

SUMMARY BUDGET INFORMATION

TABLE OF CONTENTS

VOLUME 5

	<u>Page #</u>
2008 Agency Fund Transfer	1
Agency Position Usage Report	2
Disabled Veterans Service Office	3
Action Required: (052) Disabled Vets GR-Operations	9
Emergency Management, Department of	11
Action Required: (1EM) Homeland Security	19
(219) State Operations	23
(220) Federal Operations	26
(221) Disaster Relief Grants	29
(38V) Emergency Operations Center - Cash	32
(613) Hazardous Materials	35
(740) Disaster Relief Trust	38
(950) Radiological Emergency Response Grants	41
Environmental Quality, AR Department of	43
Action Required: (2TP) ADEQ - State Operations	60
(2TQ) ADEQ - Federal Operations	63
(2TR) Waste Water Licensing	66
(2TS) Land Reclamation	68
(2TT) Hazardous Waste Permit Program	70
(2TU) Reclamation of Abandoned Mines - State	73
(2TV) Surface Coal Mining	75
(2TW) Mining Reclamation	77
(2TX) Fee Administration	79
(2TY) Solid Waste Performance Bonds	82
(2TZ) Hazardous Waste Cleanup	84
(2UA) Emergency Response Program	88
(2UB) Asbestos Control Program	91
(2UC) Solid Waste Mgmt/Recycling Prog	94
(2UD) Reg. Substance Storage Tank	97
(2UE) Petroleum Storage Tank Trust	99
(2UF) Regulated Storage Tank Program	101
(2UG) Landfill Post Closure Program	103
(2UH) Waste Tire Recycling Program	105
(2UJ) St Mktg Brd for Recyclables Prog	107
(2UK) Environmental Education Program	110
(2UM) Lead Based Paint Hazard Prog	113
(2UN) Small Business Loans	115
(2UP) Sm Bus Revolving Loan Prog Exp	117
(2UQ) Performance Partnership Syst Exp	119
(2UR) Environmental Settlement Trust	122
(2US) Computer/Electronic Recycling	124
(344) PCE Comm Admn Hearing Officer	127
(36A) Fee Administration Non-Haz Clean Up	130

	Page #
Action Required: (467) PCE Commission Expenses	132
Heritage, AR Department of - Administration	133
Action Required: (2JE) Publications	143
(476) Conservation Tax-Amendment 75	146
(482) Director's Office-State Operations	150
Arkansas Arts Council	152
Action Required: (484) Arts Council - State Operations.....	158
(486) Arts Council - Federal Program	161
(943) Arts Council - Cash in Treasury	164
Delta Cultural Center	166
Action Required: (2JF) Delta Cultural Center - Cash in Treasury	172
(922) Delta Cultural Center - State Operations	174
(C14) Delta Cultural Center - Bank Charges Fund	177
Historic Arkansas Museum Commission	179
Action Required: (2JK) Historic Arkansas Museum - Cash in Treasury	185
(496) Historic Arkansas Museum - State Operations	188
(C15) Historic Arkansas Museum - Bank Charges	191
Historic Preservation	192
Action Required: (477) Historic Preservation - Real Estate Transfer Tax	199
(491) Historic Preservation - Federal Program	202
(960) Hist Pres - Main Street - Cash in Treasury	204
Mosaic Templars Cultural Center	206
Action Required: (1MT) Mosaic Templars - State Operations	213
(1XX) Mosaic Templars - Cash in Treasury	216
(C17) Bank Charges Fund.....	219
Natural & Cultural Resources Council	220
Action Required: (2MZ) NCRC - Administration	225
(480) NCRC - State Owned Lands or Historic Sites	228
(481) NCRC - Main Street Program	231
Natural Heritage Commission	232
Action Required: (1AQ) Natural Area Mgmt - Cash in Treasury	238
(1AR) Natural Area Research - Cash in Treasury	241
(493) Natural Heritage - State Operations	244
(494) Natural Heritage - Federal Program	247
(693) Natural Heritage - Land Acquisition	250
Old State House Commission	252
Action Required: (2JG) Old State House - Cash in Treasury	258
(492) Old State House - Operations	260
(C16) Old State House - Bank Charges Fund	263
Military Department, State	264
Action Required: (266) Civilian Student Training Program	274
(268) General Operations.....	277
(269) Military Call-up and Court Martial	280
(270) Federal Training Site	283
(275) Federal Training Site Grant	286
(34Y) Military Family Trust	289
(393) Cash Operations	292
(443) Counter Drug Asset Forfeiture	295

	<u>Page #</u>
Action Required: (455) Military Support Revolving	298
(556) Federal Armory Assistance	300
(575) Fort Chaffee Training Site	302
(576) National Guard Museum	305
(577) AR National Guard Youth Challenge Program	308
(2MS) Ft Chaffee Training Range	311
Veterans Affairs, Department of	312
Action Required: (224) State Operations	324
(225) Veterans' Home Division - State	328
(2QD) Fayetteville Veterans' Home	331
(38R) LR Veterans' Home - Cash In Treasury	334
(38S) Veterans' Cemetery - Cash In Treasury	337
(490) Veterans' Cemetery - State	340
(56T) Veterans' Cemetery Expenses	343
Veterans Child Welfare Service Office	345
Action Required: (064) Vet Child Welfare Operations	349

2008 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>
Disabled Veterans Service Office	\$2	\$0	\$0
Emergency Management, Department of	\$140	\$0	\$1,346
Environmental Quality, AR Department of	\$769	\$0	\$114
Heritage, AR Department of - Administration	\$277	\$0	\$48
Arkansas Arts Council	\$0	\$240	\$0
Historic Arkansas Museum Commission	\$0	\$0	\$1,575
Historic Preservation	\$0	\$0	\$368
Natural Heritage Commission	\$0	\$0	\$252
Military Department, State	\$1,032	\$1,735	\$23,629
Veterans Affairs, Department of	\$354	\$0	\$769
Veterans Child Welfare Service Office	\$4	\$0	\$0

AGENCY POSITION USAGE REPORT

Agency	FY2007 - FY2008						3 YEAR AVERAGE(FY07,FY08,FY09)					
	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
		Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0365 - Disabled Veterans Service Office	1	1	0	1	0	0.00 %	1	1	0	1	0	0.00 %
0995 - Emergency Management, Department of	82	81	1	82	0	1.22 %	80	76	4	80	0	5.00 %
0930 - Environmental Quality, Department of	423	378	45	423	0	10.64 %	422	379	41	420	2	10.19 %
0865 - Heritage, AR Department of - Administration	30	28	2	30	0	6.67 %	30	29	0	29	1	3.33 %
0870 - Arkansas Arts Council	10	10	0	10	0	0.00 %	10	10	0	10	0	0.00 %
0867 - Delta Cultural Center	11	9	2	11	0	18.18 %	11	9	1	10	1	18.18 %
0885 - Historic Arkansas Museum Commission	22	22	0	22	0	0.00 %	22	21	0	21	1	4.55 %
0877 - Historic Preservation	25	25	0	25	0	0.00 %	25	25	0	25	0	0.00 %
0873 - Mosaic Templars Cultural Center	11	6	0	6	5	45.45 %	11	6	1	7	4	45.45 %
0887 - Natural & Cultural Resources Council	1	1	0	1	0	0.00 %	1	1	0	1	0	0.00 %
0880 - Natural Heritage Commission	13	13	0	13	0	0.00 %	13	13	0	13	0	0.00 %
0875 - Old State House Commission	22	22	0	22	0	0.00 %	22	22	0	22	0	0.00 %
0975 - Military Department, State	799	539	34	573	226	32.54 %	792	532	41	573	219	32.83 %
0385 - Veterans Affairs, Department of	216	170	32	202	14	21.30 %	216	161	38	199	17	25.46 %
0380 - Veterans Child Welfare Service Office	3	2	1	3	0	33.33 %	3	2	1	3	0	33.33 %

DISABLED VETERANS SERVICE OFFICE

Enabling Laws

Act 524 of 2007

History and Organization

Act 376 of 1951 provided appropriation to be expended by the Disabled Veterans Service Office for the purpose of assisting wartime veterans, their dependents, widows and orphans in preparation of their claims for benefits from federal, state and local agencies administering entitlements.

The purpose and mission of the Disabled Veterans Service Office is to render effective representation to the above referenced claimants before the Department of Veterans Affairs (DVA) and other governmental agencies. In keeping with the purpose of our creation, we are required to develop and prosecute claims, in writing, in person, and by video/teleconferencing with the agencies which serve our clients. We are the premier method of mass transportation of veterans to and from their outpatient appointments when no other options are available. The Disabled Veterans Service Office is located within the Disabled American Veterans, VA Regional Office, Building 65, Room 121, North Little Rock, AR.

The Disabled Veterans Service Office assists claimants in filing for benefits for:

- | | | |
|----------------------------|---|-------------------------------|
| 1. Compensation | 10. In-home health care | 19. Pre-COVA preparation |
| 2. Pension | 11. Domiciliary entrance | 20. Vocational Rehabilitation |
| 3. Education | 12. Champus/ChampVA | 21. Relief from VA co-pays |
| 4. Hospitalization | 13. Soldiers and Sailors Civil Relief Act | 22. Civil Service Claims |
| 5. Discharge correction | 14. All Arkansas laws affecting veterans | |
| 6. TAP/DTAP | 15. U.S. Insurance Programs | |
| 7. Injuries from treatment | 16. Unemployment Compensation | |
| 8. Injuries from training | 17. Widow's Benefits | |
| 9. Military Retirement | 18. Burial Benefits | |

The table below reflects the Statistical Report for this Agency's activities from July 1, 2006 to May 30, 2008, which reflects nearly \$5 million monthly and over \$144 million on a biennial basis. The table also reflects that the Hospital Transportation Network (HTN) operations are encompassed under the auspices of the Disabled Veterans Service Office. These functions are primarily located in the VA Medical Center, Little Rock and Fayetteville, AR.

<u>Office Statistics</u>	<u>2006-2007</u>	<u>2007-2008</u>
Interviews	6,411	6,770
Rating Board Appearances	6,083	9,974
New Claims	4,773	4,734
Total Awards	7,557	6,842
Cases Reviewed	10,676	14,114
Monthly Entitlements	\$4,771,719	\$4,804,377
Annual Entitlements	* \$73,926,149	* \$71,048,707

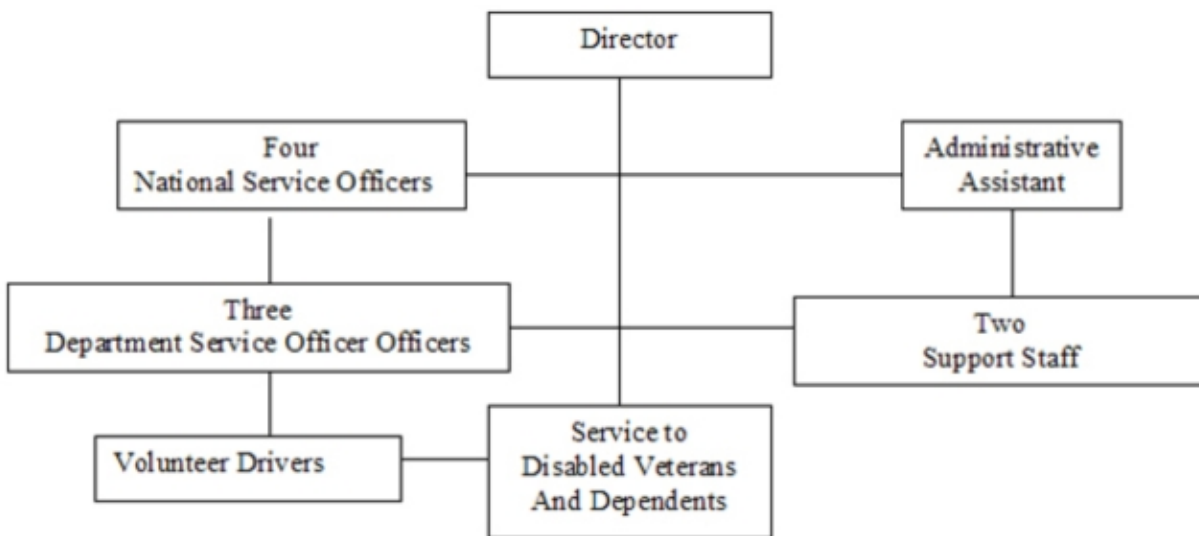
*Annual Entitlements include retro benefits

Hospital Transportation Network

Drivers	100	94
Hours	23,520	21,517
Miles	493,788	427,067
Patients Transported	15,636	11,605

Disabled Transition Assistance

Service Members Interviewed	302	646
Files Reviewed	224	529



Agency Commentary

The Disabled Veterans' Service Office is responsible for ascertaining benefits for veterans, their dependents, widows and orphans. This service is accomplished by assisting such claimants in filing for benefits through the appropriate agency, explaining laws, advising and assisting in procuring and presenting evidence to support such claim, explaining decisions rendered, personally representing claimants in hearings, and preparing briefs in the appeal process before the appropriate agency.

FY2009 appropriation and general revenue funding for this appropriation consists of \$32,583 in Regular Salaries with related Personal Services Matching for one (1) Administrative Specialist II position, as well as for Operating Expenses and Conference and Travel Expenses.

The Disabled Veterans Service Office will maintain all past services rendered as referenced in the History and Organization Section of the presentation and continue to seek new and innovative methods to provide extended service to our clientele. All services listed in the History and Organization Report are to be continued. Maintaining the current level of activity, the Agency brings over \$144 million into the State

each biennium. In addition, volunteer hours provide service work of over \$110,000 to the State's citizens. The Disabled Veterans' Service Office also provides eleven (11) vehicles to the Department of Veterans Affairs, saving over \$102,600 in transportation costs.

Expanding our "outreach" efforts has been a major effort. The Service Officers will continue to travel throughout the State, making 25 local visits to outlying towns and servicing over 1,200 veterans and their families.

The Service Officers Training Conference is an annual event in which all Chapter and County Veterans Service Officers are invited to attend. New benefits that are available are discussed, and training classes are conducted to ensure that these officers are abreast of all regulations. Each Service Officer who successfully completes this training receives "certification" at the end of the conference. Over 100 service officers receive Disabled American Veterans (DAV) Certification on a biennial basis.

In addition to Base Level, the Agency is requesting the following:

- As the demand for our services continues to increase, the cost to provide these services also increases. We are experiencing inflation in prices for office supplies as well as for postage. This agency suffered a tremendous loss when funds had to be transferred from our maintenance and operating account to cover the salary increase and matching expenses. Therefore, this agency seeks restoration in Operating Expenses to the previous level of \$1,850 by requesting an \$846 increase each year of the biennium.
- Funds also had to be transferred out of our Conference and Travel line to cover the salary increase and matching expenses. The primary use of funds in the Conference and Travel line is for the Director to attend the Mid-Winter Conference which is held in Washington D.C. each year. This event is critical in receiving the training necessary to provide veterans with better services. Since all elements of travel are continuously increasing, from gas, room expenses, flights and food, this agency seeks restoration to the previous level of \$1,870 by requesting an \$846 increase each year of the biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DISABLED VETERANS SERVICE OFFICE

FOR THE YEAR ENDED JUNE 30, 2006

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	0	1	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

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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: 052 - Disabled Vets GR-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Disabled Veterans Service Office offers assistance to veterans in the preparation of their claims to the U.S. Government for compensation and other benefits, and is primarily supported by the Disabled American Veterans Service Office. The Office also provides transportation services to veterans for outpatient appointments when no other options are available. The State provides appropriation and general revenue funding for one clerical position, as well as for operating expenses and travel.

Base Level salary for the classified position reflects the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Base Level request includes appropriation and general revenue funding in the amount of \$35,198 in FY2010 and \$35,842 in FY2011 with one (1) Regular position.

The Agency's Change Level Request includes additional appropriation and general revenue funding in the amount of \$1,692 each year and is comprised of the following:

Operating Expenses - Increase in appropriation and general revenue funding in the amount of \$846 each year of the biennium for office supplies. This request will restore the Operating Expenses line item to the 2007-2009 authorized level and provide for escalated operating costs caused by higher prices and increased workload.

Conference and Travel Expenses - Increase in appropriation and general revenue funding in the amount of \$846 each year for travel expenses directly related to the Director's attendance of the Annual State Conference. This request will restore the Conference and Travel Expenses line item to the 2007-2009 biennium authorized level.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 052 - Disabled Vets GR-Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	21,055	21,761	20,827	23,171	23,171	23,171	23,703	23,703	23,703
#Positions	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	9,082	8,794	9,036	9,999	9,999	9,999	10,111	10,111	10,111
Operating Expenses 5020002	1,838	1,004	1,850	1,004	1,850	1,004	1,004	1,850	1,004
Conference & Travel Expenses 5050009	705	1,024	1,870	1,024	1,870	1,024	1,024	1,870	1,024
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	32,680	32,583	33,583	35,198	36,890	35,198	35,842	37,534	35,842
Funding Sources									
General Revenue 4000010	32,680	32,583		35,198	36,890	35,198	35,842	37,534	35,842
Total Funding	32,680	32,583		35,198	36,890	35,198	35,842	37,534	35,842
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	32,680	32,583		35,198	36,890	35,198	35,842	37,534	35,842

Actual and Budget amounts in Regular Salaries and Personal Services Matching exceed Authorized amount due to adjustments during the 2009-2011 biennium.

Change Level by Appropriation

Appropriation: 052 - Disabled Vets GR-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	35,198	1	35,198	100.0	35,842	1	35,842	100.0
C01	Existing Program	1,692	0	36,890	104.8	1,692	0	37,534	104.7

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	35,198	1	35,198	100.0	35,842	1	35,842	100.0
C01	Existing Program	0	0	35,198	100.0	0	0	35,842	100.0

Justification

C01	The Agency requests an increase in appropriation and general revenue funding of \$846 in each year of the biennium for Operating Expenses to cover the costs of office supplies. The Agency also requests an increase in appropriation and general revenue funding of \$846 in each year of the biennium for Conference and Travel Expenses to cover the costs of a training conference and increases in travel costs.
-----	--

DEPARTMENT OF EMERGENCY MANAGEMENT

Enabling Laws

Act 805 of 2007
A.C.A. §12-75-101 et seq.

History and Organization

The Arkansas Department of Emergency Management ("ADEM") initially established as the State Civil Defense Agency by Act 321 of 1953, was first located at Camp Robinson and attached to the Arkansas National Guard for administrative support. In 1957, the Agency relocated from the high-risk war targets of Little Rock and Little Rock AFB to the Conway City Hospital.

Act 156 of 1959 changed the Agency's title to Executive Office of Civil Defense and Disaster Relief. This began an evolutionary process of changing the Agency's function from nuclear war preparedness to preparing local governments and state agencies for an all hazard approach to emergencies and disasters.

In 1965, the Agency moved into an underground facility in Conway. This center provided nearly 100% protection from nuclear fallout and would sustain up to 100 persons for a period of two weeks without any outside sources of power, water, food or other necessities. It is here the Governor and his key staff would come in the event of a nuclear or terrorist attack. The facility is manned 24 hours per day, 7 days a week.

Act 38 of 1971 reorganized all state government agencies into thirteen major departments. This Agency was placed in the Department of Planning. Legislative research revealed a vague relationship with the Department in addition to a poor definition of the Agency's mission and goals.

Act 511 of 1973 changed the Executive Office of Civil Defense and Disaster Relief to the Office of Emergency Services, placed the Agency in the Department of Public Safety and clarified the Agency's mission and responsibilities.

Act 45 of 1981 abolished the Department of Public Safety. Since then, the Office of Emergency Services has been a separate agency reporting directly to the Governor. Act 646 of 1999 changed the Agency's title to Arkansas Department of Emergency Management.

Following the September 11, 2001, terrorist attack on the nation, the Governor designated the ADEM Director as the Homeland Security Adviser for Arkansas, and ADEM as the state administrative agency for Homeland Security.

In June 2007 the Agency moved from the Conway location to the newly built State Emergency Operations Center located on Camp Robinson. The 39,180 sq.ft building is designed to withstand an F4 tornado, contains water supply; emergency power; uninterruptible power supply; chemical filtration for HVAC, bunk capacity, showers; full kitchen facility; and secure communications capability. Additional communications include; Arkansas Wireless Information System, landline telephone, Critical Infrastructure Warning Information Network, Arkansas Crime Information Center, National Warning System, Chemical Stockpile Emergency Prepared Program Hotline, Arkansas Nuclear Headline and Radio Amateur Civil

Emergency Services.

STATUTORY RESPONSIBILITY: The Arkansas Department of Emergency Management is mandated by Act 511 of 1973 (A.C.A. §12-75-101 et seq.) to establish and maintain a management system that, to the extent possible, effectively provides mitigation of and recovery from the effects of natural and man-made (including war) disasters.

PRIMARY ACTIVITIES: The above mandate is accomplished through programs (briefly described below) designed to incorporate an all hazards approach to risks within Arkansas; assist volunteers and other organizations to participate in an all hazards approach to risks within local areas; develop systems and procedures to rapidly deploy mitigation and recovery resources; continually exercise all plans and systems, evaluate results and make modifications; and coordinate the efforts of all organizations to insure an effective response to disasters. The Agency's employees, in addition to taking care of their daily activities as program managers, planners, accountants, administrative assistants, etc., must respond to disasters anywhere in the state with very little notice. They work under minimum supervision to provide direct support for response and recovery activities.

HOMELAND SECURITY - The Governor has designated the Agency Director as Arkansas' Homeland Security Adviser. Administration of the State's Homeland Security Program as well as management and administrative responsibilities for all grants received from the Department of Homeland Security/FEMA have been assigned to the Arkansas Department of Emergency Management.

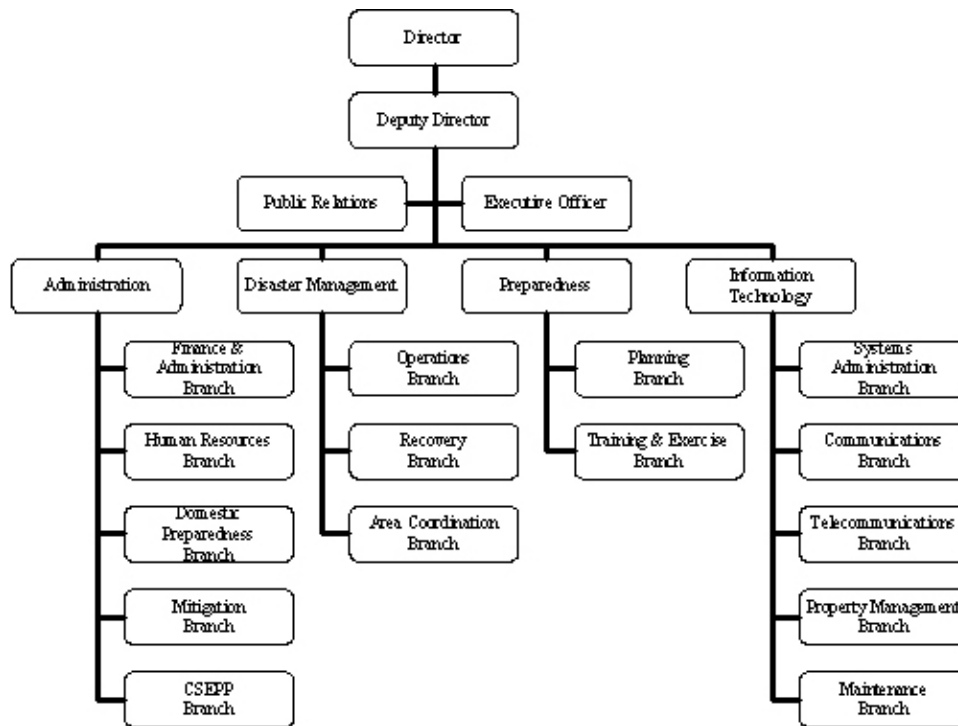
EMERGENCY OPERATIONS - Maintains a 24/7 watch to receive emergency warnings, reports of occurrences, requests for assistance, and other information; coordinates activities of all forces responding to requests for assistance from local governments; dispatches disaster response teams to make damage surveys and assist local officials in coordination of relief activities; operates a 24-hour a day statewide warning and communications system for alerting state agencies and local governments to the threat or occurrence of natural or man-made disasters. The Agency is the state warning point for the National Warning System (NAWAS). This system is also used to coordinate disaster response activities.

DISASTER ASSISTANCE - Provides state and federal financial assistance to state agencies and local governments for the repair or replacement of public facilities damaged or destroyed by disasters. Provides advice to the Governor, and upon his request, collects the necessary data and prepares his letter to the President requesting federal assistance. Develops and processes local government and nonprofit organization applications to receive federal financial assistance for public damages, hazard mitigation projects as well as residents covered under the Individual and Family Assistance programs.

PREPAREDNESS - Maintains currency of State Emergency Operations Plan. Provides day to day guidance and assistance to local governments and other state agencies in developing and maintaining annexes to support the State in developing and updating emergency operations plans. Provides emergency management training to local and state emergency management personnel through seminars, workshops, conferences, etc. The program also provides emergency preparedness information to schools, industry and other nongovernmental organizations. This program includes exercising all emergency plans and procedures.

INFORMATION TECHNOLOGY - Oversees all of our radio, cellular communications, and automatic data processing equipment. Provides guidance and technical assistance in purchasing, training, and operations of all Automatic Data Processing (ADP), cellular, and radio equipment for this agency and local government emergency management organizations; assists local governments and other state agencies in

obtaining federal funds to purchase and maintain radios, ADP and other emergency equipment.



Agency Commentary

The Arkansas Department of Emergency Management (ADEM) maintains a 24-hour/7-day watch to receive emergency warnings, reports of occurrences, requests for assistance and other information. ADEM's responsibilities include the following: coordinate activities of all forces responding to requests for assistance from local governments, ensure resource coordination for all areas requiring assistance, dispatch preliminary damage assessment teams to affected areas, provide state and federal assistance to state agencies and local governments for the repair or replacement of public facilities damaged or destroyed by natural or man-caused disasters. The Agency also provides advice to the Governor and upon his request, collects the necessary data and prepares his letter for the President requesting federal assistance, provides day-to-day guidance and assistance to local governments of Arkansas in developing and maintaining annexes to support the EOP's (Emergency Operation Plans) and assists local governments in developing and updating local EOPs.

ADEM provides emergency management training to local and state emergency management personnel through seminars, workshops and conferences. ADEM provides emergency information to schools, industry and other non-governmental organizations, maintains numerous information and telecommunications systems necessary to coordinate disaster response and recovery efforts, provides funding, guidance and technical assistance and in some cases full support to outside organizations related to these systems. At this time ADEM is approximately 85% federally funded, so grant management and administration is vital to the programs provided by ADEM.

Disasters appear to be on the rise as shown by Hurricane Katrina in 2006 and most recently the destruction from tornadoes and flooding that occurred between February and May 2008 which left 62 of our 75 counties with a disaster declaration and three federally declared disasters in as many months. A federal declaration brings additional federal dollars into the state for assistance in the form of Individual Assistance, Public Assistance and Mitigation Grants.

ADEM employees in addition to being planners, accountants, administrative assistants, etc. taking care of the daily duties, must respond to disasters anywhere in the State with little notice. They work under minimum supervision to provide direct support for recovery activities.

Following the September 11, 2001, terrorist attack on the Nation, the Governor designated the ADEM Director as Arkansas' Homeland Security Adviser. Administrative responsibilities for Homeland Security and the grants provided from the Department of Homeland Security/FEMA have been assigned to the Arkansas Department of Emergency Management.

In order for this Agency to move forward in catastrophic planning, increase the level of preparedness for all training statewide and meet the increased demands of Homeland Security, we request the following:

Homeland Security (1EM) reflects a net increase in appropriation for 2010 in the amount of \$331,115; of this amount \$25,000 is requested for Capital Outlay which would be a match of 75% federal and 25% general revenue. The remaining \$320,000 is requested as 100% general revenue to support the installation and operation of seismic stations in Arkansas. The overall amount of additional general revenue requested for 2010 is \$323,279. The overall increase in 2011 is \$25,000 for Capital Outlay, which would be a match of 75% federal and 25% general revenue, therefore creating a request for additional general revenue for 2011 in the amount of \$6,250.

State Operations (219) reflects an increase in Regular Salaries & Personal Services Matching of \$109,536 in 2010 and \$111,702 in 2011 for 3 new positions; and increases in Operating Expenses of \$284,565 in 2010 and \$492,637 in 2011 for operations increases. The operational costs will be matched 50% federal, 50% general revenue. This request is due to an anticipated increase in federal funding that will require a 50% state match. The personnel funds (\$109,536 for 2010 and \$111,702 for 2011) are being requested at 100% general revenue with no federal match.

Federal Operations (220) reflects an increase of \$6,126,567 in 2010 and a \$1,711,118 decrease in 2011 that includes Operating Expenses and Capital Outlay. There is also an increase in the commitment item Grants and Aid in the amount of \$4,819,595 for 2010 and a decrease in the amount of \$3,535,405 in Grants and Aid in 2011. The increases and decreases are due to the anticipated federal grant funding amounts. This appropriation is 100% federally funded.

Disaster Relief Grants (221) reflects an increase of \$844,452 each year. This increase is necessary to provide additional assistance and maintain an adequate level of readiness to respond to disasters. This appropriation is federally funded.

Emergency Operations Center - Cash (38V) is a new appropriation beginning with FY2009 and continuing into the biennium. This appropriation totaling \$222,906 in 2010 and \$367,906 in 2011 is requested to utilize funding received from the sale of the Emergency Operations Center facility located in Conway. These funds will be used for projects related to the new EOC.

Hazardous Materials (613) reflects an increase of \$166,605 in 2010 and \$167,100 in 2011 to increase training classes associated with hazardous materials. This appropriation is funded with 50% special revenue and 50% federal revenue. The special revenue is a recording fee collected for chemical storage.

Disaster Relief Trust (740) reflects a \$130,000 increase each year to accommodate an increase in funding. The appropriation provides assistance to victims of state or federally declared disasters. Funds

are collected through donations and the Arkansas Income Tax Check Off Program established by Act 1181 of 1997.

Radiological Emergency Response Grants (950) reflects an increase of \$25,000 in Capital Outlay each year to use in replacing outdated equipment. Funding is received from the Entergy Corporation.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF EMERGENCY MANAGEMENT

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	36	39	75	93 %
Black Employees	0	3	3	4 %
Other Racial Minorities	2	1	3	3 %
Total Minorities			6	7 %
Total Employees			81	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		
N/A	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
1EM Homeland Security	129,627	1	209,050	1	424,997	1	186,524	1	519,639	1	199,639	1	187,873	1	224,988	1	200,988	1
219 State Operations	2,474,957	51	2,821,778	54	2,593,474	52	2,942,011	54	3,672,278	65	3,266,161	59	2,993,182	54	4,049,070	65	3,437,949	59
220 Federal Operations	20,102,838	23	41,567,495	21	43,966,488	23	38,306,187	21	44,432,754	13	44,657,068	18	38,326,205	21	36,615,087	13	36,925,241	18
221 Disaster Relief Grants	10,026,501	3	102,771,423	3	103,222,170	3	102,679,490	3	103,523,942	3	103,523,942	3	102,681,217	3	103,525,669	3	103,525,669	3
38V Emergency Operations Center - Cash	32,614	0	160,000	0	0	0	0	0	222,906	0	222,906	0	0	0	367,906	0	367,906	0
613 Hazardous Materials	220,390	3	276,581	3	323,886	3	281,934	3	448,539	3	448,539	3	284,680	3	451,780	3	451,780	3
740 Disaster Relief Trust	0	0	220,000	0	220,000	0	220,000	0	350,000	0	350,000	0	220,000	0	350,000	0	350,000	0
950 Radiological Emergency Response Grants	20,126	0	40,000	0	42,000	0	15,000	0	40,000	0	40,000	0	15,000	0	40,000	0	40,000	0
Total	33,007,053	81	148,066,327	82	150,793,015	82	144,631,146	82	153,210,058	85	152,708,255	84	144,708,157	82	145,624,500	85	145,299,533	84

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	543,887	1.6	614,366	0.4	614,678	0.4	614,678	0.4	614,678	0.4	840,041	0.6	450,530	0.3	450,530	0.3
General Revenue	4000010	1,358,282	4.0	1,378,653	0.9	1,429,538	1.0	2,172,719	1.4	1,494,542	1.0	1,453,929	1.0	2,065,003	1.4	1,570,951	1.1
Federal Revenue	4000020	31,449,041	93.5	146,129,539	98.3	142,891,971	98.2	150,183,191	97.7	150,140,423	98.2	142,943,465	97.9	142,558,728	97.7	142,492,090	98.0
Special Revenue	4000030	143,251	0.4	138,447	0.1	145,000	0.1	145,000	0.1	145,000	0.1	145,000	0.1	145,000	0.1	145,000	0.1
Cash Fund	4000045	105,663	0.3	160,000	0.1	155,000	0.1	155,000	0.1	155,000	0.1	367,906	0.3	367,906	0.3	367,906	0.3
Trust Fund	4000050	0	0.0	220,000	0.1	220,000	0.2	350,000	0.2	350,000	0.2	220,000	0.2	350,000	0.2	350,000	0.2
M & R Sales	4000340	6,295	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from DHS-Div of Hlth	4000511	15,000	0.0	40,000	0.0	15,000	0.0	40,000	0.0	40,000	0.0	15,000	0.0	40,000	0.0	40,000	0.0
Total Funds		33,621,419	100.0	148,681,005	100.0	145,471,187	100.0	153,660,588	100.0	152,939,643	100.0	145,985,341	100.0	145,977,167	100.0	145,416,477	100.0
Excess Appropriation/(Funding)		(614,366)		(614,678)		(840,041)		(450,530)		(231,388)		(1,277,184)		(352,667)		(116,944)	
Grand Total		33,007,053		148,066,327		144,631,146		153,210,058		152,708,255		144,708,157		145,624,500		145,299,533	

Variances in funds balances are due to unfunded appropriation (Appropriations 1EM and 219).

Budget number of positions exceed Authorized number due to the flexibility inherent in the authorization of all positions through one salary section in appropriation acts.

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	
77	69	8	77	0	10.39 %	82	78	4	82	0	4.88 %	82	81	1	82	0	1.22 %

Analysis of Budget Request

Appropriation: 1EM - Homeland Security

Funding Sources: HUA - Miscellaneous Agencies Fund

The Department of Emergency Management has been designated by the federal government to be the administrative agency for the State's share of funding under the Homeland Security Act. The Department of Emergency Management is responsible for informing the general public and individuals involved in emergency response activities and implementing the provisions of the Act for Arkansas. This appropriation provides for the program of emergency preparedness services to state agencies and local governments. The program is funded with 75% federal funds and 25% state funds.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Change Level requests total \$333,115 in FY10 and \$37,115 in FY11 and reflect the following:

- Overtime and Personal Services Matching decrease of \$11,885 each year. The Agency will no longer pay overtime from this appropriation.
- Operating Expenses increase in the amount of \$24,750 in FY10 for the installation and operation of seismic stations.
- Conference and Travel Expenses increase in the amount of \$15,980 in FY10 and \$3,500 in FY11 for the installation and operation of seismic stations.
- Professional Fees increases in the amount of increase in the amount of \$47,080 in FY10 and \$20,500 in FY11 for the installation and operation of seismic stations.
- Capital Outlay in the amount of \$232, 190 in FY10 for the installation and operation of seismic stations and \$25,000 each year for the purchase/replacement of equipment for the Emergency Operations Center.

The Executive Recommendation provides for Base Level; the reduction in Overtime and Personal Services Matching of \$11,885 in appropriation and funding each year per; and an additional \$25,000 each year in appropriation only for Capital Outlay. Appropriation and funding for installation and operation of seismic stations will be addressed through the General Improvement Fund.

Appropriation Summary

Appropriation: 1EM - Homeland Security

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	42,979	44,399	174,765	45,709	45,709	45,709	46,844	46,844	46,844
#Positions		1	1	1	1	1	1	1	1	1
Extra Help	5010001	0	0	10,000	0	0	0	0	0	0
#Extra Help		0	0	1	0	0	0	0	0	0
Personal Services Matching	5010003	13,605	14,438	62,479	15,602	13,717	13,717	15,816	13,931	13,931
Overtime	5010006	1,576	10,000	10,000	10,000	0	0	10,000	0	0
Operating Expenses	5020002	71,467	85,213	87,753	85,213	109,963	85,213	85,213	85,213	85,213
Conference & Travel Expenses	5050009	0	10,000	20,000	10,000	25,980	10,000	10,000	13,500	10,000
Professional Fees	5060010	0	20,000	20,000	20,000	67,080	20,000	20,000	40,500	20,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	15,000	0	0	0	0	0	0
Capital Outlay	5120011	0	25,000	25,000	0	257,190	25,000	0	25,000	25,000
Total		129,627	209,050	424,997	186,524	519,639	199,639	187,873	224,988	200,988
Funding Sources										
General Revenue	4000010	98,283	52,262		46,631	369,910	46,631	46,968	74,247	46,968
Federal Revenue	4000020	31,344	156,788		139,893	149,729	128,008	140,905	150,741	129,020
Total Funding		129,627	209,050		186,524	519,639	174,639	187,873	224,988	175,988
Excess Appropriation/(Funding)		0	0		0	0	25,000	0	0	25,000
Grand Total		129,627	209,050		186,524	519,639	199,639	187,873	224,988	200,988

Change Level by Appropriation

Appropriation: 1EM - Homeland Security
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	186,524	1	186,524	100.0	187,873	1	187,873	100.0
C01	Existing Program	25,000	0	211,524	113.4	25,000	0	212,873	113.3
C02	New Program	320,000	0	531,524	285.0	24,000	0	236,873	126.1
C03	Discontinue Program	(11,885)	0	519,639	278.6	(11,885)	0	224,988	119.8

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	186,524	1	186,524	100.0	187,873	1	187,873	100.0
C01	Existing Program	25,000	0	211,524	113.4	25,000	0	212,873	113.3
C02	New Program	0	0	211,524	113.4	0	0	212,873	113.3
C03	Discontinue Program	(11,885)	0	199,639	107.0	(11,885)	0	200,988	107.0

Justification

C01	Request for the replacement/purchase of equipment to support the Emergency Operations Center.
C02	Request for the installation and operation of seismic stations in Arkansas.
C03	Agency is deleting the Overtime commitment item for this funds center. The Agency will no longer pay overtime from this appropriation.

Analysis of Budget Request

Appropriation: 219 - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

This appropriation represents the State Operations portion of the Department of Emergency Management. The Federal Government provides matching funds for day-to-day (non-disaster) operation of the Agency. The current funding is 50% general revenue and 50% federal funds from Federal Emergency Management Performance Grants.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Change Level requests total \$730,267 in FY10 and \$1,055,888 in FY11 and reflect the following:

Regular Salaries and Personal Services Matching in the amount of \$445,702 in FY10 and \$563,251 in FY11 for two (2) Senior Intelligence Analysts, one (1) Maintenance Analyst, and additional salaries for thirteen (13) existing Base Level positions (8 in FY10 and 5 in FY11) that will no longer be supplemented by the Chemical Stockpile and Emergency Preparedness Program (CSEPP), scheduled to be phased out by FY11.

Extra Help and Personal Services Matching in the amount of \$36,434 each year to be allowed to utilize the Extra Help component of their federal grant funding.

Overtime and Personal Services Matching decrease in the amount of \$11,885 each year. The Agency will no longer pay overtime from this appropriation.

Operating Expenses increase in the amount of \$173,566 in FY10 and \$369,300 in FY11 for costs previously paid from CSEPP funding.

Conference and Travel Expenses increase in the amount of \$450 in FY10 and \$2,788 in FY11 for costs previously paid from CSEPP funding.

Reallocation of Resources in the amount of \$3,000 from Conference and Travel Expenses to Operating Expenses to properly classify expenses.

Professional Fees increase in the amount of \$61,000 in FY10 and \$71,000 in FY11 to consolidate several building maintenance contracts and for costs previously paid from CSEPP funding.

Capital Outlay increase in the amount of \$25,000 each year for the purchase/replacement of equipment for the Emergency Operations Center.

The Executive Recommendation provides for Base Level, with the following changes:

Unfunded appropriation of \$205,925 in FY10 and \$222,087 in FY11 for Regular Salaries and Personal Services Matching associated with two new Senior Intelligence Analyst positions and three (3) positions previously supplemented by the CSEPP Program.

Overtime and Personal Services Matching decrease of \$11,885 each year in appropriation and general revenue funding.

Reallocation of Resources of \$3,000 from Conference and Travel Expenses to Operating Expenses to properly classify expenses.

Operating Expenses increase of \$88,385 in FY10 and \$186,671 in FY11 in appropriation with general revenue funding of \$43,504 in FY10 and \$93,022 in FY11.

Conference and Travel Expenses decrease of \$1,275 in FY10 and \$106 in FY11 in appropriation and general revenue funding.

Professional Fees increase of \$30,500 in FY10 and \$35,500 in FY11 in appropriation and 1/2 of these amounts additional general revenue funding (\$15,250 in FY10;\$17,750 in FY11).

Capital Outlay increase of \$12,500 each year in appropriation and 1/2 of these amounts additional general revenue funding (\$6,250 each year).

In summary, the Executive Recommendation provides for appropriation of \$324,150 in FY10 and \$444,767 in FY11 and funding of \$130,008 in FY10 and \$234,044 in FY11, split 50% general revenue / 50% federal revenue each year, thus leaving unfunded appropriation of \$194,142 in FY10 and \$210,723 in FY11, respectively.

Appropriation Summary

Appropriation: 219 - State Operations
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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,563,091	1,855,851	1,617,460	1,937,945	2,268,182	2,092,181	1,981,003	2,399,421	2,138,111
#Positions		51	54	52	54	65	59	54	65	59
Extra Help	5010001	0	0	1,200	0	33,785	0	0	33,785	0
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	542,671	570,961	551,787	634,100	750,329	683,904	642,213	787,810	705,307
Overtime	5010006	8,686	10,000	10,000	10,000	0	0	10,000	0	0
Operating Expenses	5020002	319,202	328,598	328,627	328,598	502,164	416,983	328,598	697,898	515,269
Conference & Travel Expenses	5050009	14,378	11,368	14,400	11,368	11,818	10,093	11,368	14,156	11,262
Professional Fees	5060010	17	20,000	20,000	20,000	81,000	50,500	20,000	91,000	55,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	26,912	25,000	50,000	0	25,000	12,500	0	25,000	12,500
Total		2,474,957	2,821,778	2,593,474	2,942,011	3,672,278	3,266,161	2,993,182	4,049,070	3,437,949
Funding Sources										
General Revenue	4000010	1,259,999	1,326,391		1,382,907	1,802,809	1,447,911	1,406,961	1,990,756	1,523,983
Federal Revenue	4000020	1,208,663	1,495,387		1,559,104	1,869,469	1,624,108	1,586,221	2,058,314	1,703,243
M & R Sales	4000340	6,295	0		0	0	0	0	0	0
Total Funding		2,474,957	2,821,778		2,942,011	3,672,278	3,072,019	2,993,182	4,049,070	3,227,226
Excess Appropriation/(Funding)		0	0		0	0	194,142	0	0	210,723
Grand Total		2,474,957	2,821,778		2,942,011	3,672,278	3,266,161	2,993,182	4,049,070	3,437,949

FY09 Budgeted amounts in Regular Salaries and Personal Services Matching exceed the Authorized amounts due to salary and matching rate adjustments during the 2007-2009 biennium.

Budget number of positions exceed Authorized number due to the flexibility inherent in the authorization of all positions through one salary section in appropriation acts.

Change Level by Appropriation

Appropriation: 219 - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	2,942,011	54	2,942,011	100.0	2,993,182	54	2,993,182	100.0
C01	Existing Program	61,434	0	3,003,445	102.1	61,434	0	3,054,616	102.1
C02	New Program	109,537	3	3,112,982	105.8	111,701	3	3,166,317	105.8
C03	Discontinue Program	(12,805)	0	3,100,177	105.4	(12,805)	0	3,153,512	105.4
C04	Reallocation	0	0	3,100,177	105.4	0	0	3,153,512	105.4
C07	Agency Transfer	572,101	8	3,672,278	124.8	895,558	8	4,049,070	135.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	2,942,011	54	2,942,011	100.0	2,993,182	54	2,993,182	100.0
C01	Existing Program	12,500	0	2,954,511	100.4	12,500	0	3,005,682	100.4
C02	New Program	79,731	2	3,034,242	103.1	81,327	2	3,087,009	103.1
C03	Discontinue Program	(12,805)	0	3,021,437	102.7	(12,805)	0	3,074,204	102.7
C04	Reallocation	0	0	3,021,437	102.7	0	0	3,074,204	102.7
C07	Agency Transfer	244,724	3	3,266,161	111.0	363,745	3	3,437,949	114.9

Justification

C01	Extra Help increase in the amount of \$33,785 each year. Personal Services Matching increase in the amount of \$2,649 each year. Request for Capital Outlay in the amount of \$25,000 each year.
C02	Regular Salaries and Personal Services Matching for 3 new positions; 2 Senior Intelligence Analysts and 1 Maintenance Assistant.
C03	Discontinue appropriation for Overtime (\$10,000) and associated Personal Services Matching (\$1,885). Balance of reduction in appropriation for re-alignment of budget to anticipated expenditure levels.
C04	Reallocation in the amount of \$3,000 from Conference and Travel Expenses to Operating Expenses to properly classify expenses.
C07	Increases in expenses are the result of the phase-out of the Chemical Stockpile Emergency Preparedness Program during FY10 and FY11. Federal funds were made available under CSEPP to pay for positions and a portion of the operating expenses of the Emergency Operations Center. These expenses will now need to be paid from the Agency's State Operations appropriation.

Analysis of Budget Request

Appropriation: 220 - Federal Operations

Funding Sources: FKA - ADEM Federal

This appropriation represents the Federal Operations portion of the Emergency Services Program. This appropriation is fully funded with federal funds made available by the Federal Emergency Management Agency (FEMA).

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Change Level requests total a \$6,126,567 increase in FY10 and a \$1,711,118 decrease in FY11 and reflect the following:

Regular Salaries and Personal Services Matching decrease of \$335,271 in FY10 and \$450,656 in FY11 resulting from the transfer of eight (8) positions to State Operations (Appropriation 219) which will no longer be paid from the Chemical Stockpile Emergency Preparedness Program (CSEPP) beginning in FY10.

