferred the Commission Secretary from the Agency to this office. Act 1077 of 1993 provided that appropriations for this office are payable from the ADEQ Trust Fee Fund (344), and designates the Agency as disbursing officer for funds appropriated by this Act.

The Agency requests to reclassify the Department Administrative Law Judge (C127) to an Administrative Hearing Officer (N906).

Employment Summary

	Male	Female	Total	%	
White Employees	190	161	351	90 %	
Black Employees	9	26	35	9 %	
Other Racial Minorities	0	2	2	1 %	
			Total Minorities	37	10 %
			Total Employees	388	100 %

Publications

A.C.A. 25-1-204

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		Governor	General Assembly		
None	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2TP ADEQ - State Operations	4,149,970	64	4,679,153	66	4,706,729	73	4,599,102	66	4,934,136	73	4,934,136	73	4,599,102	66	4,934,136	73	4,934,136	73
2TQ ADEQ - Federal Operations	8,803,328	91	19,631,864	107	16,895,457	88	16,210,074	107	17,491,074	107	17,491,074	107	16,210,074	107	16,683,074	107	16,683,074	107
2TR Waste Water Licensing	91,265	2	160,677	3	151,542	2	160,708	3	188,208	3	180,708	3	160,708	3	168,208	3	160,708	3
2TS Land Reclamation	6,600	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0
2TT Hazardous Waste Permit Program	1,520,827	23	1,547,571	20	1,463,630	23	1,534,904	20	1,534,904	20	1,534,904	20	1,534,904	20	1,534,904	20	1,534,904	20
2TU Reclamation of Abandoned Mines - State	1,218,122	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0
2TV Surface Coal Mining	7,742	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0
2TW Mining Reclamation	0	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0
2TX Fee Administration	11,044,522	177	14,179,152	166	14,184,752	180	14,121,645	166	14,015,645	166	14,015,645	166	14,121,645	166	14,003,645	166	14,003,645	166
2TY Solid Waste Performance Bonds	14,357	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2TZ Hazardous Waste Cleanup	3,085,627	3	7,763,042	3	7,750,567	1	7,501,040	3	7,724,040	3	7,724,040	3	7,501,040	3	7,763,040	3	7,763,040	3
2UA Emergency Response Program	124,444	2	491,689	2	489,854	2	490,633	2	490,633	2	490,633	2	490,633	2	490,633	2	490,633	2
2UB Asbestos Control Program	194,837	4	248,135	4	248,472	4	244,139	4	244,139	4	244,139	4	244,139	4	244,139	4	244,139	4
2UC Solid Waste Mgmt/Recycling Prog	5,039,919	20	8,408,725	20	8,392,947	20	8,383,209	20	8,383,209	20	8,383,209	20	8,383,209	20	8,383,209	20	8,383,209	20
2UD Reg. Substance Storage Tank	1,114,373	22	973,171	18	1,013,216	22	963,870	18	963,870	18	963,870	18	963,870	18	963,870	18	963,870	18
2UE Petroleum Storage Tank Trust	8,154,873	4	21,770,193	4	21,805,610	4	21,767,367	4	21,767,367	4	21,767,367	4	21,767,367	4	21,767,367	4	21,767,367	4
2UF Regulated Storage Tank Program	289,462	0	3,925,000	0	3,925,000	0	3,925,000	0	3,925,000	0	3,925,000	0	3,925,000	0	3,925,000	0	3,925,000	0
2UG Landfill Post Closure Program	538,749	6	7,852,660	6	7,853,176	6	7,848,179	6	7,848,179	6	7,848,179	6	7,848,179	6	7,848,179	6	7,848,179	6
2UH Waste Tire Recycling Program	4,203,125	0	6,425,000	0	6,425,000	0	6,425,000	0	6,425,000	0	6,425,000	0	6,425,000	0	6,425,000	0	6,425,000	0
2UJ St Mktg Brd for Recyclables Prog	5,774	0	32,376	0	32,376	0	28,876	0	28,876	0	28,876	0	28,876	0	28,876	0	28,876	0
2UK Environmental Education Program	135,424	1	324,052	1	321,922	1	316,104	1	316,104	1	316,104	1	316,104	1	316,104	1	316,104	1
2UM Lead Based Paint Hazard Prog	3,584	0	18,250	0	18,250	0	18,250	0	18,250	0	18,250	0	18,250	0	18,250	0	18,250	0
2UN Small Business Loans	51,667	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0
2UP Sm Bus Revolving Loan Prog Exp	35,137	1	55,294	1	58,272	1	55,302	1	55,302	1	55,302	1	55,302	1	55,302	1	55,302	1
2UQ Performance Partnership Syst Exp	67,143	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0
2UR Environmental Settlement Trust	21,279	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0
2US Computer/Electronic Recycling	52,549	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
344 PCE Comm Admn Hearing Officer	215,914	2	259,450	2	298,757	3	257,561	2	257,561	2	257,561	2	257,561	2	257,561	2	257,561	2
36A Fee Administration Non-Haz Clean Up	0	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0
467 PCE Commission Expenses	3,977	0	3,977	0	3,977	0	3,977	0	3,977	0	3,977	0	3,977	0	3,977	0	3,977	0
Total	50,194,590	421	110,334,431	422	107,624,506	430	106,439,940	422	108,200,474	429	108,192,974	429	106,439,940	422	107,399,474	429	107,391,974	429
Funding Sources		%		%				%		%		%		%		%		%

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	91,007,837	63.8	92,396,948	54.7	58,461,706	44.0	58,461,706	43.4	58,461,706	43.4	38,384,103	33.7	38,384,103	33.6	38,391,603	33.6
General Revenue	4000010	4,012,396	2.8	4,214,610	2.5	4,214,610	3.2	4,214,610	3.1	4,214,610	3.1	4,214,610	3.7	4,214,610	3.7	4,214,610	3.7
Federal Revenue	4000020	9,221,876	6.5	25,951,864	15.4	25,835,074	19.4	26,366,074	19.6	26,366,074	19.6	25,835,074	22.7	26,308,074	23.0	26,308,074	23.0
Special Revenue	4000030	27,051,735	19.0	26,961,576	16.0	28,587,743	21.5	28,509,243	21.2	28,509,243	21.2	29,348,171	25.8	29,237,671	25.6	29,237,671	25.6
Non-Revenue Receipts	4000040	214,736	0.2	438,539	0.3	440,000	0.3	440,000	0.3	440,000	0.3	440,000	0.4	440,000	0.4	440,000	0.4
Trust Fund	4000050	1,740,736	1.2	3,691,689	2.2	3,467,633	2.6	3,690,633	2.7	3,690,633	2.7	3,428,633	3.0	3,690,633	3.2	3,690,633	3.2
Bond Forfeitures	4000120	20,957	0.0	2,970,000	1.8	2,970,000	2.2	2,970,000	2.2	2,970,000	2.2	2,970,000	2.6	2,970,000	2.6	2,970,000	2.6
Federal Funds-ARRA	4000244	1,089,036	0.8	3,305,000	2.0	0	0.0	750,000	0.6	750,000	0.6	0	0.0	0	0.0	0	0.0
Interest	4000300	276,920	0.2	298,132	0.2	291,302	0.2	291,302	0.2	291,302	0.2	285,302	0.3	285,302	0.2	285,302	0.2
Loan Repayment	4000330	51,667	0.0	550,000	0.3	550,000	0.4	550,000	0.4	550,000	0.4	550,000	0.5	550,000	0.5	550,000	0.5
M & R Sales	4000340	110,701	0.1	97,753	0.1	135,000	0.1	135,000	0.1	135,000	0.1	135,000	0.1	135,000	0.1	135,000	0.1
Other	4000370	7,792,941	5.5	7,920,026	4.7	7,930,447	6.0	7,930,447	5.9	7,930,447	5.9	8,149,818	7.2	8,149,818	7.1	8,149,818	7.1
Transfer to ADEQ	4000604	0	0.0	0	0.0	0	0.0	335,034	0.2	335,034	0.2	0	0.0	0	0.0	0	0.0
Total Funds		142,591,538	100.0	168,796,137	100.0	132,883,515	100.0	134,644,049	100.0	134,644,049	100.0	113,740,711	100.0	114,365,211	100.0	114,372,711	100.0
Excess Appropriation/(Funding)		(92,396,948)		(58,461,706)		(26,443,575)		(26,443,575)		(26,451,075)		(7,300,771)		(6,965,737)		(6,980,737)	
Grand Total		50,194,590		110,334,431		106,439,940		108,200,474		108,192,974		106,439,940		107,399,474		107,391,974	

The FY11 Budget exceeds Authorized in appropriation 2TQ due to a transfer from the Miscellaneous Federal Grant Holding Account.
Budget Number of Positions exceeds the Authorized Number in appropriations 2TQ, 2TR, and 2TZ, due to the flexibility inherent in the authorization of all positions through a single salary section in the appropriation act.
Variances in the fund balances are due to unfunded/contingency appropriations in 2TP, 2TZ, 2UE, 2UH, 2UQ, and 2US.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
423	401	22	423	0	5.20 %	430	396	34	430	0	7.91 %	430	389	33	422	8	9.53 %

Analysis of Budget Request

Appropriation: 2TP - ADEQ - State Operations

Funding Sources: HMA - ADEQ Fund

The Agency utilizes this appropriation for the general operations of various programs and for matching of federal grants. This appropriation is funded by General Revenue, and other non-revenue receipt deposits along with contributions from other agencies.

ADEQ is charged with the duty to issue permits to prevent the discharge of wastes into waters of the state. In conjunction with drilling activities, the Agency issues permits for land application activities, reserve pits, and storage facilities associated with salt-water injection wells. The Agency also performs site inspections and responds to citizen complaints.

Drilling and production activities in the Fayetteville Shale Gas Play have increased the department activities. During the 87th General Assembly, the Agency received seven (7) unfunded positions with supporting costs to address these needs. Due to the lack of funding these positions were not budgeted FY11; however, the Agency anticipates funding these positions in FY12 with a grant provided by the Arkansas Game and Fish Commission (AGFC). The Arkoma basin and south Arkansas continue to be explored and the drilling presence in central Arkansas will continue to develop. In order to oversee gas exploration activities, it is important for the Agency to have adequate staff.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of unclassified positions reflects the FY11 line item maximum.

In addition to Base Level of \$4,599,102 each year, the Agency is requesting Regular Salaries and Personal Services Matching of \$335,034 each year and the restoration of seven (7) positions: one (1) ADEQ Inspector Supervisor, two (2) ADEQ Enforcement Coordinators, and four (4) ADEQ Inspectors. These positions will provide inspections and monitoring of natural gas drilling and production activities on public and private lands within the Fayetteville Shale Play Area and statewide. The appropriation will be funded by an AGFC grant in FY12 and contingency appropriation is requested for FY13 to allow the Agency to address Fayetteville Shale Gas Play issues as needed. No additional general revenue will be requested to fund these positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TP - ADEQ - State Operations

Funding Sources: HMA - ADEQ Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,078,543	3,228,205	3,231,711	3,220,575	3,471,842	3,471,842	3,220,575	3,471,842	3,471,842
#Positions		64	66	73	66	73	73	66	73	73
Extra Help	5010001	9,873	25,674	25,674	25,674	25,674	25,674	25,674	25,674	25,674
#Extra Help		1	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	838,109	925,876	949,946	963,455	1,047,222	1,047,222	963,455	1,047,222	1,047,222
Operating Expenses	5020002	214,763	353,183	353,183	353,183	353,183	353,183	353,183	353,183	353,183
Conference & Travel Expenses	5050009	8,682	32,115	32,115	32,115	32,115	32,115	32,115	32,115	32,115
Professional Fees	5060010	0	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	110,000	110,000	0	0	0	0	0	0
Total		4,149,970	4,679,153	4,706,729	4,599,102	4,934,136	4,934,136	4,599,102	4,934,136	4,934,136

Funding Sources										
Fund Balance	4000005	73,082	146,267		116,286	116,286	116,286	167,817	167,817	167,817
General Revenue	4000010	4,008,419	4,210,633		4,210,633	4,210,633	4,210,633	4,210,633	4,210,633	4,210,633
Non-Revenue Receipts	4000040	214,736	438,539		440,000	440,000	440,000	440,000	440,000	440,000
Transfer to ADEQ	4000604	0	0		0	335,034	335,034	0	0	0
Total Funding		4,296,237	4,795,439		4,766,919	5,101,953	5,101,953	4,818,450	4,818,450	4,818,450
Excess Appropriation/(Funding)		(146,267)	(116,286)		(167,817)	(167,817)	(167,817)	(219,348)	115,686	115,686
Grand Total		4,149,970	4,679,153		4,599,102	4,934,136	4,934,136	4,599,102	4,934,136	4,934,136

Transfer to ADEQ is comprised of an Arkansas Game and Fish Grant.

Change Level by Appropriation

Appropriation: 2TP - ADEQ - State Operations
Funding Sources: HMA - ADEQ Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	4,599,102	66	4,599,102	100.0	4,599,102	66	4,599,102	100.0
C01	Existing Program	335,034	7	4,934,136	107.3	335,034	7	4,934,136	107.3

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	4,599,102	66	4,599,102	100.0	4,599,102	66	4,599,102	100.0
C01	Existing Program	335,034	7	4,934,136	107.3	335,034	7	4,934,136	107.3

Justification

C01	Requesting restoration of (7) positions for salaries and related matching expenses, including four (4) ADEQ Inspectors, one (1) ADEQ Inspector Supervisor and two (2) ADEQ Enforcement Coordinators or Enforcement Analysts the purpose of which are to provide for frequent inspection and monitoring of natural gas drilling and production activities that take place on public and private lands within the Fayetteville Shale Play Area and statewide.
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Analysis of Budget Request

Appropriation: 2TQ - ADEQ - Federal Operations

Funding Sources: FYP - Federal Funds

ADEQ utilizes this appropriation for the federal portion of program activities. Federal funding is received from the Environmental Protection Agency (EPA) and the US Department of Interior. The Agency operates under the grants with varying amounts of state matching requirements.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

In addition to Base Level of \$16,210,074 each year, the Agency requests the following:

- Discontinue Federal funded ARRA appropriation of \$2,555,000 in FY12 and \$3,305,000 in FY13 in accordance with federal disbursement guidelines. Authorized ARRA appropriation for the 2009-2011 biennium totaled \$3,305,000 each year.
- A reallocation of \$20,000 in FY12 and \$25,000 in FY13 from Operating Expenses to Capital Outlay to replace obsolete equipment (samplers, multi-probe monitoring devices, incubators and sterilizers).
- An increase in Capital Outlay of \$551,000 in FY12 and \$498,000 in FY13 for the following: replace vehicles as needed two (2) in FY12 and three (3) in FY13 to conduct compliance inspections, monitor projects and investigate complaints statewide; purchase one (1) infrared camera each year to detect and provide visual evidence of hazardous emission leaks and releases; purchase new/replacement air monitoring equipment to monitor required EPA ozone sites; and replace obsolete testing and field equipment (data loggers and calibrators). A reallocation of \$118,000 each year from appropriation (2TX) Professional Fees is requested to partially offset this request.
- Federal funded ARRA appropriation totaling \$750,000 in FY12 to complete corrective action and oversight activities related to leaking underground storage tanks.

The Executive Recommendation provides for the Agency Request with Capital Outlay to replace aging, high mileage vehicles each year in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Appropriation Summary

Appropriation: 2TQ - ADEQ - Federal Operations

Funding Sources: FYP - Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,944,038	4,891,822	5,315,451	4,871,849	4,871,849	4,871,849	4,871,849	4,871,849	4,871,849
#Positions		91	107	88	107	107	107	107	107	107
Extra Help	5010001	37,467	148,585	148,585	148,585	148,585	148,585	148,585	148,585	148,585
#Extra Help		13	62	62	62	62	62	62	62	62
Personal Services Matching	5010003	1,156,921	1,463,570	1,608,534	1,499,053	1,499,053	1,499,053	1,499,053	1,499,053	1,499,053
Operating Expenses	5020002	1,429,107	4,309,060	4,309,060	4,309,060	4,289,060	4,289,060	4,309,060	4,284,060	4,284,060
Conference & Travel Expenses	5050009	61,540	271,126	271,126	271,126	271,126	271,126	271,126	271,126	271,126
Professional Fees	5060010	53,845	2,045,401	2,045,401	2,045,401	2,045,401	2,045,401	2,045,401	2,045,401	2,045,401
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	725,011	632,300	632,300	500,000	1,051,000	1,051,000	500,000	998,000	998,000
Contractual Services	5900043	306,363	2,565,000	2,565,000	2,565,000	2,565,000	2,565,000	2,565,000	2,565,000	2,565,000
ARRA of 2009	5900052	1,089,036	3,305,000	0	0	750,000	750,000	0	0	0
Total		8,803,328	19,631,864	16,895,457	16,210,074	17,491,074	17,491,074	16,210,074	16,683,074	16,683,074
Funding Sources										
Federal Revenue	4000020	7,714,292	16,326,864		16,210,074	16,741,074	16,741,074	16,210,074	16,683,074	16,683,074
Federal Funds-ARRA	4000244	1,089,036	3,305,000		0	750,000	750,000	0	0	0
Total Funding		8,803,328	19,631,864		16,210,074	17,491,074	17,491,074	16,210,074	16,683,074	16,683,074
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		8,803,328	19,631,864		16,210,074	17,491,074	17,491,074	16,210,074	16,683,074	16,683,074

The FY11 Budget exceeds Authorized for the ARRA of 2009 line item due to a transfer from the Miscellaneous Federal Grant Holding Account.

Budget Number of Positions exceeds the Authorized Number due to the flexibility inherent in the authorization of all positions through a single salary section in the appropriation act.

Capital Outlay in the amount of \$500,000 is included in Base Level to provide for the Agency's capital lease.

Change Level by Appropriation

Appropriation: 2TQ - ADEQ - Federal Operations
Funding Sources: FYP - Federal Funds

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	16,210,074	107	16,210,074	100.0	16,210,074	107	16,210,074	100.0
C01	Existing Program	413,000	0	16,623,074	102.5	355,000	0	16,565,074	102.2
C03	Discontinue Program	(2,555,000)	0	14,068,074	86.8	(3,305,000)	0	13,260,074	81.8
C04	Reallocation	118,000	0	14,186,074	87.5	118,000	0	13,378,074	82.5
C16	ARRA	3,305,000	0	17,491,074	107.9	3,305,000	0	16,683,074	102.9

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	16,210,074	107	16,210,074	100.0	16,210,074	107	16,210,074	100.0
C01	Existing Program	413,000	0	16,623,074	102.5	355,000	0	16,565,074	102.2
C03	Discontinue Program	(2,555,000)	0	14,068,074	86.8	(3,305,000)	0	13,260,074	81.8
C04	Reallocation	118,000	0	14,186,074	87.5	118,000	0	13,378,074	82.5
C16	ARRA	3,305,000	0	17,491,074	107.9	3,305,000	0	16,683,074	102.9

Justification

C01	The mining division is requesting \$30,000 federally funded (2TQ) Capital Outlay appropriation to replace one vehicle, a 1999 GMC Crew Cab in the Russellville Field Office, which will have over 100,000 miles on it by FY12-13. The vehicle will be used to conduct overnight inspections of contractors, performing reclamation under the Abandoned Mine Land Program and investigations of future reclamation projects. The regulated storage tanks division is requesting federally funded (2TQ) \$22,000 Capital Outlay appropriation to replace one vehicle each year. The vehicles will be used to travel to regulated petroleum storage tank sites for compliance inspections, response to petroleum releases and to observe installation and closures of tank systems. The environmental preservation and technical services division is requesting \$391,000 and \$303,000 for the fiscal years ending June 30, 2012 and 2013, respectively for federally funded (2TQ) Capital Outlay appropriation to add air monitoring sites as required by the Environmental Protection Agency (EPA) as well as replacement equipment. Equipment for the 3 ozone sites in FY 2012 and 2 ozone sites in FY 2013 include sulfur dioxide monitors and shelters. Replacement equipment includes data loggers, a microbalance, calibrators and other equipment.
C03	Federal stimulus funding and related expenditures from the American Recovery and Reinvestment Act (ARRA) will expire during the fiscal year ended June 30, 2011 with the exception of \$750,000 relating to corrective action and oversight activities relating to leaking underground storage tanks for several state lead sites which are scheduled for the last three months of the federal grant period which ends on September 30, 2011.
C04	The air division is requesting \$25,000 federally funded (2TQ) Capital Outlay reallocation appropriation to replace one vehicle each year. These vehicles will be used by the department inspectors to conduct facility inspections and investigate complaints statewide. The air division is also requesting federally funded (2TQ) Capital Outlay appropriation to acquire one infrared camera (\$93,000) each year. Many areas in the state will face being classified as Non-Attainment under the revised National Ambient Air Quality Standard for Ozone to be finalized in August 2010. This device provides rapid non-intrusive inspection capabilities of equipment and processes potentially emitting Volatile Organic Compounds (VOCs). Imaging capabilities of this instrument provide visual evidence of emission leaks/releases that are otherwise invisible to the naked eye and enables the tracking of a leak directly to the source. It also provides the capability to verify that leaks have been repaired. VOC emissions are a major contributor to the formation of ground level ozone. The above \$118,000 total requested capital appropriation reallocation from a reduction in the fee fund (2TX), Professional Fees. The water division requests the reallocation of \$20,000 and \$25,000 FY12 and FY13, respectively from Operating Expenses to Capital Outlay. Reallocation of this appropriation would allow flexibility to utilize existing funds to replace equipment which has exceeded its useful life.
C16	Federal stimulus funding and related expenditures from the American Recovery and Reinvestment Act (ARRA) will expire during the fiscal year ended June 30, 2011 with the exception of \$750,000 relating to corrective action and oversight activities relating to leaking underground storage tanks for several state lead sites which are scheduled for the last three months of the federal grant period which ends on September 30, 2011.

Analysis of Budget Request

Appropriation: 2TR - Waste Water Licensing

Funding Sources: MWW - Waste Water Licensing Fund

This appropriation is utilized to operate the Waste Water Licensing Program. Pursuant to A.C.A. §8-5-209, funding is derived from licensing fees collected from wastewater treatment plant operations.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level request for Regular Salaries includes board member stipend payments.

In addition to Base Level of \$160,708 each year, the Agency is requesting the following increases:

- Operating Expenses of \$7,500 each year to provide specialized on-site training classes for wastewater license holders.
- Capital Outlay of \$20,000 in FY12 to replace one vehicle for traveling to test sites to administer wastewater licensing exams.

The Executive Recommendation provides for Base Level and Capital Outlay to replace an aging, high mileage vehicle in FY12 in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Appropriation Summary

Appropriation: 2TR - Waste Water Licensing

Funding Sources: MWW - Waste Water Licensing Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	55,483	96,479	92,308	96,479	96,479	96,479	96,479	96,479	96,479
#Positions		2	3	2	3	3	3	3	3	3
Personal Services Matching	5010003	21,942	32,477	27,513	32,508	32,508	32,508	32,508	32,508	32,508
Operating Expenses	5020002	11,060	26,632	26,632	26,632	34,132	26,632	26,632	34,132	26,632
Conference & Travel Expenses	5050009	2,780	5,089	5,089	5,089	5,089	5,089	5,089	5,089	5,089
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	20,000	20,000	0	0	0
Total		91,265	160,677	151,542	160,708	188,208	180,708	160,708	168,208	160,708
Funding Sources										
Fund Balance	4000005	462,043	515,803		475,126	475,126	475,126	431,918	431,918	439,418
Special Revenue	4000030	145,025	120,000		117,500	145,000	145,000	137,500	145,000	145,000
Total Funding		607,068	635,803		592,626	620,126	620,126	569,418	576,918	584,418
Excess Appropriation/(Funding)		(515,803)	(475,126)		(431,918)	(431,918)	(439,418)	(408,710)	(408,710)	(423,710)
Grand Total		91,265	160,677		160,708	188,208	180,708	160,708	168,208	160,708

The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium. Budget Number of Positions exceeds the Authorized Number due to the flexibility inherent in the authorization of all positions through a single salary section in the appropriation act.

Change Level by Appropriation

Appropriation: 2TR - Waste Water Licensing
Funding Sources: MWW - Waste Water Licensing Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	160,708	3	160,708	100.0	160,708	3	160,708	100.0
C01	Existing Program	27,500	0	188,208	117.1	7,500	0	168,208	104.7

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	160,708	3	160,708	100.0	160,708	3	160,708	100.0
C01	Existing Program	20,000	0	180,708	112.4	0	0	160,708	100.0

Justification

C01	The water division requests a \$20,000 capital appropriation to purchase a vehicle to replace an agency fleet vehicle to be used for traveling to test sites to administer wastewater licensing examinations. A replacement vehicle would be more fuel efficient than the fleet vehicles that are being utilized for this function currently. The water division is also requesting \$7,500 in appropriation each year for specialized on-site training classes for wastewater license holders.
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Analysis of Budget Request

Appropriation: 2TS - Land Reclamation

Funding Sources: TLR - Land Reclamation Fund

The Agency utilizes this appropriation for Reclamation Projects, which would be funded by bond forfeitures on non-coal activities, such as sand and gravel (A.C.A. §15-57-319). Bonds are required on land to be mined in the event the land is not reclaimed to the specifications of the Department of Environmental Quality.

The Agency Request is for Base Level of \$950,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TS - Land Reclamation

Funding Sources: TLR - Land Reclamation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Reclamation Contracts 5900043	6,600	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Total	6,600	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Funding Sources									
Bond Forfeitures 4000120	6,600	950,000		950,000	950,000	950,000	950,000	950,000	950,000
Total Funding	6,600	950,000		950,000	950,000	950,000	950,000	950,000	950,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	6,600	950,000		950,000	950,000	950,000	950,000	950,000	950,000

Analysis of Budget Request

Appropriation: 2TT - Hazardous Waste Permit Program

Funding Sources: SHW - Hazardous Waste Permit Fund

This appropriation is used to operate the Hazardous Waste Permit Program. Fees were established to recover the costs of processing permit applications and permit renewal proceedings; on-site inspections and monitoring; the certification of personnel to operate hazardous waste treatment, storage, or disposal facilities; and other departmental activities to assure that generators of hazardous waste and facilities are complying with current law (A.C.A. §19-6-434).

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Request is for Base Level of \$1,534,904 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TT - Hazardous Waste Permit Program

Funding Sources: SHW - Hazardous Waste Permit Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,034,493	932,488	856,634	934,964	934,964	934,964	934,964	934,964	934,964
#Positions	23	20	23	20	20	20	20	20	20
Extra Help 5010001	0	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795
#Extra Help	0	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	294,914	270,034	261,947	284,891	284,891	284,891	284,891	284,891	284,891
Overtime 5010006	0	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Operating Expenses 5020002	181,894	197,304	197,304	197,304	197,304	197,304	197,304	197,304	197,304
Conference & Travel Expenses 5050009	4,314	47,700	47,700	47,700	47,700	47,700	47,700	47,700	47,700
Professional Fees 5060010	0	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	5,212	30,000	30,000	0	0	0	0	0	0
Total	1,520,827	1,547,571	1,463,630	1,534,904	1,534,904	1,534,904	1,534,904	1,534,904	1,534,904
Funding Sources									
Fund Balance 4000005	4,519,412	4,547,936		4,383,649	4,383,649	4,383,649	4,403,745	4,403,745	4,403,745
Special Revenue 4000030	1,404,840	1,233,284		1,405,000	1,405,000	1,405,000	1,405,000	1,405,000	1,405,000
Other 4000370	144,511	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding	6,068,763	5,931,220		5,938,649	5,938,649	5,938,649	5,958,745	5,958,745	5,958,745
Excess Appropriation/(Funding)	(4,547,936)	(4,383,649)		(4,403,745)	(4,403,745)	(4,403,745)	(4,423,841)	(4,423,841)	(4,423,841)
Grand Total	1,520,827	1,547,571		1,534,904	1,534,904	1,534,904	1,534,904	1,534,904	1,534,904

The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium. Other funding is comprised of fees collected from two Arkansas companies which use an extraordinary amount of regulatory manpower and compensate the Agency accordingly.

Analysis of Budget Request

Appropriation: 2TU - Reclamation of Abandoned Mines - State

Funding Sources: MAE - Abandoned Mine Reclamation Fund

The Agency utilizes the Reclamation of Abandoned Mines appropriation to expend funds received from the U.S. Department of Interior - Office of Surface Mining for reclamation of land that was mined prior to the adoption of mining regulations in 1977.

The Agency Request is for Base Level of \$5,700,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TU - Reclamation of Abandoned Mines - State

Funding Sources: MAE - Abandoned Mine Reclamation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Abandoned Mine Reclamation Cor 5900043	1,218,122	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Total	1,218,122	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Funding Sources									
Federal Revenue 4000020	1,218,122	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Total Funding	1,218,122	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,218,122	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000

Analysis of Budget Request

Appropriation: 2TV - Surface Coal Mining

Funding Sources: MAF - Surface Coal Mining Operation Fund

The Agency utilizes this appropriation to administer and enforce the Arkansas Surface Coal Mining Reclamation Code. Pursuant to A.C.A. § 15-58-508, permit fees collected from coal and lignite-mining operations fund the appropriation.

The Agency Request is for Base Level of \$15,000 for each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TV - Surface Coal Mining

Funding Sources: MAF - Surface Coal Mining Operation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	7,742	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
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
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		7,742	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Funding Sources										
Fund Balance	4000005	35,064	34,567		21,067	21,067	21,067	13,367	13,367	13,367
Other	4000370	7,245	1,500		7,300	7,300	7,300	7,750	7,750	7,750
Total Funding		42,309	36,067		28,367	28,367	28,367	21,117	21,117	21,117
Excess Appropriation/(Funding)		(34,567)	(21,067)		(13,367)	(13,367)	(13,367)	(6,117)	(6,117)	(6,117)
Grand Total		7,742	15,000		15,000	15,000	15,000	15,000	15,000	15,000

Analysis of Budget Request

Appropriation: 2TW - Mining Reclamation

Funding Sources: TMA - Mine Reclamation Trust Fund

The Agency utilizes this appropriation for bond forfeitures on coal or lignite mined lands. When mine land in Arkansas is cut for coal or lignite, a bond must be put up in the amount agreed upon by the Agency for reclamation of the area. In the event reclamation efforts fail, the bond is forfeited and the Agency is responsible for contracting for the reclamation work. The Mining Reclamation Fund may only be used to accomplish reclamation of land covered by forfeitures of performance bonds.

The Agency Request is for Base Level of \$1,520,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TW - Mining Reclamation

Funding Sources: TMA - Mine Reclamation Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Mining Reclamation Contractual S 5900043	0	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Total	0	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Funding Sources									
Bond Forfeitures 4000120	0	1,520,000		1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Total Funding	0	1,520,000		1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	1,520,000		1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000

Analysis of Budget Request

Appropriation: 2TX - Fee Administration

Funding Sources: TPE - ADEQ Fee Trust Fund

Act 817 of 1983 (A.C.A. §8-1-103), as amended, authorized the Agency to establish and collect permit fees for Air, Water, and Solid Waste permitting, monitoring and inspecting activities. During the 79th General Assembly, various limits on permits were included, with the Agency revising the rate structures. The fees, as established by the Agency in accordance with stipulations set out in the Act, were increased effective in October of 1993. Further, the Federal Clean Air Act has required a permit fee system to cover the costs of compliance with this law.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level request for Regular Salaries includes board member stipend payments. Base Level appropriation is \$14,121,645 each year and includes 166 regular positions and 5 extra help positions.

The Agency requests the following Change Levels:

- A reallocation of \$314,702 each year from Professional Fees to Operating Expenses to provide appropriation for Title V technical service contracts.
- A reallocation of \$25,000 each year from Professional Fees to Capital Outlay to replace one (1) vehicle as needed each year to conduct compliance inspections, monitor projects and investigate complaints statewide.
- A reallocation of \$118,000 each year from Professional Fees is requested to offset Capital Outlay request in appropriation (2TQ) Federal Operations.
- An increase in Capital Outlay of \$12,000 in FY12 to purchase a survey grade global position satellite (GPS) unit to collect accurate elevations and slide slope data at landfill sites

The Executive Recommendation provides for the Agency Request with Capital Outlay to replace an aging, high mileage vehicle each year in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Appropriation Summary

Appropriation: 2TX - Fee Administration
Funding Sources: TPE - ADEQ Fee Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	7,320,169	7,236,368	7,220,319	7,194,218	7,194,218	7,194,218	7,194,218	7,194,218	7,194,218
#Positions		177	166	180	166	166	166	166	166	166
Extra Help	5010001	0	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
#Extra Help		0	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	2,137,241	2,201,406	2,223,055	2,240,349	2,240,349	2,240,349	2,240,349	2,240,349	2,240,349
Operating Expenses	5020002	633,300	1,383,468	1,383,468	1,383,468	1,698,170	1,698,170	1,383,468	1,698,170	1,698,170
Conference & Travel Expenses	5050009	38,358	152,389	152,389	152,389	152,389	152,389	152,389	152,389	152,389
Professional Fees	5060010	27,275	2,056,221	2,056,221	2,056,221	1,598,519	1,598,519	2,056,221	1,598,519	1,598,519
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	888,179	1,104,300	1,104,300	1,050,000	1,087,000	1,087,000	1,050,000	1,075,000	1,075,000
Total		11,044,522	14,179,152	14,184,752	14,121,645	14,015,645	14,015,645	14,121,645	14,003,645	14,003,645

Funding Sources										
Fund Balance	4000005	14,475,491	14,717,759		11,898,524	11,898,524	11,898,524	9,350,479	9,350,479	9,350,479
Special Revenue	4000030	11,286,790	11,359,917		11,573,600	11,467,600	11,467,600	11,573,600	11,455,600	11,455,600
Total Funding		25,762,281	26,077,676		23,472,124	23,366,124	23,366,124	20,924,079	20,806,079	20,806,079
Excess Appropriation/(Funding)		(14,717,759)	(11,898,524)		(9,350,479)	(9,350,479)	(9,350,479)	(6,802,434)	(6,802,434)	(6,802,434)
Grand Total		11,044,522	14,179,152		14,121,645	14,015,645	14,015,645	14,121,645	14,003,645	14,003,645

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary rate adjustments during the 2009-2011 biennium. Capital Outlay in the amount of \$1,050,000 is included in Base Level to provide for the Agency's capital lease.

Change Level by Appropriation

Appropriation: 2TX - Fee Administration
Funding Sources: TPE - ADEQ Fee Trust Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	14,121,645	166	14,121,645	100.0	14,121,645	166	14,121,645	100.0
C01	Existing Program	12,000	0	14,133,645	100.1	0	0	14,121,645	100.0
C04	Reallocation	(118,000)	0	14,015,645	99.2	(118,000)	0	14,003,645	99.2

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	14,121,645	166	14,121,645	100.0	14,121,645	166	14,121,645	100.0
C01	Existing Program	12,000	0	14,133,645	100.1	0	0	14,121,645	100.0
C04	Reallocation	(118,000)	0	14,015,645	99.2	(118,000)	0	14,003,645	99.2

Justification

C01	The solid waste management division requests a \$12,000 capital appropriation to purchase a survey grade GPS unit that will be utilized in collecting elevations and slide slope data at landfill sites. This unit will be utilized by the inspection and technical branch staff.
C04	The air division is requesting \$25,000 fee fund (2TX) Capital Outlay reallocation appropriation to replace one fleet vehicle each year. These vehicles will be used by department inspectors to conduct facility inspections and investigate complaints statewide. The above \$25,000 total requested capital appropriation reallocation is offset from a reduction in the same fund, Professional Fees. The air division also requests \$118,000 appropriation reallocations from (2TX), Professional Fees to (2TQ), Capital Outlay for the purchase of a replacement fleet vehicle (\$25,000) and infrared camera (\$93,000) each year as described in greater detail in the (2TQ) (C04) justification. The computer services division requests a \$314,702 miscellaneous technical services fees reallocation by reducing professional and administrative fees during both years of the 2011-2013 biennium. Funds are to be used to support Title V technical service projects.

Analysis of Budget Request

Appropriation: 2TY - Solid Waste Performance Bonds

Funding Sources: MWP - Solid Waste Performance Bond Fund

The Agency utilizes this appropriation for payment to contractors for the proper closure of solid waste facilities. If a city, county, or individual in Arkansas were to open a landfill, a performance bond would be put up to insure proper closure of the site once it is complete; however, if the site does not meet requirements of the Pollution Control and Ecology Commission the bond is forfeited and the Agency contracts the remediation work.

The Agency Request is for Base Level of \$500,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TY - Solid Waste Performance Bonds

Funding Sources: MWP - Solid Waste Performance Bond Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Solid Waste Performance Bonds C 5900043	14,357	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	14,357	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources									
Bond Forfeitures 4000120	14,357	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	14,357	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	14,357	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 2TZ - Hazardous Waste Cleanup

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

The Hazardous Substance Remedial Action Trust Fund was established by Act 479 of 1985 (A.C.A. §8-7-509). Funding is derived from fees, donations, damages, and any other monies legally designated for the fund. The Agency utilizes this appropriation for administrative costs and expenses of providing for inspection, identification, containment, abatement, treatment, and control of hazardous substance sites. In addition, ten percent (10%) of the monies collected for the Hazardous Substance Remedial Action Trust Fund are deposited into the Environmental Education Fund up to \$275,000 per fiscal year. This appropriation contains \$4,000,000 of unfunded contingency appropriation that is utilized when necessary and funded for corrective actions.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

In addition to Base Level of \$7,501,040 each year, the Agency is requesting Capital Outlay of \$223,000 in FY12 and \$262,000 in FY13 to replace a gas chromatograph/mass spectrometer, which provides capability to analyze environmental samples for organic contaminants like pesticides and solvents, a microwave digester for preparing tissues and soil samples for metal testing, and analytical balances for residue testing.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TZ - Hazardous Waste Cleanup

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	91,262	127,802	117,535	127,802	127,802	127,802	127,802	127,802	127,802
#Positions		3	3	1	3	3	3	3	3	3
Personal Services Matching	5010003	31,179	39,945	37,737	39,983	39,983	39,983	39,983	39,983	39,983
Operating Expenses	5020002	102,411	401,358	401,358	401,358	401,358	401,358	401,358	401,358	401,358
Conference & Travel Expenses	5050009	0	33,960	33,960	33,960	33,960	33,960	33,960	33,960	33,960
Professional Fees	5060010	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	58,176	262,040	262,040	0	223,000	223,000	0	262,000	262,000
Contractual Services	5900043	2,501,284	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000
DP Operating Expense	5900044	301,315	453,937	453,937	453,937	453,937	453,937	453,937	453,937	453,937
Total		3,085,627	7,763,042	7,750,567	7,501,040	7,724,040	7,724,040	7,501,040	7,763,040	7,763,040

Funding Sources										
Fund Balance	4000005	12,520,541	11,029,927		4,966,885	4,966,885	4,966,885	0	0	0
Trust Fund	4000050	1,595,013	1,700,000		1,477,000	1,700,000	1,700,000	1,438,000	1,700,000	1,700,000
Total Funding		14,115,554	12,729,927		6,443,885	6,666,885	6,666,885	1,438,000	1,700,000	1,700,000
Excess Appropriation/(Funding)		(11,029,927)	(4,966,885)		1,057,155	1,057,155	1,057,155	6,063,040	6,063,040	6,063,040
Grand Total		3,085,627	7,763,042		7,501,040	7,724,040	7,724,040	7,501,040	7,763,040	7,763,040

The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium. Budget Number of Positions exceeds the Authorized Number due to the flexibility inherent in the authorization of all positions through a single salary section in the appropriation act. The excess appropriation in FY12 and FY13 assumes full expenditure of contingency appropriation in the Contractual Services line item.

Change Level by Appropriation

Appropriation: 2TZ - Hazardous Waste Cleanup
Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	7,501,040	3	7,501,040	100.0	7,501,040	3	7,501,040	100.0
C01	Existing Program	223,000	0	7,724,040	103.0	262,000	0	7,763,040	103.5

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	7,501,040	3	7,501,040	100.0	7,501,040	3	7,501,040	100.0
C01	Existing Program	223,000	0	7,724,040	103.0	262,000	0	7,763,040	103.5

Justification

C01	The environmental preservation and technical services division is requesting \$223,000 and \$262,000 for the fiscal years ending June 30, 2012 and 2013, respectively for Capital Outlay appropriation to replace a gas chromatograph/mass spectrometer, microwave digester for metals, analytical balances, and a total organic carbon analyzer.
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Analysis of Budget Request

Appropriation: 2UA - Emergency Response Program

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

This appropriation was created by Act 452 of 1985 (A.C.A. §8-7-401) in order to give spending authorization to the Emergency Response Program. Act 1824 of 2005 repealed A.C.A. §8-7-401 and provided for funds collected as civil penalties to be deposited in the Hazardous Substance Remedial Action Trust Fund (A.C.A. §8-4-103), and provided for the Emergency Response Program to be funded from the Hazardous Substance Remedial Action Trust. Funds are used for the purchase/reimbursement of any commodities and/or services necessary in taking emergency response actions in connection with a release or a threatened release of hazardous substances. Further, the Director is not authorized to spend in excess of \$250,000 on any single response action without the Pollution Control & Ecology Commission approval.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Request is for Base Level of \$490,633 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UA - Emergency Response Program

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	85,816	86,340	84,949	85,440	85,440	85,440	85,440	85,440	85,440
#Positions		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	25,495	26,861	26,417	26,705	26,705	26,705	26,705	26,705	26,705
Operating Expenses	5020002	3,428	3,833	3,833	3,833	3,833	3,833	3,833	3,833	3,833
Conference & Travel Expenses	5050009	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
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
Contractual Services	5900043	9,705	372,655	372,655	372,655	372,655	372,655	372,655	372,655	372,655
Total		124,444	491,689	489,854	490,633	490,633	490,633	490,633	490,633	490,633
Funding Sources										
Trust Fund	4000050	124,444	491,689		490,633	490,633	490,633	490,633	490,633	490,633
Total Funding		124,444	491,689		490,633	490,633	490,633	490,633	490,633	490,633
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		124,444	491,689		490,633	490,633	490,633	490,633	490,633	490,633

The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium.

