

**DEPARTMENT OF ARKANSAS HERITAGE (DAH)
(AGENCY #865-887) - 2007-09 BIENNIUM
BUDGET INFORMATION ACCORDING TO ALC/JBC RECOMMENDATIONS**

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The Department of Arkansas Heritage's (DAH) mission is to identify Arkansas' heritage and enhance the quality of life by the discovery, preservation, and presentation of the state's cultural, historic, and natural resources. The Department of Arkansas Heritage is composed of the following agencies: Old Statehouse Museum, Historic Arkansas Museum, Delta Cultural Center, Mosaic Templars Cultural Center, Arkansas Arts Council, Arkansas Historic Preservation Program, and the Arkansas Natural Heritage Commission. In addition to these seven agencies, DAH also provides administrative support to the Natural and Cultural Resources Council (NCRC). The DAH Director is both a member of the NCRC and acts as the NCRC secretary and disbursing officer.

TOTAL BIENNIAL BUDGET

The total budget for the Department of Arkansas Heritage is approximately \$48.2 million in FY2008 and \$51.99 million in FY2009, which is an overall increase of \$11.39 million for FY2008 (a 30.93% increase) and \$15.42 million for FY2009 (a 42.2% increase) from the base level.

FUNDING SOURCES

The Agency is funded through general revenue (approx. 12%), federal funds (approx. 6%), special revenues derived from the Conservation Tax and Real Estate Transfer Tax (approx. 76%); fund balances (approx. 4%), and cash and non-revenue receipts (approx. 2%).

II) SIGNIFICANT CHANGES

DEPARTMENT OF ARKANSAS HERITAGE

The General Revenue increase for all Divisions/Agencies within the Department of Arkansas Heritage over base level is \$663,388 in FY08 and \$756,632 in FY09 for the following purposes:

<u>Purpose</u>	<u>FY08 Amt</u>	<u>FY09 Amt</u>
Mosaic Templars Cult.- 2% Salary Inc. & Ctr Oper.	\$452,959	\$457,669
Central Admin - 2% Sal. Inc. & Rent Increases	24,504	49,674
Delta Cult. Ctr - 2% Sal. Inc. & Utilities Costs	19,362	30,872
Ark. Arts Council - 2% Sal. Inc. & Oper. Expenses	12,566	20,720
Old State House - 2% Sal. Inc. & Ext. Help & Oper. Exp.	62,574	79,658
Nat. Heritage Cmsn - 2% Sal. Inc. & Rent Increases	10,232	20,328
Historic Ark. Museum - 2% Sal. Inc. & Utilities Costs	81,191	97,711

Five (5) positions are authorized over the Base Level of 140.

DAH - CENTRAL ADMINISTRATION

The total budget for DAH - Central Administration is \$8,225,463 in FY08 and \$8,188,356 in FY09.

CONSERVATION TAX - AMENDMENT 75 (Appropriation 476)

This appropriation is funded by special revenues which are generated by the 1/8th ¢ Sales Tax enacted by Constitutional Amendment 75, and is used to support Department of Arkansas Heritage activities. The total budget for this appropriation is \$7.02 million in FY08 and \$6.96 million in FY09 with the following increases:

Salaries and Matching - An increase of \$7,958 in FY08 and \$16,081 in FY09 due to a 2% cost of living increase.

Operating Expenses - A net increase of \$17,100 in FY08 and \$10,200 in FY09 which provides for the following adjustments:

	<u>FY08</u>	<u>FY09</u>
Reduction in Oper. Exp. Base	(\$ 85,000)	(\$ 50,000)
Reallocation to Capital Outlay	(55,000)	(42,000)
1-Time Mosaic Templar Costs	<u>157,100</u>	<u>102,200</u>
Total - Net Increase	\$ 17,100	\$ 10,200

Conference Fees & Travel - An increase of \$14,326 in FY08 and \$17,326 in FY 09 to provide CLIP training and professional development opportunities to all agencies within the Department.