Extra Help and Personal Services Matching increase of \$146,876 each year to be allowed to utilize the extra help component of their federal grant funding.

Overtime and Personal Services Matching decrease of \$29,713 each year. The Agency will no longer pay overtime from this appropriation.

Operating Expenses increase of \$128,100 in FY10 and \$130,800 in FY11 for anticipated increases in funding from Department of Homeland Security grants.

Conference and Travel Expenses increase of \$41,980 each year for anticipated increases in funding from Department of Homeland Security grants.

Professional Fees decrease of \$15,000 each year due to loss of federal funding from CSEPP.

Grants and Aid increase of \$4,189,595 in FY10 and a decrease of \$3,535,405 in FY11 for anticipated funding from Department of Homeland Security grants.

Capital Outlay increase of \$2,000,000 each year for the purchase/replacement of equipment for the Emergency Operations Center.

The Executive Recommendation provides for the Agency Request with the exception of five (5) of the eight (8) positions to be transferred to State Operations (Appropriation 219). These five (5) positions are recommended as Base Level.

Appropriation Summary

Appropriation: 220 - Federal Operations

Funding Sources: FKA - ADEM Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	727,931	785,409	780,185	826,121	575,710	730,387	842,963	506,193	745,701
#Positions	23	21	23	21	13	18	21	13	18
Extra Help 5010001	0	20,000	20,000	20,000	156,438	156,438	20,000	156,438	156,438
#Extra Help	0	4	4	4	4	4	4	4	4
Personal Services Matching 5010003	251,031	247,160	270,933	280,140	201,005	270,642	283,316	175,155	245,801
Overtime 5010006	13,681	25,000	25,000	25,000	0	0	25,000	0	0
Operating Expenses 5020002	921,760	875,217	734,908	620,217	748,317	748,317	620,217	751,017	751,017
Conference & Travel Expenses 5050009	174,750	173,800	203,832	143,800	185,780	185,780	143,800	185,780	185,780
Professional Fees 5060010	1,238,278	1,145,000	1,198,060	1,095,000	1,080,000	1,080,000	1,095,000	1,080,000	1,080,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	16,264,606	35,295,909	37,733,570	35,295,909	39,485,504	39,485,504	35,295,909	31,760,504	31,760,504
Capital Outlay 5120011	510,801	3,000,000	3,000,000	0	2,000,000	2,000,000	0	2,000,000	2,000,000
Total	20,102,838	41,567,495	43,966,488	38,306,187	44,432,754	44,657,068	38,326,205	36,615,087	36,925,241
Funding Sources									
Federal Revenue 4000020	20,102,838	41,567,495		38,306,187	44,432,754	44,657,068	38,326,205	36,615,087	36,925,241
Total Funding	20,102,838	41,567,495		38,306,187	44,432,754	44,657,068	38,326,205	36,615,087	36,925,241
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	20,102,838	41,567,495		38,306,187	44,432,754	44,657,068	38,326,205	36,615,087	36,925,241

FY08 Actual amounts in Operating Expenses and Professional Fees exceed Authorized amounts due to a transfer from the Miscellaneous Federal Grant Holding Account.

FY09 Budgeted amount in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.

FY09 Budgeted amount in Operating Expenses exceeds Authorized amounts due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

Appropriation: 220 - Federal Operations

Funding Sources: FKA - ADEM Federal

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	38,306,187	21	38,306,187	100.0	38,326,205	21	38,326,205	100.0
C01	Existing Program	7,116,230	0	45,422,417	118.6	2,518,930	0	40,845,135	106.6
C02	New Program	2,510,700	0	47,933,117	125.1	2,510,700	0	43,355,835	113.1
C03	Discontinue Program	(2,928,898)	0	45,004,219	117.5	(5,845,826)	0	37,510,009	97.9
C04	Reallocation	0	0	45,004,219	117.5	0	0	37,510,009	97.9
C07	Agency Transfer	(571,465)	(8)	44,432,754	116.0	(894,922)	(8)	36,615,087	95.5

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	38,306,187	21	38,306,187	100.0	38,326,205	21	38,326,205	100.0
C01	Existing Program	7,116,230	0	45,422,417	118.6	2,518,930	0	40,845,135	106.6
C02	New Program	2,510,700	0	47,933,117	125.1	2,510,700	0	43,355,835	113.1
C03	Discontinue Program	(2,928,898)	0	45,004,219	117.5	(5,845,826)	0	37,510,009	97.9
C04	Reallocation	0	0	45,004,219	117.5	0	0	37,510,009	97.9
C07	Agency Transfer	(347,151)	(3)	44,657,068	116.6	(584,768)	(3)	36,925,241	96.3

Justification

C01	Increases requested in anticipation of funding from Department of Homeland Security Grants.
C02	Increases requested in anticipation of new Department of Homeland Security Grants.
C03	Decreases are the result of the phase-out of the Chemical Stockpile Emergency Preparedness Program during FY10 and FY11.
C04	Reallocation in the amount of \$27,700 from Conference and Travel Expenses to Operating Expenses to properly classify expenses.
C07	Decreases are the result of the phase-out of the Chemical Stockpile Emergency Preparedness Program during FY10 and FY11.

Analysis of Budget Request

Appropriation: 221 - Disaster Relief Grants

Funding Sources: FMD - ADEM - Disaster Relief Fund

The Federal Disaster Relief Grants program is funded with 100% federal funds. Funding is made available to the State when the President declares a disaster due to natural or man-made causes. This appropriation is for assistance granted to state and local governments and nonprofit organizations in their efforts to restore public facilities after a disaster has occurred.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Change Level requests total a \$844,452 each year and reflect the following:

Extra Help and Personal Services Matching of \$620,890 each year to be allowed to utilize the Extra help component of federal grant funding.

Overtime and Personal Services Matching of \$148,562 each year. The Agency intends to make all overtime payments from this appropriation.

Grants and Aid of \$50,000 each year for anticipated federal funding increases.

Capital Outlay of \$25,000 each year for the purchase/replacement of equipment for the Emergency Operations Center.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 221 - Disaster Relief Grants
Funding Sources: FMD - ADEM - Disaster Relief Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	85,863	94,269	165,661	97,467	97,467	97,467	98,918	98,918	98,918
#Positions		3	3	3	3	3	3	3	3	3
Extra Help	5010001	16,646	50,000	50,000	50,000	625,751	625,751	50,000	625,751	625,751
#Extra Help		3	16	15	16	16	16	16	16	16
Personal Services Matching	5010003	31,542	41,561	70,916	46,430	115,131	115,131	46,706	115,407	115,407
Overtime	5010006	23,370	50,000	50,000	50,000	175,000	175,000	50,000	175,000	175,000
Operating Expenses	5020002	3,156	63,848	63,848	63,848	63,848	63,848	63,848	63,848	63,848
Conference & Travel Expenses	5050009	6,542	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500
Professional Fees	5060010	0	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	9,654,065	102,297,245	102,647,245	102,297,245	102,347,245	102,347,245	102,297,245	102,347,245	102,347,245
Capital Outlay	5120011	205,317	100,000	100,000	0	25,000	25,000	0	25,000	25,000
Total		10,026,501	102,771,423	103,222,170	102,679,490	103,523,942	103,523,942	102,681,217	103,525,669	103,525,669
Funding Sources										
Federal Revenue	4000020	10,026,501	102,771,423		102,679,490	103,523,942	103,523,942	102,681,217	103,525,669	103,525,669
Total Funding		10,026,501	102,771,423		102,679,490	103,523,942	103,523,942	102,681,217	103,525,669	103,525,669
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		10,026,501	102,771,423		102,679,490	103,523,942	103,523,942	102,681,217	103,525,669	103,525,669

FY09 Budget number of Extra Help Positions exceeds the Authorized number due to the flexibility afforded the Agency in Act 805 of 2007, Section 14.

Change Level by Appropriation

Appropriation: 221 - Disaster Relief Grants
Funding Sources: FMD - ADEM - Disaster Relief Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	102,679,490	3	102,679,490	100.0	102,681,217	3	102,681,217	100.0
C01	Existing Program	844,452	0	103,523,942	100.8	844,452	0	103,525,669	100.8

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	102,679,490	3	102,679,490	100.0	102,681,217	3	102,681,217	100.0
C01	Existing Program	844,452	0	103,523,942	100.8	844,452	0	103,525,669	100.8

Justification

C01	Increases requested in anticipation of funding from Department of Homeland Security Grants.								
-----	---	--	--	--	--	--	--	--	--

Analysis of Budget Request

Appropriation: 38V - Emergency Operations Center - Cash

Funding Sources: NEM - Sale of Conway EOC - Cash in Treasury

This Cash in Treasury funded appropriation will be used to supplement operations and equipment expenses for the new Emergency Operations Center located at Camp Robinson. Funding comes from installment payments from the sale of the old Emergency Operations Center in Conway.

The Agency is requesting \$222,906 in FY10 and \$367,906 in FY11 in the EOC Expenses line item to utilize funding received from installment payments on the sale of the old Emergency Operations Center in Conway.

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

Appropriation Summary

Appropriation: 38V - Emergency Operations Center - Cash
Funding Sources: NEM - Sale of Conway EOC - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
EOC Expenses 5900046	32,614	160,000	0	0	222,906	222,906	0	367,906	367,906
Total	32,614	160,000	0	0	222,906	222,906	0	367,906	367,906
Funding Sources									
Fund Balance 4000005	0	67,906		67,906	67,906	67,906	222,906	0	0
Cash Fund 4000045	100,520	160,000		155,000	155,000	155,000	367,906	367,906	367,906
Total Funding	100,520	227,906		222,906	222,906	222,906	590,812	367,906	367,906
Excess Appropriation/(Funding)	(67,906)	(67,906)		(222,906)	0	0	(590,812)	0	0
Grand Total	32,614	160,000		0	222,906	222,906	0	367,906	367,906

FY08 Actual amounts and FY09 Budget amounts exceed Authorized amounts due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 38V - Emergency Operations Center - Cash
Funding Sources: NEM - Sale of Conway EOC - Cash in Treasury

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C02	New Program	222,906	0	222,906	100.0	367,906	0	367,906	100.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C02	New Program	222,906	0	222,906	100.0	367,906	0	367,906	100.0

Justification

C02	Authority for appropriation established by a transfer from the DFA Cash Fund Holding Account in FY08 and FY09. Request for increases will allow Agency to spend funds received from sale of old Emergency Operations Center in Conway.
-----	--

Analysis of Budget Request

Appropriation: 613 - Hazardous Materials

Funding Sources: SMH - Hazardous Materials Emerg Mgmt

The State Office of Hazardous Materials Emergency Management, established by Act 634 of 1995, implements and enacts emergency planning and supports local emergency planning committees in response and recovery actions related to hazardous/toxic accidents occurring within the State. This appropriation is 50% funded from special revenues collected through annual fees levied on owners of hazardous storage facilities throughout the state and 50% federal matching funds. The Agency is using information obtained from inventory reports to compile a database of hazardous material storage which is made available to local authorities.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Change Level requests total \$166,605 in FY10 and \$167,100 in FY11 and reflect the following:

Extra Help and Personal Services Matching of \$34,700 each year. The Agency receives federal funding for Extra Help as a component of its grants but has never requested adequate appropriation.

Overtime and Personal Services Matching decrease of \$4,753 each year. The Agency will no longer pay overtime from this appropriation.

Operating Expenses increase of \$85,760 in FY10 and \$86,255 in FY11 for anticipated new federal funding from Department of Transportation training programs.

Conference and Travel Expenses increase of \$31,000 each year for anticipated new federal funding from Department of Transportation training programs.

Reallocation of Resources from Operating Expenses to Conference and Travel Expenses of \$600 each year to properly classify expenditures.

Professional Fees increase of \$19,900 each year for anticipated new federal funding from Department of Transportation training programs.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 613 - Hazardous Materials
Funding Sources: SMH - Hazardous Materials Emerg Mgmt

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	87,867	95,232	120,733	97,440	97,440	97,440	99,750	99,750	99,750
#Positions	3	3	3	3	3	3	3	3	3
Extra Help 5010001	0	0	4,000	0	32,176	32,176	0	32,176	32,176
#Extra Help	0	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	31,129	31,274	45,245	34,419	36,188	36,188	34,855	36,624	36,624
Overtime 5010006	1,997	4,000	4,000	4,000	0	0	4,000	0	0
Operating Expenses 5020002	75,889	86,375	90,208	86,375	172,135	172,135	86,375	172,630	172,630
Conference & Travel Expenses 5050009	14,066	29,792	29,792	29,792	60,792	60,792	29,792	60,792	60,792
Professional Fees 5060010	9,442	19,908	19,908	19,908	39,808	39,808	19,908	39,808	39,808
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	220,390	276,581	323,886	281,934	448,539	448,539	284,680	451,780	451,780
Funding Sources									
Fund Balance 4000005	432,601	435,157		435,469	435,469	435,469	505,832	339,227	339,227
Federal Revenue 4000020	79,695	138,446		207,297	207,297	207,297	208,917	208,917	208,917
Special Revenue 4000030	143,251	138,447		145,000	145,000	145,000	145,000	145,000	145,000
Total Funding	655,547	712,050		787,766	787,766	787,766	859,749	693,144	693,144
Excess Appropriation/(Funding)	(435,157)	(435,469)		(505,832)	(339,227)	(339,227)	(575,069)	(241,364)	(241,364)
Grand Total	220,390	276,581		281,934	448,539	448,539	284,680	451,780	451,780

Change Level by Appropriation

Appropriation: 613 - Hazardous Materials
Funding Sources: SMH - Hazardous Materials Emerg Mgmt

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	281,934	3	281,934	100.0	284,680	3	284,680	100.0
C01	Existing Program	34,698	0	316,632	112.3	34,698	0	319,378	112.2
C02	New Program	136,660	0	453,292	160.8	137,155	0	456,533	160.4
C03	Discontinue Program	(4,753)	0	448,539	159.1	(4,753)	0	451,780	158.7
C04	Reallocation	0	0	448,539	159.1	0	0	451,780	158.7

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	281,934	3	281,934	100.0	284,680	3	284,680	100.0
C01	Existing Program	34,698	0	316,632	112.3	34,698	0	319,378	112.2
C02	New Program	136,660	0	453,292	160.8	137,155	0	456,533	160.4
C03	Discontinue Program	(4,753)	0	448,539	159.1	(4,753)	0	451,780	158.7
C04	Reallocation	0	0	448,539	159.1	0	0	451,780	158.7

Justification

C01	Extra Help increase in the amount of \$32,176 each year. Personal Services Matching increase in the amount of \$2,522 each year.
C02	Increases requested in anticipation of new federal funding from Department of Transportation training programs.
C03	Discontinue appropriation for Overtime (\$4,000) and associated Personal Services Matching (\$753).
C04	Reallocation in the amount of \$600 from Operating Expenses to Conference and Travel Expenses to properly classify expenses.

Analysis of Budget Request

Appropriation: 740 - Disaster Relief Trust

Funding Sources: TDR - Disaster Relief Program Trust

The Arkansas Disaster Relief Program provides assistance to victims of state and/or federally declared disasters. These are funds collected through donations and the Arkansas Income Tax Check Off Program established by Act 1181 of 1997.

In addition to Base Level, the Agency is requesting an increase for Grants and Aid in the amount of \$130,000 each year in order to utilize available funds.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 740 - Disaster Relief Trust

Funding Sources: TDR - Disaster Relief Program Trust

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	220,000	220,000	220,000	350,000	350,000	220,000	350,000	350,000
Total	0	220,000	220,000	220,000	350,000	350,000	220,000	350,000	350,000
Funding Sources									
Trust Fund 4000050	0	220,000		220,000	350,000	350,000	220,000	350,000	350,000
Total Funding	0	220,000		220,000	350,000	350,000	220,000	350,000	350,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	220,000		220,000	350,000	350,000	220,000	350,000	350,000

Change Level by Appropriation

Appropriation: 740 - Disaster Relief Trust
Funding Sources: TDR - Disaster Relief Program Trust

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	220,000	0	220,000	100.0	220,000	0	220,000	100.0
C01	Existing Program	130,000	0	350,000	159.1	130,000	0	350,000	159.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	220,000	0	220,000	100.0	220,000	0	220,000	100.0
C01	Existing Program	130,000	0	350,000	159.1	130,000	0	350,000	159.1

Justification

C01	Increase requested in order to spend available funding.
-----	---

Analysis of Budget Request

Appropriation: 950 - Radiological Emergency Response Grants

Funding Sources: NEM - ADEM Radiological Emergency - Cash in Treasury

This appropriation represents the cash fund of the Department of Emergency Management. Funds deposited into this account are received from the Entergy Corporation to provide for program costs to protect Arkansas citizens from accidental releases of radioactive elements from the nuclear power plant near Russellville.

The Agency's Change Level requests totaling \$25,000 each year reflects the following changes:

Capital Outlay in the amount of \$25,000 each year for replacement/purchase of equipment.

Reallocation of Resources from Operating Expenses to Conference and Travel Expenses to properly classify expenditures.

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

Appropriation Summary

Appropriation: 950 - Radiological Emergency Response Grants
Funding Sources: NEM - ADEM Radiological Emergency - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	6,670	6,000	8,000	6,000	5,500	5,500	6,000	5,500	5,500
Conference & Travel Expenses	5050009	1,137	9,000	9,000	9,000	9,500	9,500	9,000	9,500	9,500
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	12,319	25,000	25,000	0	25,000	25,000	0	25,000	25,000
Total		20,126	40,000	42,000	15,000	40,000	40,000	15,000	40,000	40,000
Funding Sources										
Fund Balance	4000005	111,286	111,303		111,303	111,303	111,303	111,303	111,303	111,303
Cash Fund	4000045	5,143	0		0	0	0	0	0	0
Transfer from DHS-Div of Hlth	4000511	15,000	40,000		15,000	40,000	40,000	15,000	40,000	40,000
Total Funding		131,429	151,303		126,303	151,303	151,303	126,303	151,303	151,303
Excess Appropriation/(Funding)		(111,303)	(111,303)		(111,303)	(111,303)	(111,303)	(111,303)	(111,303)	(111,303)
Grand Total		20,126	40,000		15,000	40,000	40,000	15,000	40,000	40,000

Change Level by Appropriation

Appropriation: 950 - Radiological Emergency Response Grants
Funding Sources: NEM - ADEM Radiological Emergency - Cash in Treasury

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	15,000	0	15,000	100.0	15,000	0	15,000	100.0
C01	Existing Program	25,000	0	40,000	266.7	25,000	0	40,000	266.7
C04	Reallocation	0	0	40,000	266.7	0	0	40,000	266.7

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	15,000	0	15,000	100.0	15,000	0	15,000	100.0
C01	Existing Program	25,000	0	40,000	266.7	25,000	0	40,000	266.7
C04	Reallocation	0	0	40,000	266.7	0	0	40,000	266.7

Justification

C01	Increase requested for the purchase/replacement of equipment.
C04	Reallocation in the amount of \$500 from Operating Expenses to Conference and Travel Expenses to properly classify expenses.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Enabling Laws

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 statutes 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, approved or delegated authority from our federal counterparts, primarily the Environmental Protection Agency and the Office of Surface Mining.

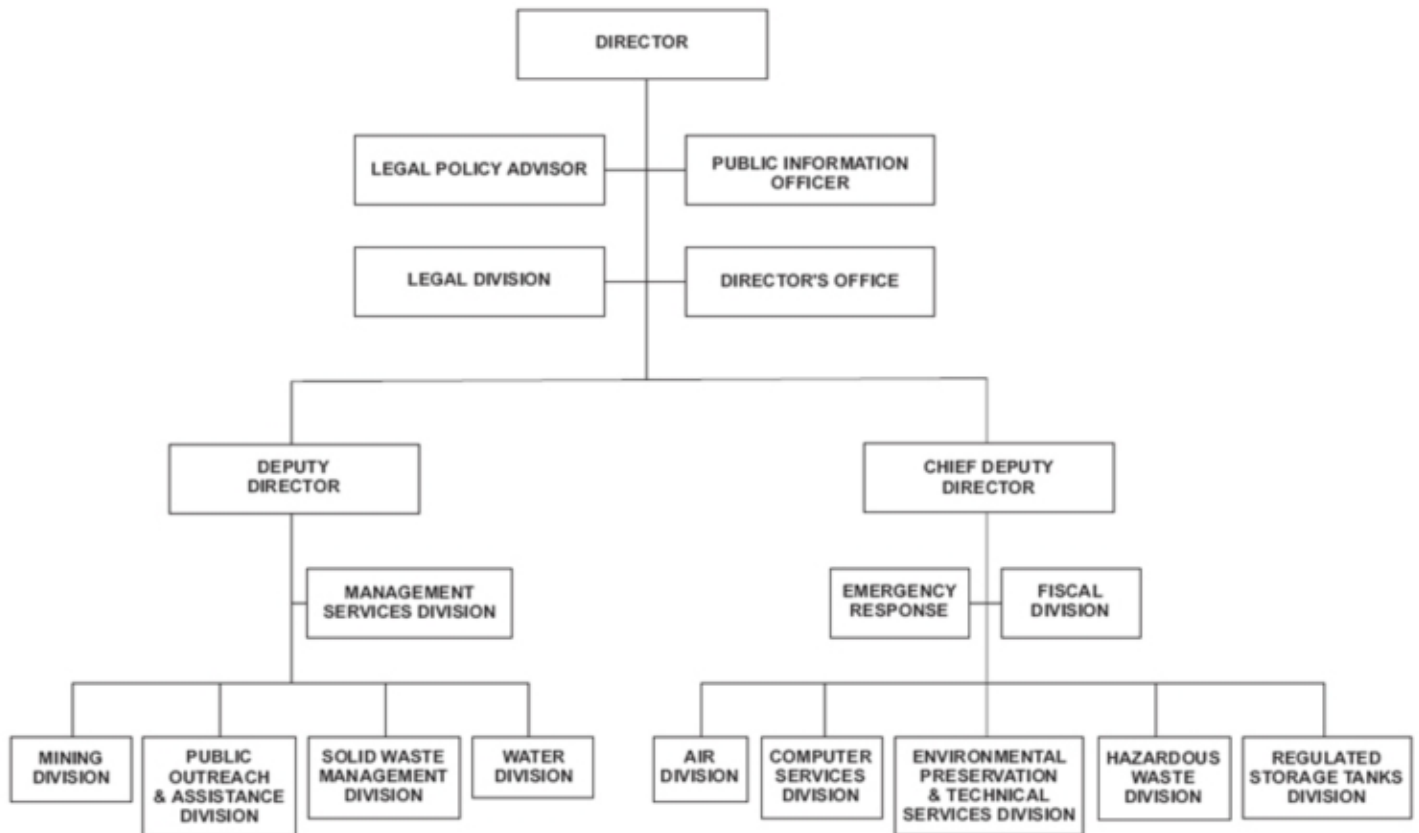
The mission of the Arkansas Department of Environmental Quality is: "To protect, enhance and restore the natural environment for the well-being of all Arkansans." The Agency has a two-part vision of the

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 proactive, 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 interacts with the press; 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.



THIS PAGE LAST UPDATED: 07/14/08

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. Our budget request applies the principles of strategic planning to accomplish state and federal mandates.

During the 2007-09 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	\$1,317,480
Ambient Air Monitoring	\$437,002
Abandoned Mine Program (Admin)	\$383,026
RCRA Hazardous Waste	\$905,000
Permanent Mining Program	\$282,246
604 (b) Water Quality Planning	\$100,000
Underground Injection Control	\$89,000
106 Water Pollution Control	\$2,441,955
Superfund Program	\$4,950,000
Abandoned Mine Reclamation	\$1,515,000
Underground Storage Tanks	\$1,182,644
Asbestos/Lead Programs	\$116,234
Pine Bluff Arsenal	\$300,000
Small, Various Grants	\$605,000
Watershed Programs	\$290,208
TOTAL	\$14,914,795

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, 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	\$5,000,000	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	\$2,500,000	Solid Waste & Recycling Program (Electronic Waste Recycling Infrastructue) (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	HazardousWaste 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	\$37,260,000	

The following paragraphs briefly describe the program's needs requested as changes over the Base Level budget.

The Agency's General Revenue funded appropriation plays a vital role in supporting Agency operations and demonstrating the State's commitment to protecting and enhancing our natural environment, as well as providing match requirements for numerous federal grants. During the 2005-07 biennium, the Agency's General Revenue allocation was reduced to \$2.5 million. Cost of living adjustments increased the allocation to \$2.6 million for the 2007-09 biennium. To offset the loss of General Revenue in the 2005-07 and 2007-09 biennia, funds were transferred from various Agency fee funds. These transfers have significantly reduced balances in these funds to the point of potentially impairing ADEQ's ability to provide state match funds for federal grants and impairing our ability to financially cover the increases we

anticipate experiencing in operating expenses, utilities, and fuel costs in the 2009-11 biennium. Without a modest increase in General Revenue funding, the Agency will have to consider increasing our remaining funding source - fees on the Arkansas businesses we regulate. For the 2009-11 biennium, we are requesting an increase of \$1.5 million each year in the Agency's General Revenue allotment.

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 8-hour ozone non-attainment for Crittenden County, which is located in the Memphis Ozone Non-attainment Area. Re-attainment for Crittenden County was not demonstrated in 2007; therefore, the Environmental Protection Agency issued an ozone non-attainment re-designation for this area from "marginal to moderate."

The Division is also planning for a potential future 8-hour ozone non-attainment designation for the Little Rock-North Little Rock Metropolitan Statistical Area. 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 trust fund (2TX) Capital Outlay appropriation to replace one fleet vehicle each year with a hybrid vehicle. These vehicles will be used by department inspectors to conduct facility inspections and investigate complaints statewide. Additional Capital Outlay is requested to purchase tablet computers for field personnel. Federal (2TQ) Capital Outlay appropriation is requested to purchase tablet computers for field personnel. Special revenue (2UB) Capital Outlay appropriation is requested to purchase tablet computers for field personnel.

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 substantially increased. Reserve pit authorization requests, an indicator of drilling activity, have increased from an average of 182 in years

1997-2003 to 1,024 in 2007 and 815 by mid-2008. The Arkoma basin and south Arkansas continue to be explored and we believe the drilling presence in central Arkansas will likely cause presently undeveloped areas of the Arkoma basin to be developed, further increasing drilling activities 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 General Revenue (2TP) appropriation with associated supporting costs for two inspector positions, one inspector supervisor position, and one enforcement administrator position.

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. The number of impaired stream segments in Arkansas has risen from 189 in 2004 to 344 in 2006 and an expected 442 in 2008.

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. Over the next biennium, EPA will begin to require ADEQ to develop at least 26 TMDLs for impaired stream segments each year which is expected to cost the Agency in excess of an additional \$500,000 per year.

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.

LAND PROGRAM

The Land Program encompasses programs administered through the Agency's Divisions of Hazardous Waste, Surface Mining and Reclamation, Regulated Storage Tanks, and Solid Waste. Each of these divisions has specific statutory authority governing their respective programs, which enhances and protects health and the environment through rulemaking, permitting, compliance monitoring, enforcement, site remediation, while encouraging waste minimization, pollution prevention activities, and clean-up/remediation.

---HAZARDOUS WASTE DIVISION

The Hazardous Waste Division implements two distinctly different programs; the first deals principally with active manufacturing and waste management facilities, the second deals with the investigation and cleanup of hazardous substance sites which are either abandoned or inactive.

The Hazardous Waste Division's Active Sites Branch implements the federal and state hazardous waste

management program goals through a state program authorized by the U.S. Environmental Protection Agency. Specific performance measures include establishing appropriate controls (permits, enforcement orders, or remedial action plans) at targeted waste management facilities, monitoring compliance, providing increased compliance assistance and outreach to industry, small businesses, and the public, and implementing timely, fair, and effective enforcement against violators.

The Division's remedial action program includes hazardous substance site cleanup programs implemented under the federal CERCLA statute (known as "Superfund") and State law, specifically the 1985 Remedial Action Trust Fund Act (RATFA) and the 1997 Voluntary Cleanup Act. These programs are funded by federal grants and State trust funds. Chief among these programs is the implementation and expansion of the State's Voluntary Cleanup and Brownfields Redevelopment programs. The Division will continue to improve and enhance its use of risk management techniques, and will stress strong integration of the technical requirements of all voluntary programs.

The Arkansas Remedial Action Trust Fund Hazardous Substance Site Priority List identifies hazardous sites for which expenditures are authorized from the Hazardous Substance Remedial Action Trust Fund. The site priority list includes (8) National Priority sites, (27) State Priority investigative sites and (24) State Priority remediation sites. State funds supplement federal funds during the investigative and site remediation phase. Upon completion of the site remediation phase, the state assumes 100% of the operations and maintenance costs. During the 2009-11 biennium, many of these sites will progress from the cleanup phase to the operations and maintenance phase. Additional Trust fund (2TZ) Operating Expense appropriation is requested to procure technical services, as required, to maintain remedies undertaken at priority sites. To offset this request the Division is requesting to reallocate (2TZ) Contractual Services appropriation to Operating Expense. Special revenue (2TT) Capital Outlay appropriation is requested to replace one vehicle each year, to replace obsolete tablet computers, printers and purchase high-speed scanners to support ADEQ's document management system.

---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 facility inspections and investigate complaints statewide.

---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, 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 three fleet vehicles each year with a flex-fuel vehicle. These vehicles will be used by Agency inspectors to conduct facility inspections statewide. Additional Capital Outlay is requested to purchase a laser printer and scanner.

---SOLID WASTE MANAGEMENT DIVISION

This Division is responsible for programs necessary to provide for the siting, permitting, and inspection of existing and proposed solid waste management facilities in Arkansas as well as process waste tire and recycling grant disbursements and program management, solid waste operator licensing, landfill post-closure activities, 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, conducts 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 replace obsolete Global Positioning System (GPS) units, tablet computers, laptop computers, and purchase high-speed scanners to support ADEQ's document management system.

Special revenue (2UJ) Capital Outlay appropriation is requested to purchase a laptop computer, and replace audiovisual equipment to enhance the Marketing Board's efforts to develop and provide electronic presentations for use in school and public outreach programs.

Trust fund (2UC) Operating Expenses and Capital Outlay appropriation is requested to purchase materials and supplies for inspectors, replace obsolete Global Positioning System (GPS) units, laptop computers, tablet computers, and high-speed scanners to maintain our electronic filing system. The GPS units are used by field personnel to locate illegal dumps and for inspection purposes.

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. During FY08, the Agency requested a supplemental attorney position whose primary focus was to provide advice to the Director on strategies and public policy positions needed to be more proactive, responsive to federal statutory and regulatory actions, case law at the federal and state level and actions by other states that may have an impact on Arkansas. The Agency requests to restore the Legal Policy Advisor position. Salary and Personal Services Matching appropriation (2TX) is requested to support this position.

The Emergency Section is requesting trust fund (2UA) Capital Outlay appropriation to replace the emergency response vehicle.

---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.

Special revenue (2TX) Operating Expenses appropriations are requested to address increases in utility and fuel costs and support ongoing operations.

---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. Federal (2TQ) Capital Outlay appropriation is requested to replace a tablet computer, and high-speed printer.

---PUBLIC OUTREACH AND ASSISTANCE DIVISION

The Public Outreach and Assistance Division provides 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.

Capital Outlay appropriation is requested to upgrade existing equipment, replace tablet computers, scanners and audio-visual equipment in the Environmental Education Fund (2UK) and special revenue fund (2TX), respectively.

---COMPUTER SERVICES DIVISION

This Division is responsible for designing, developing, and maintaining ADEQ's information technology infrastructure. It is a service oriented support arm of the Agency, which 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 plans to continue utilizing the Performance Partnership Trust fund (2UQ) balance to complete the development and implementation of the integrated information system, which will play 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.

---ENVIRONMENTAL PRESERVATION AND TECHNICAL SERVICES DIVISION

The Environmental Preservation and Technical Services Division is responsible for testing Arkansas' environment and provide 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 analyzers. Trust fund (2TZ) Capital Outlay appropriation is requested to purchase replacement computers, global position systems (GPS), mobile geographic information workstations, and printers.

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 Commission consists of thirteen commissioners, who attend at least one environmental seminar or conference annually. Additional Conference Fees and Travel appropriation is requested to address increases in travel costs related to fuel, lodging and conference registration. The Commission is requesting to reallocate appropriation from Operating Expenses to offset this request.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

Performance Audit Findings

Regulated Storage Tanks – Arkansas Department of Environmental Quality
(July 1, 2005 – June 30, 2006) - Issued 04-11-2008

Findings and Conclusions:

- Late fees were not always assessed in a timely manner.
- Tank owners are allowed to continue business without payment of registration fees. However, non-payment prevents tank owners from receiving Trust Fund assistance if a spill occurs. (Note: Beginning in October 2007, ADEQ was given authority to place a "red tag" on tanks for which the owner has failed to pay registration fees. The red tag indicates the tank is ineligible to receive deliveries of regulated substances.)
- Follow-up inspections were not always performed for non-compliant tanks.
- The federal Environmental Protection Agency snapshot for the Arkansas Underground Storage Tank Trust Fund for fiscal year 2006 projected the fund balance would be sufficient to cover all short and long term liabilities.

Recommendations:

- Late fees be applied to accounts after 30 days and notification be sent immediately to non-compliant tank owners.
- Establish procedures to ensure follow-up inspections are conducted.

Employment Summary

	Male	Female	Total	%
White Employees	188	154	342	90 %
Black Employees	11	22	33	9 %
Other Racial Minorities	1	2	3	1 %
	Total Minorities		36	10 %
	Total Employees		378	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	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2TP ADEQ - State Operations	3,600,472	59	3,919,756	59	3,999,506	59	4,085,444	58	4,405,169	62	4,405,169	62	4,152,606	58	4,382,832	62	4,382,832	62
2TQ ADEQ - Federal Operations	9,751,031	115	17,107,284	117	18,453,323	117	16,637,085	116	16,865,185	116	16,865,185	116	16,763,157	116	16,895,457	116	16,895,457	116
2TR Waste Water Licensing	62,403	1	82,565	1	80,196	1	149,073	2	149,073	2	149,073	2	151,542	2	151,542	2	151,542	2
2TS Land Reclamation	0	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	1,113,634	19	1,363,623	19	1,289,135	19	1,410,053	19	1,440,053	19	1,440,053	19	1,433,630	19	1,463,630	19	1,463,630	19
2TU Reclamation of Abandoned Mines - State	337,021	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	7,740	0	20,000	0	20,000	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	10,813,050	162	13,480,933	164	13,562,379	163	13,852,980	164	14,032,901	165	14,032,901	165	14,022,740	164	14,184,752	165	14,184,752	165
2TY Solid Waste Performance Bonds	5,004	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	1,544,341	3	7,753,955	3	7,747,112	3	7,485,407	3	7,748,605	3	7,748,605	3	7,488,527	3	7,750,567	3	7,750,567	3
2UA Emergency Response Program	121,386	2	479,975	2	475,968	2	487,604	2	517,604	2	517,604	2	489,854	2	489,854	2	489,854	2
2UB Asbestos Control Program	156,123	4	229,094	4	194,681	4	242,823	4	242,823	4	242,823	4	245,272	4	248,472	4	248,472	4
2UC Solid Waste Mgmt/Recycling Prog	4,564,156	20	8,321,361	20	8,304,004	20	8,348,653	20	8,375,653	20	8,374,653	20	8,366,947	20	8,393,947	20	8,392,947	20
2UD Reg. Substance Storage Tank	770,307	19	925,453	19	969,683	19	998,639	19	998,639	19	998,639	19	1,013,216	19	1,013,216	19	1,013,216	19
2UE Petroleum Storage Tank Trust	6,213,363	4	21,797,460	4	22,043,904	4	21,802,660	4	21,802,660	4	21,802,660	4	21,805,610	4	21,805,610	4	21,805,610	4
2UF Regulated Storage Tank Program	349,214	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	586,323	6	7,831,993	6	7,842,737	6	7,846,293	6	7,846,293	6	7,846,293	6	7,853,176	6	7,853,176	6	7,853,176	6
2UH Waste Tire Recycling Program	4,739,529	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	9,669	0	32,001	0	32,001	0	28,876	0	32,376	0	32,376	0	28,876	0	32,376	0	32,376	0
2UK Environmental Education Program	115,771	1	321,016	1	318,378	1	312,711	1	320,711	1	320,711	1	313,922	1	321,922	1	321,922	1
2UM Lead Based Paint Hazard Prog	3,197	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	50,230	0	0	0	0	0	1,100,000	0	1,100,000	0	1,100,000	0	0	0	0	0	0	0
2UP Sm Bus Revolving Loan Prog Exp	33,134	1	54,466	1	58,208	1	57,419	1	57,419	1	57,419	1	58,272	1	58,272	1	58,272	1
2UQ Performance Partnership Syst Exp	184,547	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	519,842	0	0	0	0	0	1,500,000	0	1,500,000	0	1,500,000	0	0	0	0	0	0	0
2US Computer/Electronic Recycling	152,992	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	209,870	2	277,169	3	278,480	3	297,820	3	297,820	3	297,820	3	298,757	3	298,757	3	298,757	3
36A Fee Administration Non-Haz Clean Up	0	0	750,000	0	1,000,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0
467 PCE Commission Expenses	3,966	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	46,018,315	418	104,640,331	423	106,561,922	422	107,300,767	422	108,390,211	427	108,389,211	427	105,143,331	422	106,001,609	427	106,000,609	427

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	66,972,867	50.7	86,133,633	54.3	53,914,885	42.7	53,914,885	41.9	53,914,885	41.9	33,047,799	31.7	33,047,799	31.1	33,047,799	31.1
General Revenue	4000010	2,569,742	1.9	2,636,848	1.7	2,833,730	2.2	4,333,730	3.4	4,333,730	3.4	2,886,809	2.8	4,386,809	4.1	4,386,809	4.1
Federal Revenue	4000020	10,437,266	7.9	26,732,284	16.9	26,262,085	20.8	26,490,185	20.6	26,490,185	20.6	26,388,157	25.3	26,520,457	25.0	26,520,457	25.0
Special Revenue	4000030	27,144,325	20.5	29,183,327	18.4	27,219,797	21.5	27,460,218	21.4	27,460,218	21.4	27,746,720	26.7	27,972,432	26.3	27,972,432	26.3
Trust Fund	4000050	1,795,007	1.4	2,477,348	1.6	3,350,315	2.7	3,643,513	2.8	3,643,513	2.8	2,402,390	2.3	2,664,430	2.5	2,664,430	2.5
Merit Adjustment Fund	4000055	0	0.0	31,194	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Bond Forfeitures	4000120	5,004	0.0	2,970,000	1.9	2,970,000	2.4	2,970,000	2.3	2,970,000	2.3	2,970,000	2.9	2,970,000	2.8	2,970,000	2.8
Interest	4000300	548,378	0.4	554,466	0.3	557,419	0.4	557,419	0.4	557,419	0.4	558,272	0.5	558,272	0.5	558,272	0.5
Investments	4000315	878,535	0.7	342,203	0.2	672,344	0.5	672,344	0.5	672,344	0.5	669,574	0.6	669,574	0.6	669,574	0.6
Loan Repayment	4000330	50,230	0.0	0	0.0	1,100,000	0.9	1,100,000	0.9	1,100,000	0.9	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	82,995	0.1	135,141	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	8,085,649	6.1	7,358,772	4.6	7,319,895	5.8	7,327,895	5.7	7,327,895	5.7	7,301,265	7.0	7,309,265	6.9	7,309,265	6.9
Transfer from Special Revenue	4000565	13,581,950	10.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfers / Adjustments	4000683	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		132,151,948	100.0	158,555,216	100.0	126,335,470	100.0	128,605,189	100.0	128,605,189	100.0	104,105,986	100.0	106,234,038	100.0	106,234,038	100.0
Excess Appropriation/(Funding)		(86,133,633)		(53,914,885)		(19,034,703)		(20,214,978)		(20,215,978)		1,037,345		(232,429)		(233,429)	
Grand Total		46,018,315		104,640,331		107,300,767		108,390,211		108,389,211		105,143,331		106,001,609		106,000,609	

The Budget amounts in Appropriations 2TR, 2TT, 2TZ, 2UA, 2UB, 2UC, and 2UK exceed the Authorized amounts due to salary and matching rate adjustments during the 2007-2009 biennium.

The Actual amounts exceed Authorized amounts in appropriations 2UN and 2UR because they are biennial appropriations.

A one time transfer from Special Revenue was made in appropriation 2TX to move a Special Revenue fund balance of \$13,581,950 into a Trust fund.

Transfers/Adjustments - Special Language allows an annual transfer from various departments into appropriation 2TP if General Revenue funding is unable to cover expenditures.

The fund balances do not flow from FY10 to FY11 due unfunded/contingency appropriation (2TP, 2TZ, 2UC, 2UE, 2UG, 2UH, 2UK, 2UQ, 2US).

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	Total	Total			Total				
420	382	32	414	6	9.05 %	423	377	46	423	0	10.87 %	423	378	45	423	0	10.64 %

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. Historically, this appropriation was funded by General Revenue, and other non-revenue receipt deposits along with contributions from other agencies. The 86th General Assembly provided for partial funding be provided through General Revenue and for special language allowing for transfers from various funds within the Agency. In FY08 transfers amounting to \$909,353 were made from appropriations 2TT (\$300,000), 2TX (\$409,353), and 2UE (\$200,000).

A Base Level position was changed from unclassified to classified to reflect the recommendation of the Pay Plan Study and the salary was adjusted accordingly. Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Due to recent drilling activities in the Fayetteville Shale, the reserve pit authorization requests (an indicator of drilling activity) have increased substantially from an average of 182 in years 1997-2003 to 1,024 in 2007 and 815 by mid-2008. The Arkoma basin and south Arkansas continue to be explored and the drilling presence in central Arkansas will likely cause presently undeveloped areas of the Arkoma basin to be developed, further increasing drilling activities in the coming years.

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 respond to citizen complaints.

In order to oversee oil and gas exploration activities, it is important for the Agency to have adequate staff. The request for this appropriation includes a Base level of \$4,085,444 in FY10 and \$4,152,606 in FY11 and the following:

- To address needs in relation to the regulatory impact of the recent growth in activity regarding the Fayetteville Shale, ADEQ is requesting four positions with associated supporting costs. These positions are: one (1) ADEQ Inspector Supervisor, one (1) ADEQ Enforcement Coordinator, and two (2) ADEQ Inspectors. The total change in Regular Salaries is \$146,213 in FY10 and \$149,573 in FY11 along with associated matching.
- Increases of \$45,500 in FY10 and \$23,000 in FY11 are requested in Operating Expenses to accommodate the new positions through the purchasing of office furniture, supplies, travel costs, meals and lodging.
- Existing program increase for Capital Outlay \$57,500 in FY10 to purchase new equipment to support the new positions and to replace obsolete equipment that will be used by the Water Division for analytical testing.

- Technology increase for Capital Outlay \$13,500 for FY10 will be used by the Water Division to purchase four (4) computers and software that will be used by the requested positions for support of permitting, compliance monitoring, inspections, and other enforcement activities.
- Increase in General Revenue funding \$1,180,275 for FY10 and \$1,269,774 for FY11. The increase would return the Agency to previous levels of General Revenue funding.

The Executive Recommendation provides for the Agency Request, which includes an increase in General Revenue funding in the amount of \$1,180,275 for FY10 and \$1,269,774 for FY11.

Appropriation Summary

Appropriation: 2TP - ADEQ - State Operations

Funding Sources: HMA - ADEQ Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Regular Salaries	5010000	2,618,188	2,831,141	2,852,968	2,918,414	3,064,627	3,064,627	2,974,670	3,124,243	3,124,243
#Positions		59	59	59	58	62	62	58	62	62
Extra Help	5010001	14,392	25,674	25,674	25,674	25,674	25,674	25,674	25,674	25,674
#Extra Help		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	736,029	766,357	824,280	854,272	902,584	902,584	865,178	914,131	914,131
Operating Expenses	5020002	215,108	268,269	268,269	268,269	313,769	313,769	268,269	291,269	291,269
Conference & Travel Expenses	5050009	10,553	14,715	14,715	14,715	23,415	23,415	14,715	23,415	23,415
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	6,202	9,500	9,500	0	71,000	71,000	0	0	0
Total		3,600,472	3,919,756	3,999,506	4,085,444	4,405,169	4,405,169	4,152,606	4,382,832	4,382,832

Funding Sources										
Fund Balance	4000005	254,748	286,463		0	0	0	0	0	0
General Revenue	4000010	2,565,776	2,632,871		2,829,753	4,329,753	4,329,753	2,882,832	4,382,832	4,382,832
Merit Adjustment Fund	4000055	0	31,194		0	0	0	0	0	0
Other	4000370	157,058	59,875		75,416	75,416	75,416	0	0	0
Transfers / Adjustments	4000683	909,353	909,353		0	0	0	0	0	0
Total Funding		3,886,935	3,919,756		2,905,169	4,405,169	4,405,169	2,882,832	4,382,832	4,382,832
Excess Appropriation/(Funding)		(286,463)	0		1,180,275	0	0	1,269,774	0	0
Grand Total		3,600,472	3,919,756		4,085,444	4,405,169	4,405,169	4,152,606	4,382,832	4,382,832

Authorized number of positions exceeds the Base Level number due to the flexibility inherent in the authorization of all positions through one salary section in the appropriation act.

Other Revenue is comprised of miscellaneous administrative fees collected by the Agency.

Transfers/Adjustments - Special Language allows a transfer from various departments into appropriation 2TP if General Revenue funding is unable to cover the expenditures. In the 2007-09 biennium, transfers were made from appropriations 2TT, 2TX and 2UE.