Analysis of Budget Request

Appropriation: 2UB - Asbestos Control Program

Funding Sources: SAC - Asbestos Control Fund

The Asbestos Control Program utilizes this appropriation to provide spending authority for responsibilities placed on the Agency through Act 394 of 1985 (A.C.A. §20-27-1001). This Act called for the Agency to adopt, administer, and enforce a program for licensing contractors engaged in the removal of asbestos materials from facilities. Pursuant to A.C.A. §19-6-452, funding is derived from an annual contractor's license fee of \$500 and a fee of \$35 for asbestos removal workers to cover program costs.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Request is for Base Level of \$244,139 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UB - Asbestos Control Program

Funding Sources: SAC - Asbestos Control Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	143,538	158,454	158,896	157,754	157,754	157,754	157,754	157,754	157,754
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	45,720	50,839	50,734	50,743	50,743	50,743	50,743	50,743	50,743
Operating Expenses	5020002	3,497	29,452	29,452	29,452	29,452	29,452	29,452	29,452	29,452
Conference & Travel Expenses	5050009	2,082	4,090	4,090	4,090	4,090	4,090	4,090	4,090	4,090
Professional Fees	5060010	0	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	3,200	3,200	0	0	0	0	0	0
Total		194,837	248,135	248,472	244,139	244,139	244,139	244,139	244,139	244,139
Funding Sources										
Fund Balance	4000005	1,284,045	1,458,174		1,446,126	1,446,126	1,446,126	1,458,987	1,458,987	1,458,987
Special Revenue	4000030	368,966	236,087		257,000	257,000	257,000	257,000	257,000	257,000
Total Funding		1,653,011	1,694,261		1,703,126	1,703,126	1,703,126	1,715,987	1,715,987	1,715,987
Excess Appropriation/(Funding)		(1,458,174)	(1,446,126)		(1,458,987)	(1,458,987)	(1,458,987)	(1,471,848)	(1,471,848)	(1,471,848)
Grand Total		194,837	248,135		244,139	244,139	244,139	244,139	244,139	244,139

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

Analysis of Budget Request

Appropriation: 2UC - Solid Waste Mgmt/Recycling Prog

Funding Sources: TWS - Solid Waste Management Recycling Fund

Act 849 of 1989 (A.C.A. §8-6-605) established a Solid Waste Management and Recycling Fund to assist counties, cities, and solid waste authorities in the development of solid waste management plans, programs, and facilities that integrate recycling as a functional part of the solid waste management system. During the 79th General Assembly, additional legislation was adopted strengthening the recycling aspect of solid waste management. Funding is derived from landfill disposal fees collected pursuant to legislative enactments.

This appropriation contains unfunded contingency appropriation for Electronic Waste Recycling Infrastructure. Pursuant to A.C.A. §8-6-614, funding is derived from landfill disposal fees.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Request is for Base Level of \$8,383,209 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UC - Solid Waste Mgmt/Recycling Prog
Funding Sources: TWS - Solid Waste Management Recycling Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	777,893	838,874	821,859	830,074	830,074	830,074	830,074	830,074	830,074
#Positions	20	20	20	20	20	20	20	20	20
Personal Services Matching 5010003	235,164	257,654	258,891	260,938	260,938	260,938	260,938	260,938	260,938
Operating Expenses 5020002	106,084	126,529	126,529	126,529	126,529	126,529	126,529	126,529	126,529
Conference & Travel Expenses 5050009	5,325	15,668	15,668	15,668	15,668	15,668	15,668	15,668	15,668
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	3,910,051	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000
Capital Outlay 5120011	5,402	20,000	20,000	0	0	0	0	0	0
Electronic Waste Recycling Infrast 5900046	0	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total	5,039,919	8,408,725	8,392,947	8,383,209	8,383,209	8,383,209	8,383,209	8,383,209	8,383,209
Funding Sources									
Fund Balance 4000005	9,166,352	11,862,527		11,243,867	11,243,867	11,243,867	10,660,658	10,660,658	10,660,658
Special Revenue 4000030	7,736,094	7,790,065		7,800,000	7,800,000	7,800,000	7,800,000	7,800,000	7,800,000
Total Funding	16,902,446	19,652,592		19,043,867	19,043,867	19,043,867	18,460,658	18,460,658	18,460,658
Excess Appropriation/(Funding)	(11,862,527)	(11,243,867)		(10,660,658)	(10,660,658)	(10,660,658)	(10,077,449)	(10,077,449)	(10,077,449)
Grand Total	5,039,919	8,408,725		8,383,209	8,383,209	8,383,209	8,383,209	8,383,209	8,383,209

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary rate adjustments during the 2009-2011 biennium.

Analysis of Budget Request

Appropriation: 2UD - Reg. Substance Storage Tank

Funding Sources: SRS - Regulated Substance Storage Tank Program Fund

Acts 172 and 173 of 1989, as amended, designated the Department of Environmental Quality as the implementing agency for the Regulated Storage Tank Program. Pursuant to A.C.A. §8-7-808, this appropriation is funded by fees collected from the annual registration of underground and above ground storage tanks and from the licensure of installers of storage tanks.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Request is for Base Level of \$963,870 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UD - Reg. Substance Storage Tank

Funding Sources: SRS - Regulated Substance Storage Tank Program Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	806,950	675,811	705,503	667,911	667,911	667,911	667,911	667,911	667,911
#Positions		22	18	22	18	18	18	18	18	18
Personal Services Matching	5010003	250,668	221,227	231,580	219,826	219,826	219,826	219,826	219,826	219,826
Operating Expenses	5020002	56,705	71,128	71,128	71,128	71,128	71,128	71,128	71,128	71,128
Conference & Travel Expenses	5050009	50	5,005	5,005	5,005	5,005	5,005	5,005	5,005	5,005
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		1,114,373	973,171	1,013,216	963,870	963,870	963,870	963,870	963,870	963,870
Funding Sources										
Fund Balance	4000005	1,149,654	1,089,781		1,222,610	1,222,610	1,222,610	1,301,922	1,301,922	1,301,922
Special Revenue	4000030	1,054,500	1,106,000		1,043,182	1,043,182	1,043,182	983,765	983,765	983,765
Total Funding		2,204,154	2,195,781		2,265,792	2,265,792	2,265,792	2,285,687	2,285,687	2,285,687
Excess Appropriation/(Funding)		(1,089,781)	(1,222,610)		(1,301,922)	(1,301,922)	(1,301,922)	(1,321,817)	(1,321,817)	(1,321,817)
Grand Total		1,114,373	973,171		963,870	963,870	963,870	963,870	963,870	963,870

Analysis of Budget Request

Appropriation: 2UE - Petroleum Storage Tank Trust

Funding Sources: TPT - Petroleum Storage Tank Trust Fund

The Petroleum Storage Tank Trust Fund was established by Act 173 of 1989, as amended (A.C.A. §8-7-901). This fund provides a procedure for reimbursement of remediation costs or damages as a result of leaking tanks. Funding for the program is derived from an environmental assurance fee which is assessed at a rate not to exceed three-tenths of one cent for each gallon of motor fuel or distillate special fuel purchased or imported into Arkansas (A.C.A. §8-7-906). The environmental assurance fee is paid by the first distributor or supplier receiving fuel from a terminal in Arkansas, or if the fuel will never be stored in a terminal in this State, then by the distributor or supplier who first imports the fuel into the State by truck.

The Agency utilizes this appropriation to pay reimbursements to owner operators for taking corrective action or to pay third parties for compensatory damages caused by accidental releases from qualified storage tanks, and to pay reasonable and necessary costs and expenses of the department for taking corrective action caused by accidental releases from a storage tank of unknown ownership or when corrective action is not taken by the owner or operator in a timely manner. This appropriation contains \$10,000,000 of unfunded contingency appropriation that is utilized when necessary for corrective actions.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level request for Regular Salaries includes board member stipend payments.

The Agency request is for Base level of \$21,767,367 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UE - Petroleum Storage Tank Trust

Funding Sources: TPT - Petroleum Storage Tank Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	205,261	206,859	237,216	204,459	204,459	204,459	204,459	204,459	204,459
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	56,865	60,373	65,433	59,947	59,947	59,947	59,947	59,947	59,947
Operating Expenses	5020002	7,848,067	18,999,800	18,999,800	18,999,800	18,999,800	18,999,800	18,999,800	18,999,800	18,999,800
Conference & Travel Expenses	5050009	40	3,005	3,005	3,005	3,005	3,005	3,005	3,005	3,005
Professional Fees	5060010	44,640	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156
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		8,154,873	21,770,193	21,805,610	21,767,367	21,767,367	21,767,367	21,767,367	21,767,367	21,767,367
Funding Sources										
Fund Balance	4000005	19,291,539	18,639,917		4,503,250	4,503,250	4,503,250	0	0	0
Other	4000370	7,503,251	7,633,526		7,498,147	7,498,147	7,498,147	7,717,068	7,717,068	7,717,068
Total Funding		26,794,790	26,273,443		12,001,397	12,001,397	12,001,397	7,717,068	7,717,068	7,717,068
Excess Appropriation/(Funding)		(18,639,917)	(4,503,250)		9,765,970	9,765,970	9,765,970	14,050,299	14,050,299	14,050,299
Grand Total		8,154,873	21,770,193		21,767,367	21,767,367	21,767,367	21,767,367	21,767,367	21,767,367

The excess appropriation in FY12 and FY13 assumes full expenditure of the contingency appropriation (Petroleum Storage Tank Remediation Program) in the Operating Expenses line item. Other funding is comprised of environmental assurance fees collected pursuant to A.C.A. §8-7-906.

Analysis of Budget Request

Appropriation: 2UF - Regulated Storage Tank Program

Funding Sources: FYP - Federal Funds

Acts 172 and 173 of 1989 created the Regulated Storage Tank Program and placed the responsibilities of the program under the direction of the Department of Environmental Quality. The Agency utilizes this appropriation for contractual services on corrective actions with federal funding derived from the Environmental Protection Agency. This funding requires a 90/10 federal/state match ratio.

The Agency Request is for Base Level of \$3,925,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UF - Regulated Storage Tank Program

Funding Sources: FYP - Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regulated Storage Tank & Contra 5900043	289,462	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000
Total	289,462	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000
Funding Sources									
Federal Revenue 4000020	289,462	3,925,000		3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000
Total Funding	289,462	3,925,000		3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	289,462	3,925,000		3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000

Analysis of Budget Request

Appropriation: 2UG - Landfill Post Closure Program

Funding Sources: TLP - Landfill Post Closure Trust Fund

The Landfill Post-Closure Program was created by Act 747 of 1991 (A.C.A. §8-6-1001) to address corrective actions, which may be necessary to properly clean up a previously closed landfill, so that no harm is caused to the public health or the environment. Funding is derived from landfill disposal fees and transportation fees, as well as fees imposed on solid waste generated in the State but not disposed of in a solid waste facility within the State.

Pursuant to Act 938 of 1997 (A.C.A. §8-6-1002), funding for all programs is capped at \$25,000,000, with no additional funds collected for the Landfill Post Closure Trust Fund once this level is reached; however, collections are reinstated once the fund diminishes to \$15,000,000. In addition, for administrative purposes, the Agency may utilize these funds at a level not exceeding \$300,000 annually, with an annual escalator not exceeding 3%. During FY09 the fund balance was capped at \$25,000,000; therefore, no additional funds will be collected for the Landfill Post Closure Trust Fund until the fund balance diminishes to \$15,000,000. Current funding is derived from interest earned on the monies in the Landfill Post Closure Trust Fund.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

In addition to Base Level of \$7,848,179 each year, the Agency is requesting a reallocation in FY12 of \$35,000 from Contractual Services to Capital Outlay to replace one (1) vehicle to conduct site inspections and monitor landfill post closure facilities.

The Executive Recommendation provides for the Agency Request with Capital Outlay to replace an aging, high mileage vehicle in FY12 in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Appropriation Summary

Appropriation: 2UG - Landfill Post Closure Program

Funding Sources: TLP - Landfill Post Closure Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	272,241	294,574	295,810	290,774	290,774	290,774	290,774	290,774	290,774
#Positions		6	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	81,577	87,790	87,070	87,109	87,109	87,109	87,109	87,109	87,109
Operating Expenses	5020002	0	30,923	30,923	30,923	30,923	30,923	30,923	30,923	30,923
Conference & Travel Expenses	5050009	0	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
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	35,000	35,000	0	0	0
Contractual Services	5900043	184,931	7,433,373	7,433,373	7,433,373	7,398,373	7,398,373	7,433,373	7,433,373	7,433,373
Total		538,749	7,852,660	7,853,176	7,848,179	7,848,179	7,848,179	7,848,179	7,848,179	7,848,179

Funding Sources										
Fund Balance	4000005	24,564,941	24,259,210		16,640,568	16,640,568	16,640,568	10,224,389	10,224,389	10,224,389
Special Revenue	4000030	0	0		1,200,000	1,200,000	1,200,000	2,000,000	2,000,000	2,000,000
Interest	4000300	233,018	234,018		232,000	232,000	232,000	230,000	230,000	230,000
Total Funding		24,797,959	24,493,228		18,072,568	18,072,568	18,072,568	12,454,389	12,454,389	12,454,389
Excess Appropriation/(Funding)		(24,259,210)	(16,640,568)		(10,224,389)	(10,224,389)	(10,224,389)	(4,606,210)	(4,606,210)	(4,606,210)
Grand Total		538,749	7,852,660		7,848,179	7,848,179	7,848,179	7,848,179	7,848,179	7,848,179

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 2UG - Landfill Post Closure Program
Funding Sources: TLP - Landfill Post Closure Trust Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	7,848,179	6	7,848,179	100.0	7,848,179	6	7,848,179	100.0
C04	Reallocation	0	0	7,848,179	100.0	0	0	7,848,179	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	7,848,179	6	7,848,179	100.0	7,848,179	6	7,848,179	100.0
C04	Reallocation	0	0	7,848,179	100.0	0	0	7,848,179	100.0

Justification

C04	The solid waste management division requests a \$35,000 capital appropriation reallocation to purchase a replacement vehicle by reducing Contractual Services during the first year of the 2011-2013 biennium only. This vehicle will be used by department personnel for site visits and monitoring of landfill post closure facilities.
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Analysis of Budget Request

Appropriation: 2UH - Waste Tire Recycling Program

Funding Sources: TTG - Waste Tire Grant Fund

The Waste Tire Recycling Program was created by Act 749 of 1991, as amended by Act 1292 of 1997 (A.C.A. §8-9-404). Funding for this program is derived from a fee imposed on the sale of each automobile and truck tire sold at retail at a rate of \$2.00 per tire, and an additional \$3.00 per truck tire. The fee imposed, less 5% retained by the tire retailer is used for grants to the State's regional solid waste districts. Of the total funds collected, 8% is transferred to the Agency's Permit Fee Fund for administrative program support. In addition to the fee imposed on new tires, a \$1.00 fee is imposed on all waste tires imported into Arkansas.

This appropriation is used to disburse Tire Recycling Grant Funds to the Regional Solid Waste Management Districts and contains unfunded contingency appropriation in the amount of \$1,000,000 that is disbursed when funds are available.

The Agency Request is for Base Level of \$6,425,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UH - Waste Tire Recycling Program

Funding Sources: TTG - Waste Tire Grant Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	4,203,125	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000
Total		4,203,125	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000
Funding Sources										
Fund Balance	4000005	1,766,506	2,369,554		773,518	773,518	773,518	0	0	0
Special Revenue	4000030	4,806,173	4,828,964		4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000
Total Funding		6,572,679	7,198,518		5,673,518	5,673,518	5,673,518	4,900,000	4,900,000	4,900,000
Excess Appropriation/(Funding)		(2,369,554)	(773,518)		751,482	751,482	751,482	1,525,000	1,525,000	1,525,000
Grand Total		4,203,125	6,425,000		6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000

The excess appropriation in FY12 and FY13 assumes full expenditure of the contingency appropriation in the Grants and Aid line item.

Analysis of Budget Request

Appropriation: 2UJ - St Mktg Brd for Recyclables Prog

Funding Sources: SMB - State Marketing Board Fund

The State Marketing Board for Recyclables Program was created by the 78th General Assembly through Act 749 of 1991 (A.C.A. §8-9-201 and §8-6-607). The Board's responsibilities includes development of a program coordinating all existing marketing programs for recyclables as well as an overall marketing plan for Arkansas recyclables; establishment of an inventory of markets for recyclables in Arkansas and surrounding states with maintenance of current market prices and trends; working with new and existing industries to encourage the use of recyclables in the manufacturing processes; and advising and assisting of state and local officials in all areas of recyclables marketing.

Act 755 of 1991 (A.C.A. §8-6-607), as amended, provides the Board's funding from 25% of the disposal fees collected from landfills where a private industry bears the expense of operating and maintaining the landfill solely for the disposal of wastes generated by the industry. The remaining 75% of the disposal fees, which fund the Solid Waste Management and Recycling Program, are found in appropriation (2UC).

The Base Level request for Regular Salaries includes board member Stipend payments and corresponding Personal Services Matching.

The Agency Request is for Base Level of \$28,876 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UJ - St Mktg Brd for Recyclables Prog

Funding Sources: SMB - State Marketing Board Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	780	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
#Positions		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	60	115	115	115	115	115	115	115	115
Operating Expenses	5020002	3,943	13,846	13,846	13,846	13,846	13,846	13,846	13,846	13,846
Conference & Travel Expenses	5050009	991	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415
Professional Fees	5060010	0	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	3,500	3,500	0	0	0	0	0	0
Total		5,774	32,376	32,376	28,876	28,876	28,876	28,876	28,876	28,876
Funding Sources										
Fund Balance	4000005	155,369	166,619		152,547	152,547	152,547	140,781	140,781	140,781
Special Revenue	4000030	17,024	18,304		17,110	17,110	17,110	16,378	16,378	16,378
Total Funding		172,393	184,923		169,657	169,657	169,657	157,159	157,159	157,159
Excess Appropriation/(Funding)		(166,619)	(152,547)		(140,781)	(140,781)	(140,781)	(128,283)	(128,283)	(128,283)
Grand Total		5,774	32,376		28,876	28,876	28,876	28,876	28,876	28,876

Regular Salaries and Personal Services Matching are comprised of board member stipend payments.

Analysis of Budget Request

Appropriation: 2UK - Environmental Education Program

Funding Sources: MEE - Environmental Education Fund

The appropriation for the Environmental Education Program was created by the 78th General Assembly to provide environmental education materials and training. Funding is derived from 10% of the revenue collected for the Hazardous Substance Remedial Action Trust Fund up to \$275,000 per fiscal year (A.C.A. §8-7-509(d)).

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Request is for Base Level of \$316,104 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UK - Environmental Education Program

Funding Sources: MEE - Environmental Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	47,467	47,735	46,067	46,935	46,935	46,935	46,935	46,935	46,935
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	13,606	14,356	13,894	14,208	14,208	14,208	14,208	14,208	14,208
Operating Expenses	5020002	68,502	151,961	151,961	152,961	152,961	152,961	152,961	152,961	152,961
Conference & Travel Expenses	5050009	2,760	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Professional Fees	5060010	0	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	3,089	8,000	8,000	0	0	0	0	0	0
Total		135,424	324,052	321,922	316,104	316,104	316,104	316,104	316,104	316,104
Funding Sources										
Fund Balance	4000005	276,054	278,564		89,512	89,512	89,512	48,408	48,408	48,408
Other	4000370	137,934	135,000		275,000	275,000	275,000	275,000	275,000	275,000
Total Funding		413,988	413,564		364,512	364,512	364,512	323,408	323,408	323,408
Excess Appropriation/(Funding)		(278,564)	(89,512)		(48,408)	(48,408)	(48,408)	(7,304)	(7,304)	(7,304)
Grand Total		135,424	324,052		316,104	316,104	316,104	316,104	316,104	316,104

The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium.

Analysis of Budget Request

Appropriation: 2UM - Lead Based Paint Hazard Prog

Funding Sources: MPL - Lead Based Paint Hazard Fund

The Lead-Based Paint Hazard Program was created by the 81st General Assembly through Act 309 of 1997 (A.C.A. §8-4-409 et seq.). This Act authorized the Agency to establish, administer, and enforce a program for training and licensing individuals and firms engaged in lead-based paint activities. Funding is derived from fees charged to consultants, contractors, and trainers conducting lead-based paint activities.

The Agency Request is for Base Level of \$18,250 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UM - Lead Based Paint Hazard Prog

Funding Sources: MPL - Lead Based Paint Hazard Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,044	16,825	16,825	16,825	16,825	16,825	16,825	16,825	16,825
Conference & Travel Expenses	5050009	540	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425
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		3,584	18,250	18,250	18,250	18,250	18,250	18,250	18,250	18,250
Funding Sources										
Fund Balance	4000005	179,012	191,837		183,092	183,092	183,092	181,632	181,632	181,632
Special Revenue	4000030	16,409	9,505		16,790	16,790	16,790	17,367	17,367	17,367
Total Funding		195,421	201,342		199,882	199,882	199,882	198,999	198,999	198,999
Excess Appropriation/(Funding)		(191,837)	(183,092)		(181,632)	(181,632)	(181,632)	(180,749)	(180,749)	(180,749)
Grand Total		3,584	18,250		18,250	18,250	18,250	18,250	18,250	18,250

Analysis of Budget Request

Appropriation: 2UN - Small Business Loans

Funding Sources: TBL - Small Business Revolving Loan Fund

The Small Business Revolving Loan Program was created by the 81st General Assembly through Act 691 of 1997 (A.C.A. §8-5-801 et seq.). This Act authorized the Agency to establish and administer the Small Business Revolving Loan Fund to encourage the investment in pollution control and prevention technologies. Funding for this program is derived from interest earnings and repayment streams of the small business loans. The personal services and operating expenses of the Small Business Revolving Loan Program are found in appropriation (2UP) Small Business Revolving Loan Program Expenses. The Agency utilizes this appropriation to issue small business loans.

The Agency Request is for Base Level of \$550,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UN - Small Business Loans

Funding Sources: TBL - Small Business Revolving Loan Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Loans 5120029	51,667	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Total	51,667	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Funding Sources									
Loan Repayment 4000330	51,667	550,000		550,000	550,000	550,000	550,000	550,000	550,000
Total Funding	51,667	550,000		550,000	550,000	550,000	550,000	550,000	550,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	51,667	550,000		550,000	550,000	550,000	550,000	550,000	550,000

Analysis of Budget Request

Appropriation: 2UP - Sm Bus Revolving Loan Prog Exp

Funding Sources: TBL - Small Business Revolving Loan Fund

The Small Business Revolving Loan Program was created by the 81st General Assembly through Act 691 of 1997 (A.C.A. §8-5-801 et seq.). This Act authorized the Agency to establish and administer the Small Business Revolving Loan Fund to encourage the investment in pollution control and prevention technologies. Funding for this program is derived from interest earned on the monies in Small Business Revolving Loan Fund. The loan expenses of the Small Business Revolving Loan Program are found in appropriation (2UN) Small Business Loans.

This appropriation provides for the personal services and operating expenses of the Small Business Revolving Loan Program.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Request is for Base Level of \$55,302 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UP - Sm Bus Revolving Loan Prog Exp

Funding Sources: TBL - Small Business Revolving Loan Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	22,307	25,737	28,140	25,737	25,737	25,737	25,737	25,737	25,737
#Positions	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	10,168	9,897	10,472	9,905	9,905	9,905	9,905	9,905	9,905
Operating Expenses 5020002	2,157	11,010	11,010	11,010	11,010	11,010	11,010	11,010	11,010
Conference & Travel Expenses 5050009	505	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650
Professional Fees 5060010	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
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	35,137	55,294	58,272	55,302	55,302	55,302	55,302	55,302	55,302
Funding Sources									
Interest 4000300	35,137	55,294		55,302	55,302	55,302	55,302	55,302	55,302
Total Funding	35,137	55,294		55,302	55,302	55,302	55,302	55,302	55,302
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	35,137	55,294		55,302	55,302	55,302	55,302	55,302	55,302

Analysis of Budget Request

Appropriation: 2UQ - Performance Partnership Syst Exp

Funding Sources: TPP - Performance Partnership Trust Fund

This appropriation was created by Act 1210 of 1999 (A.C.A. §19-5-1102) to provide for expenses of designing and establishing a management organization, utilizing the principles of the National Environmental Performance Partnership System advocated by the U.S. Environmental Protection Agency which integrates environmental indicators, management information, along with performance-based budgeting and accounting to measure Agency performance. The fund enables the Agency to examine infrastructure, develop integrated approaches to environmental management, and implement a multi-year redesign of the Agency's regulatory databases.

Initial funding was derived from fund transfers beginning in FY00 of \$500,000 each fiscal year from the Landfill Post Closure Trust Fund. The transfers were authorized for five (5) years, with the cessation of the fund transfers occurring in FY04. Current funding is derived from interest earned on the monies in the Performance Partnership Trust Fund. This program will cease when the fund balance is depleted.

The Agency Request is for Base Level of \$600,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UQ - Performance Partnership Syst Exp

Funding Sources: TPP - Performance Partnership Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Performance Integrated Syst 5900046	67,143	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total	67,143	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Funding Sources									
Fund Balance 4000005	994,637	936,259		345,079	345,079	345,079	0	0	0
Interest 4000300	8,765	8,820		4,000	4,000	4,000	0	0	0
Total Funding	1,003,402	945,079		349,079	349,079	349,079	0	0	0
Excess Appropriation/(Funding)	(936,259)	(345,079)		250,921	250,921	250,921	600,000	600,000	600,000
Grand Total	67,143	600,000		600,000	600,000	600,000	600,000	600,000	600,000

The excess appropriation in FY12 and FY13 assumes full expenditure of the appropriation in the Performance Integrated System line item. This program will cease when the fund balance is depleted.

Analysis of Budget Request

Appropriation: 2UR - Environmental Settlement Trust

Funding Sources: TET - ADEQ Environmental Settlement Trust Fund

The ADEQ Environmental Settlement Trust Fund was created by Act 1416 of 2001 (A.C.A. §19-5-1111) for expenses authorized through various settlement agreements benefiting the State of Arkansas as administered through the ADEQ. The fund consists of income received by the State of Arkansas pursuant to settlement agreements for environmental or natural resource damages, interest earnings, and other designated revenue.

The Agency Request is for Base Level of \$750,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UR - Environmental Settlement Trust

Funding Sources: TET - ADEQ Environmental Settlement Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Environmental Settlement Trust 5900046	21,279	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Total	21,279	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Funding Sources									
Trust Fund 4000050	21,279	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Total Funding	21,279	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	21,279	750,000		750,000	750,000	750,000	750,000	750,000	750,000

Analysis of Budget Request

Appropriation: 2US - Computer/Electronic Recycling

Funding Sources: MER - Computer and Electronic Recycling Fund

The Computer and Electronic Recycling Fund was created by Act 1410 of 2001 (A.C.A. § 19-5-1217). This appropriation is used to promote market research and development grants to determine the most efficient process for collecting, transporting and processing various scrap electronic equipment. This appropriation is funded through Marketing and Redistribution proceeds from computer or electronic equipment sales throughout the state.

The Agency Request is for Base Level of \$250,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2US - Computer/Electronic Recycling

Funding Sources: MER - Computer and Electronic Recycling Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Computer & Electronics Recycling I 5900046	52,549	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total	52,549	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Funding Sources									
Fund Balance 4000005	94,095	152,247		0	0	0	0	0	0
M & R Sales 4000340	110,701	97,753		135,000	135,000	135,000	135,000	135,000	135,000
Total Funding	204,796	250,000		135,000	135,000	135,000	135,000	135,000	135,000
Excess Appropriation/(Funding)	(152,247)	0		115,000	115,000	115,000	115,000	115,000	115,000
Grand Total	52,549	250,000		250,000	250,000	250,000	250,000	250,000	250,000

The excess appropriation in FY12 and FY13 assumes full expenditure of the appropriation in the Computer & Electronic Recycling Management Exp or Grants line item.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Environmental Quality Department

Program: Computer/Electronic Recycling

Act #: 213 Section(s) #: 29 & 41

Estimated Carry Forward Amount \$ 0.00 Funding Source: Other

Accounting Information:

Business Area: 0930 Funds Center: 2US Fund: MER Functional Area: COMM

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Funds will be expensed by June 30, 2010, therefore no carry forward is needed for FY11.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward funding:

All funds were spent in FY10.

Note from DFA – Office of Budget: Funds remaining at the end of any fiscal year from this fund must, by law, remain in the fund regardless of the future status of any project, contract or purpose. The Special Language that requires this report is no longer necessary.

Teresa Marks

Director

08-26-2010

Date

Analysis of Budget Request

Appropriation: 344 - PCE Comm Admn Hearing Officer

Funding Sources: TPE - ADEQ Fee Trust Fund

The Hearing Officer Division was created by Act 921 of 1993 (A.C.A. §8-1-203), which authorized the Pollution Control and Ecology Commission to hire a full-time, independent administrative hearing officer for the purposes of adjudicatory review of Agency decisions concerning permit issuance or revocation, and assessment of civil penalties. Act 1077 of 1993 provided appropriations for this Division payable from the Agency's Fee Fund. Funding for this appropriation is derived from special revenues transferred from the Agency's Fee Fund. (A.C.A §8-1-204)

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level request for Regular Salaries includes board member stipend payments.

In addition to Base Level of \$257,561 each year, the Agency is requesting a reclassification of the Department Administrative Law Judge (C127) to an Administrative Hearing Officer (N906).

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 344 - PCE Comm Admn Hearing Officer

Funding Sources: TPE - ADEQ Fee Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	130,471	130,648	159,869	129,048	129,048	129,048	129,048	129,048	129,048
#Positions		2	2	3	2	2	2	2	2	2
Personal Services Matching	5010003	37,876	34,663	44,749	34,374	34,374	34,374	34,374	34,374	34,374
Operating Expenses	5020002	46,568	87,217	87,217	87,217	87,217	87,217	87,217	87,217	87,217
Conference & Travel Expenses	5050009	999	6,922	6,922	6,922	6,922	6,922	6,922	6,922	6,922
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		215,914	259,450	298,757	257,561	257,561	257,561	257,561	257,561	257,561
Funding Sources										
Special Revenue	4000030	215,914	259,450		257,561	257,561	257,561	257,561	257,561	257,561
Total Funding		215,914	259,450		257,561	257,561	257,561	257,561	257,561	257,561
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		215,914	259,450		257,561	257,561	257,561	257,561	257,561	257,561

Change Level by Appropriation

Appropriation: 344 - PCE Comm Admn Hearing Officer
Funding Sources: TPE - ADEQ Fee Trust Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	257,561	2	257,561	100.0	257,561	2	257,561	100.0
C10	Reclass	0	0	257,561	100.0	0	0	257,561	100.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	257,561	2	257,561	100.0	257,561	2	257,561	100.0
C10	Reclass	0	0	257,561	100.0	0	0	257,561	100.0

Justification

C10	1 position, #22090847, Administrative Hearing Officer, is being requested for a title/grade change to N906.
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Analysis of Budget Request

Appropriation: 36A - Fee Administration Non-Haz Clean Up

Funding Sources: TPE - ADEQ Fee Trust Fund

This appropriation was created by the 86th General Assembly in Act 1281 of 2007. This appropriation gives ADEQ the ability to cleanup non-hazardous sites which pose a threat to the environment of the State of Arkansas. The ADEQ Fee Trust Fund provides the funding for the appropriation; however, funding is restricted to interest earnings only from the ADEQ Fee Trust Fund.

The Agency Request is for Base Level of \$750,000 in each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 36A - Fee Administration Non-Haz Clean Up

Funding Sources: TPE - ADEQ Fee Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Contractual Services 5900043	0	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Total	0	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Funding Sources									
Trust Fund 4000050	0	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Total Funding	0	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	750,000		750,000	750,000	750,000	750,000	750,000	750,000

Analysis of Budget Request

Appropriation: 467 - PCE Commission Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

The Pollution Control and Ecology Commission utilizes this appropriation for Commission training expenses and is funded by general revenue.

The Agency Request is for Base Level of \$3,977 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 467 - PCE Commission Expenses
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
PC&E Commission Expenses 5900046	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977
Total	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977
Funding Sources									
General Revenue 4000010	3,977	3,977		3,977	3,977	3,977	3,977	3,977	3,977
Total Funding	3,977	3,977		3,977	3,977	3,977	3,977	3,977	3,977
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,977	3,977		3,977	3,977	3,977	3,977	3,977	3,977

ARKANSAS GEOLOGICAL SURVEY

Enabling Laws

Act 139 of 2010
A.C.A. §15-55-201, et seq.

History and Organization

The first geologic surveys made from State-appropriated funds go back to 1857-60. A second survey was made from 1871-74. In 1881, the Geological Survey of Arkansas was established under the direction of Dr. John C. Branner and lasted until 1893. During this period, Herbert Clark Hoover, who later became President of the United States, assisted Dr. Branner. For the next 30 years, the Department of Geology conducted a few geologic surveys at the University of Arkansas. In 1923 the Geological Survey of Arkansas was once again established by Act 573 of 1923 under the direction of George C. Branner, the son of John Branner. In 1945, reorganization changed the agency name to the Arkansas Resources and Development Commission, Division of Geology, under the direction of Harold B. Foxhall. From 1951 to 1995 Norman F. Williams was Director and State Geologist. Reorganization in 1955 established the agency as the Arkansas Geological and Conservation Commission. Act 16 of 1963 changed the name of the organization to the Arkansas Geological Commission. In 1995, William V. Bush became Director and State Geologist. In 2003, Mac B. Woodward was appointed Director and State Geologist. In January 2005 Bekki White was appointed Director and State Geologist. Act 129 of 2007 changed the agency name back to Arkansas Geological Survey.

The mission of the Arkansas Geological Survey is to increase the knowledge of the geology of the State, to stimulate the orderly development and utilization of the State's mineral, water, and fossil fuel resources, while protecting the environment.

The Arkansas Geological Survey (AGS) is organized into three sections: Administrative Services, Information Services, and Technical Services, all of which are under the direct supervision of the State Geologist.

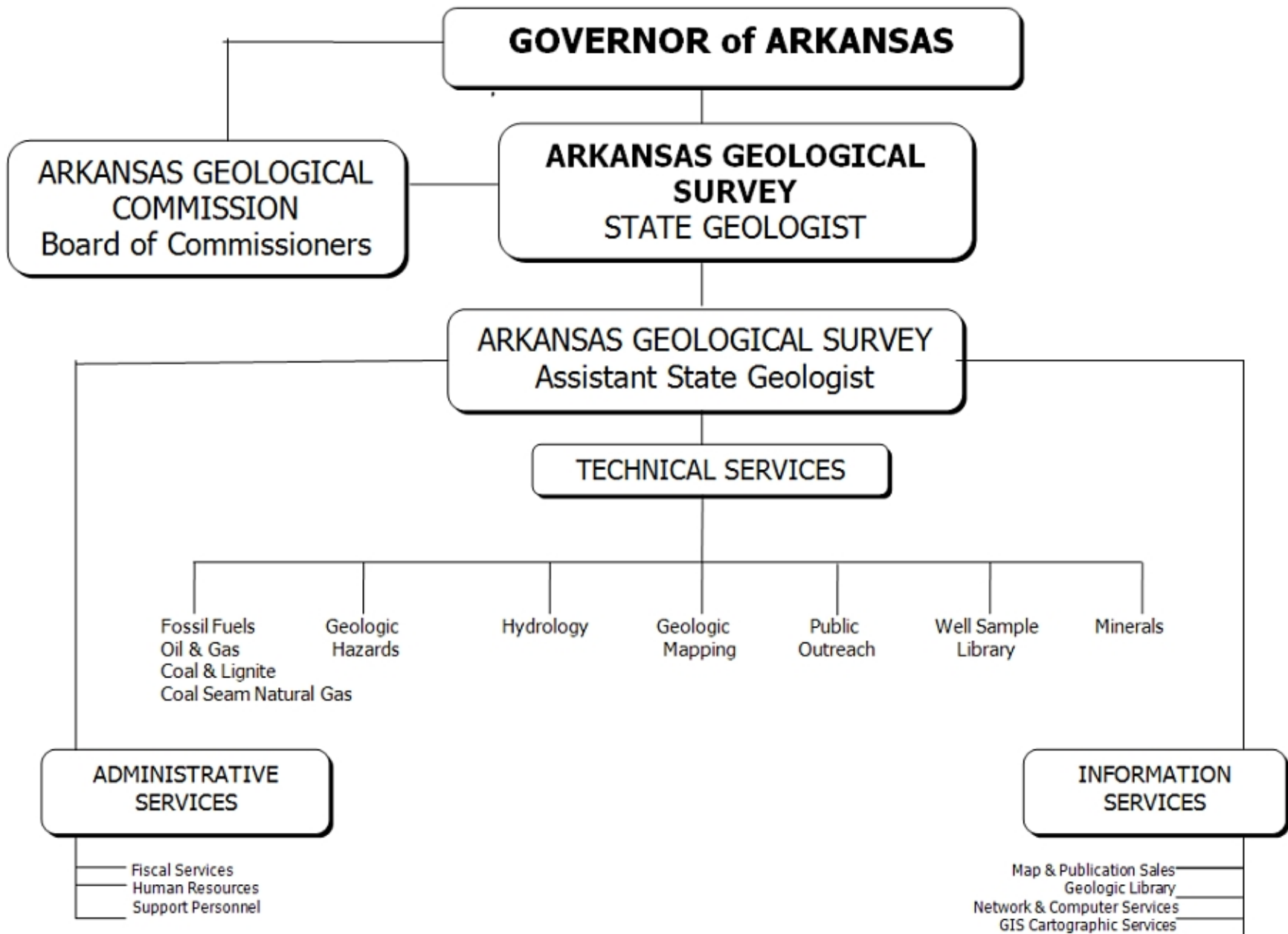
The Administrative Services Section consists of fiscal services, human resources and support personnel services. This section provides all the administrative support for the agency.

The Information Services Section's primary function is the distribution of information prepared and maintained by the Technical Services Section. This is accomplished through four offices: Map and Publication Sales, Geological Library, Network & Computer Services and GIS Cartographic Services.

The Technical Services Section is composed of the geologic staff and technical support personnel. Its primary responsibilities are: 1) to search for and provide information on the State's mineral, fossil-fuel (coal, oil and gas), and water resources; 2) to encourage the orderly development of these resources; 3) to maintain current geologic map coverage of the State; and 4) to study and report on the geologic factors affecting the State's environment.

Technical Services is divided into six major activities: Fossil Fuels (oil & gas, lignites & coals); Geohazards (earthquakes, landslides, karst); Hydrology; Geologic Mapping (surface, subsurface); and Public Outreach Minerals (Industrial, metallic, non-metallic). Also under this section is the Well Sample Library.

In addition to the major activities in the Geological Services Section, the Agency has several cooperative projects with the US Geological Survey (USGS). The AGS has three cooperative programs with the Water Resources Division of the USGS: Groundwater Survey Program, Stream Gauging Program (surface water), and Water Quality Program. Each of these is a 50-50 cooperative program in which the costs are split, but with the majority of the work being done by USGS personnel using their equipment and facilities. These programs provide base-line water data to the public and other users of water data needed in management and protection activities. The selection of sample sites is coordinated with other government agencies that collect water data, in order to eliminate duplication and establish site selection priorities in strategic areas for the public welfare.



Agency Commentary

The Arkansas Geological Survey (AGS) was created by Act 16 of 1963. Agency activities are divided into three major sections: 1) Administrative Services, 2) Technical Services, and 3) Information Services. Activities are primarily supported by General Revenue Funds, except Map and Publication Sales which operate on a revolving cash fund, the Geology Learning Center, which is funded by donations. There are several federally grant funded programs which operate under miscellaneous federal grants. In May 2008, a donation by the State Farm Insurance Group enabled the formation of an Earthquake Education and Outreach Program. This program conducted a series of town hall meetings across the state to present "Earthquake 101"; an educational program designed for the citizen/layman. The Arkansas Geological Survey participates in cooperative (matching at 50/50) water programs with the United States Geological Survey.

The Administrative Services Section supports the AGS with fiscal services, human resources and personnel services. This section provides all the administrative support for the agency as well as physical plant and vehicle maintenance.

The Agency request is for Base Level.

The Technical Services Section is composed of the geologic staff and technical support personnel. Its primary responsibilities are: 1) to search for and provide information on the State's mineral, fossil-fuel, and water resources; 2) to encourage the orderly development of these resources; 3) to maintain current geologic map coverage of the State; and 4) to study and report on the geologic factors affecting the State's environment.

Technical Services is divided into six major activities: Fossil Fuels (oil & gas, lignites & coals); Geohazards (earthquakes, landslides, karst); Minerals (Industrial, metallic, non-metallic); Hydrology; Geologic Mapping (surface, subsurface); and Public Outreach (Outreach efforts such as the Geology Learning Center fall under this Section but is not an official program).

