

DAH - NATURAL & CULTURAL RESOURCES COUNCIL

Enabling Laws

Act 2019 of 2005.

A.C.A. § 15-12-101 et seq.

History and Organization

Agency Mission Statement

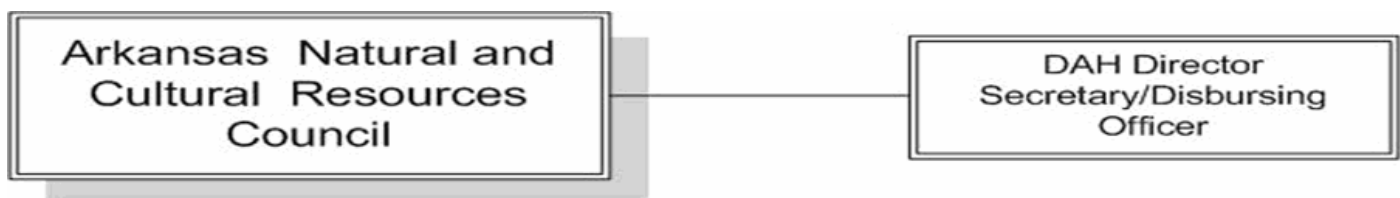
The Arkansas Natural and Cultural Resources Council (ANCRC) was created to manage and supervise grants and a trust fund for use in the acquisition, management, and stewardship of state-owned lands or the preservation of state-owned historic sites, buildings, structures, or objects which the Council determines 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 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 – NATURAL & CULTURAL RESOURCES COUNCIL
 FOR THE YEAR ENDED JUNE 30, 2004

Findings	Recommendations
None	None

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

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
2MZ NCRC--Admin	62,080	1	64,500	1	0	1	0	1	0	1	0	1	0	1
480 St Owned Lands or Historic Sites	0	0	18,000,000	0	18,000,000	0	26,000,000	0	26,000,000	0	30,000,000	0	30,000,000	0
481 Main Street Program	0	0	2,500,000	0	2,500,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
Total	62,080	1	20,564,500	1	20,500,000	1	29,000,000	1	29,000,000	1	33,000,000	1	33,000,000	1

Funding Sources		%		%		%		%		%		%
Real Estate Transfer Tax 4000403	62,080	100.0	20,564,500	100.0			29,000,000	100.0	29,000,000	100.0	33,000,000	100.0
Total Funds	62,080	100.0	20,564,500	100.0			29,000,000	100.0	29,000,000	100.0	33,000,000	100.0
Excess Appropriation/(Funding)	0		0				0		0		0	
Grand Total	62,080		20,564,500				29,000,000		29,000,000		33,000,000	

Actual and Budgeted exceeds Authorized Appropriation in the NCRC Administration appropriation (2MZ) due to a transfer from the Natural and Cultural Resources Council Grant Fund (480) by authority of A.C.A. § 15-12-103 (1).

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
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--Admin

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 (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..."

Futhermore, 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 40 of Act 2019 of 2005 [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..."

The Agency Request is to continue its one (1) Base Level position. The Department supplies the appropriation and funding for this position from its Real Estate Transfer Tax appropriation transfer authority.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2MZ NCRC--Admin
Funding Sources: TGT Natural & Cultural Heritage Grant & Trust

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	40,765	39,162	0	0	0	0	0	0	0
#Positions	1	1	1	1	1	1	1	1	1
Extra Help 5010001	0	0	0	0	0	0	0	0	0
#Extra Help	0	0	0	0	0	0	0	0	0
Personal Services Matching 5010003	11,740	11,785	0	0	0	0	0	0	0
Operating Expenses 5020002	9,030	12,803	0	0	0	0	0	0	0
Conference & Travel Expenses 5050009	545	750	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	62,080	64,500	0	0	0	0	0	0	0
Funding Sources									
Real Estate Transfer Tax 4000403	62,080	64,500		0	0	0	0	0	0
Total Funding	62,080	64,500		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	62,080	64,500		0	0	0	0	0	0

Actual and Budgeted exceeds Authorized Appropriation (2MZ) due to a transfer from the Natural and Cultural Resources Council Grant Fund (480) by authority of A.C.A. § 15-12-103 (1).

Analysis of Budget Request

Appropriation: 480 - St 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 on Act 729 of 1987 and Act 1181 of 1993 (A.C.A. §26-60-105).

According to A.C.A. § 15-12-103 (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. The expenditures are reflected in the agency receiving the grant, and spending the money.

The Agency's Change Level request of \$8 million in FY08 and \$12 million in FY09 in Grants and Aid is requested to provide for increased demand for NCRC grants, to be funded from surplus Real Estate Transfer Tax proceeds.

The Executive Recommendation provides for the Agency Request.

REPLACEMENT PAGES

**ARKANSAS NATURAL & CULTURAL RESOURCES COUNCIL
2006 GRANT FUNDING & APPROPRIATION AWARDS BY PROJECT**

Agency	Project	Amount Approved
AR Dept of Parks & Tourism	Statewide Improvements	\$ 6,260,255
Department of Arkansas Heritage	DAH - Improvements	\$ 5,993,763
War Memorial Stadium	Phase 3 War Memorial Stadium	\$ 750,000
Arkansas Tech University	Tech Museum - Collections Stewardship	\$ 40,000
Arkansas Archeological Survey	Old Davidsonville St Park - Year 2	\$ 90,000
Arkansas Archeological Survey	Prehistoric Subsistence Jones Site	\$ 5,000
Arkansas Archeological Survey	Artifact Processing at Parkin State Park	\$ 15,000
University of Arkansas - Fayetteville	Phase II Renovations - Greek Theater	\$ 355,000
University of Arkansas - Fayetteville	Garvan Woodland Gardens	\$ 900,000
South Arkansas Comm College	Completion of 1905 Jr. College Bldg	\$ 355,000
East Arkansas Comm College	Renovation of Lanier-Dews House	\$ 199,982
Arkansas History Commission	Portrait Gallery Restoration Phase I	\$ 66,000
Arkansas Secretary of State	Sate Capitol Exterior Rest & Repairs	\$ 1,000,000
University of Arkansas - Fort Smith	Drennan-Scott Home	\$ 800,000
Arkansas State University	Lakeport Mechanical-Electrical Comp	\$ 1,000,000
Arkansas State University	Hemingway-Pfeiffer Rest Comp	\$ 55,000
TOTAL GRANT FUNDING & APPROPRIATION FOR FY06		\$17,885,000.00