Change Level by Appropriation

Appropriation: 2TP - ADEQ - State Operations

Funding Sources: HMA - ADEQ Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	4,085,444	58	4,085,444	100.0	4,152,606	58	4,152,606	100.0
C01	Existing Program	306,225	4	4,391,669	107.5	230,226	4	4,382,832	105.5
C08	Technology	13,500	0	4,405,169	107.8	0	0	4,382,832	105.5

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	4,085,444	58	4,085,444	100.0	4,152,606	58	4,152,606	100.0
C01	Existing Program	306,225	4	4,391,669	107.5	230,226	4	4,382,832	105.5
C08	Technology	13,500	0	4,405,169	107.8	0	0	4,382,832	105.5

Justification

C01	To address needs in relation to the regulatory impact of the recent escalation of activity regarding the Fayetteville Shale, ADEQ is requesting four positions with associated supporting costs. These positions are: one (1) ADEQ Inspector Supervisor, one (1) ADEQ Enforcement Coordinator, and two (2) ADEQ Inspectors. The total change in Regular Salaries is \$146,213 in FY10 and \$149,573 in FY11 along with associated matching. Increases of \$45,500 in FY10 and \$23,000 in FY11 are requested in Operating Expenses to accommodate these new positions through the purchasing of office furniture, supplies, travel costs, meals and lodging.
C08	The Agency is requesting \$13,500 in Capital Outlay appropriation to purchase tablet personal computers for the four (4) requested positions. The tablet computers allow field personnel to access agency files and records from remote locations. This request is in compliance with the Agency's Information Technology (IT) Plan (IT Support Costs/Hardware and Software).

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 and the US Department of Interior. Currently, the Agency operates under the grants with varying amounts of state matching requirements.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's requests above Base Level of \$16,637,085 in FY10 and \$16,763,157 in FY11 are as follows:

- An increase in Capital Outlay of \$219,350 for FY10 and \$120,350 for FY11 will provide for replacement of fleet vehicles in both the Mining and Regulated Storage Tank Divisions. The average age of vehicles in these departments is over 6 years and the mileage averages above 100,000. In addition, increases will be utilized to replace obsolete equipment (data loggers, particle matter air monitors, and ozone analyzers) in the Environmental Preservation and Technical Services Division.
- Technology related Capital Outlay increase of \$8,750 in FY10 and \$11,950 in FY11 for the purpose of replacing obsolete laptops and software, a scanner, and a printer that will support ADEQ's electronic filing system and maintain an electronic database in order to support Agency missions.

The Executive Recommendation provides for the Agency Request.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	4,350,351	4,950,980	5,064,693	5,209,403	5,209,403	5,209,403	5,315,451	5,315,451	5,315,451
#Positions		115	117	117	116	116	116	116	116	116
Extra Help	5010001	64,934	148,585	148,585	148,585	148,585	148,585	148,585	148,585	148,585
#Extra Help		22	62	62	62	62	62	62	62	62
Personal Services Matching	5010003	1,348,116	1,422,947	1,528,348	1,588,510	1,588,510	1,588,510	1,608,534	1,608,534	1,608,534
Operating Expenses	5020002	2,855,825	4,309,060	4,667,447	4,309,060	4,309,060	4,309,060	4,309,060	4,309,060	4,309,060
Conference & Travel Expenses	5050009	109,614	271,126	329,812	271,126	271,126	271,126	271,126	271,126	271,126
Professional Fees	5060010	128,229	2,045,401	2,394,105	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	617,637	1,394,185	1,755,333	500,000	728,100	728,100	500,000	632,300	632,300
Contractual Services	5900043	276,325	2,565,000	2,565,000	2,565,000	2,565,000	2,565,000	2,565,000	2,565,000	2,565,000
Total		9,751,031	17,107,284	18,453,323	16,637,085	16,865,185	16,865,185	16,763,157	16,895,457	16,895,457

Funding Sources										
Federal Revenue	4000020	9,751,031	17,107,284		16,637,085	16,865,185	16,865,185	16,763,157	16,895,457	16,895,457
Total Funding		9,751,031	17,107,284		16,637,085	16,865,185	16,865,185	16,763,157	16,895,457	16,895,457
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		9,751,031	17,107,284		16,637,085	16,865,185	16,865,185	16,763,157	16,895,457	16,895,457

Authorized number of Positions exceeds the Base Level number due to the flexibility inherent in the authorization of all positions through one 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		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	16,637,085	116	16,637,085	100.0	16,763,157	116	16,763,157	100.0
C01	Existing Program	219,350	0	16,856,435	101.3	120,350	0	16,883,507	100.7
C08	Technology	8,750	0	16,865,185	101.4	11,950	0	16,895,457	100.8

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	16,637,085	116	16,637,085	100.0	16,763,157	116	16,763,157	100.0
C01	Existing Program	219,350	0	16,856,435	101.3	120,350	0	16,883,507	100.7
C08	Technology	8,750	0	16,865,185	101.4	11,950	0	16,895,457	100.8

Justification

C01	The Agency is requesting a total of \$219,350 in FY10 and \$120,350 in FY11 in Existing Program Capital Outlay increases. Various fleet vehicles in both the Mining and Regulated Storage Tank Divisions need to be replaced. The average vehicle in each Division is approximately six years old with mileage exceeding 100,000 miles. The Environmental Preservation & Technical Services Division is requesting Capital Outlay appropriation to replace obsolete equipment including data loggers (which capture data from continuous monitors) particle matter air monitors and ozone analyzers.
C08	The Air Division is requesting Capital Outlay appropriation to replace a tablet personal computer for a field inspector. The tablet computer allows field personnel to access agency files and records from remote locations. The Regulated Storage Tank Division is requesting Capital Outlay to replace a printer and scanner. This change is necessary to provide operational support to address permitting, compliance monitoring, inspection, and enforcement activities. The Legal Division is requesting Capital Outlay to replace a tablet computer, and high-speed printer. This change is necessary to support department operations and in compliance with the Agency's Information Technology (IT) Plan (IT Support Costs/Hardware and Software).

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.

The Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency Request is for Base Level of \$149,073 in FY10 and \$151,542 in FY11.

The Executive Recommendation provides for Agency Request.

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			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	36,887	39,435	37,087	90,235	90,235	90,235	92,308	92,308	92,308
#Positions		1	1	1	2	2	2	2	2	2
Personal Services Matching	5010003	11,513	11,409	11,388	27,117	27,117	27,117	27,513	27,513	27,513
Operating Expenses	5020002	11,594	26,632	26,632	26,632	26,632	26,632	26,632	26,632	26,632
Conference & Travel Expenses	5050009	2,409	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	0	0	0	0	0
Total		62,403	82,565	80,196	149,073	149,073	149,073	151,542	151,542	151,542
Funding Sources										
Fund Balance	4000005	367,912	444,984		499,919	499,919	499,919	465,507	465,507	465,507
Special Revenue	4000030	139,475	137,500		114,661	114,661	114,661	117,527	117,527	117,527
Total Funding		507,387	582,484		614,580	614,580	614,580	583,034	583,034	583,034
Excess Appropriation/(Funding)		(444,984)	(499,919)		(465,507)	(465,507)	(465,507)	(431,492)	(431,492)	(431,492)
Grand Total		62,403	82,565		149,073	149,073	149,073	151,542	151,542	151,542

The Budget amount in Regular Salaries and Personal Services Matching exceeds the Authorized amount due to salary and matching rate adjustments during the 2007-2009 biennium.

Base Level number of Positions exceeds the Authorized number due to the flexibility inherent in the authorization of all positions through one salary section in appropriation acts.

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			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Reclamation Contracts 5900043	0	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Total	0	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Funding Sources									
Bond Forfeitures 4000120	0	950,000		950,000	950,000	950,000	950,000	950,000	950,000
Total Funding	0	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	0	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 for operation of 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).

The Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

In addition to Base Level of \$1,410,053 in FY10 and \$1,433,630 in FY11, the Agency is requesting an increase in Capital Outlay of \$30,000 each year to replace one vehicle 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	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	726,393	801,500	739,320	836,835	836,835	836,835	856,634	856,634	856,634
#Positions	19	19	19	19	19	19	19	19	19
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	222,592	234,074	221,766	258,169	258,169	258,169	261,947	261,947	261,947
Overtime 5010006	0	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Operating Expenses 5020002	151,642	197,304	197,304	197,304	197,304	197,304	197,304	197,304	197,304
Conference & Travel Expenses 5050009	12,773	47,700	47,700	47,700	47,700	47,700	47,700	47,700	47,700
Professional Fees 5060010	234	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	0	13,000	13,000	0	30,000	30,000	0	30,000	30,000
Total	1,113,634	1,363,623	1,289,135	1,410,053	1,440,053	1,440,053	1,433,630	1,463,630	1,463,630
Funding Sources									
Fund Balance 4000005	4,742,839	4,611,323		4,651,061	4,651,061	4,651,061	4,700,892	4,700,892	4,700,892
Special Revenue 4000030	1,132,199	1,568,361		1,317,479	1,347,479	1,347,479	1,351,166	1,381,166	1,381,166
Other 4000370	149,919	135,000		142,405	142,405	142,405	145,965	145,965	145,965
Transfers / Adjustments 4000683	(300,000)	(300,000)		0	0	0	0	0	0
Total Funding	5,724,957	6,014,684		6,110,945	6,140,945	6,140,945	6,198,023	6,228,023	6,228,023
Excess Appropriation/(Funding)	(4,611,323)	(4,651,061)		(4,700,892)	(4,700,892)	(4,700,892)	(4,764,393)	(4,764,393)	(4,764,393)
Grand Total	1,113,634	1,363,623		1,410,053	1,440,053	1,440,053	1,433,630	1,463,630	1,463,630

The Actual and/or Budget amounts in Regular Salaries and Personal Services Matching exceed the Authorized amount due to salary and matching rate adjustments during the 2007-2009 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.

Transfers/Adjustments - Special Language allows an annual transfer from various departments into State Operations (appropriation 2TP) if General Revenue funding is unable to cover expenditures.

Change Level by Appropriation

Appropriation: 2TT - Hazardous Waste Permit Program

Funding Sources: SHW - Hazardous Waste Permit Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,410,053	19	1,410,053	100.0	1,433,630	19	1,433,630	100.0
C01	Existing Program	22,000	0	1,432,053	101.6	22,000	0	1,455,630	101.5
C08	Technology	8,000	0	1,440,053	102.1	8,000	0	1,463,630	102.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,410,053	19	1,410,053	100.0	1,433,630	19	1,433,630	100.0
C01	Existing Program	22,000	0	1,432,053	101.6	22,000	0	1,455,630	101.5
C08	Technology	8,000	0	1,440,053	102.1	8,000	0	1,463,630	102.1

Justification

C01	The Hazardous Waste Division is requesting Capital Outlay to replace one vehicle each year. These vehicles will be used by department inspectors to conduct facility inspections and investigate complaints statewide. The average department vehicle is approximately six years old with mileage exceeding 100,000 miles.
C08	The Hazardous Waste Division is requesting Capital Outlay to replace obsolete tablet computers; printers and purchase high-speed scanners to support the department's electronic filing system. This change is necessary to provide operational support to address permitting, compliance monitoring, inspections, and enforcement activities. This request is in compliance with the Agency's Information Technology (IT) Plan (IT Support Costs/Hardware and Software).

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			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Abandoned Mine Reclamation Cor 5900043	337,021	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	337,021	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	337,021	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Total Funding	337,021	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	337,021	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 in the amount 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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,781	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	3,959	5,000	5,000	0	0	0	0	0	0
Total		7,740	20,000	20,000	15,000	15,000	15,000	15,000	15,000	15,000
Funding Sources										
Fund Balance	4000005	36,465	35,335		18,435	18,435	18,435	6,713	6,713	6,713
Other	4000370	6,610	3,100		3,278	3,278	3,278	3,300	3,300	3,300
Total Funding		43,075	38,435		21,713	21,713	21,713	10,013	10,013	10,013
Excess Appropriation/(Funding)		(35,335)	(18,435)		(6,713)	(6,713)	(6,713)	4,987	4,987	4,987
Grand Total		7,740	20,000		15,000	15,000	15,000	15,000	15,000	15,000

Other funding is comprised of Coal Permit Fees collected pursuant to A.C.A. §15-58-508.

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			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	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.

In FY08 there was a onetime transfer of the fund balance of \$13,581,950 from Special Revenue to reflect the change of fund type to a Trust fund which was approved by the 86th General Assembly. Special Language allows for transfers from various funds to supplement the funding in ADEQ State Operations (appropriation 2TP). The Agency transferred \$409,353 in each year of the 2007-09 biennium.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency requests the following in addition to Base Level of \$13,852,980 in FY10 and \$14,022,740 in FY11:

- Increase in Capital Outlay \$74,500 for FY10 and \$54,300 for FY11 to provide one (1) hybrid vehicle to the Air Division each year, along with one (1) large format laminator and replacement of obsolete office equipment in the Public Outreach Division.
- Continuation of a currently authorized supplemental position (Legal Policy Advisor) as a regular position for the purpose of advising the Director on public policy decisions, to better respond to federal statutory and regulatory actions, and to focus on changes in federal case law. The Agency surrendered an unfilled chemist position in exchange for this position in FY09, the Regular Salaries line item for this position is \$81,240 in FY10 and \$86,163 in FY11 along with associated matching.

The Executive Recommendation provides for the Agency Request.

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			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Regular Salaries	5010000	5,944,366	6,629,030	6,621,979	6,991,604	7,075,844	7,075,844	7,134,156	7,220,319	7,220,319
#Positions		162	163	163	164	165	165	164	165	165
Extra Help	5010001	29,341	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
#Extra Help		6	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	1,853,247	1,951,775	2,040,272	2,174,298	2,195,479	2,195,479	2,201,506	2,223,055	2,223,055
Supplemental Emerg Positions	5010007	0	81,600	0	0	0	0	0	0	0
Operating Expenses	5020002	888,084	1,383,468	1,383,468	1,383,468	1,383,468	1,383,468	1,383,468	1,383,468	1,383,468
Conference & Travel Expenses	5050009	96,397	152,389	152,389	152,389	152,389	152,389	152,389	152,389	152,389
Professional Fees	5060010	910,349	2,056,221	2,137,821	2,056,221	2,056,221	2,056,221	2,056,221	2,056,221	2,056,221
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	1,091,266	1,181,450	1,181,450	1,050,000	1,124,500	1,124,500	1,050,000	1,104,300	1,104,300
Total		10,813,050	13,480,933	13,562,379	13,852,980	14,032,901	14,032,901	14,022,740	14,184,752	14,184,752

Funding Sources										
Fund Balance	4000005	0	13,710,692		11,599,403	11,599,403	11,599,403	9,316,904	9,316,904	9,316,904
Special Revenue	4000030	11,351,145	11,778,997		11,570,481	11,750,402	11,750,402	11,876,858	12,038,870	12,038,870
Transfer from Special Revenue	4000565	13,581,950	0		0	0	0	0	0	0
Transfers / Adjustments	4000683	(409,353)	(409,353)		0	0	0	0	0	0
Total Funding		24,523,742	25,080,336		23,169,884	23,349,805	23,349,805	21,193,762	21,355,774	21,355,774
Excess Appropriation/(Funding)		(13,710,692)	(11,599,403)		(9,316,904)	(9,316,904)	(9,316,904)	(7,171,022)	(7,171,022)	(7,171,022)
Grand Total		10,813,050	13,480,933		13,852,980	14,032,901	14,032,901	14,022,740	14,184,752	14,184,752

The Budget amount in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.

Base Level number of Positions exceeds the Authorized number due to the flexibility inherent in the authorization of all positions through one salary section in the appropriation act.

The one time transfer from Special Revenue in FY08 is a balance transfer within in this appropriation due to the change of fund type to a trust fund during the last biennium.

Transfers/Adjustments - Special Language allows an annual transfer from various departments into State Operations (appropriation 2TP) if General Revenue funding is unable to cover expenditures.

Change Level by Appropriation

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	13,852,980	164	13,852,980	100.0	14,022,740	164	14,022,740	100.0
C01	Existing Program	31,500	0	13,884,480	100.2	25,000	0	14,047,740	100.2
C06	Restore Position/Approp	105,421	1	13,989,901	101.0	107,712	1	14,155,452	100.9
C08	Technology	43,000	0	14,032,901	101.3	29,300	0	14,184,752	101.2

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	13,852,980	164	13,852,980	100.0	14,022,740	164	14,022,740	100.0
C01	Existing Program	31,500	0	13,884,480	100.2	25,000	0	14,047,740	100.2
C06	Restore Position/Approp	105,421	1	13,989,901	101.0	107,712	1	14,155,452	100.9
C08	Technology	43,000	0	14,032,901	101.3	29,300	0	14,184,752	101.2

Justification

C01	Air Division - Capital Outlay appropriation is requested to replace as required, one fleet vehicle each year with a hybrid vehicle. These vehicles will be used by Agency inspectors to conduct facility inspections and investigate complaints statewide. The average vehicle is approximately six years old with mileage exceeding 100,000 miles. The Public Outreach Division is requesting Capital Outlay to replace a large format laminator and existing office equipment. This change is necessary to support Agency operations and provide environmental education presentations for use in schools and public outreach programs.
C06	Administration - During FY08, ADEQ requested a supplemental attorney position whose primary focus was to provide advice to the Director on strategies and public policy positions needed to be more proactive, responsive to federal statutory and regulatory actions, case law at the federal and state level and actions by other states that may have an impact on Arkansas. The Agency requests to restore the Legal Policy Advisor position.
C08	Air Division - Capital Outlay appropriation is requested to replace tablet personal computers for field inspectors. The tablet computers allow field personnel to access agency files and records from remote locations. The Solid Waste Division is requesting Capital Outlay to purchase replacement computers, scanners, and global positioning system (GPS) units. This change is necessary to provide operational support to address permitting, compliance monitoring, inspection, and enforcement activities. The Public Outreach Division is requesting Capital Outlay to replace a tablet computer and audio-visual equipment used for public outreach presentations. This change is necessary to support Agency operations. All requests are in compliance with the Agency Information Technology (IT) Plan (IT Support Costs/Hardware & Software).

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 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	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Solid Waste Performance Bonds C 5900043	5,004	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	5,004	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources									
Bond Forfeitures 4000120	5,004	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	5,004	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	5,004	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 for corrective actions. This contingency is for Hazardous Waste Cleanup (Contractual Services).

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The request for this appropriation includes Base Level of \$7,485,407 in FY10 and \$7,488,527 in FY11. In addition, the Agency is requesting an increase in Capital Outlay of \$263,198 for FY10 and \$262,040 for FY11 to purchase equipment that will be utilized to perform accurate and reliable analysis of air, water, soil, hazardous waste, solid waste, and biological samples. The equipment will include global position satellite (GPS) units, mobile geographic information workstations, computers, printers, and software and is in compliance with the Agency's Information Technology Plan.

A \$308,000 reallocation from Contractual Services to Operating Expenses is also requested by the Agency. The Arkansas Remedial Action Trust Fund Hazardous Substance Site Priority List identifies hazardous sites for which expenditures are authorized from the Hazardous Substance Remedial Action Trust Fund. The site priority list includes (8) National Priority sites, (27) State Priority investigative sites and (24) State Priority remediation sites. State funds supplement federal funds during the investigative and site remediation phase. Upon completion the site remediation phase, the state assumes 100% of the operations and maintenance costs. During the 2009-11 biennium, many of these sites will progress from the cleanup phase to the operations and maintenance phase, the State is required to assume all operations and maintenance costs.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	90,393	111,793	104,952	114,915	114,915	114,915	117,535	117,535	117,535
#Positions		3	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	30,933	33,907	33,905	37,237	37,237	37,237	37,737	37,737	37,737
Operating Expenses	5020002	43,745	93,358	93,358	93,358	401,358	401,358	93,358	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	140,688	275,000	275,000	0	263,198	263,198	0	262,040	262,040
Contractual Services	5900043	908,653	6,502,000	6,502,000	6,502,000	6,194,000	6,194,000	6,502,000	6,194,000	6,194,000
Data Processing Purchases	5900044	329,929	453,937	453,937	453,937	453,937	453,937	453,937	453,937	453,937
Total		1,544,341	7,753,955	7,747,112	7,485,407	7,748,605	7,748,605	7,488,527	7,750,567	7,750,567
Funding Sources										
Fund Balance	4000005	12,141,867	12,271,147		5,764,565	5,764,565	5,764,565	0	0	0
Trust Fund	4000050	1,673,621	1,247,373		1,126,633	1,389,831	1,389,831	1,162,536	1,424,576	1,424,576
Total Funding		13,815,488	13,518,520		6,891,198	7,154,396	7,154,396	1,162,536	1,424,576	1,424,576
Excess Appropriation/(Funding)		(12,271,147)	(5,764,565)		594,209	594,209	594,209	6,325,991	6,325,991	6,325,991
Grand Total		1,544,341	7,753,955		7,485,407	7,748,605	7,748,605	7,488,527	7,750,567	7,750,567

The Budget amount in Regular Salaries and Personal Services Matching exceeds the Authorized amount due to salary and matching rate adjustments during the 2007-2009 biennium.

The excess appropriation in FY10 and FY11 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		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	7,485,407	3	7,485,407	100.0	7,488,527	3	7,488,527	100.0
C01	Existing Program	225,000	0	7,710,407	103.0	250,000	0	7,738,527	103.3
C04	Reallocation	0	0	7,710,407	103.0	0	0	7,738,527	103.3
C08	Technology	38,198	0	7,748,605	103.5	12,040	0	7,750,567	103.5

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	7,485,407	3	7,485,407	100.0	7,488,527	3	7,488,527	100.0
C01	Existing Program	225,000	0	7,710,407	103.0	250,000	0	7,738,527	103.3
C04	Reallocation	0	0	7,710,407	103.0	0	0	7,738,527	103.3
C08	Technology	38,198	0	7,748,605	103.5	12,040	0	7,750,567	103.5

Justification

C01	The Environmental Preservation and Technical Services Division is responsible for testing Arkansas' environment. This includes air, water, soil, hazardous waste, solid waste, and biological samples. To protect the environment, it is imperative the Agency updates its equipment to perform accurate and reliable analysis. Capital Outlay is requested to replace obsolete equipment.
C04	The Hazardous Waste Division is requesting a reallocation of \$308,000 from Contractual Services into Operating Expense to procure technical services as required to maintain priority sites.
C08	The Environmental Preservation and Technical Services Division is requesting Capital Outlay to purchase replacement computers, global position systems (GPS), mobile geographic information workstations, and printers. This change is necessary to support Agency operations and is in compliance with the Agency's Information Technology (IT) Plan (IT Support Costs/Hardware and Software).

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Environmental Quality Department

Program: Hazardous Waste Cleanup

Act #: 1281 of 2007

Section(s) #: 15 & 39

Estimated Carry Forward Amount \$ 0.00

Appropriation

Funds

Funding Source: Other

Accounting Information:

Business Area: 0930

Funds Center: 2TZ

Fund: THS

Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Total		\$ 0.00	\$ 0.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

The Arkansas Department of Environmental Quality is appropriated \$6,502,000 for fiscal year 2009. Fiscal Year 2009 appropriation is sufficient to address agency needs. No carry forward will be needed.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

No carry forward appropriation is needed.

Teresa Marks

Director

08-14-2008

Date

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 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.

The Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency requests Base Level of \$487,604 for FY10 and \$489,854 for FY11 and an additional \$30,000 in Capital Outlay in FY10 for replacement of an emergency response vehicle.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	75,672	78,185	74,049	83,060	83,060	83,060	84,949	84,949	84,949
#Positions		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	23,745	23,302	23,431	26,056	26,056	26,056	26,417	26,417	26,417
Operating Expenses	5020002	2,623	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	30,000	30,000	0	0	0
Contractual Services	5900043	19,346	372,655	372,655	372,655	372,655	372,655	372,655	372,655	372,655
Total		121,386	479,975	475,968	487,604	517,604	517,604	489,854	489,854	489,854
Funding Sources										
Trust Fund	4000050	121,386	479,975		487,604	517,604	517,604	489,854	489,854	489,854
Total Funding		121,386	479,975		487,604	517,604	517,604	489,854	489,854	489,854
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		121,386	479,975		487,604	517,604	517,604	489,854	489,854	489,854

The Actual and/or Budget amount in Regular Salaries and/or Personal Services Matching exceeds the Authorized amount due to salary and matching rate adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 2UA - Emergency Response Program

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	487,604	2	487,604	100.0	489,854	2	489,854	100.0
C01	Existing Program	30,000	0	517,604	106.2	0	0	489,854	100.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	487,604	2	487,604	100.0	489,854	2	489,854	100.0
C01	Existing Program	30,000	0	517,604	106.2	0	0	489,854	100.0

Justification

C01	The Emergency Section is requesting Capital Outlay appropriation in FY10 to replace the emergency response vehicle. The vehicle is necessary to provide a response vehicle equipped with warning devices, emergency communication equipment and chemical identification devices.
-----	--

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 fee of \$35 for asbestos removal workers to cover program costs.

The Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency requests Base Level of \$242,823 for FY10 and \$245,272 in FY11 along with an increase of \$3,200 in Capital Outlay for each year. The increase will be used to purchase a tablet computer for a field inspector to increase efficiency of the document management system utilized by this appropriation and is in line with the Agency's Information Technology Plan.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	112,072	145,684	115,577	156,841	156,841	156,841	158,896	158,896	158,896
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	39,520	44,568	40,262	50,340	50,340	50,340	50,734	50,734	50,734
Operating Expenses	5020002	3,591	29,452	29,452	29,452	29,452	29,452	29,452	29,452	29,452
Conference & Travel Expenses	5050009	940	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	3,200	3,200
Total		156,123	229,094	194,681	242,823	242,823	242,823	245,272	248,472	248,472
Funding Sources										
Fund Balance	4000005	969,848	1,142,651		1,189,707	1,189,707	1,189,707	1,220,710	1,220,710	1,220,710
Special Revenue	4000030	328,926	276,150		273,826	273,826	273,826	277,472	280,672	280,672
Total Funding		1,298,774	1,418,801		1,463,533	1,463,533	1,463,533	1,498,182	1,501,382	1,501,382
Excess Appropriation/(Funding)		(1,142,651)	(1,189,707)		(1,220,710)	(1,220,710)	(1,220,710)	(1,252,910)	(1,252,910)	(1,252,910)
Grand Total		156,123	229,094		242,823	242,823	242,823	245,272	248,472	248,472

The Budget amount in Regular Salaries and Personal Services Matching exceeds the Authorized amount due to salary and matching rate adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 2UB - Asbestos Control Program

Funding Sources: SAC - Asbestos Control Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	242,823	4	242,823	100.0	245,272	4	245,272	100.0
C08	Technology	0	0	242,823	100.0	3,200	0	248,472	101.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	242,823	4	242,823	100.0	245,272	4	245,272	100.0
C08	Technology	0	0	242,823	100.0	3,200	0	248,472	101.3

Justification

C08	Air Division - Capital Outlay appropriation is requested in FY11 to replace a tablet personal computer for a field inspector. The tablet computer allows field personnel to access agency files and records from remote locations. This request is in compliance with the Agency's Information Technology (IT) Plan (IT Support Costs/Hardware and Software).
-----	---

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, further legislation was adopted strengthening the recycling aspect of solid waste management. Funding for this program is from landfill disposal fees collected pursuant to legislative enactments. This appropriation contains unfunded contingency appropriation. This contingency appropriation was created by Act 512 of 2007 as a funding mechanism for building electronic waste recycling infrastructure throughout the State in the event that funds become available.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency requests Base Level of \$8,348,653 in FY10 and \$8,366,947 in FY11 plus a total increase of \$27,000 each year as follows:

- \$20,000 in Capital Outlay each year will be used to replace obsolete computers, software, and purchase global positioning satellite (GPS) units. This will aid the Agency by increasing the efficiency in compliance monitoring, inspections, enforcement activities and address permitting. All this will be accomplished through the use of the Agency's electronic filing system and by allowing Inspectors to access GPS units. The equipment is in compliance with the Agency's Information Technology Plan.
- \$6,000 in Operating Expenses to provide for increased costs of supplies and inspections.
- \$1,000 for Conference and Travel Expenses.

The Executive Recommendation provides for the Agency Request except for \$1,000 in Conference and Travel Expenses.

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		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Regular Salaries	5010000	691,964	782,097	759,606	806,496	806,496	806,496	821,859	821,859	821,859
#Positions		20	20	20	20	20	20	20	20	20
Personal Services Matching	5010003	223,645	233,067	238,201	255,960	255,960	255,960	258,891	258,891	258,891
Operating Expenses	5020002	120,337	120,529	120,529	120,529	126,529	126,529	120,529	126,529	126,529
Conference & Travel Expenses	5050009	11,964	15,668	15,668	15,668	16,668	15,668	15,668	16,668	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	3,507,936	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	8,310	20,000	20,000	0	20,000	20,000	0	20,000	20,000
Electronic Waste Recycling Infras	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		4,564,156	8,321,361	8,304,004	8,348,653	8,375,653	8,374,653	8,366,947	8,393,947	8,392,947

Funding Sources										
Fund Balance	4000005	6,267,608	6,880,894		3,239,082	3,239,082	3,239,082	0	0	0
Special Revenue	4000030	5,025,457	4,526,336		4,784,122	4,811,122	4,811,122	4,858,510	4,885,510	4,885,510
Investments	4000315	151,985	153,213		151,984	151,984	151,984	152,000	152,000	152,000
Total Funding		11,445,050	11,560,443		8,175,188	8,202,188	8,202,188	5,010,510	5,037,510	5,037,510
Excess Appropriation/(Funding)		(6,880,894)	(3,239,082)		173,465	173,465	172,465	3,356,437	3,356,437	3,355,437
Grand Total		4,564,156	8,321,361		8,348,653	8,375,653	8,374,653	8,366,947	8,393,947	8,392,947

The Budget amount in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.

The excess appropriation in FY10 and FY11 assumes full expenditure of the contingency appropriation in the Electronic Waste Recycling Infrastructure line item.

Change Level by Appropriation

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	8,348,653	20	8,348,653	100.0	8,366,947	20	8,366,947	100.0
C01	Existing Program	7,000	0	8,355,653	100.1	7,000	0	8,373,947	100.1
C08	Technology	20,000	0	8,375,653	100.3	20,000	0	8,393,947	100.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	8,348,653	20	8,348,653	100.0	8,366,947	20	8,366,947	100.0
C01	Existing Program	6,000	0	8,354,653	100.1	6,000	0	8,372,947	100.1
C08	Technology	20,000	0	8,374,653	100.3	20,000	0	8,392,947	100.3

Justification

C01	The Solid Waste Division is requesting \$7,000 in Operating Expenses appropriation in each year to provide operational support, to purchase materials and supplies for inspectors and provide additional appropriation for inspection related travels costs.
C08	The Solid Waste Division is requesting \$20,000 in Capital Outlay in each year to replace tablet computers and GPS units. The tablet computers allow field personnel to access Agency files and records from remote locations. This change is necessary to provide operational support to address permitting, compliance monitoring, inspections, and enforcement activities. This request is in compliance with the Agency's Information Technology (IT) Plan (IT Support Costs/Hardware and Software).

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 Pollution Control and Ecology 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.

The Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency Request is for Base Level of \$998,639 in FY10 and \$1,013,216 in FY11.

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		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	541,518	650,891	677,310	693,262	693,262	693,262	705,503	705,503	705,503
#Positions		19	19	19	19	19	19	19	19	19
Personal Services Matching	5010003	181,371	198,429	216,240	229,244	229,244	229,244	231,580	231,580	231,580
Operating Expenses	5020002	42,952	71,128	71,128	71,128	71,128	71,128	71,128	71,128	71,128
Conference & Travel Expenses	5050009	4,466	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		770,307	925,453	969,683	998,639	998,639	998,639	1,013,216	1,013,216	1,013,216
Funding Sources										
Fund Balance	4000005	944,673	1,102,171		1,401,718	1,401,718	1,401,718	1,304,641	1,304,641	1,304,641
Special Revenue	4000030	927,805	1,225,000		901,562	901,562	901,562	907,500	907,500	907,500
Total Funding		1,872,478	2,327,171		2,303,280	2,303,280	2,303,280	2,212,141	2,212,141	2,212,141
Excess Appropriation/(Funding)		(1,102,171)	(1,401,718)		(1,304,641)	(1,304,641)	(1,304,641)	(1,198,925)	(1,198,925)	(1,198,925)
Grand Total		770,307	925,453		998,639	998,639	998,639	1,013,216	1,013,216	1,013,216

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 take corrective action as needed because of 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. Special Language allows for a transfer from various Agency funds into appropriation 2TP (State Operations) to alleviate funding shortfalls. A transfer of \$200,000 was made each year of the 2007-09 biennium.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency request is for Base level of \$21,802,660 in FY10 and \$21,805,610 in FY11.

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			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Regular Salaries	5010000	217,492	233,454	418,855	234,739	234,739	234,739	237,216	237,216	237,216
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	59,026	61,045	122,088	64,960	64,960	64,960	65,433	65,433	65,433
Operating Expenses	5020002	5,798,584	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	1,725	3,005	3,005	3,005	3,005	3,005	3,005	3,005	3,005
Professional Fees	5060010	129,081	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	7,455	0	0	0	0	0	0	0	0
Total		6,213,363	21,797,460	22,043,904	21,802,660	21,802,660	21,802,660	21,805,610	21,805,610	21,805,610
Funding Sources										
Fund Balance	4000005	16,631,102	18,364,917		3,934,079	3,934,079	3,934,079	0	0	0
Interest	4000300	515,244	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Other	4000370	7,631,934	7,066,622		7,001,796	7,001,796	7,001,796	7,050,000	7,050,000	7,050,000
Transfers / Adjustments	4000683	(200,000)	(200,000)		0	0	0	0	0	0
Total Funding		24,578,280	25,731,539		11,435,875	11,435,875	11,435,875	7,550,000	7,550,000	7,550,000
Excess Appropriation/(Funding)		(18,364,917)	(3,934,079)		10,366,785	10,366,785	10,366,785	14,255,610	14,255,610	14,255,610
Grand Total		6,213,363	21,797,460		21,802,660	21,802,660	21,802,660	21,805,610	21,805,610	21,805,610

Actual amount exceeds Authorized in Capital Outlay due to an authorized appropriation of \$40,000 in Capital Outlay in FY08.

Other funding is comprised of environmental fees collected pursuant to A.C.A. §8-7-906.

Transfers/Adjustments - Special Language allows an annual transfer from various departments into State Operations (appropriation 2TP) if General Revenue funding is unable to cover expenditures.

The excess appropriation in FY10 and FY11 assumes full expenditure of the contingency appropriation (Petroleum Storage Tank Remediation Program) in the Operation Expenses line item.

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 an 80/20 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			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regulated Storage Tank & Contra 5900043	349,214	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	349,214	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	349,214	3,925,000		3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000
Total Funding	349,214	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	349,214	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.

The Illegal Dump Eradication and Corrective Action Program was created by Act 938 of 1997 (A.C.A. §8-6-504) to set forth a state policy to eliminate illegal dumping of solid waste and to provide a means to fund the program up to \$1,000,000 each year for five years. Pursuant to Act 938 of 1997, funding for all programs is capped at \$25,000,000, with no additional funds collected 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%. An additional \$100,000 may be budgeted for administrative expenses of the Illegal Dump Eradication and Corrective Action Program.

The Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency Request is for Base Level of \$7,846,293 in FY10 and \$7,853,176 in FY11.

The Executive Recommendation provides for the Agency Request.

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	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	265,594	278,428	284,489	290,031	290,031	290,031	295,810	295,810	295,810
#Positions	6	6	6	6	6	6	6	6	6
Personal Services Matching 5010003	79,057	78,269	82,952	85,966	85,966	85,966	87,070	87,070	87,070
Operating Expenses 5020002	206	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	4,093	5,000	5,000	0	0	0	0	0	0
Contractual Services 5900043	237,373	7,433,373	7,433,373	7,433,373	7,433,373	7,433,373	7,433,373	7,433,373	7,433,373
Total	586,323	7,831,993	7,842,737	7,846,293	7,846,293	7,846,293	7,853,176	7,853,176	7,853,176
Funding Sources									
Fund Balance 4000005	19,967,159	23,132,077		19,979,635	19,979,635	19,979,635	15,749,444	15,749,444	15,749,444
Special Revenue 4000030	3,084,264	4,526,336		3,131,233	3,131,233	3,131,233	3,209,514	3,209,514	3,209,514
Investments 4000315	666,977	153,215		484,869	484,869	484,869	484,869	484,869	484,869
Total Funding	23,718,400	27,811,628		23,595,737	23,595,737	23,595,737	19,443,827	19,443,827	19,443,827
Excess Appropriation/(Funding)	(23,132,077)	(19,979,635)		(15,749,444)	(15,749,444)	(15,749,444)	(11,590,651)	(11,590,651)	(11,590,651)
Grand Total	586,323	7,831,993		7,846,293	7,846,293	7,846,293	7,853,176	7,853,176	7,853,176

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 utilized when necessary for corrective actions.

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

The Executive Recommendation provides for 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			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	4,739,529	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		4,739,529	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	1,681,593	1,853,136		264,127	264,127	264,127	0	0	0
Special Revenue	4000030	4,911,072	4,835,991		4,800,000	4,800,000	4,800,000	4,820,000	4,820,000	4,820,000
Total Funding		6,592,665	6,689,127		5,064,127	5,064,127	5,064,127	4,820,000	4,820,000	4,820,000
Excess Appropriation/(Funding)		(1,853,136)	(264,127)		1,360,873	1,360,873	1,360,873	1,605,000	1,605,000	1,605,000
Grand Total		4,739,529	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 FY10 and FY11 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 include 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 2UB (Asbestos Control Program).

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

The request for this appropriation includes Base Level of \$28,876 each year with an increase in Capital Outlay of \$3,500 each year. The increase will allow for the purchase of computer equipment which will be utilized for electronic presentations in schools and other public outreach programs. The equipment purchase is in line with the Agency's Information Technology Plan.

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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	540	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	41	115	115	115	115	115	115	115	115
Operating Expenses	5020002	5,925	13,846	13,846	13,846	13,846	13,846	13,846	13,846	13,846
Conference & Travel Expenses	5050009	3,163	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	3,125	3,125	0	3,500	3,500	0	3,500	3,500
Total		9,669	32,001	32,001	28,876	32,376	32,376	28,876	32,376	32,376
Funding Sources										
Fund Balance	4000005	145,895	153,203		139,414	139,414	139,414	124,006	124,006	124,006
Special Revenue	4000030	16,977	18,212		13,468	16,968	16,968	13,892	17,392	17,392
Total Funding		162,872	171,415		152,882	156,382	156,382	137,898	141,398	141,398
Excess Appropriation/(Funding)		(153,203)	(139,414)		(124,006)	(124,006)	(124,006)	(109,022)	(109,022)	(109,022)
Grand Total		9,669	32,001		28,876	32,376	32,376	28,876	32,376	32,376

Change Level by Appropriation

Appropriation: 2UJ - St Mktg Brd for Recyclables Prog

Funding Sources: SMB - State Marketing Board Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	28,876	0	28,876	100.0	28,876	0	28,876	100.0
C01	Existing Program	0	0	28,876	100.0	3,500	0	32,376	112.1
C08	Technology	3,500	0	32,376	112.1	0	0	32,376	112.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	28,876	0	28,876	100.0	28,876	0	28,876	100.0
C01	Existing Program	0	0	28,876	100.0	3,500	0	32,376	112.1
C08	Technology	3,500	0	32,376	112.1	0	0	32,376	112.1

Justification

C01	The Solid Waste Division is requesting \$3,500 in Capital Outlay in FY11 to replace audio-visual equipment used for recycling presentations at workshops and conferences.
C08	The Solid Waste Division is requesting \$3,500 in Capital Outlay in FY10 to purchase computer equipment to enhance the Marketing Boards' efforts to develop and provide electronic presentations for use in schools and public outreach programs. This request is in compliance with the Agency's Information Technology (IT) Plan (IT Support Costs/Hardware and Software).

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)).

The Base Level salary for the classified position reflects the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The request for this appropriation includes Base level of \$312,711 in FY10 and \$313,922 in FY11 and an increase in Capital Outlay of \$8,000 for each year. This increase would allow the Agency to purchase new computer equipment to develop and provide electronic environmental education presentations for use in schools and other public outreach programs. The request is in line with the Agency's Information Technology Plan.

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		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	42,165	43,554	40,912	45,050	45,050	45,050	46,067	46,067	46,067
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	12,749	12,501	12,505	13,700	13,700	13,700	13,894	13,894	13,894
Operating Expenses	5020002	31,426	151,961	151,961	151,961	151,961	151,961	151,961	151,961	151,961
Conference & Travel Expenses	5050009	3,036	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Professional Fees	5060010	20,000	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	6,395	11,000	11,000	0	8,000	8,000	0	8,000	8,000
Total		115,771	321,016	318,378	312,711	320,711	320,711	313,922	321,922	321,922
Funding Sources										
Fund Balance	4000005	277,312	301,669		74,828	74,828	74,828	0	0	0
Other	4000370	140,128	94,175		97,000	105,000	105,000	102,000	110,000	110,000
Total Funding		417,440	395,844		171,828	179,828	179,828	102,000	110,000	110,000
Excess Appropriation/(Funding)		(301,669)	(74,828)		140,883	140,883	140,883	211,922	211,922	211,922
Grand Total		115,771	321,016		312,711	320,711	320,711	313,922	321,922	321,922

The Actual and Budget amounts in Regular Salaries and Personal Services Matching exceed the Authorized amounts due to salary and matching rate adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 2UK - Environmental Education Program

Funding Sources: MEE - Environmental Education Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	312,711	1	312,711	100.0	313,922	1	313,922	100.0
C08	Technology	8,000	0	320,711	102.6	8,000	0	321,922	102.5

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	312,711	1	312,711	100.0	313,922	1	313,922	100.0
C08	Technology	8,000	0	320,711	102.6	8,000	0	321,922	102.5

Justification

C08	The Public Outreach Division is requesting \$8,000 per year in Capital Outlay to replace computers, printers, and one high-speed scanner. This change is necessary to support Agency operations and provide environmental education presentations for use in schools and public outreach programs. This request is in compliance with the Agency's Information Technology (IT) Plan (IT Support Costs/Hardware and Software).
-----	---

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 esq.). 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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	2,064	16,825	16,825	16,825	16,825	16,825	16,825	16,825	16,825
Conference & Travel Expenses	5050009	1,133	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		3,197	18,250	18,250	18,250	18,250	18,250	18,250	18,250	18,250
Funding Sources										
Fund Balance	4000005	153,124	167,062		162,087	162,087	162,087	158,982	158,982	158,982
Special Revenue	4000030	17,135	13,275		15,145	15,145	15,145	15,524	15,524	15,524
Total Funding		170,259	180,337		177,232	177,232	177,232	174,506	174,506	174,506
Excess Appropriation/(Funding)		(167,062)	(162,087)		(158,982)	(158,982)	(158,982)	(156,256)	(156,256)	(156,256)
Grand Total		3,197	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 Revolving Loan Program (appropriation 2UP).

The Agency Request for this biennial appropriation is Base Level in the amount of \$1,100,000.

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	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Loans 5120029	50,230	0	0	1,100,000	1,100,000	1,100,000	0	0	0
Total	50,230	0	0	1,100,000	1,100,000	1,100,000	0	0	0
Funding Sources									
Loan Repayment 4000330	50,230	0		1,100,000	1,100,000	1,100,000	0	0	0
Total Funding	50,230	0		1,100,000	1,100,000	1,100,000	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	50,230	0		1,100,000	1,100,000	1,100,000	0	0	0

This is a Biennial Appropriation.

Base Level was restored to the Biennial Authorized amount.

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

The Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency Request for this appropriation is for Base Level in the amount of \$57,419 in FY10 and \$58,272 in FY11.

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	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	16,296	25,706	28,552	27,424	27,424	27,424	28,140	28,140	28,140
#Positions	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	7,016	9,100	9,996	10,335	10,335	10,335	10,472	10,472	10,472
Operating Expenses 5020002	9,822	11,010	11,010	11,010	11,010	11,010	11,010	11,010	11,010
Conference & Travel Expenses 5050009	0	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	33,134	54,466	58,208	57,419	57,419	57,419	58,272	58,272	58,272
Funding Sources									
Interest 4000300	33,134	54,466		57,419	57,419	57,419	58,272	58,272	58,272
Total Funding	33,134	54,466		57,419	57,419	57,419	58,272	58,272	58,272
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	33,134	54,466		57,419	57,419	57,419	58,272	58,272	58,272

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. Funding is derived from an apportionment of the interest earned on monies in the Landfill Post Closure Trust Fund. Fund transfers shall not exceed \$500,000 per fiscal year.

The Agency Request is for Base Level of \$600,000 in each fiscal 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			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Performance Integrated Syst 5900046	184,547	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total	184,547	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Funding Sources									
Fund Balance 4000005	1,196,185	1,047,128		482,903	482,903	482,903	0	0	0
Investments 4000315	35,490	35,775		35,491	35,491	35,491	32,705	32,705	32,705
Total Funding	1,231,675	1,082,903		518,394	518,394	518,394	32,705	32,705	32,705
Excess Appropriation/(Funding)	(1,047,128)	(482,903)		81,606	81,606	81,606	567,295	567,295	567,295
Grand Total	184,547	600,000		600,000	600,000	600,000	600,000	600,000	600,000

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Environmental Quality Department

Program: Performance Partnership Syst Exp

Act #: 1281 of 2007

Section(s) #: 29 & 40

Estimated Carry Forward Amount \$ 0.00

Appropriation

Funds

Funding Source: Other

Accounting Information:

Business Area: 0930

Funds Center: 2UQ

Fund: TPP

Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Total		\$ 0.00	\$ 0.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

The Arkansas Department of Environmental Quality is appropriated \$600,000 for fiscal year 2009. Fiscal Year 2009 appropriation is sufficient to address agency needs. No carry forward will be needed in FY09.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

No carry forward is needed in FY09.

Teresa Marks
Director

08-14-2008
Date

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 for this biennial appropriation is Base Level of \$1,500,000.

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	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Environmental Settlement Trust 5900046	519,842	0	0	1,500,000	1,500,000	1,500,000	0	0	0
Total	519,842	0	0	1,500,000	1,500,000	1,500,000	0	0	0
Funding Sources									
Fund Balance 4000005	1,009,681	513,922		513,922	513,922	513,922	0	0	0
Trust Fund 4000050	0	0		986,078	986,078	986,078	0	0	0
Investments 4000315	24,083	0		0	0	0	0	0	0
Total Funding	1,033,764	513,922		1,500,000	1,500,000	1,500,000	0	0	0
Excess Appropriation/(Funding)	(513,922)	(513,922)		0	0	0	0	0	0
Grand Total	519,842	0		1,500,000	1,500,000	1,500,000	0	0	0

This is a Biennial Appropriation.

Base Level was restored to the Biennial Authorized amount.