Capital Outlay - A total appropriation of \$131,250 in FY08 and \$64,750 in FY09 for the following purposes:

- Building & grounds maintenance activities at the various agency facilities - \$55,000 in FY08 and \$42,000 in FY09
- One-time equipment expenses for the Mosaic Templars Cultural Center - \$76,250 in FY08 and \$22,750 in FY09

DIRECTOR'S OFFICE - STATE OPERATIONS (Appropriation 482)

This appropriation is funded by general revenues for the personal services and operating expenses of the Arkansas Department of Heritage - Director's Office. The total budget for this appropriation is \$1,158,323 in FY08 and \$1,183,493 in FY09 with the following increase:

Salaries and Matching - An increase of \$18,629 in FY08 and \$37,634 in FY09 due to a 2% cost of living increase.

Operating Expenses - A 5% increase each year, \$5,875 in FY08 and \$12,040 in FY09, for anticipated increases in rent of facilities by the Arkansas Building Authority.

DAH - DELTA CULTURAL CENTER

It is the mission of the Delta Cultural Center to preserve, research, document, interpret, and present the heritage of the Arkansas Delta. Facilities include: Visitors Center (3 structure complex), 1912 Union Pacific Railroad Depot, Moore-Horner House, Cherry Street Pavilion, and Beth El Heritage Hall. 27 counties comprise the Arkansas Delta Region. The center is advised by an 11 member advisory board.

The total budget for the Delta Cultural Center Agency is \$567,274 in FY08 and \$578,784 in FY09.

DELTA CULTURAL CENTER - CASH IN TREASURY (Appropriation 2JF)

The total budget for this appropriation is \$67,000 each year with the following increases:

Purchase for Resale - An increase of \$2,000 each year due to increased sales at the gift shop and bookstore.

DELTA CULTURAL CENTER - OPERATIONS (Appropriation 922)

This appropriation provides general revenue funding for the operating costs of the Delta Cultural Center in Helena. The total budget for this appropriation is \$497,574 in FY08 and \$509,084 in FY09 with the following increases:

Salaries and Matching - An increase of \$7,362 in FY08 and \$14,872 in FY09 due to a 2% cost of living increase.

Operating Expenses - An increase of \$12,000 in FY08 and \$16,000 in FY09 in operating expenses to cover a 20% overall increase in utilities for the agencies seven enclosed structures.

BANK CHARGES FUND (Appropriation C14)

This appropriation provides for a private bank account for the payment of bank charges, credit card charges and fees from revenues collected by the Delta Cultural Museum. The total budget for this appropriation is \$2,700 each year with the following increases:

Operating Expenses - An increase of \$1,050 each year for increased bank charges resulting from increased gift shop sales.

DAH - ARKANSAS ARTS COUNCIL

The Arkansas Arts Council's mission is to advance and empower the arts in Arkansas for the benefit of all Arkansans, by providing a comprehensive statewide program for the support of arts in Arkansas, including services and grants that encourage and assist Arkansas artists.

Programs of the Council include: competitive grants, long-term residencies in Arts in Education, operating support grants for art organizations, Arts on Tour, Individual Artist Fellowship Program, Arkansas Artist Registry. The Council has an advisory council which is comprised of 17 members appointed by the Governor.

The total budget for the agency is \$1,545,175 in FY08 and \$1,554,725 in FY09.

ARTS COUNCIL - STATE OPERATIONS (Appropriation 484)

This appropriation provides general revenue funding for the DAH - Arkansas Arts Council's personal services and operating expenses. The total budget for this appropriation is \$723,121 in FY08 and \$731,275 in FY09 with the following increases:

Salaries and Matching - An increase of \$7,997 in FY08 and \$16,151 in FY09 due to a 2% cost of living increase.

Operating Expenses - An increase of \$3,761 each year for rent increases and data processing supplies.

Grants and Aid - An increase of \$808 each year.

ARTS COUNCIL - CASH IN TREASURY (Appropriation 943)

This appropriation is funded from cash receipts generated by registration fees and the sales of items purchased for display and for workshop sessions. The total budget for this appropriation is \$198,791 each year with the following increases:

Grants and Aids - An increase of \$150,000 each year for educational programs and special projects which are funded by foundations and other private organizations.