Current geologic map coverage of the State is maintained and other geologic studies are conducted as needed. The geologic information compiled and maintained for these investigations is necessary for exploration, development, planning and protection for the mineral resources base of Arkansas and as the framework for numerous environmental studies. A technical support group assists the geologic staff in collecting, evaluating and preparing geologic data.

The Agency request is for Base Level.

The Information Services Section's primary functions are preparation, storage and distribution of data, reports, and maps prepared and maintained by the Geological Services Section. This is accomplished through the Map and Publication Sales Office, Geological Library, and

Network and Computer Services. With the increasing demand for maps in digital format, we are, in an orderly fashion, digitizing the geology of Arkansas.

The Arkansas Geological Survey is the repository of geologic and mineral information collected for more than 150 years. Most of this information is in a paper format. A data archival system is being established to provide for the storage, preservation, and archival of subsurface and surface geological data, samples and publications. This information will provide a "catalogue" of AGS information that would be easily accessible. The purpose of this program is to insure that this data is preserved for future generations of Arkansas citizens.

The Agency request is for Base Level.

The AGS has three **Cooperative Programs with the U.S. Geological Survey** (USGS) Water Resources Division. These cooperative programs with the U.S. Geological Survey's Water Resources Division includes 1) Stream Gauging Program (surface water), 2) Water Quality Program, and 3) Ground Water Survey. These programs provide for collection, evaluation and development of data relating to the State's surface and ground water resources. Information from these programs is important to the development and protection of the State's water supply and is critical to the agencies that regulate and manage the State's water resources. Specifically, these funds are used to collect and analyze surface and ground water samples (Water Quality Program); installation and monitoring of continuous-record stream gauging stations (Stream Gauging Program); and research in subsurface geology relating to ground water (Ground Water Survey). The Ground Water Survey will include regular water-level measurements of wells in the critical Sparta Aquifer in south Arkansas and the Quaternary Aquifer in east Arkansas.

The Agency request is for Base Level.

MAP RE-SALE-The Map Re-sale appropriation provides for the authorization to operate from a revolving cash fund, using a portion of the money collected from the sale of maps, publications and reproduction charges.

The Agency request is for Base Level.

STATE GEOLOGIC MAPPING PROGRAM - Federal funds from the Department of Interior and Department of Energy will be received during the biennium for geologic mapping and data collection. There is no request for appropriation beyond Base Level.

US Geological Survey (USGS) funds for **STATEMAP (State Geologic Mapping Program)** pay the salary of one field geologist and an extra help position to conduct geologic field studies and mapping in Arkansas. The program involves the geologic mapping of areas of the state selected by the Commission. This is a cooperative effort between the AGS and the USGS and is part of the National Geologic Mapping effort to standardize the quality of geologic mapping in the United States. This project will aid in the development and management of the mineral resources of the area and greatly expand the knowledge of the geology of the State.

The USGS will continue to fund the **National Coal Resources Data System (NCRDS)** project through both years of the biennium. NCRDS is a grant to collect, interpret, correlate and encode point-source coal and other energy-related stratigraphic data for entry into NCRDS, as well as validation, editing, and updating all data submitted to U. S. Geological Survey and the NCRDS Program.

The National Park Service (NPS) - provides funds for geologic mapping of three national parks Arkansas (Hot Springs National Park, Buffalo National River, and Arkansas Post National Memorial). This grant will produce a digital geologic map, defined as a map that depicts the geographic distribution at the Earth's surface of bedrock and/or surficial geologic materials and structures, on a published base map showing topography, hydrography, culture, cadastral, and other base information.

The Arkansas Geological Survey is a member of a coalition of all 50 state geological surveys participating in a **Geothermal Grant awarded by the Department of Energy (DOE)**. This \$17.9 million dollar grant will allow the state surveys to populate a new National Geothermal Data System with state-specific geothermal data to identify, assess and exploit geothermal energy resources across Arkansas and the United States. This data will become available on the web. This effort is part of a national effort to exploit renewable energy resources that would help reduce greenhouse gas emissions. The Arkansas Geological Survey expects a substantial grant award but does not project that a request for additional appropriation is necessary.

LIGNITE RESOURCES-FEDERAL

\$3,000,000 in appropriation was granted during the last biennium in anticipation of federal funding for lignite research, however, no federal funds were allocated for lignite research. The Agency is requesting to discontinue the Lignite Resources-Federal appropriation.

MUSEUM EXPENSES (GEOLOGY LEARNING CENTER) - CASH

This appropriation provides for the authorization to spend money donated to the AGS Geology Learning Center (GLC). The GLC is part of the educational arm of the agency with the purpose of giving student and citizens of all ages' exposure to rocks, minerals, fossils, and fossil fuels. The GLC has 5 display areas and receives funding and exhibit material from donations.

The Agency request is for Base Level.

Employment Summary

	Male	Female	Total	%
White Employees	17	8	25	93 %
Black Employees	0	1	1	4 %
Other Racial Minorities	1	0	1	3 %
Total Minorities			2	7 %
Total Employees			27	100 %

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
166 State Operations	1,942,983	27	2,003,060	27	2,039,060	27	2,016,196	27	2,016,196	27	2,016,196	27	2,016,196	27	2,016,196	27	2,016,196	27
169 Map Resale	9,323	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
210 State Geologic Mapping Program	148,237	2	1,052,885	2	1,112,066	3	1,054,508	2	1,054,508	2	1,054,508	2	1,054,508	2	1,054,508	2	1,054,508	2
54U State Farm Grant	329	0	36,000	0	36,000	0	36,000	0	36,000	0	36,000	0	36,000	0	36,000	0	36,000	0
83H Lignite Resources-Federal	0	0	3,000,000	0	3,000,000	0	3,000,000	0	0	0	0	0	3,000,000	0	0	0	0	0
873 Geology Museum	0	0	9,025	0	9,025	0	9,025	0	9,025	0	9,025	0	9,025	0	9,025	0	9,025	0
Total	2,100,872	29	6,200,970	29	6,296,151	30	6,215,729	29	3,215,729	29	3,215,729	29	6,215,729	29	3,215,729	29	3,215,729	29

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	52,650	2.4	68,934	1.1	68,934	2.1	68,934	2.1	68,934	2.1	68,934	2.1	68,934	2.1	68,934	2.1
General Revenue	4000010	1,942,983	89.5	2,003,060	31.9	2,016,196	61.4	2,016,196	61.4	2,016,196	61.4	2,016,196	61.4	2,016,196	61.4	2,016,196	61.4
Federal Revenue	4000020	148,237	6.8	4,052,885	64.6	1,054,508	32.1	1,054,508	32.1	1,054,508	32.1	1,054,508	32.1	1,054,508	32.1	1,054,508	32.1
Non-Revenue Receipts	4000040	25,780	1.2	100,000	1.6	100,000	3.0	100,000	3.0	100,000	3.0	100,000	3.0	100,000	3.0	100,000	3.0
Cash Fund	4000045	29	0.0	45,025	0.7	45,025	1.4	45,025	1.4	45,025	1.4	45,025	1.4	45,025	1.4	45,025	1.4
Interest	4000300	127	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		2,169,806	100.0	6,269,904	100.0	3,284,663	100.0	3,284,663	100.0	3,284,663	100.0	3,284,663	100.0	3,284,663	100.0	3,284,663	100.0
Excess Appropriation/(Funding)		(68,934)		(68,934)		2,931,066		(68,934)		(68,934)		2,931,066		(68,934)		(68,934)	
Grand Total		2,100,872		6,200,970		6,215,729		3,215,729		3,215,729		6,215,729		3,215,729		3,215,729	

Variance in fund balances due to unfunded appropriation in (83H) Lignite Resources-Federal.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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			Total	Total	Filled	Unfilled			Total	Total	Filled	Unfilled	
25	26	0	26	-1	-4.00 %	30	27	3	30	0	10.00 %	30	27	2	29	1	10.00 %

FY09 Budget Number of Positions exceeds the Authorized Number due to the approval of a Miscellaneous Federal Grant position.

Analysis of Budget Request

Appropriation: 166 - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Arkansas Geological Survey's (AGS) appropriation for State Operations is funded entirely by general revenue. In this program, data is accumulated, analyzed, and disseminated to provide knowledge of the geology and hydrogeology of the State to stimulate orderly development and encourage effective management and utilization of the State's minerals, fossil fuels, and water resources in an environmentally responsible manner.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 line item maximum.

The Agency Request is for Base Level of \$2,016,196 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 166 - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,221,747	1,282,649	1,259,614	1,278,309	1,278,309	1,278,309	1,278,309	1,278,309	1,278,309
#Positions	27	27	27	27	27	27	27	27	27
Extra Help 5010001	11,708	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
#Extra Help	3	19	19	19	19	19	19	19	19
Personal Services Matching 5010003	346,280	367,463	399,044	384,939	384,939	384,939	384,939	384,939	384,939
Operating Expenses 5020002	203,387	207,791	207,791	207,791	207,791	207,791	207,791	207,791	207,791
Conference & Travel Expenses 5050009	3,295	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Professional Fees 5060010	0	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	5,955	0	0	0	0	0	0	0	0
Water Quality Program 5900046	31,855	26,000	31,855	26,000	26,000	26,000	26,000	26,000	26,000
Stream Gauging 5900047	38,300	28,655	38,300	28,655	28,655	28,655	28,655	28,655	28,655
Ground Water Survey 5900048	54,456	42,502	54,456	42,502	42,502	42,502	42,502	42,502	42,502
Mineral Exploration 5900050	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total	1,942,983	2,003,060	2,039,060	2,016,196	2,016,196	2,016,196	2,016,196	2,016,196	2,016,196
Funding Sources									
General Revenue 4000010	1,942,983	2,003,060		2,016,196	2,016,196	2,016,196	2,016,196	2,016,196	2,016,196
Total Funding	1,942,983	2,003,060		2,016,196	2,016,196	2,016,196	2,016,196	2,016,196	2,016,196
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,942,983	2,003,060		2,016,196	2,016,196	2,016,196	2,016,196	2,016,196	2,016,196

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary rate adjustments during the 2009-2011 biennium.

Analysis of Budget Request

Appropriation: 169 - Map Resale

Funding Sources: MWA - Geology Map Resale Revolving Fund

The Arkansas Geological Survey utilizes this appropriation to operate a Map Resale Program. Funding for the Arkansas Geological Survey's Map Resale appropriation is obtained from the sale of geological and topographical maps to the general public. These proceeds are deposited into the Agency's revolving fund, as authorized in A.C.A. §19-4-1804.

The Agency Request is for Base Level of \$100,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 169 - Map Resale

Funding Sources: MWA - Geology Map Resale Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Resale Revolving Fund 5900046	9,323	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total	9,323	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Funding Sources									
Fund Balance 4000005	44,661	61,118		61,118	61,118	61,118	61,118	61,118	61,118
Non-Revenue Receipts 4000040	25,780	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding	70,441	161,118		161,118	161,118	161,118	161,118	161,118	161,118
Excess Appropriation/(Funding)	(61,118)	(61,118)		(61,118)	(61,118)	(61,118)	(61,118)	(61,118)	(61,118)
Grand Total	9,323	100,000		100,000	100,000	100,000	100,000	100,000	100,000

Analysis of Budget Request

Appropriation: 210 - State Geologic Mapping Program

Funding Sources: FAL - Geology Federal

The Arkansas Geological Survey (AGS) utilizes this appropriation for the federal portion of the following program activities: National Coal Resources Data System (NCRDS) project to collect, interpret, correlate and encode point-source coal and other energy-related stratigraphic data; National Park Service (NPS) project for geologic mapping of three (3) national parks in Arkansas: Hot Springs National Park, Buffalo National River, and Arkansas Post National Memorial; and the State Geologic Mapping Program to coordinate collection of data and formulation of maps displaying the location and quantity of minerals in specific areas of the State. Federal funding is received from the US Department of Energy and the US Department of Interior.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Request is for Base Level of \$1,054,508 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 210 - State Geologic Mapping Program

Funding Sources: FAL - Geology Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	75,071	76,062	111,948	77,370	77,370	77,370	77,370	77,370	77,370
#Positions		2	2	3	2	2	2	2	2	2
Extra Help	5010001	19,438	11,591	20,030	11,591	11,591	11,591	11,591	11,591	11,591
#Extra Help		2	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	26,776	25,543	40,399	25,858	25,858	25,858	25,858	25,858	25,858
Operating Expenses	5020002	26,952	939,689	939,689	939,689	939,689	939,689	939,689	939,689	939,689
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		148,237	1,052,885	1,112,066	1,054,508	1,054,508	1,054,508	1,054,508	1,054,508	1,054,508
Funding Sources										
Federal Revenue	4000020	148,237	1,052,885		1,054,508	1,054,508	1,054,508	1,054,508	1,054,508	1,054,508
Total Funding		148,237	1,052,885		1,054,508	1,054,508	1,054,508	1,054,508	1,054,508	1,054,508
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		148,237	1,052,885		1,054,508	1,054,508	1,054,508	1,054,508	1,054,508	1,054,508

Analysis of Budget Request

Appropriation: 54U - State Farm Grant

Funding Sources: NGC - Geology Private Grants

The State Farm Grant is a privately funded grant donated by State Farm in order to increase earthquake awareness throughout the State. The appropriation provides outreach to the citizens of the State in the form of town hall meetings. In these meetings a geologist will give a presentation on earthquake basics and preparedness techniques.

The Agency Request is for Base Level of \$36,000 each year.

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

Appropriation Summary

Appropriation: 54U - State Farm Grant

Funding Sources: NGC - Geology Private Grants

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	329	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
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
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	329	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Funding Sources									
Fund Balance 4000005	7,002	6,800		6,800	6,800	6,800	6,800	6,800	6,800
Cash Fund 4000045	0	36,000		36,000	36,000	36,000	36,000	36,000	36,000
Interest 4000300	127	0		0	0	0	0	0	0
Total Funding	7,129	42,800		42,800	42,800	42,800	42,800	42,800	42,800
Excess Appropriation/(Funding)	(6,800)	(6,800)		(6,800)	(6,800)	(6,800)	(6,800)	(6,800)	(6,800)
Grand Total	329	36,000		36,000	36,000	36,000	36,000	36,000	36,000

Analysis of Budget Request

Appropriation: 83H - Lignite Resources-Federal

Funding Sources: FAL - Geology Federal

This appropriation was created by Act 264 of 2010 to provide spending authorization to establish the Arkansas Lignite Resources Pilot Program for research and commercial testing of Arkansas' lignite resources. Initially, federal funds were anticipated to fund this program; however no federal funds were allocated for lignite research.

Due to the lack of funding, the Agency is requesting to discontinue the Lignite Resources-Federal appropriation for the 2011-2013 biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 83H - Lignite Resources-Federal

Funding Sources: FAL - Geology Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Lignite Resources Program Expen 5900046	0	3,000,000	3,000,000	3,000,000	0	0	3,000,000	0	0
Total	0	3,000,000	3,000,000	3,000,000	0	0	3,000,000	0	0
Funding Sources									
Federal Revenue 4000020	0	3,000,000		0	0	0	0	0	0
Total Funding	0	3,000,000		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		3,000,000	0	0	3,000,000	0	0
Grand Total	0	3,000,000		3,000,000	0	0	3,000,000	0	0

THIS APPROPRIATION NOT REQUESTED FOR THE 2011-2013 BIENNIUM.

Change Level by Appropriation

Appropriation: 83H - Lignite Resources-Federal
Funding Sources: FAL - Geology Federal

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,000,000	0	3,000,000	100.0	3,000,000	0	3,000,000	100.0
C03	Discontinue Program	(3,000,000)	0	0	0.0	(3,000,000)	0	0	0.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	3,000,000	0	3,000,000	100.0	3,000,000	0	3,000,000	100.0
C03	Discontinue Program	(3,000,000)	0	0	0.0	(3,000,000)	0	0	0.0

Justification

C03	The Agency is requesting to discontinue this appropriation due to the lack of federal funds to support this program.
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Analysis of Budget Request

Appropriation: 873 - Geology Museum

Funding Sources: NGC - Geology Cash

The Geology Museum and Learning Center (GLC) is funded by donations collected by the Agency. The GLC is part of the educational arm of the Agency with the purpose of giving students and citizens exposure to rocks, minerals, fossils, and fossil fuels through its five (5) display areas.

The Agency Request is for Base Level of \$9,025 each year.

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

Appropriation Summary

Appropriation: 873 - Geology Museum

Funding Sources: NGC - Geology Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Museum Expenses 5900046	0	9,025	9,025	9,025	9,025	9,025	9,025	9,025	9,025
Total	0	9,025	9,025	9,025	9,025	9,025	9,025	9,025	9,025
Funding Sources									
Fund Balance 4000005	987	1,016		1,016	1,016	1,016	1,016	1,016	1,016
Cash Fund 4000045	29	9,025		9,025	9,025	9,025	9,025	9,025	9,025
Total Funding	1,016	10,041		10,041	10,041	10,041	10,041	10,041	10,041
Excess Appropriation/(Funding)	(1,016)	(1,016)		(1,016)	(1,016)	(1,016)	(1,016)	(1,016)	(1,016)
Grand Total	0	9,025		9,025	9,025	9,025	9,025	9,025	9,025

DAH - CENTRAL ADMINISTRATION

Enabling Laws

Act 237 of 2010
A.C.A. §25-3-101 et seq.

History and Organization

Agency Mission Statement

The mission of the Department of Arkansas Heritage (DAH) is to identify Arkansas's heritage and enhance the quality of life by the discovery, preservation, and presentation of the state's cultural, historic and natural resources.

Brief Discussion of Statutory Responsibilities and Primary Activities

The Department of Arkansas Heritage was created in 1975 to combine the state programs and agencies dealing most directly with the preservation of Arkansas's natural and cultural heritage. The Department's seven agencies are each assigned to one of two divisions. The Museums Division is comprised of the Delta Cultural Center, the Historic Arkansas Museum, the Old State House Museum, and the Mosaic Templars Cultural Center. The Heritage Resources Division is comprised of the Arkansas Arts Council, the Arkansas Historic Preservation Program, and the Arkansas Natural Heritage Commission. The operation of the DAH Collection Management Facility was added in 2005.

The Department aggressively and successfully seeks federal and private funding to augment its biennial state funding. The DAH director's office coordinates the activities of the Department's two divisions. It administers activities that span the Department, including fiscal and personnel operations, purchasing, public information, and development. In the realm of heritage education, the Department coordinates the education programs of its two divisions and collaborates with the regional educational service cooperatives. Arkansas Heritage Month is a department-wide effort to promote cultural, historic, and natural heritage in local communities around Arkansas.

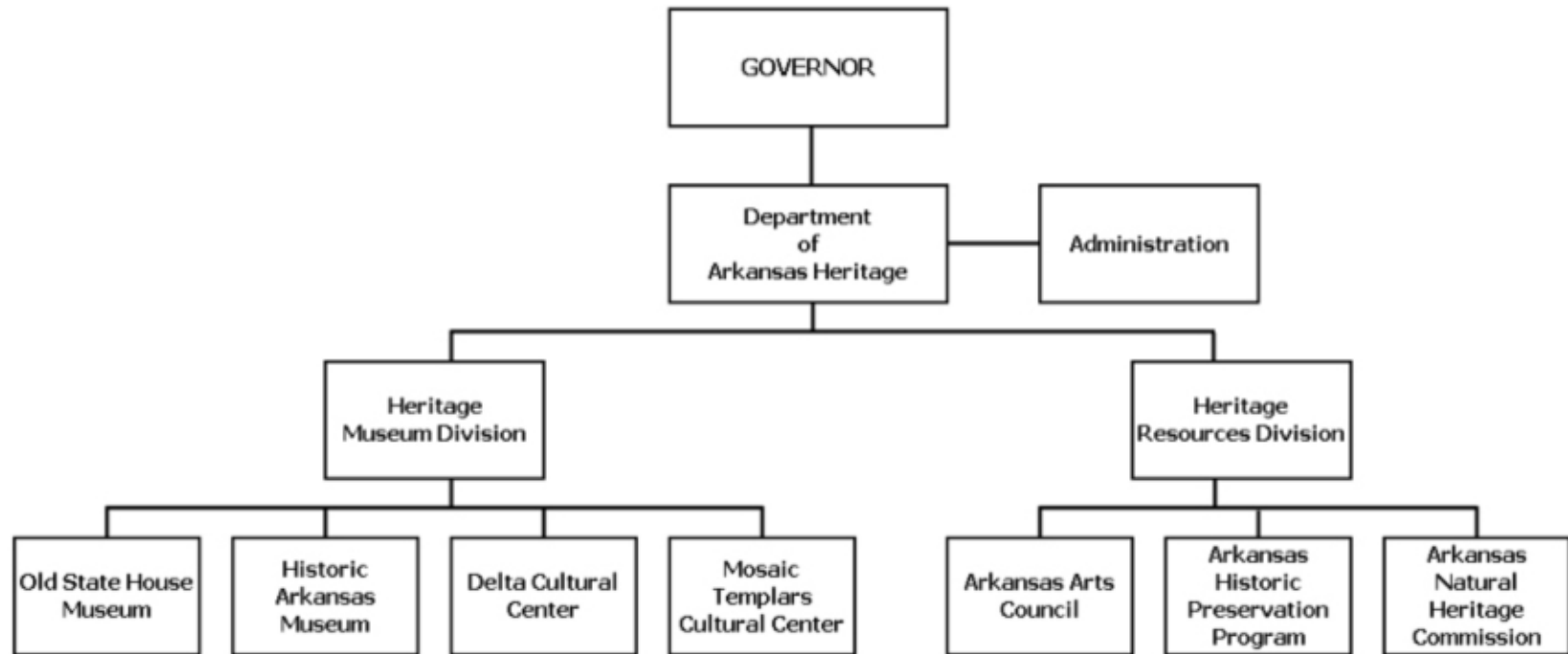
The Museums Division agencies preserve, present, and interpret historic structures, objects, and cultural assets. They serve as partners in education with public and private schools throughout Arkansas. The Department's four museums are the Old State House Museum (which also manages Trapnall Hall), the Historic Arkansas Museum, the Delta Cultural Center, and the Mosaic Templars Cultural Center. The Historic Arkansas Museum and Old State House Museum are two of the seven museums in Arkansas accredited by the American Association of Museums. In 2005 DAH acquired a 49,000 sq. ft. building for use as a collections storage facility.

The Heritage Resources Division agencies are concerned with the State's natural and cultural resources. The Arkansas Natural Heritage Commission identifies, preserves, and promotes Arkansas's natural resources that are rare, unique, or endangered. The Arkansas Arts

Council and the Arkansas Historic Preservation Program identify, preserve, and promote the State's cultural resources while serving as conduits for federal and state grant funds that conserve or develop these resources.

Advisory Board or Commission

Commissions govern or advise each of the seven DAH agencies. In the following pages each agency describes the nature of its commission or advisory board.



Agency Commentary

The Department's mission is to identify Arkansas's heritage and enhance the quality of life for citizens and visitors by the discovery, preservation, and presentation of the State's natural, cultural, and historic resources. The Department of Arkansas Heritage (DAH) was created to be responsive to the cultural needs of the people of Arkansas and sufficiently flexible to meet changing conditions.

The Department currently maintains: 35 buildings (of which 24 are historic structures that require special maintenance needs), approximately 75,500 artifacts in the 4 museum collections, a collections storage facility and over 51,000 acres (67 sites) of natural areas. Current General Revenue does not cover basic operations such as utilities, office rent, telephones, and maintenance.

Nine percent of the annual proceeds from the Conservation Tax is dedicated to DAH to provide additional programs and to supplement - not replace - general revenue funding for basic operating expenses. With these additional funds, DAH historic sites, museums, arts programs, natural areas, public education programs, and public outreach initiatives are maintained and available to the public. DAH continues its commitment to the voters to use these proceeds to fund improvements to and adequately care for historic structures, artifacts in museum collections, natural areas held in trust for Arkansas, encouragement of the arts, historical documentation, and the expansion of knowledge of Arkansas's unique heritage from prehistoric times to the present.

Proceeds from the Real Estate Transfer Tax granted by the Arkansas Natural and Cultural Resources Council, have been dedicated to preserve state-owned natural areas, historic sites, historical objects and parks. The Natural and Cultural Resources Council awards grants from these proceeds. DAH utilizes these grant awards to restore and maintain historic structures, purchase priceless pieces of Arkansas history to protect and preserve, conserve those pieces within the collections of the four DAH museums, preserve and protect natural areas, purchase additional natural areas in danger of being destroyed, and provide heritage programs across the State. As more state agencies compete for these grants, fewer dollars can be allocated to individual competitors, including DAH. In May of 2010, eighteen state applicants requested in excess of \$29 million in grants; the awards totaled \$15,287,968. The demand for money far exceeds the amount available for funding.

Each DAH agency accesses federal and private funding, where available, to maximize efforts to satisfy conservation and preservation needs and to meet specific program goals. Cash funds are generated by sales in gift shops, fees for participation in agency programs, such as research services by staff, and donations by private citizens and non-profit organizations.

As the foregoing paragraphs demonstrate, DAH works hard to supplement our state funding as competition for state dollars increases. DAH appreciates the difficult position decision makers face in the allocation of limited state funds. Therefore, our requests for additional or replacement general revenue is limited to those items that are basic to the operations of the agencies and do not meet the criteria or mandates that created the special funding streams.

DAH recently participated in a strategic planning process. The group spent considerable time and energy describing a brighter world for Heritage. Lifting the vision into more prominence brings a generative energy to the change effort. A shared notion of "Heritage" that all staff could endorse was: By "Heritage" we mean the fusion or integration of four elements into one term: Artistic, Natural, Cultural and Historic. The way these come together in Arkansas creates our Heritage. A vision statement for the State's Heritage in 2020 is: "By 2020 the State of Arkansas will value its natural and cultural Heritage as integral to the interactions at the heart of vital and flourishing communities. Sustainable support for a high quality of life and place will insure the preservation, documentation and understanding of this Heritage, and shared effort and resources will allow for the engagement of every facet of society in the process."

Basic Operations:

The Department is requesting increases to address needs for increased rent (at the recommendation of Arkansas Building Authority), utilities including telephone charges, vehicle insurance, building and contents insurance, mechanical and security equipment maintenance, postage, office supplies, and travel costs for Council members, grant panelists, and staff.

Arkansas Arts Council Funding:

The Arkansas Arts Council is requesting an increase of \$1,300,000 each year for Grants. This will raise Arkansas's state arts funding from the FY10 level of \$.55 per capita to \$1.00 per Arkansan, increasing the agency's investment in Community Arts Development and Arts Education. The requested funding will provide additional support to local arts organizations and expand artist residencies in schools and after school/summer programs. This request is for appropriation and funding from General Revenue.

Staffing (New Positions):

The department is requesting nine new positions: seven positions to be funded from Conservation Tax and two to be funded from Real Estate Transfer Tax proceeds. The requests are more specifically defined as follows:

Conservation Tax positions to be assigned to various agencies in the department -

Data Base Analyst, D062C, C119 - Director's Office

The Data Base Analyst (Museum Data Base Administrator) will implement, maintain and monitor museum collections databases. In addition, the Data Base Analyst will design, develop and implement new social media technology solutions for the department's museums and agencies and integrate museum databases with websites and social media solutions. Adding this position would have an impact on the organizational structure of the department by allowing our IT staff to service existing computers and networks more efficiently. As we strive to become a greener agency, we are delaying the purchase of new equipment which places more demand on keeping existing equipment in working order. Security has also become a major concern and more IT staff time is needed to make sure our museum stores on-line software is secure. Staff time is also needed to make sure the entire wide area network remains secure.

This position would allow the Department of Heritage to reach constituents through new means of social networking, web 2.0 initiatives, and allow more access to files in our "virtual museum." More constituents will be able to do research via the internet, thus increasing our outreach across the state.

Maintenance Assistant, S065C, C108 - Delta Cultural Center

A Maintenance Assistant will be assigned to the Delta Cultural Center (Helena, Arkansas) to assist with the routine maintenance and grounds-

keeping of the seven facilities and over 20 acres of maintained grounds. The addition of this position is vital as the Delta Cultural Center acquires a re-creation of Fort Curtis, Battery A and other Civil War interpretive sites. This position would operate within the Historic Sites department of the Agency and would also provide assistance with special events and programs. Adding this position would have an impact on areas of the museum operations including exhibits, programming, education, site management, green initiatives, interpretation, and Civil War programming.

This position would allow the Delta Cultural Center to better maintain its existing facilities and grounds and to keep the new properties that are being given to the Delta Cultural Center during the next two years in proper shape for public use.

The addition of this position would have an impact on areas of the museum operations by giving the current maintenance staff the ability to better focus on specific maintenance needs within the Delta Cultural Center and adjacent properties, while having an additional person to care for new Civil War interpretive sites.

Maintenance Specialist, S050C, C112 - Mosaic Templars Cultural Center

A Maintenance Specialist to be assigned to the Mosaic Templars Cultural Center will provide much needed support to the limited maintenance staff. The Mosaic Templars Cultural Center currently has only one full-time maintenance position to oversee the 33,000+ square-foot facility. The one full-time maintenance person also oversees adjacent properties maintained by the Mosaic Templars Cultural Center. The position would assist the Building and Grounds Coordinator with cleaning bathrooms, vacuuming carpets, waxing floors, mowing and weed eating, setting up for special events, basic plumbing and electrical, public safety and other building equipment maintenance. Adding this position would have an impact on areas of the museum operations by giving the current maintenance staff the ability to better focus on specific maintenance needs within the Mosaic Templars Cultural Center and its adjacent properties. The addition of this position will also help our current Building and Grounds Coordinator to coordinate our growing number of special events for constituents.

Museum Registrar, P047C, C113 - Old State House Museum

A Museum Registrar position to be assigned to the Old State House Museum (OSHM) would help fulfill a primary goal in the Old State House Museum's long-range plan to broaden public access to OSHM resources using digital media. This includes social networking sites, pod casts, blogs and collections records access via the Museum's website. In order for the Museum to provide this type of access to collections resources (artifacts and related background information) it is necessary to hire a registrar with a strong background in digital media - including digital collections management software.

As other museums across the country and throughout the planet race to embrace digital technology and the internet, the OSHM hopes to place our museum at the forefront of this digital world. At the same time, the internet is proving to be the cheapest vehicle for broadening awareness of and access to Museum holdings. The OSHM desires to fully take advantage of the internet and digital technology. An additional registrar with digital experience (especially in social networking, podcasts, blogs, and other new ventures), and formal museum training is essential to our progress and the efficient use of limited funding.

There would be practically no impact on the existing organizational structure or employees. Currently the OSHM curator supervises one full time employee - a registrar. The addition of another registrar to the curator's staff would not dramatically increase the supervisory work load or change working relationships between existing full- and part-time employees.

DAH Program Coordinator, G186C, C117 - Arkansas Historic Preservation Program

A DAH Program Coordinator assigned to the Arkansas Historic Preservation Program (AHPP) would serve as AHPP's Cemetery specialist and would be in charge of surveying, documenting, coordinating National Register nominations, and assisting the public in maintaining and preserving the state's cemeteries.

Requests from constituents who are seeking assistance in the documentation and preservation of Arkansas cemeteries are frequent. There are hundreds of small historic cemeteries around the state that are important parts of our heritage. These cemeteries are protected by state burial law, yet they must be located and identified in order to do so. Years of neglect often make them hard to find and identify. Once these sites are found and identified, they need special attention in maintenance and preservation.

Currently, there is no state program or staff person designated to provide assistance in cemetery documentation and preservation. Yet, the number of calls to the agency has increased as interest in this important endeavor grows and local constituents seek guidance.

The DAH Program Coordinator for Cemeteries would be the primary contact person for aiding constituents and providing research, technical, and, preservation assistance and education support in documentation and research. The Program Coordinator would also coordinate workshops to present the proper methods of preservation, This would include restoring headstones, research, documentation and nominating these properties to the National Register of Historic Places.

DAH Program Coordinator, G186C, C117 - Arkansas Arts Council

The mission of the Arkansas Arts Council is to advance and empower the arts for the benefit of all Arkansans. The agency accomplishes its mission and legislative mandate by providing financial and technical assistance to arts organizations and other providers of arts programs. The agency does not currently have staff expertise or staff time to research sources of federal, private, and state grant programs that are available to non-profit arts organizations. The responsibility of this position will be to research available funds from the federal and state departments of education and other federal agencies, as well as Arkansas and national foundations that provide arts-related grants, and state agencies other than the Arts Council that have available funding. The Program Coordinator will also provide grant writing workshops and grant writing services on site and at the Arts Council office. The current economic climate has negatively impacted local arts organizations throughout the state, creating a critical need for additional sources of funding and grant writing assistance. This investment in local arts organizations will assist both urban and rural communities in their efforts to maintain or create sustainable environments in which to live, retain workers, and recruit new businesses by providing vibrant cultural communities.

Impact on agency and organizational structure: This position will report to the agency director and work with the program staff to provide additional technical assistance. This will reduce the burden of program staff that sees the critical need to provide additional sources of funding and grant writing assistance, but lack the time and expertise to fulfill this need.

Curator, P016C, C119 - Historic Arkansas Museum

The "Arkansas-made" initiative includes researching, collecting and presenting our state's creative legacy. The initiative is unique to the Historic Arkansas Museum and has become one of its most important programs. This Curator position will stabilize the program, which has been supported by grants and other sources, becoming the primary collections-related employee in the documentation and acquisition of the legacy of Arkansas's artists and artisans. The position will serve under the Deputy Director and Chief Curator, giving those positions the time to handle increased administrative duties. The "Arkansas-made" initiative involves service to the entire state, and the new Curator position will fulfill that promise.

Real Estate Transfer Tax Positions -

DAH Program Coordinator, G186C, C117 - Arkansas Historic Preservation Program

AHPP has six active grant programs and awards between \$1.8 million to \$3.5 million in grant awards each year. Many of these projects become long-term initiatives. Typically these projects are active grants during three different fiscal year grant cycles. Administration of these grant programs includes review of applications and properties; selection of recipients; negotiation of project priorities and budgets; communication among AHPP technical and professional staff, recipients, other government agencies, contractors and architects and municipalities; contract development and administration; review and approval of all grant documents for processing payment; enforcement of rules, regulations and deadlines; training recipients; and coordination with the agency director, deputy director and fiscal officer.

Currently these duties are performed by a part-time grant administrator with several AHPP staff assisting in various roles. The lack of one full-time coordinator and primary contact person is increasingly problematic as we continue to take conservation easements (form long-term partnerships) with additional programs and properties each year.

A full-time grants coordinator is critical to this agency as we work with these six grant programs and ensure that our agency is compliant in our fiduciary responsibilities; that our constituents are compliant with state regulations; and that the rehabilitation projects are in compliance with the Secretary of Interior's Standards for Rehabilitation.

DAH Program Coordinator, G186C, C117 - Arkansas Historic Preservation Program

For the past few years, the Section 106 program area has reviewed around 4,000 projects per year. That number has continued to increase for years, and our staff has not changed. With all the new economic stimulus projects, we now find ourselves reviewing approximately 13,000 projects per year. Currently, we have one archeologist on the AHPP staff and another one on loan from the Arkansas Highway and Transportation Department (AHTD). However, the AHTD archeologist could be withdrawn at any time. For standing structure review, we have one architect who reviews 106 projects as part of his duties and an architectural historian who has been added to provide assistance.

As per the federal regulations (36 CFR Part 800), we have a 30-day review period to review each federal undertaking. However, an ever-increasing work-load, coupled with many projects from dozens of agencies funded by economic stimulus monies makes our 30-day review process nearly impossible. Additionally, many of the stimulus projects require an even quicker turn-around than the normal 30 day review.

Additional personnel would greatly assist processing all of these projects, assure that we are in compliance with federal law, and that we are able to facilitate projects for other state and federal agencies in a timely fashion.

Position Changes Between Funds Centers

DAH - Natural Heritage Commission (NHC) is requesting that 3 positions be reallocated from the agency's federally funded appropriation to its general revenue appropriation currently supplemented by gas royalty receipts. This change will provide NHC the ability to utilize their federal funds for activities consistent with the agency mission such as the acquisition of land for the System of Natural Areas, technical services contracts for land management activities such as prescribed fire, invasive species control and public use improvements, and research projects centered on water quality and rare species.

Other Change level Requests:

Throughout the department there are various requests to increase budget line items for basic operating costs, professional fees and services, conference fees and travel, extra-help salaries and corresponding matching, and special maintenance and related activities. These requests are from agency cash fund appropriations, federal fund appropriations, and special revenues appropriations. The needs are specific to each agency's program responsibilities. The requests can be supported with certifications of income.

Information Technology:

The department's IT requests will be addressed in the IT Plan submitted to DFA. The requests include staff support (previously addressed under Director's Office) to the department's Information Systems Coordinator. Other increases include budget for the contract for web services and Capital Outlay for anticipated replacement of data backup systems, software licenses, and other Data Processing supplies. These requests are from the Conservation Tax appropriation and/or federal fund appropriations.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2008

Findings

The Agency had inadequate control over cash transactions of the Old State House Donation Cash Fund and Loughborough Trust fund because of insufficient segregation of duties due to a limited number of personnel. The lack of segregation of duties increases the risk of error or misappropriation of assets.

DAH is unable to locate 6 items from our test of 80 items selected for compliance. The error rate based on the test of equipment and artifacts is 7.5%.

Recommendations

The Agency strengthen internal controls surrounding cash transactions and segregation of duties.

DAH improve its inventory controls to ensure the safeguarding of its assets.

Employment Summary

	Male	Female	Total	%
White Employees	11	16	27	82 %
Black Employees	0	6	6	18 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			6	18 %
Total Employees			33	100 %

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
23E Publications	0	0	45,000	0	45,000	0	45,000	0	45,000	0	45,000	0	45,000	0	45,000	0	45,000	0
476 Conservation Tax-Amendment 75	5,614,447	14	7,178,655	14	7,049,438	14	7,177,117	14	7,337,091	21	7,220,193	14	7,177,117	14	7,306,091	21	7,220,193	14
482 Director's Office-State Operations	1,169,377	20	1,212,871	20	1,295,255	20	1,234,149	20	1,296,661	20	1,234,149	20	1,234,149	20	1,297,111	20	1,234,149	20
Total	6,783,824	34	8,436,526	34	8,389,693	34	8,456,266	34	8,678,752	41	8,499,342	34	8,456,266	34	8,648,202	41	8,499,342	34

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	6,589,009	54.2	5,379,198	48.0	2,763,897	27.3	2,763,897	27.1	2,763,897	27.3	1,674,660	18.5	1,514,686	16.9	1,631,584	18.1	
General Revenue	4000010	1,168,593	9.6	1,212,871	10.8	1,234,149	12.2	1,296,661	12.7	1,234,149	12.2	1,234,149	13.6	1,297,111	14.5	1,234,149	13.7	
Non-Revenue Receipts	4000040	742	0.0	20,474	0.2	45,000	0.4	45,000	0.4	45,000	0.4	45,000	0.5	45,000	0.5	45,000	0.5	
Inter-agency Fund Transfer	4000316	(800,000)	(6.6)	(800,000)	(7.1)	(800,000)	(7.9)	(800,000)	(7.8)	(800,000)	(7.9)	(800,000)	(8.8)	(800,000)	(8.9)	(800,000)	(8.9)	
M & R Sales	4000340	784	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Other	4000370	11,652	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Rental Income	4000430	92,500	0.8	97,500	0.9	97,500	1.0	97,500	1.0	97,500	1.0	97,500	1.1	97,500	1.1	97,500	1.1	
Conservation Tax	4000453	5,099,742	41.9	5,290,380	47.2	6,790,380	67.0	6,790,380	66.6	6,790,380	67.0	6,790,380	75.1	6,790,380	75.9	6,790,380	75.5	
Total Funds		12,163,022	100.0	11,200,423	100.0	10,130,926	100.0	10,193,438	100.0	10,130,926	100.0	9,041,689	100.0	8,944,677	100.0	8,998,613	100.0	
Excess Appropriation/(Funding)		(5,379,198)		(2,763,897)		(1,674,660)		(1,514,686)		(1,631,584)		(585,423)		(296,475)		(499,271)		
Grand Total		6,783,824		8,436,526		8,456,266		8,678,752		8,499,342		8,456,266		8,648,202		8,499,342		

The FY11 Budget amount in 476 Conservation Tax-Amendment 75 exceeds the Authorized amount due to salary adjustments during the 2009-2011 biennium.

The Inter-agency Fund Transfer represents a transfer of Conservation Tax Funds to DAH-Natural Heritage Commission (Business Area 0880) for the Land Acquisition Appropriation.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
30	30	0	30	0	0.00 %	34	32	2	34	0	5.88 %	34	33	1	34	0	2.94 %

Analysis of Budget Request

Appropriation: 2JE - Publications

Funding Sources: MPR - Publications Development and Resale Revolving

This appropriation authorizes the development and/or purchase of publications for resale to the public. Funding for this appropriation includes royalty payments from the sale of books and other printed items. As stated in A.C.A. §19-5-1001, proceeds from the sale of the publications provides income to be used to develop or purchase additional publications for resale to the public.