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 develop 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 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			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Computer & Electronics Recycling I 5900046	152,992	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total	152,992	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Funding Sources									
Fund Balance 4000005	184,856	114,859		0	0	0	0	0	0
M & R Sales 4000340	82,995	135,141		135,000	135,000	135,000	135,000	135,000	135,000
Total Funding	267,851	250,000		135,000	135,000	135,000	135,000	135,000	135,000
Excess Appropriation/(Funding)	(114,859)	0		115,000	115,000	115,000	115,000	115,000	115,000
Grand Total	152,992	250,000		250,000	250,000	250,000	250,000	250,000	250,000

M & R Sales are expected to grow due to projected increases in statewide computer sales.

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Environmental Quality Department

Program: Computer/Electronic Recycling

Act #: 1281 of 2007 Section(s) #: 31 & 46

Estimated Carry Forward Amount \$ 0.00 Appropriation Funds

Funding Source: Other

Accounting Information:

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

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Total		\$ 0.00	\$ 0.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

The Arkansas Department of Environmental Quality is appropriated \$250,000 for fiscal year 2009. Fiscal Year 2009 appropriation is sufficient to address agency needs. No carry forward is needed in FY09.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

No carry forward is needed in FY09.

Teresa Marks
Director

09-08-2008
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. Pursuant to A.C.A. §8-1-204, funding for this appropriation is derived from special revenues transferred from the Agency's Fee Fund.

The Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Services payments for eligible employees. Personal Services Matching includes a \$75 increase in monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's request is for Base Level of \$297,820 in FY10 and \$298,757 in FY11 and a reallocation of \$1,000 each year from Operating Expenses to Conference & Travel Expenses. This reallocation will cover increases in fuel, lodging, and seminar registration costs for the thirteen (13) commissioners who attend at least one environmental seminar or conference annually.

The Executive Recommendation provides for the Agency Request.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	115,784	144,042	143,744	159,082	159,082	159,082	159,869	159,869	159,869
#Positions		2	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	35,358	38,988	40,597	44,599	44,599	44,599	44,749	44,749	44,749
Operating Expenses	5020002	56,613	88,217	88,217	88,217	87,217	87,217	88,217	87,217	87,217
Conference & Travel Expenses	5050009	2,115	5,922	5,922	5,922	6,922	6,922	5,922	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		209,870	277,169	278,480	297,820	297,820	297,820	298,757	298,757	298,757
Funding Sources										
Special Revenue	4000030	209,870	277,169		297,820	297,820	297,820	298,757	298,757	298,757
Total Funding		209,870	277,169		297,820	297,820	297,820	298,757	298,757	298,757
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		209,870	277,169		297,820	297,820	297,820	298,757	298,757	298,757

The Budget amount in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 344 - PCE Comm Admn Hearing Officer

Funding Sources: TPE - ADEQ Fee Trust Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	297,820	3	297,820	100.0	298,757	3	298,757	100.0
C04	Reallocation	0	0	297,820	100.0	0	0	298,757	100.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	297,820	3	297,820	100.0	298,757	3	298,757	100.0
C04	Reallocation	0	0	297,820	100.0	0	0	298,757	100.0

Justification

C04	Reallocation: The Commission consists of thirteen commissioners, who attend at least one environmental seminar or conference annually. Conference Fees and Travel appropriation in the amount of \$1,000 is requested to address increases in travel costs related to fuel, lodging and conference registration. The Commission is requesting to reallocate \$1,000 from Operating Expenses appropriation to Conference Fees and Travel.
-----	--

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 clean up 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. The ADEQ Fee Trust Fund was created by Act 817 of 1983 (A.C.A. §8-1-103). This Act authorized the Agency to establish and collect permit fees for air, water, and solid waste permitting, monitoring and inspecting activities.

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	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Contractual Services 5900043	0	750,000	1,000,000	750,000	750,000	750,000	750,000	750,000	750,000
Total	0	750,000	1,000,000	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	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
PC&E Commission Expenses 5900046	3,966	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977
Total	3,966	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977
Funding Sources									
General Revenue 4000010	3,966	3,977		3,977	3,977	3,977	3,977	3,977	3,977
Total Funding	3,966	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	3,966	3,977		3,977	3,977	3,977	3,977	3,977	3,977

DAH - CENTRAL ADMINISTRATION

Enabling Laws

Act 793 of 2007
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.

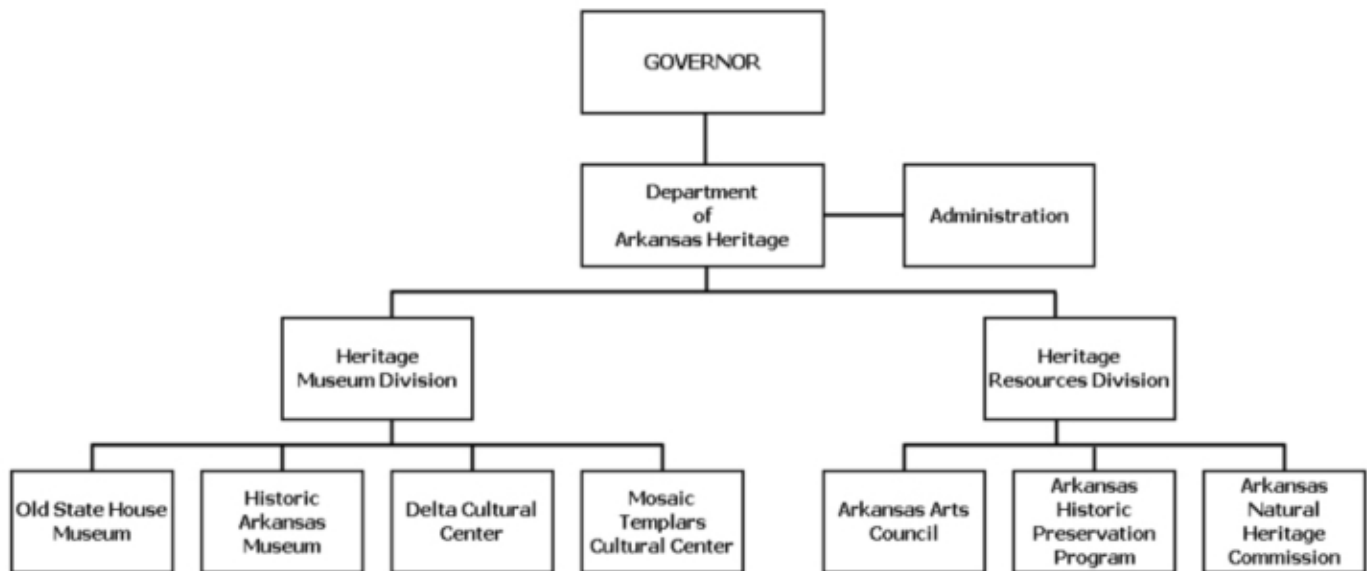
The Department aggressively and successfully seeks federal and private funding to augment its biennial state funding. The DAH director's office coordinates the activities of the Department's two divisions. It administers activities that span the Department, including fiscal and personnel operations, 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: 22 historic structures, approximately 70,000 artifacts in the 4 museum collections, a collections storage facility, and over 33,000 acres (64 sites) of natural areas. Current General Revenue covers only part of basic operations such as utilities, office rent, telephones, and maintenance.

Nine percent of the annual proceeds from the Conservation Tax are 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's commitment to the voters was 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, to encourage the arts, to keep historical information, and to expand 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 4 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 2008, twenty-two state

applicants requested in excess of \$52 million in grants; the awards totaled \$24,709,000. 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.

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.

These increases in operations are for the Department of Arkansas Heritage to continue to provide basic services to the citizens of Arkansas.

Mosaic Templars Cultural Center

Grant money has been used to rebuild the building to house the museum due to the loss of the property because of a tragic fire in March 2005. At present, there are 6 full-time positions and a small operations budget. The museum will open on September 20, 2008.

The Agency request is to restore five positions that are needed to operate the Mosaic Templars Cultural Center. These positions were authorized in the previous biennium but were not funded. These positions will be used as needed throughout the museum to operate and be open to the public 6 ½ days each week instead of the 5 days currently permitted with a reduced staff and budget. Basic operations, programming, collections management, and facility maintenance are essential to successful full time operations of this museum.

The Agency is also requesting an additional Administrative Specialist III position that will provide much needed staff support for administrative and program staff.

Increases in extra help salaries and basic operating expenses including conference fees and travel and equipment purchases are also necessary to fulfill the mission of this new museum.

Arkansas Arts Council Funding

The Arts Council is requesting an increase in appropriation and funding to restore grants to raise Arkansas's state arts funding from the FY08 level of \$0.55 per capita (47th in the nation) to the national average of \$1.26 per capita. This will allow the Arts Council to accomplish its objective of providing financial resources to individuals and organizations involved in the production of arts-

related programming. These grants fund arts education programs in schools, assist community organizations with operating and program costs, and assist in the provision of cultural programs in rural and underserved areas throughout the State and will increase the Arts Council's investment in local arts organizations and the statewide Folk Art program. The additional Arts in Education funding will expand artist residencies in schools and after school/summer programs.

Staffing: (New Positions):

The department is requesting 10 new positions: eight positions to be funded from General Revenue and two to be funded from Real Estate Transfer Tax proceeds. The requests are more specifically defined as follows:

Delta Cultural Center - Maintenance Assistant & Administrative Specialist III. The DCC's maintenance staff of 3.5 is stretched thin with 7 buildings and structures to take care of. It is the DCC's plan to increase the maintenance staff to relieve the strain on the current staff. It is part of its mission to be good stewards of state property and to be proactive in the approach to its maintenance. Adding an Administrative Specialist II would assist the agency in the accurate & efficient flow of paperwork and office management. It would allow the agency to separate duties of accounting and basic office operations as mentioned in the most recent legislative audit. We recognize the importance of segregation of duties, but this is not possible without adequate staffing.

Mosaic Templars Cultural Center - Administrative Specialist III. As mentioned above, additional staff support is needed for this museum. The MTCC is scheduled to open in September 2008 with exhibits, education programs, and special events. Additional staff support is needed to assist with rotating work schedules, providing clerical support, and back up support to fiscal operations.

Old State House Museum - DAH Program Manager. This new position will fulfill the agency's statewide educational and preservation mission. This staff person will coordinate the activities of the Arkansas Civil War Sesquicentennial Commission through the year 2014. It will provide much needed technical assistance statewide to museums, archives, historical societies, etc., regarding exhibit and conservation techniques, archival storage, policy development and fundraising. The position will manage the extensive OSH website, oversee original research for exhibits, brochures and programs, and make public presentations statewide on topics on Arkansas history.

Natural Heritage Commission - Biologist Specialist and DAH Program Coordinator. Recognized and respected for its scientific data on rare species, plant communities, and biodiversity, the ANHC Research Section is a major contributor toward protection of the environment in times of economic development. As more land is preserved, the need for inventory and data management will increase in order to maintain the public use facilities for Arkansans. The System encompasses 297 miles of exterior boundary lines (before adding Moro Big Pine Natural Area WMA)

that must be painted, posted, and sometimes fenced. We have 40 designated parking areas and a number of visitor-friendly trails to maintain. Stewardship activities also incorporate decisive conservation measures such as: prescribed fire application on a regular basis, invasive species (kudzu, honeysuckle, tallow tree, privet, etc) removal, and other site-specific on-the-grounds work.

Historic Arkansas Museum - Museum Curator and Administrative Specialist II. The Curator position will develop long range plans for the enhancement of the museum's priceless collection of Arkansas-related objects, recommending acquisition policies, contacting potential donors, collecting for the museum through gift and purchase, and directing related research. The position will supervise the management of the museum's collection by developing policy and procedures for the storage, care and research on the valuable museum collection, directing the care by managing staff, volunteers and contractors who work with the collection, planning exhibits, and directing the preparation and dissemination of information and publications on the Arkansas-made collection. The Administrative Specialist II will serve as a crucial part of the museum's education team. The position will serve as a receptionist for the schools, tourists and other visitors who come to visit the museum. The position will organize and maintain the system of deliveries from the museum, to the museum, and within the museum facility. The position will solicit, gather, screen, and organize educational and informational materials for distribution to school groups and other visitors. The position will solicit, gather, screen, and organize educational and informational materials for distribution to school groups and other visitors, and will create and maintain a schedule and calendar of activities, appointments, and deliveries for the museum's front desk.

Historic Preservation Program - Grants Coordinator and Administrative Specialist II (paid from RETT). The Grants Coordinator will coordinate all of our grant programs: Historic Preservation Restoration Grants, County Courthouse Grants, Documentary Media Grants, Main Street Model Business Grants, Slipcover Grants, Downtown Revitalization Grants and Certified Local Government Grants. This position is necessary as the volume of grants given by this agency has continued to increase in the past ten years and can no longer be coordinated by an extra-help position. This year, the AHPP will award 96 grants totaling more than \$2.3 million. The position will facilitate activities with grant review committees, coordinate all awards, monitor progress, evaluate progress, monitor invoices, authorize payments, coordinate with the various program areas on selection, serve as agency liaison with government officials and serve as agency spokesperson on all grant programs. The request for an Administrative Specialist II is for a position to serve as a full-time receptionist and administrative support for the agency. As the programs and services of the AHPP have continued to expand, we need to rely on this position to communicate and provide consistent information to government officials and to the general public.

New Grant Program

The Department of Arkansas Heritage is requesting a new \$250,000 statewide grant program to serve DAH's initiative for preserving and conserving and presenting Arkansas's history while providing a very needed service at the local level. The grants, funded by General Revenue would be available to organized and permanent small nonprofit history museums or historical societies in Arkansas whose primary mission is to research, preserve, present and conserve Arkansas history. The grants can be used for basic operations, research, exhibits, educational programs and conservation projects. A one-to-one match would be required, but it could be cash or in-kind not to exceed a maximum of the possible grant amount of \$10,000.

Other Change Level Requests:

Throughout the department there are various requests to increase budget line items for basic operating costs, professional fees & services, conference fees & travel, extra-help salaries and corresponding matching, purchase for resale (Museum Stores), and land acquisition and related

activities. These requests are from agency cash fund appropriations and/or federal fund appropriations. The needs are specific to each agency's program responsibilities. The requests can be supported with certifications of income.

Land Acquisition -Conservation Tax (Amendment 75):

The request is to increase the base level from \$245,000 to \$300,000. The Land Acquisition Line Item is necessary to secure protection of Arkansas's native plants, ecosystems, and natural communities. The \$300,000 authorization provides state matching funding that is necessary to secure federal grants and/or pays for additions to the System of Natural Areas that do not qualify for federal grant funds.

Information Technology

The department's IT requests will be addressed in the IT Plan submitted to DFA - Office of State Technology Planning. The requests include an increase in Extra-Help Salaries and corresponding Matching to provide staff support to the department's Systems Coordinator. Other increases include Professional Fees & Services for the contract for web services and Capital Outlay for anticipated replacement of data backup systems, software licenses, and other DP supplies.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF ARKANSAS HERITAGE
 FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
<p>The Central Administration of the Department of Arkansas Heritage (DAH) maintains control over and issues prenumbered receipt books with Agency name prominently located on each receipt. The central distribution of receipt books allows DAH to implement controls over revenue receipting. However, administration of the Delta Cultural Center, a department within DAH, purchased a generic receipt book and issued receipts to customers circumventing internal controls and increasing the risk of misappropriation of cash.</p>	<p>Management of the Delta Cultural Center improve internal control by discontinuing the use of the generic receipt book and reviewing proper procedures for the receipt of cash with Central Administration personnel.</p>

Employment Summary

	Male	Female	Total	%
White Employees	6	15	21	75 %
Black Employees	1	6	7	25 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			7	25 %
Total Employees			28	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	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	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	4,226,225	10	6,979,284	10	6,959,863	10	6,924,355	10	7,084,359	10	7,034,550	12	6,934,192	10	7,127,051	10	7,039,738	12
482 Director's Office-State Operations	1,165,899	20	1,174,993	20	1,183,493	20	1,270,610	20	1,583,162	20	1,270,610	20	1,295,255	20	1,619,775	20	1,295,255	20
Total	5,392,124	30	8,199,277	30	8,188,356	30	8,239,965	30	8,712,521	30	8,350,160	32	8,274,447	30	8,791,826	30	8,379,993	32

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	4,858,341	43.4	5,796,466	46.6	4,239,472	38.7	4,239,472	37.8	4,239,472	38.9	2,710,171	27.4	2,495,167	24.9	2,544,976	26.1
General Revenue	4000010	1,150,392	10.3	1,165,253	9.4	1,270,610	11.6	1,583,162	14.1	1,270,610	11.7	1,295,255	13.1	1,619,775	16.2	1,295,255	13.3
Non-Revenue Receipts	4000040	815	0.0	25,800	0.2	41,277	0.4	41,277	0.4	41,277	0.4	45,000	0.5	45,000	0.4	45,000	0.5
Merit Adjustment Fund	4000055	0	0.0	9,740	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
DFA Motor Vehicle Acquisition	4000184	14,775	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Inter-agency Fund Transfer	4000316	(250,000)	(2.2)	0	0.0	(245,000)	(2.2)	(300,000)	(2.7)	(300,000)	(2.8)	0	0.0	0	0.0	0	0.0
M & R Sales	4000340	732	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	8,974	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	112,500	1.0	90,000	0.7	90,000	0.8	90,000	0.8	90,000	0.8	90,000	0.9	90,000	0.9	90,000	0.9
Conservation Tax	4000453	5,292,061	47.3	5,351,490	43.0	5,553,777	50.7	5,553,777	49.6	5,553,777	51.0	5,763,710	58.2	5,763,710	57.6	5,763,710	59.2
Total Funds		11,188,590	100.0	12,438,749	100.0	10,950,136	100.0	11,207,688	100.0	10,895,136	100.0	9,904,136	100.0	10,013,652	100.0	9,738,941	100.0
Excess Appropriation/(Funding)		(5,796,466)		(4,239,472)		(2,710,171)		(2,495,167)		(2,544,976)		(1,629,689)		(1,221,826)		(1,358,948)	
Grand Total		5,392,124		8,199,277		8,239,965		8,712,521		8,350,160		8,274,447		8,791,826		8,379,993	

The FY09 Budget amount in the Conservation Tax – Amendment 75 appropriation exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.

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

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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 %	30	30	0	30	0	0.00 %	30	28	2	30	0	6.67 %

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	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	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	22,108	22,923		3,723	3,723	3,723	0	0	0
Non-Revenue Receipts 4000040	815	25,800		41,277	41,277	41,277	45,000	45,000	45,000
Total Funding	22,923	48,723		45,000	45,000	45,000	45,000	45,000	45,000
Excess Appropriation/(Funding)	(22,923)	(3,723)		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 - Department of Arkansas Heritage

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 fund improvements to and adequately 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 for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Base Level includes appropriation in the amount of \$6,924,355 in FY10 and \$6,934,192 in FY11 with 10 Regular positions and 29 Extra Help positions.

The Agency requests additional appropriation of \$160,004 in FY10 and \$192,859 in FY11 for the following:

- Extra Help and related matching: Increase of \$13,529 in FY10 and \$14,284 in FY11 for the Director's Office. This technology related request is included in the Agency's IT Plan and will be used for part time staff assigned to the department's IT section that assist full time staff with the installation and maintenance of the department's IT equipment and software.
- Conference and Travel Expenses: Increase of \$13,400 in FY10 and \$15,500 in FY11. This amount includes \$8,400 in FY10 and \$10,500 in FY11 for the Arkansas Arts Council and \$5,000 each year for the Natural Resources Commission. This request will provide for staff professional development and for educational opportunities to maintain staff certifications.
- Professional Fees: Increase of \$83,000 in FY10 and \$113,000 in FY11. This amount includes \$20,000 in FY10 and \$25,000 in FY11 for the Historic Arkansas Museum and \$63,000 in FY10 and \$88,000 in FY11 for the Director's Office. The amount requested for the Director's Office includes a technology related request of \$12,000 in FY2010 and \$37,000 in FY2011 for planned increases in the Agency's contract for web related services. The remaining amount requested will provide for guest presenters and marketing services for the Mosaic Templars Cultural Center and professional services for the museum's educational programs.
- Capital Outlay: Increase of \$25,000 each year for the Director's Office. This amount includes a technology related request of \$10,000 each year of the biennium for the anticipated replacement of data backup systems. The remaining amount of \$15,000 each year will be used to replace and/or purchase new equipment at various DAH facilities including the Collections Management Facility.
- Special Maintenance: Increase of \$25,075 each year for the Natural Heritage Commission to provide for upkeep and stewardship activities within the System of Natural Areas, including prescribed burns, rare species work and the control of invasive species.

The Executive Recommendation provides for Base Level. In addition, the Executive Recommendation for the Natural Heritage Commission's change level request for additional general revenue funded positions and appropriation in the State Operations appropriation (Business Area 0880, Fund Center 493 - see page 243) is recommended to be funded from the Department of Heritage's Conservation Tax appropriation (Business Area 0865, Fund Center 476) under DAH-Central Administration. This provides additional Conservation Tax appropriation of \$110,195 in FY10 and \$105,546 in FY11 for the Natural Heritage Commission for the following:

- Regular Salaries and related matching: Increase of \$90,695 in FY10 and \$92,546 in FY11 for two new positions including one new grade C117 DAH Program Coordinator and one new grade C119 Biologist Specialist position.
- Operating Expenses: Increase of \$14,500 in FY10 and \$8,000 in FY11 to provide for fuel costs, office supplies, grounds maintenance supplies and equipment, board member travel expenses and rent increases.
- Conference & Travel: Increase of \$5,000 each year for conference and seminar fees to enhance staff expertise and maintain certifications.

Appropriation Summary

Appropriation: 476 - Conservation Tax-Amendment 75

Funding Sources: SHF - Department of Arkansas Heritage

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	341,860	365,213	344,762	365,728	365,728	433,531	374,008	374,008	443,369
#Positions		10	10	10	10	10	12	10	10	12
Extra Help	5010001	250,636	330,226	330,226	330,226	342,776	330,226	330,226	343,476	330,226
#Extra Help		29	29	29	29	29	29	29	29	29
Personal Services Matching	5010003	130,467	136,245	137,275	145,551	146,530	168,443	147,108	148,142	170,293
Operating Expenses	5020002	1,355,564	2,442,554	2,442,554	2,442,554	2,442,554	2,457,054	2,442,554	2,442,554	2,450,554
Conference & Travel Expenses	5050009	45,022	89,826	89,826	89,826	103,226	94,826	89,826	105,326	94,826
Professional Fees	5060010	779,339	1,049,741	1,049,741	1,049,741	1,132,741	1,049,741	1,049,741	1,162,741	1,049,741
Construction	5090005	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	831,878	900,729	900,729	900,729	900,729	900,729	900,729	900,729	900,729
Capital Outlay	5120011	90,138	64,750	64,750	0	25,000	0	0	25,000	0
Special Maintenance	5120032	401,321	600,000	600,000	600,000	625,075	600,000	600,000	625,075	600,000
Total		4,226,225	6,979,284	6,959,863	6,924,355	7,084,359	7,034,550	6,934,192	7,127,051	7,039,738

Funding Sources										
Fund Balance	4000005	4,836,233	5,773,543		4,235,749	4,235,749	4,235,749	2,710,171	2,495,167	2,544,976
Inter-agency Fund Transfer	4000316	(250,000)	0		(245,000)	(300,000)	(300,000)	0	0	0
Other	4000370	8,974	0		0	0	0	0	0	0
Rental Income	4000430	112,500	90,000		90,000	90,000	90,000	90,000	90,000	90,000
Conservation Tax	4000453	5,292,061	5,351,490		5,553,777	5,553,777	5,553,777	5,763,710	5,763,710	5,763,710
Total Funding		9,999,768	11,215,033		9,634,526	9,579,526	9,579,526	8,563,881	8,348,877	8,398,686
Excess Appropriation/(Funding)		(5,773,543)	(4,235,749)		(2,710,171)	(2,495,167)	(2,544,976)	(1,629,689)	(1,221,826)	(1,358,948)
Grand Total		4,226,225	6,979,284		6,924,355	7,084,359	7,034,550	6,934,192	7,127,051	7,039,738

The FY09 Budget in Regular Salaries exceeds the Authorized due to salary adjustments during the 2007-2009 biennium.

The FY08 Actual amount in Capital Outlay exceeds the Authorized amount due to a higher Authorized appropriation in FY08.

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

Special Language provides for the carryforward of the unexpended Construction and Special Maintenance appropriation from the first year of the biennium to the second year. The amount that carried forward from FY08 to FY09 for Construction was \$3,227,084 and the amount that carried forward for Special Maintenance was \$1,295,380.

Change Level by Appropriation

Appropriation: 476 - Conservation Tax-Amendment 75

Funding Sources: SHF - Department of Arkansas Heritage

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	6,924,355	10	6,924,355	100.0	6,934,192	10	6,934,192	100.0
C01	Existing Program	124,475	0	7,048,830	101.8	131,575	0	7,065,767	101.9
C08	Technology	35,529	0	7,084,359	102.3	61,284	0	7,127,051	102.8

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	6,924,355	10	6,924,355	100.0	6,934,192	10	6,934,192	100.0
C01	Existing Program	0	0	6,924,355	100.0	0	0	6,934,192	100.0
C07	Agency Transfer	110,195	2	7,034,550	101.6	105,546	2	7,039,738	101.5
C08	Technology	0	0	7,034,550	101.6	0	0	7,039,738	101.5

Justification

C01	This change level represents increased needs throughout the department. The request for capital outlay is to provide budget for the expenditure of replacement of and/or purchase of new equipment to be used at various DAH facilities, but primarily to be used at the Collections Management Facility. Some of the equipment was purchased in 1992 and desperately needs to be replaced. There is a need to increase the professional fees line item to provide for contracting with guest presenters who work with the department's education staff and regional educational service cooperatives; we anticipate an increase in our marketing contract due to the increased work for the Mosaic Templars Cultural Center (they will need additional marketing services after they open in September 2008); and professional services are needed to enhance the museum's education program. The interactive programs of the museum give Arkansas students and the visiting public educational and entertaining experiences. There are some increases for conference fees & travel to provide an opportunity for staff professional development and educational opportunities to maintain certifications for staff. The special maintenance appropriation will be used for outsourcing prescribed burning, rare species work, controlling invasive species, and other upkeep/stewardship activities within the System of Natural Areas.
C07	EXECUTIVE RECOMMENDATION: The Natural Heritage Commission's (Business Area 0880) change level request for additional general revenue funded positions and appropriation in the State Operations appropriation (Fund Center 493) is recommended to be funded from the Department of Heritage's Conservation Tax appropriation (Fund Center 476) under DAH-Central Administration (Business Area 0865).
C08	This change level request represents the agency's IT needs as addressed in the department's IT Plan. This request is to provide additional extra help salary budget and corresponding matching for part-time staff that are assigned to the department's IT section. The part-time staff is used to work with the department's Systems Coordinator Analyst and provide backup to the department's Computer Support Analyst. The IT staff is responsible for installation and trouble shooting for all of the department's IT equipment and software. The increase in the professional fees is for a planned increase in the contract for web services. The request for capital outlay is to provide budget for anticipated replacement of data backup systems. The requested items are found in the department's approved IT plan as follows: extra help salary & matching - IT Support Costs Tab (In House Labor); web services contract - IT Support Costs Tab (Contracted Services); and replace data backup system - IT Support Costs Tab (Hardware/Equipment).

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Heritage Department - Administration

Program: Conservation Tax-Amendment 75

Act #: 793 of 2007

Section(s) #: 5 & 33

Estimated Carry Forward Amount \$ 3,957,963.00

Appropriation

Funds

Funding Source: Conservation Tax Proceeds

Accounting Information:

Business Area: 0865

Funds Center: 476

Fund: SHF

Functional Area: REC

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Construction	5090005	2,927,000.00	3,227,084.00
Special Maintenance	5120032	1,030,963.00	1,295,380.01
Total		\$ 3,957,963.00	\$ 4,522,464.01

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

The carryforward of Construction and Special Maintenance appropriation is necessary to ensure that the agency has sufficient appropriation available to assign to the agencies within DAH to provide for construction and maintenance needs at various DAH facilities.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The Actual Carry Forward amounts include blocked appropriation for both construction and special maintenance appropriation. The appropriation and funding for construction & special maintenance projects includes work in progress at the Old State House Museum, Delta Cultural Center, Historic Arkansas Museum, Natural Heritage Commission (stewardship activities), and the Collection Management Facility. The Delta Cultural Center has contracted for exhibit lighting replacement and various maintenance issues for the Center's six historic buildings. Historic Arkansas Museum has several projects including siding & roof repairs, fencing and landscaping, and major work on the Woodruff Printshop. The Old State House Museum & Trapnall Hall - both listed as National Historic Sites by the National Park Service have large annual maintenance contracts for security systems, fire suppression equipment, burglar alarms, and HVAC systems. Environmental control at all of the museums is crucial.

Cathie Matthews

Director

08-20-2008

Date

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 for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Base Level includes appropriation and general revenue funding of \$1,270,610 in FY10 and \$1,295,255 in FY11 with 20 budgeted positions.

The Agency requests additional appropriation and general revenue funding of \$312,552 in FY10 and \$324,520 in FY11 for the following:

- Operating Expenses: Increase of \$62,552 in FY10 and \$74,520 in FY11. The majority of this request includes \$60,000 in FY10 and \$64,150 in FY11 for basic operating costs including telephone expenses, vehicle insurance and building and contents insurance that the agency currently covers with Conservation Tax proceeds (Fund Center 476). The remaining portion of the change level request includes \$2,552 in FY2010 and \$10,370 in FY2011 to cover for anticipated rent increases as projected by the Arkansas Building Authority.
- Grants and Aid: Increase of \$250,000 each year for a new grant program to provide grant funding of up to \$10,000 per recipient to small nonprofit history museums or historical societies whose primary mission is to research, preserve, present and conserve Arkansas history.

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		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	804,261	833,504	806,485	880,227	880,227	880,227	900,971	900,971	900,971
#Positions		20	20	20	20	20	20	20	20	20
Personal Services Matching	5010003	221,828	218,677	247,315	267,571	267,571	267,571	271,472	271,472	271,472
Operating Expenses	5020002	125,035	122,812	129,693	122,812	185,364	122,812	122,812	197,332	122,812
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	0	0	0	0	250,000	0	0	250,000	0
Capital Outlay	5120011	14,775	0	0	0	0	0	0	0	0
Total		1,165,899	1,174,993	1,183,493	1,270,610	1,583,162	1,270,610	1,295,255	1,619,775	1,295,255

Funding Sources										
General Revenue	4000010	1,150,392	1,165,253		1,270,610	1,583,162	1,270,610	1,295,255	1,619,775	1,295,255
Merit Adjustment Fund	4000055	0	9,740		0	0	0	0	0	0
DFA Motor Vehicle Acquisition	4000184	14,775	0		0	0	0	0	0	0
M & R Sales	4000340	732	0		0	0	0	0	0	0
Total Funding		1,165,899	1,174,993		1,270,610	1,583,162	1,270,610	1,295,255	1,619,775	1,295,255
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,165,899	1,174,993		1,270,610	1,583,162	1,270,610	1,295,255	1,619,775	1,295,255

The FY09 Budget in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.
The FY08 Actual in Capital Outlay exceeds the authorized due to a transfer from the DFA Motor Vehicle Acquisition Fund.

Change Level by Appropriation

Appropriation: 482 - Director's Office-State Operations

Funding Sources: HRA - Arkansas Heritage Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,270,610	20	1,270,610	100.0	1,295,255	20	1,295,255	100.0
C01	Existing Program	62,552	0	1,333,162	104.9	74,520	0	1,369,775	105.8
C02	New Program	250,000	0	1,583,162	124.6	250,000	0	1,619,775	125.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,270,610	20	1,270,610	100.0	1,295,255	20	1,295,255	100.0
C01	Existing Program	0	0	1,270,610	100.0	0	0	1,295,255	100.0
C02	New Program	0	0	1,270,610	100.0	0	0	1,295,255	100.0

Justification

C01	The request for an increase in office rent is in anticipation of a 4% increase in office rent (recommended by ABA). The department's current lease is valid through December 2010. The other increases are for telephone charges, vehicle insurance, and building and contents insurance. These are very basic operating costs that are required of any business process (we cannot elect to cut these costs).
C02	There are numerous small history museums and historical societies throughout Arkansas dedicated to the preservation and conservation of Arkansas's history and heritage. Through associations such as the Arkansas Historical Association and the Arkansas Museums Association they strive to promote professional standards for their groups and to research, preserve, present and conserve Arkansas History. Since the mission of the Department of Arkansas Heritage incorporates these objectives, this grant program would serve DAH's statewide initiative for preserving and conserving and presenting Arkansas's history while providing a very needed service at the local level. The grants would be available to an organized and permanent small nonprofit history museum or historical society in Arkansas whose primary mission is to research, preserve, present and conserve Arkansas History. A one-to-one match would be required, but could be cash or in-kind. The grants would not exceed a maximum of \$10,000. This would provide assistance to these groups but would provide help to more of them if the amount is limited. If the grant program is established DAH will also provide a more structured technical assistance program for local history museums and historical societies.

DAH - ARKANSAS ARTS COUNCIL

Enabling Laws

Act 793 of 2007
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.

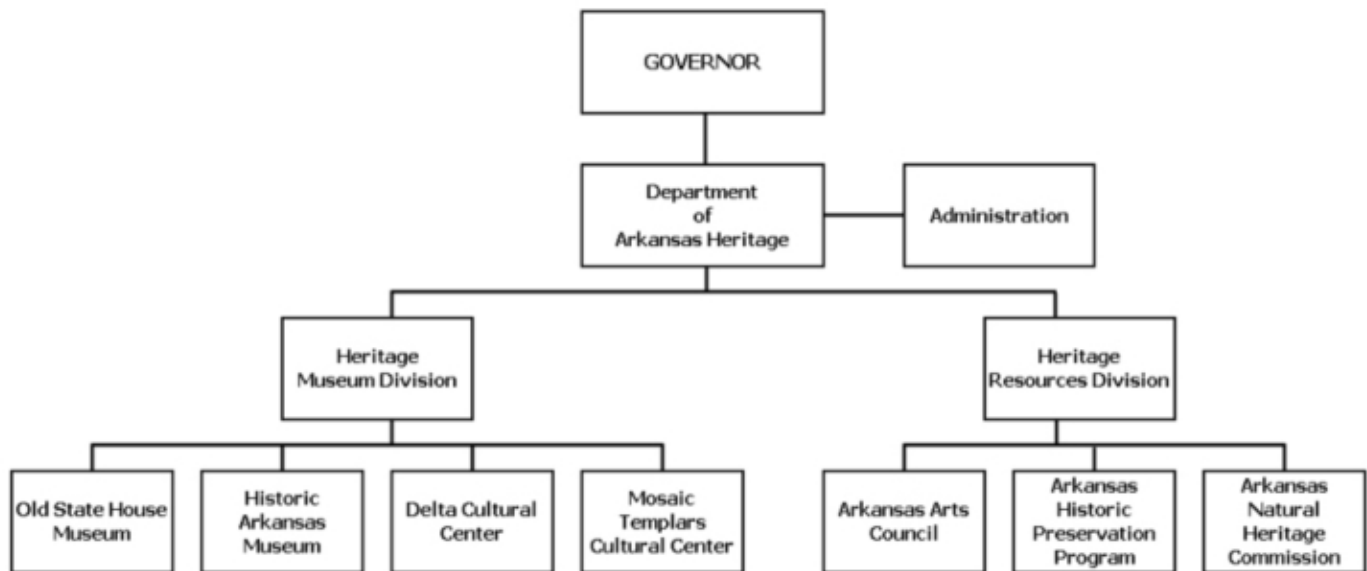
The Arts Council contributes to Arkansas's educational and economic development by investing state, federal, and private funds in community arts organizations, schools, youth service organizations, and other providers of cultural programs. The Arts in Education program funds artist residencies in schools 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 :
 DEPARTMENT OF ARKANSAS HERITAGE
 FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
Audit findings are reported under DAH-Central Administration.	.

Employment Summary

	Male	Female	Total	%
White Employees	2	7	9	90 %
Black Employees	1	0	1	10 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			1	10 %
Total Employees			10	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	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	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	740,419	8	748,939	8	731,275	8	769,880	8	2,785,125	8	769,880	8	780,834	8	2,796,714	8	780,834	8
486 Arts Council - Federal Program	589,820	2	628,230	2	624,659	2	633,764	2	671,134	2	671,134	2	635,668	2	673,038	2	673,038	2
943 Arts Council - Cash in Treasury	123,134	0	198,791	0	198,791	0	198,791	0	204,041	0	204,041	0	198,791	0	204,041	0	204,041	0
Total	1,453,373	10	1,575,960	10	1,554,725	10	1,602,435	10	3,660,300	10	1,645,055	10	1,615,293	10	3,673,793	10	1,657,913	10

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	154,483	9.9	103,705	6.6		4,470	0.3	4,470	0.1	4,470	0.3	0	0.0	0	0.0	0	0.0
General Revenue	4000010	740,419	47.6	743,086	47.0		769,880	48.0	2,785,125	76.1	769,880	46.8	780,834	48.3	2,796,714	76.1	780,834	47.1
Federal Revenue	4000020	589,820	37.9	628,230	39.8		633,764	39.6	671,134	18.3	671,134	40.8	635,668	39.4	673,038	18.3	673,038	40.6
Cash Fund	4000045	72,356	4.6	99,556	6.3		194,321	12.1	199,571	5.5	199,571	12.1	198,791	12.3	204,041	5.6	204,041	12.3
Merit Adjustment Fund	4000055	0	0.0	5,853	0.4		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		1,557,078	100.0	1,580,430	100.0		1,602,435	100.0	3,660,300	100.0	1,645,055	100.0	1,615,293	100.0	3,673,793	100.0	1,657,913	100.0
Excess Appropriation/(Funding)		(103,705)		(4,470)			0		0		0		0		0		0	
Grand Total		1,453,373		1,575,960			1,602,435		3,660,300		1,645,055		1,615,293		3,673,793		1,657,913	

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	10	0	10	0	0.00 %

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 for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Base Level includes appropriation and general revenue funding of \$769,880 in FY10 and \$780,834 in FY11 and 8 Regular positions.

The Agency requests additional appropriation and general revenue funding of \$2,015,245 in FY10 and \$2,015,880 in FY11 for the following:

- Operating Expenses: Increase of \$15,245 in FY10 and \$15,880 in FY11 for projected increases in rent and for rising costs for travel related expenses and office supplies.
- Grants and Aid: Increase of \$2 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.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	353,826	366,125	346,140	377,534	377,534	377,534	386,701	386,701	386,701
#Positions		8	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	105,151	104,812	103,693	114,344	114,344	114,344	116,131	116,131	116,131
Operating Expenses	5020002	81,442	78,002	81,442	78,002	93,247	78,002	78,002	93,882	78,002
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	200,000	200,000	200,000	200,000	2,200,000	200,000	200,000	2,200,000	200,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		740,419	748,939	731,275	769,880	2,785,125	769,880	780,834	2,796,714	780,834
Funding Sources										
General Revenue	4000010	740,419	743,086		769,880	2,785,125	769,880	780,834	2,796,714	780,834
Merit Adjustment Fund	4000055	0	5,853		0	0	0	0	0	0
Total Funding		740,419	748,939		769,880	2,785,125	769,880	780,834	2,796,714	780,834
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		740,419	748,939		769,880	2,785,125	769,880	780,834	2,796,714	780,834

The FY08 Actual and FY09 Budget in Regular Salaries and Personal Services Matching exceed the authorized due to salary adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 484 - Arts Council-State Operations

Funding Sources: HRA - Arkansas Heritage Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	769,880	8	769,880	100.0	780,834	8	780,834	100.0
C01	Existing Program	2,015,245	0	2,785,125	361.8	2,015,880	0	2,796,714	358.2

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	769,880	8	769,880	100.0	780,834	8	780,834	100.0
C01	Existing Program	0	0	769,880	100.0	0	0	780,834	100.0

Justification

C01	The Arts Council requests additional appropriation and funding of \$2,000,000 each year for Grants. This will raise Arkansas's state arts funding from the FY08 level of \$.55 per capita (47th in the nation) to the national average of \$1.26 per capita, allowing the agency to adequately support the following programs: Community Arts Development, \$1,500,000; Arts In Education, \$500,000. The requested increase in Community Arts Development will increase the Arts Council's investment in local arts organizations and the statewide Folk Art program. The additional Arts In Education funding will expand artist residencies in schools and the after school/summer programs. Additional Operating Expenses are requested to cover office rental increases and increases in postage, office supplies, and travel costs for Council members, grant panelists, and staff.
-----	---

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 for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Base Level includes appropriation of \$633,764 in FY10 and \$635,668 in FY11.

The Agency requests additional grant appropriation of \$37,370 each year to enable the Agency to utilize additional projected funding from the National Endowment for the Arts.

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		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	60,587	62,598	59,229	65,706	65,706	65,706	67,300	67,300	67,300
#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	20,640	20,828	20,626	23,254	23,254	23,254	23,564	23,564	23,564
Operating Expenses	5020002	17,038	37,252	37,252	37,252	37,252	37,252	37,252	37,252	37,252
Conference & Travel Expenses	5050009	10,112	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Professional Fees	5060010	8,298	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	473,145	486,082	486,082	486,082	523,452	523,452	486,082	523,452	523,452
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		589,820	628,230	624,659	633,764	671,134	671,134	635,668	673,038	673,038
Funding Sources										
Federal Revenue	4000020	589,820	628,230		633,764	671,134	671,134	635,668	673,038	673,038
Total Funding		589,820	628,230		633,764	671,134	671,134	635,668	673,038	673,038
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		589,820	628,230		633,764	671,134	671,134	635,668	673,038	673,038

The FY08 Actual and FY09 Budget in Regular Salaries and Personal Services Matching exceed the Authorized due to salary adjustments during the 2007-2009 biennium.

The FY08 Actual in Professional Fees exceeds the Authorized by authority of a Budget Classification Transfer.

Change Level by Appropriation

Appropriation: 486 - Arts Council - Federal Program
Funding Sources: FHH - Natural & Cultural Heritage Federal

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	633,764	2	633,764	100.0	635,668	2	635,668	100.0
C01	Existing Program	37,370	0	671,134	105.9	37,370	0	673,038	105.9

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	633,764	2	633,764	100.0	635,668	2	635,668	100.0
C01	Existing Program	37,370	0	671,134	105.9	37,370	0	673,038	105.9

Justification

C01	The Arts Council received increased funding from the National Endowment for the Arts in FY09, and requests that appropriation for Grants be increased in anticipation of continued federal funding.
-----	---

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.

Base Level includes appropriation of \$198,791 each year of the biennium.

The Agency requests additional appropriation of \$5,250 each year in the Professional Fees line item to cover speaker costs for the annual Artlinks Conference. Artlinks is a annual statewide conference offering workshops and discussions conducted by nationally recognized and respected speakers who focus on issues of interest to the arts community in Arkansas.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,693	18,250	18,250	18,250	18,250	18,250	18,250	18,250	18,250
Conference & Travel Expenses	5050009	915	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Professional Fees	5060010	0	250	250	250	5,500	5,500	250	5,500	5,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	118,526	179,291	179,291	179,291	179,291	179,291	179,291	179,291	179,291
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		123,134	198,791	198,791	198,791	204,041	204,041	198,791	204,041	204,041
Funding Sources										
Fund Balance	4000005	154,483	103,705		4,470	4,470	4,470	0	0	0
Cash Fund	4000045	72,356	99,556		194,321	199,571	199,571	198,791	204,041	204,041
Total Funding		226,839	203,261		198,791	204,041	204,041	198,791	204,041	204,041
Excess Appropriation/(Funding)		(103,705)	(4,470)		0	0	0	0	0	0
Grand Total		123,134	198,791		198,791	204,041	204,041	198,791	204,041	204,041

Change Level by Appropriation

Appropriation: 943 - Arts Council - Cash in Treasury

Funding Sources: NNH - Arts & Humanities Cash

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	198,791	0	198,791	100.0	198,791	0	198,791	100.0
C01	Existing Program	5,250	0	204,041	102.6	5,250	0	204,041	102.6

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	198,791	0	198,791	100.0	198,791	0	198,791	100.0
C01	Existing Program	5,250	0	204,041	102.6	5,250	0	204,041	102.6

Justification

C01	An increase in Professional Fees is requested to accommodate anticipated increased costs in speaker fees for the annual Artlinks conference. Funding for this request is provided by the Artlinks conference registration fees.
-----	---

DAH - DELTA CULTURAL CENTER

Enabling Laws

Act 793 of 2007
A.C.A. §13-5-701 et seq.

History and Organization

Agency Mission Statement

It is the mission of the Delta Cultural Center to preserve, research, document, interpret, and present the heritage of the Arkansas Delta. The Center is comprised of several facilities. The Visitors Center is located at 141 Cherry and 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; it is still a project under construction. The Moore-Horner House will be used as a historic house museum. The newly constructed Cherry Street Pavilion serves as a permanent stage and outdoor pavilion for agency events and community programs. The Beth El Heritage Hall, a former Jewish temple, provides an auditorium and classroom space for DCC programs and will provide additional collections storage space.