MOSAIC TEMPLARS CULTURAL CENTER

The mission of the Mosaic Templars Cultural Center 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 in business, politics and the arts. The Center is advised by a nine member advisory board representing all congressional districts.

The total budget is \$2,419,547 in FY08 and \$2,396,757 in FY09, which is an increase of \$2 million in FY08 and \$1.99 million in FY09 due to the Center becoming operational during the 2007-09 biennium.

MOSAIC TEMPLARS - STATE OPERATIONS (Appropriation 1MT)

This appropriation provides general revenue funding for the Mosaic Templars Cultural Center. The center/museum is projected to open in late FY07/Early FY08.

The total budget is \$817,202 in FY08 and \$821,912 in FY09 with the following increases which total \$452,959 in FY08 and \$457,669 in FY09:

Regular Salaries & Matching - A restoration of 5 positions and the corresponding appropriation of \$122,407 in FY08 and \$128,547 in FY09, which is inclusive of a 2% cost of living increase.

Extra Help & Matching - 2 additional extra help positions and an increase of \$73,337 each year to fund the positions.

Operating Expenses - An increase of \$187,424 in FY08 and \$179,624 in FY09 for basic operations out of general revenue and \$157,100 in FY08 and \$102,200 in FY09 for one-time expenses is recommended to be funded by the Conservation Tax and its corresponding appropriation which is described above.

Professional Fees & Services - An increase of \$20,000 in FY08 and \$25,000 in FY09 for continued research, interpretation, and exhibit development.

Capital Outlay - No increase provided in this appropriation, but there is an increase of \$76,250 in FY08 and \$22,750 in FY09 for office equipment, networking expenses, computers, software, and phones provided for the Center to be funded by the Conservation Tax and its corresponding appropriation (see Conservation Appropriation described above).

MOSAIC TEMPLARS - CASH IN TREASURY (Appropriation 1XX)

This appropriation is primarily used for Museum Gift Shop Operations. The total budget is \$1,597,285 in FY08 and \$1,569,785 in FY09 with the following increases which total \$1,562,285 in FY08 and \$1,534,785 in FY09:

Construction - Due to the museum building being lost by fire, a construction appropriation in the amount of \$1,534,785 each year is provided to allow the Center to use the insurance settlement check to reconstruct the facility.

Resale - An additional appropriation in the amount of \$27,500 for FY08 to purchase items for resale in the museum gift shop.

BANK CHARGES FUND (Appropriation C17)

This is a new appropriation which provides a private bank account for the payment of bank charges, credit card charges, and fees from revenues collected by the Center. The total budget is \$5,060 each year.

DAH - OLD STATE HOUSE COMMISSION

The Old State House Museum provides a full complement of educational programs and interpretive exhibits on Arkansas's early statehood, 1836-1911. A nine member Commission sets policy for the Old State House, Trapnall Hall, and the preservation restriction program. The total budget is \$1,407,640 in FY08 and \$1,424,724 in FY09.

OLD STATE HOUSE - OPERATIONS (Appropriation 492)

This appropriation provides general revenue funding for the personal services and operating expenses of the Old State House and Trapnall Hall. The total budget amount is \$1,197,955 in FY08 and \$1,215,039 in FY09 with the following increases:

Salaries and Matching - An increase of \$16,758 in FY08 and \$33,842 in FY09 due to a 2% cost of living increase.

Extra Help & Matching - An increase of \$18,311 each year to provide adequate funding for the Agency's existing extra help positions that assist with museum programs, special events, and collections management.

Operating Expenses - An additional \$27,505 each year of the biennium which restores their FY07 authorized appropriation level for the increased cost of utilities.