The Agency requests Base Level appropriation in the amount of \$45,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2JE - Publications

Funding Sources: MPR - Publications Development and Resale Revolving

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010	2010-2011	2010-2011	2011-2012			2012-2013		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Publications for Resale 5900036	0	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Total	0	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Funding Sources									
Fund Balance 4000005	23,784	24,526		0	0	0	0	0	0
Non-Revenue Receipts 4000040	742	20,474		45,000	45,000	45,000	45,000	45,000	45,000
Total Funding	24,526	45,000		45,000	45,000	45,000	45,000	45,000	45,000
Excess Appropriation/(Funding)	(24,526)	0		0	0	0	0	0	0
Grand Total	0	45,000		45,000	45,000	45,000	45,000	45,000	45,000

Analysis of Budget Request

Appropriation: 476 - Conservation Tax-Amendment 75

Funding Sources: SHF - Arkansas Department of Heritage Fund

This appropriation provides for the special revenue funding realized from the additional 1/8th Cent Sales Tax levied by Amendment 75 (A.C.A. §19-6-484). These funds are dedicated to DAH to provide for additional programs and to supplement general revenue funding for basic operating expenses. Other funds primarily include rental income, prior year refunds and Marketing & Redistribution (M&R) proceeds. The Department utilizes this appropriation to improve and care for historic structures, artifacts in museum collections and natural areas held in trust for Arkansas; to encourage the arts; to keep historical information; and to expand knowledge of Arkansas' unique heritage from prehistoric times to the present.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level includes appropriation in the amount of \$7,177,117 each year with 14 Regular positions and 29 Extra Help positions.

The Agency requests additional appropriation of \$159,974 in FY12 and \$128,974 in FY13 for the following:

Regular Salaries

Increase of \$208,193 each year plus related matching for seven (7) new positions:

- Director's Office: Increase of \$35,554 plus related matching for one (1) new D062 Database Analyst position (grade C119). This Technology Related position will implement, maintain and monitor museum collection databases and will design, develop and implement social media technologies including museum databases and websites.
- Delta Cultural Center: Increase of \$20,788 plus related matching for one (1) new S065C Maintenance Assistant Position (Grade C108). This position will assist with routine maintenance and groundskeeping of the seven facilities and over 20 acres of maintained grounds, and will provide assistance with special events and programs.
- Arkansas Arts Council: Increase of \$32,249 plus related matching for one (1) new G186C DAH Program Coordinator Position (grade C117). This position will be responsible for researching available funds from federal, state and other non-government entities, and for providing grant writing services and workshops.
- Old State House: Increase of \$26,531 plus related matching for one (1) new P047C Museum Registrar Position (grade C113). This position will broaden public access to Museum resources using digital media, such as social networking sites, pod casts, blogs and collections records via the Museum's website.

- Historic Preservation Program: Increase of \$32,249 plus related matching for one (1) new G186C DAH Program Coordinator Position (grade C117). As the Agency's Cemetery Specialist, this position would be responsible for surveying, documenting, coordinating National Register nominations and assisting the public in maintaining and preserving the state's cemeteries.
- Historic Arkansas Museum: Increase of \$35,554 plus related matching for one (1) new P016C Curator Position (grade C119). This position will serve under the Chief Curator and will be the primary staff member in the documentation and acquisition of the legacy of Arkansas's artists and artisans.
- Mosaic Templars Cultural Center: Increase of \$25,268 plus related matching for one (1) new S050C Maintenance Specialist Position (grade C112). This position will assist the agency's current Building and Grounds Coordinator with daily maintenance of and special events coordinating for the Mosaic Templars Cultural Center.
- Natural Heritage Commission: Reclassification of one G186C DAH Program Coordinator Position (grade C117) to a B086C Land Management Specialist Position (grade C116). The Land Management Specialist Position will work with the Biologist Supervisor and the DAH Program Manager over Land Acquisition to assist with the survey of properties to determine if acquisitions should be made, to develop annual maintenance plans and other land related activities.

Extra Help

Increase of \$108,800 each year plus related matching for the following:

- Director's Office: Increase of \$6,000 plus related matching to provide assistance with the Information Technology needs for the entire department.
- Delta Cultural Center: increase of \$57,800 plus related matching which will enable the agency to provide for daily maintenance and security needs at various properties
- Historic Arkansas Museum: Increase of \$20,000 plus related matching to ensure that enough appropriation is available to provide for increases in programming needs.
- Mosaic Templars Cultural Center: Increase of \$25,000 plus related matching to supplement their General Revenue budget for Extra Help with additional Extra Help appropriation payable from Conservation Tax funding.

Operating Expenses

Increase of \$133,400 in FY12 and \$108,400 in FY13 for the following:

- Director's Office: Increase of \$128,400 in FY12 and \$108,400 in FY13. The technology related portion of this request (\$89,400 in FY12 and \$69,400 in FY13) will provide for Telecommunications, network service expenses and software/license fees, which will enable the four Museums to coordinate software programs and improve Information Technology at the Collections Management Facility. The non-technology related portion of this request (\$39,000 each year), will provide for Utility Expenses (Building and Ground Maintenance,

Electricity, Water/Sewage, Natural Gas and Trash services) as well as Subscriptions/Publications, Advertising, Office Supplies and Association and Membership Dues.

- Arkansas Arts Council: Increase of \$5,000 in FY12 only to provide for miscellaneous office equipment for the new G186C DAH Program Coordinator Position (grade C117) requested.

Construction

Decrease of \$800,000 each year for the Director's Office. Because the agency's plans for FY12 and FY13 include the stewardship and maintenance of current properties (as opposed to new construction), this request enables the agency to reallocate a large portion of its current budget from Construction to provide for the additional appropriation requested for Regular Salaries, Extra Help, Personal Services Matching, Operating Expenses, Capital Outlay and Special Maintenance.

Capital Outlay

Increase of \$26,500 in FY12 and \$20,500 in FY13 for the Director's Office. This Technology Related Request will provide for Information Technology Equipment Expense. This request will provide for improved Technology equipment at the Collections Management Facility.

Special Maintenance

Increase of \$400,000 each year for the Director's Office.

The Executive Recommendation provides for additional Extra Help appropriation of \$40,000 each year plus related matching of \$3,076 each year to support the Delta Cultural Center, the Historic Arkansas Museum and the Mosaic Cultural Center. Additionally, the Executive Recommendation provides for a reallocation of \$400,000 each year from the Construction line item to the Special Maintenance line item.

Appropriation Summary

Appropriation: 476 - Conservation Tax-Amendment 75

Funding Sources: SHF - Arkansas Department of Heritage Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	481,565	542,851	443,369	541,351	749,544	541,351	541,351	749,544	541,351
#Positions		14	14	14	14	21	14	14	21	14
Extra Help	5010001	298,035	339,226	339,226	339,226	448,026	379,226	339,226	448,026	379,226
#Extra Help		29	29	29	29	29	29	29	29	29
Personal Services Matching	5010003	183,276	200,728	170,993	200,690	283,771	203,766	200,690	283,771	203,766
Operating Expenses	5020002	1,864,055	2,450,554	2,450,554	2,450,554	2,583,954	2,450,554	2,450,554	2,558,954	2,450,554
Conference & Travel Expenses	5050009	49,871	94,826	94,826	94,826	94,826	94,826	94,826	94,826	94,826
Professional Fees	5060010	686,198	1,049,741	1,049,741	1,049,741	1,049,741	1,049,741	1,049,741	1,049,741	1,049,741
Construction	5090005	824,663	1,000,000	1,000,000	1,000,000	200,000	600,000	1,000,000	200,000	600,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	881,829	900,729	900,729	900,729	900,729	900,729	900,729	900,729	900,729
Capital Outlay	5120011	0	0	0	0	26,500	0	0	20,500	0
Special Maintenance	5120032	344,955	600,000	600,000	600,000	1,000,000	1,000,000	600,000	1,000,000	1,000,000
Total		5,614,447	7,178,655	7,049,438	7,177,117	7,337,091	7,220,193	7,177,117	7,306,091	7,220,193

Funding Sources										
Fund Balance	4000005	6,565,225	5,354,672		2,763,897	2,763,897	2,763,897	1,674,660	1,514,686	1,631,584
Inter-agency Fund Transfer	4000316	(800,000)	(800,000)		(800,000)	(800,000)	(800,000)	(800,000)	(800,000)	(800,000)
Other	4000370	11,652	0		0	0	0	0	0	0
Rental Income	4000430	92,500	97,500		97,500	97,500	97,500	97,500	97,500	97,500
Conservation Tax	4000453	5,099,742	5,290,380		6,790,380	6,790,380	6,790,380	6,790,380	6,790,380	6,790,380
Total Funding		10,969,119	9,942,552		8,851,777	8,851,777	8,851,777	7,762,540	7,602,566	7,719,464
Excess Appropriation/(Funding)		(5,354,672)	(2,763,897)		(1,674,660)	(1,514,686)	(1,631,584)	(585,423)	(296,475)	(499,271)
Grand Total		5,614,447	7,178,655		7,177,117	7,337,091	7,220,193	7,177,117	7,306,091	7,220,193

The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amounts due to salary adjustments during the 2009-2011 biennium.

The Inter-agency Fund Transfer represents a transfer of Conservation Tax Funds to DAH-Natural Heritage Commission (Business Area 0880) for the Land Acquisition Appropriation.

Change Level by Appropriation

Appropriation: 476 - Conservation Tax-Amendment 75
Funding Sources: SHF - Arkansas Department of Heritage Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	7,177,117	14	7,177,117	100.0	7,177,117	14	7,177,117	100.0
C01	Existing Program	796,675	6	7,973,792	111.1	791,675	6	7,968,792	111.0
C03	Discontinue Program	(800,000)	0	7,173,792	100.0	(800,000)	0	7,168,792	99.9
C08	Technology	163,299	1	7,337,091	102.2	137,299	1	7,306,091	101.8
C10	Reclass	0	0	7,337,091	102.2	0	0	7,306,091	101.8

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	7,177,117	14	7,177,117	100.0	7,177,117	14	7,177,117	100.0
C01	Existing Program	443,076	0	7,620,193	106.2	443,076	0	7,620,193	106.2
C03	Discontinue Program	(400,000)	0	7,220,193	100.6	(400,000)	0	7,220,193	100.6
C08	Technology	0	0	7,220,193	100.6	0	0	7,220,193	100.6
C10	Reclass	0	0	7,220,193	100.6	0	0	7,220,193	100.6

Justification

C01	This Change Level request is to provide additional appropriation and 6 new positions to be funded by the Conservation Tax. The additional appropriation requests include increase in operating expenses for advertising, subscriptions & publications, office supplies and utilities at the Collections Management Facility (CMF). An increase for building and grounds maintenance related costs include public safety equipment maintenance is also needed for the CMF. There is a need at all DAH museums for an increase in extra-help salaries and corresponding matching. The extra-help positions are vital to the operations of the museums. Extra-help staff work in a variety of positions from educational programming, living history acting, store operations, research and maintenance. The department is also requesting 6 new positions to be assigned throughout the department. The positions are: Maintenance Assistant to be assigned to the Delta Cultural Center; Maintenance Specialist to be assigned to the Mosaic Templars Cultural Center; DAH Program Coordinator to be assigned to the Arkansas Arts Council; Museum Registrar to be assigned to the Old State House Museum; DAH Program Coordinator to be assigned to the Historic Preservation Program; and Curator to be assigned to the Historic Arkansas Museum. More detailed justification for each position is addressed in the Agency Commentary. This request also includes an increase in Special Maintenance. In keeping with the Governor's Executive Policy Statement for the preparation of this budget request, we are asking to decrease Construction and increase Special Maintenance. This increase is a priority to maintain and repair what we have rather than embark on new construction. There are no new construction plans for the next biennium period.
C03	This Change Level request is to decrease the budgeted amount for new construction for this biennium period. The department plans to maintain what we have and continue to encourage good stewardship practices on all DAH facilities and property held in ownership by the department. The decrease is a reallocation of resources to provide for the increases requested in Change Level One. The requested increases include an additional 6 positions.
C08	This Change Level request represents the department's IT request. Included in this request is a new position – Data Base Analyst. Adding this position would have an impact on the organizational structure of the department by allowing our current IT staff to service existing computers and networks more efficiently. This position would allow DAH to reach constituents through new means of social networking, web 2.0 initiatives, and allow more access to files in our "virtual museum". More constituents will be able to do research via the internet, thus increasing our outreach across the state. The additional increase requests are for anticipated increases in telephone services; purchase of software licenses; purchase of IT equipment; and purchase of DP supplies. IT Plan request can be found in the DAH IT Plan see Operations Tab – more details are available on Agency Hardware Tab, Software Tab, IT Support Costs Tab, and Major Applications Tab.
C10	This request is to retain the classification requested for a position authorized as a DAH Program Coordinator (G186C) and is being used as a Land Management Specialist (B086C). The position is assigned to the Natural Heritage Commission.

Analysis of Budget Request

Appropriation: 482 - Director's Office-State Operations

Funding Sources: HRA - Arkansas Heritage Fund

This appropriation provides for the personal services and operating expenses of the Department of Arkansas Heritage - Director's Office. The Director's Office coordinates and provides administrative support for the seven Agencies within the Department of Heritage. This appropriation consists entirely of general revenue funding.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of unclassified positions reflects the FY11 line item maximum.

Base Level includes appropriation and general revenue funding of \$1,234,149 each year with 20 budgeted positions.

The Agency requests additional appropriation and general revenue funding of \$62,512 in FY12 and \$62,962 in FY13 for the Operating Expenses line item. This request will provide for a 4% increase in rent as recommended by the Arkansas Building Authority and enable the agency to shift basic utility costs of Rent and Building and Contents Insurance from the Conservation Tax appropriation to the General Revenue appropriation.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 482 - Director's Office-State Operations

Funding Sources: HRA - Arkansas Heritage Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	876,219	879,888	900,971	883,642	883,642	883,642	883,642	883,642	883,642
#Positions	20	20	20	20	20	20	20	20	20
Personal Services Matching 5010003	243,847	254,131	271,472	271,655	271,655	271,655	271,655	271,655	271,655
Operating Expenses 5020002	49,311	78,852	122,812	78,852	141,364	78,852	78,852	141,814	78,852
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	1,169,377	1,212,871	1,295,255	1,234,149	1,296,661	1,234,149	1,234,149	1,297,111	1,234,149
Funding Sources									
General Revenue 4000010	1,168,593	1,212,871		1,234,149	1,296,661	1,234,149	1,234,149	1,297,111	1,234,149
M & R Sales 4000340	784	0		0	0	0	0	0	0
Total Funding	1,169,377	1,212,871		1,234,149	1,296,661	1,234,149	1,234,149	1,297,111	1,234,149
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,169,377	1,212,871		1,234,149	1,296,661	1,234,149	1,234,149	1,297,111	1,234,149

Change Level by Appropriation

Appropriation: 482 - Director's Office-State Operations
Funding Sources: HRA - Arkansas Heritage Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,234,149	20	1,234,149	100.0	1,234,149	20	1,234,149	100.0
C01	Existing Program	62,512	0	1,296,661	105.1	62,962	0	1,297,111	105.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,234,149	20	1,234,149	100.0	1,234,149	20	1,234,149	100.0
C01	Existing Program	0	0	1,234,149	100.0	0	0	1,234,149	100.0

Justification

C01	The request for an increase in office rent is in anticipation of a 4% increase (recommended by ABA). The department's current lease is valid through December 2010. The other increase is for building and contents insurance. These are very basic operating costs that are required of any business process (we can not elect to cut these costs).
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DAH - ARKANSAS ARTS COUNCIL

Enabling Laws

Act 237 of 2010
A.C.A. §13-8-101 et seq.

History and Organization

Agency Mission Statement

The Arkansas Arts Council will advance and empower the arts for the benefit of all Arkansans.

Brief Discussion of Statutory Responsibilities and Primary Activities

The Arkansas Arts Council was established in 1966 to enable the State to receive funds from the National Endowment for the Arts. In 1971, Act 359 (A.C.A. § 13-8-101 et seq.) gave independent agency status to the Arts Council, with an executive director and a 17-member council appointed by the Governor. In 1975, the Arts Council became a division of the Department of Arkansas Heritage.

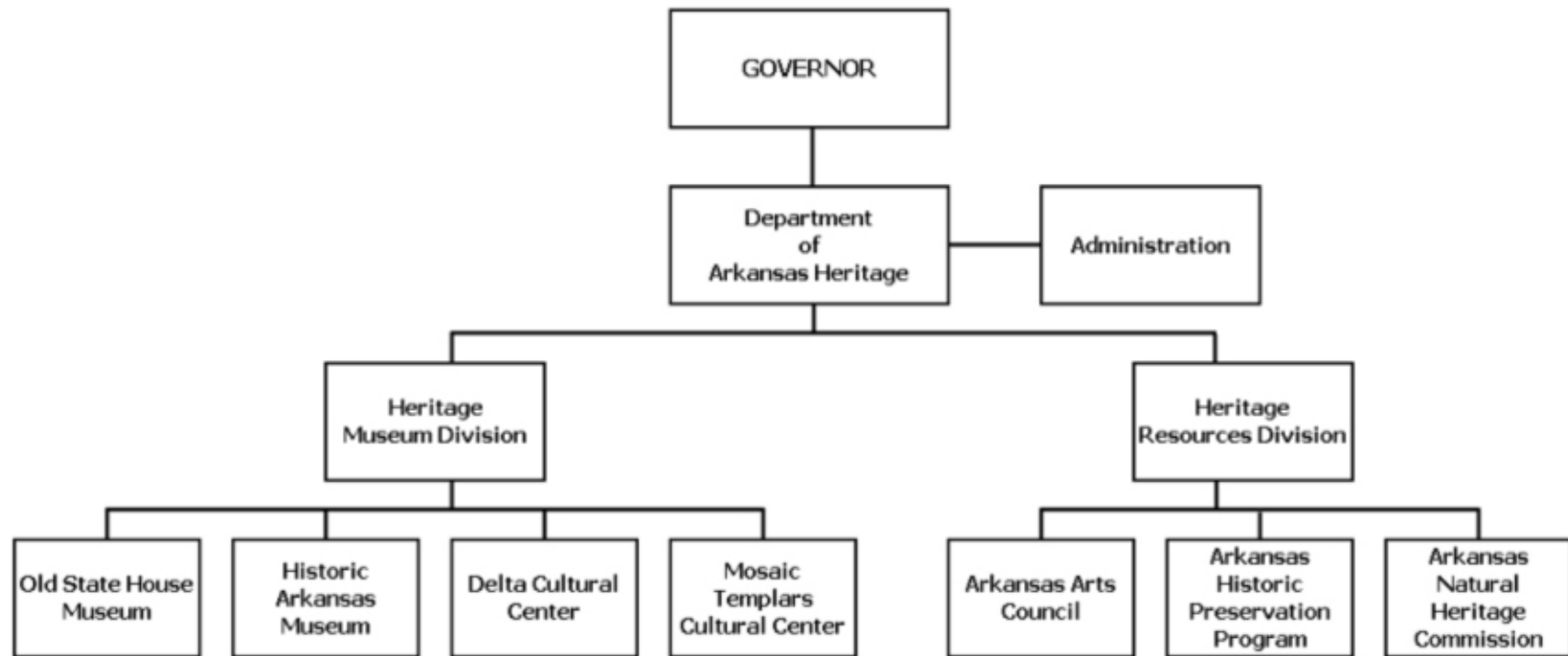
The Arts Council contributes to Arkansas's educational and economic development by investing state, federal, and private funds in community arts organizations, schools, youth service organizations, and other providers of cultural programs. The Arts in Education program funds artist residencies in schools and after school/summer programs. The agency provides operating support for established community arts organizations, and the Expansion Arts Program provides technical assistance and salary support to new and expanding arts organizations in rural and underserved areas. The statewide Arts on Tour program includes a diverse roster of Arkansas's finest performing artists; non-profit organizations and local governments are eligible to apply for funding assistance to present artists listed in the Arts on Tour Roster.

The Arts Council offers technical, supportive, and informational services for artists, administrators, and community leaders, as well as professional development opportunities for teachers and teaching artists. The Arts Council website provides information about the Council and contains online applications for the agency's various grant programs and artist rosters. The website, www.arkansasarts.org, also provides local, regional and national resource information to the arts community and the general public.

One of the most widely used on-line services at the Arts Council, the Arkansas Artist Registry, documents and promotes Arkansas visual artists.

Agency Board or Commission

The Arkansas Arts Advisory Council is composed of seventeen members appointed by the Governor for four-year terms. Two appointments are made from each of the eight planning and development districts, and one member serves at large. Council members meet each fiscal quarter and are charged with awarding all grant funds and with formulating policy for the future development of the arts in Arkansas.



Agency Commentary

See Agency Commentary in DAH - Central Administration.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS DEPARTMENT OF HERITAGE
 FOR THE YEAR ENDED JUNE 30, 2012

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

Employment Summary

	Male	Female	Total	%
White Employees	1	7	8	89 %
Black Employees	1	0	1	11 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			1	11 %
Total Employees			9	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Report	A.C.A. §13-8-106(f)	Y	N	1	Governor's Office request

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
484 Arts Council-State Operations	752,189	8	752,816	8	780,834	8	754,645	8	2,058,021	8	754,645	8	754,645	8	2,057,021	8	754,645	8
486 Arts Council - Federal Program	1,012,843	2	671,486	2	673,038	2	670,567	2	670,567	2	670,567	2	670,567	2	670,567	2	670,567	2
943 Arts Council - Cash in Treasury	69,487	0	180,141	0	204,041	0	180,141	0	180,141	0	180,141	0	180,141	0	180,141	0	180,141	0
Total	1,834,519	10	1,604,443	10	1,657,913	10	1,605,353	10	2,908,729	10	1,605,353	10	1,605,353	10	2,907,729	10	1,605,353	10

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	119,577	5.8	219,244	12.2			189,103	10.7	189,103	6.2	189,103	10.7	158,962	9.2	158,962	5.2	158,962	9.2
General Revenue	4000010	752,189	36.6	752,816	42.0			754,645	42.8	2,058,021	67.1	754,645	42.8	754,645	43.5	2,057,021	67.7	754,645	43.5
Federal Revenue	4000020	710,743	34.6	671,486	37.4			670,567	38.0	670,567	21.9	670,567	38.0	670,567	38.7	670,567	22.1	670,567	38.7
Cash Fund	4000045	169,154	8.2	150,000	8.4			150,000	8.5	150,000	4.9	150,000	8.5	150,000	8.6	150,000	4.9	150,000	8.6
Federal Funds-ARRA	4000244	302,100	14.7	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		2,053,763	100.0	1,793,546	100.0			1,764,315	100.0	3,067,691	100.0	1,764,315	100.0	1,734,174	100.0	3,036,550	100.0	1,734,174	100.0
Excess Appropriation/(Funding)		(219,244)		(189,103)				(158,962)		(158,962)		(158,962)		(128,821)		(128,821)		(128,821)	
Grand Total		1,834,519		1,604,443				1,605,353		2,908,729		1,605,353		1,605,353		2,907,729		1,605,353	

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
10	10	0	10	0	0.00 %	10	10	0	10	0	0.00 %	10	9	1	10	0	10.00 %

Analysis of Budget Request

Appropriation: 484 - Arts Council-State Operations

Funding Sources: HRA - Arkansas Heritage Fund

This appropriation provides general revenue funding for the Department of Arkansas Heritage - Office of Arts and Humanities (Arts Council). Established in 1971, the purpose of this Agency is to provide a comprehensive statewide program for the support of arts in Arkansas by providing services and grants to support arts endeavors that encourage and assist Arkansas artists. In addition, the Arts Council staff assists with related arts projects, including surveys, research, and planning.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level includes appropriation and general revenue funding of \$754,645 each year with 8 Regular positions.

The Agency requests additional appropriation and general revenue funding of \$1,303,376 in FY12 and \$1,302,376 in FY13 for the following:

- Operating Expenses: Increase of \$2,376 each year for a 4% increase in rent as recommended by the Arkansas Building Authority.
- Grants and Aid: Increase of \$1.3 million each year to support the Community Arts Development Program, which supports local art organizations and the statewide Folk Art Program, and the Arts in Education Program, which initiates and enhances arts programs in schools and local art agencies by providing direct interaction with working artists in residencies. This request will raise Arkansas' per capita level of arts funding to the national average.
- Capital Outlay: Increase of \$1,000 in FY12 only to provide for sales tax for a replacement vehicle from the DFA Pool.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 484 - Arts Council-State Operations

Funding Sources: HRA - Arkansas Heritage Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	393,699	379,572	386,701	374,972	374,972	374,972	374,972	374,972	374,972
#Positions		8	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	114,062	106,641	116,131	113,070	113,070	113,070	113,070	113,070	113,070
Operating Expenses	5020002	51,428	66,603	78,002	66,603	68,979	66,603	66,603	68,979	66,603
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
Grants and Aid	5100004	193,000	200,000	200,000	200,000	1,500,000	200,000	200,000	1,500,000	200,000
Capital Outlay	5120011	0	0	0	0	1,000	0	0	0	0
Total		752,189	752,816	780,834	754,645	2,058,021	754,645	754,645	2,057,021	754,645
Funding Sources										
General Revenue	4000010	752,189	752,816		754,645	2,058,021	754,645	754,645	2,057,021	754,645
Total Funding		752,189	752,816		754,645	2,058,021	754,645	754,645	2,057,021	754,645
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		752,189	752,816		754,645	2,058,021	754,645	754,645	2,057,021	754,645

Change Level by Appropriation

Appropriation: 484 - Arts Council-State Operations
Funding Sources: HRA - Arkansas Heritage Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	754,645	8	754,645	100.0	754,645	8	754,645	100.0
C01	Existing Program	1,303,376	0	2,058,021	272.7	1,302,376	0	2,057,021	272.6

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	754,645	8	754,645	100.0	754,645	8	754,645	100.0
C01	Existing Program	0	0	754,645	100.0	0	0	754,645	100.0

Justification

C01	Arts Council is requesting an increase of \$2,376 each year to accommodate an anticipated 4% increase in rent costs, and Capital Outlay of \$1,000 to cover the cost of sales tax on a new vehicle for FY12. We will be requesting a replacement vehicle from the DFA Pool and the agency is required to pay the sales tax. The agency is also requesting an increase of \$1,300,000 each year for Grants. This will raise Arkansas's state arts funding from the FY10 level of \$.55 per capita to \$1.00 per Arkansan, increasing the agency's investment in Community Arts Development and Arts Education. The requested funding will provide additional support to local arts organizations and expand artist residencies in schools and after school/summer programs.
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Analysis of Budget Request

Appropriation: 486 - Arts Council - Federal Program

Funding Sources: FHH - Natural & Cultural Heritage Federal

This appropriation provides for federal funding received from the National Endowment for the Arts. The Department utilizes this appropriation to provide art programs and grants to promote and assist Arkansas artists.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Th Agency Base Level Request includes appropriation of \$670,567 each year with two (2) Regular Positions and two (2) Extra Help positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 486 - Arts Council - Federal Program

Funding Sources: FHH - Natural & Cultural Heritage Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	66,025	66,374	67,300	65,574	65,574	65,574	65,574	65,574	65,574
#Positions	2	2	2	2	2	2	2	2	2
Extra Help 5010001	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
#Extra Help	0	2	2	2	2	2	2	2	2
Personal Services Matching 5010003	23,073	22,938	23,564	22,819	22,819	22,819	22,819	22,819	22,819
Operating Expenses 5020002	33,211	37,252	37,252	37,252	37,252	37,252	37,252	37,252	37,252
Conference & Travel Expenses 5050009	2,137	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Professional Fees 5060010	8,963	7,970	7,970	7,970	7,970	7,970	7,970	7,970	7,970
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	577,334	523,452	523,452	523,452	523,452	523,452	523,452	523,452	523,452
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
ARRA of 2009 5900052	302,100	0	0	0	0	0	0	0	0
Total	1,012,843	671,486	673,038	670,567	670,567	670,567	670,567	670,567	670,567
Funding Sources									
Federal Revenue 4000020	710,743	671,486		670,567	670,567	670,567	670,567	670,567	670,567
Federal Funds-ARRA 4000244	302,100	0		0	0	0	0	0	0
Total Funding	1,012,843	671,486		670,567	670,567	670,567	670,567	670,567	670,567
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,012,843	671,486		670,567	670,567	670,567	670,567	670,567	670,567

Analysis of Budget Request

Appropriation: 943 - Arts Council - Cash in Treasury

Funding Sources: NNH - Arts & Humanities Cash

This appropriation is funded from cash receipts generated by registration fees, interest income and the sales of items purchased for display and for workshop sessions. The Agency coordinates an annual conference on the arts as well as several smaller conferences and workshops to support the education, organizational development, and marketing Arkansas's craft and traditional artists.

The Agency Base Level Request includes appropriation of \$180,141 each year of the biennium.

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

Appropriation Summary

Appropriation: 943 - Arts Council - Cash in Treasury

Funding Sources: NNH - Arts & Humanities Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	18,237	18,250	18,250	18,250	18,250	18,250	18,250	18,250	18,250
Conference & Travel Expenses	5050009	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Professional Fees	5060010	250	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	50,000	155,391	179,291	155,391	155,391	155,391	155,391	155,391	155,391
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		69,487	180,141	204,041	180,141	180,141	180,141	180,141	180,141	180,141
Funding Sources										
Fund Balance	4000005	119,577	219,244		189,103	189,103	189,103	158,962	158,962	158,962
Cash Fund	4000045	169,154	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding		288,731	369,244		339,103	339,103	339,103	308,962	308,962	308,962
Excess Appropriation/(Funding)		(219,244)	(189,103)		(158,962)	(158,962)	(158,962)	(128,821)	(128,821)	(128,821)
Grand Total		69,487	180,141		180,141	180,141	180,141	180,141	180,141	180,141

DAH - DELTA CULTURAL CENTER

Enabling Laws

Act 237 of 2010
A.C.A. §13-5-701 et seq.

History and Organization

Agency Mission Statement

It is the mission of the Delta Cultural Center (DCC) to preserve, research, document, interpret, and present the heritage of the Arkansas Delta. The Center is comprised of seven facilities and several acres of land located in Helena, AR. The Visitors Center is comprised of three connected buildings, two historic commercial buildings and one reconstructed structure. This facility houses staff offices, the museum gift shop, and major interpretive exhibits. The restored 1912 Union Pacific Railroad Depot houses interpretive exhibits. The Moore-Horner House was constructed in 1859 and is listed on the National Register is used as a historic house museum and will soon become a Civil War interpretive center. The Cherry Street Pavilion serves as a permanent stage and outdoor pavilion for agency events and community programs. The Beth El Heritage Hall, a 1917 Jewish temple, provides an auditorium and classroom space for DCC and community programs and additional collections storage space. A maintenance shop is utilized by maintenance staff and the Miller Building provides a classroom/assembly space.

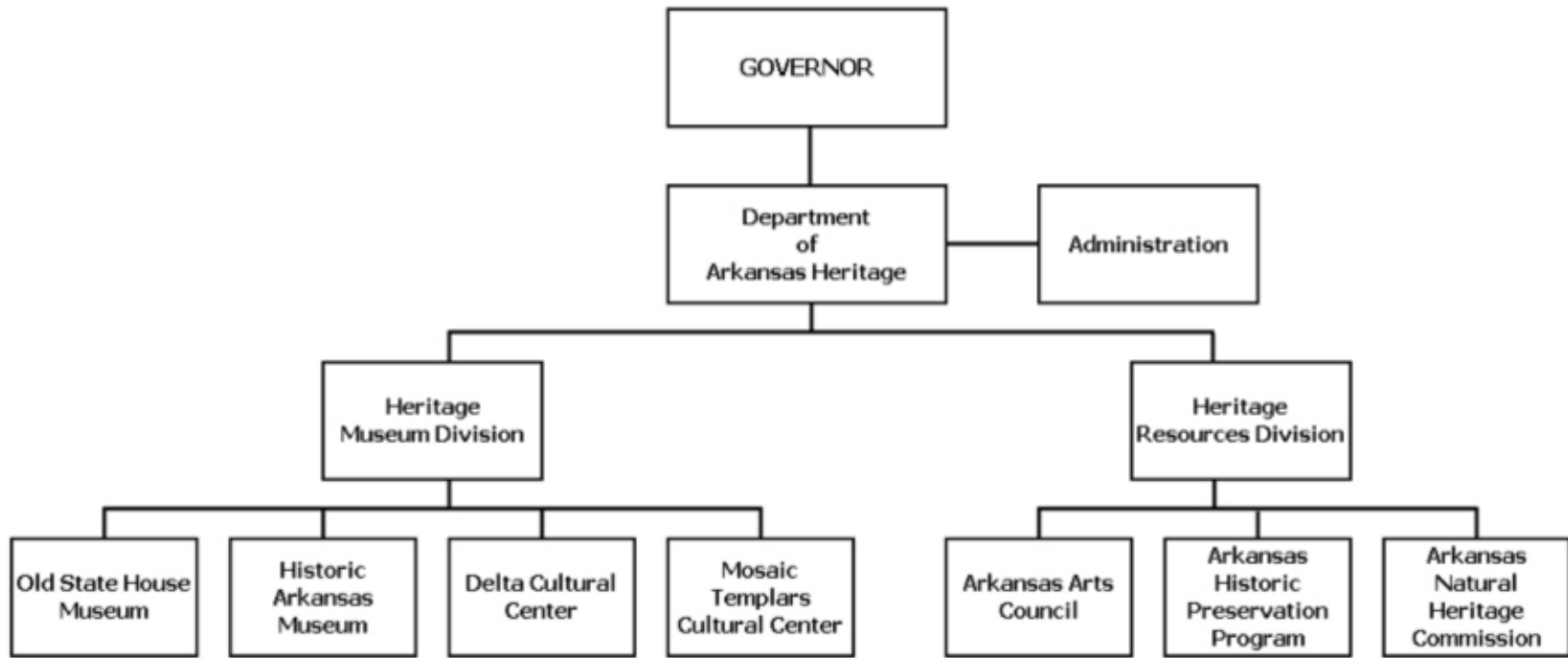
Brief Discussion of Statutory Responsibilities and Primary Activities

The Delta Cultural Center was established in 1989 to serve as the heritage center for the 27 counties that comprise the Arkansas Delta region. The Center has been in operation since 1990 utilizing exhibits and educational programs to reach its goals. Major projects include components of educational programming, research, preservation, exhibits, collections, historic site management, marketing, development, and administration. The Arkansas Heritage Blues Festival and the Arkansas Delta Family Gospel Festival are examples of two major events that occur annually.

The Delta Cultural Center follows a five year long-range plan that is updated regularly. This is a comprehensive plan which includes the goals and objectives of the Center dedicated to meet the overall mission and purpose.

Agency Board or Commission

The Delta Cultural Center is advised by an 11 member advisory board appointed by the Governor which meets quarterly. The members serve for three-year terms. No member shall be eligible for appointment to more than two consecutive full terms. The advisory board positions are designated so that a broad range of interests are served: Helena community, blues musicians, historians, and Delta residents.



Agency Commentary

See Agency Commentary in DAH - Central Administration.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

Employment Summary

	Male	Female	Total	%
White Employees	3	3	6	60 %
Black Employees	2	2	4	40 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	40 %
Total Employees			10	100 %

Cash Fund Balance Description as of June 30, 2010

Fund Account	Balance	Type	Location
1210100	\$39,428	Checking	Southern Bancorp/Helena

Statutory/Other Restrictions on use:

A.C.A. §13-5-706 established that the agency can accept gifts of real or personal property and money. The agency shall have the authority to set fees related to services and programs.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. §13-5-706 authorizes the agency to set fees.

Revenue Receipts Cycle:

Funds are collected on an irregular basis throughout the year. Deposits are made in a timely manner upon receipt of funds. Receipts are generated from Museum Store sales, rentals, and/or donations.

Fund Balance Utilization:

The fund balance will be used to purchase additional inventory for resale through the Museum Store. The funds will be deposited to the State Treasury and expenditures made according to DFA regulations.

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2JF Delta Cultural Center - Cash in Treasury	63,388	0	50,000	0	67,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
922 Delta Cultural Center - State Operations	503,493	11	527,153	11	559,433	11	529,334	11	605,249	11	529,334	11	529,334	11	605,249	11	529,334	11
C14 Delta Cultural Center - Bank Charges Fund	3,185	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0	5,000	0
Total	570,066	11	582,153	11	631,433	11	584,334	11	660,249	11	584,334	11	584,334	11	660,249	11	584,334	11

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	84,520	13.5	54,474	8.7	44,974	7.3	44,974	6.5	44,974	7.3	35,474	5.8	35,474	5.2	35,474	5.8
General Revenue	4000010	503,493	80.6	527,153	84.1	529,334	85.4	605,249	87.0	529,334	85.4	529,334	86.7	605,249	88.2	529,334	86.7
Cash Fund	4000045	36,527	5.8	45,500	7.3	45,500	7.3	45,500	6.5	45,500	7.3	45,500	7.5	45,500	6.6	45,500	7.5
Intra-agency Fund Transfer	4000317	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		624,540	100.0	627,127	100.0	619,808	100.0	695,723	100.0	619,808	100.0	610,308	100.0	686,223	100.0	610,308	100.0
Excess Appropriation/(Funding)		(54,474)		(44,974)		(35,474)		(35,474)		(35,474)		(25,974)		(25,974)		(25,974)	
Grand Total		570,066		582,153		584,334		660,249		584,334		584,334		660,249		584,334	

The Intra Agency Fund Transfer represents a transfer of cash funds from the Agency's Cash In Bank Fund to the Agency's Cash in Treasury Fund.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
11	11	0	11	0	0.00 %	11	11	0	11	0	0.00 %	11	10	1	11	0	9.09 %

Analysis of Budget Request

Appropriation: 2JF - Delta Cultural Center - Cash in Treasury

Funding Sources: NNH - Delta Cultural Center Cash

Act 109 of 1989 (A.C.A. §13-5-703) established the Delta Cultural Center to provide a resource to study, preserve, interpret, and present the rich cultural heritage of a rural Mississippi River Delta community. This appropriation is used to supplement the operating expenses of the Delta Cultural Center. Funding is derived from cash funds generated at the Delta Cultural Center in Helena, Arkansas.

The Agency requests continuation of Base Level appropriation of \$50,000 each year of the biennium.

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

Appropriation Summary

Appropriation: 2JF - Delta Cultural Center - Cash in Treasury

Funding Sources: NNH - Delta Cultural Center Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	21,494	15,000	22,000	15,000	15,000	15,000	15,000	15,000	15,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	19,750	15,000	25,000	15,000	15,000	15,000	15,000	15,000	15,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Resale (COGS)	5090017	22,144	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		63,388	50,000	67,000	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources										
Fund Balance	4000005	30,077	15,046		10,546	10,546	10,546	6,046	6,046	6,046
Cash Fund	4000045	559	500		500	500	500	500	500	500
Intra-agency Fund Transfer	4000317	47,798	45,000		45,000	45,000	45,000	45,000	45,000	45,000
Total Funding		78,434	60,546		56,046	56,046	56,046	51,546	51,546	51,546
Excess Appropriation/(Funding)		(15,046)	(10,546)		(6,046)	(6,046)	(6,046)	(1,546)	(1,546)	(1,546)
Grand Total		63,388	50,000		50,000	50,000	50,000	50,000	50,000	50,000

The Intra Agency Fund Transfer represents a transfer of cash funds from the Agency's Cash In Bank Fund to the Agency's Cash in Treasury Fund.

Analysis of Budget Request

Appropriation: 922 - Delta Cultural Center - State Operations

Funding Sources: HRA - Arkansas Heritage Fund

The Delta Cultural Center (DCC), located in historic downtown Helena, Arkansas, is a museum dedicated to the history of the Arkansas Delta. The DCC is comprised of two museum locations: the old Missouri Pacific Railroad Depot opened in 1990 and houses two permanent exhibits and the Visitor's Center opened in 2000 and houses the museum's temporary exhibits, permit music exhibits and the Museum Store. This appropriation provides for maintenance and general operations of the agency, as well for routinely updated programming and exhibitory illustrating the historical, musical, and geographical significance of the 27 county Delta region.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level includes appropriation and general revenue funding of \$529,334 each year with 11 Regular positions.

The Agency requests additional appropriation and general revenue funding of \$75,915 each year for the Operating Expenses line item. This request will enable the agency to shift the cost of basic utilities including Telecommunications Wired and Wireless, Building and Contents Insurance, Natural Gas and Propane, Electricity, Water and Sewage and Vehicle Insurance from the Conservation Tax Funded appropriation to the General Revenue appropriation.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 922 - Delta Cultural Center - State Operations

Funding Sources: HRA - Arkansas Heritage Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	361,153	371,534	365,652	369,534	369,534	369,534	369,534	369,534	369,534
#Positions	11	11	11	11	11	11	11	11	11
Extra Help 5010001	0	0	2,550	0	0	0	0	0	0
#Extra Help	0	0	0	0	0	0	0	0	0
Personal Services Matching 5010003	115,080	121,834	124,746	126,015	126,015	126,015	126,015	126,015	126,015
Operating Expenses 5020002	27,260	33,785	66,485	33,785	109,700	33,785	33,785	109,700	33,785
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	503,493	527,153	559,433	529,334	605,249	529,334	529,334	605,249	529,334
Funding Sources									
General Revenue 4000010	503,493	527,153		529,334	605,249	529,334	529,334	605,249	529,334
Total Funding	503,493	527,153		529,334	605,249	529,334	529,334	605,249	529,334
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	503,493	527,153		529,334	605,249	529,334	529,334	605,249	529,334

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2009-2011 biennium.

Due to the flexibility inherent in the authorization of all positions through one salary section in appropriation acts, one authorized Extra Help position previously budgeted in this appropriation has been moved to the Conservation Tax appropriation (Funds Center 476) in Business Area 0865.