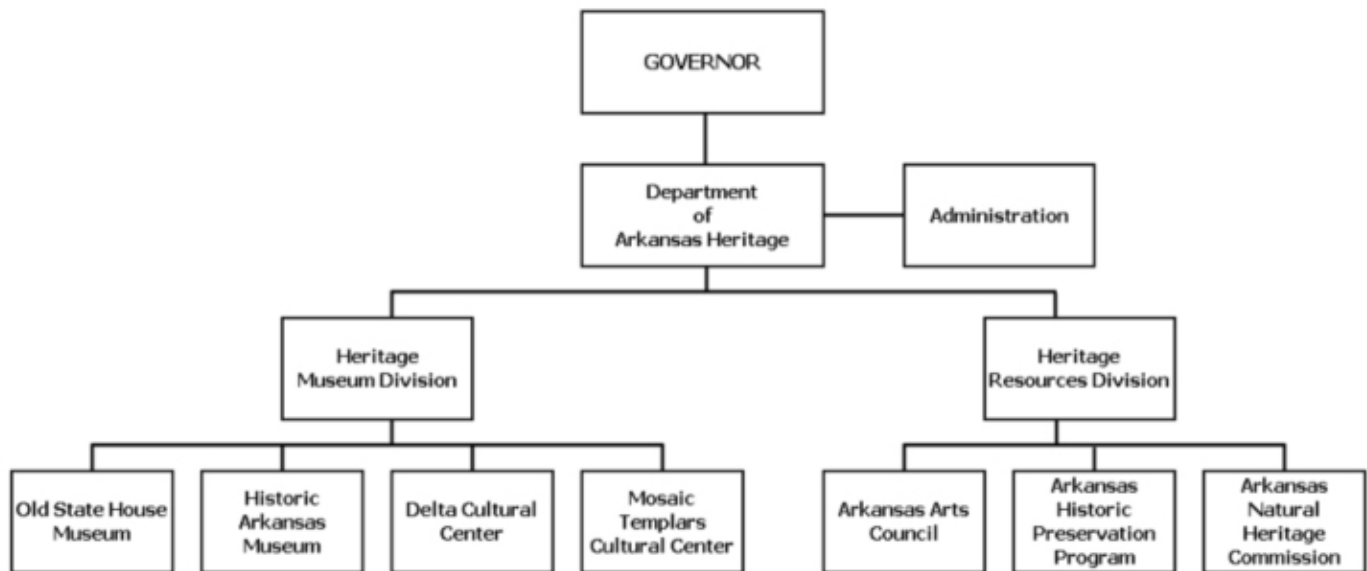
Brief Discussion of Statutory Responsibilities and Primary Activities

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. The work of the Center is organized into major and minor projects. Major projects are expected to be carried out over several years and are designed to include components of educational programming, research, preservation, exhibits, collections, historic site management, marketing, development, and administration. Minor projects have a shorter life and a narrower focus and support or relate to the major projects the Center provides. The Arkansas Heritage Blues Festival and the Arkansas Delta Family Gospel Festival are examples of two major events that occur annually. "Helena: Main Street of the Blues" is an award winning exhibit that highlights the history of the blues music and blues artists.

The Delta Cultural Center follows a five year long-range plan that is updated regularly. This is a comprehensive plan for the Center's major projects defining functional areas such as educational programming, exhibits, collections, site management, publicity and marketing, and development. The plan also 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 shall 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, 2007

Findings

The Central Administration of the Department of Arkansas Heritage (DAH) maintains control over and issues prenumbered receipt books with Agency name prominently located on each receipt. The central distribution of receipt books allows DAH to implement controls over revenue receipting. However, administration of the Delta Cultural Center, a department within DAH, purchased a generic receipt book and issued receipts to customers circumventing internal controls and increasing the risk of misappropriation of cash.

Recommendations

Management of the Delta Cultural Center improve internal control by discontinuing the use of the generic receipt book and reviewing proper procedures for the receipt of cash with Central Administration personnel.

Employment Summary

	Male	Female	Total	%	
White Employees	4	2	6	67 %	
Black Employees	2	1	3	33 %	
Other Racial Minorities	0	0	0	0 %	
			Total Minorities	3	33 %
			Total Employees	9	100 %

Cash Fund Balance Description as of June 30, 2008

Fund Account	Balance	Type	Location
1210100	\$60,958	Checking	1st Bank of the Delta

Statutory/Other Restrictions on use:

A.C.A. §13-5-706 establishes 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	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	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	23,199	0	67,000	0	67,000	0	67,000	0	67,000	0	67,000	0	67,000	0	67,000	0	67,000	0
922 Delta Cultural Center - State Operations	483,860	11	502,752	11	509,084	11	549,716	11	651,294	13	549,716	11	559,433	11	662,267	13	559,433	11
C14 Delta Cultural Center - Bank Charges Fund	3,402	0	3,550	0	2,700	0	2,700	0	5,000	0	5,000	0	2,700	0	5,000	0	5,000	0
Total	510,461	11	573,302	11	578,784	11	619,416	11	723,294	13	621,716	11	629,133	11	734,267	13	631,433	11

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	79,070	13.1	91,095	14.4	60,958	9.0	60,958	7.8	60,958	8.9	60,958	8.8	60,958	7.7	60,958	8.8
General Revenue	4000010	483,860	80.4	501,328	79.0	549,716	80.8	651,294	83.0	549,716	80.5	559,433	81.1	662,267	83.3	559,433	80.8
Cash Fund	4000045	38,626	6.4	40,413	6.4	69,700	10.2	72,000	9.2	72,000	10.5	69,700	10.1	72,000	9.1	72,000	10.4
Merit Adjustment Fund	4000055	0	0.0	1,424	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		601,556	100.0	634,260	100.0	680,374	100.0	784,252	100.0	682,674	100.0	690,091	100.0	795,225	100.0	692,391	100.0
Excess Appropriation/(Funding)		(91,095)		(60,958)		(60,958)		(60,958)		(60,958)		(60,958)		(60,958)		(60,958)	
Grand Total		510,461		573,302		619,416		723,294		621,716		629,133		734,267		631,433	

The FY08 Actual and the FY09 Budget in the Delta Cultural Center Bank Charges Fund Appropriation exceeds the Authorized due to a transfer from the Cash Fund Holding Account.

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	10	1	11	0	9.09 %	11	10	1	11	0	9.09 %	11	9	2	11	0	18.18 %

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 \$67,000 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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	681	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
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
Resale (COGS)	5090017	22,518	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		23,199	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000
Funding Sources										
Fund Balance	4000005	28,816	30,137		0	0	0	0	0	0
Cash Fund	4000045	24,520	36,863		67,000	67,000	67,000	67,000	67,000	67,000
Total Funding		53,336	67,000		67,000	67,000	67,000	67,000	67,000	67,000
Excess Appropriation/(Funding)		(30,137)	0		0	0	0	0	0	0
Grand Total		23,199	67,000		67,000	67,000	67,000	67,000	67,000	67,000

The FY08 Actual in the Resale (COGS) line item exceeds authorized due to a transfer from the Cash Fund Holding Account.

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 for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Base Level includes appropriation and general revenue funding of \$549,716 in FY10 and \$559,433 in FY11 with 11 Regular positions and 1 Extra Help position.

The Agency requests additional appropriation and general revenue funding of \$101,578 in FY10 and \$102,834 in FY11 for the following:

- Regular Salaries and related matching: Increase of \$64,878 in FY10 and \$66,134 in FY11 for two new positions. A new Maintenance Assistant position is requested to provide grounds keeping and general labor for the Agency's buildings, structures and acreage. A new Administrative Specialist III position is requested to enable the Agency to separate the office duties of accounting and basic operations.
- Operating Expenses: Increase of \$36,700 each year of the biennium for building and contents insurance, building and grounds maintenance, electricity, natural gas, water and sewage, equipment maintenance, telephone expenses and fuel. This request will provide for basic operating expenses that the Agency currently covers with Conservation Tax proceeds (Fund Center 476) and anticipated increases in the cost of utilities.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	304,566	326,411	318,778	357,463	403,519	357,463	365,652	412,767	365,652
#Positions		11	11	11	11	13	11	11	13	11
Extra Help	5010001	2,429	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550
#Extra Help		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	104,059	107,306	110,950	123,218	142,040	123,218	124,746	143,765	124,746
Operating Expenses	5020002	72,806	66,485	76,806	66,485	103,185	66,485	66,485	103,185	66,485
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		483,860	502,752	509,084	549,716	651,294	549,716	559,433	662,267	559,433
Funding Sources										
General Revenue	4000010	483,860	501,328		549,716	651,294	549,716	559,433	662,267	559,433
Merit Adjustment Fund	4000055	0	1,424		0	0	0	0	0	0
Total Funding		483,860	502,752		549,716	651,294	549,716	559,433	662,267	559,433
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		483,860	502,752		549,716	651,294	549,716	559,433	662,267	559,433

The FY09 Budget in Regular Salaries exceeds the authorized due to salary adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 922 - Delta Cultural Center - State Operations

Funding Sources: HRA - Arkansas Heritage Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	549,716	11	549,716	100.0	559,433	11	559,433	100.0
C01	Existing Program	101,578	2	651,294	118.5	102,834	2	662,267	118.4

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	549,716	11	549,716	100.0	559,433	11	559,433	100.0
C01	Existing Program	0	0	549,716	100.0	0	0	559,433	100.0

Justification

C01	The Delta Cultural Center is requesting funding for our basic operations out of M&O. The request includes our utilities costs, insurance costs, and mechanical equipment and security equipment maintenance costs. These are all cost items that the Agency has little control over; they are built-in expenses that come with basic Agency operations. 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. The Agency is also requesting two new positions: Maintenance Assistant and Administrative Specialist III. The DCC's maintenance staff of 3.5 is already stretched thin. It is the DCC's mission to be good stewards of state property and to be proactive in our approach to its maintenance. Adding an Administrative Specialist III will provide much needed staff support and provide staff to ensure compliance with state procedures (especially state audit requirements).
-----	--

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.

Base Level includes operating expenses appropriation of \$2,700 each year of the biennium.

The Agency requests additional appropriation in Operating Expenses in the amount of \$2,300 each year to cover the associated bank charges resulting from anticipated increases in gift shop sales.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,402	3,550	2,700	2,700	5,000	5,000	2,700	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		3,402	3,550	2,700	2,700	5,000	5,000	2,700	5,000	5,000
Funding Sources										
Fund Balance	4000005	50,254	60,958		60,958	60,958	60,958	60,958	60,958	60,958
Cash Fund	4000045	14,106	3,550		2,700	5,000	5,000	2,700	5,000	5,000
Total Funding		64,360	64,508		63,658	65,958	65,958	63,658	65,958	65,958
Excess Appropriation/(Funding)		(60,958)	(60,958)		(60,958)	(60,958)	(60,958)	(60,958)	(60,958)	(60,958)
Grand Total		3,402	3,550		2,700	5,000	5,000	2,700	5,000	5,000

The FY08 Actual and FY09 Budget in Operating Expenses exceed the Authorized due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: C14 - Delta Cultural Center - Bank Charges Fund

Funding Sources: 121 - Delta Cultural Museum Bank Charges

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	2,700	0	2,700	100.0	2,700	0	2,700	100.0
C01	Existing Program	2,300	0	5,000	185.2	2,300	0	5,000	185.2

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	2,700	0	2,700	100.0	2,700	0	2,700	100.0
C01	Existing Program	2,300	0	5,000	185.2	2,300	0	5,000	185.2

Justification

C01	The Delta Cultural Center requests additional appropriation to cover the charges incurred in the agency's cash fund account. The increase to our bank service charges and sales tax is based on increased Museum Store sales. The Museum Store has been extremely successful and the agency anticipates this trend to continue. The agency can certify the funds and ask for the appropriation to expense these funds to cover the bank service charges and sales tax.
-----	--

DAH - HISTORIC ARKANSAS MUSEUM COMMISSION

Enabling Laws

Act 793 of 2007
A.C.A. §13-7-301 et seq.

History and Organization

Agency Mission Statement

The mission of this historic site museum 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.

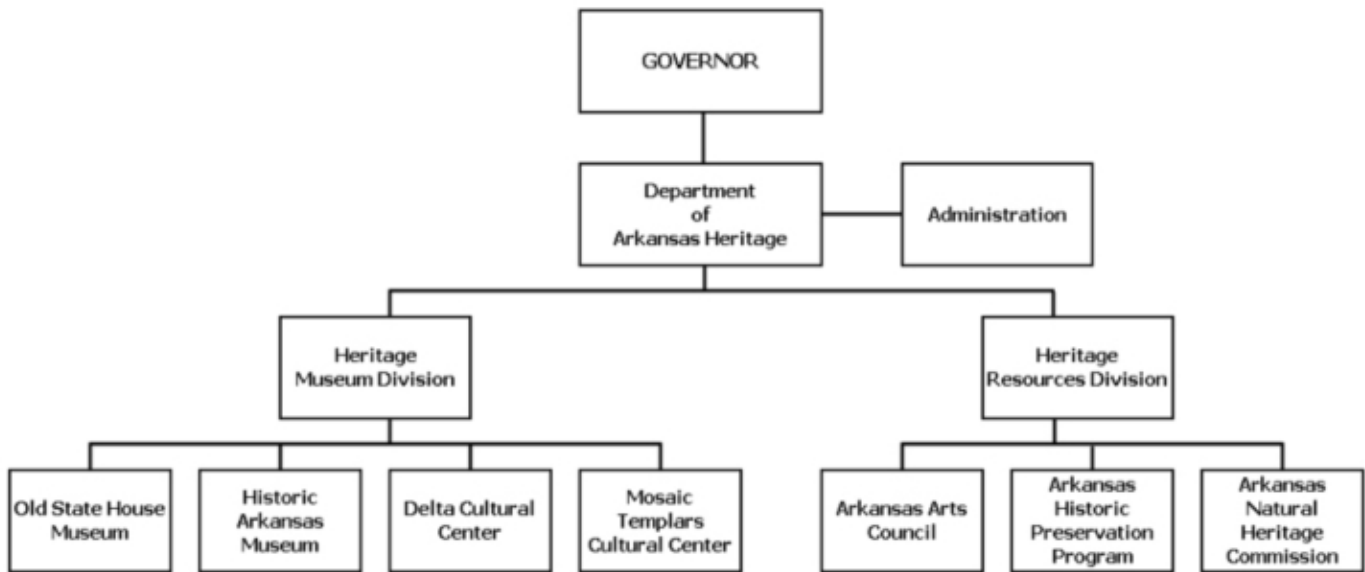
The scope of the museum's programs is defined by two major aspects of Arkansas history: the frontier period and the State's creative legacy from early days to the present. The functions involved in meeting the museum's mission involve research, education, exhibits and collections, development and maintenance. This 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 DAH. Internally, the museum contains maintenance, collections, education and development divisions which have to satisfy 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; 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, 2007

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

Employment Summary

	Male	Female	Total	%	
White Employees	8	8	16	73 %	
Black Employees	2	4	6	27 %	
Other Racial Minorities	0	0	0	0 %	
			Total Minorities	6	27 %
			Total Employees	22	100 %

Cash Fund Balance Description as of June 30, 2008

Fund Account	Balance	Type	Location
1120100	\$58,256	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	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	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.	169,822	1	275,604	1	289,359	1	284,477	1	298,477	1	298,477	1	285,044	1	299,044	1	299,044	1
496 Historic Arkansas Museum-St. Operations	1,111,559	21	1,078,174	21	1,112,756	21	1,145,437	21	1,304,489	23	1,145,437	21	1,165,358	21	1,328,673	23	1,165,358	21
C15 Historic Arkansas Museum - Bank Charges	9,595	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	1,290,976	22	1,365,028	22	1,413,365	22	1,441,164	22	1,614,216	24	1,455,164	22	1,461,652	22	1,638,967	24	1,475,652	22

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	76,022	5.6	78,727	5.5	58,256	3.9	58,256	3.5	58,256	3.8	58,256	3.8	58,256	3.4	58,256	3.8
General Revenue	4000010	1,111,559	81.2	1,067,257	75.0	1,145,437	76.4	1,304,489	78.0	1,145,437	75.7	1,165,358	76.7	1,328,673	78.3	1,165,358	76.0
Cash Fund	4000045	182,122	13.3	266,383	18.7	295,727	19.7	309,727	18.5	309,727	20.5	296,294	19.5	310,294	18.3	310,294	20.2
Merit Adjustment Fund	4000055	0	0.0	10,917	0.8	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		1,369,703	100.0	1,423,284	100.0	1,499,420	100.0	1,672,472	100.0	1,513,420	100.0	1,519,908	100.0	1,697,223	100.0	1,533,908	100.0
Excess Appropriation/(Funding)		(78,727)		(58,256)		(58,256)		(58,256)		(58,256)		(58,256)		(58,256)		(58,256)	
Grand Total		1,290,976		1,365,028		1,441,164		1,614,216		1,455,164		1,461,652		1,638,967		1,475,652	

The FY08 Actual Exceeds the FY09 Budget in the State Operations appropriation (496) due to salary and matching adjustments during the 2007-09 biennium and General Revenue funding reductions in FY09.

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	21	1	22	0	4.55 %	22	22	0	22	0	0.00 %	22	22	0	22	0	0.00 %

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 for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Base Level includes appropriation of \$284,477 in FY10 and \$285,044 in FY11 with 1 Regular position and 15 Extra Help positions.

The Agency requests additional Operating Expense appropriation of \$14,000 each year of the biennium. This technology related request is in line with the Agency's IT Plan and will be used to cover expenses related to the point-of-sale system and to set up an additional sales station in the museum store.

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		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	13,653	14,151	20,254	20,788	20,788	20,788	21,266	21,266	21,266
#Positions		1	1	1	1	1	1	1	1	1
Extra Help	5010001	70,245	142,134	142,134	142,134	142,134	142,134	142,134	142,134	142,134
#Extra Help		15	15	15	15	15	15	15	15	15
Personal Services Matching	5010003	14,593	17,714	25,366	19,950	19,950	19,950	20,039	20,039	20,039
Operating Expenses	5020002	14,585	20,521	20,521	20,521	34,521	34,521	20,521	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	56,746	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		169,822	275,604	289,359	284,477	298,477	298,477	285,044	299,044	299,044
Funding Sources										
Fund Balance	4000005	23,383	20,471		0	0	0	0	0	0
Cash Fund	4000045	166,910	255,133		284,477	298,477	298,477	285,044	299,044	299,044
Total Funding		190,293	275,604		284,477	298,477	298,477	285,044	299,044	299,044
Excess Appropriation/(Funding)		(20,471)	0		0	0	0	0	0	0
Grand Total		169,822	275,604		284,477	298,477	298,477	285,044	299,044	299,044

Change Level by Appropriation

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

Funding Sources: NNH - Historic Arkansas Museum Cash

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	284,477	1	284,477	100.0	285,044	1	285,044	100.0
C08	Technology	14,000	0	298,477	104.9	14,000	0	299,044	104.9

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	284,477	1	284,477	100.0	285,044	1	285,044	100.0
C08	Technology	14,000	0	298,477	104.9	14,000	0	299,044	104.9

Justification

C08	This change level from the Museum Store's cash fund covers contingencies related to the point-of-sale system and the possibility of setting up an additional sales station in the Store. This change level follows the department's IT plan. The request can be found in the department's approved IT Plan as follows: IT Support Costs Tab (Hardware/Software).
-----	--

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 for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Base Level includes appropriation and general revenue funding of \$1,145,437 in FY10 and \$1,165,358 in FY11 with 21 Regular positions.

The Agency requests additional appropriation and general revenue funding of \$159,052 in FY10 and \$163,315 in FY11 for the following:

- Regular Salaries and related matching: \$78,325 in FY10 and \$79,888 in FY11 for two new positions: One Administrative Specialist II position to serve as a receptionist for the schools and other visitors, to organize educational materials and to create/maintain a schedule for museum activities, appointments and deliveries and one Museum Curator position to develop long range plans for the enhancement of the museum's priceless collection of Arkansas related objects and to supervise the management of the museum's collection by developing policy and procedures for the storage, care and research on the valuable museum collection, directing the care by managing staff, volunteers and contractors who work with the collection, planning exhibits, and directing the preparation and dissemination of information and publications on the Arkansas-made collection.
- Operating Expenses: \$80,727 in FY10 and \$83,427 in FY11. This request primarily consists of basic operating costs including the security system, the maintenance contract on the facility's heating and air conditioning system and electricity that the agency currently covers with Conservation Tax proceeds (Fund Center 476). The remaining portion of the request will provide for increased costs of building and contents insurance and utilities.

The Executive Recommendation provides for Base Level with no additional general revenue funding.

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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	689,278	713,229	679,829	753,606	810,987	753,606	770,388	829,088	770,388
#Positions		21	21	21	21	23	21	21	23	21
Personal Services Matching	5010003	240,782	221,290	251,428	248,176	269,120	248,176	251,315	272,503	251,315
Operating Expenses	5020002	181,499	143,655	181,499	143,655	224,382	143,655	143,655	227,082	143,655
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		1,111,559	1,078,174	1,112,756	1,145,437	1,304,489	1,145,437	1,165,358	1,328,673	1,165,358
Funding Sources										
General Revenue	4000010	1,111,559	1,067,257		1,145,437	1,304,489	1,145,437	1,165,358	1,328,673	1,165,358
Merit Adjustment Fund	4000055	0	10,917		0	0	0	0	0	0
Total Funding		1,111,559	1,078,174		1,145,437	1,304,489	1,145,437	1,165,358	1,328,673	1,165,358
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,111,559	1,078,174		1,145,437	1,304,489	1,145,437	1,165,358	1,328,673	1,165,358

The FY08 Actual and FY09 Budget in Regular Salaries exceed the Authorized due to salary adjustments during the 2007-2009 biennium.

The FY08 Actual Exceeds the FY09 Budget in the State Operations appropriation (496) due to salary and matching adjustments during the 2007-09 biennium as well as general revenue funding reductions in FY09.

Change Level by Appropriation

Appropriation: 496 - Historic Arkansas Museum-St. Operations

Funding Sources: HRA - Arkansas Heritage Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,145,437	21	1,145,437	100.0	1,165,358	21	1,165,358	100.0
C01	Existing Program	159,052	2	1,304,489	113.9	163,315	2	1,328,673	114.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,145,437	21	1,145,437	100.0	1,165,358	21	1,165,358	100.0
C01	Existing Program	0	0	1,145,437	100.0	0	0	1,165,358	100.0

Justification

C01	This request covers fixed cost of keeping the museum facility open. Utilities are a necessary part of basic operations of the museum. The monitoring of and maintenance contract on the museum's security system is crucial to the protection of the visitors and of the priceless collection of objects in the museum's collection. The maintenance contract on the facility's heating and air-conditioning system is vital for visitor comfort and for the care of the museum's priceless collection of Arkansas-made objects. The Agency is requesting two new positions: Curator and Administrative Specialist II.
-----	--

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	9,595	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		9,595	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250
Funding Sources										
Fund Balance	4000005	52,639	58,256		58,256	58,256	58,256	58,256	58,256	58,256
Cash Fund	4000045	15,212	11,250		11,250	11,250	11,250	11,250	11,250	11,250
Total Funding		67,851	69,506		69,506	69,506	69,506	69,506	69,506	69,506
Excess Appropriation/(Funding)		(58,256)	(58,256)		(58,256)	(58,256)	(58,256)	(58,256)	(58,256)	(58,256)
Grand Total		9,595	11,250		11,250	11,250	11,250	11,250	11,250	11,250

DAH - HISTORIC PRESERVATION

Enabling Laws

Act 793 of 2007
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 program (currently there are 15 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 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 (ANCR) 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 chosen 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 passes 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.

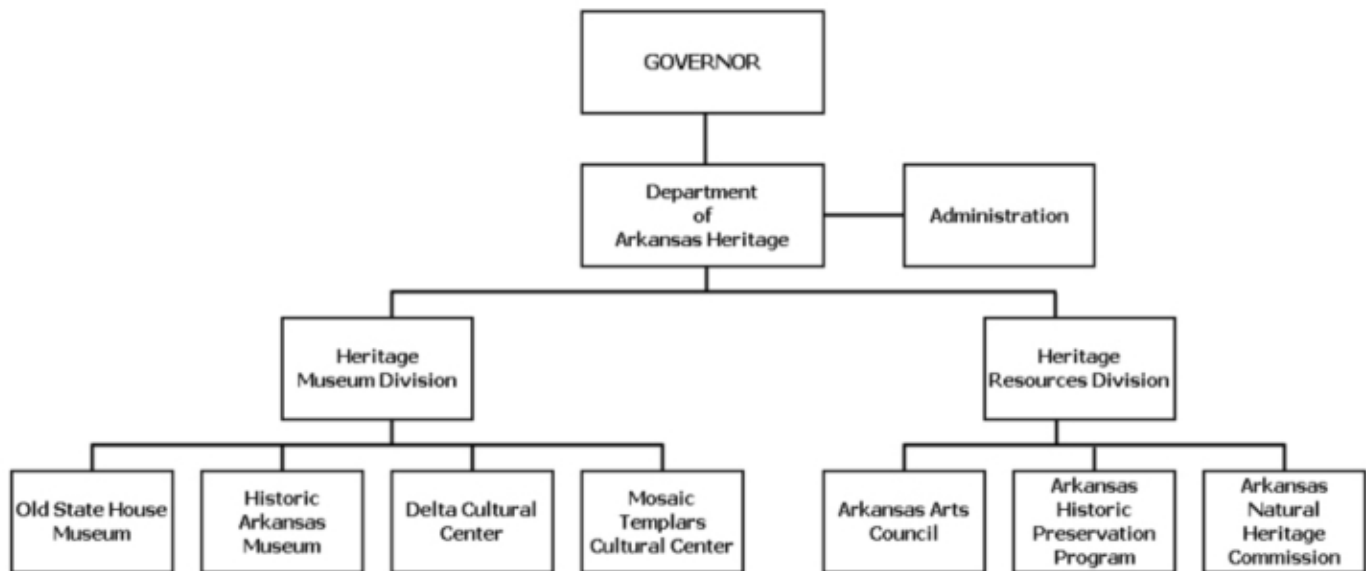
The AHPP's public information efforts include regular press releases to media around the state as well as e-newsletters from both the AHPP and Main Street Arkansas. In addition, www.arkansaspreservation.org includes a wide range of information. The agency also provides educational materials through publications, 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, 2007

Findings	Recommendations
Audit findings are reported under DAH-Central Administration.	.

Employment Summary

	Male	Female	Total	%
White Employees	12	11	23	92 %
Black Employees	0	2	2	8 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	8 %
Total Employees			25	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	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	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	2,904,265	17	3,000,000	8	0	8	0	8	0	10	0	8	0	8	0	10	0	8
491 Historic Preservation-Federal Program	585,106	8	1,467,425	17	1,308,698	17	1,361,309	17	1,361,309	17	1,361,309	17	1,379,464	17	1,379,464	17	1,379,464	17
960 Hist Pres - Main Street - Cash in Treasury	14,267	0	10,342	0	28,350	0	10,342	0	28,342	0	28,342	0	10,342	0	12,342	0	12,342	0
Total	3,503,638	25	4,477,767	25	1,337,048	25	1,371,651	25	1,389,651	27	1,389,651	25	1,389,806	25	1,391,806	27	1,391,806	25

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	14,024	0.4	270	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Revenue	4000020	585,106	16.7	1,467,425	32.8	1,361,309	99.2	1,361,309	98.0	1,361,309	98.0	1,379,464	99.3	1,379,464	99.1	1,379,464	99.1	1,379,464	99.1
Cash Fund	4000045	513	0.0	10,072	0.2	10,342	0.8	28,342	2.0	28,342	2.0	10,342	0.7	12,342	0.9	12,342	0.9	12,342	0.9
Inter-agency Fund Transfer	4000316	2,904,265	82.9	3,000,000	67.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		3,503,908	100.0	4,477,767	100.0	1,371,651	100.0	1,389,651	100.0	1,389,651	100.0	1,389,806	100.0	1,391,806	100.0	1,391,806	100.0	1,391,806	100.0
Excess Appropriation/(Funding)		(270)		0		0		0		0		0		0		0		0	
Grand Total		3,503,638		4,477,767		1,371,651		1,389,651		1,389,651		1,389,806		1,391,806		1,391,806		1,391,806	

The FY08 Actual and FY09 Budget exceeds Authorized in the Historic Preservation – Real Estate Transfer Tax 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 Actual number of positions exceeds the Authorized in the Historic Preservation – Real Estate Transfer Tax appropriation due to the flexibility inherent in the authorization of all positions through one salary section in the Agency's appropriation act.

The FY09 Budget exceeds the Authorized in the Historic Preservation – Federal Program due to salary adjustments during the 2007-2009 biennium and a transfer from the Miscellaneous Federal Grant holding account.

The FY08 Actual exceeds the FY09 Budget in the Main Street - Cash in Treasury appropriation due to a reduced level of total cash funding available in FY09.

The Inter-agency Fund Transfer reflects the transfer of Real Estate Transfer Tax funding from the NCRC (Business Area 0887).

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	25	0	25	0	0.00 %	25	25	0	25	0	0.00 %	25	25	0	25	0	0.00 %

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 36 of Act 793 of 2007 [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 Regular positions and four Extra Help positions. Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. 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 additional positions:

- One Grants Coordinator with an annual salary of \$35,554 in FY10 and \$36,372 in FY11. This position will be used to coordinate all of the Agency's grant programs including the Historic Preservation Historic Preservation Restoration Grants, County Courthouse Grants, Documentary Media Grants, Main Street Model Business Grants, Slipcover Grants, Downtown Revitalization Grants and Certified Local Government Grants.
- One Administrative Specialist II with an annual salary of \$21,827 in FY10 and \$22,329 in FY11. This position will serve as a full time receptionist to provide administrative support for the agency.

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			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	742,671	413,644	0	0	0	0	0	0	0
#Positions		17	8	8	8	10	8	8	10	8
Extra Help	5010001	50,151	42,838	0	0	0	0	0	0	0
#Extra Help		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	228,629	115,570	0	0	0	0	0	0	0
Operating Expenses	5020002	477,285	493,000	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	55,543	64,000	0	0	0	0	0	0	0
Professional Fees	5060010	27,028	178,498	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	1,319,506	1,681,450	0	0	0	0	0	0	0
Capital Outlay	5120011	3,452	11,000	0	0	0	0	0	0	0
Total		2,904,265	3,000,000	0	0	0	0	0	0	0
Funding Sources										
Inter-agency Fund Transfer	4000316	2,904,265	3,000,000		0	0	0	0	0	0
Total Funding		2,904,265	3,000,000		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,904,265	3,000,000		0	0	0	0	0	0

The FY08 Actual and FY09 Budget exceed 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).

The Actual number of positions exceeds the Authorized number due to the flexibility inherent in the authorization of all positions through one salary section in the Agency's appropriation act.

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		2009-2010	Pos	Cumulative	% of BL	2010-2011	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		2009-2010	Pos	Cumulative	% of BL	2010-2011	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>Historic Preservation Program – Grants Coordinator and Administrative Specialist II (paid from RETT). The Grants Coordinator will coordinate all of our grant programs: Historic Preservation Restoration Grants, County Courthouse Grants, Documentary Media Grants, Main Street Model Business Grants, Slipcover Grants, Downtown Revitalization Grants and Certified Local Government Grants. This position is necessary as the volume of grants given by this agency has continued to increase in the past ten years and can no longer be coordinated by an extra-help position. This year, the AHPP will award 96 grants totaling more than \$2.3 million. The position will facilitate activities with grant review committees, coordinate all awards, monitor progress, evaluate progress, monitor invoices, authorize payments, coordinate with the various program areas on selection, serve as agency liaison with government officials and serve as agency spokesperson on all grant programs. The request for an Administrative Specialist II is for a position to serve as a full-time receptionist and administrative support for the agency. As the programs and services of the AHPP have continued to expand, we need to rely on this position to communicate and provide consistent information to government officials and to the general public.</p>
-----	---

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 for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency requests the continuation of Base Level appropriation of \$1,361,309 in FY10 and \$1,379,464 in FY11 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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	267,381	640,661	626,732	664,510	664,510	664,510	679,765	679,765	679,765
#Positions		8	17	17	17	17	17	17	17	17
Extra Help	5010001	7,552	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	84,187	194,552	199,754	214,587	214,587	214,587	217,487	217,487	217,487
Operating Expenses	5020002	105,289	205,394	205,394	205,394	205,394	205,394	205,394	205,394	205,394
Conference & Travel Expenses	5050009	1,247	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	119,450	359,100	209,100	209,100	209,100	209,100	209,100	209,100	209,100
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		585,106	1,467,425	1,308,698	1,361,309	1,361,309	1,361,309	1,379,464	1,379,464	1,379,464
Funding Sources										
Federal Revenue	4000020	585,106	1,467,425		1,361,309	1,361,309	1,361,309	1,379,464	1,379,464	1,379,464
Total Funding		585,106	1,467,425		1,361,309	1,361,309	1,361,309	1,379,464	1,379,464	1,379,464
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		585,106	1,467,425		1,361,309	1,361,309	1,361,309	1,379,464	1,379,464	1,379,464

The FY09 Budget in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.

The FY09 Budget in Grants and Aid exceeds the Authorized amount due a transfer from the Miscellaneous Federal Grant holding account.

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.

Base Level includes appropriation of \$10,342 each year of the biennium.

The Agency requests additional appropriation of \$18,000 in FY10 and \$2,000 in FY11 for the following:

- Operating Expenses: Reduction of \$4,000 in FY11 only to ensure the budget is in line with projected funding levels.
- Professional Fees: Increase of \$18,000 in FY10 and \$6,000 in FY11. The additional appropriation requested for FY10 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). The additional appropriation requested for FY11 will be used 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			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	9,267	8,342	18,350	8,342	8,342	8,342	8,342	4,342	4,342
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	5,000	2,000	10,000	2,000	20,000	20,000	2,000	8,000	8,000
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		14,267	10,342	28,350	10,342	28,342	28,342	10,342	12,342	12,342
Funding Sources										
Fund Balance	4000005	14,024	270		0	0	0	0	0	0
Cash Fund	4000045	513	10,072		10,342	28,342	28,342	10,342	12,342	12,342
Total Funding		14,537	10,342		10,342	28,342	28,342	10,342	12,342	12,342
Excess Appropriation/(Funding)		(270)	0		0	0	0	0	0	0
Grand Total		14,267	10,342		10,342	28,342	28,342	10,342	12,342	12,342

The FY08 Actual exceeds the FY09 Budget in the Main Street - Cash in Treasury appropriation (960) due to a reduced level of total cash funding available in FY09.

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		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	10,342	0	10,342	100.0	10,342	0	10,342	100.0
C01	Existing Program	18,000	0	28,342	274.0	6,000	0	16,342	158.0
C03	Discontinue Program	0	0	28,342	274.0	(4,000)	0	12,342	119.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	10,342	0	10,342	100.0	10,342	0	10,342	100.0
C01	Existing Program	18,000	0	28,342	274.0	6,000	0	16,342	158.0
C03	Discontinue Program	0	0	28,342	274.0	(4,000)	0	12,342	119.3

Justification

C01	Main Street Arkansas will host a tri-state conference during the first year. Additionally, Main Street Arkansas has accepted 8 new communities into the Arkansas Downtown Network (ADN) and will provide extensive training and technical assistance to those communities. In the second year, several of those 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.
C03	The Agency requests to reduce the operating budget line item by \$4,000 in FY2011 only to ensure that the total agency budget for the second year of the biennium remains in line with projected fund receipts.

DAH - MOSAIC TEMPLARS CULTURAL CENTER

Enabling Laws

Act 793 of 2007
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.

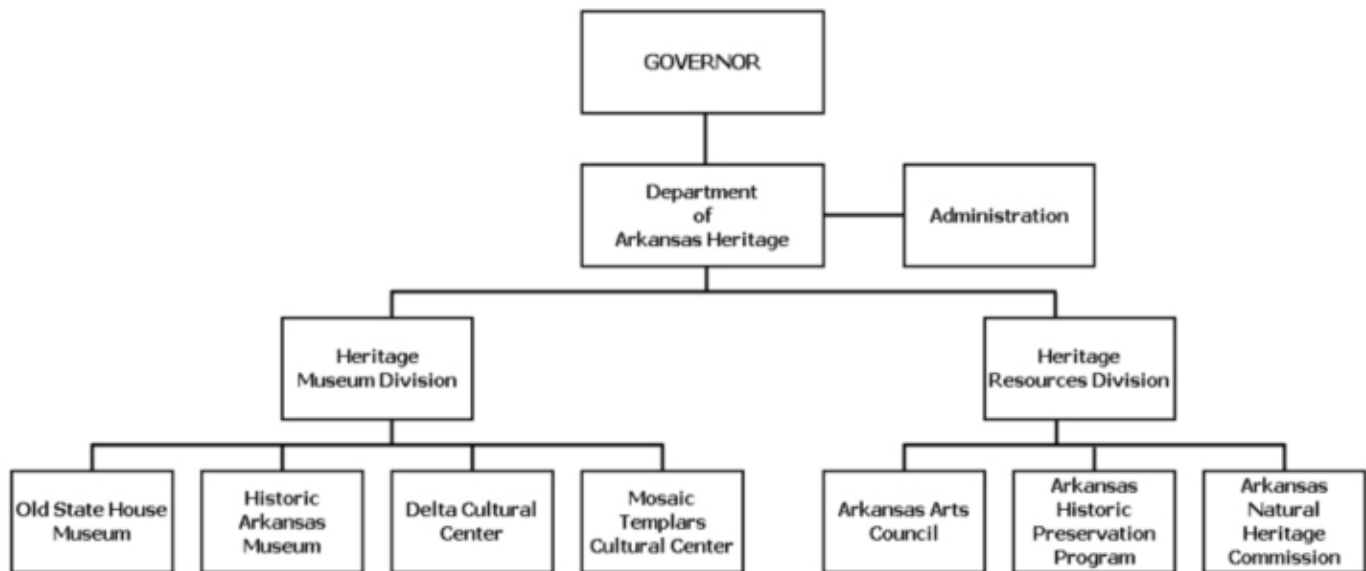
Brief Discussion of Statutory Responsibilities and Primary Activities

The Cultural Center will house temporary and permanent exhibits that assist in delivering our mission. The Center will serve as a resource center for individuals wishing to learn more about African Americans in Arkansas and will include 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 will 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 :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2007

Findings

Audit findings are reported under DAH-Central Administration.

Recommendations

.

Employment Summary

	Male	Female	Total	%
White Employees	1	1	2	33 %
Black Employees	1	3	4	67 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	67 %
Total Employees			6	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		
N/A	N/A	N	N	0	No publications

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	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	551,942	8	594,947	6	821,912	11	632,016	6	990,061	12	788,271	8	638,387	6	1,002,384	12	796,276	8
1XX Mosaic Templars - Cash in Treasury	543,861	0	1,023,600	0	1,569,785	0	35,000	0	80,000	0	80,000	0	35,000	0	80,000	0	80,000	0
C17 Bank Charges Fund	0	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	1,095,803	8	1,623,607	6	2,396,757	11	672,076	6	1,075,121	12	873,331	8	678,447	6	1,087,444	12	881,336	8

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	1,474,099	70.4	998,556	61.5			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
General Revenue 4000010	551,942	26.4	594,947	36.6			632,016	94.0	990,061	92.1	778,271	90.1	638,387	94.1	1,002,384	92.2	786,276	90.2
Cash Fund 4000045	68,318	3.3	30,104	1.9			40,060	6.0	85,060	7.9	85,060	9.9	40,060	5.9	85,060	7.8	85,060	9.8
Total Funds	2,094,359	100.0	1,623,607	100.0			672,076	100.0	1,075,121	100.0	863,331	100.0	678,447	100.0	1,087,444	100.0	871,336	100.0
Excess Appropriation/(Funding)	(998,556)		0				0		0		10,000		0		0		10,000	
Grand Total	1,095,803		1,623,607				672,076		1,075,121		873,331		678,447		1,087,444		881,336	

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	6	0	6	5	45.45 %	11	6	5	11	0	45.45 %	11	6	0	6	5	45.45 %

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 for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Base Level includes appropriation and general revenue funding of \$632,016 in FY10 and \$638,387 in FY11.

The Agency requests additional appropriation and general revenue funding of \$358,045 in FY10 and \$363,997 in FY11 for the following:

- Regular Salaries and related matching: \$242,447 in FY10 and \$247,322 in FY11 for the restoration of five positions not budgeted in FY09 and for one new Administrative Specialist III position. The five position restorations will be used to support the newly re-opened MTCC Museum and include the following: one Public Information Specialist, one Curator, one Maintenance Technician, one Museum Program Assistant II and one DAH Program Coordinator. The restoration of these five positions will support the educational and outreach services provided by the Agency and will enable the Agency to increase the number of days per week that the museum is open to the public. The new Administrative Specialist position will be utilized to create a segregation of duties between the clerical and fiscal staff.
- Extra Help and related matching: \$37,699 in FY10 and \$38,776 in FY11. This request includes the restoration of \$26,150 of Extra Help appropriation that was authorized during the 2007-09 biennium plus an additional \$8,850 each year. This request will enable the Agency to utilize currently authorized part time positions to support the educational programming and services provided by the Agency.
- Operating Expenses: \$64,899 each year of the biennium. This total request includes \$13,000 each year for technology related items including data processing supplies and software/licenses. Other increases include utilities, educational and cultural materials, travel reimbursement expenses, kitchen/janitorial expenses, subscriptions and publications, printing and office supplies. This request provides for the restoration of \$40,635 in Operating Expenses appropriation that was authorized during the 2007-09 biennium plus an additional \$24,264 each year that will be used to support the educational and outreach services provided by the Agency and will enable the Agency to increase the number of days per week that the museum is open to the public.

- Conference and Travel Expenses: \$3,000 each year of the biennium to provide for training and educational opportunities for Agency staff.
- Capital Outlay: \$10,000 each year of the biennium to establish a budget for equipment purchases.

The Executive Recommendation provides for additional appropriation and general revenue funding for the following:

- Regular Salaries and related matching of \$81,356 in FY10 and \$82,990 in FY11 for the restoration of two positions; one Curator position and one Museum Program Assistant II position.
- Operating Expenses of \$64,899 each year of the biennium.

The Executive Recommendation provides for additional appropriation only for the following:

- Capital Outlay of \$10,000 each year of the biennium.

Appropriation Summary

Appropriation: 1MT - Mosaic Templars - State Operations

Funding Sources: HRA - Arkansas Heritage Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	217,984	202,443	313,438	228,402	401,636	286,875	233,638	410,854	293,455
#Positions	8	6	11	6	12	8	6	12	8
Extra Help 5010001	5,801	60,000	86,150	60,000	95,000	60,000	60,000	96,000	60,000
#Extra Help	1	8	8	8	8	8	8	8	8
Personal Services Matching 5010003	97,944	75,439	124,624	86,549	158,461	109,432	87,684	160,566	110,857
Operating Expenses 5020002	221,076	225,565	266,200	225,565	290,464	290,464	225,565	290,464	290,464
Conference & Travel Expenses 5050009	4,642	5,000	5,000	5,000	8,000	5,000	5,000	8,000	5,000
Professional Fees 5060010	4,495	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	10,000	10,000	0	10,000	10,000
Total	551,942	594,947	821,912	632,016	990,061	788,271	638,387	1,002,384	796,276
Funding Sources									
General Revenue 4000010	551,942	594,947		632,016	990,061	778,271	638,387	1,002,384	786,276
Total Funding	551,942	594,947		632,016	990,061	778,271	638,387	1,002,384	786,276
Excess Appropriation/(Funding)	0	0		0	0	10,000	0	0	10,000
Grand Total	551,942	594,947		632,016	990,061	788,271	638,387	1,002,384	796,276

The FY08 Actual in Regular Salaries and Personal Services Matching exceeds the FY09 Budget due to more positions budgeted in FY08.

Change Level by Appropriation

Appropriation: 1MT - Mosaic Templars - State Operations

Funding Sources: HRA - Arkansas Heritage Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	632,016	6	632,016	100.0	638,387	6	638,387	100.0
C01	Existing Program	345,045	6	977,061	154.6	350,997	6	989,384	155.0
C08	Technology	13,000	0	990,061	156.7	13,000	0	1,002,384	157.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	632,016	6	632,016	100.0	638,387	6	638,387	100.0
C01	Existing Program	143,255	2	775,271	122.7	144,889	2	783,276	122.7
C08	Technology	13,000	0	788,271	124.7	13,000	0	796,276	124.7

Justification

C01	The Mosaic Templars Cultural Center is the state-funded museum of African American history and culture. In September 2008, the Cultural Center will open with 6 full time staff members and 3 part time staff members. Due to budget shortfalls in fiscal year 2009, the Cultural Center was forced to reduce the amount of its General Revenue Maintenance and Operations budget by over \$50,000 plus reducing the number of full time staff from 11 to 6 and part time staff from 8 to 3. As a result, the Cultural Center was forced to reduce the number of hours the museum is open to the public (from 6 1/2 days a week to 5 days a week). The Cultural Center was also forced to reduce specific budget cost elements including 02 travel, educational supplies and materials, archival supplies (cultural supplies) and purchase of books for our library. All of these reductions affect the quantity and quality of the educational programs and services that the Cultural Center can provide to visitors. In the next biennium, the Cultural Center is requesting that the 5 full time positions be restored and add an additional position to the agency and increase the Extra Help Salary line item and corresponding matching. Also the Cultural Center requests that our General Revenue budget be reinstated to it FY08 level.
C08	The Mosaic Templars Cultural Center is the state-funded museum of African American history. As a new museum which opened in September 2008, the agency will continue to grow and expand the products and services it provides to its visitors during its initial years of operation. This growth will require replacement of old computer equipment and the purchase of new computer equipment as new staff members join the team and as product and services are increased. As a museum of the 21st century, the Mosaic Templars Cultural Center prides itself on being on the cutting edge of museum technology by provided the visitor with a state-of-the-art museum experience. The request can be found in the department's approved IT plan as follows: IT Support Costs Tab (Equipment).

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. In the 2009-11 biennium this cash appropriation will be used to support Agency programs and will be funded by donations and Museum Gift Shop operations.

Base Level includes appropriation of \$35,000 each year of the biennium.

The Agency requests additional appropriation of \$45,000 each year for the following:

- Operating Expenses: \$10,000 each year to enable the Agency to supplement the general revenue funded budget with income derived from museum gift sales.
- Professional Fees: \$10,000 each year to enable the Agency to supplement the general revenue funded budget with income derived from museum gift sales.
- Resale (Cost of Goods Sold): Increase of \$25,000 each year ensure the Agency has enough authorized appropriation to restock the museum store during the store's first full year of operations since the reopening in September 2008.