DAH - HISTORIC PRESERVATION

Created in 1969 by the General Assembly to fulfill the objectives of the National Historic Preservation Act by identifying, preserving and protecting the cultural resources of Arkansas. Historic Preservation administers the Main Street Program and various grant programs, such as the Arkansas Downtown Network, Rural Heritage Development, County Courthouse Restoration Grants Program, Education Grants Program, Historic Preservation Restoration Grants Program, and Certified Local Government Grant Program. Act 729 of 1987 provides Real Estate Transfer Tax funding for the Main Street Arkansas and other Historic Preservation activities. This Agency has an eleven member Review Committee.

The total budget for the agency is \$1,313,279 in FY08 and \$1,337,048 in FY09.

DAH - NATURAL HERITAGE COMMISSION

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 by 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 natural features of Arkansas. Oversight for the agency is provided by a 15 member Commission. The total budget for this agency is \$2,334,741 in FY08 and \$2,106,091 in FY09.

NATURAL AREA MANAGEMENT - CASH IN TREASURY (Appropriation 1AQ)

This appropriation provides management and stewardship funds for the Natural Area Management Program for natural areas located throughout the state. Funding is provided by donations and other income. The total budget is \$333,206 in FY08 and \$335,206 in FY09 with the following increases:

Operating Expenses - An increase of \$5,000 each year for

replacement of computer equipment and software.

Capital Outlay - An increase of \$26,000 in FY08 and \$28,000 in FY09 to replace vehicles.

Land Acquisition - Unfunded Appropriation in the amount of \$250,000 each year to acquire land for the natural area management should funding become available.

NATURAL AREA RESEARCH - CASH IN TREASURY (Appropriation 1AR)

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 Department's data systems. The total budget is \$70,925 each year of the biennium with the following increases:

Operating Expenses - An increase of \$8,000 each year for office supplies, replacement computers and software.

Capital Outlay - An increase of \$12,000 each year for natural area stewardship equipment such as controlled burn backpacks.

NATURAL HERITAGE-STATE OPERATIONS (Appropriation 493)

This appropriation provides general revenue funding for the Natural Heritage Commission. The total budget is \$510,617 in FY08 and \$520,713 in FY09 with the following increase:

Salaries and Matching - An increase of \$8,132 in FY08 and \$16,428 in FY09 due to a 2% cost of living increase.

Operating Expenses - An increase of \$2,100 in FY08 and \$3,900 in FY09 for anticipated rent increases.

NATURAL HERITAGE-FEDERAL PROGRAM (Appropriation 494)

This appropriation uses federal funds for personal services and operating expenses to perform the inventory and data management function of the Natural Heritage Commission. The total budget is \$1,174,993 in FY08 and \$1,179,247 in FY09 with the following increases:

Salaries and Matching - An increase of \$4,173 in FY08 and \$8,427 in FY09 due to a 2% cost of living increase.

Capital Outlay - An increase of \$10,000 each year for professional stewardship equipment to manage large natural areas.

DAH - HISTORIC ARKANSAS MUSEUM COMMISSION

The mission of this agency 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 they serve. A 9-member commission sets policy for the agency.

The total budget is \$1,396,353 in FY08 and \$1,413,365 in FY09.

HISTORIC MUSEUM-STATE OPERATIONS (Appropriation 496)

This appropriation provides general revenue funding for the personal services and operating expenses of the Department of Arkansas Heritage - Historic Arkansas Museum Commission which was created to restore, maintain, and interpret historic houses on-site in the oldest remaining neighborhood in Little Rock.

The total budget is \$1,096,236 in FY08 and \$1,112,756 in FY09 with the following increases:

Salaries and Matching - An increase of \$16,191 in FY08 and \$32,711 in FY09 due to a 2% cost of living increase.

Operating Expenses - An increase of \$65,000 each year due to increases in utility costs.

DAH - NATURAL AND CULTURAL RESOURCES COUNCIL (ANCRC)

The Natural and Cultural Resources Council 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. The Council administers a 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 by 2 increases in the State's Real Estate Transfer Tax. An 11 member Council administers the Natural and Cultural Grant and Trust Fund.

The total budget for the ANCRC is \$29 million in FY08 and \$33 million in FY09.