Change Level by Appropriation

Appropriation: 922 - Delta Cultural Center - State Operations
Funding Sources: HRA - Arkansas Heritage Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	529,334	11	529,334	100.0	529,334	11	529,334	100.0
C01	Existing Program	75,915	0	605,249	114.3	75,915	0	605,249	114.3

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	529,334	11	529,334	100.0	529,334	11	529,334	100.0
C01	Existing Program	0	0	529,334	100.0	0	0	529,334	100.0

Justification

C01	The Delta Cultural Center is requesting funding for basic operation costs. The request includes utilities, vehicle insurance, and building and contents insurance. The utility costs are based on the last five year average with anticipated increases. This request will cover the agency's core operational costs. Without this level of funding, the day-to-day operations of the agency will be greatly affected. The agency will be unable to provide services and maintain state property as needed.
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Analysis of Budget Request

Appropriation: C14 - Delta Cultural Center - Bank Charges Fund

Funding Sources: 121 - Delta Cultural Museum Bank Charges

This cash appropriation provides for the payment of bank charges, credit card charges and fees from revenues collected by the Delta Cultural Museum Store.

The Agency Base Level Request includes operating expenses appropriation of \$5,000 each year of the biennium.

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

Appropriation Summary

Appropriation: C14 - Delta Cultural Center - Bank Charges Fund

Funding Sources: 121 - Delta Cultural Museum Bank Charges

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,185	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
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
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		3,185	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Funding Sources										
Fund Balance	4000005	54,443	39,428		34,428	34,428	34,428	29,428	29,428	29,428
Cash Fund	4000045	35,968	45,000		45,000	45,000	45,000	45,000	45,000	45,000
Intra-agency Fund Transfer	4000317	(47,798)	(45,000)		(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)
Total Funding		42,613	39,428		34,428	34,428	34,428	29,428	29,428	29,428
Excess Appropriation/(Funding)		(39,428)	(34,428)		(29,428)	(29,428)	(29,428)	(24,428)	(24,428)	(24,428)
Grand Total		3,185	5,000		5,000	5,000	5,000	5,000	5,000	5,000

The Intra Agency Fund Transfer represents a transfer of cash funds from the Agency's Cash In Bank Fund to the Agency's Cash in Treasury Fund.

DAH - HISTORIC ARKANSAS MUSEUM COMMISSION

Enabling Laws

Act 237 of 2010
A.C.A. §13-7-301 et seq.

History and Organization

Agency Mission Statement

The mission of the Historic Arkansas Museum (HAM) Commission is to communicate the early history of Arkansas and its creative legacy through preserving, interpreting, and presenting stories and collections for the education and enjoyment of the people we serve.

Brief Discussion of Statutory Responsibilities and Primary Activities

The Arkansas General Assembly created the HAM Commission (then called the Arkansas Territorial Capital Restoration Commission) after an active public campaign led by pioneering preservationist Louise Loughborough. The HAM Foundation is a 501(c)3 non-profit membership organization supporting the mission of the museum. The Historic Arkansas Museum was created to establish a "history center, interesting to the inhabitants of the State and to tourists."

The museum's original site contains four major historic houses, including the oldest structure in the city, the Hinderliter House, built c. 1828, and the early print shop of the Arkansas Gazette newspaper. Over the years the museum's campus has expanded to include a full block and two half blocks in downtown Little Rock.

The scope of the museum's programs is defined by two major aspects of Arkansas history: the frontier period and the State's creative legacy from early days to the present. The functions involved in meeting the museum's mission involve research, education, exhibits and collections, development and maintenance. The museum has taken on the job of rediscovering the work of Arkansas's artists and artisans. The two volume book *Arkansas Made: A Survey of the Decorative, Mechanical and Fine Arts Produced in Arkansas, 1819-1870* (University of Arkansas Press) is a result of this continuing research project. The museum has created the State's best (and in some cases only) collection of its quilts, firearms, furniture, pottery, silver, paintings, etc. The museum is actively adding to the knowledge of Arkansas's impact on the international development of the Bowie Knife. The Museum Center opened in 2001, with an expanded Reception Center with galleries, theater and improved visitor amenities.

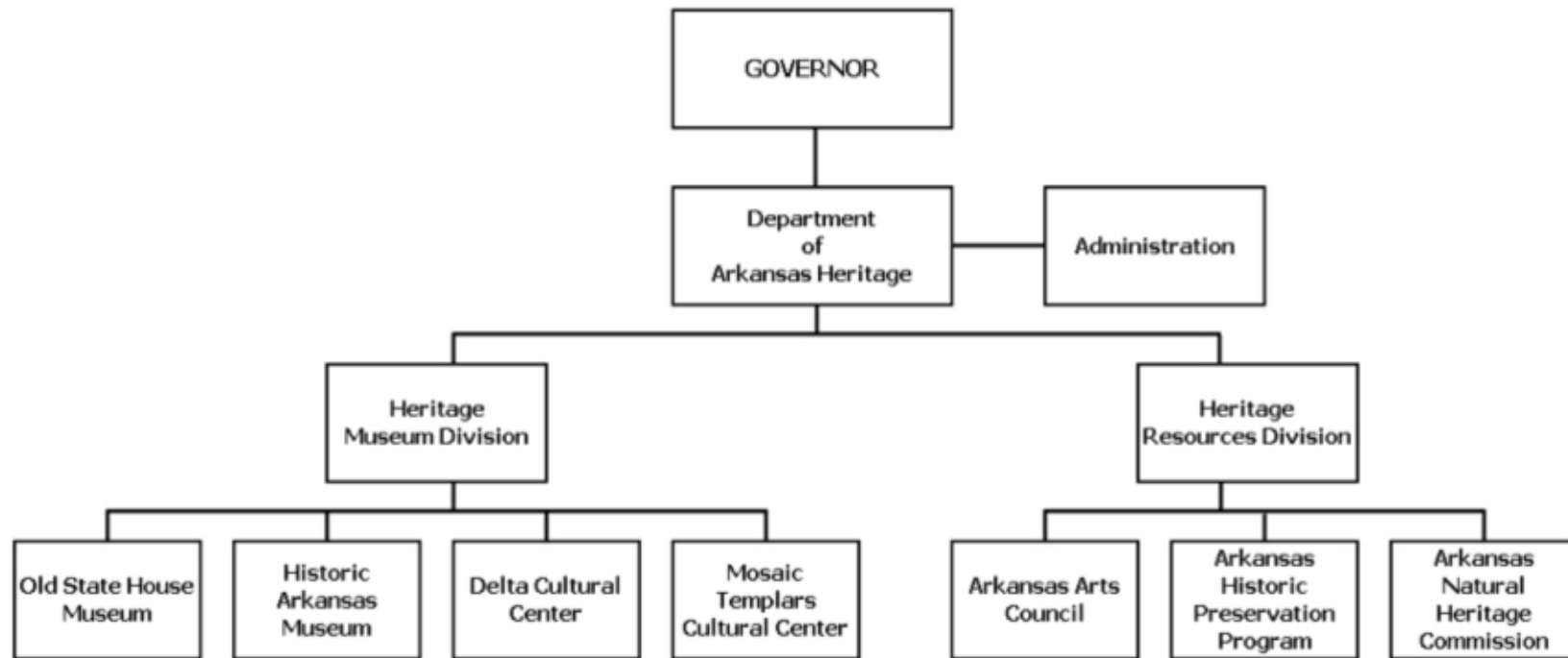
The director of the museum serves at the pleasure of the director of the Department of Arkansas Heritage (DAH). Internally, the museum contains maintenance, collections, education and development divisions which must satisfy not only the appropriate state requirements but also national professional museum standards. In 1981 the museum became the first history museum in Arkansas to be accredited by the

American Association of Museums. This national recognition is important to the museum and its patrons, and the need to continue to meet accreditation standards drives many of the improvements sought by the museum.

Improvements over the years have included creating and enhancing the best collection of Arkansas-made objects; *We Walk in Two Worlds*, an exhibit of the Indian experience in Arkansas, produced in cooperation with the Smithsonian; daily living history performances in the museum houses; the Hands-on History Room; popular seasonal special events; and an excellent educational website. Each year approximately 50,000 visitors, including 12,000 school children, enjoy seeing history come to life at the museum, and outreach and web-based programs reach thousands more.

Advisory Board or Commission

The Commission sets policy for the museum. The Commission is a 9 member self-perpetuating board which meets monthly.



Agency Commentary

See Agency Commentary in DAH - Central Administration.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

Employment Summary

	Male	Female	Total	%
White Employees	7	9	16	80 %
Black Employees	2	2	4	20 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	20 %
Total Employees			20	100 %

Cash Fund Balance Description as of June 30, 2010

Fund Account	Balance	Type	Location
1120100	\$48,525	Checking	Bank of America/Little Rock

Statutory/Other Restrictions on use:

A. C. A. §13-7-305 is the authority for the establishment of this cash fund.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. §13-7-305 is the authority for use of this cash fund.

Revenue Receipts Cycle:

Funds are deposited in bank account on a daily basis.

Fund Balance Utilization:

Funds are used to manage the Museum Store, including retail operations and supporting expenditures.

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2JK Historic Arkansas Museum-Cash in Treas.	180,184	1	298,448	1	299,044	1	298,546	1	298,546	1	298,546	1	298,546	1	298,546	1	298,546	1
496 Historic Arkansas Museum-St. Operations	1,081,730	21	1,139,648	21	1,165,358	21	1,152,629	21	1,268,483	21	1,152,629	21	1,152,629	21	1,268,483	21	1,152,629	21
C15 Historic Arkansas Museum - Bank Charges	7,075	0	11,250	0	11,250	0	11,250	0	11,250	0	11,250	0	11,250	0	11,250	0	11,250	0
Total	1,268,989	22	1,449,346	22	1,475,652	22	1,462,425	22	1,578,279	22	1,462,425	22	1,462,425	22	1,578,279	22	1,462,425	22

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	84,929	6.4	66,232	4.4			56,534	3.7	56,534	3.5	56,534	3.7	46,738	3.1	46,738	2.9	46,738	3.1
General Revenue 4000010	1,081,730	81.0	1,139,648	75.7			1,152,629	76.4	1,268,483	78.1	1,152,629	76.4	1,152,629	76.9	1,268,483	78.5	1,152,629	76.9
Cash Fund 4000045	168,562	12.6	300,000	19.9			300,000	19.9	300,000	18.5	300,000	19.9	300,000	20.0	300,000	18.6	300,000	20.0
Intra-agency Fund Transfer 4000317	0	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds	1,335,221	100.0	1,505,880	100.0			1,509,163	100.0	1,625,017	100.0	1,509,163	100.0	1,499,367	100.0	1,615,221	100.0	1,499,367	100.0
Excess Appropriation/(Funding)	(66,232)		(56,534)				(46,738)		(46,738)		(46,738)		(36,942)		(36,942)		(36,942)	
Grand Total	1,268,989		1,449,346				1,462,425		1,578,279		1,462,425		1,462,425		1,578,279		1,462,425	

The Intra Agency Fund Transfer represents a transfer of cash funds from the Agency's Cash In Bank Fund to the Agency's Cash in Treasury Fund.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
22	22	0	22	0	0.00 %	22	21	1	22	0	4.55 %	22	20	2	22	0	9.09 %

Analysis of Budget Request

Appropriation: 2JK - Historic Arkansas Museum-Cash in Treas.

Funding Sources: NNH - Historic Arkansas Museum Cash

The Agency utilizes this cash appropriation to supplement Museum operations and replenish Craft Store inventory. Funding is generated by admission fees, rental receipts, donations and proceeds at the Craft Store at the Historic Arkansas Museum.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency Base Level Request includes appropriation of \$298,546 each year with 1 Regular position and 15 Extra Help positions.

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

Appropriation Summary

Appropriation: 2JK - Historic Arkansas Museum-Cash in Treas.

Funding Sources: NNH - Historic Arkansas Museum Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	20,103	20,944	21,266	20,944	20,944	20,944	20,944	20,944	20,944
#Positions		1	1	1	1	1	1	1	1	1
Extra Help	5010001	75,910	142,134	142,134	142,134	142,134	142,134	142,134	142,134	142,134
#Extra Help		10	15	15	15	15	15	15	15	15
Personal Services Matching	5010003	17,088	19,765	20,039	19,863	19,863	19,863	19,863	19,863	19,863
Operating Expenses	5020002	26,685	34,521	34,521	34,521	34,521	34,521	34,521	34,521	34,521
Conference & Travel Expenses	5050009	0	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334
Professional Fees	5060010	0	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Resale (COGS)	5090017	40,398	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		180,184	298,448	299,044	298,546	298,546	298,546	298,546	298,546	298,546
Funding Sources										
Fund Balance	4000005	17,671	17,707		19,259	19,259	19,259	20,713	20,713	20,713
Cash Fund	4000045	92,807	200,000		200,000	200,000	200,000	200,000	200,000	200,000
Intra-agency Fund Transfer	4000317	87,413	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding		197,891	317,707		319,259	319,259	319,259	320,713	320,713	320,713
Excess Appropriation/(Funding)		(17,707)	(19,259)		(20,713)	(20,713)	(20,713)	(22,167)	(22,167)	(22,167)
Grand Total		180,184	298,448		298,546	298,546	298,546	298,546	298,546	298,546

The Intra Agency Fund Transfer represents a transfer of cash funds from the Agency's Cash In Bank Fund to the Agency's Cash in Treasury Fund.

Analysis of Budget Request

Appropriation: 496 - Historic Arkansas Museum-St. Operations

Funding Sources: HRA - Arkansas Heritage Fund

This appropriation provides general revenue funding for the personal services and operating expenses of the Department of Arkansas Heritage - Historic Arkansas Museum Commission. Act 388 of 1939 (A.C.A. 13-7-302), as amended, created the Historic Arkansas Museum (formerly Territorial Capitol Restoration) to restore, maintain, and interpret historic houses on-site in the oldest remaining neighborhood in Little Rock. The Museum interprets the frontier period (1819 - 1850) and includes a visitor center featuring both permanent and changing exhibits.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level includes appropriation and general revenue funding of \$1,152,629 each year with 21 Regular positions.

The Agency requests additional appropriation and general revenue funding of \$115,854 each year for the Operating Expenses Line Item. This request will enable the agency to shift basic utility costs such as Electricity, Natural Gas & Propane, Building and Contents Insurance, Telecommunications Wired and Wireless, Water and Sewage and Network Services Expenses from the Conservation Tax appropriation to the General Revenue appropriation.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 496 - Historic Arkansas Museum-St. Operations

Funding Sources: HRA - Arkansas Heritage Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	767,313	781,702	770,388	772,702	772,702	772,702	772,702	772,702	772,702
#Positions		21	21	21	21	21	21	21	21	21
Personal Services Matching	5010003	252,503	232,155	251,315	254,136	254,136	254,136	254,136	254,136	254,136
Operating Expenses	5020002	61,914	125,791	143,655	125,791	241,645	125,791	125,791	241,645	125,791
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		1,081,730	1,139,648	1,165,358	1,152,629	1,268,483	1,152,629	1,152,629	1,268,483	1,152,629
Funding Sources										
General Revenue	4000010	1,081,730	1,139,648		1,152,629	1,268,483	1,152,629	1,152,629	1,268,483	1,152,629
Total Funding		1,081,730	1,139,648		1,152,629	1,268,483	1,152,629	1,152,629	1,268,483	1,152,629
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,081,730	1,139,648		1,152,629	1,268,483	1,152,629	1,152,629	1,268,483	1,152,629

The FY11 Budget amount in Regular Salaries exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 496 - Historic Arkansas Museum-St. Operations
Funding Sources: HRA - Arkansas Heritage Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,152,629	21	1,152,629	100.0	1,152,629	21	1,152,629	100.0
C01	Existing Program	115,854	0	1,268,483	110.1	115,854	0	1,268,483	110.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,152,629	21	1,152,629	100.0	1,152,629	21	1,152,629	100.0
C01	Existing Program	0	0	1,152,629	100.0	0	0	1,152,629	100.0

Justification

C01	This Change Level covers the funding that is required to keep the museum open. Currently General Revenues have to be supplemented to cover the basic costs of electricity, gas, water, telecommunications and insurance coverage. The museum cannot care for the priceless collection of Arkansas-related treasures nor educate the public without the capacity to open the doors.								
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Analysis of Budget Request

Appropriation: C15 - Historic Arkansas Museum - Bank Charges

Funding Sources: 112 - Historic Arkansas Museum Bank Charges Fund

This cash appropriation provides for the payment of bank charges, credit card charges and fees from gift shop sale revenues collected by the Historic Arkansas Museum.

The Agency requests the continuation of Base Level appropriation of \$11,250 each year of the biennium.

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

Appropriation Summary

Appropriation: C15 - Historic Arkansas Museum - Bank Charges
Funding Sources: 112 - Historic Arkansas Museum Bank Charges Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	7,075	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250
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		7,075	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250
Funding Sources										
Fund Balance	4000005	67,258	48,525		37,275	37,275	37,275	26,025	26,025	26,025
Cash Fund	4000045	75,755	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Intra-agency Fund Transfer	4000317	(87,413)	(100,000)		(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Total Funding		55,600	48,525		37,275	37,275	37,275	26,025	26,025	26,025
Excess Appropriation/(Funding)		(48,525)	(37,275)		(26,025)	(26,025)	(26,025)	(14,775)	(14,775)	(14,775)
Grand Total		7,075	11,250		11,250	11,250	11,250	11,250	11,250	11,250

The Intra Agency Fund Transfer represents a transfer of cash funds from the Agency's Cash In Bank Fund to the Agency's Cash in Treasury Fund.

DAH - HISTORIC PRESERVATION

Enabling Laws

Act 237 of 2010

A.C.A. §13-7-101 et seq.

A.C.A. §13-7-501 et seq.

History and Organization

The Arkansas Historic Preservation Program (AHPP) was created by the Arkansas General Assembly in 1969. The mission of the Arkansas Historic Preservation Program is to fulfill the objectives of the National Historic Preservation Act through the identification, preservation, and protection of the cultural resources of the State of Arkansas. The AHPP is charged with "conducting relations with representative of the federal government, the respective offices in other states, governmental units within Arkansas, organizations and individuals with regard to matters of historic preservation including the program carried out under Public Law 89-655 (16 U.S.C. & 470, et seq.)" by Act 480 of 1977 as amended. In 1975 AHPP became a division of the Department of Arkansas Heritage.

Statutory Responsibilities:

The state and federal legislation that jointly set out the AHPP responsibilities specify areas in which the Agency must operate. These include: the development of a plan for the historic, architectural, and cultural resources of the State; the conduct of surveys of those resources; the acceptance of conservation easements on those resources; the preparation of nominations to the National Register of Historic Places; administration of a review procedure for publicly funded undertakings that may affect historic properties within the state; administration of the federal preservation tax incentives program for the state; the provision of technical assistance to historic property owners; and administration of the Certified Local Government (CLG) program (currently there are 18 CLG cities).

Activities:

The AHPP administers an annual County Courthouse Restoration Grants program, a Historic Preservation Restoration Grants program and a Documentary Media grant program utilizing Real Estate Transfer Tax (RETT) funds.

The AHPP administers the Main Street Arkansas program and various grant programs. Act 729 of 1987, which established the Arkansas Natural and Cultural Resources Council (ANCRC) and Trust fund, provides funding for operation of Main Street Arkansas and AHPP activities

utilizing RETT funds. Also utilizing RETT funds AHPP is administering a Model Business grants program, Slipcover grant program and a Downtown Revitalization grants program for the active Main Street cities. Main Street Arkansas runs the Arkansas Downtown Network to provide services to a broader audience. Main Street Arkansas also is a key partner in the Rural Heritage Development Initiative, using heritage based economic development to strengthen the economy in the Arkansas Delta. Arkansas was chose in 2006 as one of two national pilots and partners with the National Trust for Historic Preservation and the W.K. Kellogg Foundation in this effort.

The agency also administers the federally funded Certified Local Government (CLG) grant program. A minimum of 10% of the annual federal funds received are required to be passed through to CLG cities under this competitive grant program. In addition, AHPP will supplement the federal funds with RETT funds for these CLG grants.

AHPP personnel visit schools around the state to make presentations on Arkansas's historic resources and also offers a variety of lesson plans. The AHPP provides programming for adult audiences through the agency's popular "Sandwiching in History" and "Walks Through History" tour programs and presentations for historical societies, service organizations, local government meetings and other groups. The AHPP helps sponsor the Arkansas Historic Preservation Conference, which focuses on current issues in preservation, giving attendees the latest information on preservation. The annual conference is sponsored in part by the Historic Preservation Alliance of Arkansas and other preservation organizations.

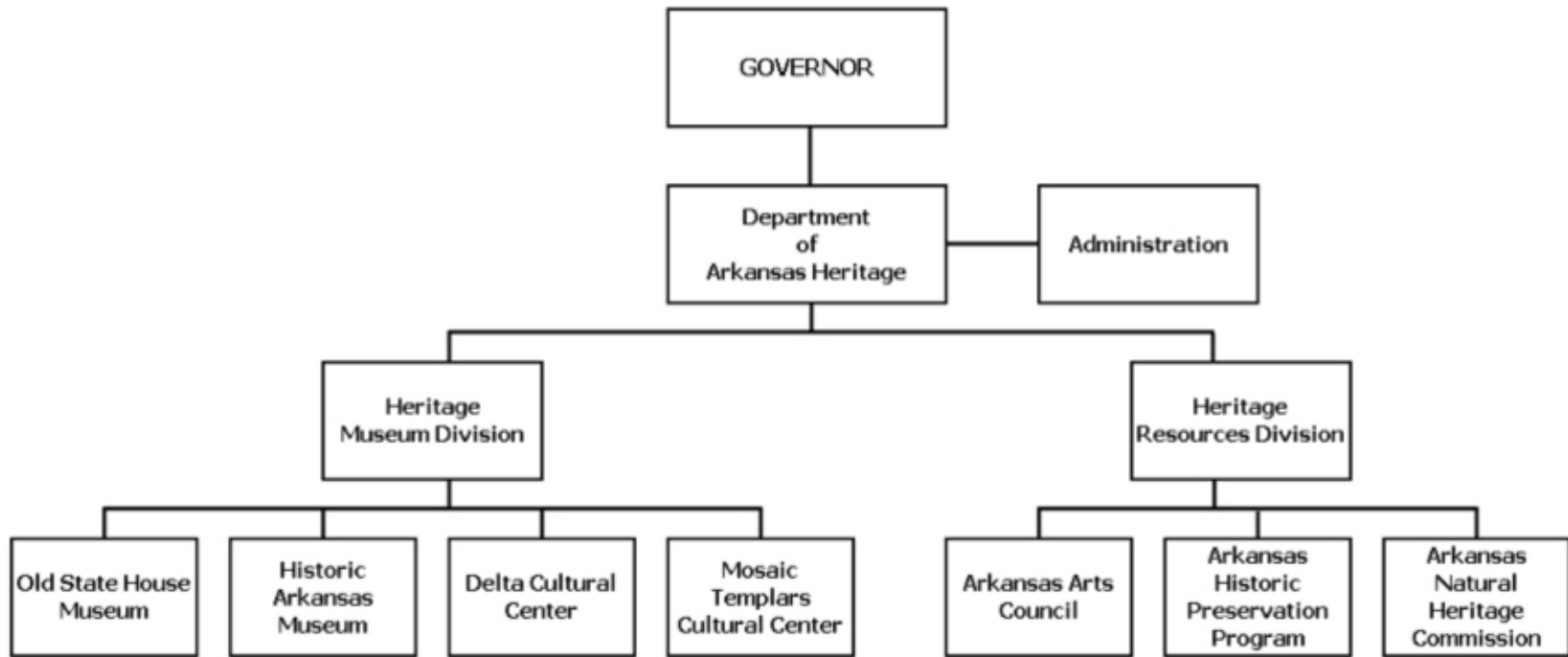
The AHPP's public information efforts include regular press releases to media around the state as well as e-newsletters from both the AHPP and Main Street Arkansas. In addition, www.arkansaspreservation.org includes a wide range of information. The agency also provides educational materials through publications, including studies of specific Arkansas history subjects and a popular series of driving tours based on thematic listings of National Register properties.

The AHPP houses the Arkansas Civil War Sesquicentennial Commission, which seeks to support a statewide observance of the 150th anniversary of the American Civil War between 2011 and 2015. The agency also coordinates the efforts of the Arkansas Civil War Heritage Trail, a group of six regional volunteer organizations that work to identify, protect, interpret and promote Civil War-related properties around Arkansas. The AHPP documents the activities of the regional trail groups in the Arkansas Battlefield Update newsletter.

The AHPP works with the National Park Service and the Trail of Tears Association, as well as with State Historic Preservation Offices in other states, to identify and preserve properties associated with the Cherokee Removal of the 1830s.

Review Committee:

The Arkansas Historic Preservation Program maintains a Review Committee whose members' appointments, qualifications and responsibilities in the administration of the program are in accordance with those defined in 36 CFR 61.4 and Act 1977, #480.



Agency Commentary

See Agency Commentary in DAH - Central Administration.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF ARKANSAS HERITAGE
 FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

Employment Summary

	Male	Female	Total	%
White Employees	12	10	22	92 %
Black Employees	0	2	2	8 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	8 %
Total Employees			24	100 %

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
477 Historic Preservation-Real Estate Trsfer Tax	2,179,513	17	3,000,000	8	0	8	0	8	0	10	0	8	0	8	0	10	0	8
491 Historic Preservation-Federal Program	760,776	8	1,546,854	17	1,529,464	17	1,547,327	17	1,547,327	17	1,547,327	17	1,547,327	17	1,547,327	17	1,547,327	17
960 Hist Pres - Main Street - Cash in Treasury	18,803	0	9,247	0	12,342	0	9,247	0	9,247	0	9,247	0	9,247	0	24,247	0	24,247	0
Total	2,959,092	25	4,556,101	25	1,541,806	25	1,556,574	25	1,556,574	27	1,556,574	25	1,556,574	25	1,571,574	27	1,571,574	25

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	6,257	0.2	5,804	0.1	11,557	0.7	11,557	0.7	11,557	0.7	17,310	1.1	17,310	1.1	17,310	1.1	
Federal Revenue	4000020	760,776	25.7	1,546,854	33.9	1,547,327	98.3	1,547,327	98.3	1,547,327	98.3	1,547,327	98.0	1,547,327	98.0	1,547,327	98.0	
Cash Fund	4000045	18,350	0.6	15,000	0.3	15,000	1.0	15,000	1.0	15,000	1.0	15,000	0.9	15,000	0.9	15,000	0.9	
Inter-agency Fund Transfer	4000316	2,179,513	73.5	3,000,000	65.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Total Funds		2,964,896	100.0	4,567,658	100.0	1,573,884	100.0	1,573,884	100.0	1,573,884	100.0	1,579,637	100.0	1,579,637	100.0	1,579,637	100.0	
Excess Appropriation/(Funding)		(5,804)		(11,557)		(17,310)		(17,310)		(17,310)		(23,063)		(8,063)		(8,063)		
Grand Total		2,959,092		4,556,101		1,556,574		1,556,574		1,556,574		1,556,574		1,571,574		1,571,574		

The FY11 Budget exceeds Authorized in the Historic Preservation-Real Estate Transfer Tax appropriation due to a transfer from the Natural and Cultural Resources Council Grant Fund (481) by authority of A.C.A. §15-12-103 (3).
 The Inter-agency Fund Transfer reflects the transfer of Real Estate Transfer Tax funding from the Natural and Cultural Resources Council (Business Area 0887).
 The FY11 Budget in the Historic Preservation-Federal Program appropriation exceeds the authorized due to salary adjustments during the 2009-2011 biennium.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
25	24	1	25	0	4.00 %	25	25	0	25	0	0.00 %	25	24	1	25	0	4.00 %

Analysis of Budget Request

Appropriation: 477 - Historic Preservation-Real Estate Trsfer Tax

Funding Sources: TGP - Natural & Cultural Resources Historic Preservation Fund

This appropriation provides for state grant funding collected from the Real Estate Transfer Tax for Historic Preservation/Main Street Programs. The Director of the Department of Arkansas Heritage is designated as the disbursing officer for grant funding and appropriation provided by the Natural and Cultural Resources Council (NCRC).

According to A.C.A. §15-12-103 (3), "Ten percent (10%) of the net amount [of the Real Estate Transfer Tax, after deducting 3% for the Constitutional Officers Fund] shall be credited to a fund to be known as the 'Natural and Cultural Resources Historic Preservation Trust Fund', to be used by the Council for providing a source of funds for the operation of the state historic preservation program and the 'Main Street' program."

Under this authority, the Natural and Cultural Resources Council is authorized to grant appropriation and funding to the Historic Preservation Program pursuant to special language in Section 35 of Act 237 of 2010 [Appropriation 481]. This authorization entrusts the Director of the Department of Arkansas Heritage to allocate grant appropriation and funding as determined by the conditions of the grant and the state agency.

Base Level includes eight (8) Regular positions and four (4) Extra Help positions. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 line item maximum.

The salary and matching appropriation for these positions (as well as any supporting operations appropriation) is not reflected on the Appropriation Summary Report for the Historic Preservation-Real Estate Transfer Tax appropriation (477). The appropriation and funding will be transferred from the NCRC-Main Street Program appropriation (481) by authority A.C.A. §15-12-103(3).

The Agency requests the following two (2) additional positions, each with an annual salary of \$32,249 and related matching of \$11,184.

- One (1) new G186C DAH Program Coordinator Position (grade C117) to help administer the agency's grant programs, by reviewing applications and properties, selecting recipients, negotiating project priorities and budgets, communicating and coordinating with technical and professional staff and other entities, contracting development and administration, reviewing and approving all grant documents for processing payments, enforcing rules and deadlines and training recipients.
- One (1) new G186C DAH Program Coordinator Position (grade C117) to assist with the Section 106 Program. Section 106 of the National Historic Preservation Act of 1966 (NHPA) requires Federal agencies to take into account the effects of their undertaking on historic properties, and if the agency's undertaking could affect historic properties, the agency must review background information,

consult with the State Historic Preservation Officer and others, seek information from knowledgeable parties, and conduct additional studies as necessary. This position is necessary due to an ever increasing workload (in part resulting from economic stimulus funding).

Appropriation for these positions will come from Real Estate Transfer Tax appropriation transfer authority.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 477 - Historic Preservation-Real Estate Trsfer Tax

Funding Sources: TGP - Natural & Cultural Resources Historic Preservation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	793,013	444,930	0	0	0	0	0	0	0
#Positions		17	8	8	8	10	8	8	10	8
Extra Help	5010001	37,443	42,838	0	0	0	0	0	0	0
#Extra Help		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	227,466	130,192	0	0	0	0	0	0	0
Operating Expenses	5020002	305,031	600,000	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	38,376	50,000	0	0	0	0	0	0	0
Professional Fees	5060010	70,690	100,000	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	669,089	1,622,040	0	0	0	0	0	0	0
Capital Outlay	5120011	38,405	10,000	0	0	0	0	0	0	0
Total		2,179,513	3,000,000	0	0	0	0	0	0	0
Funding Sources										
Inter-agency Fund Transfer	4000316	2,179,513	3,000,000		0	0	0	0	0	0
Total Funding		2,179,513	3,000,000		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,179,513	3,000,000		0	0	0	0	0	0

The FY11 Budget exceeds Authorized appropriation due to a transfer from the Natural and Cultural Resources Council (NCRC) Grant Fund (481) by authority of A.C.A. §15-12-103 (3). The Inter-agency Fund Transfer reflects the transfer of Real Estate Transfer Tax funding from the Natural and Cultural Resources Council (Business Area 0887).

Change Level by Appropriation

Appropriation: 477 - Historic Preservation-Real Estate Trsfer Tax
Funding Sources: TGP - Natural & Cultural Resources Historic Preservation Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	0	8	0	0.0	0	8	0	0.0
C01	Existing Program	0	2	0		0	2	0	

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	0	8	0	0.0	0	8	0	0.0
C01	Existing Program	0	0	0		0	0	0	

Justification

C01	<p>The Arkansas Historic Preservation Program (AHPP) requests two new staff positions that are critical to comply with federal and state requirements and to keep up with continual increases in requests from our constituency. The first position requested is a G186C - DAH Program Coordinator (Grade C117) position for the Grants Program. With six active grant programs and awards between 1.8 – 3.5 million, this position is necessary to administer these often long-term projects that may span three year grant cycles. A typical grant project includes review of applications and properties; selection of recipients; negotiation of project priorities and budgets; communication among technical and professional staff, recipients, other government agencies, contractors and architects and municipalities; contract development and administration; review and approval of all grant documents for processing payment; enforcement of rules, regulations and deadlines; training recipients; and coordination with agency director, deputy director and fiscal officer. A grants coordinator would facilitate all these responsibilities which are currently spread out among AHPP staff. The second position requested is a G186C - DAH Program Coordinator (Grade C117) position for the Section 106 Review Program. This program area typically reviews around 4,000 projects per year but that number has dramatically increased to approximately 13,000 projects per year. Currently, the Agency has one archeologist on the AHPP staff and another one on loan from the AHTD. For standing structure review, the Agency have one architect who reviews 106 projects as part of his duties and an architectural historian who has been added to provide assistance. This level of staffing has made it nearly impossible for the agency to meet its mandated 30-day review period yet many of the stimulus projects require an even quicker turn-around time. Additional personnel would assure that the agency is in compliance with federal law and is able to facilitate projects for other state and federal agencies in a timely fashion.</p>
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Analysis of Budget Request

Appropriation: 491 - Historic Preservation-Federal Program

Funding Sources: FHP - Historic Preservation Federal

The Historic Preservation Program is charged with coordinating the State Historic Preservation Plan with the representatives of the Federal Government, other States, and governmental units within Arkansas, State Agencies, organizations, and individuals with regard to matters of historic preservation (A.C.A. §13-7-106). This appropriation provides federal funding from the United States National Park Service for the Historic Preservation Program.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency requests the continuation of Base Level appropriation of \$1,547,327 each year with 17 Regular positions and 2 Extra Help positions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 491 - Historic Preservation-Federal Program

Funding Sources: FHP - Historic Preservation Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	342,254	700,013	679,765	694,113	694,113	694,113	694,113	694,113	694,113
#Positions		8	17	17	17	17	17	17	17	17
Extra Help	5010001	15,178	18,672	18,672	18,672	18,672	18,672	18,672	18,672	18,672
#Extra Help		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	102,800	214,629	217,487	221,002	221,002	221,002	221,002	221,002	221,002
Operating Expenses	5020002	146,974	205,394	205,394	205,394	205,394	205,394	205,394	205,394	205,394
Conference & Travel Expenses	5050009	1,920	5,046	5,046	5,046	5,046	5,046	5,046	5,046	5,046
Professional Fees	5060010	0	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	151,650	359,100	359,100	359,100	359,100	359,100	359,100	359,100	359,100
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		760,776	1,546,854	1,529,464	1,547,327	1,547,327	1,547,327	1,547,327	1,547,327	1,547,327
Funding Sources										
Federal Revenue	4000020	760,776	1,546,854		1,547,327	1,547,327	1,547,327	1,547,327	1,547,327	1,547,327
Total Funding		760,776	1,546,854		1,547,327	1,547,327	1,547,327	1,547,327	1,547,327	1,547,327
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		760,776	1,546,854		1,547,327	1,547,327	1,547,327	1,547,327	1,547,327	1,547,327

The FY11 Budget in Regular Salaries exceeds the authorized due to salary adjustments during the 2009-2011 biennium.

Analysis of Budget Request

Appropriation: 960 - Hist Pres - Main Street - Cash in Treasury

Funding Sources: NNH - Natural and Cultural Resources Historic Preservation Cash

The Main Street Program was established in 2001 and works with local communities to revitalize downtown commercial areas throughout Arkansas. The Agency utilizes this appropriation to provide professional services and educational training meetings to support Main Street activities. Funding is derived from cash funds generated by technical assistance receipts collected for the Historic Preservation Main Street Program.

The Agency Base Level Request includes appropriation of \$9,247 each year of the biennium.

The Agency Change Level Request includes additional Professional Fees appropriation of \$15,000 in FY13 only. The additional appropriation will be used for the Agency to host a tri-state conference and to provide training and technical assistance relating to downtown revitalization to communities joining the Arkansas Downtown Network (ADN) and to provide training and technical assistance to communities joining the Main Street Arkansas Network, which uses a community driven, comprehensive methodology to revitalize older, traditional business districts throughout the United States.

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

Appropriation Summary

Appropriation: 960 - Hist Pres - Main Street - Cash in Treasury

Funding Sources: NNH - Natural and Cultural Resources Historic Preservation Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	8,165	4,342	4,342	4,342	4,342	4,342	4,342	4,342	4,342
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	10,638	4,905	8,000	4,905	4,905	4,905	4,905	19,905	19,905
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		18,803	9,247	12,342	9,247	9,247	9,247	9,247	24,247	24,247
Funding Sources										
Fund Balance	4000005	6,257	5,804		11,557	11,557	11,557	17,310	17,310	17,310
Cash Fund	4000045	18,350	15,000		15,000	15,000	15,000	15,000	15,000	15,000
Total Funding		24,607	20,804		26,557	26,557	26,557	32,310	32,310	32,310
Excess Appropriation/(Funding)		(5,804)	(11,557)		(17,310)	(17,310)	(17,310)	(23,063)	(8,063)	(8,063)
Grand Total		18,803	9,247		9,247	9,247	9,247	9,247	24,247	24,247

Change Level by Appropriation

Appropriation: 960 - Hist Pres - Main Street - Cash in Treasury

Funding Sources: NNH - Natural and Cultural Resources Historic Preservation Cash

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	9,247	0	9,247	100.0	9,247	0	9,247	100.0
C01	Existing Program	0	0	9,247	100.0	15,000	0	24,247	262.2

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	9,247	0	9,247	100.0	9,247	0	9,247	100.0
C01	Existing Program	0	0	9,247	100.0	15,000	0	24,247	262.2

Justification

C01	Main Street Arkansas will host a tri-state conference during the second year. Additionally, Main Street Arkansas will accept new communities into the Arkansas Downtown Network and will provide extensive training and technical assistance to those communities. Some of those new communities will officially join the Main Street Arkansas network and will need additional training and technical assistance in the Main Street Four Point Approach to downtown revitalization.
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DAH - MOSAIC TEMPLARS CULTURAL CENTER

Enabling Laws

Act 237 of 2010
A.C.A. §13-5-901 et seq.

History and Organization

Agency Mission Statement

The mission of the Mosaic Templars Cultural Center (MTCC) is to collect, preserve, interpret, and celebrate Arkansas's African-American history, culture, and community from 1870 to the present, and to educate the public about black achievement - especially in business, politics, and the arts.

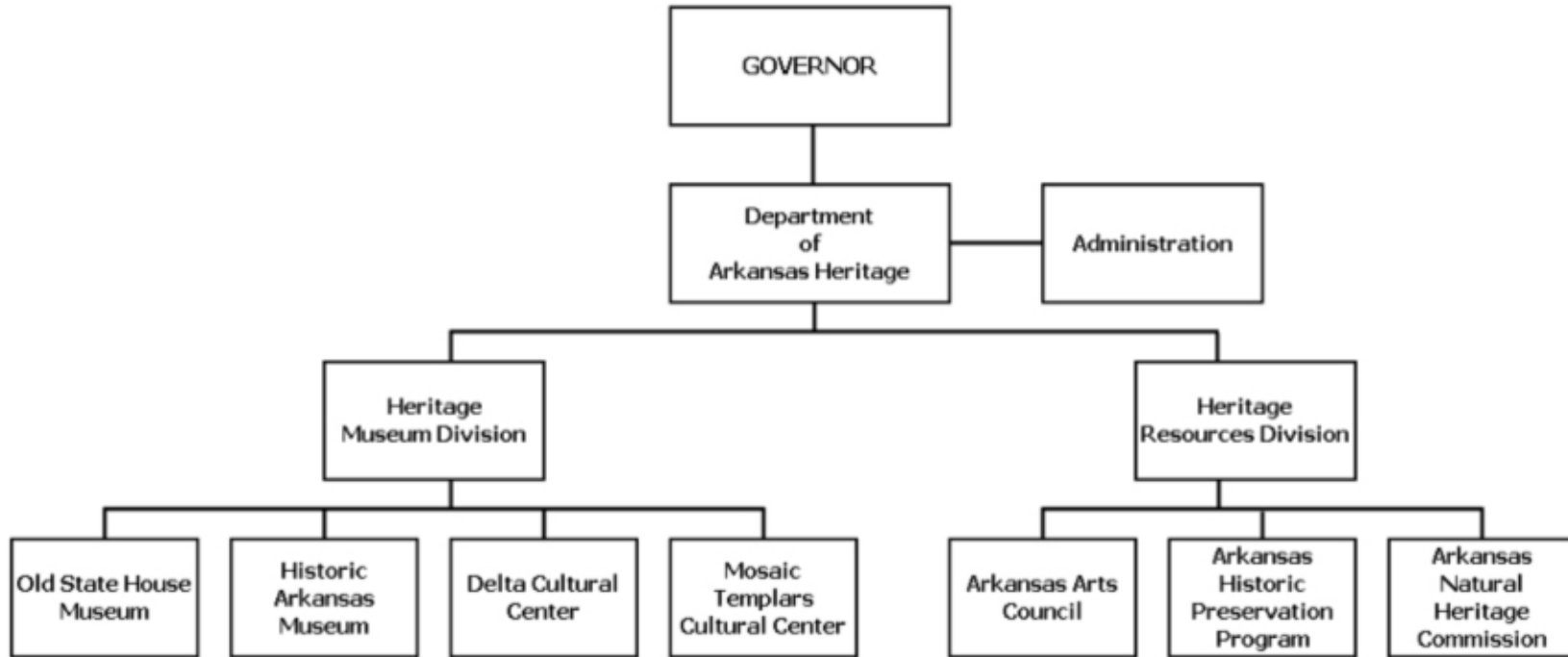
Brief Discussion of Statutory Responsibilities and Primary Activities

The Cultural Center houses temporary and permanent exhibits that assist in delivering our mission. The Center serves as a resource center for individuals wishing to learn more about African Americans in Arkansas and includes genealogy and historical research and education programming. The Center is housed in a new facility located at Ninth and Broadway Streets in Little Rock, Arkansas. The major exhibits focus on the former West Ninth Street commercial district, an example of a successful black business district; the Mosaic Templars of America, an example of a successful black fraternal organization and insurance company; successful black business people from Arkansas's urban areas such as Helena, Pine Bluff, El Dorado, and Fort Smith; and the political, economic, and social life of African Americans in Arkansas from 1870 to 1970.