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			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	2,398	94,500	10,000	10,000	20,000	20,000	10,000	20,000	20,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	6,000	0	0	10,000	10,000	0	10,000	10,000
Construction	5090005	522,026	873,100	1,534,785	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Resale (COGS)	5090017	19,437	50,000	25,000	25,000	50,000	50,000	25,000	50,000	50,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		543,861	1,023,600	1,569,785	35,000	80,000	80,000	35,000	80,000	80,000
Funding Sources										
Fund Balance	4000005	1,474,099	998,556		0	0	0	0	0	0
Cash Fund	4000045	68,318	25,044		35,000	80,000	80,000	35,000	80,000	80,000
Total Funding		1,542,417	1,023,600		35,000	80,000	80,000	35,000	80,000	80,000
Excess Appropriation/(Funding)		(998,556)	0		0	0	0	0	0	0
Grand Total		543,861	1,023,600		35,000	80,000	80,000	35,000	80,000	80,000

The FY09 Budget in Operating Expenses, Professional Fees and Resale (COGS) exceeds the authorized due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 1XX - Mosaic Templars - Cash in Treasury

Funding Sources: NNH - Mosaic Templars Cash in Treasury

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	35,000	0	35,000	100.0	35,000	0	35,000	100.0
C01	Existing Program	45,000	0	80,000	228.6	45,000	0	80,000	228.6

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	35,000	0	35,000	100.0	35,000	0	35,000	100.0
C01	Existing Program	45,000	0	80,000	228.6	45,000	0	80,000	228.6

Justification

C01	The Mosaic Templars Cultural Center is the state-funded museum of African American history. As a new museum which opened in September 2008, the agency will continue to grow and expand the products and services it provides to its visitors during its initial years of operation. The Cultural Center's Cash Fund will be used to increase the programs offered and the merchandise available in the Museum Store.
-----	---

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 requests continuation of Base Level 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			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	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		0	5,060	5,060	5,060	5,060	5,060	5,060	5,060	5,060
Funding Sources										
Cash Fund	4000045	0	5,060		5,060	5,060	5,060	5,060	5,060	5,060
Total Funding		0	5,060		5,060	5,060	5,060	5,060	5,060	5,060
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	5,060		5,060	5,060	5,060	5,060	5,060	5,060

DAH - NATURAL & CULTURAL RESOURCES COUNCIL

Enabling Laws

Act 793 of 2007
A.C.A. §15-12-101 et seq.

History and Organization

Agency Mission Statement

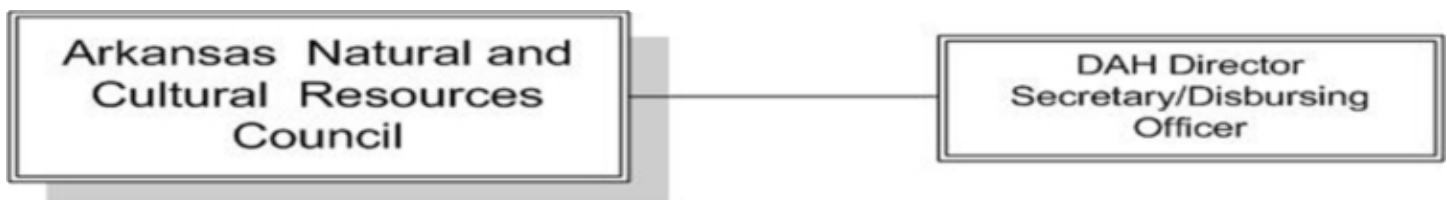
The Arkansas Natural and Cultural Resources Council (ANCRC) was created to manage and supervise grants and a trust fund for use in the acquisition, management, and stewardship of state-owned lands or the preservation of state-owned historic sites, buildings, structures, or objects which the Council determines 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, 2007

Findings

Audit findings are reported under DAH-Central Administration.

Recommendations

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	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2MZ NCRC--Administration	62,469	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	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	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	62,469	1	33,075,000	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	33,000,000	1

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	54,146,991	118.2	45,763,749	82.5	22,422,015	54.4	22,422,015	49.1	22,422,015	49.1	8,195,931	30.9	12,695,931	35.7	12,695,931	35.7	
Interest	4000300	1,684,173	3.7	1,431,076	2.6	711,857	1.7	711,857	1.6	711,857	1.6	267,282	1.0	267,282	0.8	267,282	0.8	
Inter-agency Fund Transfer	4000316	(26,033,183)	(56.8)	(9,834,869)	(17.7)	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	75,000	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Real Estate Transfer Tax	4000403	16,523,956	36.1	18,620,679	33.6	18,620,679	45.2	23,120,679	50.6	23,120,679	50.6	18,620,679	70.2	23,120,679	65.1	23,120,679	65.1	
Service Charges	4000447	(495,719)	(1.1)	(558,620)	(1.0)	(558,620)	(1.4)	(558,620)	(1.2)	(558,620)	(1.2)	(558,620)	(2.1)	(558,620)	(1.6)	(558,620)	(1.6)	
Total Funds		45,826,218	100.0	55,497,015	100.0	41,195,931	100.0	45,695,931	100.0	45,695,931	100.0	26,525,272	100.0	35,525,272	100.0	35,525,272	100.0	
Excess Appropriation/(Funding)		(45,763,749)		(22,422,015)		(8,195,931)		(12,695,931)		(12,695,931)		6,474,728		(2,525,272)		(2,525,272)		
Grand Total		62,469		33,075,000		33,000,000		33,000,000		33,000,000		33,000,000		33,000,000		33,000,000		

The FY08 Actual and FY09 Budget in the NCRC – Admin appropriation exceed 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 FY08 represents the amount of obligated funding distributed for FY08 grants and FY07 grant extensions in the NCRC-State Owned Lands or Historic Sites appropriation. The FY09 amount represents the portion of the FY09 beginning Fund Balance that is obligated for FY08 grant extensions.

The Intra-agency Fund Transfer reflects the transfer of Real Estate Transfer Tax funding from the Natural and Cultural Resources Council (Business Area 0887) to the Historic Preservation – Real Estate Transfer Tax Appropriation (Business Area 0877).

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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 36 of Act 793 of 2007 [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 Regular position. The Base Level salary for this classified position reflects the recommendation of the Pay Plan Study. 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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	42,095	43,478	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	12,717	12,313	0	0	0	0	0	0	0
Operating Expenses	5020002	7,657	18,459	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	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		62,469	75,000	0	0	0	0	0	0	0
Funding Sources										
Intra-agency Fund Transfer	4000317	62,469	75,000		0	0	0	0	0	0
Total Funding		62,469	75,000		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		62,469	75,000		0	0	0	0	0	0

The FY08 Actual and FY09 Budget exceed 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).

Special Language provides for the carryforward of the unexpended balance of the NCRC appropriation from the first year of the biennium to the second year of the biennium. The amount that carried forward from FY08 into FY09 was \$7,531.

The Intra-agency Fund Transfer reflects the transfer of Real Estate Transfer Tax funding from the Natural and Cultural Resources Council (Business Area 0887) to the Historic Preservation – Real Estate Transfer Tax Appropriation (Business Area 0877).

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
2008 GRANT FUNDING & APPROPRIATION BY PROJECT**

Agency	FY08 Projects	Amount Approved
Sequoyah Research Center-UALR	American Indian Newspapers/Periodicals Project	\$ 55,002
Department of Arkansas Heritage	DAH Improvements	7,700,000
Rich Mountain Community College	Walking Trail and Amphitheatre Phase III	425,000
University of Arkansas-Fayetteville	Old Main Exterior Restoration Phase III	1,700,000
University of Arkansas-Fayetteville	Garvan Woodland Gardens	825,000
University of Arkansas-Fayetteville	The Virtual Hampson Museum	90,000
University of Arkansas-Fayetteville	Stabilization & Restoration of Memorial Hall-Phase I	200,000
Arkansas Archeological Survey	Doc & Preserving Arkansas's Bluff Shelters-Year 2	86,201
University of Arkansas-Fort Smith	Drennen-Scott Home	1,352,836
Arkansas Dept of Parks & Tourism	Arkansas State Parks Improvements	7,518,199
Phillips Community College of UA	Pillow-Thompson House	443,000
Office of the Secretary of State	AR State Capitol Ext Stone Rest & Reparis-Phase III	1,200,000
Black River Technical College	REACH Phase 1: Rest of the Rice Dwelling House	575,000
Arkansas Forestry Commission	Poison Springs State Forest	3,061,000
Arkansas Building Authority	Governor's Park Landscape, Phase Two	350,000
Arkansas Tech University	Tech Museum-Techionery Facility Renovation	200,762
Arkansas History Commission	Cataloging of AR Maps and their Pres (CAMP)	98,000
Arkansas Building Authority	Emergency Grant 9/07-Gov's Mansion Rug Restoration	19,000
TOTAL FY08 AWARDS		\$ 25,899,000

ARKANSAS NATURAL & CULTURAL RESOURCES COUNCIL - FUND BALANCE ASSESSMENT

Beginning Balance as of July 1, 2007	\$ 51,196,848
FY08 Actual RETT Net Proceeds + Interest	15,297,258
Less FY07 Outstanding Grant Awards	(7,064,787)
Less FY08 Actual Grant Awards Distributed	(16,064,131)
Less FY08 Actual Grant Administration (Fund Center 2MZ)	(62,469)
Ending Balance as of July 1, 2008	\$ 43,302,719

**ARKANSAS NATURAL & CULTURAL RESOURCES COUNCIL
2009 GRANT FUNDING & APPROPRIATION BY PROJECT**

Agency	FY09 Projects	Amount Approved
Arkansas Dept of Parks & Tourism	Arkansas State Parks Improvements	\$ 8,100,000
War Memorial Stadium	Press Box Renovations	1,500,000
Department of Arkansas Heritage	DAH Improvements	8,000,000
Arkansas Archeological Survey	Interpretation at Old Davidsonville Park - Year 4	75,000
Arkansas Archeological Survey	Doc & Pres Arkansas's Bluff Shelters - Year 3	49,169
University of Arkansas-Little Rock	Native American Art Collection Cataloging Project	224,500
Arkansas Forestry Commission	Poison Springs State Forest	2,111,150
University of Arkansas-Fort Smith	Drennen-Scott Building	1,965,223
Military Department of Arkansas	Conserve Nine WWII Mural Panels	25,200
Arkansas Tech University	Renovation of Hughes Hall	500,000
University of Arkansas-Fayetteville	Preserving & Visualizing Arkansas Heritage	97,000
University of Arkansas-Fayetteville	Garvan Woodland Gardens	500,000
Cossatot Community College	Community Amphitheater Program	887,491
Arkansas Building Authority	Governor's Mansion Art Project - Chandelier	75,000
Arkansas History Commission	Library of Ozark Folklife Treasures	100,000
Black River Technical College	REACH Phase II: Rest of the Looney Tavern	500,000
TOTAL FY2009 AWARDS		\$ 24,709,733

ARKANSAS NATURAL & CULTURAL RESOURCES COUNCIL - FUND BALANCE ASSESSMENT

Beginning Balance as of July 1, 2008	\$ 43,302,719
FY09 Projected RETT Net Proceeds + Interest	17,207,851
Less FY08 Outstanding Grant Awards	(9,834,869)
Less FY09 Grant Awards	(24,709,733)
Less FY09 Remaining Budgeted Appropriation	(5,215,267)
Less FY09 Budgeted Grant Administration (Fund Center 2MZ)	(75,000)
Ending Balance as of July 1, 2009	\$ 20,675,701

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		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	0	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total		0	30,000,000	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	51,196,848	43,302,719		20,675,701	20,675,701	20,675,701	7,200,069	11,700,069	11,700,069
Interest	4000300	1,546,478	1,308,024		624,541	624,541	624,541	217,489	217,489	217,489
Inter-agency Fund Transfer	4000316	(23,128,918)	(9,834,869)		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	(62,469)	0		0	0	0	0	0	0
Real Estate Transfer Tax	4000403	14,176,062	16,391,574		16,391,574	20,891,574	20,891,574	16,391,574	20,891,574	20,891,574
Service Charges	4000447	(425,282)	(491,747)		(491,747)	(491,747)	(491,747)	(491,747)	(491,747)	(491,747)
Total Funding		43,302,719	50,675,701		37,200,069	41,700,069	41,700,069	23,317,385	32,317,385	32,317,385
Excess Appropriation/(Funding)		(43,302,719)	(20,675,701)		(7,200,069)	(11,700,069)	(11,700,069)	6,682,615	(2,317,385)	(2,317,385)
Grand Total		0	30,000,000		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.

Special Language provides for the carryforward of the unexpended balance of the NCRC appropriation from the first year of the biennium to the second year. The amount that carried forward from FY08 to FY09 was \$31,000.

The Inter-Agency Fund Transfer amount in FY08 represents the amount of obligated funding distributed for FY08 grants and FY07 grant extensions. The FY09 amount represents the portion of the FY09 beginning Fund Balance that is obligated for FY08 grant extensions.

The Intra-Agency Fund Transfer amount in FY08 represents grant funding transferred to the NCRC Administration appropriation (Fund Center 2MZ).

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Heritage Department - Natural & Cultural Resources Council

Program: NCRC - State Owned Lands or Historic Sites

Act #: 793 of 2007 Section(s) #: 30 & 37

Estimated Carry Forward Amount \$ 31,000.00 Appropriation Funds

Funding Source: Real Estate Transfer Tax Proceeds

Accounting Information:

Business Area: 0887 Funds Center: 480 Fund: TGT Functional Area: REC

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Grants and Aid	5100004	31,000.00	31,000.00
Total		\$ 31,000.00	\$ 31,000.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

The carryforward of Grants and Aid appropriation is necessary to ensure that the agency has sufficient appropriation available to provide for unanticipated or emergency NCRC grant requests.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The Carry Forward Balance is part of the \$50,000 allotment the Arkansas Natural & Cultural Resources Council approves for an emergency grant account each fiscal year. Agencies that are eligible for ANCRC funding can apply for an emergency grant as needed throughout the fiscal year.

Cathie Matthews
Director

08-21-2008
Date

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					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	2,950,143	2,461,030		1,746,314	1,746,314	1,746,314	995,862	995,862	995,862
Interest	4000300	137,695	123,052		87,316	87,316	87,316	49,793	49,793	49,793
Inter-agency Fund Transfer	4000316	(2,904,265)	0		0	0	0	0	0	0
Real Estate Transfer Tax	4000403	2,347,894	2,229,105		2,229,105	2,229,105	2,229,105	2,229,105	2,229,105	2,229,105
Service Charges	4000447	(70,437)	(66,873)		(66,873)	(66,873)	(66,873)	(66,873)	(66,873)	(66,873)
Total Funding		2,461,030	4,746,314		3,995,862	3,995,862	3,995,862	3,207,887	3,207,887	3,207,887
Excess Appropriation/(Funding)		(2,461,030)	(1,746,314)		(995,862)	(995,862)	(995,862)	(207,887)	(207,887)	(207,887)
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 FY08 reflects the transfer of appropriation and funding to DAH Historic Preservation - Real Estate Transfer Tax appropriation (Business Area 0877).

DAH - NATURAL HERITAGE COMMISSION

Enabling Laws

Act 793 of 2007
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

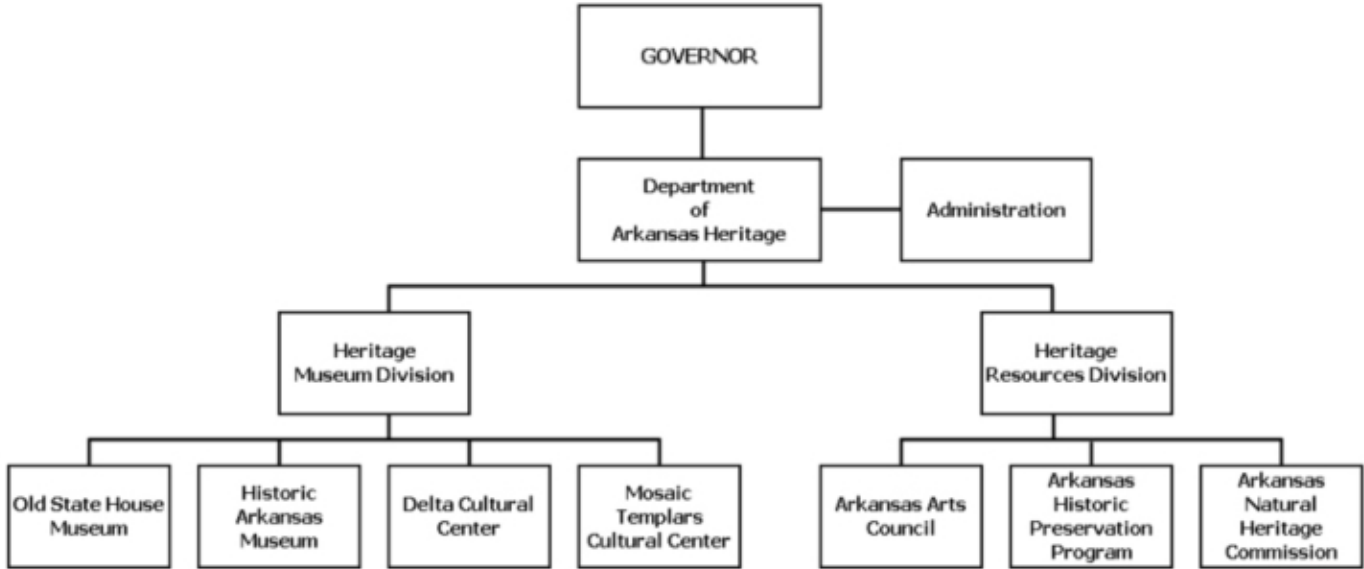
The Arkansas Natural Heritage Commission has been charged with establishing a system and a registry of natural areas; conducting research and publishing information on natural areas; and performing other duties relating to the use, management, and preservation of the natural features of the State. The 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 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 Entomology (insects). 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 Conservation 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 :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2007

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

Employment Summary

	Male	Female	Total	%	
White Employees	8	4	12	92 %	
Black Employees	0	0	0	0 %	
Other Racial Minorities	0	1	1	8 %	
			Total Minorities	1	8 %
			Total Employees	13	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	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	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	22,829	0	118,269	0	335,206	0	90,275	0	275,531	0	275,531	0	90,275	0	287,040	0	287,040	0
1AR Natural Area Research - Cash in Treasury	22,495	0	70,911	0	70,925	0	58,925	0	64,312	0	64,312	0	58,925	0	64,312	0	64,312	0
493 Natural Heritage - State Operations	521,641	8	529,582	8	520,713	8	562,688	8	697,883	10	587,688	8	574,592	8	705,138	10	599,592	8
494 Natural Heritage - Federal Program	936,205	5	1,173,072	5	1,179,247	5	1,175,207	5	2,196,749	5	2,196,749	5	1,180,921	5	2,202,463	5	2,202,463	5
693 Natural Heritage - Land Acquisition	155,890	0	94,110	0	0	0	245,000	0	300,000	0	300,000	0	0	0	0	0	0	0
Total	1,659,060	13	1,985,944	13	2,106,091	13	2,132,095	13	3,534,475	15	3,424,280	13	1,904,713	13	3,258,953	15	3,153,407	13

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	174,997	9.1	267,003	13.2			32,713	1.5	32,713	0.9	32,713	1.0	14,687	0.8	14,687	0.5
General Revenue	4000010	521,641	27.1	526,378	26.1			562,688	26.2	672,883	19.0	562,688	16.4	574,592	30.2	680,138	20.9
Federal Revenue	4000020	936,205	48.6	1,173,072	58.1			1,175,207	54.7	2,196,749	61.9	2,196,749	63.9	1,180,921	62.0	2,202,463	67.6
Cash Fund	4000045	43,220	2.2	49,000	2.4			131,174	6.1	321,817	9.1	321,817	9.4	134,513	7.1	336,665	10.3
Merit Adjustment Fund	4000055	0	0.0	3,204	0.2			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Inter-agency Fund Transfer	4000316	250,000	13.0	0	0.0			245,000	11.4	300,000	8.5	300,000	8.7	0	0.0	0	0.0
Other	4000370	0	0.0	0	0.0			0	0.0	25,000	0.7	25,000	0.7	0	0.0	25,000	0.8
Total Funds		1,926,063	100.0	2,018,657	100.0			2,146,782	100.0	3,549,162	100.0	3,438,967	100.0	1,904,713	100.0	3,258,953	100.0
Excess Appropriation/(Funding)		(267,003)		(32,713)				(14,687)		(14,687)		(14,687)		0		0	
Grand Total		1,659,060		1,985,944				2,132,095		3,534,475		3,424,280		1,904,713		3,258,953	

The FY08 Actual and FY09 Budget in the Natural Heritage – State Operations appropriation (493) exceed the Authorized amount due to salary adjustments during the 2007-2009 biennium.

The Natural Heritage Commission – Land Acquisition appropriation (693) is a Biennial Appropriation. The budgeted appropriation that carried forward from FY08 to FY09 was \$94,110.

The Inter-agency Fund Transfer represents a transfer of Conservation Tax Funds from DAH – Central Administration (Business Area 0865) for the Biennial Land Acquisition Appropriation.

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	13	0	13	0	0.00 %	13	13	0	13	0	0.00 %

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 \$90,275 each year of the biennium and 1 Extra Help position.

The Agency requests additional appropriation of \$185,256 in FY10 and \$196,765 in FY11 for the following:

- Extra Help and related matching: Increase of \$51,162 in FY10 and \$52,671 in FY11 to enable the Agency to utilize cash funds to support part time land steward positions that are currently funded primarily with federal grants.
- Operating Expenses: Increase of \$46,594 in FY10 and \$51,594 in FY11. This request includes \$31,594 each year for mileage expenses for the part time land steward positions. This request also includes \$15,000 in FY10 and \$20,000 in FY11 for Miscellaneous Technical Services that the Agency will use for technical services contracts to pay for land management activities prescribed burns, rare species inventories and assessments, invasive species controls and prairie restoration work.
- Conference and Travel Expenses: Increase of \$2,500 each year for staff training and certification.
- Capital Outlay: Increase of \$20,000 in FY10 and \$25,000 in FY11 for replacing stewardship heavy equipment, including four-wheelers, heavy duty brush cutters and mowers, and for replacing one of the four agency vehicles that are used for stewardship, field inventory and research.
- Special Maintenance: Increase of \$65,000 each year for the maintenance and upkeep of natural areas under the Agency's jurisdiction.

The Executive Recommendation provides for the Agency Request. 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	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Extra Help 5010001	0	9,000	9,000	9,000	56,500	56,500	9,000	57,900	57,900
#Extra Help	0	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	0	689	695	695	4,357	4,357	695	4,466	4,466
Operating Expenses 5020002	1,961	32,028	32,028	32,028	78,622	78,622	32,028	83,622	83,622
Conference & Travel Expenses 5050009	0	0	0	0	2,500	2,500	0	2,500	2,500
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	20,868	28,000	28,000	0	20,000	20,000	0	25,000	25,000
Special Maintenance 5120032	0	0	0	0	65,000	65,000	0	65,000	65,000
Land Acquisition 5900046	0	48,552	265,483	48,552	48,552	48,552	48,552	48,552	48,552
Total	22,829	118,269	335,206	90,275	275,531	275,531	90,275	287,040	287,040
Funding Sources									
Fund Balance 4000005	94,118	96,607		3,338	3,338	3,338	0	0	0
Cash Fund 4000045	25,318	25,000		86,937	272,193	272,193	90,275	287,040	287,040
Total Funding	119,436	121,607		90,275	275,531	275,531	90,275	287,040	287,040
Excess Appropriation/(Funding)	(96,607)	(3,338)		0	0	0	0	0	0
Grand Total	22,829	118,269		90,275	275,531	275,531	90,275	287,040	287,040

Change Level by Appropriation

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

Funding Sources: NNH - Natural Area Management Cash

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	90,275	0	90,275	100.0	90,275	0	90,275	100.0
C01	Existing Program	185,256	0	275,531	305.2	196,765	0	287,040	318.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	90,275	0	90,275	100.0	90,275	0	90,275	100.0
C01	Existing Program	185,256	0	275,531	305.2	196,765	0	287,040	318.0

Justification

C01	The ANHC's Natural Areas Cash Appropriation's income is provided by grants from sources other than the federal government proceeds, from ecological management activities such as timber thinning, sale of Baker Prairie Prints, and over the past year our efforts to promote an on-line donations program. The increase in Extra Help salaries would create an alternative pay source for our grant-funded part-time land stewards, and there would be no new positions. The increase in Operating Expenses covers additional mileage expenses for extra help staff and the out-sourced land management activities such as prescribed burning, rare species location/inventory/monitoring, and invasive species control. The increase in Conference Fees & Travel pays for staff training and prescribed fire certification. The Capital Outlay request covers stewardship heavy equipment in FY2010, and a replacement truck in FY2011. The Special Maintenance request would pay for maintenance and upkeep for the Natural Areas such as: wooden entrance signs, gravel for parking lots, boundary signs, and prescribed burning.
-----	--

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.

Base Level Request includes appropriation of \$58,925 each year of the biennium with 6 Extra Help positions.

The Agency requests additional Extra Help and related matching appropriation of \$5,387 each year of the biennium to provide for hourly wage increases and more available work hours for the Agency's part time staff.

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	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Extra Help 5010001	20,645	22,650	22,650	22,650	27,650	27,650	22,650	27,650	27,650
#Extra Help	6	6	7	6	6	6	6	6	6
Personal Services Matching 5010003	1,588	1,733	1,747	1,747	2,134	2,134	1,747	2,134	2,134
Operating Expenses 5020002	262	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	12,000	12,000	0	0	0	0	0	0
Total	22,495	70,911	70,925	58,925	64,312	64,312	58,925	64,312	64,312
Funding Sources									
Fund Balance 4000005	80,879	76,286		29,375	29,375	29,375	14,687	14,687	14,687
Cash Fund 4000045	17,902	24,000		44,237	49,624	49,624	44,238	49,625	49,625
Total Funding	98,781	100,286		73,612	78,999	78,999	58,925	64,312	64,312
Excess Appropriation/(Funding)	(76,286)	(29,375)		(14,687)	(14,687)	(14,687)	0	0	0
Grand Total	22,495	70,911		58,925	64,312	64,312	58,925	64,312	64,312

The Authorized number of Extra Help positions exceeds the Budgeted due to the flexibility inherent in the authorization of all positions through one salary section in the Agency's appropriation act. One of the Extra Help positions authorized in the Natural Area Research - Cash in Treasury appropriation was budgeted in the Natural Heritage - Federal Program appropriation (494).

Change Level by Appropriation

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

Funding Sources: NNH - Natural Area Management Cash

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	58,925	0	58,925	100.0	58,925	0	58,925	100.0
C01	Existing Program	5,387	0	64,312	109.1	5,387	0	64,312	109.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	58,925	0	58,925	100.0	58,925	0	58,925	100.0
C01	Existing Program	5,387	0	64,312	109.1	5,387	0	64,312	109.1

Justification

C01	The ANHC's Research Cash Appropriation's income is provided by fees charged for research services provided by ANHC staff. The natural heritage data system contains location and status information for Arkansas's rare, threatened, and endangered species. This increase in Extra Help salaries would provide for cost of living increases and the potential for more work hours for our part-time staff.
-----	---

Analysis of Budget Request

Appropriation: 493 - Natural Heritage - State Operations

Funding Sources: HRA - Arkansas Heritage Fund

The Natural Heritage Commission establishes a system of natural areas and a registry for them, it conducts research and publishes information on natural areas, and it 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 for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Base Level includes appropriation and general revenue funding of \$562,688 in FY10 and \$574,592 in FY11 with 8 budgeted Regular positions.

The Agency requests additional appropriation of \$135,195 in FY10 and 130,546 in FY11 with additional general revenue funding of \$110,195 in FY10 and \$105,546 in FY11 for the following:

- Regular Salaries and related matching: Increase of appropriation and general revenue funding of \$90,695 in FY10 and \$92,546 in FY11 for two new positions including one new DAH Program Coordinator, which will provide for land management activities and stewardship activities, and one new grade Biologist Specialist, which will work with the Research Section with inventory and data management.
- Operating Expenses: Increase of appropriation and general revenue funding of \$14,500 in FY10 and \$8,000 in FY11 to provide office supplies and ground maintenance supplies equipment for the two new positions, and for projected increases in rent expenses, fuel costs and board member travel reimbursement expenses due to increases in the state mileage reimbursement rate. This total request includes \$2,700 in FY10 for IT related data processing supplies in accordance with the Agency's IT Plan.
- Conference & Travel Expenses: Increase of appropriation and general revenue funding of \$5,000 each year for conference and seminar fees to enhance staff expertise and maintain certifications.
- Special Maintenance: Increase in appropriation of \$25,000 each year of the biennium to enable the Agency to utilize proceeds from gas lease payments from the Big Creek Natural Area for stewardship activities within the system of natural areas.

The Executive Recommendation provides for the Agency Request for additional Special Maintenance appropriation of \$25,000 each year. The Recommendation further provides for the remaining portion of the Agency Request to be funded from the Department's Conservation Tax appropriation (Fund Center 476) under DAH-Central Administration (Business Area 0865 - see page 144).

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	362,096	374,964	353,047	389,867	457,670	389,867	399,892	469,253	399,892
#Positions		8	8	8	8	10	8	8	10	8
Personal Services Matching	5010003	97,804	95,358	104,966	113,561	136,453	113,561	115,440	138,625	115,440
Operating Expenses	5020002	61,741	59,260	62,700	59,260	73,760	59,260	59,260	67,260	59,260
Conference & Travel Expenses	5050009	0	0	0	0	5,000	0	0	5,000	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	0	0	0	0	25,000	25,000	0	25,000	25,000
Total		521,641	529,582	520,713	562,688	697,883	587,688	574,592	705,138	599,592
Funding Sources										
General Revenue	4000010	521,641	526,378		562,688	672,883	562,688	574,592	680,138	574,592
Merit Adjustment Fund	4000055	0	3,204		0	0	0	0	0	0
Other	4000370	0	0		0	25,000	25,000	0	25,000	25,000
Total Funding		521,641	529,582		562,688	697,883	587,688	574,592	705,138	599,592
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		521,641	529,582		562,688	697,883	587,688	574,592	705,138	599,592

The FY08 Actual and FY09 Budget in Regular Salaries exceed the authorized due to salary adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 493 - Natural Heritage - State Operations

Funding Sources: HRA - Arkansas Heritage Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	562,688	8	562,688	100.0	574,592	8	574,592	100.0
C01	Existing Program	107,495	2	670,183	119.1	105,546	2	680,138	118.4
C02	New Program	25,000	0	695,183	123.5	25,000	0	705,138	122.7
C08	Technology	2,700	0	697,883	124.0	0	0	705,138	122.7

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	562,688	8	562,688	100.0	574,592	8	574,592	100.0
C01	Existing Program	107,495	2	670,183	119.1	105,546	2	680,138	118.4
C02	New Program	25,000	0	695,183	123.5	25,000	0	705,138	122.7
C07	Agency Transfer	(110,195)	(2)	584,988	104.0	(105,546)	(2)	599,592	104.4
C08	Technology	2,700	0	587,688	104.4	0	0	599,592	104.4

Justification

C01	The agency is requesting two new positions: Biologist Specialist and DAH Program Coordinator. Governor Beebe acknowledged in the Arkansas Democrat Gazettes' High Profile Section the "continual battle between economic development and the protection of the environment," and the need for compromise between the two. Recognized and respected for its scientific data on rare species, plant communities, and biodiversity, the ANHC Research Section is a major contributor in working toward the "compromise". We must expand our knowledge (inventory and data management) so that we can enhance the ANHC's presence within the Environmental Review Process as indicated in ANHC's strategic plan. The request includes one new position in the data management section. The size of the System of Natural Areas has increased in acreage by 155% over the past 8 years with only one new (grant funded) stewardship employee. Preserving the long-term viability of "nature preserves" requires proactive management while maintaining the public-use facilities for Arkansans. The System encompasses 297 miles of exterior boundary lines (before adding Moro Big Pine Natural Area WNA) that must be painted, posted, and sometimes fenced. We have 40 designated parking areas and a number of visitor-friendly trails to maintain. Stewardship activities also incorporate decisive conservation measures such as: prescribed fire application on a regular basis, invasive species (kudzu, honeysuckle, tallow tree, privet, etc) removal, and other site-specific on-the-grounds work. The request also includes one new state-funded position for the Stewardship Section. The increases in operating expenses for office supplies will provide desks and chairs for the two new employees, grounds maintenance supplies and equipment for new stewardship staff, and an increase to prepare for ever rising fuel costs. An increase in office rent is projected at four percent. We anticipate commission meeting expenses to rise as state mileage reimbursement rates increase. The request for Conference Fees & Travel authorizes training classes to enhance staff expertise and maintain certifications.
C02	The ANHC received \$20,000 as a signing bonus for a gas lease on 40 acres at Big Creek Natural Area. ANHC's lease agreement specified a no-drill clause on ANHC lands. As it is impossible to project ANHC's share of the income from the drilling activity of our neighboring landowners, this request provides a "place-holder" appropriation of \$25,000 each year. These funds will be used to provide stewardship activities for the System of Natural Areas. Should other tracts in the System require a similar lease agreement the ANHC will address the appropriation requirements to utilize these funds in future biennial requests.
C07	EXECUTIVE RECOMMENDATION: The Natural Heritage Commission's (Business Area 0880) change level request for additional general revenue funded positions and appropriation in the State Operations appropriation (Fund Center 493) is recommended to be funded from the Department of Heritage's Conservation Tax appropriation (Fund Center 476) under DAH-Central Administration (Business Area 0865).
C08	These funds are for CPU's, monitors, and GPS units to properly equip two new employees. The request can be found in the department's approved IT Plan as follows: IT Support Costs Tab (Equipment).

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 for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Base Level includes appropriation of \$1,175,207 in FY10 and \$1,180,921 in FY11 with 5 Regular positions and 1 Extra Help position.

The Agency requests additional appropriation of \$1,021,542 each year of the biennium for the following:

- Extra Help and related matching: Increase of \$21,542 each year to enable the Agency to utilize a current Extra Help position with federal grant funding.
- Land Acquisition: Increase of \$1 million each year to utilize potential increases in grant funding for land acquisition projects such as those anticipated from the Forest Legacy Program for additions to the Warren Prairie Natural Area.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	170,537	177,820	180,604	184,162	184,162	184,162	188,974	188,974	188,974
#Positions		5	5	5	5	5	5	5	5	5
Extra Help	5010001	0	0	0	0	20,000	20,000	0	20,000	20,000
#Extra Help		0	1	0	1	1	1	1	1	1
Personal Services Matching	5010003	55,477	54,181	57,572	59,974	61,516	61,516	60,876	62,418	62,418
Operating Expenses	5020002	0	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	10,000	10,000	0	0	0	0	0	0
LAND AQUISITION	5900046	710,191	788,250	788,250	788,250	1,788,250	1,788,250	788,250	1,788,250	1,788,250
Total		936,205	1,173,072	1,179,247	1,175,207	2,196,749	2,196,749	1,180,921	2,202,463	2,202,463
Funding Sources										
Federal Revenue	4000020	936,205	1,173,072		1,175,207	2,196,749	2,196,749	1,180,921	2,202,463	2,202,463
Total Funding		936,205	1,173,072		1,175,207	2,196,749	2,196,749	1,180,921	2,202,463	2,202,463
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		936,205	1,173,072		1,175,207	2,196,749	2,196,749	1,180,921	2,202,463	2,202,463

The Budget number of extra help positions exceeds the Authorized number due to the flexibility inherent in the authorization of all Extra Help positions through one salary section in the Agency's appropriation act.

Change Level by Appropriation

Appropriation: 494 - Natural Heritage - Federal Program

Funding Sources: FHH - Natural & Cultural Heritage Federal

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,175,207	5	1,175,207	100.0	1,180,921	5	1,180,921	100.0
C01	Existing Program	1,021,542	0	2,196,749	186.9	1,021,542	0	2,202,463	186.5

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,175,207	5	1,175,207	100.0	1,180,921	5	1,180,921	100.0
C01	Existing Program	1,021,542	0	2,196,749	186.9	1,021,542	0	2,202,463	186.5

Justification

C01	With no on-going federal funds source to pay administrative expenses, the ANHC merges small federal grant awards to pay five full-time staff. Land acquisition grant awards are geared toward priority habitats that meet requirements of the Endangered Species Act targets, Forest Legacy Program goals, etc. The change level request would allow part-time employees to be paid for federal grant work with no new position authorizations. The increase in the land acquisition line item is necessary to utilize available grant funds such as those anticipated from the Forest Legacy Program in State Fiscal Year 2010 for additions to Warren Prairie Natural Area.
-----	---

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 a biennial appropriation of \$245,000 for Land Acquisition. Because this is a biennial appropriation, any remaining balance at the end of FY10 will carry forward to FY11 to be utilized for the same purpose.

The Agency requests additional appropriation of \$55,000 to ensure the Agency has enough available appropriation to pay for necessary additions and/or improvements to the system of natural areas and to provide state matching funds available to secure federal grants.

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	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Capital Outlay 5120011	155,890	94,110	0	0	0	0	0	0	0
Land Acquisition 5900046	0	0	0	245,000	300,000	300,000	0	0	0
Total	155,890	94,110	0	245,000	300,000	300,000	0	0	0
Funding Sources									
Fund Balance 4000005	0	94,110		0	0	0	0	0	0
Inter-agency Fund Transfer 4000316	250,000	0		245,000	300,000	300,000	0	0	0
Total Funding	250,000	94,110		245,000	300,000	300,000	0	0	0
Excess Appropriation/(Funding)	(94,110)	0		0	0	0	0	0	0
Grand Total	155,890	94,110		245,000	300,000	300,000	0	0	0

This is a Biennial Appropriation. The Budget appropriation carried forward from FY08 to FY09 was \$94,110.

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

Change Level by Appropriation

Appropriation: 693 - Natural Heritage - Land Acquisition

Funding Sources: SHF - Arkansas Department of Heritage

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	245,000	0	245,000	100.0	0	0	0	0.0
C01	Existing Program	55,000	0	300,000	122.4	0	0	0	

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	245,000	0	245,000	100.0	0	0	0	0.0
C01	Existing Program	55,000	0	300,000	122.4	0	0	0	

Justification

C01	The Land Acquisition Line Item is necessary to secure protection of Arkansas's native plants, ecosystems, and natural communities. The authorization provides state matching funding that is necessary to secure federal grants and/or pays for additions to the System of Natural Areas that do not qualify for federal grant funds.
-----	---

DAH - OLD STATE HOUSE COMMISSION

Enabling Laws

Act 793 of 2007
A.C.A. §13-7-201 et seq.

History and Organization

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

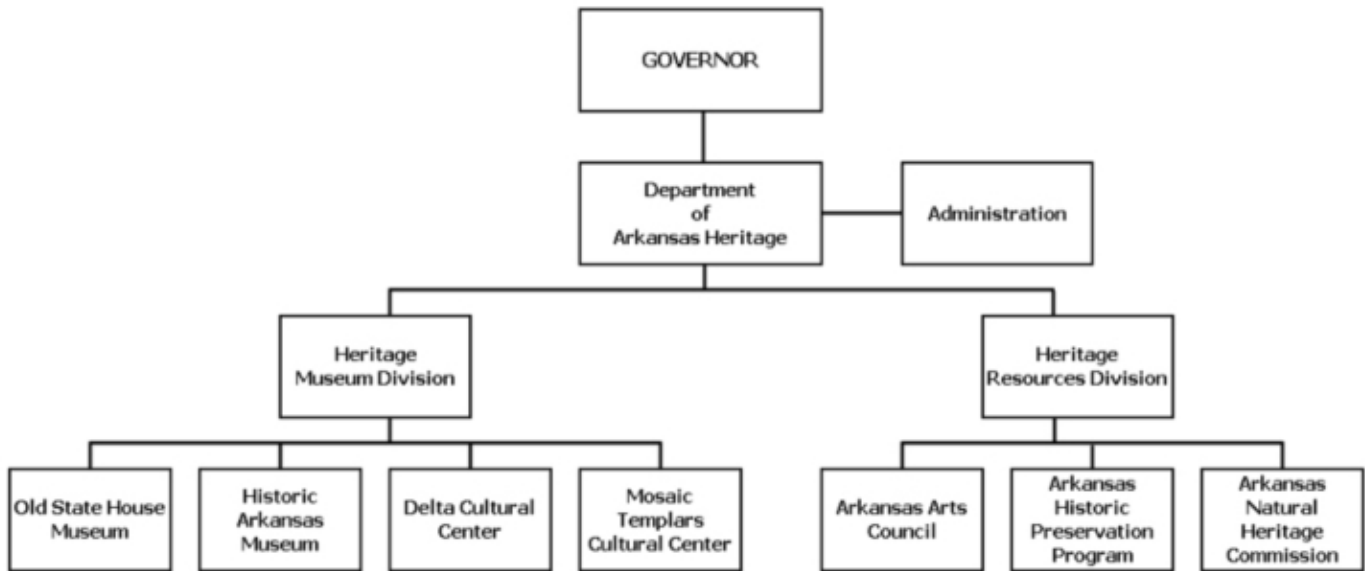
The Commission restored the Old State House and opened it in 1951 as a museum of Arkansas history. Trapnall Hall was donated to the State in 1974. It is administered as the Governor's Reception Hall and is a rental facility. In 1974, the Arkansas Commemorative Commission became a division of DAH. Act 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, 2007

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

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, 2008

Fund Account	Balance	Type	Location
1010000	\$65,419	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 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	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	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	67,631	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	1,238,972	22	1,235,659	22	1,215,039	22	1,287,444	22	1,501,511	23	1,440,467	22	1,309,059	22	1,522,595	23	1,460,582	22
C16 Old State House - Bank Charges Fund	1,917	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	1,308,520	22	1,445,332	22	1,424,724	22	1,497,129	22	1,711,196	23	1,650,152	22	1,518,744	22	1,732,280	23	1,670,267	22

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	279,486	17.6	278,032	16.9	202,109	12.5	202,109	11.0	202,109	12.1	126,174	8.0	126,174	7.1	126,174	7.8
General Revenue	4000010	1,237,945	78.0	1,222,844	74.2	1,287,444	79.3	1,501,511	81.7	1,337,444	79.9	1,309,059	83.4	1,522,595	85.4	1,359,059	83.9
Cash Fund	4000045	68,094	4.3	133,750	8.1	133,750	8.2	133,750	7.3	133,750	8.0	133,750	8.5	133,750	7.5	133,750	8.3
Merit Adjustment Fund	4000055	0	0.0	12,815	0.8	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
M & R Sales	4000340	1,027	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		1,586,552	100.0	1,647,441	100.0	1,623,303	100.0	1,837,370	100.0	1,673,303	100.0	1,568,983	100.0	1,782,519	100.0	1,618,983	100.0
Excess Appropriation/(Funding)		(278,032)		(202,109)		(126,174)		(126,174)		(23,151)		(50,239)		(50,239)		51,284	
Grand Total		1,308,520		1,445,332		1,497,129		1,711,196		1,650,152		1,518,744		1,732,280		1,670,267	

The FY08 Actual and FY09 Budget in the Old State House Operations appropriation (492) exceed Authorized due to salary adjustments during the 2007-2009 biennium and a transfer of appropriation for M&R proceeds.

The Intra-Agency Fund Transfer represents fund transfers from the Agency's Cash in Bank Fund (appropriation C16) to the Cash in Treasury Fund (appropriation 2JG).

The FY10 Executive ending fund balance does not equal the FY11 Executive beginning fund balance due to unfunded appropriation recommended for Old State House-Operations (appropriation 492).

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Extra Help	5010001	9,501	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	746	1,563	1,575	1,575	1,575	1,575	1,575	1,575	1,575
Operating Expenses	5020002	45,612	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	11,772	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		67,631	204,613	204,625	204,625	204,625	204,625	204,625	204,625	204,625
Funding Sources										
Fund Balance	4000005	212,715	212,613		141,750	141,750	141,750	70,875	70,875	70,875
Cash Fund	4000045	47,318	103,750		103,750	103,750	103,750	103,750	103,750	103,750
Intra-agency Fund Transfer	4000317	20,211	30,000		30,000	30,000	30,000	30,000	30,000	30,000
Total Funding		280,244	346,363		275,500	275,500	275,500	204,625	204,625	204,625
Excess Appropriation/(Funding)		(212,613)	(141,750)		(70,875)	(70,875)	(70,875)	0	0	0
Grand Total		67,631	204,613		204,625	204,625	204,625	204,625	204,625	204,625

The Intra-Agency Fund Transfer represents a transfer from the Agency's Cash in Bank Fund to the 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 for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Base Level includes appropriation and general revenue funding of \$1,287,444 in FY10 and \$1,309,059 in FY11 with 22 regular positions and 14 extra help positions.

The Agency requests additional appropriation and general revenue funding of \$214,067 in FY10 and \$213,536 in FY11 for the following:

- Regular Salaries and related matching: \$47,311 in FY10 and \$48,280 in FY11 for one new DAH Program Manager position. This new position will coordinate activities of the Arkansas Civil War Sesquicentennial Commission, provide technical assistance to museums and historical societies, organize Civil War Seminars, manage the publication of printed educational materials, oversee research and make presentations on topics related to Arkansas history.
- Extra Help and related matching: \$13,733 each year to assist the maintenance staff with the upkeep at the Old State House and the Collections Management Facility.
- Operating Expenses: \$151,523 each year to support the Operating Expenses of the Agency's task of preserving and maintaining Arkansas' original statehouse. This request includes \$75,000 each year for routine building maintenance costs and \$49,000 each year for security services to provide for expenses that are currently being covered with conservation tax proceeds. The total request also includes \$27,523 each year to provide for cost increases the Agency has experienced due to increasing prices of utility services and to ensure the Agency has sufficient budget available to cover building and contents insurance.
- Capital Outlay: \$1,500 in FY10 only to provide for sales tax for a replacement vehicle that will be requested in the second year of the biennium.

The Executive Recommendation provides for the following:

- Operating Expenses: Appropriation of \$151,523 each year with \$50,000 additional general revenue funding above Base Level each year.
- Capital Outlay: Appropriation only of \$1,500 in the first year of the biennium.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	743,694	775,735	725,416	802,253	837,807	802,253	820,464	856,835	820,464
#Positions		22	22	22	22	23	22	22	23	22
Extra Help	5010001	54,815	54,902	54,902	54,902	67,652	54,902	54,902	67,652	54,902
#Extra Help		14	14	14	14	14	14	14	14	14
Personal Services Matching	5010003	248,245	241,352	243,528	266,619	279,359	266,619	270,023	282,915	270,023
Operating Expenses	5020002	192,218	163,670	191,193	163,670	315,193	315,193	163,670	315,193	315,193
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	1,500	1,500	0	0	0
Total		1,238,972	1,235,659	1,215,039	1,287,444	1,501,511	1,440,467	1,309,059	1,522,595	1,460,582

Funding Sources										
General Revenue	4000010	1,237,945	1,222,844		1,287,444	1,501,511	1,337,444	1,309,059	1,522,595	1,359,059
Merit Adjustment Fund	4000055	0	12,815		0	0	0	0	0	0
M & R Sales	4000340	1,027	0		0	0	0	0	0	0
Total Funding		1,238,972	1,235,659		1,287,444	1,501,511	1,337,444	1,309,059	1,522,595	1,359,059
Excess Appropriation/(Funding)		0	0		0	0	103,023	0	0	101,523
Grand Total		1,238,972	1,235,659		1,287,444	1,501,511	1,440,467	1,309,059	1,522,595	1,460,582

The FY08 Actual and/or FY09 Budget in Regular Salaries and Personal Services Matching exceed Authorized due to salary adjustments during the 2007-2009 biennium.