STATE OWNED LANDS OR HISTORIC SITES (Appropriation 480)

The Natural and Cultural Resources Council uses 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 this appropriation is provided by the Real Estate Transfer Tax. Appropriation and funds are transferred from this appropriation to agencies that are recipients of Natural and Cultural Heritage Grant and Trust Fund Grants. The total budget is \$26 million in FY08 and \$30 million in FY09 with the following increase:

Grants and Aid - An increase of \$8 million in FY08 and \$12 million in FY09 to provide for the increased demand for NCRC grants, and will be funded by fund balances in the Natural and Cultural Heritage Grant & Trust Fund.

MAIN STREET PROGRAM (Appropriation 481)

This appropriation which is funded by the Real Estate Transfer Tax, provides for the operation of the State Historic Preservation Program and the Main Street Arkansas Program. This appropriation and funding is transferred to the Historic Preservation Program appropriation (See Historic Preservation Real Estate Transfer Tax Appropriation -477 described above) on an annual basis and is reflected as expenditures of that agency and is used to augment federal funding. The total budget is \$3 million each year of the biennium with the following increase:

Grants and Aid - An increase of \$500,000 each year to use excess fund balances to provide funding to cities, counties and local non-profit organizations for the rehabilitation and preservation of historic buildings and downtown areas.

III) ADDITIONAL POSITIONS

Total positions for FY 2007-2009 Biennium: 145

Total positions for FY 2005-2007 Biennium: 145

Increase/ (Decrease): 0

IV) SPECIAL LANGUAGE

EXTRA HELP RESTRICTIONS: Limits DAH Extra Help employees to 3/4 of the maximum annual salary for comparable positions and an

employment period of not more than nine months per fiscal year; limits Old State House Museum Extra Help employees to no more 75% of the maximum annual salary for comparable positions and an employment period of not more than 1500 hours per year.

CARRY FORWARD: Authorizes carry forward authority of unexpended appropriation from the first to the second year of the biennium for the appropriations provided for DAH-Museum/Facility Construction and Special Maintenance. These appropriations are payable out of the Arkansas Department of Heritage Fund Account and are funded by special revenue derived from the additional 1/8th cent sales tax levied by Amendment 75 to the Arkansas Constitution. Requires prior statement of need for the carry forward, report to ALC or Joint Budget Committee (JBC) of all carried forward amounts, report of status of funds carried forward to ALC/JBC, and finally include all of the above information in the biennial budget manuals or a statement of non-compliance.

Provides for the deletion of the following language due to its codification.

EXCLUSION FROM SERVICE CHARGE: Excludes voluntary donations and federal grants awarded to the Department of Heritage from the 1 1/2% cash fund service charge.

PROMOTIONAL AND EDUCATIONAL MATERIALS: Allows DAH to purchase up to \$25,000 of promotional and educational merchandise as authorized by the Director of the Department from Maintenance & General Operation appropriations authorized for the Department.

PUBLICATION DEVELOPMENT AND RESALE: After prior review by Arkansas Legislative Council, DAH is permitted to transfer up to \$25,000 per fiscal year from the Natural & Cultural Resources Historic Preservation Fund or other funds established from federal or non-federal grants to the Publication Development and Resale Revolving Fund to develop and purchase additional publications for resale.

NATURAL & CULTURAL RESOURCES COUNCIL (NCRC): Establishes the Director of DAH as the disbursing officer for NCRC & Main Street Program appropriations. If grants are made to state agencies, from either of these appropriations the language allows DAH to transfer appropriation and funding for use in classifications of expenditures as determined by the conditions of the grant and the state agency.

CARRY FORWARD: Allows carry-forward of unexpended balances of appropriation from the first to the second fiscal year of the biennium for Natural & Cultural Resources Council (NCRC) grants made to state agencies for acquisition, management, stewardship, and preservation of state-owned lands or historic sites. Requires prior statement of need for the carry forward, report to ALC or Joint Budget Committee (JBC) of all carried forward amounts, report of status of funds carried forward to ALC/JBC, and finally include all of the above information in

the biennial budget manuals or a statement of non-compliance.