NATURAL & CULTURAL RESOURCES COUNCIL - FUND BALANCE ASSESSMENT

Beginning balance as of July 1, 2005	\$ 41,283,383
FY06 Actual RETT Proceeds + Interest	\$ 24,995,339
Less FY06 Actual Grant Expenditures	\$ (7,660,487)
Less Outstanding FY05 Awards	\$ (9,650,944)
Less Grant Administration FY06 Actual	\$ (62,080)
Beginning Balance as of July 1, 2006	\$ 48,905,210
Projected FY07 RETT Proceeds + Interest	\$ 28,785,225
Less FY07 NCRC Grant Awards	\$ (17,885,000)
Less Outstanding FY06 Awards	\$ (10,224,513)
Less Grant Administration FY07 Budgeted	\$ (64,500)
Projected Balance as of July 1, 2007	\$ 49,516,422

REPLACEMENT PAGES

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Appropriation Summary

Appropriation: 480 St Owned Lands or Historic Sites
Funding Sources: TGT Natural & Cultural Heritage Grant & Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	18,000,000	18,000,000	18,000,000	26,000,000	26,000,000	18,000,000	30,000,000	30,000,000
Total	0	18,000,000	18,000,000	18,000,000	26,000,000	26,000,000	18,000,000	30,000,000	30,000,000
Funding Sources									
Real Estate Transfer Tax 4000403	0	18,000,000		18,000,000	26,000,000	26,000,000	18,000,000	30,000,000	30,000,000
Total Funding	0	18,000,000		18,000,000	26,000,000	26,000,000	18,000,000	30,000,000	30,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	18,000,000		18,000,000	26,000,000	26,000,000	18,000,000	30,000,000	30,000,000

Change Level by Appropriation

Appropriation: 480-St Owned Lands or Historic Sites
Funding Sources: TGT Natural & Cultural Heritage Grant & Trust

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	18,000,000	0	18,000,000	100.0	18,000,000	0	18,000,000	100.0
C01	Existing Program	8,000,000	0	26,000,000	144.4	12,000,000	0	30,000,000	166.6

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	18,000,000	0	18,000,000	100.0	18,000,000	0	18,000,000	100.0
C01	Existing Program	8,000,000	0	26,000,000	144.4	12,000,000	0	30,000,000	166.6

Justification

C01 This request is to increase the appropriation for the Natural & Cultural Resources Council to \$26,000,000 in the first year and \$30,000,000 in the second year. Real Estate Transfer Tax collections have been on the rise for the past four years. Collections and interest earnings for the past two years have exceeded appropriation for both funding cycles. During this period the Council has received a number of funding requests which exceeded the current appropriation. In order to utilize the increases and interest from the previous years and estimating further increases in collections for the next two years, the Council is requesting that the appropriation be increased to provide for additional grants.

Analysis of Budget Request

Appropriation: 481 - 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 (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 in the agency receiving the grant, and spending the money.

The Agency's Change Level request of \$500,000 each year in Grants and Aid is requested to utilize excess fund balances to fund cities, counties, and local non-profit organizations for the rehabilitation and preservation of historic buildings and downtown areas.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 481 Main Street Program
Funding Sources: TGP Natural & Cultural Resources Historic Preservation

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	2,500,000	2,500,000	2,500,000	3,000,000	3,000,000	2,500,000	3,000,000	3,000,000
Total	0	2,500,000	2,500,000	2,500,000	3,000,000	3,000,000	2,500,000	3,000,000	3,000,000
Funding Sources									
Real Estate Transfer Tax 4000403	0	2,500,000		2,500,000	3,000,000	3,000,000	2,500,000	3,000,000	3,000,000
Total Funding	0	2,500,000		2,500,000	3,000,000	3,000,000	2,500,000	3,000,000	3,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	2,500,000		2,500,000	3,000,000	3,000,000	2,500,000	3,000,000	3,000,000

Change Level by Appropriation**Appropriation:**

481-Main Street Program

Funding Sources:

TGP Natural & Cultural Resources Historic Preservation

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	2,500,000	0	2,500,000	100.0	2,500,000	0	2,500,000	100.0
C01	Existing Program	500,000	0	3,000,000	120.0	500,000	0	3,000,000	120.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	2,500,000	0	2,500,000	100.0	2,500,000	0	2,500,000	100.0
C01	Existing Program	500,000	0	3,000,000	120.0	500,000	0	3,000,000	120.0

Justification

C01 This request is to increase the appropriation each year by \$500,000. The appropriation and funds are transferred to the Historic Preservation Program for operations including the Main Street Program. Real Estate Transfer Tax collections have increased over the past two years and those increases combined with interest earnings make it necessary to request additional appropriation to utilize the funds. The increase will be used exclusively to fund grants to cities, counties, and local nonprofits for rehabilitation and preservation of historic buildings.

REPLACEMENT PAGES

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