The FY08 Actual in the Operating Expenses line item exceeds the Authorized due to a transfer of appropriation for M&R (Marketing & Redistribution) proceeds.

Change Level by Appropriation

Appropriation: 492 - Old State House - Operations

Funding Sources: HRA - Arkansas Heritage Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,287,444	22	1,287,444	100.0	1,309,059	22	1,309,059	100.0
C01	Existing Program	214,067	1	1,501,511	116.6	213,536	1	1,522,595	116.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,287,444	22	1,287,444	100.0	1,309,059	22	1,309,059	100.0
C01	Existing Program	153,023	0	1,440,467	111.9	151,523	0	1,460,582	111.6

Justification

C01	The Old State House Museum is a National Historic Landmark and cares for a collection of over 11,000 fragile artifacts of Arkansas history. The agency is requesting an increase to cover basic operating costs. These include security, maintenance, insurance, and utilities. The dramatically increased cost of utilities needed for heating, ventilation and air conditioning (and these system's upkeep) makes this an urgent need. The increasing cost of electronic security systems (and related maintenance contracts) plus on-site contract security guards add significantly to this need. The agency is requesting sales tax in the first year of the biennium for a replacement vehicle that will be requested in that year. The agency is asking for a new position (DAH Program Manager) to assist with fulfilling the agency mission regarding education and preservation initiatives. The agency is also requesting an increase in the extra help salary line item. Additional extra-help maintenance staff is needed to assist with upkeep at the OSH and the Collections Management Facility.
-----	--

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			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Operating Expenses	5020002	1,917	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		1,917	5,060	5,060	5,060	5,060	5,060	5,060	5,060	5,060
Funding Sources										
Fund Balance	4000005	66,771	65,419		60,359	60,359	60,359	55,299	55,299	55,299
Cash Fund	4000045	20,776	30,000		30,000	30,000	30,000	30,000	30,000	30,000
Intra-agency Fund Transfer	4000317	(20,211)	(30,000)		(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Total Funding		67,336	65,419		60,359	60,359	60,359	55,299	55,299	55,299
Excess Appropriation/(Funding)		(65,419)	(60,359)		(55,299)	(55,299)	(55,299)	(50,239)	(50,239)	(50,239)
Grand Total		1,917	5,060		5,060	5,060	5,060	5,060	5,060	5,060

The Intra-Agency Fund Transfer represents a transfer from the Agency's Cash in Bank Fund to the Cash in Treasury Fund.

STATE MILITARY DEPARTMENT

Enabling Laws

Act 1061 of 2007

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 Bosnia, Afghanistan, and Iraq while still maintaining a presence in the Middle East. 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 250 sub units attached. The total military strength of the National Guard in Arkansas is approximately 10,606.

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 10,000 students being trained each year once facilities and manning is established.

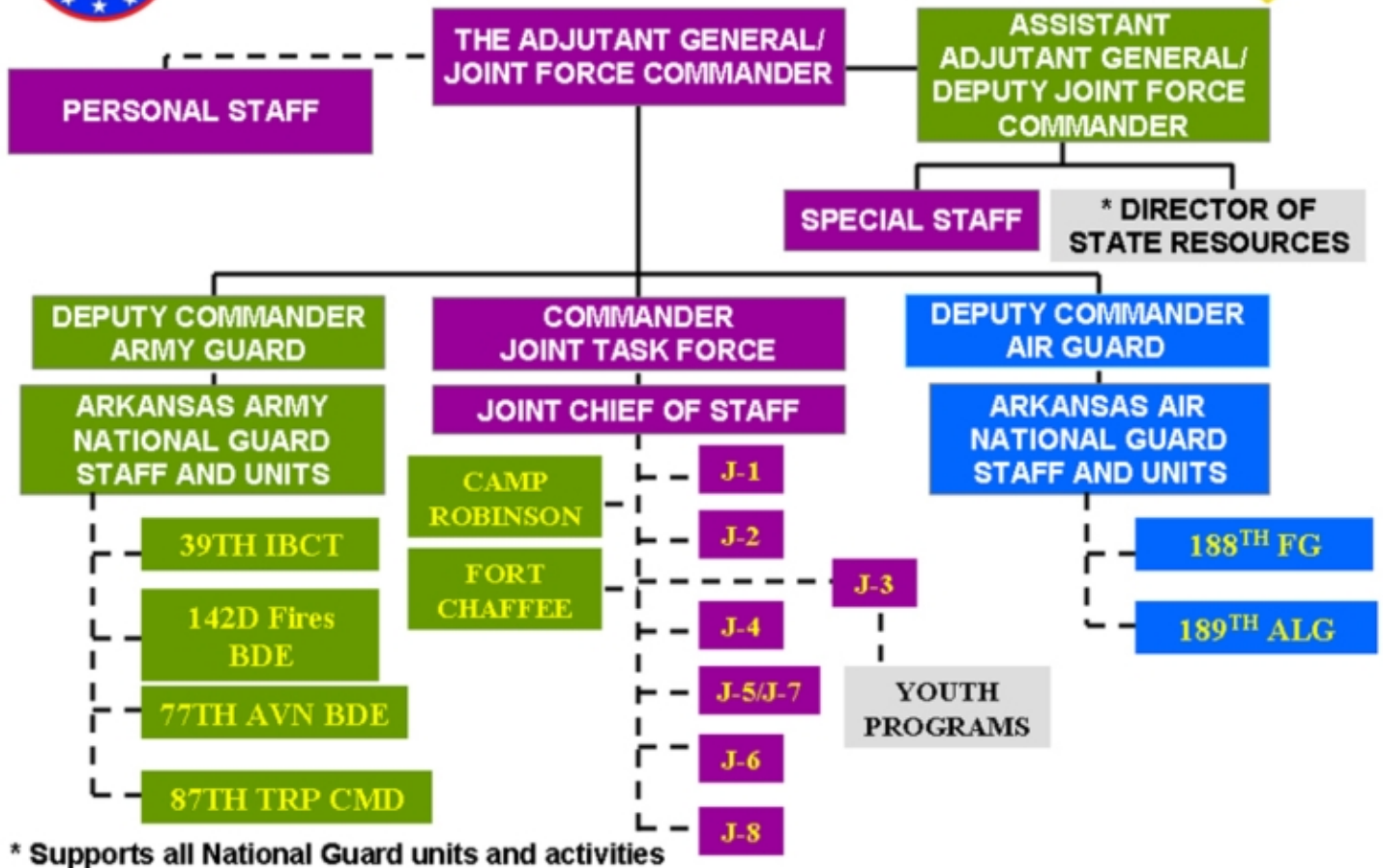
The National Guard Marksmanship Center located at Camp Robinson is supported from 100% federal funds and provides a structured marksmanship training program for individuals and teams from National Guard Units nationwide, including sponsoring the national Winston P. Wilson Marksmanship Matches conducted 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 60% federally funded and 40% 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)



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 799 total regular positions and 133 "Extra Help" employees authorized by the 86th 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 requesting increases each year in (1) Regular Salaries and Personal Services Matching to cover the costs associated with the Agency's request to restore 6 positions; (2) Operating Expenses for routine repair and replacement of existing computer equipment utilized in the computer lab by students, administrative and educational staff, repair and replacement of two-way radio and security system components, maintenance and renovation of barracks and classroom facilities, increased food costs, student uniforms, and other educational materials and supplies need for administration of the program; and (3) Capital Outlay in the amount of \$10,000 each year for replacement and/or purchase of equipment for building and grounds maintenance. The Agency is requesting elimination of the stipends appropriation because it intends to discontinue the payment of student stipends from this appropriation. The Agency is also requesting Reallocation of Resources from Operating Expenses to Conference and Travel Expenses to properly classify these expenditures.

268 - General Operations

This appropriation provides for the administration of the Arkansas Military Department. This appropriation is funded with general revenue and federal reimbursements.

The Agency is requesting increases each year in (1) Regular Salaries and Personal Services Matching to cover the costs associated with the Agency's request to restore 12 positions; (2) Operating Expenses for increases in utility costs; (3) Professional Fees for increased costs for drug testing of all current and new employees as well as increased random drug testing; and (4) Capital Outlay to purchase a new vehicle for the Adjutant General and for replacement and/or purchase of equipment and information technology upgrades of the Arkansas National Guard networks. The Agency is also requesting a Reallocation of Resources from Operating Expenses to Conference and Travel Expenses to properly classify these expenditures.

The Agency is also requesting an Operating Expenses increase in the amount of \$500,000 each year. THIS REQUEST IS FOR APPROPRIATION ONLY. This appropriation will be used for federal reimbursement of costs associated with assistance during times of natural disasters (e.g. Hurricane Katrina).

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 requesting an increase in emergency Military Call-Up appropriation to use when the military is mobilized to assist with natural and man-made disasters.

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 is requesting increases each year in Regular Salaries and Personal Services Matching to cover the costs associated with the Agency's request to restore 143 positions.

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 is requesting increases each year in (1) Operating Expenses for increased utility, buildings and grounds maintenance, and public safety equipment maintenance costs; (2) Conference and Travel Expenses for increased costs for training of troops in preparation for deployment; (3) Professional Fees for increased engineering and architects fees for compliance with Army Modular Force Transformation requirements for armories, maintenance facilities and training sites; and (4) Capital Outlay for replacement and/or purchase of equipment essential to the maintenance and operations of Camp Robinson. The Agency is also requesting a Reallocation of Resources from Data Processing to Operating Expenses to properly classify these expenditures in the state's accounting system.

34Y - Military Family Trust

This appropriation provides for direct financial assistance to families of deployed soldiers. The funding comes from taxpayer donations. Since taxpayer donations have increased, the Agency is requesting a \$3,000 increase in appropriation each year to utilize these funds.

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 requesting increases each year in Operating Expenses for various construction, renovation and maintenance projects at Camp Robinson and Hazard Mitigation expenses for renovation of the Department of Military Support building.

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. Since asset forfeiture funds have increased, the Agency is requesting an increase in appropriation each year to utilize these funds.

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.

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.

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 is requesting increases each year in (1) Regular Salaries and Personal Services Matching to cover the costs associated with the Agency's request to restore 31 positions; (2) Operating Expenses for increased utility, buildings and grounds maintenance, and public safety equipment maintenance costs; (3) Conference and Travel Expenses for increase fuel costs; (4) Professional Fees for increased engineering and architects fees for compliance with Army Modular Force

Transformation requirements for training sites; and (5) Capital Outlay for replacement and/or purchase of furniture, audio visual equipment and equipment for the upkeep of the training site, environmental programs, and the Range and Training Land Program.

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 requesting increases each year in Operating Expenses for flag purchases for armories around the state.

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 general revenue and federal reimbursements.

The Agency is requesting increases each year in (1) Regular Salaries and Personal Services Matching to cover the costs associated with the Agency's request to restore 34 positions; (2) Operating Expenses for increases in utilities, anticipated increases in various operating costs resulting from increases in enrollment in the program, and various upgrades and renovations in the Program's computer lab; and (3) Conference and Travel Expenses for increased travel by the Program Director and Recruiter throughout the state for program promotional activities. The Agency is also requesting Reallocations of Resources from Operating Expenses to Conference and Travel Expenses and from Stipends to Operating Expenses to properly classify these expenditures in the state's accounting system.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE MILITARY DEPARTMENT

FOR THE YEAR ENDED JUNE 30, 2006

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	265	129	394	73 %
Black Employees	74	62	136	25 %
Other Racial Minorities	6	3	9	2 %
Total Minorities			145	27 %
Total Employees			539	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	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	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	2,959,066	67	3,133,822	63	3,403,796	69	3,305,314	63	3,702,239	69	3,296,914	63	3,353,187	63	3,754,878	69	3,344,787	63
268 General Operations	6,596,729	101	7,472,226	101	7,936,376	113	7,714,877	101	9,013,154	113	9,013,154	113	7,797,059	101	9,103,955	113	9,103,955	113
269 Military Call-up and Court Martial	240,259	0	477,650	0	477,650	0	477,650	0	2,003,000	0	2,003,000	0	477,650	0	2,003,000	0	2,003,000	0
270 Federal Training Site	11,906,786	311	12,945,233	299	16,680,458	442	13,719,437	299	18,900,021	442	18,900,021	442	13,935,893	299	19,220,214	442	19,220,214	442
275 Federal Training Site Grant	19,442,773	0	32,260,924	0	32,260,924	0	31,049,924	0	42,718,094	0	42,718,094	0	31,049,924	0	42,996,044	0	42,996,044	0
34Y Military Family Trust	0	0	47,000	0	50,000	0	47,000	0	50,000	0	50,000	0	47,000	0	50,000	0	50,000	0
393 Cash Operations	187,376	0	2,307,500	0	1,007,500	0	1,007,500	0	2,207,500	0	2,207,500	0	1,007,500	0	2,207,500	0	2,207,500	0
443 Counter Drug Asset Forfeiture	19,985	0	50,000	0	50,000	0	50,000	0	75,000	0	75,000	0	50,000	0	75,000	0	75,000	0
455 Military Support Revolving	49,438	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	33,852	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0	300,000	0
575 Fort Chaffee Training Site	4,737,637	69	16,993,088	65	18,272,740	96	16,444,738	65	20,528,578	96	17,498,553	96	16,499,098	65	20,615,032	96	17,573,507	96
576 National Guard Museum	85,633	1	86,121	1	86,915	1	88,460	1	90,718	1	88,460	1	89,802	1	92,717	1	89,802	1
577 AR National Guard Youth Challenge Program	2,129,113	46	2,625,462	44	3,818,111	78	2,756,648	44	4,396,126	78	2,756,648	44	2,791,042	44	4,430,528	78	2,791,042	44
NOT REQUESTED FOR THE BIENNIUM																		
2MS Ft Chaffee Training Range	305,675	0	1,244,292	0	1,244,292	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	48,694,322	595	80,443,318	573	86,088,762	799	77,461,548	573	104,484,430	799	99,407,344	759	77,898,155	573	105,348,868	799	100,254,851	759

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	2,721,112	5.3	2,780,595	3.4			218,327	0.3	218,327	0.2	218,327	0.2	206,327	0.3	178,327	0.2	178,327	0.2
General Revenue	4000010	8,258,547	16.0	9,341,587	11.6			9,889,255	12.9	11,742,506	11.5	9,880,855	10.3	10,055,046	13.0	11,922,342	11.6	10,046,646	10.3
Federal Revenue	4000020	39,938,717	77.6	67,719,581	84.0			65,490,143	85.2	87,406,424	85.6	83,392,712	86.6	65,760,959	85.1	88,091,026	85.5	84,065,809	86.6
Cash Fund	4000045	206,015	0.4	224,232	0.3			235,000	0.3	235,000	0.2	235,000	0.2	240,000	0.3	240,000	0.2	240,000	0.2
Budget Stabilization Trust	4000130	240,259	0.5	477,650	0.6			477,650	0.6	2,003,000	2.0	2,003,000	2.1	477,650	0.6	2,003,000	1.9	2,003,000	2.1
DFA Motor Vehicle Acquisition	4000184	10,520	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Income Tax Donations	4000283	18,605	0.0	18,000	0.0			50,000	0.1	50,000	0.0	50,000	0.1	50,000	0.1	50,000	0.0	50,000	0.1
Military Support Revolving	4000342	81,142	0.2	100,000	0.1			500,000	0.7	500,000	0.5	500,000	0.5	500,000	0.6	500,000	0.5	500,000	0.5
Total Funds		51,474,917	100.0	80,661,645	100.0			76,860,375	100.0	102,155,257	100.0	96,279,894	100.0	77,289,982	100.0	102,984,695	100.0	97,083,782	100.0
Excess Appropriation/(Funding)		(2,780,595)		(218,327)				601,173		2,329,173		3,127,450		608,173		2,364,173		3,171,069	
Grand Total		48,694,322		80,443,318				77,461,548		104,484,430		99,407,344		77,898,155		105,348,868		100,254,851	

Appropriation 393 - FY09 Budget amount exceeds Authorized amount due to transfers from the Cash Fund Holding Account.

Variances in fund balances are due to unfunded appropriation in General Operations (268) and Cash Operations (393) appropriations.

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	
778	524	49	573	205	32.65 %	799	533	40	573	226	33.29 %	799	539	34	573	226	32.54 %

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 for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Change Level requests total \$396,925 in FY10 and \$401,691 in FY11 and reflect the following:

- Regular Salaries and Personal Services Matching increases in the amount of \$238,725 in FY10 and \$243,491 in FY11 to cover the costs associated with the Agency's request to restore 6 positions to fully staff the Program. Positions requested to be restored include 1 Maintenance Technician, 2 Education & Instruction Specialists, 1 Youth Program Specialist, 1 Youth Program Coordinator and 1 Certified Bachelors Teacher.
- Operating Expenses increase in the amount of \$156,350 each year for routine repair and replacement of existing computer equipment utilized in the computer lab by students, administrative and educational staff, repair and replacement of two-way radio and security system components, maintenance and renovation of barracks and classroom facilities, increased food costs, student uniforms, and other educational materials and supplies need for administration of the program.
- Reallocation of Resources in the amount of \$250 each year from Operating Expenses to Conference and Travel Expenses to properly classify expenditures.
- Capital Outlay in the amount of \$10,000 each year for replacement and/or purchase of equipment for building and grounds maintenance.
- Stipends decrease in the amount of \$8,400 each year. The Agency intends to discontinue the payment of student stipends.

The Executive Recommendation provides for Base Level, with the exception of Agency Request for Reallocation of Resources and elimination of Stipends, which reduces Base Level General Revenue funding by \$8,400 each year.

Appropriation Summary

Appropriation: 266 - Civilian Student Training Program

Funding Sources: HMD - State Military Department

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,639,289	1,806,072	1,891,172	1,909,466	2,083,498	1,909,466	1,949,498	2,127,514	1,949,498
#Positions		67	63	69	63	69	63	63	69	63
Extra Help	5010001	20,690	32,215	83,000	32,215	32,215	32,215	32,215	32,215	32,215
#Extra Help		4	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	678,356	620,623	728,120	698,129	762,822	698,129	705,970	771,445	705,970
Operating Expenses	5020002	595,784	642,104	642,104	642,104	798,454	641,854	642,104	798,454	641,854
Conference & Travel Expenses	5050009	1,039	5,000	5,000	5,000	5,250	5,250	5,000	5,250	5,250
Professional Fees	5060010	2,606	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	12,902	9,408	36,000	0	10,000	0	0	10,000	0
Stipends	5900038	8,400	8,400	8,400	8,400	0	0	8,400	0	0
Total		2,959,066	3,133,822	3,403,796	3,305,314	3,702,239	3,296,914	3,353,187	3,754,878	3,344,787
Funding Sources										
General Revenue	4000010	2,959,066	3,133,822		3,305,314	3,702,239	3,296,914	3,353,187	3,754,878	3,344,787
Total Funding		2,959,066	3,133,822		3,305,314	3,702,239	3,296,914	3,353,187	3,754,878	3,344,787
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,959,066	3,133,822		3,305,314	3,702,239	3,296,914	3,353,187	3,754,878	3,344,787

Change Level by Appropriation

Appropriation: 266 - Civilian Student Training Program

Funding Sources: HMD - State Military Department

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	3,305,314	63	3,305,314	100.0	3,353,187	63	3,353,187	100.0
C01	Existing Program	370,725	6	3,676,039	111.2	375,491	6	3,728,678	111.2
C02	New Program	10,000	0	3,686,039	111.5	10,000	0	3,738,678	111.5
C03	Discontinue Program	(8,400)	0	3,677,639	111.3	(8,400)	0	3,730,278	111.2
C04	Reallocation	0	0	3,677,639	111.3	0	0	3,730,278	111.2
C08	Technology	24,600	0	3,702,239	112.0	24,600	0	3,754,878	112.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	3,305,314	63	3,305,314	100.0	3,353,187	63	3,353,187	100.0
C01	Existing Program	0	0	3,305,314	100.0	0	0	3,353,187	100.0
C02	New Program	0	0	3,305,314	100.0	0	0	3,353,187	100.0
C03	Discontinue Program	(8,400)	0	3,296,914	99.7	(8,400)	0	3,344,787	99.7
C04	Reallocation	0	0	3,296,914	99.7	0	0	3,344,787	99.7
C08	Technology	0	0	3,296,914	99.7	0	0	3,344,787	99.7

Justification

C01	Regular Salaries and Personal Services Matching increases in the amount of \$238,725 in FY10 and \$243,491 in FY11 to cover the costs associated with the Agency's request to restore 6 positions to fully staff the Program.
C02	Capital Outlay in the amount of \$10,000 each year for replacement and/or purchase of equipment for building and grounds maintenance.
C03	The Agency is requesting a \$8,400 decrease in Stipends for FY10 and FY11. The Agency intends to discontinue the payment of student stipends from this appropriation.
C04	Reallocation of Resources in the amount of \$250 each year from Operating Expenses to Conference and Travel Expenses to properly classify expenditures.
C08	The Agency is requesting \$24,600 FY10 and FY11 for Information Technology requirements. Funds to be used for routine repair and replacement of existing PC equipment utilized in the computer lab and by administrative and educational staff, and repair and replacement of two-way radio and security system components. IT PLAN: HARDWARE, TELEPHONE SERVICE, IN-HOUSE LABOR.

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.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Change Level requests total \$1,298,277 in FY10 and \$1,306,869 in FY11 and reflect the following:

- Regular Salaries and Personal Services Matching increases in the amount of \$436,277 in FY10 and \$444,869 in FY11 to cover the costs associated with the Agency's request to restore 12 positions to address workload and information technology needs. Positions requested to be restored include 1 Administrative Analyst, 1 Education & Instruction Specialist, 1 Senior Military Firefighter, 1 Military & Fire Police Captain, 1 Institutional Services Assistant, 1 Administrative Specialist II, 2 Administrative Specialist III, 3 Maintenance Specialist and 1 Construction Specialist.
- Operating Expenses increase in the amount of \$300,000 each year for utilities and \$500,000 each year, in appropriation only, for federal reimbursement of costs associated with assistance during times of natural disasters (e.g. Hurricane Katrina).
- Reallocation of Resources in the amount of \$500 each year from Operating Expenses to Conference and Travel Expenses to properly classify these expenditures.
- Professional Fees increase in the amount of \$2,000 each year for costs associated with drug testing of current and new employees as well as conducting random drug testing.
- Capital Outlay in the amount of \$60,000 each year to purchase a new vehicle for the Adjutant General and for replacement and/or purchase of equipment and information technology upgrades of the Arkansas National Guard networks.

The Executive Recommendation provides for Agency Request for appropriation with no additional general revenue funding above Base Level.

Appropriation Summary

Appropriation: 268 - General Operations
Funding Sources: HMD - State Military Department

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,050,787	3,308,960	3,558,645	3,467,730	3,781,364	3,781,364	3,536,453	3,857,296	3,857,296
#Positions		101	101	113	101	113	113	101	113	113
Extra Help	5010001	21,887	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
#Extra Help		5	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	1,121,670	1,067,266	1,281,731	1,201,147	1,323,790	1,323,790	1,214,606	1,338,659	1,338,659
Overtime	5010006	5,045	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Operating Expenses	5020002	2,326,299	2,947,987	2,947,987	2,947,987	3,747,487	3,747,487	2,947,987	3,747,487	3,747,487
Conference & Travel Expenses	5050009	6,139	12,313	12,313	12,313	12,813	12,813	12,313	12,813	12,813
Professional Fees	5060010	666	700	700	700	2,700	2,700	700	2,700	2,700
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	48,236	50,000	50,000	0	60,000	60,000	0	60,000	60,000
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	0	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		6,596,729	7,472,226	7,936,376	7,714,877	9,013,154	9,013,154	7,797,059	9,103,955	9,103,955
Funding Sources										
General Revenue	4000010	4,419,501	5,129,181		5,371,832	6,170,109	5,371,832	5,454,014	6,260,910	5,454,014
Federal Revenue	4000020	2,177,228	2,343,045		2,343,045	2,343,045	2,343,045	2,343,045	2,343,045	2,343,045
Total Funding		6,596,729	7,472,226		7,714,877	8,513,154	7,714,877	7,797,059	8,603,955	7,797,059
Excess Appropriation/(Funding)		0	0		0	500,000	1,298,277	0	500,000	1,306,896
Grand Total		6,596,729	7,472,226		7,714,877	9,013,154	9,013,154	7,797,059	9,103,955	9,103,955

Change Level by Appropriation

Appropriation: 268 - General Operations
Funding Sources: HMD - State Military Department

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	7,714,877	101	7,714,877	100.0	7,797,059	101	7,797,059	100.0
C01	Existing Program	738,277	12	8,453,154	109.6	746,896	12	8,543,955	109.6
C02	New Program	50,000	0	8,503,154	110.2	50,000	0	8,593,955	110.2
C04	Reallocation	0	0	8,503,154	110.2	0	0	8,593,955	110.2
C05	Unfunded Appropriation	500,000	0	9,003,154	116.7	500,000	0	9,093,955	116.6
C08	Technology	10,000	0	9,013,154	116.8	10,000	0	9,103,955	116.8

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	7,714,877	101	7,714,877	100.0	7,797,059	101	7,797,059	100.0
C01	Existing Program	738,277	12	8,453,154	109.6	746,896	12	8,543,955	109.6
C02	New Program	60,000	0	8,513,154	110.3	60,000	0	8,603,955	110.3
C04	Reallocation	0	0	8,513,154	110.3	0	0	8,603,955	110.3
C05	Unfunded Appropriation	500,000	0	9,013,154	116.8	500,000	0	9,103,955	116.8
C08	Technology	0	0	9,013,154	116.8	0	0	9,103,955	116.8

Justification

C01	The Agency is requesting a \$313,634 increase in Regular Salaries in FY10 and an increase of \$320,843 in FY11. The Agency is requesting an increase of \$122,643 in Personal Services Matching in FY10 and an increase of \$124,053 in FY11. These increases are needed to cover the costs associated with the Agency's request to restore 12 positions. The Agency is requesting a \$1,300,000 increase in Operating Expenses for FY10 and FY11. This request will be used for increased utility costs (\$300,000 annually) and various armory renovation projects (\$1,000,000 annually).
C02	Requesting \$50,000 in Capital Outlay for FY10 and FY11. This appropriation will be used to purchase a new vehicle for the Adjutant General and for various equipment purchases.
C04	Reallocation of Resources in the amount of \$500 each year from Operating Expenses to Conference and Travel Expenses to properly classify expenditures.
C05	The Agency is requesting a \$500,000 increase in Operating Expenses for FY10 and FY11. THIS REQUEST IS FOR APPROPRIATION ONLY. This appropriation will be used for federal reimbursement of costs associated with assistance during times of natural disasters (e.g. Hurricane Katrina).
C08	Request an additional \$10,000 annually in Capital Outlay for information technology upgrades that are essential to State Military Department employees operating the software packages used on Arkansas National Guard networks. IT PLAN: HARDWARE.

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 an increase in the amount of \$1,525,350 each year for emergency Military Call-Up to use when the Military is mobilized to assist with natural and man-made disasters.

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	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Emergency Call Up 5900046	240,084	474,650	474,650	474,650	2,000,000	2,000,000	474,650	2,000,000	2,000,000
Court Martial Expenses 5900047	175	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total	240,259	477,650	477,650	477,650	2,003,000	2,003,000	477,650	2,003,000	2,003,000
Funding Sources									
Budget Stabilization Trust 4000130	240,259	477,650		477,650	2,003,000	2,003,000	477,650	2,003,000	2,003,000
Total Funding	240,259	477,650		477,650	2,003,000	2,003,000	477,650	2,003,000	2,003,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	240,259	477,650		477,650	2,003,000	2,003,000	477,650	2,003,000	2,003,000

Change Level by Appropriation

Appropriation: 269 - Military Call-up and Court Martial

Funding Sources: HMD - State Military Department

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	477,650	0	477,650	100.0	477,650	0	477,650	100.0
C01	Existing Program	1,525,350	0	2,003,000	419.3	1,525,350	0	2,003,000	419.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	477,650	0	477,650	100.0	477,650	0	477,650	100.0
C01	Existing Program	1,525,350	0	2,003,000	419.3	1,525,350	0	2,003,000	419.3

Justification

C01	The Agency is requesting an increase in emergency Military Call-Up appropriation to use when the Military is mobilized to assist with natural and man-made disasters.
-----	---

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 for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency is requesting Regular Salaries and Personal Services Matching increases in the amount of \$5,180,584 in FY10 and \$5,284,321 in FY11 to cover the costs associated with the Agency's request to restore 143 positions to address any personnel needs for this federal program such as opening of new facilities, addition of programs and changes to, or elimination of, federal service contracts which would require duties to be performed in-house.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 270 - Federal Training Site

Funding Sources: FMF - State Military Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	7,331,395	8,052,606	10,378,605	8,464,431	12,186,550	12,186,550	8,645,435	12,454,297	12,454,297
#Positions		311	299	442	299	442	442	299	442	442
Extra Help	5010001	1,136,787	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		89	86	86	86	86	86	86	86	86
Personal Services Matching	5010003	3,090,722	3,019,719	4,428,945	3,382,098	4,840,563	4,840,563	3,417,550	4,893,009	4,893,009
Overtime	5010006	347,882	348,000	348,000	348,000	348,000	348,000	348,000	348,000	348,000
Total		11,906,786	12,945,233	16,680,458	13,719,437	18,900,021	18,900,021	13,935,893	19,220,214	19,220,214
Funding Sources										
Federal Revenue	4000020	11,906,786	12,945,233		13,719,437	18,900,021	18,900,021	13,935,893	19,220,214	19,220,214
Total Funding		11,906,786	12,945,233		13,719,437	18,900,021	18,900,021	13,935,893	19,220,214	19,220,214
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		11,906,786	12,945,233		13,719,437	18,900,021	18,900,021	13,935,893	19,220,214	19,220,214

Change Level by Appropriation

Appropriation: 270 - Federal Training Site

Funding Sources: FMF - State Military Federal

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	13,719,437	299	13,719,437	100.0	13,935,893	299	13,935,893	100.0
C01	Existing Program	5,180,584	143	18,900,021	137.8	5,284,321	143	19,220,214	137.9

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	13,719,437	299	13,719,437	100.0	13,935,893	299	13,935,893	100.0
C01	Existing Program	5,180,584	143	18,900,021	137.8	5,284,321	143	19,220,214	137.9

Justification

C01	The Agency is requesting Regular Salaries and Personal Services Matching increases in the amount of \$5,180,584 in FY10 and \$5,284,321 in FY11 to cover the costs associated with the Agency's request to restore 143 positions to address any personnel needs for this federal program.
-----	---

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's Change Level requests total \$11,668,170 in FY10 and \$11,946,120 in FY11 and reflect the following:

- Operating Expenses increase in the amount of \$7,559,700 in FY10 and \$7,657,150 in FY11 for utility costs, buildings and grounds maintenance costs, and public safety equipment maintenance costs.
- Conference and Travel Expenses increase in the amount of \$55,500 in FY10 and \$88,500 in FY11 for costs for training of troops in preparation for deployment.
- Professional Fees increase in the amount of \$1,231,970 in FY10 and 1,232,470 in FY11 for engineering and architects fees for compliance with Army Modular Force Transformation requirements for armories, maintenance facilities and training sites.
- Capital Outlay in the amount of \$2,821,000 in FY10 and \$2,968,000 in FY11 is for replacement and/or purchase of equipment essential to the maintenance and operations of Camp Robinson.
- Reallocation of Resources in the amount of \$69,000 each year from Data Processing to Operating Expenses to properly classify expenditures for low value equipment not required to be capitalized.

The Executive Recommendation provides for 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			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Operating Expenses	5020002	16,514,854	25,815,849	25,815,849	25,815,849	33,444,549	33,444,549	25,815,849	33,541,999	33,541,999
Conference & Travel Expenses	5050009	131,783	274,445	274,445	274,445	329,945	329,945	274,445	362,945	362,945
Professional Fees	5060010	1,822,919	4,890,630	4,890,630	4,890,630	6,122,600	6,122,600	4,890,630	6,123,100	6,123,100
Data Processing	5090012	0	69,000	69,000	69,000	0	0	69,000	0	0
Capital Outlay	5120011	973,217	1,211,000	1,211,000	0	2,821,000	2,821,000	0	2,968,000	2,968,000
Total		19,442,773	32,260,924	32,260,924	31,049,924	42,718,094	42,718,094	31,049,924	42,996,044	42,996,044
Funding Sources										
Federal Revenue	4000020	19,442,773	32,260,924		31,049,924	42,718,094	42,718,094	31,049,924	42,996,044	42,996,044
Total Funding		19,442,773	32,260,924		31,049,924	42,718,094	42,718,094	31,049,924	42,996,044	42,996,044
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		19,442,773	32,260,924		31,049,924	42,718,094	42,718,094	31,049,924	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		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	31,049,924	0	31,049,924	100.0	31,049,924	0	31,049,924	100.0
C01	Existing Program	10,457,170	0	41,507,094	133.7	10,735,120	0	41,785,044	134.6
C02	New Program	1,211,000	0	42,718,094	137.6	1,211,000	0	42,996,044	138.5
C04	Reallocation	0	0	42,718,094	137.6	0	0	42,996,044	138.5

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	31,049,924	0	31,049,924	100.0	31,049,924	0	31,049,924	100.0
C01	Existing Program	10,457,170	0	41,507,094	133.7	10,735,120	0	41,785,044	134.6
C02	New Program	1,211,000	0	42,718,094	137.6	1,211,000	0	42,996,044	138.5
C04	Reallocation	0	0	42,718,094	137.6	0	0	42,996,044	138.5

Justification

C01	JUSTIFICATION: (Appx 1-2, CC 461744, 461788, 461790, 461792, 461796, 461800, 461804) Utility rate increases combined with a greater training site usage due to Global War on Terrorism activities across the nation created an increase in overall utility cost for the Military Department. Buildings and grounds as well as Architectural/Engineering services increase is due to Army Modular Force Transformation for Armories, Maintenance facilities and Training Sites. Equipment increase is due to MILCON (Military Construction) Tails for the GED Complex and Urban Assault Course. Environmental Compliance increases are to ensure environmental compliance for facility upgrades and construction in support of Army Modular Force Transformation. (Appx 5, 14 & 40, CC 461746, 461828, and 461830) Anticipated increase in expenses due to aging telecom system and migration to VOIP. (Appx 7 CR, CC 461818) Building and Grounds: Price increases on targetry, automated targetry repair parts, shipping cost, and general repair items (lumber, nails...) for target frames. Additional training facilities and live fire ranges activated. Price increases for fertilizer, grass seed, erosion materials, and herbicides. Trail maintenance, vegetation control, and training area reconfiguration for specified training Conference/Seminars: Increased travel cost and lodging. (Appx 8, CC 461824) Estimated cost is based off a 20% increase in prices from the Local Vendor. Don't anticipate a large increase of food costs; however, transportation costs have significantly increased. 20% increase is a moderate projection for these services. The 2010 increase is based on deployment cycles. Less deployment activity is anticipated in 2010; therefore, fewer FACs and lower expenses related to FAC activities. 2011 - Another large deployment is expected so the Conf Seminar and Travel budgets need to be increased based on these expectations. (Appx 41, CC 461784)
C02	JUSTIFICATION: (Appx 5, 14 & 40, CC 461746, 461828, 461830) Anticipated increase in expenses due to aging telecom system and migration to Voice Over Internet Protocol. JUSTIFICATION: (Appx 7 CR, CC 461818) Equipment Expense: Accession of more Integrated Training Area Management equipment- Increased fuel and maintenance cost (Purchase 450 hp dump truck)- Replacement cost
C04	Reallocation of Resources in the amount of \$69,000 each year from Data Processing to Operating Expenses to properly classify expenditures.

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 increase in the amount of \$3,000 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 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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	47,000	50,000	47,000	50,000	50,000	47,000	50,000	50,000
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	47,000	50,000	47,000	50,000	50,000	47,000	50,000	50,000
Funding Sources										
Fund Balance	4000005	29,187	47,792		18,792	18,792	18,792	21,792	18,792	18,792
Income Tax Donations	4000283	18,605	18,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding		47,792	65,792		68,792	68,792	68,792	71,792	68,792	68,792
Excess Appropriation/(Funding)		(47,792)	(18,792)		(21,792)	(18,792)	(18,792)	(24,792)	(18,792)	(18,792)
Grand Total		0	47,000		47,000	50,000	50,000	47,000	50,000	50,000

Change Level by Appropriation

Appropriation: 34Y - Military Family Trust
Funding Sources: TFM - Military Family Relief Trust

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	47,000	0	47,000	100.0	47,000	0	47,000	100.0
C01	Existing Program	3,000	0	50,000	106.4	3,000	0	50,000	106.4

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	47,000	0	47,000	100.0	47,000	0	47,000	100.0
C01	Existing Program	3,000	0	50,000	106.4	3,000	0	50,000	106.4

Justification

C01	Increase is due to additional funds available from taxpayer and other donations.
-----	--

Analysis of Budget Request

Appropriation: 393 - Cash Operations

Funding Sources: NMD - Military Oprs-Cash in Treasury

This appropriation is funded from Cash in Treasury Funds that are derived from rentals and fees for usage of the facilities at Camp Robinson and the commercial harvesting of timber.

The Agency's Change Level requests total \$1,200,000 each year and reflect the following:

- Operating Expenses increase in the amount of \$500,000 each year is for various construction, renovation and maintenance projects at Camp Robinson.
- Hazard Mitigation line item increase in the amount of \$700,000 each year is for renovation of the Department of Military Support building.

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			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	55,845	1,500,000	1,000,000	1,000,000	1,500,000	1,500,000	1,000,000	1,500,000	1,500,000
Conference & Travel Expenses	5050009	68	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
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	10,520	0	0	0	0	0	0	0	0
Hazard Mitigation	5900047	120,943	800,000	0	0	700,000	700,000	0	700,000	700,000
Total		187,376	2,307,500	1,007,500	1,007,500	2,207,500	2,207,500	1,007,500	2,207,500	2,207,500
Funding Sources										
Fund Balance	4000005	2,096,926	2,113,268		0	0	0	0	0	0
Cash Fund	4000045	193,198	194,232		200,000	200,000	200,000	200,000	200,000	200,000
DFA Motor Vehicle Acquisition	4000184	10,520	0		0	0	0	0	0	0
Total Funding		2,300,644	2,307,500		200,000	200,000	200,000	200,000	200,000	200,000
Excess Appropriation/(Funding)		(2,113,268)	0		807,500	2,007,500	2,007,500	807,500	2,007,500	2,007,500
Grand Total		187,376	2,307,500		1,007,500	2,207,500	2,207,500	1,007,500	2,207,500	2,207,500

FY08 - Capital Outlay - Agency received \$10,520 from DFA Motor Vehicle Acquisition Fund to purchase a vehicle.

FY09 Budget Amounts in Operating Expenses and Hazard Mitigation exceed Authorized amounts due to transfers from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 393 - Cash Operations
Funding Sources: NMD - Military Oprs-Cash in Treasury

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,007,500	0	1,007,500	100.0	1,007,500	0	1,007,500	100.0
C01	Existing Program	1,200,000	0	2,207,500	219.1	1,200,000	0	2,207,500	219.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,007,500	0	1,007,500	100.0	1,007,500	0	1,007,500	100.0
C01	Existing Program	1,200,000	0	2,207,500	219.1	1,200,000	0	2,207,500	219.1

Justification

C01	Increases in appropriation will be used for construction projects at Camp Robinson. Increases approved for FY09 through transfers from Cash Fund Holding Account.								
-----	---	--	--	--	--	--	--	--	--

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 Counterdrug Asset Forfeiture line item of \$25,000 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 provided for 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			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Counterdrug Asset Forfeiture 5900046	19,985	50,000	50,000	50,000	75,000	75,000	50,000	75,000	75,000
Total	19,985	50,000	50,000	50,000	75,000	75,000	50,000	75,000	75,000
Funding Sources									
Fund Balance 4000005	77,506	70,338		50,338	50,338	50,338	35,338	10,338	10,338
Cash Fund 4000045	12,817	30,000		35,000	35,000	35,000	40,000	40,000	40,000
Total Funding	90,323	100,338		85,338	85,338	85,338	75,338	50,338	50,338
Excess Appropriation/(Funding)	(70,338)	(50,338)		(35,338)	(10,338)	(10,338)	(25,338)	24,662	24,662
Grand Total	19,985	50,000		50,000	75,000	75,000	50,000	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		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	50,000	0	50,000	100.0	50,000	0	50,000	100.0
C01	Existing Program	25,000	0	75,000	150.0	25,000	0	75,000	150.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	50,000	0	50,000	100.0	50,000	0	50,000	100.0
C01	Existing Program	25,000	0	75,000	150.0	25,000	0	75,000	150.0

Justification

C01	Asset forfeiture funds have increased for the Agency. The Agency is requesting accommodating budget.
-----	--

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 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	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Various Expenses 5900046	49,438	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	49,438	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources									
Fund Balance 4000005	517,493	549,197		149,197	149,197	149,197	149,197	149,197	149,197
Military Support Revolving 4000342	81,142	100,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	598,635	649,197		649,197	649,197	649,197	649,197	649,197	649,197
Excess Appropriation/(Funding)	(549,197)	(149,197)		(149,197)	(149,197)	(149,197)	(149,197)	(149,197)	(149,197)
Grand Total	49,438	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 Request is for Base Level.

The Executive Recommendation provides for 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			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	28,060	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	5,792	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	33,852	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Funding Sources									
Federal Revenue 4000020	33,852	300,000		300,000	300,000	300,000	300,000	300,000	300,000
Total Funding	33,852	300,000		300,000	300,000	300,000	300,000	300,000	300,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	33,852	300,000		300,000	300,000	300,000	300,000	300,000	300,000

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 for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Change Level requests total \$4,083,840 in FY10 and \$4,115,934 in FY11 and reflect the following:

- Regular Salaries and Personal Services Matching increases in the amount of \$1,053,815 in FY10 and \$1,074,409 in FY11 to cover the costs associated with the Agency's request to restore 31 currently authorized positions to meet the staffing needs of the Fort Chaffee Training Site.
- Operating Expenses increase in the amount of \$2,232,025 in FY10 and \$2,243,025 in FY11 for utility costs, buildings and grounds maintenance costs, and public safety equipment maintenance costs.
- Conference and Travel Expenses increase in the amount of \$500 each year due to rising fuel costs.
- Professional Fees increase in the amount of \$100,000 each year for increased engineering and architects fees to comply with Army Modular Force Transformation requirements for training sites.
- Capital Outlay requests in the amount of \$697,500 in FY10 and \$698,000 in FY11 for replacement and/or purchase of furniture, audio visual equipment and equipment for the upkeep of the training site, environmental programs, and the Range and Training Land Program.

The Executive Recommendation provides for Base Level and the restoration of 31 currently authorized positions.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,674,817	1,888,457	2,749,580	1,963,281	2,712,270	2,712,270	2,008,738	2,774,947	2,774,947
#Positions		69	65	96	65	96	96	65	96	96
Extra Help	5010001	161,498	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
#Extra Help		15	31	31	31	31	31	31	31	31
Personal Services Matching	5010003	725,137	686,096	1,104,625	759,922	1,064,748	1,064,748	768,825	1,077,025	1,077,025
Overtime	5010006	0	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000
Operating Expenses	5020002	1,695,073	10,958,500	10,958,500	10,958,500	13,190,525	10,958,500	10,958,500	13,201,525	10,958,500
Conference & Travel Expenses	5050009	14,606	138,160	138,160	138,160	138,660	138,160	138,160	138,660	138,160
Professional Fees	5060010	122,949	2,302,875	2,302,875	2,302,875	2,402,875	2,302,875	2,302,875	2,402,875	2,302,875
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	343,557	697,000	697,000	0	697,500	0	0	698,000	0
Total		4,737,637	16,993,088	18,272,740	16,444,738	20,528,578	17,498,553	16,499,098	20,615,032	17,573,507
Funding Sources										
Federal Revenue	4000020	4,737,637	16,993,088		16,444,738	20,528,578	17,498,553	16,499,098	20,615,032	17,573,507
Total Funding		4,737,637	16,993,088		16,444,738	20,528,578	17,498,553	16,499,098	20,615,032	17,573,507
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		4,737,637	16,993,088		16,444,738	20,528,578	17,498,553	16,499,098	20,615,032	17,573,507

Change Level by Appropriation

Appropriation: 575 - Fort Chaffee Training Site

Funding Sources: FMF - State Military Federal

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	16,444,738	65	16,444,738	100.0	16,499,098	65	16,499,098	100.0
C01	Existing Program	3,386,840	31	19,831,578	120.6	3,418,934	31	19,918,032	120.7
C02	New Program	697,000	0	20,528,578	124.8	697,000	0	20,615,032	124.9

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	16,444,738	65	16,444,738	100.0	16,499,098	65	16,499,098	100.0
C01	Existing Program	1,053,815	31	17,498,553	106.4	1,074,409	31	17,573,507	106.5
C02	New Program	0	0	17,498,553	106.4	0	0	17,573,507	106.5

Justification

C01	Regular Salaries and Personal Services Matching increases in the amount of \$1,053,815 in FY10 and \$1,074,409 in FY11 to cover the costs associated with the Agency's request to restore 31 positions. These increases are needed to cover the costs associated with the Agency's request to restore 31 positions. Utility rate increases combined with a greater training site usage due to Global War on Terrorism activities across the nation created an increase in overall utility cost for the Military Department. Buildings and Grounds as well as Architecture/Engineering services increase is due to Army Modular Force Transformation requirements for training sites. Increase is to support the State Military Department's Agency mission; planning, organizing and executing annual work plans within the Integrated Training Area Management Program to enhance the availability, environmental protection and sustainable use of all training lands on Ft. Chaffee. Maintaining training lands ensures the sustained and future use of these lands for conducting military operations and training to enhance the combat readiness of soldiers and units.
C02	Equipment increase is due to anticipated MILCON (Military Construction) projects which includes furniture and audio visual equipment supported under the Facilities Program Appendix of the Master Cooperative Agreement, to support the Integrated Training Area Management Program/Sustainable Range Program which includes targetry equipment and to replace equipment throughout a fiscal year to provide our officers with a safer environment. This equipment replaced could be anything the officers need to do their job or protect the officers from harm, such as, reflective vests for traffic control, traffic cones, flashlights, etc. Different types of equipment have different lengths of operational life spans; therefore some equipment would need to be replaced more often than others.