The primary activity of the Cultural Center is to educate visitors about the African American experience in Arkansas during the late nineteenth and twentieth centuries. The Cultural Center's Education Staff conducts programs for students, teachers and visitors about business, politics, social activities and artistic endeavors of African Americans. All MTCC programs for school-aged children are tied to the Arkansas Department of Education curriculum frameworks. All education programs conducted at the Cultural Center include an exhibit component and a classroom component to ensure that students have an enriched museum experience.

Advisory Board or Commission

The Mosaic Templars Cultural Center Advisory Board advises the director and staff on the development of permanent and temporary exhibits, a plan for acquisition of resource materials, and development of educational and other programming. The Board consists of nine members representing all congressional districts. Three members are appointed by the Governor, three appointed by the President Pro-Tempore of the Senate, and three by the Speaker of the House of Representatives. Members serve four-year terms and no member shall serve more than two four-year terms.



Agency Commentary

See Agency Commentary in DAH - Central Administration.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF HERITAGE
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

Employment Summary

	Male	Female	Total	%
White Employees	2	1	3	43 %
Black Employees	2	2	4	57 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	57 %
Total Employees			7	100 %

Cash Fund Balance Description as of June 30, 2010

Fund Account	Balance	Type	Location
1220000	\$40,865	Checking	Centennial Bank/Little Rock

Statutory/Other Restrictions on use:

A. C. A. §13-5-904 is the authority for the establishment of this cash fund.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. §13-5-904 is the authority for use of this cash fund.

Revenue Receipts Cycle:

Funds are deposited in bank account on a daily basis.

Fund Balance Utilization:

Funds are used to manage the Museum Store, including retail operations and supporting expenditures.

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1MT Mosaic Templars - State Operations	635,559	8	717,563	8	796,276	8	710,526	8	772,863	8	710,526	8	710,526	8	772,863	8	710,526	8
1XX Mosaic Templars - Cash in Treasury	38,200	0	80,000	0	80,000	0	80,000	0	80,000	0	80,000	0	80,000	0	80,000	0	80,000	0
C17 Bank Charges Fund	2,602	0	5,060	0	5,060	0	5,060	0	5,060	0	5,060	0	5,060	0	5,060	0	5,060	0
Total	676,361	8	802,623	8	881,336	8	795,586	8	857,923	8	795,586	8	795,586	8	857,923	8	795,586	8

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	128,717	15.8	140,112	14.9			135,052	14.6	135,052	13.7	135,052	14.6	129,992	14.1	129,992	13.2	129,992	14.1
General Revenue 4000010	635,444	77.8	717,563	76.5			710,526	76.8	772,863	78.2	710,526	76.8	710,526	77.2	772,863	78.6	710,526	77.2
Cash Fund 4000045	52,197	6.4	80,000	8.5			80,000	8.6	80,000	8.1	80,000	8.6	80,000	8.7	80,000	8.1	80,000	8.7
Intra-agency Fund Transfer 4000317	0	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales 4000340	115	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds	816,473	100.0	937,675	100.0			925,578	100.0	987,915	100.0	925,578	100.0	920,518	100.0	982,855	100.0	920,518	100.0
Excess Appropriation/(Funding)	(140,112)		(135,052)				(129,992)		(129,992)		(129,992)		(124,932)		(124,932)		(124,932)	
Grand Total	676,361		802,623				795,586		857,923		795,586		795,586		857,923		795,586	

The Intra Agency Fund Transfer represents a transfer of cash funds from the Agency's Cash In Bank Fund to the Agency's Cash in Treasury Fund.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
11	7	0	7	4	36.36 %	8	7	1	8	0	12.50 %	8	7	1	8	0	12.50 %

Analysis of Budget Request

Appropriation: 1MT - Mosaic Templars - State Operations

Funding Sources: HRA - Arkansas Heritage Fund

The Mosaic Templars of America Center for African-American Culture and Business Enterprise (MTCC) was established by Act 1176 of 2001 as a division of the Department of Arkansas Heritage. Although the Mosaic Templars Cultural Center Museum building was destroyed by fire during March 2005, the museum was rebuilt and reopened in September 2008. The Mosaic Templars Cultural Center collects, preserves, interprets and celebrates African American history, culture and community in Arkansas, and informs and educates the public about black achievements. To accomplish this, the Agency operates a program of temporary and permanent exhibits, a library and resource center, and live performances. This appropriation is funded entirely by general revenue.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level includes appropriation and general revenue funding of \$710,526 each year with eight (8) Regular Positions and seven (7) Extra Help positions.

The Agency requests additional appropriation and general revenue funding of \$62,337 each year for the following:

- Operating Expenses: \$35,837 each year of the biennium. This total request includes \$14,000 for Electricity, \$8,954 for Security Services, \$6,500 for Natural Gas & Propane, \$5,000 for Public Safety Equipment Maintenance, \$750 for Office Equipment Maintenance and \$633 for Water and Sewage.
- Professional Fees: \$26,500 each year of the biennium to provide for programs and performances by Arkansas African American artists and performers.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 1MT - Mosaic Templars - State Operations

Funding Sources: HRA - Arkansas Heritage Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	264,520	287,962	293,455	286,762	286,762	286,762	286,762	286,762	286,762
#Positions		8	8	8	8	8	8	8	8	8
Extra Help	5010001	35,057	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
#Extra Help		6	7	7	7	7	7	7	7	7
Personal Services Matching	5010003	89,424	99,974	110,857	99,837	99,837	99,837	99,837	99,837	99,837
Operating Expenses	5020002	231,925	233,827	290,464	233,827	269,664	233,827	233,827	269,664	233,827
Conference & Travel Expenses	5050009	3,863	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees	5060010	10,770	25,100	26,500	25,100	51,600	25,100	25,100	51,600	25,100
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	5,700	10,000	0	0	0	0	0	0
Total		635,559	717,563	796,276	710,526	772,863	710,526	710,526	772,863	710,526
Funding Sources										
General Revenue	4000010	635,444	717,563		710,526	772,863	710,526	710,526	772,863	710,526
M & R Sales	4000340	115	0		0	0	0	0	0	0
Total Funding		635,559	717,563		710,526	772,863	710,526	710,526	772,863	710,526
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		635,559	717,563		710,526	772,863	710,526	710,526	772,863	710,526

Change Level by Appropriation

Appropriation: 1MT - Mosaic Templars - State Operations
Funding Sources: HRA - Arkansas Heritage Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	710,526	8	710,526	100.0	710,526	8	710,526	100.0
C01	Existing Program	62,337	0	772,863	108.8	62,337	0	772,863	108.8

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	710,526	8	710,526	100.0	710,526	8	710,526	100.0
C01	Existing Program	0	0	710,526	100.0	0	0	710,526	100.0

Justification

C01	Agency requests an increase in the amount of \$62,337 each year of the biennium to cover projected increases in office equipment maintenance, public safety equipment maintenance, electricity utility, water & sewage utility, natural gas utility, and security fees. The Agency requests \$26,500 in professional service fees to carry out the mission of the museum with programs and performances by Arkansas African American artists and performers.
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Analysis of Budget Request

Appropriation: 1XX - Mosaic Templars - Cash in Treasury

Funding Sources: NNH - Mosaic Templars Cash in Treasury

The Mosaic Templars of America Center for African-American Culture and Business Enterprise (MTCC) was established by Act 1176 of 2001 as a division of the Department of Arkansas Heritage. The Mosaic Templars Cultural Center Museum building was destroyed by fire during March 2005. During the 2007-09 biennium this cash appropriation was used to provide for insurance settlement proceeds for construction costs related to the rebuilding of the museum. From the 2009-11 biennium forward, this cash appropriation has been used to support Agency programs and is funded by donations and Museum Gift Shop operations.

The Agency Base Level Request includes appropriation of \$80,000 each year of the biennium.

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

Appropriation Summary

Appropriation: 1XX - Mosaic Templars - Cash in Treasury

Funding Sources: NNH - Mosaic Templars Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	6,843	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	750	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Resale (COGS)	5090017	30,607	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		38,200	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Funding Sources										
Fund Balance	4000005	112,661	99,247		99,247	99,247	99,247	99,247	99,247	99,247
Cash Fund	4000045	22,266	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Intra-agency Fund Transfer	4000317	2,520	30,000		30,000	30,000	30,000	30,000	30,000	30,000
Total Funding		137,447	179,247		179,247	179,247	179,247	179,247	179,247	179,247
Excess Appropriation/(Funding)		(99,247)	(99,247)		(99,247)	(99,247)	(99,247)	(99,247)	(99,247)	(99,247)
Grand Total		38,200	80,000		80,000	80,000	80,000	80,000	80,000	80,000

The Intra Agency Fund Transfer represents a transfer of cash funds from the Agency's Cash In Bank Fund to the Agency's Cash in Treasury Fund.

Analysis of Budget Request

Appropriation: C17 - Bank Charges Fund

Funding Sources: 122 - Mosaic Templars Bank Charges

This cash appropriation provides for the payment of bank charges, credit card charges and fees from gift shop sale revenues collected by the Mosaic Templars Cultural Center Museum.

The Agency Base Level Request includes Operating Expenses appropriation of \$5,060 each year of the biennium.

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

Appropriation Summary

Appropriation: C17 - Bank Charges Fund

Funding Sources: 122 - Mosaic Templars Bank Charges

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	2,602	5,060	5,060	5,060	5,060	5,060	5,060	5,060	5,060
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		2,602	5,060	5,060	5,060	5,060	5,060	5,060	5,060	5,060
Funding Sources										
Fund Balance	4000005	16,056	40,865		35,805	35,805	35,805	30,745	30,745	30,745
Cash Fund	4000045	29,931	30,000		30,000	30,000	30,000	30,000	30,000	30,000
Intra-agency Fund Transfer	4000317	(2,520)	(30,000)		(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Total Funding		43,467	40,865		35,805	35,805	35,805	30,745	30,745	30,745
Excess Appropriation/(Funding)		(40,865)	(35,805)		(30,745)	(30,745)	(30,745)	(25,685)	(25,685)	(25,685)
Grand Total		2,602	5,060		5,060	5,060	5,060	5,060	5,060	5,060

The Intra Agency Fund Transfer represents a transfer of cash funds from the Agency's Cash In Bank Fund to the Agency's Cash in Treasury Fund.

DAH - NATURAL & CULTURAL RESOURCES COUNCIL

Enabling Laws

Act 237 of 2010
A.C.A. §15-12-101 et seq.

History and Organization

Agency Mission Statement

The Arkansas Natural and Cultural Resources Council (ANCRC) was created to manage and supervise grants and a trust fund for use in the acquisition, management, and stewardship of state-owned lands or the preservation of state-owned historic sites, buildings, structures, or objects which the Council determines to be of value for recreation or conservation purposes, with the properties to be used, preserved, and conserved for the benefit of this and future generations.

Brief Discussion of Statutory Responsibilities and Primary Activities

The Council administers its grant and trust fund for the acquisition, development, management, and stewardship of state-owned properties acquired or used for ANCRC approved purposes. The grants are funded through two increases in the State's Real Estate Transfer Tax: the original increase in 1987 and an additional increase in 1993. Grants from this fund are for projects that protect and maintain state-owned natural areas, historic sites, and outdoor recreation. In addition to the Grants and Trust Fund, the legislation also allows for a percentage of the revenue to be distributed to the Outdoor Recreation Grants Program of the Arkansas Department of Parks and Tourism and the Arkansas Historic Preservation program of the Department of Arkansas Heritage. The Arkansas Natural and Cultural Resources Council administers the Natural and Cultural Grants and Trust Fund. Act 729 of 1987 and Act 1181 of 1983 increased the tax for ANCRC purposes. Act 1288 of 2001 provided for a change from nine voting members and two non-voting members to eleven voting members.

Advisory Board or Commission

The Arkansas Natural and Cultural Resources Council administers the Natural and Cultural Grants and Trust Fund. The Council consists of eleven (11) voting members of whom four are appointed by the Governor to represent rural areas, Arkansas counties, Arkansas cities and towns, and urban areas. One member is appointed by the Speaker of the House of Representatives. One member is appointed by the President Pro Tempore of the Senate. The remaining five members are the Chairman of the Arkansas Natural Heritage Commission; the Chairman of the Arkansas Parks, Travel, and Recreation Commission; the Director of the Department of Arkansas Heritage; the Director of the Arkansas Department of Parks and Tourism; and the Commissioner of State Lands.



Agency Commentary

See Agency Commentary in DAH - Central Administration.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF ARKANSAS HERITAGE
 FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

Employment Summary

	Male	Female	Total	%
White Employees	1	0	1	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			1	100 %

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2MZ NCRC--Administration	68,368	1	75,000	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1
480 NCRC - State Owned Lands or Historic Sites	0	0	15,287,968	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0
481 NCRC - Main Street Program	0	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
Total	68,368	1	18,362,968	1	33,000,000	1	33,000,000	1	33,000,000	1	33,000,000	1	33,000,000	1	33,000,000	1	33,000,000	1

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	34,325,598	123.6	27,706,550	71.2	20,525,381	51.4	20,525,381	51.4	20,525,381	51.4	6,952,381	26.1	6,952,381	26.1	6,952,381	26.1
Interest	4000300	302,891	1.1	365,000	0.9	366,500	0.9	366,500	0.9	366,500	0.9	369,500	1.4	369,500	1.4	369,500	1.4
Inter-agency Fund Transfer	4000316	(22,184,615)	(79.9)	(8,098,201)	(20.8)	0	0.0	0	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	0	0.0	0	0.0	0	0.0
Other	4000370	37,230	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Real Estate Transfer Tax	4000403	15,766,770	56.8	19,500,000	50.1	19,650,000	49.2	19,650,000	49.2	19,650,000	49.2	19,950,000	74.8	19,950,000	74.8	19,950,000	74.8
Service Charges	4000447	(472,956)	(1.7)	(585,000)	(1.5)	(589,500)	(1.5)	(589,500)	(1.5)	(589,500)	(1.5)	(598,500)	(2.2)	(598,500)	(2.2)	(598,500)	(2.2)
Total Funds		27,774,918	100.0	38,888,349	100.0	39,952,381	100.0	39,952,381	100.0	39,952,381	100.0	26,673,381	100.0	26,673,381	100.0	26,673,381	100.0
Excess Appropriation/(Funding)		(27,706,550)		(20,525,381)		(6,952,381)		(6,952,381)		(6,952,381)		6,326,619		6,326,619		6,326,619	
Grand Total		68,368		18,362,968		33,000,000		33,000,000		33,000,000		33,000,000		33,000,000		33,000,000	

The FY11 Budget in the NCRC--Admin appropriation (2MZ) exceeds the Authorized amount due to a transfer from the Natural and Cultural Resources Council Grant Fund (480) by authority of A.C.A. § 15-12-103 (1).

The Inter-Agency Fund Transfer amount in FY10 represents the amount of obligated funding distributed for FY10 grants and FY09 grant extensions in the NCRC-State Owned Lands or Historic Sites appropriation (480) as well as the transfer of Real Estate Transfer Tax Funding from the NCRC Main Street Program appropriation (481) to the Historic Preservation Program. The FY11 amount represents the portion of the FY11 beginning Fund Balance that is obligated for FY10 grant extensions (480).

The Intra-agency Fund Transfer reflects the transfer of Real Estate Transfer Tax funding from the NCRC State Owned Lands or Historic Sites Program (480) to the NCRC Administration Program (2MZ).

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
1	1	0	1	0	0.00 %	1	1	0	1	0	0.00 %	1	1	0	1	0	0.00 %

Analysis of Budget Request

Appropriation: 2MZ - NCRC--Administration

Funding Sources: TGT - Natural & Cultural Heritage Grant & Trust

This appropriation provides for the administration of Real Estate Transfer Tax proceeds by the Natural and Cultural Resources Council (NCRC).

According to A.C.A. §15-12-103(b)(1), "Eighty percent (80%) of the net amount [of the Real Estate Transfer Tax, after deducting 3% for the Constitutional Officers Fund] shall be credited to the Natural and Cultural Resources Grants and Trust Fund, to be preserved and managed by the Arkansas Natural and Cultural Resources Council for use in the acquisition, management, and stewardship of state-owned lands or the preservation of state-owned historic sites, buildings, structures, or objects which the council determines to be of value for recreation or conservation purposes..."

Furthermore, consistent with subparagraph (C) - "The grants shall be made in such amounts, for such purposes, and to such agencies as the council in its discretion shall select."

Under this authority, the Director of the Department of Arkansas Heritage is charged as the disbursing officer of grant funding and appropriation for the administrative costs of the Natural and Cultural Resources Council pursuant to special language in Section 35 of Act 237 of 2010 [Appropriation 480], so long as it does not conflict with A.C.A. §15-12-103 (1)(B) - "It is not the intention of this chapter that the Council shall itself manage, operate, or maintain any lands so acquired, but, rather, that it from time to time in its own discretion shall make grants to other agencies..."

Base Level includes one (1) Regular position, a G180C Grants Analyst (grade C117). Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The salary and matching appropriation for this position (as well as any supporting operations appropriation) is not reflected on the Appropriation Summary Report for the NCRC-Administration appropriation (2MZ). The appropriation and funding will be transferred from the NCRC-State Owned Lands and Historic Sites appropriation (480) by authority §A.C.A. 15-12-103(1).

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2MZ - NCRC--Administration

Funding Sources: TGT - Natural & Cultural Heritage Grant & Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	47,592	47,868	0	0	0	0	0	0	0
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	13,573	15,742	0	0	0	0	0	0	0
Operating Expenses	5020002	7,203	10,890	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	500	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
Grants and Aid	5100004	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		68,368	75,000	0	0	0	0	0	0	0
Funding Sources										
Intra-agency Fund Transfer	4000317	68,368	75,000		0	0	0	0	0	0
Total Funding		68,368	75,000		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		68,368	75,000		0	0	0	0	0	0

The FY11 Budget exceeds the Authorized due to a transfer from the Natural and Cultural Resources Council Grant Fund (480) by authority of A.C.A. § 15-12-103(1).

The Intra-agency Fund Transfer reflects the transfer of Real Estate Transfer Tax funding from the NCRC State Owned Lands or Historic Sites Program (480) to the NCRC Administration Program (2MZ).

Analysis of Budget Request

Appropriation: 480 - NCRC - State Owned Lands or Historic Sites

Funding Sources: TGT - Natural & Cultural Heritage Grant & Trust

The Natural and Cultural Resources Council utilizes this appropriation to make grants for the acquisition, management, and stewardship of state owned lands or the preservation of state owned historic sites, buildings, structures, or objects. Funding for the appropriation is provided by the increase in the Real Estate Transfer Tax levied by Act 729 of 1987 and Act 1181 of 1993 (A.C.A. §26-60-105).

According to A.C.A. § 15-12-103 (b)(1), "Eighty percent (80%) of the net amount [of the Real Estate Transfer Tax, after deducting 3% for the Constitutional Officers Fund] shall be credited to the Natural and Cultural Resources Grants and Trust Fund, to be preserved and managed by the Arkansas Natural and Cultural Resources Council for use in the acquisition, management, and stewardship of state-owned lands or the preservation of state-owned historic sites, buildings, structures, or objects which the council determines to be of value for recreation or conservation purposes..."

Appropriation and funds are transferred on a year-to-year basis to those agencies receiving grants from the Council. Actual expenditures are reflected by the recipient agency.

The Agency request includes the continuation of Base Level Grants and Aid appropriation in the amount of \$30 million each year of the biennium.

The Executive Recommendation provides for the Agency Request.

**ARKANSAS NATURAL & CULTURAL RESOURCES COUNCIL
2010 GRANT FUNDING & APPROPRIATION BY PROJECT**

Agency	FY10 Projects	Amount Approved
Arkansas History Commission	Manuscript Access and Preservation (MAPP)	48,500
University of Arkansas - Little Rock	Manuscripts and Special Collections Stabilization	14,037
Department of Arkansas Heritage	Department of Arkansas Heritage Improvements	5,000,000
Arkansas Tech University	Hughes Hall Renovation Phase II	500,000
Arkansas Archeology Survey	Preserving the Prehistoric Heritage of N.E. AR	50,005
Arkansas Archeology Survey	Collections from the Isgrid and Welspun Sites	49,995
University of Arkansas - Fayetteville	3D Visualization & Interpretation-Prairie Grove BF	83,000
University of Arkansas - Fayetteville	Garvan Woodland Gardens	207,286
Phillips Community College of UA	PCCUA Grand Prairie Center	600,000
Secretary of State's Office	Exterior Stone Restoration and Repairs-Phase IV	547,177
UAMS Psychiatric Res Institute	Memorial Gardens of the Psychiatric Res Institute	400,000
Department of Parks and Tourism	State Parks Improvements	5,000,000
Black River Technical College	Project REACH	500,000
TOTAL FY10 AWARDS		13,000,000

ARKANSAS NATURAL & CULTURAL RESOURCES COUNCIL - FUND BALANCE ASSESSMENT

Beginning Balance as of July 1, 2009	32,828,854
FY10 Actual RETT Net Proceeds + Interest	13,880,302
Less FY09 Outstanding Grant Awards	(15,103,303)
Less FY10 Actual Grant Awards Distributed	(4,901,799)
Less FY10 Actual Grant Administration (Fund Center 2MZ)	(68,368)
Ending Balance as of July 1, 2010	26,635,686

**ARKANSAS NATURAL & CULTURAL RESOURCES COUNCIL
2011 GRANT FUNDING & APPROPRIATION BY PROJECT**

Agency	FY11 Projects	Amount Approved
Arkansas State Military Department	GWOT Permanent Exhibit	\$97,795.00
Arkansas Archeological Survey	Preserving the Prehistoric Heritage of N.E. AR (Year 2)	80,090.00
Arkansas Archeological Survey	Archiving Records and Photographs of the AAS	66,466.00
University of Arkansas-Little Rock	Trail of Tears Park Phase II	202,000.00
Department of Arkansas Heritage	Department of Arkansas Heritage Improvements	5,000,000.00
Department of Parks and Tourism	State Parks Improvements	5,000,000.00
University of Central Arkansas	Rest Master Plan for UCA Main Hall & Waldran Aud	64,500.00
ASU Mountain Home	The Trout Nature Center - Vada Sheld Comm Dev Ctr	822,558.00
Arkansas Forestry Commission	Poison Springs State Forest	1,156,636.00
Arkansas State University	Dyess Colony/Johnny Cash Town Ctr Rest - Phase I	337,888.00
Arkansas History Commission	Civil War Records Preservation Project	127,000.00
Arkansas Building Authority	Governor's Mansion Entry Garden/Fountain Restoration	150,000.00
Phillips Community College of UA	PCCUA Grand Prairie Center	610,000.00
Cossatot Community College of UA	Community Amphitheater Concession/Restroom Facility	248,292.00
University of Arkansas-Fayetteville	Exterior Restoration of Women's Gym (ROTC Building)	787,607.00
University of Arkansas-Fayetteville	Heritage Visualization & Interp at Old Davidsonville/Prairie Grove	154,057.00
University of Arkansas-Fayetteville	Garvan Woodland Gardens	383,079.00
University of Arkansas-Fayetteville	Exterior Stabilization & Restoration of Memorial Hall - Phase II	0.00
TOTAL FY11 AWARDS		15,287,968.00

ARKANSAS NATURAL & CULTURAL RESOURCES COUNCIL - FUND BALANCE ASSESSMENT

Beginning Balance as of July 1, 2010	26,635,686
FY11 Projected RETT Net Proceeds + Interest	16,830,000
Less FY10 Outstanding Grant Awards	(8,098,201)
Less FY11 Grant Awards	(15,287,968)
Less FY11 Budgeted Grant Administration (Fund Center 2MZ)	(75,000)
Ending Balance as of July 1, 2011	20,004,517

Appropriation Summary

Appropriation: 480 - NCRC - State Owned Lands or Historic Sites

Funding Sources: TGT - Natural & Cultural Heritage Grant & Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	15,287,968	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total	0	15,287,968	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000

Funding Sources									
Fund Balance 4000005	32,828,854	26,635,686		20,004,517	20,004,517	20,004,517	6,834,517	6,834,517	6,834,517
Interest 4000300	285,625	340,000		340,000	340,000	340,000	340,000	340,000	340,000
Inter-agency Fund Transfer 4000316	(20,005,102)	(8,098,201)		0	0	0	0	0	0
Intra-agency Fund Transfer 4000317	(68,368)	(75,000)		0	0	0	0	0	0
Real Estate Transfer Tax 4000403	14,015,082	17,000,000		17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000
Service Charges 4000447	(420,405)	(510,000)		(510,000)	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)
Total Funding	26,635,686	35,292,485		36,834,517	36,834,517	36,834,517	23,664,517	23,664,517	23,664,517
Excess Appropriation/(Funding)	(26,635,686)	(20,004,517)		(6,834,517)	(6,834,517)	(6,834,517)	6,335,483	6,335,483	6,335,483
Grand Total	0	15,287,968		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000

Special Language provides that the Director the Department of Arkansas Heritage shall be the disbursing officer for the NCRC appropriation and that when grants are made to state agencies, the corresponding amount of appropriation and funding may be transferred to the receiving state agency. Therefore, actual expenditures are reflected by the grant recipient agency.

The Inter-Agency Fund Transfer amount in FY10 represents the amount of obligated funding distributed for FY10 grants and FY09 grant extensions. The FY11 amount represents the portion of the FY11 beginning Fund Balance that is obligated for FY10 grant extensions.

The Intra-Agency Fund Transfer amount in FY10 and FY11 represents grant funding transferred to the NCRC Administration appropriation (Fund Center 2MZ).

The FY11 Budget has been adjusted to reflect the amount of FY11 Grant Awards approved by the Arkansas Natural and Cultural Resources Council (ANCRC).

Analysis of Budget Request

Appropriation: 481 - NCRC - Main Street Program

Funding Sources: TGP - Natural & Cultural Resources Historic Preservation

This appropriation provides for the operation of the State Historic Preservation Program and the Main Street Arkansas Program. Funding for the appropriation is provided by the increase in the Real Estate Transfer Tax levied by Act 729 of 1987 and Act 1181 of 1993 (A.C.A. §26-60-105). Appropriation and funds are transferred on a year to year basis to the Historic Preservation Program and reflected as expenditures of that state agency. This appropriation is utilized to augment federal funding for the Historic Preservation Program and to provide for programs such as Main Street and Model Business Grants.

According to A.C.A. § 15-12-103 (b)(3), "Ten percent (10%) of the net amount [of the Real Estate Transfer Tax, after deducting 3% for the Constitutional Officers Fund] shall be credited to a fund to be known as the 'Natural and Cultural Resources Historic Preservation Trust Fund', to be used by the council for providing a source of funds for the operation of the state historic preservation program and the 'Main Street' program."

Appropriation and funds are transferred on a year-to-year basis to those agencies receiving historic preservation or 'Main Street' grants from the Council. The expenditures are reflected by the recipient agency.

The Agency request includes the continuation of Base Level Grants and Aid appropriation in the amount of \$3 million each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 481 - NCRC - Main Street Program

Funding Sources: TGP - Natural & Cultural Resources Historic Preservation

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	0	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total		0	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Funding Sources										
Fund Balance	4000005	1,496,744	1,070,864		520,864	520,864	520,864	117,864	117,864	117,864
Interest	4000300	17,266	25,000		26,500	26,500	26,500	29,500	29,500	29,500
Inter-agency Fund Transfer	4000316	(2,179,513)	0		0	0	0	0	0	0
Other	4000370	37,230	0		0	0	0	0	0	0
Real Estate Transfer Tax	4000403	1,751,688	2,500,000		2,650,000	2,650,000	2,650,000	2,950,000	2,950,000	2,950,000
Service Charges	4000447	(52,551)	(75,000)		(79,500)	(79,500)	(79,500)	(88,500)	(88,500)	(88,500)
Total Funding		1,070,864	3,520,864		3,117,864	3,117,864	3,117,864	3,008,864	3,008,864	3,008,864
Excess Appropriation/(Funding)		(1,070,864)	(520,864)		(117,864)	(117,864)	(117,864)	(8,864)	(8,864)	(8,864)
Grand Total		0	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Special Language provides that the Director of the Department of Arkansas Heritage shall be the disbursing officer for the Main Street appropriation and that when grants are made to state agencies from the NCRC appropriation, the corresponding amount of appropriation and funding may be transferred to the receiving state agency. Therefore, actual expenditures are reflected by the recipient agency.

The Inter-agency Fund Transfer in FY10 reflects the transfer of appropriation and funding to DAH Historic Preservation - Real Estate Transfer Tax appropriation (Business Area 0877).

Other Funding consists of M&R Sales, Prior Year Refunds and a Transfer from the DFA Motor Vehicle Aquisition Fund.

DAH - NATURAL HERITAGE COMMISSION

Enabling Laws

Act 237 of 2010
A.C.A. §15-20-301 et seq.

History and Organization

Agency Mission Statement

The mission of the Natural Heritage Commission is to preserve natural diversity, to promote choice among beneficial uses of the environment, and to promote a balance between the development and environmental protection of the State for this and succeeding generations.

Brief Discussion of Statutory Responsibilities and Primary Activities

The Arkansas Natural Heritage Commission has been charged with establishing a system and a registry of natural areas; conducting research and publishing information on natural areas; and performing other duties relating to the use, management, and preservation of the natural features of the State. The Commission has been an agency of the Department of Arkansas Heritage since the department was established by Act 1001 of 1975.

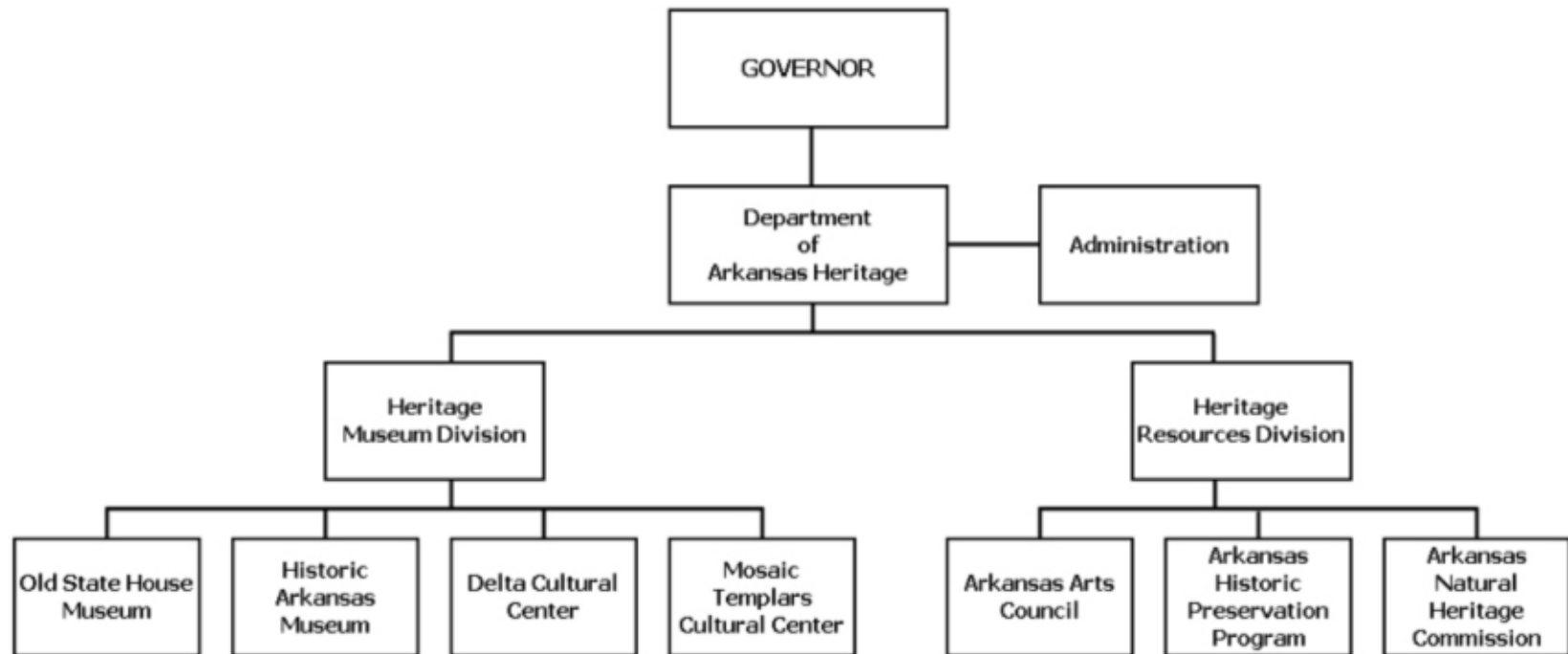
The Commission's staff is organized in four functional areas: Administration, Education and Information, Acquisitions and Stewardship, and Research and Inventory. Administration consists of the director, assistant director and two support positions. The Education and Information staff offers an outreach program that includes curriculum materials for teachers and in-class presentations. Public information initiatives, including presentations to interested organizations and individuals, have been enhanced by the development of a website directing visitors to a variety of levels of detailed information including videos of natural areas, pictures of special species, and downloadable resource materials. The Land Acquisition staff participates in the determination of specific tracts of land for inclusion in the Natural Area System by acquiring fee title and other interests such as easements for the conservation of the natural diversity of the State. Stewardship staff prepares and implements a management plan to care for the lands in the System. The Research and Inventory staff collects data, records elements of diversity and the communities where these items exist; and reports and summarizes observations to public, private, and educational institutions. Collectively, the findings and conclusions of all of the staff weigh heavily in the determination of tracts to be included in the Natural Area System.

The Commission utilizes the expertise of its staff to augment their functional responsibilities. Field specialties include: Watershed Protection (rivers and streams), Ornithology (birds), Herpetology (amphibians and reptiles), Botany (plants), Zoology (animals), and Aquatics (fish and mussels). An invasive species specialist is identifying those non-native species that have been introduced to natural areas, and pose a threat to

the sensitive ecosystems. Our Partnership Coordinator seeks out organizations to complement our efforts to protect significant tracts of land and for other collective conservation efforts. The Research staff performs ecological analysis to comply with the A-95 Environmental Review Process. Staff members serve on a number of multi-agency planning teams and committees, interfacing with the Nature Conservancy, U.S. Forest Service, U.S. Fish & Wildlife Service, Army Corps of Engineers, U.S. Natural Resources Conservation Service, Arkansas Game & Fish Commission, State Parks, Natural Resources Commission, Forestry Commission and others.

Advisory Board or Commission

Oversight for the agency is provided by the 15 member Arkansas Natural Heritage Commission which meets four times a year. Nine members of the Commission are appointed by the Governor for nine year terms, three by the President Pro Tempore of the Senate, and three by the Speaker of the House of Representatives.



Agency Commentary

See Agency Commentary in DAH - Central Administration.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF HERITAGE
FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

Employment Summary

	Male	Female	Total	%
White Employees	7	4	11	92 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	1	1	8 %
Total Minorities			1	8 %
Total Employees			12	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Report	A.C.A. §15-20-308(11)	Y	Y	2	Statutory Requirement

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1AQ Natural Area Mgmt - Cash in Treasury	87,176	0	262,352	0	287,040	0	237,374	0	318,874	0	237,374	0	237,374	0	298,874	0	237,374	0
1AR Natural Area Research - Cash in Treasury	22,679	0	64,293	0	64,312	0	64,309	0	64,309	0	64,309	0	64,309	0	64,309	0	64,309	0
493 Natural Heritage - State Operations	516,481	8	558,172	8	599,592	8	554,065	8	1,451,953	11	1,445,953	11	554,065	8	1,451,953	11	1,445,953	11
494 Natural Heritage - Federal Program	425,008	5	2,208,582	5	2,202,463	5	2,206,909	5	2,215,021	2	2,215,021	2	2,206,909	5	2,215,021	2	2,215,021	2
693 Natural Heritage - Land Acquisition	532,534	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0	800,000	0
Total	1,583,878	13	3,893,399	13	3,953,407	13	3,862,657	13	4,850,157	13	4,762,657	13	3,862,657	13	4,830,157	13	4,762,657	13

Funding Sources		%		%		%		%		%		%		%		%			
Fund Balance	4000005	220,394	6.1	2,032,050	34.1			2,066,216	33.6	2,066,216	33.1	2,066,216	33.5	2,288,133	35.9	1,396,245	25.1	1,396,245	25.4
General Revenue	4000010	491,481	13.6	533,172	8.9			529,065	8.6	535,065	8.6	529,065	8.6	529,065	8.3	535,065	9.6	529,065	9.6
Federal Revenue	4000020	425,008	11.8	2,208,582	37.1			2,206,909	35.9	2,215,021	35.5	2,215,021	36.0	2,206,909	34.6	2,215,021	39.9	2,215,021	40.4
Cash Fund	4000045	43,358	1.2	135,811	2.3			298,600	4.9	380,100	6.1	298,600	4.8	298,600	4.7	360,100	6.5	298,600	5.4
DFA Motor Vehicle Acquisition	4000184	43,103	1.2	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Gas Lease Revenue	4000266	1,592,584	44.0	250,000	4.2			250,000	4.1	250,000	4.0	250,000	4.1	250,000	3.9	250,000	4.5	250,000	4.6
Inter-agency Fund Transfer	4000316	800,000	22.1	800,000	13.4			800,000	13.0	800,000	12.8	800,000	13.0	800,000	12.6	800,000	14.4	800,000	14.6
Total Funds		3,615,928	100.0	5,959,615	100.0			6,150,790	100.0	6,246,402	100.0	6,158,902	100.0	6,372,707	100.0	5,556,431	100.0	5,488,931	100.0
Excess Appropriation/(Funding)		(2,032,050)		(2,066,216)				(2,288,133)		(1,396,245)		(1,396,245)		(2,510,050)		(726,274)		(726,274)	
Grand Total		1,583,878		3,893,399				3,862,657		4,850,157		4,762,657		3,862,657		4,830,157		4,762,657	

The FY11 Budget amount in the Natural Heritage-Federal Program appropriation exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium. The Inter-agency Fund Transfer represents a transfer of Conservation Tax Funds from DAH – Central Administration (Business Area 0865) for the Land Acquisition Appropriation.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
13	13	0	13	0	0.00 %	13	12	1	13	0	7.69 %	13	12	1	13	0	7.69 %

Analysis of Budget Request

Appropriation: 1AQ - Natural Area Mgmt - Cash in Treasury

Funding Sources: NNH - Natural Area Management Cash

This appropriation provides management and stewardship funds for natural areas located throughout the State. Funding is provided by royalties, interest income and donations. The Agency utilizes this appropriation to administer the Natural Area Management Program.

Base Level includes appropriation of \$237,374 each year of the biennium and five (5) Extra Help positions.

The Agency requests additional appropriation of \$81,500 in FY12 and \$61,500 in FY13 for the following:

- Operating Expenses: Increase of \$9,000 each year to provide for technical service contracts for burning, rare species inventory and invasive species control as well as increases in mileage.
- Conference and Travel Expenses: Increase of \$2,500 each year for staff training and certification.
- Professional Fees: Increase of \$40,000 in FY12 and \$25,000 in FY13 to provide for a planned survey contract through the Arkansas Building Authority.
- Capital Outlay: Increase of \$30,000 in FY12 and \$25,000 in FY13 for replacing stewardship heavy equipment, including four-wheelers, heavy duty brush cutters and mowers.

The Executive Recommendation provides for Base Level. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 1AQ - Natural Area Mgmt - Cash in Treasury

Funding Sources: NNH - Natural Area Management Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Extra Help	5010001	0	35,000	57,900	35,000	35,000	35,000	35,000	35,000	35,000
#Extra Help		0	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	0	2,678	4,466	2,700	2,700	2,700	2,700	2,700	2,700
Operating Expenses	5020002	41,411	83,622	83,622	83,622	92,622	83,622	83,622	92,622	83,622
Conference & Travel Expenses	5050009	0	2,500	2,500	2,500	5,000	2,500	2,500	5,000	2,500
Professional Fees	5060010	0	0	0	0	40,000	0	0	25,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	45,765	25,000	25,000	0	30,000	0	0	25,000	0
Special Maintenance	5120032	0	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Land Acquisition	5900046	0	48,552	48,552	48,552	48,552	48,552	48,552	48,552	48,552
Total		87,176	262,352	287,040	237,374	318,874	237,374	237,374	298,874	237,374

Funding Sources										
Fund Balance	4000005	158,207	142,541		0	0	0	0	0	0
Cash Fund	4000045	28,407	119,811		237,374	318,874	237,374	237,374	298,874	237,374
DFA Motor Vehicle Acquisition	4000184	43,103	0		0	0	0	0	0	0
Total Funding		229,717	262,352		237,374	318,874	237,374	237,374	298,874	237,374
Excess Appropriation/(Funding)		(142,541)	0		0	0	0	0	0	0
Grand Total		87,176	262,352		237,374	318,874	237,374	237,374	298,874	237,374

Change Level by Appropriation

Appropriation: 1AQ - Natural Area Mgmt - Cash in Treasury
Funding Sources: NNH - Natural Area Management Cash

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	237,374	0	237,374	100.0	237,374	0	237,374	100.0
C01	Existing Program	81,500	0	318,874	134.3	61,500	0	298,874	125.9

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	237,374	0	237,374	100.0	237,374	0	237,374	100.0
C01	Existing Program	0	0	237,374	100.0	0	0	237,374	100.0

Justification

C01	The Agency Request for Capital Outlay in the amount of \$30,000 in FY12 and \$25,000 in FY13 allows the use of funds for capitalized stewardship equipment purchases. The Agency Request for Conference Fees and Travel in the amount of \$2,500 each year will provide a supplemental fund source for staff training for professional development and certification renewals. The Agency Request for Maintenance and Operations of \$9,000 per year will cover extra help travel cost for natural area stewardship. It will also cover miscellaneous technical services contracts for rare species research and natural area stewardship. The Agency Request for Professional Fees and Services of \$40,000 in FY12 and \$25,000 in FY13 allows the agency to contract for surveys that will aid in delineating property boundaries and establishing legal descriptions.
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Analysis of Budget Request

Appropriation: 1AR - Natural Area Research - Cash in Treasury

Funding Sources: NNH - Natural Area Management Cash

This appropriation is funded from cash receipts generated by environmental studies performed by the Commission's staff. The Commission operates a system of fees or special charges to defray the expenses of providing research services to users of the heritage data systems.

The Agency Base Level Request includes appropriation of \$64,309 each year of the biennium with two (2) Extra Help positions.

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

Appropriation Summary

Appropriation: 1AR - Natural Area Research - Cash in Treasury

Funding Sources: NNH - Natural Area Management Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Extra Help 5010001	21,060	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650
#Extra Help	1	2	2	2	2	2	2	2	2
Personal Services Matching 5010003	1,619	2,115	2,134	2,131	2,131	2,131	2,131	2,131	2,131
Operating Expenses 5020002	0	34,528	34,528	34,528	34,528	34,528	34,528	34,528	34,528
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	22,679	64,293	64,312	64,309	64,309	64,309	64,309	64,309	64,309
Funding Sources									
Fund Balance 4000005	62,187	54,459		6,166	6,166	6,166	3,083	3,083	3,083
Cash Fund 4000045	14,951	16,000		61,226	61,226	61,226	61,226	61,226	61,226
Total Funding	77,138	70,459		67,392	67,392	67,392	64,309	64,309	64,309
Excess Appropriation/(Funding)	(54,459)	(6,166)		(3,083)	(3,083)	(3,083)	0	0	0
Grand Total	22,679	64,293		64,309	64,309	64,309	64,309	64,309	64,309

Analysis of Budget Request

Appropriation: 493 - Natural Heritage - State Operations

Funding Sources: HRA - Arkansas Heritage Fund

The Natural Heritage Commission establishes and maintains a registry for a system of natural areas, conducts research and publishes information on natural areas, and performs other duties relating to the use, management, and preservation of the natural features of the State. Funding for this appropriation consists primarily of general revenue. Other funding consists of gas lease payments from Agency's Big Creek Natural Area.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level request for Regular Salaries includes board member stipend payments. Base Level includes appropriation of \$554,065 and general revenue funding of \$529,065 each year with eight (8) Regular positions.

The Agency requests additional appropriation of \$897,888 each year with additional general revenue funding of \$6,000 each year for the following:

- Regular Salaries and related matching: Increase in appropriation only of \$141,888 each year which represents the transfer of three positions from the Agency's Federal Operations appropriation to the Agency's State Operations appropriation to be funded from Gas Royalty Payments.
- Operating Expenses: Increase of appropriation and general revenue funding of \$6,000 each year, which will enable the agency to shift basic utility costs such as Rent of Facilities, Board Member Travel and Fuel Purchases from the Conservation Tax appropriation to the General Revenue appropriation.
- Special Maintenance: Decrease in appropriation of \$25,000 each year which represents a reallocation to the new Special Character titled "Gas Royalty Expenses."
- Gas Royalty Expenses: Increase in appropriation in the amount of \$775,000 each year, \$25,000 of which represents a reallocation from the Special Maintenance line item. This request is funded from Gas Royalty Payments.

The Executive Recommendation provides for additional appropriation of \$891,888 each year for the following:

- Regular Salaries and related matching: Increase in appropriation only of \$141,888 each year which represents the transfer of three positions from the Agency's Federal Operations appropriation to the Agency's State Operations appropriation to be funded from Gas Royalty Payments.
- Special Maintenance: Decrease in appropriation of \$25,000 each year which represents a reallocation to the new Special Character titled "Gas Royalty Expenses."
- Gas Royalty Expenses: Increase in appropriation in the amount of \$775,000 each year, \$25,000 of which represents a reallocation from

Appropriation Summary

Appropriation: 493 - Natural Heritage - State Operations

Funding Sources: HRA - Arkansas Heritage Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	389,294	370,282	399,892	366,682	473,071	473,071	366,682	473,071	473,071
#Positions		8	8	8	8	11	11	8	11	11
Personal Services Matching	5010003	100,662	111,655	115,440	111,148	146,647	146,647	111,148	146,647	146,647
Operating Expenses	5020002	1,525	51,235	59,260	51,235	57,235	51,235	51,235	57,235	51,235
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
Special Maintenance	5120032	25,000	25,000	25,000	25,000	0	0	25,000	0	0
Gas Royalty Expenses	5900047	0	0	0	0	775,000	775,000	0	775,000	775,000
Total		516,481	558,172	599,592	554,065	1,451,953	1,445,953	554,065	1,451,953	1,445,953

Funding Sources										
Fund Balance	4000005	0	1,567,584		1,792,584	1,792,584	1,792,584	2,017,584	1,125,696	1,125,696
General Revenue	4000010	491,481	533,172		529,065	535,065	529,065	529,065	535,065	529,065
Gas Lease Revenue	4000266	1,592,584	250,000		250,000	250,000	250,000	250,000	250,000	250,000
Total Funding		2,084,065	2,350,756		2,571,649	2,577,649	2,571,649	2,796,649	1,910,761	1,904,761
Excess Appropriation/(Funding)		(1,567,584)	(1,792,584)		(2,017,584)	(1,125,696)	(1,125,696)	(2,242,584)	(458,808)	(458,808)
Grand Total		516,481	558,172		554,065	1,451,953	1,445,953	554,065	1,451,953	1,445,953

Change Level by Appropriation

Appropriation: 493 - Natural Heritage - State Operations
Funding Sources: HRA - Arkansas Heritage Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	554,065	8	554,065	100.0	554,065	8	554,065	100.0
C01	Existing Program	756,000	0	1,310,065	236.4	756,000	0	1,310,065	236.4
C04	Reallocation	0	0	1,310,065	236.4	0	0	1,310,065	236.4
C07	Agency Transfer	141,888	3	1,451,953	262.1	141,888	3	1,451,953	262.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	554,065	8	554,065	100.0	554,065	8	554,065	100.0
C01	Existing Program	750,000	0	1,304,065	235.4	750,000	0	1,304,065	235.4
C04	Reallocation	0	0	1,304,065	235.4	0	0	1,304,065	235.4
C07	Agency Transfer	141,888	3	1,445,953	261.0	141,888	3	1,445,953	261.0

Justification

C01	The Agency Request for Operating Expenses in the amount of \$6,000 each year is to provide for the cost of office rent increases, commission expenses, and gasoline. The agency is also requesting additional appropriation of \$750,000 per year in a new Miscellaneous Line Item called "Gas Royalty Expenses" to allow the agency to use funds for activities consistent with the agency mission such as the acquisition of land for the System of Natural Areas, technical services contracts for land management activities, such as prescribed fire, invasive species control and public use improvements, and research projects centered on water quality and rare species.
C04	This request is to reallocate the Special Maintenance line item appropriation to the new line item for Gas Royalty Expenses. This will provide the agency the opportunity to utilize the receipts from the royalty payments for agency related expenses and not be limited to just Special Maintenance costs.
C07	The agency has received signup bonuses and continues to receive royalty payments from natural gas leases at Big Creek and Cove Creek Natural Areas. This appropriation for salaries is requested in order to move three fulltime employees from the agency federal fund to this fund source.

Analysis of Budget Request

Appropriation: 494 - Natural Heritage - Federal Program

Funding Sources: FHH - Natural & Cultural Heritage Federal

This appropriation uses federal funds to perform the inventory and data management function of the Natural Heritage Commission. The Department utilizes this appropriation for personal services and operating expenses to administer this program.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level includes appropriation of \$2,206,909 each year with five (5) Regular positions and one (1) Extra Help position.

The Agency requests additional appropriation of \$8,112 each year of the biennium for the following:

- Regular Salaries and related matching: Decrease of \$141,888 each year which represents the transfer of three positions from this Federally Funded appropriation to the Agency's State Operations appropriation to be funded from Gas Royalty Payments. These positions include one (1) D068C Information Systems Analyst (Grade C117), one (1) B086C Land Management Specialist (Grade C116) and one (1) C056C Administrative Specialist III (Grade C112).
- Special Maintenance: Increase of \$150,000 each year to utilize potential increases in grant funding to contract with qualified vendors to provide trail restoration services at natural areas maintained by the Agency.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 494 - Natural Heritage - Federal Program

Funding Sources: FHH - Natural & Cultural Heritage Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	186,191	193,640	188,974	192,140	85,751	85,751	192,140	85,751	85,751
#Positions		5	5	5	5	2	2	5	2	2
Extra Help	5010001	0	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	58,168	63,871	62,418	63,698	28,199	28,199	63,698	28,199	28,199
Operating Expenses	5020002	54,499	133,821	133,821	133,821	133,821	133,821	133,821	133,821	133,821
Conference & Travel Expenses	5050009	0	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
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
Special Maintenance	5120032	0	0	0	0	150,000	150,000	0	150,000	150,000
Land Acquisition	5900046	126,150	1,788,250	1,788,250	1,788,250	1,788,250	1,788,250	1,788,250	1,788,250	1,788,250
Total		425,008	2,208,582	2,202,463	2,206,909	2,215,021	2,215,021	2,206,909	2,215,021	2,215,021
Funding Sources										
Federal Revenue	4000020	425,008	2,208,582		2,206,909	2,215,021	2,215,021	2,206,909	2,215,021	2,215,021
Total Funding		425,008	2,208,582		2,206,909	2,215,021	2,215,021	2,206,909	2,215,021	2,215,021
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		425,008	2,208,582		2,206,909	2,215,021	2,215,021	2,206,909	2,215,021	2,215,021

The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 494 - Natural Heritage - Federal Program
Funding Sources: FHH - Natural & Cultural Heritage Federal

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	2,206,909	5	2,206,909	100.0	2,206,909	5	2,206,909	100.0
C01	Existing Program	150,000	0	2,356,909	106.8	150,000	0	2,356,909	106.8
C07	Agency Transfer	(141,888)	(3)	2,215,021	100.4	(141,888)	(3)	2,215,021	100.4

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	2,206,909	5	2,206,909	100.0	2,206,909	5	2,206,909	100.0
C01	Existing Program	150,000	0	2,356,909	106.8	150,000	0	2,356,909	106.8
C07	Agency Transfer	(141,888)	(3)	2,215,021	100.4	(141,888)	(3)	2,215,021	100.4

Justification

C01	The Agency requests \$150,000 in the Special Maintenance line item to accommodate anticipated federal grants for trail restoration at select natural areas. The restoration will be done via contracts with qualified vendors to replace degraded trail surfaces to better ensure public safety and increase public use.
C07	There are currently five fulltime positions budgeted from federal grant funds received primarily from grants. A reduction in budgeted salaries is requested as a result of three positions being transferred from this Federal Operations appropriation to the State Operations appropriation to be payable from natural gas proceeds funding. The two remaining positions (ANHC Grants Coordinator and ANHC Botanist) work primarily on projects of federal interest and will remain on the federal budget.

Analysis of Budget Request

Appropriation: 693 - Natural Heritage - Land Acquisition

Funding Sources: SHF - Arkansas Department of Heritage

Act 385 of 2001 established the Natural Heritage Land Acquisition appropriation to assist Agency efforts to preserve the natural diversity of the original landscape features of Arkansas. The Agency utilizes this appropriation for land acquisitions and necessary improvements to deter rapid erosion of the State's geographical landmarks, as well as to protect rare plants and special animal species. Funding is derived from special revenue realized from the additional 1/8th Cent Sales Tax levied by Amendment 75 (A.C.A. 19-6-484).

The Agency Base Level Request includes appropriation of \$800,000 each year for Land Acquisition.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 693 - Natural Heritage - Land Acquisition

Funding Sources: SHF - Arkansas Department of Heritage

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Land Acquisition 5900046	532,534	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Total	532,534	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Funding Sources									
Fund Balance 4000005	0	267,466		267,466	267,466	267,466	267,466	267,466	267,466
Inter-agency Fund Transfer 4000316	800,000	800,000		800,000	800,000	800,000	800,000	800,000	800,000
Total Funding	800,000	1,067,466		1,067,466	1,067,466	1,067,466	1,067,466	1,067,466	1,067,466
Excess Appropriation/(Funding)	(267,466)	(267,466)		(267,466)	(267,466)	(267,466)	(267,466)	(267,466)	(267,466)
Grand Total	532,534	800,000		800,000	800,000	800,000	800,000	800,000	800,000

The Inter-agency Fund Transfer represents a transfer of Conservation Tax Funds from DAH-Central Administration (Business Area 0865).

DAH - OLD STATE HOUSE COMMISSION

Enabling Laws

Act 237 of 2010
A.C.A. §13-7-201 et seq.

History and Organization

The Arkansas Commemorative Commission was created by Act 156 of 1947, which required restoration and management of historic sites and objects for the benefit of the public, and public educational services related to the historic holdings.

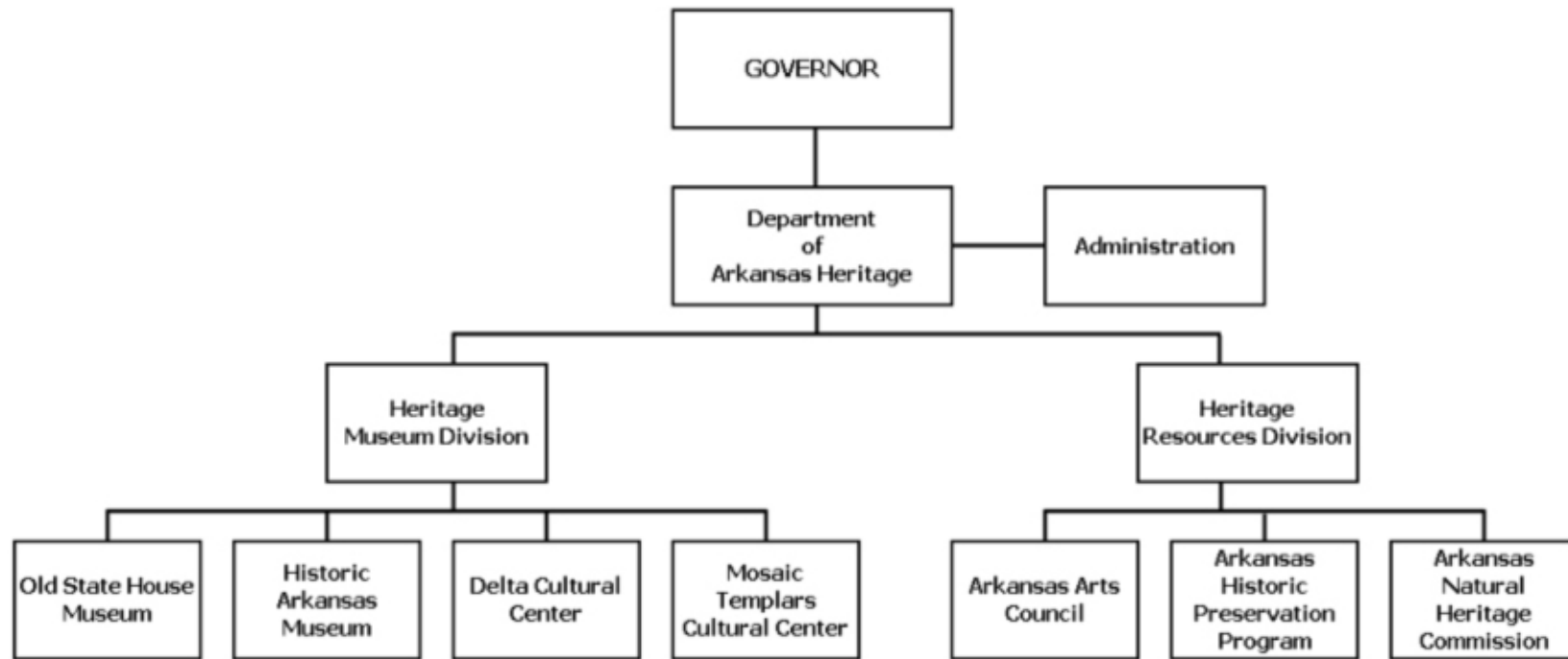
The Commission restored the Old State House and opened it in 1951 as a museum of Arkansas history. Trapnall Hall was donated to the State in 1974. It is administered as the Governor's Reception Hall and is a rental facility. In 1974, the Arkansas Commemorative Commission became a division of DAH. Act 68 of 2001 changed the name of the Arkansas Commemorative Commission to the Old State House Commission.

The Old State House is accredited by the American Association of Museums and provides a full complement of educational programs and interpretive exhibits on Arkansas's early statehood, 1836-1911. Current exhibits include: Sparkle and Twang: Marty Stuart's American Musical Odyssey, A Circus Hitched to a Tornado: Arkansas Politics in the 20th Century and Drawing On Arkansas Politics (an exhibit featuring the work of Arkansas political cartoonists). The museum has a large collection of artifacts that are representative of the State's history. These objects are periodically displayed through special exhibits and include items such as quilts by Black Arkansans, Arkansas political memorabilia and Civil War battle flags.

The museum offers a variety of programs to accommodate a diverse audience. Opportunities for school groups include on-site tours and programs, outreach programs, and resource materials like publications and loan boxes. The staff works extensively with the DAH Education Coordinator and the Department of Education to develop curriculum guides and resource materials for classroom teachers that correlate to museum exhibits and museum programs. Ongoing youth programs offered throughout the year for children include: Sleepovers, Summer Fun enrichment programs that highlight local and state history, and seasonal events like the Victorian Valentine Fair and Holiday Open House. The museum offers numerous programs for adults that reflect both temporary and permanent exhibits, including scholarly seminars, gallery talks, and special events like concerts and book signings.

Advisory Board or Commission

The Old State House Commission, a statewide board of nine members appointed by the Governor, sets policy for the Old State House, Trapnall Hall, and the preservation restriction program. It determines major goals and objectives for each of its programs, delegates certain functions to the staff through the director of the commission, and considers the addition of new programs and alterations to existing programs under its statutory jurisdiction. The commission considers long-range plans, activities, and budgets. Board members represent all four congressional districts, with three at-large members, and are appointed by the Governor for nine-year terms.



Agency Commentary

See Agency Commentary in DAH - Central Administration.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2008

Findings

The Agency had inadequate control over cash transactions of the Old State House Donation Cash Fund and Loughborough Trust fund because of insufficient segregation of duties due to a limited number of personnel. The lack of segregation of duties increases the risk of error or misappropriation of assets.

DAH is unable to locate 6 items from our test of 80 items selected for compliance. The error rate based on the test of equipment and artifacts is 7.5%.

Recommendations

The Agency strengthen internal controls surrounding cash transactions and segregation of duties.

DAH improve its inventory controls to ensure the safeguarding of its assets.

Employment Summary

	Male	Female	Total	%
White Employees	9	10	19	86 %
Black Employees	0	3	3	14 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			3	14 %
Total Employees			22	100 %

Cash Fund Balance Description as of June 30, 2010

Fund Account	Balance	Type	Location
1010000	\$62,501	Checking	Metropolitan National Bank/Little Rock

Statutory/Other Restrictions on use:

A.C.A. §13-7-205 provides authority to operate historic sites, buildings, and objects and the power to charge reasonable visitation fees and grant permits for the use of public land.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. §13-7-205 provides authority to operate historic sites, buildings, and objects and the power to charge reasonable visitation fees and grant permits for the use of public land.

Revenue Receipts Cycle:

Funds are deposited in bank account on a daily basis.

Fund Balance Utilization:

Funds are used for inventory restocking, and general Museum Store or museum expenses.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Report	A.C.A. §13-7-203(f)	Y	N	1	Statutory Requirement

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012						2012-2013					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2JG Old State House - Cash in Treasury	77,306	0	204,613	0	204,625	0	204,625	0	204,625	0	204,625	0	204,625	0	204,625	0	204,625	0
492 Old State House - Operations	1,243,940	22	1,302,097	22	1,460,582	22	1,293,262	22	1,345,828	22	1,293,262	22	1,293,262	22	1,343,828	22	1,293,262	22
C16 Old State House - Bank Charges Fund	2,598	0	5,060	0	5,060	0	5,060	0	5,060	0	5,060	0	5,060	0	5,060	0	5,060	0
Total	1,323,844	22	1,511,770	22	1,670,267	22	1,502,947	22	1,555,513	22	1,502,947	22	1,502,947	22	1,553,513	22	1,502,947	22

Funding Sources		%		%		%		%		%		%		%		%		
Fund Balance 4000005	274,686	17.4	257,766	15.2			188,093	11.6	188,093	11.2	188,093	11.6	118,408	7.6	118,408	7.4	118,408	7.6
General Revenue 4000010	1,242,799	78.6	1,302,097	76.6			1,293,262	79.8	1,345,828	80.4	1,293,262	79.8	1,293,262	83.3	1,343,828	83.9	1,293,262	83.3
Cash Fund 4000045	62,984	4.0	140,000	8.2			140,000	8.6	140,000	8.4	140,000	8.6	140,000	9.0	140,000	8.7	140,000	9.0
Intra-agency Fund Transfer 4000317	0	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
M & R Sales 4000340	1,141	0.1	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds	1,581,610	100.0	1,699,863	100.0			1,621,355	100.0	1,673,921	100.0	1,621,355	100.0	1,551,670	100.0	1,602,236	100.0	1,551,670	100.0
Excess Appropriation/(Funding)	(257,766)		(188,093)				(118,408)		(118,408)		(118,408)		(48,723)		(48,723)		(48,723)	
Grand Total	1,323,844		1,511,770				1,502,947		1,555,513		1,502,947		1,502,947		1,553,513		1,502,947	

The Intra Agency Fund Transfer represents a transfer of cash funds from the Agency's Cash In Bank Fund to the Agency's Cash in Treasury Fund.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
22	22	0	22	0	0.00 %	22	22	0	22	0	0.00 %	22	22	0	22	0	0.00 %

Analysis of Budget Request

Appropriation: 2JG - Old State House - Cash in Treasury

Funding Sources: NNH - Old State House Cash

This cash appropriation is used to supplement the operating expenses the Agency's programs and activities. Funding consists of rental receipts, donations, interest income and gift shop sales for the Old Statehouse and Trapnall Hall.

The Agency requests the continuation of Base Level appropriation of \$204,625 each year with 1 Extra Help position.

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

Appropriation Summary

Appropriation: 2JG - Old State House - Cash in Treasury

Funding Sources: NNH - Old State House Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Extra Help 5010001	6,301	20,430	20,430	20,430	20,430	20,430	20,430	20,430	20,430
#Extra Help	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	484	1,563	1,575	1,575	1,575	1,575	1,575	1,575	1,575
Operating Expenses 5020002	37,714	109,895	109,895	109,895	109,895	109,895	109,895	109,895	109,895
Conference & Travel Expenses 5050009	0	500	500	500	500	500	500	500	500
Professional Fees 5060010	0	12,225	12,225	12,225	12,225	12,225	12,225	12,225	12,225
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Resale (COGS) 5090017	32,807	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	77,306	204,613	204,625	204,625	204,625	204,625	204,625	204,625	204,625
Funding Sources									
Fund Balance 4000005	203,703	195,265		130,652	130,652	130,652	66,027	66,027	66,027
Cash Fund 4000045	35,438	110,000		110,000	110,000	110,000	110,000	110,000	110,000
Intra-agency Fund Transfer 4000317	33,430	30,000		30,000	30,000	30,000	30,000	30,000	30,000
Total Funding	272,571	335,265		270,652	270,652	270,652	206,027	206,027	206,027
Excess Appropriation/(Funding)	(195,265)	(130,652)		(66,027)	(66,027)	(66,027)	(1,402)	(1,402)	(1,402)
Grand Total	77,306	204,613		204,625	204,625	204,625	204,625	204,625	204,625

The Intra Agency Fund Transfer represents a transfer of cash funds from the Agency's Cash In Bank Fund to the Agency's Cash in Treasury Fund.

Analysis of Budget Request

Appropriation: 492 - Old State House - Operations

Funding Sources: HRA - Arkansas Heritage Fund

The Old Statehouse Commission administers the operation of the Old Statehouse and Trapnall Hall and is funded entirely by general revenue.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

Base Level includes appropriation and general revenue funding of \$1,293,262 each year with 22 Regular positions and 16 Extra Help positions.

The Agency requests additional appropriation and general revenue funding of \$52,566 in FY12 and \$50,566 in FY13 for the following:

- Operating Expenses: \$50,566 each year to enable the agency to shift basic utility costs of Building and Contents Insurance, Electricity, Natural Gas & Propane and Water & Sewage from the Conservation Tax appropriation to the General Revenue appropriation
- Capital Outlay: \$2,000 in FY12 only to provide for sales tax for a replacement vehicle that will be requested in the first year of the biennium.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 492 - Old State House - Operations

Funding Sources: HRA - Arkansas Heritage Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	822,723	836,277	820,464	825,577	825,577	825,577	825,577	825,577	825,577
#Positions		22	22	22	22	22	22	22	22	22
Extra Help	5010001	54,864	54,902	54,902	54,902	54,902	54,902	54,902	54,902	54,902
#Extra Help		6	16	16	16	16	16	16	16	16
Personal Services Matching	5010003	257,757	271,847	270,023	273,712	273,712	273,712	273,712	273,712	273,712
Operating Expenses	5020002	108,596	139,071	315,193	139,071	189,637	139,071	139,071	189,637	139,071
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	2,000	0	0	0	0
Total		1,243,940	1,302,097	1,460,582	1,293,262	1,345,828	1,293,262	1,293,262	1,343,828	1,293,262
Funding Sources										
General Revenue	4000010	1,242,799	1,302,097		1,293,262	1,345,828	1,293,262	1,293,262	1,343,828	1,293,262
M & R Sales	4000340	1,141	0		0	0	0	0	0	0
Total Funding		1,243,940	1,302,097		1,293,262	1,345,828	1,293,262	1,293,262	1,343,828	1,293,262
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,243,940	1,302,097		1,293,262	1,345,828	1,293,262	1,293,262	1,343,828	1,293,262

The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 492 - Old State House - Operations
Funding Sources: HRA - Arkansas Heritage Fund

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,293,262	22	1,293,262	100.0	1,293,262	22	1,293,262	100.0
C01	Existing Program	52,566	0	1,345,828	104.1	50,566	0	1,343,828	103.9

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	1,293,262	22	1,293,262	100.0	1,293,262	22	1,293,262	100.0
C01	Existing Program	0	0	1,293,262	100.0	0	0	1,293,262	100.0

Justification

C01	The Old State House Museum is a National Historic Landmark and cares for a collection of over 30,000 fragile artifacts of Arkansas history. Many of these are exhibited in the 174-year old building. The Agency is submitting a request to increase the museum's general revenue budget to cover basic operating costs including utilities and insurance for buildings and artifact collections. The dramatically increased cost of utilities needed for heating, ventilation and air conditioning makes this an urgent need. It is critical that the historic Old State House – the oldest standing statehouse west of the Mississippi River – and its ancillary office and maintenance facilities be insured. Trapnall Hall is an historic house managed as a public rental facility by the Old State House and it too must be insured. The same is true for the rare artifact collections held by the museum on behalf of the people of Arkansas. The requested increase in general revenue funding for electricity, gas, water and insurance is based on a 5-year average of these expenses.
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Analysis of Budget Request

Appropriation: C16 - Old State House - Bank Charges Fund

Funding Sources: 101 - Old State House Cash in Bank

This cash appropriation provides for the payment of bank charges, credit card charges and fees from gift shop sale revenues collected by the Old State House Museum.

The Agency requests the continuation of Base Level appropriation of \$5,060 each year.

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

Appropriation Summary

Appropriation: C16 - Old State House - Bank Charges Fund

Funding Sources: 101 - Old State House Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	2,598	5,060	5,060	5,060	5,060	5,060	5,060	5,060	5,060
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		2,598	5,060	5,060	5,060	5,060	5,060	5,060	5,060	5,060
Funding Sources										
Fund Balance	4000005	70,983	62,501		57,441	57,441	57,441	52,381	52,381	52,381
Cash Fund	4000045	27,546	30,000		30,000	30,000	30,000	30,000	30,000	30,000
Intra-agency Fund Transfer	4000317	(33,430)	(30,000)		(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Total Funding		65,099	62,501		57,441	57,441	57,441	52,381	52,381	52,381
Excess Appropriation/(Funding)		(62,501)	(57,441)		(52,381)	(52,381)	(52,381)	(47,321)	(47,321)	(47,321)
Grand Total		2,598	5,060		5,060	5,060	5,060	5,060	5,060	5,060

The Intra Agency Fund Transfer represents a transfer of cash funds from the Agency's Cash In Bank Fund to the Agency's Cash in Treasury Fund.

STATE MILITARY DEPARTMENT

Enabling Laws

Act 42 of 2010
Article XI of the Arkansas State Constitution

History and Organization

Article XI of the State Constitution provides for the establishment of a State Militia. Act 50 of 1969 repealed the old military code established by Act 85 of 1929. The military code provides for the training, organization, and discipline of the militia and National Guard. The act further establishes a system of military justice and provides for the construction, operation, and maintenance of armories and other military facilities in the state.

On March 31, 1917, the Arkansas National Guard was first mobilized for service in World War I. The Guard also served in World War II as well as the Korean Conflict, the Berlin Crisis, and the Persian Gulf Desert Storm Operation. Currently the Arkansas Guard is involved in operations in Afghanistan and Iraq. The Guard was reorganized after World War II and the U.S. Government deeded Camp Robinson to the State of Arkansas. Act 121 of 1951 accepted the title to the Camp with improvements and appurtenances. In 1963, the Guard underwent another reorganization, and has remained basically unchanged since.

In 1973, the Department was included in the newly created Department of Public Safety. In 1981, Act 45 abolished the Department of Public Safety and returned the Military Department as a separate line agency responsible to the Governor. In addition, Act 45 merged the Arkansas Civil Air Patrol with the Military Department.

In 1985, the Department was authorized by Act 984 to establish regular positions to be payable from the State Military Department Training Site Federal Fund for maintenance, operation, and security of facilities and equipment which are supported from 100% federal funds.

In 1990, the National Guard Marksmanship Center relocated to Camp Robinson from the State of Tennessee. The Center is supported from 100% federal funds.

The National Guard is divided into two basic components, the Air National Guard and the Army National Guard. The Air National Guard has Air Wings at Little Rock Air Force Base and Fort Smith, as well as 3 units. The Army National Guard consists of 5 units located around the state, and 227 sub units attached. The total military strength of the National Guard in Arkansas is approximately 9,944.

Arkansas statutes provide that the Governor is the Commander-In-Chief of the National Guard, except when the Guard is federalized by the power of the President. The Governor has the power to promote duties and regulations for the Guard and Militia and can call them up in times of invasion, disaster, insurrection, riot, or breach of peace. The Governor can appoint an Adjutant General of the State who shall be Commander of the State Militia.

The Adjutant General provides for the orderly administration of the National Guard through the direction provided by twenty separate organizational units. The personnel supporting these divisions are a combination of state and federal employees based on the function of the support. The organizational structure is depicted on the attached chart.

The State Military Department is responsible for all matters relating to the command, control, and supervision of the Militia, National Guard or other military organization under the jurisdiction of the Governor. It provides Army and Air military units/individuals to protect life and property; to preserve the peace, provide for order and safety of all the citizens of Arkansas in the event of civil disorders, natural disasters, and any other emergencies; to provide facilities and operation/maintenance of buildings and grounds, military ranges, warehousing, and fire/security protection to supported National Guard Units; to provide procurement and resource management, military personnel/administration management, and military plans, operations and training management; and to provide budget/funding support for the operation of the Arkansas Civil Air Patrol. The Arkansas Civil Air Patrol conducts air search and rescue for downed aircraft in the state as well as training programs across the state in aeronautics and aviation.

The Arkansas National Guard also serves a federal mission in that it is available upon the order of the President to serve in any capacity as he may designate. The State Military Department is responsible to provide trained and equipped units capable of expansion to war strength and available for service in time of war or national emergency; to provide military support to civil authorities in support of civil defense, civil assistance, and disaster relief missions; to provide and coordinate plans for assigned land defense missions; to provide for organizing and training the militia, if required; to provide direction and monitorship over the use of federal funds in support of the National Guard; and to provide assistance to all military family members in the state which are beyond the area of existing military facilities support.

The National Guard Professional Education Center located at Camp Robinson is supported from 100% federal funds and provides a structured education program for National Guard and federal technicians. Students attending the Center receive specialized training designed for full time employees of the National Guard nationwide, including U.S. territories. In 2007 GED training was authorized as part of PEC with estimated 10,000 students being trained each year.

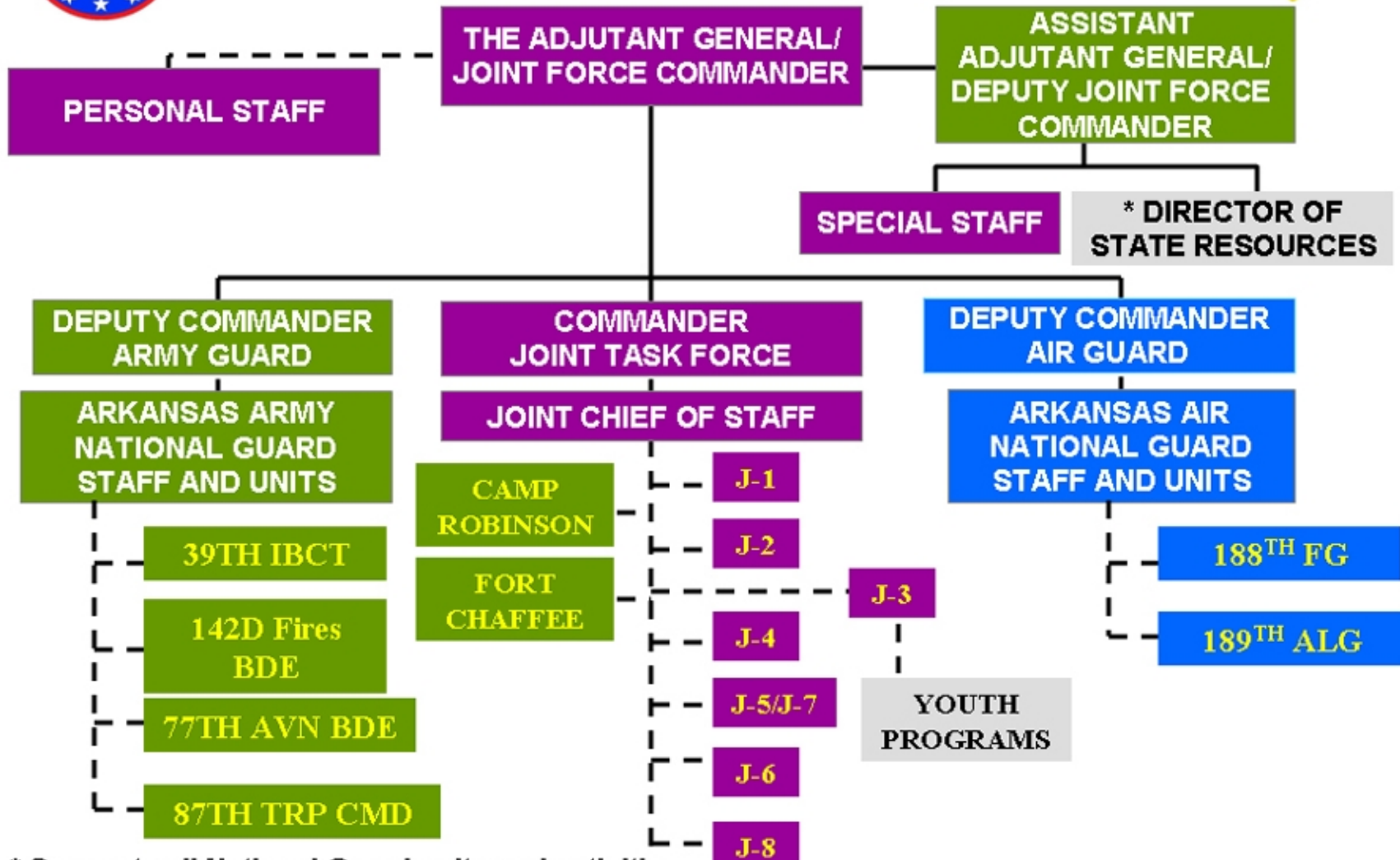
The National Guard Marksmanship Center located at Camp Robinson is supported from 100% federal funds and provides a structured marksmanship training program for individuals and teams from National Guard Units nationwide, including sponsoring the national Winston P. Wilson Marksmanship Matches conducted at Camp Robinson each year.

The Civilian Student Training Program located at Camp Robinson was established by Acts 375 and 1133 of 1993. It is a comprehensive, rigorous program for males, 13 to 17 years of age, set in a military environment providing values, skills, education, and self-discipline to at-risk youth so they may redirect their lives, continue their education, obtain employment and succeed as responsible, productive citizens. Students are referred through Juvenile Court in a probationary status.

The Arkansas National Guard Youth Challenge Program located at Camp Robinson was established in September 1993 and is 75% federally funded and 25% state funded. It is a 22-week residential program for high school dropouts to enable participants to receive a Graduation Equivalency Diploma (GED) and assistance in pursuing further education or employment.



ARKANSAS MILITARY DEPARTMENT (JOINT FORCES HEADQUARTERS, ARKANSAS)



* Supports all National Guard units and activities

Agency Commentary

The State Military Department provides for responsible fiscal actions and a trained, professional staff of state employees that will ensure well-maintained armories and facilities and trained personnel and administrators so that National Guard soldiers can maintain ready units, responsive to the needs of the nation, state, and community. The Agency also supports two programs for the state's at-risk youth; the Civilian Student Training Program for male juvenile offenders and the Youth Challenge Program for high school dropouts. Funding for this Agency consists of general revenue, revolving funds, general improvement funds, federal reimbursements, and fees collected from rents. The agency has 759 total regular positions and 133 "Extra Help" employees authorized by the 87th General Assembly.

266 - Civilian Student Training Program

Acts 375 and 1133 of 1993 established the Civilian Student Training Program (CSTP) located at Camp Robinson. CSTP offers rehabilitation for juveniles (11-17 years of age) who are referred to the Program by juvenile justices throughout the state. With full staff and funding, the Program can accommodate an annual maximum population of 330 students. This appropriation is funded by general revenue to support the operations and employee services of the residential juvenile training and behavior management facility.

The Agency is not requesting any increases each year in the 266 - Civilian Student Training Program.

268 - General Operations

The State Operations appropriation provides for the administration of the Arkansas Military Department. The staffing costs and maintenance and general operation expenses in support of the Agency headquarters and National Guard training complex at Camp Robinson as well as the administration and up keep for armories in communities around the State are included in this fund center.

The Agency's Appropriation Change Level requests total (\$1,400,950) each year and reflect the following:

1. Regular Salaries and Personal Services Matching decrease in the amount of (\$215,650) each year due to the transfer of six (6) positions to the AR National Guard Youth Challenge Program and a request for reclassification of fourteen (14) positions.
2. Operating Expenses decrease in the amount of (\$1,222,487) each year to offset part of the loss of Federal funding due to a change in federal reimbursement procedures in the Cooperative Funding Agreement.
3. Conference Fees and Travel decrease in the amount of (\$2,813) each year to offset part of the loss of Federal funding due to a change in federal reimbursement procedures in the Cooperative Funding Agreement.

4. Capital Outlay in the amount of \$40,000 each year to purchase/replace police vehicles. The GSA contract has changed and the federal government will no longer provide vehicles at no cost to the Agency. Under the new contract, the Agency will be required to pay one-half of the purchase or lease price of the vehicle.

The Agency's Funding Change Level requests are as follows:

1. The Agency intends to fund its appropriation requests for FY12 by utilizing the balance of Federal reimbursements in the Special Military Fund and General Revenue in the amount of \$5,362,809, a reduction of (\$232,253) from Base Level.
2. The Agency intends to fund its appropriation requests for FY13 with a request for an increase of General Revenue in the amount of \$2,024,083, for a total General Revenue of \$7,619,145.

269 - Military Call-Up and Court Martial

This appropriation provides for emergency Military Call-Up and Military Court Martial expenses. Funding for this program is provided by transfers from the Budget Stabilization Trust Fund.

The Agency is not requesting any increases each year in the 269 - Military Call-Up and Court Martial.

270 - Federal Training Site

This appropriation provides Regular Salaries, Overtime, and Personal Services Matching costs for State positions funded 100% with federal funds to support operations of the Camp Robinson Federal Training Site.

The Agency's Change Level requests total \$4,588,910 each year in appropriation and reflect the following:

1. Regular Salaries and Personal Services Matching increases in the amount of \$4,488,910 each year to cover the costs associated with the Agency's request to increase Overtime by \$100,000, restore 113 regularly authorized positions, add 4 positions currently authorized from the Miscellaneous Federal Grant Holding Account to the Agency's regularly authorized positions, and reclassify 111 positions to more accurately align positions with job duties.
2. Overtime increase in the amount of \$100,000 each year to maintain firefighter missions.

275 - Federal Training Site Grant

This appropriation is used for operational costs of the 100% federally funded Camp Robinson Federal Training Site Grant Program.

The Agency requests Capital Outlay in the amount of \$2,968,000 each year for replacement and/or purchase of equipment essential to the maintenance and operations of Camp Robinson.

34Y - Military Family Trust

This appropriation provides for direct financial assistance to families of deployed soldiers. The funding comes from taxpayer donations.

The Agency is requesting Operating Expenses increase in the amount of \$33,000 each year. Taxpayer donations have increased for the Agency and this request will enable the Agency to utilize these funds to provide additional financial assistance.

393 - Cash Operations

This appropriation is funded from cash funds derived from rentals and fees for usage of the facilities at Camp Robinson and the commercial harvesting of timber.

The Agency is not requesting any increases each year in the 393 - Cash Operations.

443 - Counter Drug Asset Forfeiture

The Agency assists in federal counter drug operations and receives a portion of the proceeds derived from the sale of seized assets. These funds must be used for law enforcement operations and training in accordance with the U.S. Department of Justice's Code.

The Agency is requesting an increase in the Counter Drug Asset Forfeiture line item of \$8,051 each year. Asset forfeiture funds have increased and this request will enable the Agency to utilize these funds for law enforcement operations.

455 - Military Support Revolving

This appropriation is used for non-emergency Military Call-Up to support military training activities. Funding for the Military Support Revolving Fund, established by Act 959 of 1999, consists of fund transfers and deposits from federal agencies. The Agency request is to maintain the Base Level each year in the event that funds are received from the Department of Defense or other federal agencies.

The Agency is not requesting any increases each year in the 455 - Military Support Revolving.

556 - Federal Armory Assistance

This appropriation is used for operating costs of state armories, including State Area Command (STARC) armories. This program is 100% federally funded. The Agency is requesting to maintain Base Level each year.

The Agency is not requesting any increases each year in the 556 - Federal Armory Assistance.

575 - Fort Chaffee Training Site

This appropriation is 100% federally funded for the personal services and operational costs of the Fort Chaffee Training Site.

The Agency's Change Level requests total \$1,350,381 each year and reflect the following:

1. Regular Salaries and Personal Services Matching increases in the amount of \$722,381 each year to cover the costs associated with the Agency's request to increase Overtime and Extra Help, restore 20 regularly authorized positions, and reclassify 1 position to more accurately align the position with job duties.
2. Overtime increase in the amount of \$178,000 each year to maintain operations at peak training cycles.
3. Extra Help increase in the amount of \$150,000 each year to maintain operations at peak training cycles.
4. Capital outlay in the amount of \$300,000 each year to purchase tractors and other equipment to maintain roads and training ranges.

576 - National Guard Museum

This appropriation receives general revenue from the Miscellaneous Agencies Fund for personal services and operational costs of the Arkansas National Guard Museum.

The Agency is not requesting any increases each year in the 576 - National Guard Museum.

577 - Arkansas National Guard Youth Challenge Program

The Arkansas National Guard Youth Challenge Program provides for the personal services and operational costs to support a residential educational training program for high school dropouts to enable them to receive a General Educational Development (GED) Diploma and assistance for further education or employment. The Program is designed for two (2) cycles per year to accommodate a total of 200 students per year. This appropriation is funded by 75% Federal Reimbursements and 25% State match.

The Agency is requesting increases each year in:

1. Regular Salaries and Personal Services Matching increases in the amount of \$322,326 each year to cover the costs associated with the Agency's request to transfer six (6) positions from the General Operations (268) appropriation, add two (2) positions currently authorized from the Miscellaneous Federal Grant Holding Account to the Agency's regularly authorized positions, and reclassify two (2) positions to more accurately align positions with job duties.
2. Extra Help and Personal Services Matching increases in the amount of \$4,869 each year to cover the cost of Extra Help.
3. Operating Expenses increase in the amount of \$500,000 each year, in appropriation only, in order to properly account for the School Lunch Rebate Program.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS STATE MILITARY DEPARTMENT
 FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	271	137	408	74 %
Black Employees	68	69	137	25 %
Other Racial Minorities	5	3	8	1 %
Total Minorities			145	26 %
Total Employees			553	100 %

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
266 Civilian Student Training Program	2,931,684	60	3,263,960	61	3,344,787	61	3,246,202	61	3,246,202	61	3,246,202	61	3,246,202	61	3,246,202	61	3,246,202	61
268 General Operations	6,240,099	101	9,047,652	120	9,103,955	113	9,020,095	120	7,619,145	114	7,603,039	114	9,020,095	120	7,619,145	114	7,603,039	114
269 Military Call-up and Court Martial	58,178	1	2,003,000	0	2,003,000	0	2,003,000	0	2,003,000	0	2,003,000	0	2,003,000	0	2,003,000	0	2,003,000	0
270 Federal Training Site	14,096,767	338	15,658,517	339	19,220,214	450	15,570,177	337	20,159,087	454	20,087,639	454	15,570,177	337	20,159,087	454	20,087,639	454
275 Federal Training Site Grant	16,511,390	0	42,996,044	0	42,996,044	0	40,028,044	0	42,996,044	0	42,996,044	0	40,028,044	0	42,996,044	0	42,996,044	0
34Y Military Family Trust	0	0	50,000	0	50,000	0	50,000	0	83,000	0	83,000	0	50,000	0	83,000	0	83,000	0
393 Cash Operations	161,512	0	1,295,795	0	2,207,500	0	1,295,795	0	1,295,795	0	1,295,795	0	1,295,795	0	1,295,795	0	1,295,795	0
443 Counter Drug Asset Forfeiture	8,610	0	66,949	0	75,000	0	66,949	0	75,000	0	75,000	0	66,949	0	75,000	0	75,000	0
455 Military Support Revolving	6,138	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
556 Federal Armory Assistance	0	0	173,436	0	300,000	0	173,436	0	173,436	0	173,436	0	173,436	0	173,436	0	173,436	0
575 Fort Chaffee Training Site	7,079,989	65	16,408,403	61	17,573,507	82	16,234,278	61	17,584,659	81	17,580,116	81	16,234,278	61	17,584,659	81	17,580,116	81
576 National Guard Museum	86,284	1	89,802	1	89,802	1	89,093	1	89,093	1	89,093	1	89,093	1	89,093	1	89,093	1
577 AR National Guard Youth Challenge Program	2,690,376	53	2,591,510	47	2,791,042	52	2,500,876	45	3,328,071	53	3,240,783	51	2,500,876	45	3,328,071	53	3,240,783	51
Total	49,871,027	619	94,145,068	629	100,254,851	759	90,777,945	625	99,152,532	764	98,973,147	762	90,777,945	625	99,152,532	764	98,973,147	762

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	4,598,237	8.4	4,912,753	5.1	2,458,474	2.8	2,458,474	2.5	2,458,474	2.5	23,110	0.0	0	0.0	0	0.0	
General Revenue	4000010	8,163,020	14.9	9,663,677	10.0	9,555,576	10.8	9,405,122	9.7	9,367,194	9.7	9,555,576	11.2	11,661,458	12.0	11,623,530	12.0	
Federal Revenue	4000020	41,926,054	76.5	79,839,112	82.6	73,881,592	83.9	83,034,279	85.5	82,892,822	85.5	73,881,592	86.3	83,034,279	85.7	82,892,822	85.7	
Cash Fund	4000045	15,029	0.0	160,000	0.2	160,000	0.2	160,000	0.2	160,000	0.2	160,000	0.2	160,000	0.2	160,000	0.2	
Budget Stabilization Trust	4000130	58,178	0.1	2,003,000	2.1	2,003,000	2.3	2,003,000	2.1	2,003,000	2.1	2,003,000	2.3	2,003,000	2.1	2,003,000	2.1	
Income Tax Donations	4000283	18,177	0.0	20,000	0.0	20,000	0.0	20,000	0.0	20,000	0.0	20,000	0.0	20,000	0.0	20,000	0.0	
M & R Sales	4000340	1,424	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Military Support Revolving	4000342	3,661	0.0	5,000	0.0	5,000	0.0	5,000	0.0	5,000	0.0	5,000	0.0	5,000	0.0	5,000	0.0	
Total Funds		54,783,780	100.0	96,603,542	100.0	88,083,642	100.0	97,085,875	100.0	96,906,490	100.0	85,648,278	100.0	96,883,737	100.0	96,704,352	100.0	
Excess Appropriation/(Funding)		(4,912,753)		(2,458,474)		2,694,303		2,066,657		2,066,657		5,129,667		2,268,795		2,268,795		
Grand Total		49,871,027		94,145,068		90,777,945		99,152,532		98,973,147		90,777,945		99,152,532		98,973,147		

Variances in fund balances due to unfunded appropriation.

General Operations (268) - The FY11 number of Budgeted positions exceeds Authorized due to single salary section in appropriation act.

Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
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	
799	560	13	573	226	29.91 %	759	545	83	628	131	28.19 %	759	553	76	629	130	27.14 %

Analysis of Budget Request

Appropriation: 266 - Civilian Student Training Program

Funding Sources: HMD - State Military Department

Acts 375 and 1133 of 1993 established the Civilian Student Training Program (CSTP) located at Camp Robinson. CSTP offers rehabilitation for juveniles (11-17 years of age) who are referred to the Program by juvenile justices throughout the state. With full staff and funding, the Program can accommodate an annual maximum population of 330 students. This appropriation is funded by general revenue to support the operations and employee services of the residential juvenile training and behavior management facility.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency is requesting Base Level for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 266 - Civilian Student Training Program

Funding Sources: HMD - State Military Department

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,703,455	1,895,330	1,949,498	1,880,134	1,880,134	1,880,134	1,880,134	1,880,134	1,880,134
#Positions	60	61	61	61	61	61	61	61	61
Extra Help 5010001	24,269	32,215	32,215	32,215	32,215	32,215	32,215	32,215	32,215
#Extra Help	3	4	4	4	4	4	4	4	4
Personal Services Matching 5010003	645,032	679,311	705,970	676,749	676,749	676,749	676,749	676,749	676,749
Operating Expenses 5020002	558,558	641,854	641,854	641,854	641,854	641,854	641,854	641,854	641,854
Conference & Travel Expenses 5050009	0	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250
Professional Fees 5060010	370	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
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	2,931,684	3,263,960	3,344,787	3,246,202	3,246,202	3,246,202	3,246,202	3,246,202	3,246,202
Funding Sources									
General Revenue 4000010	2,931,684	3,263,960		3,246,202	3,246,202	3,246,202	3,246,202	3,246,202	3,246,202
Total Funding	2,931,684	3,263,960		3,246,202	3,246,202	3,246,202	3,246,202	3,246,202	3,246,202
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,931,684	3,263,960		3,246,202	3,246,202	3,246,202	3,246,202	3,246,202	3,246,202

Analysis of Budget Request

Appropriation: 268 - General Operations

Funding Sources: HMD - State Military Department

The State Operations appropriation provides for the administration of the Arkansas Military Department. The staffing costs and maintenance and general operation expenses in support of the Agency headquarters and National Guard training complex at Camp Robinson as well as the administration and up keep for armories in communities around the State are included in this fund center.

For several years the Agency, through the Cooperative Agreement with the National Guard Bureau, has received federal reimbursement for expenditures from this appropriation. These funds were deposited into the Special Military Fund and used to supplement general revenue for operations of the Agency. The Cooperative Agreement has been amended and beginning in federal FY11 the Agency will no longer receive federal reimbursement for expenditures from this appropriation. Therefore, the Arkansas State Military Department will be funded solely from general revenue and the remaining balance of the Special Military Fund in FY12 and 100% general revenue in FY13.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The Base Level salary of the unclassified position reflects the FY11 line item maximum.

The Agency's Change Level requests represents a (\$1,400,950) decrease in appropriation each year, with a general revenue funding decrease of (\$232,253) in FY12 and a FY13 increase of \$2,024,083 in the following line items:

- Regular Salaries and Personal Services Matching decrease in the amount of (\$215,650) each year due to the transfer of six (6) positions to the AR National Guard Youth Challenge Program and a request for reclassification of twenty two (22) positions.
- Operating Expenses decrease in the amount of (\$1,222,487) each year and Conference Fees and Travel decrease in the amount of (\$2,813) each year to offset the loss of federal funding due to a change in federal reimbursement procedures in the Cooperative Funding Agreement.
- Capital Outlay in the amount of \$40,000 each year to purchase/replace police vehicles. The GSA contract has changed and the federal government will no longer provide vehicles at no cost to the Agency. Under the new contract, the Agency will be required to pay one-half of the purchase or lease price of the vehicle.

The Executive Recommendation provides for the Agency Request, except for the reclassification of five (5) positions.

Appropriation Summary

Appropriation: 268 - General Operations

Funding Sources: HMD - State Military Department

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,071,603	3,814,503	3,857,296	3,814,411	3,658,969	3,645,623	3,814,411	3,658,969	3,645,623
#Positions		101	120	113	120	114	114	120	114	114
Extra Help	5010001	52,918	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
#Extra Help		7	11	11	11	11	11	11	11	11
Personal Services Matching	5010003	1,048,444	1,325,149	1,338,659	1,357,684	1,297,476	1,294,716	1,357,684	1,297,476	1,294,716
Overtime	5010006	30	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Operating Expenses	5020002	2,025,807	3,747,487	3,747,487	3,747,487	2,525,000	2,525,000	3,747,487	2,525,000	2,525,000
Conference & Travel Expenses	5050009	7,194	12,813	12,813	12,813	10,000	10,000	12,813	10,000	10,000
Professional Fees	5060010	103	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	17,000	60,000	60,000	0	40,000	40,000	0	40,000	40,000
Special Maintenance	5120032	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Officer Candidate School	5900046	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Purchase of Flags	5900048	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total		6,240,099	9,047,652	9,103,955	9,020,095	7,619,145	7,603,039	9,020,095	7,619,145	7,603,039

Funding Sources									
Fund Balance	4000005	2,528,962	2,982,871		2,256,336	2,256,336	2,256,336	0	0
General Revenue	4000010	4,162,294	5,612,155		5,595,062	5,362,809	5,346,703	5,595,062	7,619,145
Federal Revenue	4000020	2,530,290	2,708,962		0	0	0	0	0
M & R Sales	4000340	1,424	0		0	0	0	0	0
Total Funding		9,222,970	11,303,988		7,851,398	7,619,145	7,603,039	5,595,062	7,619,145
Excess Appropriation/(Funding)		(2,982,871)	(2,256,336)		1,168,697	0	0	3,425,033	0
Grand Total		6,240,099	9,047,652		9,020,095	7,619,145	7,603,039	9,020,095	7,619,145

The FY11 number of Budgeted positions exceeds Authorized due to single salary section in appropriation act.

Change Level by Appropriation

Appropriation: 268 - General Operations
Funding Sources: HMD - State Military Department

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	9,020,095	120	9,020,095	100.0	9,020,095	120	9,020,095	100.0
C01	Existing Program	40,000	0	9,060,095	100.4	40,000	0	9,060,095	100.4
C03	Discontinue Program	(1,225,300)	0	7,834,795	86.9	(1,225,300)	0	7,834,795	86.9
C07	Agency Transfer	(235,038)	(6)	7,599,757	84.3	(235,038)	(6)	7,599,757	84.3
C10	Reclass	19,388	0	7,619,145	84.5	19,388	0	7,619,145	84.5

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	9,020,095	120	9,020,095	100.0	9,020,095	120	9,020,095	100.0
C01	Existing Program	40,000	0	9,060,095	100.4	40,000	0	9,060,095	100.4
C03	Discontinue Program	(1,225,300)	0	7,834,795	86.9	(1,225,300)	0	7,834,795	86.9
C07	Agency Transfer	(235,038)	(6)	7,599,757	84.3	(235,038)	(6)	7,599,757	84.3
C10	Reclass	3,282	0	7,603,039	84.3	3,282	0	7,603,039	84.3

Justification

C01	Agency requests capital appropriation each year for replacement of police vehicles.
C03	Agency reduced Operating Expenses and Conference Fees and Travel Expenses to offset part of the loss of federal funding.
C07	Agency moved 6 positions to AR National Guard Youth Challenge Program.
C10	Agency request for increase in Regular Salaries and Personal Services Matching to accommodate 22 position reclassifications.

Analysis of Budget Request

Appropriation: 269 - Military Call-up and Court Martial

Funding Sources: HMD - State Military Department

This appropriation provides for emergency Military Call-Up and Military Court Martial expenses. Funding for this program is provided by transfers from the Budget Stabilization Trust Fund.

The Agency is requesting Base Level for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 269 - Military Call-up and Court Martial

Funding Sources: HMD - State Military Department

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Emergency Call Up 5900046	57,978	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Court Martial Expenses 5900047	200	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total	58,178	2,003,000	2,003,000	2,003,000	2,003,000	2,003,000	2,003,000	2,003,000	2,003,000
Funding Sources									
Budget Stabilization Trust 4000130	58,178	2,003,000		2,003,000	2,003,000	2,003,000	2,003,000	2,003,000	2,003,000
Total Funding	58,178	2,003,000		2,003,000	2,003,000	2,003,000	2,003,000	2,003,000	2,003,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	58,178	2,003,000		2,003,000	2,003,000	2,003,000	2,003,000	2,003,000	2,003,000

Analysis of Budget Request

Appropriation: 270 - Federal Training Site

Funding Sources: FMF - State Military Federal

This appropriation provides Regular Salaries, Overtime, and Personal Services Matching costs for state positions funded 100% with federal funds to support operations of the Camp Robinson Federal Training Site.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency's Change Level requests totaling \$4,588,910 each year reflects increases of \$4,488,910 in Regular Salaries and Personal Services Matching to cover costs associated with restoration of one hundred thirteen (113) authorized positions, four (4) positions established by the Miscellaneous Federal Grant Holding Account, reclassification of one hundred forty two (142) positions to more accurately reflect work performed as well as an additional \$100,000 each year is requested in Overtime for firefighter missions.

The Executive Recommendation provides for the Agency Request and title changes on five (5) positions to more accurately reflect the work being performed, but denies the reclassification of twenty five (25) positions.

Appropriation Summary

Appropriation: 270 - Federal Training Site

Funding Sources: FMF - State Military Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	9,061,360	9,985,504	12,454,297	9,881,572	13,130,665	13,071,456	9,881,572	13,130,665	13,071,456
#Positions		338	339	450	337	454	454	337	454	454
Extra Help	5010001	1,005,970	1,524,908	1,524,908	1,524,908	1,524,908	1,524,908	1,524,908	1,524,908	1,524,908
#Extra Help		83	86	86	86	86	86	86	86	86
Personal Services Matching	5010003	3,662,064	3,800,105	4,893,009	3,815,697	5,055,514	5,043,275	3,815,697	5,055,514	5,043,275
Overtime	5010006	367,373	348,000	348,000	348,000	448,000	448,000	348,000	448,000	448,000
Total		14,096,767	15,658,517	19,220,214	15,570,177	20,159,087	20,087,639	15,570,177	20,159,087	20,087,639
Funding Sources										
Federal Revenue	4000020	14,096,767	15,658,517		15,570,177	20,159,087	20,087,639	15,570,177	20,159,087	20,087,639
Total Funding		14,096,767	15,658,517		15,570,177	20,159,087	20,087,639	15,570,177	20,159,087	20,087,639
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		14,096,767	15,658,517		15,570,177	20,159,087	20,087,639	15,570,177	20,159,087	20,087,639

Variance between FY11 Budgeted number of positions and Base Level is due to cost allocation of positions and Miscellaneous Federal Grant positions.

Change Level by Appropriation

Appropriation: 270 - Federal Training Site
Funding Sources: FMF - State Military Federal

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	15,570,177	337	15,570,177	100.0	15,570,177	337	15,570,177	100.0
C01	Existing Program	4,256,688	113	19,826,865	127.3	4,256,688	113	19,826,865	127.3
C06	Restore Position/Approp	168,783	4	19,995,648	128.4	168,783	4	19,995,648	128.4
C10	Reclass	163,439	0	20,159,087	129.5	163,439	0	20,159,087	129.5

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	15,570,177	337	15,570,177	100.0	15,570,177	337	15,570,177	100.0
C01	Existing Program	4,256,688	113	19,826,865	127.3	4,256,688	113	19,826,865	127.3
C06	Restore Position/Approp	168,783	4	19,995,648	128.4	168,783	4	19,995,648	128.4
C10	Reclass	91,991	0	20,087,639	129.0	91,991	0	20,087,639	129.0
C14	Title Change	0	0	20,087,639	129.0	0	0	20,087,639	129.0

Justification

C01	The Agency is requesting an additional \$4,156,688 in Salary and Personal Services Matching to restore 113 positions. The Agency is also requesting an additional \$100,000 in Overtime due to increased needs in maintaining firefighter missions at Fort Smith.
C06	The Agency is requesting an additional \$168,783 in Salary and Personal Services Matching to restore four (4) positions originally authorized by a Miscellaneous Federal Grant.
C10	The Agency is requesting an additional \$163,439 in Regular Salary and Personal Services Matching for increases due to position reclassifications.
C14	The Executive Recommendation provides for title change to five (5) positions to more accurately reflect work being performed.

Analysis of Budget Request

Appropriation: 275 - Federal Training Site Grant

Funding Sources: FMF - State Military Federal

The State Military Department's appropriation for operational costs of the Camp Robinson Federal Training Site Grant Program is 100% federally funded.

The Agency requests Capital Outlay in the amount of \$2,968,000 each year for replacement and/or purchase of equipment essential to the maintenance and operations of Camp Robinson.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 275 - Federal Training Site Grant

Funding Sources: FMF - State Military Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	13,632,617	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999
Conference & Travel Expenses 5050009	103,719	362,945	362,945	362,945	362,945	362,945	362,945	362,945	362,945
Professional Fees 5060010	1,925,118	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	849,936	2,968,000	2,968,000	0	2,968,000	2,968,000	0	2,968,000	2,968,000
Total	16,511,390	42,996,044	42,996,044	40,028,044	42,996,044	42,996,044	40,028,044	42,996,044	42,996,044
Funding Sources									
Federal Revenue 4000020	16,511,390	42,996,044		40,028,044	42,996,044	42,996,044	40,028,044	42,996,044	42,996,044
Total Funding	16,511,390	42,996,044		40,028,044	42,996,044	42,996,044	40,028,044	42,996,044	42,996,044
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	16,511,390	42,996,044		40,028,044	42,996,044	42,996,044	40,028,044	42,996,044	42,996,044

Change Level by Appropriation

Appropriation: 275 - Federal Training Site Grant
Funding Sources: FMF - State Military Federal

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	40,028,044	0	40,028,044	100.0	40,028,044	0	40,028,044	100.0
C01	Existing Program	2,968,000	0	42,996,044	107.4	2,968,000	0	42,996,044	107.4

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	40,028,044	0	40,028,044	100.0	40,028,044	0	40,028,044	100.0
C01	Existing Program	2,968,000	0	42,996,044	107.4	2,968,000	0	42,996,044	107.4

Justification

C01	Agency requests to restore capital appropriation in the amount of \$2,968,000 due to numerous construction projects (on-going and pending) and anticipated capital purchases to complete and maintain these projects.
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Analysis of Budget Request

Appropriation: 34Y - Military Family Trust

Funding Sources: TFM - Military Family Relief Trust

Appropriation is for direct financial assistance for families of deployed soldiers. Funding comes from taxpayer donations.

The Agency is requesting Operating Expenses be increased by \$33,000 each year. Taxpayer donations have increased for the Agency and this request will enable the Agency to utilize these funds to provide additional financial assistance.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 34Y - Military Family Trust

Funding Sources: TFM - Military Family Relief Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	50,000	50,000	50,000	83,000	83,000	50,000	83,000	83,000
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
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		0	50,000	50,000	50,000	83,000	83,000	50,000	83,000	83,000
Funding Sources										
Fund Balance	4000005	64,933	83,110		53,110	53,110	53,110	23,110	0	0
Income Tax Donations	4000283	18,177	20,000		20,000	20,000	20,000	20,000	20,000	20,000
Total Funding		83,110	103,110		73,110	73,110	73,110	43,110	20,000	20,000
Excess Appropriation/(Funding)		(83,110)	(53,110)		(23,110)	9,890	9,890	6,890	63,000	63,000
Grand Total		0	50,000		50,000	83,000	83,000	50,000	83,000	83,000

Change Level by Appropriation

Appropriation: 34Y - Military Family Trust
Funding Sources: TFM - Military Family Relief Trust

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	50,000	0	50,000	100.0	50,000	0	50,000	100.0
C01	Existing Program	33,000	0	83,000	166.0	33,000	0	83,000	166.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	50,000	0	50,000	100.0	50,000	0	50,000	100.0
C01	Existing Program	33,000	0	83,000	166.0	33,000	0	83,000	166.0

Justification

C01	Agency is requesting a \$33,000 increase in Operating Expenses each year to match the amount of available cash in the State Treasury.
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Analysis of Budget Request

Appropriation: 393 - Cash Operations

Funding Sources: NMD - Military Oprs Cash in Treasury

This appropriation is funded from rentals and fees charged for usage of the facilities at Camp Robinson and the commercial harvesting of timber.

The Agency is requesting Base Level for each year of the biennium.

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

Appropriation Summary

Appropriation: 393 - Cash Operations
Funding Sources: NMD - Military Oprs Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	160,912	1,288,295	1,500,000	1,288,295	1,288,295	1,288,295	1,288,295	1,288,295	1,288,295
Conference & Travel Expenses	5050009	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Professional Fees	5060010	600	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Miscellaneous CI 47	5900047	0	0	700,000	0	0	0	0	0	0
Total		161,512	1,295,795	2,207,500	1,295,795	1,295,795	1,295,795	1,295,795	1,295,795	1,295,795
Funding Sources										
Fund Balance	4000005	1,372,334	1,219,118		73,323	73,323	73,323	0	0	0
Cash Fund	4000045	8,296	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding		1,380,630	1,369,118		223,323	223,323	223,323	150,000	150,000	150,000
Excess Appropriation/(Funding)		(1,219,118)	(73,323)		1,072,472	1,072,472	1,072,472	1,145,795	1,145,795	1,145,795
Grand Total		161,512	1,295,795		1,295,795	1,295,795	1,295,795	1,295,795	1,295,795	1,295,795

Analysis of Budget Request

Appropriation: 443 - Counter Drug Asset Forfeiture

Funding Sources: NMD - Counter Drug Cash in Treasury

The Counter Drug Asset Forfeiture Program employs funds held in the Department's cash fund in State Treasury account. The Department assists in federal counter drug operations and receives a portion of the proceeds derived from the sale of seized assets. These funds must be used for law enforcement operations and training in accordance with the U.S. Department of Justice's Code.

The Agency is requesting an increase in the Counter Drug Asset Forfeiture line item of \$8,051 each year. Asset forfeiture funds have increased and this request will enable the Agency to utilize these funds for law enforcement operations.

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

Appropriation Summary

Appropriation: 443 - Counter Drug Asset Forfeiture

Funding Sources: NMD - Counter Drug Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Counter Drug Asset Forfeiture 5900046	8,610	66,949	75,000	66,949	75,000	75,000	66,949	75,000	75,000
Total	8,610	66,949	75,000	66,949	75,000	75,000	66,949	75,000	75,000
Funding Sources									
Fund Balance 4000005	75,989	74,112		17,163	17,163	17,163	0	0	0
Cash Fund 4000045	6,733	10,000		10,000	10,000	10,000	10,000	10,000	10,000
Total Funding	82,722	84,112		27,163	27,163	27,163	10,000	10,000	10,000
Excess Appropriation/(Funding)	(74,112)	(17,163)		39,786	47,837	47,837	56,949	65,000	65,000
Grand Total	8,610	66,949		66,949	75,000	75,000	66,949	75,000	75,000

Change Level by Appropriation

Appropriation: 443 - Counter Drug Asset Forfeiture
Funding Sources: NMD - Counter Drug Cash in Treasury

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	66,949	0	66,949	100.0	66,949	0	66,949	100.0
C01	Existing Program	8,051	0	75,000	112.0	8,051	0	75,000	112.0

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	66,949	0	66,949	100.0	66,949	0	66,949	100.0
C01	Existing Program	8,051	0	75,000	112.0	8,051	0	75,000	112.0

Justification

C01	Agency is requesting a \$8,051 increase in Operating Expenses each year to match the amount of available cash in the State Treasury.
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Analysis of Budget Request

Appropriation: 455 - Military Support Revolving

Funding Sources: MSR - Military Support Revolving Fund

This appropriation is used for non-emergency Military Call-Up to support military training activities. Funding for the Military Support Revolving Fund, established by Act 959 of 1999, consists of fund transfers and deposits from federal agencies.

The Agency request is to maintain the Base Level of \$500,000 each year in the event that funds are received from the Department of Defense or other federal agencies.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 455 - Military Support Revolving

Funding Sources: MSR - Military Support Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2011-2012			2012-2013		
	2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Non-Emergency Call-Up Expenses 5900046	6,138	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	6,138	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources									
Fund Balance 4000005	556,019	553,542		58,542	58,542	58,542	0	0	0
Military Support Revolving 4000342	3,661	5,000		5,000	5,000	5,000	5,000	5,000	5,000
Total Funding	559,680	558,542		63,542	63,542	63,542	5,000	5,000	5,000
Excess Appropriation/(Funding)	(553,542)	(58,542)		436,458	436,458	436,458	495,000	495,000	495,000
Grand Total	6,138	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 556 - Federal Armory Assistance

Funding Sources: FMF - State Military Federal

This appropriation is used for operating costs of State armories, including State Area Command (STARC) armories. This program is 100% federally funded.

The Agency is requesting Base Level for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 556 - Federal Armory Assistance

Funding Sources: FMF - State Military Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	148,436	275,000	148,436	148,436	148,436	148,436	148,436	148,436
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
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		0	173,436	300,000	173,436	173,436	173,436	173,436	173,436	173,436
Funding Sources										
Federal Revenue	4000020	0	173,436		173,436	173,436	173,436	173,436	173,436	173,436
Total Funding		0	173,436		173,436	173,436	173,436	173,436	173,436	173,436
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	173,436		173,436	173,436	173,436	173,436	173,436	173,436

Analysis of Budget Request

Appropriation: 575 - Fort Chaffee Training Site

Funding Sources: FMF - State Military Federal

This appropriation is 100% federally funded for the personal services and operational costs of the Fort Chaffee Training Site.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency's Change Level requests total \$1,350,381 each year and reflect the following:

- Regular Salaries and Personal Services Matching increases in the amount of \$722,381 each year to cover the costs associated with the Agency's request to restore twenty (20) authorized positions, reclassify one (1) position to more accurately reflect the work being performed, and an increase in Personal Services Matching associated with the Agency's request for increases in Overtime and Extra Help.
- Overtime increase in the amount of \$178,000 and Extra Help increase in the amount of \$150,000 each year to maintain operations at peak training cycles.
- Capital Outlay in the amount of \$300,000 each year to purchase tractors and other equipment to maintain roads and training ranges.

The Executive Recommendation provides for the Agency Request except for the position reclassification..

Appropriation Summary

Appropriation: 575 - Fort Chaffee Training Site

Funding Sources: FMF - State Military Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,505,161	1,818,986	2,774,947	1,808,617	2,288,997	2,285,232	1,808,617	2,288,997	2,285,232
#Positions		65	61	82	61	81	81	61	81	81
Extra Help	5010001	210,343	325,000	175,000	175,000	325,000	325,000	175,000	325,000	325,000
#Extra Help		21	27	27	27	27	27	27	27	27
Personal Services Matching	5010003	702,701	717,882	1,077,025	704,126	946,127	945,349	704,126	946,127	945,349
Overtime	5010006	0	147,000	147,000	147,000	325,000	325,000	147,000	325,000	325,000
Operating Expenses	5020002	4,261,684	10,958,500	10,958,500	10,958,500	10,958,500	10,958,500	10,958,500	10,958,500	10,958,500
Conference & Travel Expenses	5050009	7,472	138,160	138,160	138,160	138,160	138,160	138,160	138,160	138,160
Professional Fees	5060010	288,013	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	104,615	0	0	0	300,000	300,000	0	300,000	300,000
Total		7,079,989	16,408,403	17,573,507	16,234,278	17,584,659	17,580,116	16,234,278	17,584,659	17,580,116
Funding Sources										
Federal Revenue	4000020	7,079,989	16,408,403		16,234,278	17,584,659	17,580,116	16,234,278	17,584,659	17,580,116
Total Funding		7,079,989	16,408,403		16,234,278	17,584,659	17,580,116	16,234,278	17,584,659	17,580,116
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		7,079,989	16,408,403		16,234,278	17,584,659	17,580,116	16,234,278	17,584,659	17,580,116

FY11 Budget exceeds Authorized Appropriation in Extra Help due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

Appropriation: 575 - Fort Chaffee Training Site
Funding Sources: FMF - State Military Federal

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	16,234,278	61	16,234,278	100.0	16,234,278	61	16,234,278	100.0
C01	Existing Program	1,345,838	20	17,580,116	108.3	1,345,838	20	17,580,116	108.3
C10	Reclass	4,543	0	17,584,659	108.3	4,543	0	17,584,659	108.3

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	16,234,278	61	16,234,278	100.0	16,234,278	61	16,234,278	100.0
C01	Existing Program	1,345,838	20	17,580,116	108.3	1,345,838	20	17,580,116	108.3
C10	Reclass	0	0	17,580,116	108.3	0	0	17,580,116	108.3

Justification

C01	The Agency is requesting an additional \$717,838 each year in Regular Salaries/Personal Services Matching for the restoration of 20 positions. The Agency is requesting an additional \$178,000 each year in Overtime and \$150,000 each year in Extra Help in order to maintain operations during peak training cycles. The Agency is requesting \$300,000 each year in Capital Outlay for the purchase of tractors and other equipment to maintain roads and ranges.
C10	The Agency is requesting an additional \$4,543 each year in Regular Salaries/ Personal Services Matching for increases due to position reclassifications.

Analysis of Budget Request

Appropriation: 576 - National Guard Museum

Funding Sources: HUA - Miscellaneous Agencies Fund

This appropriation receives general revenue from the Miscellaneous Agencies Fund for personal services and operational costs of the Arkansas National Guard Museum.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency is requesting Base Level for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 576 - National Guard Museum

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	50,194	50,569	50,592	49,969	49,969	49,969	49,969	49,969	49,969
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	14,850	15,118	15,010	15,009	15,009	15,009	15,009	15,009	15,009
Operating Expenses	5020002	20,009	19,915	20,000	19,915	19,915	19,915	19,915	19,915	19,915
Conference & Travel Expenses	5050009	1,231	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
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		86,284	89,802	89,802	89,093	89,093	89,093	89,093	89,093	89,093
Funding Sources										
General Revenue	4000010	86,284	89,802		89,093	89,093	89,093	89,093	89,093	89,093
Total Funding		86,284	89,802		89,093	89,093	89,093	89,093	89,093	89,093
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		86,284	89,802		89,093	89,093	89,093	89,093	89,093	89,093

The FY11 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2009-2011 biennium.

Analysis of Budget Request

Appropriation: 577 - AR National Guard Youth Challenge Program

Funding Sources: FMF - State Military Federal

The Arkansas National Guard Youth Challenge Program provides for the personal services and operational costs to support a residential educational training program for high school dropouts to enable them to receive a General Educational Development (GED) Diploma and assistance for further education or employment. The Program is designed for two (2) cycles per year to accommodate a total of 200 students per year. This appropriation is funded by general revenues and federal reimbursements on a 25/75 split.

Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments.

The Agency's Change Level requests total \$827,195 each year in appropriation, funded in part by a general revenue increase of \$81,799 each year, and reflect the following:

- Regular Salaries and Personal Services Matching increases in the amount of \$322,326 each year to cover the costs associated with the Agency's request to transfer six (6) positions from the General Operations (268) appropriation, add two (2) positions currently authorized from the Miscellaneous Federal Grant Holding Account to the Agency's regularly authorized positions, and reclassify two (2) positions to more accurately align positions with job duties.
- Extra Help and Personal Services Matching increases in the amount of \$4,869 each year to cover the cost of Extra Help.
- Operating Expenses increase in the amount of \$500,000 each year, in appropriation only, in order to properly account for the School Lunch Rebate Program.

The Executive Recommendation provides for the Agency Request with the exception of adding two (2) positions currently authorized from the Miscellaneous Federal Grant Holding Account to the Agency's regularly authorized positions. The Executive Recommendation provides for a general revenue increase of \$59,977 each year.

Appropriation Summary

Appropriation: 577 - AR National Guard Youth Challenge Program

Funding Sources: FMF - State Military Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,440,420	1,470,092	1,395,157	1,402,372	1,638,460	1,573,880	1,402,372	1,638,460	1,573,880
#Positions		53	47	52	45	53	51	45	53	51
Extra Help	5010001	5,414	5,500	32,960	5,500	10,000	10,000	5,500	10,000	10,000
#Extra Help		2	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	561,731	524,386	504,924	501,472	588,079	565,371	501,472	588,079	565,371
Overtime	5010006	0	2,660	22,380	2,660	2,660	2,660	2,660	2,660	2,660
Operating Expenses	5020002	667,226	565,122	738,422	565,122	1,065,122	1,065,122	565,122	1,065,122	1,065,122
Conference & Travel Expenses	5050009	1,798	3,250	13,151	3,250	3,250	3,250	3,250	3,250	3,250
Professional Fees	5060010	999	2,500	25,642	2,500	2,500	2,500	2,500	2,500	2,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	12,788	18,000	58,406	18,000	18,000	18,000	18,000	18,000	18,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,690,376	2,591,510	2,791,042	2,500,876	3,328,071	3,240,783	2,500,876	3,328,071	3,240,783
Funding Sources										
General Revenue	4000010	982,758	697,760		625,219	707,018	685,196	625,219	707,018	685,196
Federal Revenue	4000020	1,707,618	1,893,750		1,875,657	2,121,053	2,055,587	1,875,657	2,121,053	2,055,587
Total Funding		2,690,376	2,591,510		2,500,876	2,828,071	2,740,783	2,500,876	2,828,071	2,740,783
Excess Appropriation/(Funding)		0	0		0	500,000	500,000	0	500,000	500,000
Grand Total		2,690,376	2,591,510		2,500,876	3,328,071	3,240,783	2,500,876	3,328,071	3,240,783

The FY11 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 577 - AR National Guard Youth Challenge Program
Funding Sources: FMF - State Military Federal

Agency Request

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	2,500,876	45	2,500,876	100.0	2,500,876	45	2,500,876	100.0
C01	Existing Program	504,869	0	3,005,745	120.2	504,869	0	3,005,745	120.2
C06	Restore Position/Approp	87,288	2	3,093,033	123.7	87,288	2	3,093,033	123.7
C07	Agency Transfer	235,038	6	3,328,071	133.1	235,038	6	3,328,071	133.1
C10	Reclass	0	0	3,328,071	133.1	0	0	3,328,071	133.1

Executive Recommendation

Change Level		2011-2012	Pos	Cumulative	% of BL	2012-2013	Pos	Cumulative	% of BL
BL	Base Level	2,500,876	45	2,500,876	100.0	2,500,876	45	2,500,876	100.0
C01	Existing Program	504,869	0	3,005,745	120.2	504,869	0	3,005,745	120.2
C06	Restore Position/Approp	0	0	3,005,745	120.2	0	0	3,005,745	120.2
C07	Agency Transfer	235,038	6	3,240,783	129.6	235,038	6	3,240,783	129.6
C10	Reclass	0	0	3,240,783	129.6	0	0	3,240,783	129.6

Justification

C01	Extra Help and Personal Services Matching increases in the amount of \$4,869 each year to cover the cost of additional Extra Help. Operating Expenses increase in the amount of \$500,000 each year, in appropriation only, in order to properly account for the School Lunch Rebate Program.
C06	Regular Salaries and Personal Services Matching increases in the amount of \$87,288 each year to cover the costs associated with the Agency's request to restore two (2) positions currently authorized from the Miscellaneous Federal Grant Holding Account to the Agency's authorized positions,
C07	Regular Salaries and Personal Services Matching increases in the amount of \$235,038 each year to cover the costs associated with the Agency's request to transfer six (6) positions from the General Operations (268) appropriation.
C10	Reclassify two (2) positions to more accurately reflect work being performed.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2010 TO FISCAL YEAR 2011**

Agency: Military Department

Program: AR National Guard Youth Challenge Program

Act #: 42 Section(s) #: 4 & 20

Estimated Carry Forward Amount \$ 0.00 Funding Source: Federal

Accounting Information:

Business Area: 0975 Funds Center: 577 Fund: HMD Functional Area: SFTY

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

The Agency does not anticipate a federal funds balance as of 6/30/2010.

Actual Funding Carry Forward Amount \$ 37,207.86

Current status of carry forward funding:

Funds are to be used for operating expenses of the program.

Note from DFA – Office of Budget: The portion of Special Language that requires this report is no longer necessary.

William D. Wofford
Adjutant General

08-26-2010
Date