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 salary for classified position reflect the recommendation of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency is requesting additional Operating Expenses in the amount of \$2,258 in FY10 and \$2,915 in FY11 for flag purchases for armories around the State.

The Executive Recommendation provides for Base Level.

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			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Regular Salaries	5010000	49,412	48,278	47,678	49,469	49,469	49,469	50,592	50,592	50,592
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	15,275	13,643	15,037	14,791	14,791	14,791	15,010	15,010	15,010
Operating Expenses	5020002	19,548	20,000	20,000	20,000	22,258	20,000	20,000	22,915	20,000
Conference & Travel Expenses	5050009	1,398	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		85,633	86,121	86,915	88,460	90,718	88,460	89,802	92,717	89,802
Funding Sources										
General Revenue	4000010	85,633	86,121		88,460	90,718	88,460	89,802	92,717	89,802
Total Funding		85,633	86,121		88,460	90,718	88,460	89,802	92,717	89,802
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		85,633	86,121		88,460	90,718	88,460	89,802	92,717	89,802

Actual and/or Budget amounts for Regular Salaries and Personal Services Matching exceed the Authorized amounts due to salary and matching rate adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 576 - National Guard Museum
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	88,460	1	88,460	100.0	89,802	1	89,802	100.0
C01	Existing Program	2,258	0	90,718	102.6	2,915	0	92,717	103.2

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	88,460	1	88,460	100.0	89,802	1	89,802	100.0
C01	Existing Program	0	0	88,460	100.0	0	0	89,802	100.0

Justification

C01	The Agency is requesting a \$2,258 increase in Operating Expenses for FY10 and a \$2,915 increase for FY11. This increase will be used for flag purchases for armories around the state.
-----	--

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.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Change Level requests total \$1,639,478 in FY10 and \$1,639,486 in FY11 and reflect the following:

- Regular Salaries and Personal Services Matching increases in the amount of \$1,206,243 in FY10 and \$1,285,251 in FY11 to cover the costs associated with the Agency's request to restore 34 currently authorized positions to fully staff the program.
- Operating Expenses increase in the amount of \$418,226 in FY10 and \$393,226 in FY11 for increases in utilities, anticipated increases in various operating costs resulting from increases in enrollment in the program, and various upgrades and renovations in the Program's computer lab.
- Reallocation of Resources in the amount of \$6,200 each year from Operating Expenses to Conference and Travel Expenses to properly classify expenditures.
- Conference and Travel Expenses increase in the amount of \$11,104 each year for anticipated increases in costs resulting from increased travel by the Program Director and Recruiter throughout the State for Program promotional activities.
- Reallocation of Resources in the amount of \$50,095 each year from Stipends to Operating Expenses to properly classify these expenditures.

The Executive Recommendation provides for Base Level with the exception of Agency Requests for Reallocation of Resources.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,025,695	1,276,698	2,044,858	1,366,398	2,275,205	1,366,398	1,395,157	2,324,876	1,395,157
#Positions		46	44	78	44	78	44	44	78	44
Extra Help	5010001	30,181	32,960	32,960	32,960	32,960	32,960	32,960	32,960	32,960
#Extra Help		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	444,638	441,717	806,015	499,289	850,725	499,289	504,924	860,456	504,924
Overtime	5010006	0	22,380	26,666	22,380	22,380	22,380	22,380	22,380	22,380
Operating Expenses	5020002	503,123	694,527	694,527	694,527	1,106,553	738,422	694,527	1,081,553	738,422
Conference & Travel Expenses	5050009	811	6,951	6,951	6,951	24,255	13,151	6,951	24,255	13,151
Professional Fees	5060010	1,240	25,642	25,642	25,642	25,642	25,642	25,642	25,642	25,642
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	29	58,406	58,406	58,406	58,406	58,406	58,406	58,406	58,406
Capital Outlay	5120011	93,268	16,086	16,086	0	0	0	0	0	0
Stipends	5900038	30,128	50,095	106,000	50,095	0	0	50,095	0	0
Total		2,129,113	2,625,462	3,818,111	2,756,648	4,396,126	2,756,648	2,791,042	4,430,528	2,791,042
Funding Sources										
General Revenue	4000010	794,347	992,463		1,123,649	1,779,440	1,123,649	1,158,043	1,813,837	1,158,043
Federal Revenue	4000020	1,334,766	1,632,999		1,632,999	2,616,686	1,632,999	1,632,999	2,616,691	1,632,999
Total Funding		2,129,113	2,625,462		2,756,648	4,396,126	2,756,648	2,791,042	4,430,528	2,791,042
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,129,113	2,625,462		2,756,648	4,396,126	2,756,648	2,791,042	4,430,528	2,791,042

FY08 Actual expenses in Capital Outlay exceed Authorized due to a Budget Classification Transfer approved in March 2008 PEER.

Special Language provides for the carry forward of unexpended federal funds from the first year of the biennium to the second year of the biennium. The actual amount that carried forward from FY2008 to FY2009 was \$83,600.

Change Level by Appropriation

Appropriation: 577 - AR National Guard Youth Challenge Program

Funding Sources: FMF - State Military Federal

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	2,756,648	44	2,756,648	100.0	2,791,042	44	2,791,042	100.0
C01	Existing Program	1,637,573	34	4,394,221	159.4	1,662,581	34	4,453,623	159.6
C04	Reallocation	(50,095)	0	4,344,126	157.6	(50,095)	0	4,403,528	157.8
C08	Technology	52,000	0	4,396,126	159.5	27,000	0	4,430,528	158.7

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	2,756,648	44	2,756,648	100.0	2,791,042	44	2,791,042	100.0
C01	Existing Program	0	0	2,756,648	100.0	0	0	2,791,042	100.0
C04	Reallocation	0	0	2,756,648	100.0	0	0	2,791,042	100.0
C08	Technology	0	0	2,756,648	100.0	0	0	2,791,042	100.0

Justification

C01	The Agency is requesting general revenue funding for The Arkansas National Guard Youth Challenge Program in order to secure federal matching funds for a 60/40 cost share. Full general revenue funding will restore the Youth Challenge Program to its original mission and will provide an opportunity for 200 Arkansas high school drop-outs each year to earn a GED and continue on to higher education, enlist in the military, or enter the Arkansas workforce with a high school education. Due to current state and federal funding limitations, the Program and potential number of students served has been reduced to 120 students per year. Restoration of 34 positions not budgeted due to Personnel Cap and funding restrictions is requested. These positions will be used to fill staffing needs during the biennium within available funding.
C04	Reallocation of Resources in the amount of \$6,200 each year from Operating Expenses to Conference and Travel Expenses to properly classify expenditures. Reallocation of Resources in the amount of \$50,095 each year from Stipends to Operating Expenses to properly classify expenditures.
C08	An increase in appropriation is requested to provide for information technology requirements due to outdated systems. This will include replacing 12 PC's used by students and staff, purchasing 1 additional PC for the RCAS network, purchasing 2 laptops/docking stations (one for the director and one for the recruiter due to their traveling requirements), upgrading to 4 Xerox multi-function machines, purchasing 2 printers, purchasing 2 LCD projectors (one for the student computer lab for classes and one for the recruiter to use for travel/presentations), and potentially upgrading handheld radios used for staff communication when a new system is installed on Camp Robinson. IT PLAN: HARDWARE, CONTRACTED SERVICES, IN-HOUSE LABOR.

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Military Department

Program: AR National Guard Youth Challenge Program

Act #: 1061 of 2007 Section(s) #: 4 & 21

Estimated Carry Forward Amount \$ 200,500.00 Appropriation Funds

Funding Source: Federal

Accounting Information:

Business Area: 0975 Funds Center: 577 Fund: HMD Functional Area: SFTY

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Total		\$ 0.00	\$ 0.00

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

Carry forward of federal revenue to ensure sufficient funding for various operating expenses, return of federal funds and student stipends for the Arkansas National Guard Youth Challenge Program

Actual Funding Carry Forward Amount \$ 83,600.00

Current status of carry forward appropriation/funding:

Federal funding carried forward will be used throughout the fiscal year to pay for operating expenses associated with the Youth Challenge Program.

William D. Wofford
Adjutant General

08-07-2008
Date

Appropriation Summary

Appropriation: 2MS - Ft Chaffee Training Range

Funding Sources: FMF - State Military Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Construction 5090005	305,675	1,244,292	1,244,292	0	0	0	0	0	0
Total	305,675	1,244,292	1,244,292	0	0	0	0	0	0
Funding Sources									
Federal Revenue 4000020	305,675	1,244,292		0	0	0	0	0	0
Total Funding	305,675	1,244,292		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	305,675	1,244,292		0	0	0	0	0	0

THIS APPROPRIATION IS NOT REQUESTED FOR THE NEW BIENNIUM.

AR DEPARTMENT OF VETERAN AFFAIRS

Enabling Laws

Act 1262 of 2007
Act 913 of 2007
A.C.A. §20-81-102 et seq.

History and Organization

Act 343 of 1925 created our Agency as the Arkansas Service Bureau to aid World War Veterans and Veterans of American Wars to obtain government benefits and for other purposes.

Act 234 of 1945 renamed our Agency to the Arkansas Veterans Service Office and changed our responsibilities to assisting all veterans and their dependents in securing their rights and benefits under all laws, both State and Federal.

Act 536 of 1975 appropriated funds to the Arkansas Veterans Service Office for assisting the seventy-five (75) counties in paying salaries and/or expenses of County Veterans Service Officers who meet the training qualifications, the scheduled numbers of working hours per month and other qualifications prescribed or as may be prescribed by our office.

Act 377 of 1975 created the Governor's Task Force on Veterans Affairs to study any and all matters relating to and affecting the affairs of veterans in the state of Arkansas as requested by the Governor or as deemed necessary by the Task Force, and to make recommendations to the Governor on request or as deemed appropriate by the majority of the members of the Task Force.

Act 619 of 1977 authorized the Arkansas Veterans Service Office to establish and maintain an Arkansas Veterans Home in the building formerly used by the School for the Blind and Deaf located at 20th and Madison Streets, Little Rock, Arkansas.

Act 324 of 1979, codified in A.C.A. §20-81-102 et seq., renamed our Agency as the Arkansas Department of Veterans Affairs, which would assume all the duties and responsibilities of the Arkansas Veterans Service Office as well as to supervise the operation of the Arkansas Veterans Home; supervise the activities, training and testing of all the County Veterans Service Officers in each county and to create a Governors Task Force on Veterans Affairs.

Act 432 of 1985, codified in A.C.A. §20-81-105, amended Section 6 of Act 324 of 1979 to require the Arkansas Department of Veterans Affairs to promulgate guidelines for admission to the Arkansas Veterans Home and to conform to Federal requirements necessary to qualify the Arkansas Veterans Home as a Nursing Home and Domiciliary for veterans.

Act 431 of 1985, codified in A.C.A. §20-81-107, authorized the Arkansas Department of Veterans Affairs to accept the donation of real property for use as Veterans Cemeteries.

Act 157 of 1987, codified in A.C.A. §20-81-105, amended Section 6 of Act 324 of 1979 to provide for the conversion of the Arkansas Veterans Home to a Nursing Home and Domiciliary for veterans without

the necessity of obtaining a certificate of need.

Act 733 of 1987 appropriated funds to supplement private donations for expansion of the Little Rock, Fayetteville and Fort Smith National Cemeteries.

Act 670 of 1991, amended A.C.A. §20-81-104(b)(4) to authorize members of the Governor's Task Force on Veterans Affairs to attend conventions, conferences or meetings of recognized veterans organizations.

Act 136 of 1993 amended A.C.A. §20-81-104 to change the name of the Governor's Task Force on Veterans Affairs to the Governor's Commission on Veterans Affairs.

Act 719 of 1993 amended A.C.A. §20-81-103 regarding the qualifications for appointment of the Director of the Department of Veterans Affairs.

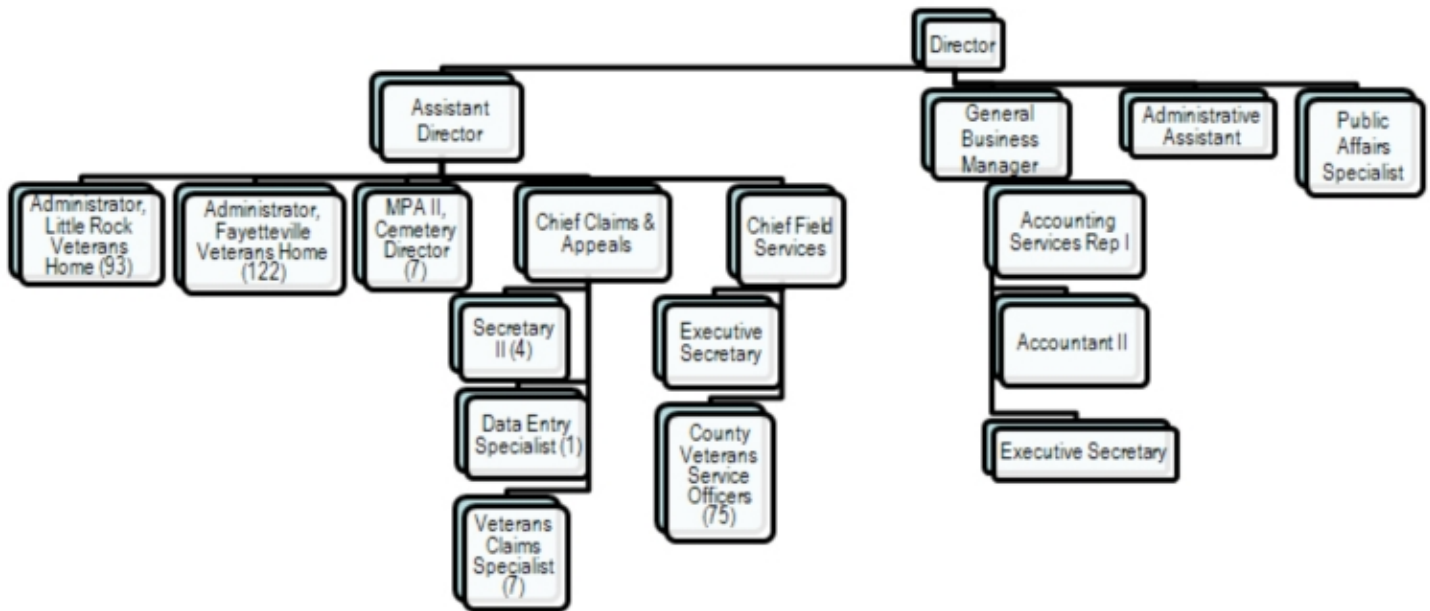
Act 235 of 1997 amended A.C.A. §20-81-112 by authorizing the Arkansas Department of Veterans Affairs to establish and operate an Arkansas State Veterans Cemetery system.

MISSION

The mission of this Agency is to ensure that veterans, their dependents and survivors receive the maximum benefits to which they are entitled under federal and state laws.

SERVICES PERFORMED

- Assist veterans, their dependents and survivors in their claims with the U.S. Department of Veterans Affairs (USDVA) for benefits they are entitled to under Title 38, United States Code.
- Supervise the activities, training and testing of a network of County Veterans Service Officers (CVSOs). There are 75 counties with county veterans service officers who are trained and supervised by this agency to serve veterans, their dependents and survivors.
- Establish, implement and maintain a program for providing financial assistance to counties to help defray the salaries and/or expenses of the CVSOs.
- Establish, operate and maintain the Arkansas Veterans' Cemetery system.
- Maintain the Little Rock Veterans Home, which houses a 61-bed intermediate care nursing facility and a 55-bed Veterans Domiciliary facility. This facility, which was opened in 1980, serves honorably discharged veterans who have become disabled and are unemployable.
- Maintain the new Fayetteville Veterans Home that opened in June 2006 and houses a 108 bed skilled care and intermediate care nursing facility and domiciliary.
- Participate on such boards, committees and/or projects which relate to the Agency's mission or as directed by a competent state authority.
- To promulgate rules and regulations as deemed necessary.



Agency Commentary

The goals of this Agency are to assist all veterans, their dependents, and survivors in securing available benefits. Additionally, the Agency provides nursing and domiciliary care to Arkansas Veterans by operating a 116 bed facility in Little Rock and a 108 bed facility in Fayetteville. The agency also operates the State Veterans Cemetery in North Little Rock and is preparing to construct a new cemetery in Birdeye.

Appropriation 224: State Operations

This appropriation is utilized to provide administrative support services to ensure that all of the operational objectives are met. Additionally, this appropriation is used to provide Veterans Claims and Advocacy services by counseling advocating at both the state and national level and by training 75 County Veterans Service Officers and 7 service officers to provide assistance.

In addition to Base Level, the Agency is requesting the following Change Levels:

- Regular Salaries: Increase in appropriation and general revenue funding of \$125,041 in FY2010 and \$127,915 in FY2011 with related Personal Services Matching. The request includes three (3) new positions; one (1) Department of Veterans Affairs Program Coordinator, one (1) Administrative Specialist III, and one (1) Information Systems Coordination Specialist; and the transfer of one (1) Public Safety Officer from appropriation 225, Little Rock Veteran's Home. These positions will be used to expand the Agency's outreach services and to centralize the accounting functions of the Agency. Additionally, the Agency has the need for its own information technology staff. The agency currently has approximately 35 users. The Agency also maintains its own website and the position would reduce expenses paid to the Department of Information Systems for support. The Information Systems Coordination Specialist is requested for this function.

In addition to Base Level, the Agency requests Change Level in Operating Expenses of \$89,281 in FY2010 and \$87,720 in FY2011 as follows:

- An increase in appropriation and general revenue funding in the amount of \$4,700 each year of the biennium for postage and \$10,000 each year of the biennium for printing. The Agency is expecting over three thousand (3,000) 39th Infantry Brigade soldiers to be returning to Arkansas in January 2009. Additionally, there are 400-500 veterans from all active military service branches and deactivated reserve forces members returning to the state each month. The Agency is required to reach out to these veterans and assist them in receiving federal and state veterans' benefits. A part of the printing cost (\$4,000) is for the Governor's Flag Education Program which the Agency is responsible for printing and distributing to public schools.
- An increase in appropriation and general revenue funding in the amount of \$63,000 in FY2010 and \$65,520 in FY2011 to establish a central office for the Director and administrative staff as well as \$2,000 in FY2010 for moving expenses. Currently, the Director and the administrative staff are located in two separate facilities.
- An increase in appropriation and general revenue funding in the amount of \$2,081 in FY2010. The Agency is in need of a folding machine to fold informational brochures to be mailed, graphic design software and a new digital camera for the public affairs specialist. These purchases will help with the Agency's goal to outreach to the public regarding veterans' benefits.
- An increase in appropriation and general revenue funding in the amount of \$7,500 each year of the biennium to purchase 5 desktop computers. The administrative and Veterans Claim/Advocacy service consists of 23 employees. The current computers are in desperate need of replacement and/or updating as in accordance with our Information Technology Plan.

The Agency also requests the following Change Levels in Conference and Travel Expenses:

- An increase in appropriation and general revenue funding of \$10,000 each year of the biennium. Travel expenses for the Director to make two trips to State Directors of Veterans Affairs national conferences. The purpose is to share information and concerns between state directors, and receive information from a variety of sources, including various departments of the Federal Veterans Administration. Four trips serving as Southwest Regional Vice President, National Association of State Directors of Veterans Affairs. At least two trips to Washington, DC serving on the Executive Committee, representing our State along with others, to discuss Veteran issues with the Federal Veterans Administration, and possibly members of the U. S. Congress.

Appropriation 225: Little Rock Home

This appropriation is utilized to operate a Long-Term Care and Domiciliary facility in Little Rock by providing a professional staff of healthcare and support providers, by continuing training for the entire staff and by providing equipment and supplies necessary to adequately maintain the aging facility.

In addition to Base Level, the Agency is requesting the following Change Levels:

- Regular Salaries: Increases in appropriation and general revenue funding of \$116,613 in FY2010 and \$119,924 in FY2011 with related Personal Services Matching. This request includes five (5) new positions; two (2) Registered Nurse positions, one (1) Licensed Practical Nurse position, and two (2) Certified Nursing Assistant positions; as well as the transfer of one (1) Public Safety Officer

to appropriation 224, State Operations. The nursing positions are needed for continued compliance with federal VA policies and to meet our plan of correction for the 2008 VA survey. These positions would provide marked savings to the Agency by decreasing the need for temporary employment agency staffing.

In addition to Base Level, the Agency requests Change Level in Operating Expenses of \$19,980 in FY2010 and \$17,680 in FY2011 as follows:

- An increase in appropriation and general revenue funding in the amount of \$14,500 each year of the biennium. The request is for building and grounds maintenance to maintain aging air conditioning units, maintenance of the cooling tower to ensure adequate heating and cooling of the facility's general population areas, and to maintain the grounds equipment.
- An increase in appropriation and general revenue funding of \$1,680 in FY2010 and \$1,180 in FY2011 for rent of office equipment, trash pickup services and office supplies. The Agency would like to rent a postage meter and an additional copy machine for the nursing station. The Agency would like to contract with a shred pickup company to help ensure the privacy of the residents and comply with HIPAA regulations. The increase in office supplies is to purchase two fax machines for the nursing stations to receive doctor's orders.
- An increase in appropriation and general revenue funding of \$3,800 in FY2010 and \$2,000 in FY2011 for Recreational Supplies and Materials. The request is for a new bingo machine, the purchase of new indoor and outdoor games, and for parties and outings for the residents.

The Agency also requests the following Change Levels in Capital Outlay:

- An increase in appropriation and general revenue funding in the amount of \$109,800 in FY2010 to comply with new rules and regulations regarding Elevators (ASME A17.3). The Agency will need to spend \$100,000 to bring our elevator into compliance. The Agency will also need to replace aging laundry and housekeeping equipment.

Appropriation 2QD: Fayetteville Veterans Home

This appropriation is utilized to operate a Long-Term Care and Skilled Care Facility in Fayetteville by providing a professional staff of healthcare and support providers, by continuing training for the entire staff and by providing equipment and supplies necessary to adequately maintain the facility.

In addition to Base Level, the Agency is requesting the following Change Levels:

- Regular Salaries: Increase in appropriation only of \$281,661 in FY2010 and \$288,138 in FY2011 with related Personal Services Matching. This request is to restore a total of twelve (12) positions previously authorized but unbudgeted in FY2009 and breaks down as follows: Three (3) funded Licensed Practical Nurse positions, six (6) funded Certified Nursing Assistant positions, two (2) unfunded security positions, and one (1) unfunded Fiscal Support Specialist. The positions are needed because the Fayetteville Veterans Home has opened an additional floor and is increasing the number of residents served.
- Capital Outlay: An increase in appropriation only in the amount of \$100,000 for FY2010. This request is necessary to purchase a wheelchair van, a patient handing system (lift), hygiene chair and four Broda chairs to assist with the care of the residents.

Appropriation 38R: Little Rock Veterans' Home Cash Fund

This appropriation is utilized to help support operations of the Arkansas Veterans Home maintained by the Agency. This appropriation is funded by cash and federal funds that are then transferred to Appropriation 225.

In addition to Base Level, the Agency is requesting the following Change Levels:

- Operating Expenses: An increase in unfunded appropriation of \$100,000 each year of the biennium to restore appropriation to levels previously authorized in Act.
- Conference and Travel Expenses: An increase in unfunded appropriation of \$10,000 each year of the biennium to restore appropriation to levels previously authorized in Act.
- Professional Fees: An increase in unfunded appropriation of \$100,000 each year of the biennium to restore appropriation to levels previously authorized in Act.
- Refunds/Reimbursements: An increase in unfunded appropriation of \$547,205 each year of the biennium to restore appropriation to levels previously authorized in Act.

Appropriation 38S: Veterans Cemetery Cash Fund

This appropriation is utilized to help provide land improvements to Veterans Cemetery maintained by the Agency. This request is 100% funded by burial fees.

In addition to Base Level, the Agency is requesting the following Change Levels:

- Capital Outlay: An increase in appropriation only in the amount of \$120,000 each year of the biennium. This request is necessary to restore capital outlay appropriation and for continued improvement projects anticipated by the Agency.

Appropriation 490: Veterans Cemetery

This appropriation is used to maintain the Veterans Cemetery by providing sufficient staffing to maintain the cemetery facilities and grounds, by developing standardized procedures to ensure consistent care of facilities and grounds, and by creating an interment program responsive to the needs of veterans and their survivors.

In addition to Base Level, the Agency is requesting the following Change Levels:

- Regular Salaries: An increase in appropriation and general revenue funding of \$25,268 in FY2010 and \$25,849 in FY2011 with related Personal Services Matching. This request is to restore an Administrative Specialist III position that is authorized but unbudgeted in FY2009. The position will be used to assist the Program Coordinator.
- An increase in Operating Expenses appropriation and general revenue funding in the amount of \$4,200 in FY2010 and \$1,200 in FY2011. The Agency has experienced theft and vandalism in the past. The agency's request will provide for the installation of a security system with video surveillance and the cost of security monitoring. Also included is an increase in appropriation and general revenue funding in the amount of \$5,000 in each year of the biennium for special purchase supplies. The Agency hosts the Memorial Day Ceremony at the Arkansas State Veterans

Cemetery. The Agency is in need of a tent to provide shelter during the ceremony and to purchase flags and other supplies. An increase in appropriation and general revenue funding in the amount of \$4,000 each year for fuel purchases. This request represents the increase in the price of gasoline. Finally, an increase in appropriation and general revenue funding in the amount of \$18,000 each year to start a turf management program. Currently, the agency has not been able to apply a fertilizer and pre-emergent program. This will greatly enhance the appearance of the turf at the Cemetery.

Appropriation 56T: Vet Cemetery Expense (Birdeye, AR)

This is a new appropriation to separate the new Veterans Cemetery in Cross County from the Veterans Cemetery in North Little Rock.

In addition to Base Level, the Agency is requesting the following Change Levels:

- Regular Salaries: An increase in general revenue funding and appropriation of \$32,249 in FY2010 and \$32,990 in FY2011 with related Personal Services Matching. This request is for one Department of Veterans Affairs Program Coordinator position to help serve the new Veterans Cemetery in Birdeye, Arkansas with inquires and help coordinate start up functions.
- Veterans' Cemetery Expenses: An increase in appropriation and general revenue funding in the amount of \$50,000 each year of the biennium. The request is for operating expenses for the new State Veterans Cemetery located in Birdeye, Arkansas. While construction has not yet started, the Agency is requesting appropriation and funding for maintenance and any unforeseen expenses.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF VETERANS AFFAIRS
 FOR THE YEAR ENDED JUNE 30, 2006

Findings	Recommendations
Review of the Agency's records revealed that the Federal Government approved a grant to the Agency for the lesser of \$4,745,644 or sixty-five (65%) percent of the actual cost to renovate two (2) floors at the Washington County Medical Center in Fayetteville. Actual renovation cost of the facility totaled \$7,165,966, including \$4,745,644 of funds received from the Federal Government. Since 65% of total renovation cost, or \$4,657,878, is less than actual funding received, \$87,766 is due to be refunded to the Federal Government.	Refund all monies due the Federal Government.

Employment Summary

	Male	Female	Total	%
White Employees	28	58	86	51 %
Black Employees	17	60	77	45 %
Other Racial Minorities	1	6	7	4 %
Total Minorities			84	49 %
Total Employees			170	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	NA	N	N	0	NA

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
224 State Operations	1,190,322	22	1,231,189	22	1,263,950	23	1,312,714	22	1,580,846	26	1,371,101	23	1,331,938	22	1,601,919	26	1,391,203	23
225 Veterans' Home Division - State	3,506,036	85	3,860,390	85	3,896,114	85	4,118,117	85	4,296,940	89	4,339,996	90	4,174,627	85	4,354,333	89	4,398,261	90
2QD Fayetteville Veterans' Home	3,444,245	89	6,006,786	89	6,102,791	101	6,309,131	89	6,804,718	101	6,804,718	101	6,352,839	89	6,756,118	101	6,756,118	101
38R LR Veterans' Home - Cash In Treasury*	50,269	0	357,795	0	1,260,000	0	352,795	0	1,110,000	0	352,795	0	352,795	0	1,110,000	0	352,795	0
38S Veterans' Cemetery - Cash In Treasury*	78,095	0	115,000	0	115,000	0	15,000	0	135,000	0	135,000	0	15,000	0	135,000	0	135,000	0
490 Veterans' Cemetery - State	242,762	6	264,115	6	272,717	7	282,609	6	348,908	7	282,609	6	286,432	6	350,420	7	286,432	6
56T Veterans' Cemetery Expenses	210,011	0	0	0	250,000	0	0	0	93,387	1	93,387	1	0	0	94,266	1	94,266	1
Total	8,721,740	202	11,835,275	202	13,160,572	216	12,390,366	202	14,369,799	224	13,379,606	221	12,513,631	202	14,402,056	224	13,414,075	221

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	738,509	8.0	456,701	3.6	853,022	6.4	853,022	5.9	853,022	6.1	840,422	6.3	740,705	5.2	740,705	5.4
General Revenue	4000010	2,315,331	25.2	2,095,584	16.5	2,235,679	16.9	2,842,320	19.8	2,407,433	17.3	2,267,513	17.0	2,875,454	20.1	2,438,724	17.6
Federal Revenue	4000020	343,186	3.7	396,407	3.1	416,361	3.1	416,361	2.9	416,361	3.0	419,244	3.1	419,244	2.9	419,244	3.0
Cash Fund	4000045	2,744,833	29.9	5,954,403	46.9	5,618,490	42.5	5,976,270	41.6	5,976,270	42.9	5,645,022	42.3	5,868,925	41.1	5,868,925	42.4
Merit Adjustment Fund	4000055	0	0.0	18,872	0.1	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	242,049	1.8	0	0.0	0	0.0	289,772	2.2	0	0.0	0	0.0
Other	4000370	311,710	3.4	339,961	2.7	357,072	2.7	357,072	2.5	357,072	2.6	359,546	2.7	359,546	2.5	359,546	2.6
VA Reimbursement	4000731	2,724,872	29.7	3,426,369	27.0	3,508,115	26.5	3,908,254	27.2	3,908,254	28.1	3,519,934	26.4	4,007,423	28.1	4,007,423	29.0
Total Funds		9,178,441	100.0	12,688,297	100.0	13,230,788	100.0	14,353,299	100.0	13,918,412	100.0	13,341,453	100.0	14,271,297	100.0	13,834,567	100.0
Excess Appropriation/(Funding)		(456,701)		(853,022)		(840,422)		16,500		(538,806)		(827,822)		130,759		(420,492)	
Grand Total		8,721,740		11,835,275		12,390,366		14,369,799		13,379,606		12,513,631		14,402,056		13,414,075	

38R-LR Veterans' Home Cash in Treasury replaced Appropriation D15-Veterans Home Cash and moved to State Treasury in FY2008.

38S-Veterans' Cemetery Cash in Treasury replaced Appropriation D11-Veterans' Cemetery-Cash and moved to State Treasury in FY2008.

Difference in FY2010 beginning Fund Balance and FY2011 ending Fund Balance due to Agency request of unfunded appropriation in Appropriation 38R.

Difference in FY2010 beginning Fund Balance and FY2011 ending Fund Balance due to Executive Recommendation of unfunded appropriation in Appropriation 225.

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	
216	147	69	216	0	31.94 %	216	166	14	180	36	23.15 %	216	170	32	202	14	21.30 %

Analysis of Budget Request

Appropriation: 224 - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Department of Veterans Affairs assists Arkansas veterans, and their dependents and survivors in securing their rights and benefits under Federal and State laws. The Department supervises the activities, training, and testing of County Veterans Service Officers, and provides financial assistance to Counties to defray their salaries and expenses. This appropriation provides for the administrative costs of the Department and is solely funded by general revenue.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Base Level request is appropriation and general revenue funding in the amount of \$1,312,714 in FY2010 and \$1,331,938 in FY2011 with twenty-two (22) regular positions.

The Agency's Change Level request is appropriation and general revenue funding in the amount of \$268,132 in FY2010 and \$269,981 in FY2011, and is comprised of the following:

Increase in the Regular Salaries line item of \$125,041 in FY2010 and \$127,915 in FY2011 with related Personal Services Matching for the following:

- Three (3) new positions: one (1) Department of Veterans' Affairs Program Coordinator, one (1) Information Systems Coordination Specialist, and one (1) Administrative Specialist III. The Program Coordinator and Administrative Specialist III are requested to expand the Agency's outreach services while the Information Specialist is requested to maintain the Agency's internal website and information technology functions.
- The transfer of one (1) Public Safety Officer from appropriation 225 (Veterans' Home Division-State). This is requested to centralize the functions of the Agency.

Increase in the Operating Expenses line item of \$87,781 in FY2010 and \$86,220 in FY2011 for the following:

- \$4,700 in postage and \$10,000 in printing each year of the biennium to expand the Agency's outreach services. A portion of the printing cost (\$4,000) will be used to fund the Governor's Flag Education Program to print and distribute pamphlets to schools.
- \$63,000 in FY2010 and \$65,520 in FY2011 for rent. This request is to relocate all administrative staff and the Director to one central location. Currently, staff is divided between two locations (the VA building in Ft. Roots and the North Little Rock Veterans' Cemetery).
- \$2,000 in FY2010 for hauling and moving expenses related to the relocation of staff.
- \$2,081 in FY2010 for office supplies, photographic supplies, and software/licenses for a folding machine, a digital camera, and graphic design software related to the proposed outreach expansion.

- \$7,500 each year of the biennium for the purchase of 5 new desktop computers and the upgrade of outdated desktop computers throughout the next biennium.
- \$1,500 reallocation from Operating Expenses to Conference and Travel Expenses done to properly reclassify conference and seminar fees expenditures.

Increase in the Conference and Travel Expenses line item of \$10,000 each year of the biennium for airfare and meals and lodging related to various national Veterans' Affairs conferences including State Directors of Veterans Affairs and National Association of State Directors of Veterans' Affairs conferences and expenses related to Executive Committee meetings in Washington D.C.

The Executive Recommendation provides for Base Level. Additionally, the Executive Recommendation provides for an increase in appropriation and general revenue funding for one (1) Department of Veterans' Affairs Program Coordinator position with related Personal Services Matching and Operating Expenses of \$15,000 each year of the biennium related to the outreach program. The Executive Recommendation also provides for the reallocation of \$1,500 from Operating Expenses to Conference and Travel Expenses.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$43,386 in FY2010 and \$44,266 in FY2011 for Regular Salaries and Personal Services Matching for one (1) new position.
- \$15,000 each year of the biennium for Operating Expenses related to the outreach program.

Appropriation Summary

Appropriation: 224 - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	640,633	673,871	685,934	726,072	851,113	758,321	742,263	870,178	775,253
#Positions	22	22	23	22	26	23	22	26	23
Personal Services Matching 5010003	215,448	216,244	236,942	245,568	289,378	256,706	248,601	292,947	259,876
Operating Expenses 5020002	57,109	54,944	54,944	54,944	142,725	68,444	54,944	141,164	68,444
Conference & Travel Expenses 5050009	2,463	2,630	2,630	2,630	14,130	4,130	2,630	14,130	4,130
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	274,669	283,500	283,500	283,500	283,500	283,500	283,500	283,500	283,500
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	1,190,322	1,231,189	1,263,950	1,312,714	1,580,846	1,371,101	1,331,938	1,601,919	1,391,203
Funding Sources									
General Revenue 4000010	1,190,322	1,231,189		1,312,714	1,580,846	1,371,101	1,331,938	1,601,919	1,391,203
Total Funding	1,190,322	1,231,189		1,312,714	1,580,846	1,371,101	1,331,938	1,601,919	1,391,203
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,190,322	1,231,189		1,312,714	1,580,846	1,371,101	1,331,938	1,601,919	1,391,203

Actual amount in Operating Expenses exceeds the Authorized amount due to a higher authorized appropriation in FY2008.

Change Level by Appropriation

Appropriation: 224 - State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,312,714	22	1,312,714	100.0	1,331,938	22	1,331,938	100.0
C01	Existing Program	170,265	2	1,482,979	113.0	170,274	2	1,502,212	112.8
C04	Reallocation	0	0	1,482,979	113.0	0	0	1,502,212	112.8
C07	Agency Transfer	43,056	1	1,526,035	116.3	43,928	1	1,546,140	116.1
C08	Technology	54,811	1	1,580,846	120.4	55,779	1	1,601,919	120.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,312,714	22	1,312,714	100.0	1,331,938	22	1,331,938	100.0
C01	Existing Program	58,387	1	1,371,101	104.4	59,265	1	1,391,203	104.4
C04	Reallocation	0	0	1,371,101	104.4	0	0	1,391,203	104.4
C07	Agency Transfer	0	0	1,371,101	104.4	0	0	1,391,203	104.4
C08	Technology	0	0	1,371,101	104.4	0	0	1,391,203	104.4

Justification

C01	Operating Expenses: Increase in appropriation and general revenue funding of \$81,781 in FY2010 and \$80,220 in FY2011 for postage, printing for Flag Education Program and materials for outreach services, purchase of design software, purchase new photographic equipment and purchase of folding machine to fold informational brochures. Also, an increase in rent of facilities and moving expenses to relocate the Director and Administrative staff. Currenty, staff is divided between two locations making operations and communication inefficient. Conference & Travel Expenses: Increase in appropriation and general revenue funding of \$10,000 each year of the biennium for travel expenses for the Director to make two trips to State Directors of Veterans Affairs national conferences. The purpose is to share information and concerns between state directors, and receive information from a variety of sources, including various departments of the Federal Veterans Administration. This request also includes four trips serving as the Southwest Regional Vice President of the National Association of State Directors of Veterans Affairs and at least two trips to Washington, DC serving on the Executive Committee, representing our State along with others, to discuss Veterans issues with the Federal Veterans Administration, and possibly members of the U. S. Congress. Regular Salaries: Increase in appropriation and general revenue funding of \$57,517 in FY2010 and \$58,839 in FY2011 plus associated Personal Services Matching. The request is for one (1) Department of Veterans Affairs Program Coordinator and one (1) Administrative Specialist III. These positions will be used to expand the Agency's outreach services.
C04	A \$1,500 reallocation from Operating Expenses to Conference and Travel Expenses is requested to properly reclassify Conference and Seminar Fees.
C07	The transfer of one (1) Public Safety Officer position from appropriation 225 to 224 is requested to centralize the accounting functions of the Agency.
C08	Operating Expense: Increase in appropriation and general revenue funding of \$7,500 each year of the biennium to replace five (5) outdated computers. This request is included in the Agency's approved Information Technology (IT) Plan under IT Support Costs-Hardware. Regular Salaries: Increase in appropriation and general revenue funding of \$35,554 in FY2010 and \$36,371 in FY2011 plus associated Personal Services Matching. The request is for one (1) Information Systems Coordination Specialist position. The Agency has the need for its own information technology staff. The Agency currently has approximately 35 users. The Agency also maintains its own website and the position would reduce expenses paid to the Department of Information Systems for support. This request is included in the Agency's approved IT Plan under IT Support Costs-In-house Labor.

Analysis of Budget Request

Appropriation: 225 - Veterans' Home Division - State

Funding Sources: HUA - Miscellaneous Agencies Fund

The Little Rock Veterans Home is responsible for providing Intermediate Nursing and Domiciliary care to honorably discharged wartime and/or service connected disabled veterans. The Little Rock Home was founded in 1980 and has a present capacity of 116 residents. Funding for the Little Rock Veterans Home consists of general revenue, maintenance fees provided by the residents, and a federal per diem reimbursement from the U.S. Department of Veterans Affairs.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Base Level request for this appropriation is \$4,118,117 in FY2010 and \$4,174,627 in FY2011 with general revenue funding of \$640,356 in FY2010 and \$649,143 in FY2011, with eighty-five (85) regular positions, and seven (7) extra help positions.

The Agency's Change Level request is appropriation and general revenue funding of \$178,823 in FY2010 and \$179,706 in FY2011, and is comprised of the following:

Increase in the Regular Salaries line item of \$116,613 in FY2010 and \$119,294 in FY2011 with related Personal Services Matching for the following:

- Five (5) new regular positions: two (2) Registered Nurse positions, two (2) Certified Nursing Assistant positions, and one (1) Licensed Practical Nurse position. The positions are requested to keep in compliance with federal Veterans' Affairs (VA) policies and to meet the 2008 VA survey plan of correction.
- The transfer of one (1) Public Safety Officer from this appropriation to appropriation 224 (State Operations). This is requested to centralize the functions of the Agency.

Increase in the Operating Expenses line item of \$19,980 in FY2010 and \$17,680 in FY2011 for the following:

- \$14,500 each year of the biennium for building and grounds maintenance related to air conditioner repair, cooling tower maintenance, and maintenance of grounds equipment.
- \$400 each year of the biennium in rent of office equipment for a postage meter and copy machine.
- \$780 each year of the biennium to contract with a shred pickup service for resident security and Health Insurance Portability and Accountability Act (HIPAA) regulations.
- \$500 in FY2010 for office supplies relating to two (2) new fax machines.
- \$3,800 in FY2010 and \$2,000 in FY2011 for recreational supplies to the residents including a bingo machine, other indoor/outdoor games, parties, and outings away from the home.

The Executive Recommendation provides for Base Level. Additionally, the Executive Recommendation provides for an increase in appropriation only of \$158,843 in FY2010 and \$162,026 in FY2011 for five (5) new positions. Finally, appropriation and general revenue funding of \$19,980 in FY2010 and \$17,680 in FY2011 has been provided in Operating Expenses.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$19,980 in FY2010 and \$17,680 in FY2011 for the Operating Expenses line item related to building and grounds maintenance, rent of office equipment, trash pickup service, office supplies, and recreational supplies.

Appropriation Summary

Appropriation: 225 - Veterans' Home Division - State

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,909,323	2,131,866	2,134,242	2,283,777	2,400,390	2,432,360	2,331,375	2,450,669	2,483,374
#Positions	85	85	85	85	89	90	85	89	90
Extra Help 5010001	25,698	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000
#Extra Help	3	7	7	7	7	7	7	7	7
Personal Services Matching 5010003	758,492	762,129	795,477	867,945	910,175	921,261	876,857	919,589	930,812
Overtime 5010006	13,917	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Operating Expenses 5020002	578,097	578,120	578,120	578,120	598,100	598,100	578,120	595,800	595,800
Conference & Travel Expenses 5050009	2,503	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees 5060010	31,502	64,275	64,275	64,275	64,275	64,275	64,275	64,275	64,275
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements 5110014	186,504	270,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	3,506,036	3,860,390	3,896,114	4,118,117	4,296,940	4,339,996	4,174,627	4,354,333	4,398,261
Funding Sources									
Fund Balance 4000005	17,241	5,526		0	0	0	0	0	0
General Revenue 4000010	672,236	600,280		640,356	819,179	660,336	649,143	828,849	666,823
Cash Fund 4000045	99,085	0		0	0	0	0	0	0
Merit Adjustment Fund 4000055	0	18,872		0	0	0	0	0	0
Intra-agency Fund Transfer 4000317	2,723,000	3,235,712		3,477,761	3,477,761	3,477,761	3,525,484	3,525,484	3,525,484
Total Funding	3,511,562	3,860,390		4,118,117	4,296,940	4,138,097	4,174,627	4,354,333	4,192,307
Excess Appropriation/(Funding)	(5,526)	0		0	0	201,899	0	0	205,954
Grand Total	3,506,036	3,860,390		4,118,117	4,296,940	4,339,996	4,174,627	4,354,333	4,398,261

Change Level by Appropriation

Appropriation: 225 - Veterans' Home Division - State

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	4,118,117	85	4,118,117	100.0	4,174,627	85	4,174,627	100.0
C01	Existing Program	221,879	5	4,339,996	105.4	223,634	5	4,398,261	105.4
C07	Agency Transfer	(43,056)	(1)	4,296,940	104.3	(43,928)	(1)	4,354,333	104.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	4,118,117	85	4,118,117	100.0	4,174,627	85	4,174,627	100.0
C01	Existing Program	221,879	5	4,339,996	105.4	223,634	5	4,398,261	105.4
C07	Agency Transfer	0	0	4,339,996	105.4	0	0	4,398,261	105.4

Justification

C01	Operating Expenses: Increase in appropriation and general revenue funding of \$19,980 in FY2010 and \$17,680 in FY2011 for paper shredder service, replacement and purchase of new recreational games and supplies for the residents, increase in office supplies to put fax machines in the nursing stations to receive doctor's orders, increase in rent of office equipment for a postage meter and copy machine and increase in building & grounds maintenance for air conditioning repair, cooling tower maintenance and maintenance of grounds equipment. Regular Salaries: Increase in appropriation and general revenue funding of \$148,583 in FY2010 and \$151,999 in FY2011 plus associated Personal Services Matching. This request includes two (2) Registered Nurse positions, one (1) Licensed Practical Nurse position, and two (2) Certified Nursing Assistant positions. The nursing positions are needed for continued compliance with federal VA policies and to meet our plan of correction for the 2008 VA survey. These positions would provide marked savings to the Agency by decreasing the need for temporary employment agency staffing.
C07	The transfer of one (1) Public Safety Officer position from appropriation 225 to 224 is requested to centralize the accounting functions of the agency.

Analysis of Budget Request

Appropriation: 2QD - Fayetteville Veterans' Home

Funding Sources: NVA - ADVA Cash in Treasury

The Fayetteville Veterans Home is responsible for providing Intermediate and Skilled Nursing care to honorably discharged wartime and/or service connected disabled Veterans. During the 2003-2005 biennium, the Arkansas Department of Veterans Affairs received state and federal appropriation and funding to construct this new Veterans Home to serve the needs of Veterans in northwest Arkansas. The Fayetteville Home opened to residents in June 2006 and has a present capacity of 108 residents.

In the initial start up years of FY2006 and FY2007, funding for the Fayetteville Veterans Home consisted primarily of general revenue funding. However, in the 2007-2009 biennium, funding did not include general revenue, but instead consisted of a federal per diem reimbursement from the U.S. Department of Veterans affairs, cash maintenance fees provided by the residents and Medicaid and Medicare funding.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Base Level request for this appropriation is \$6,309,131 in FY2010 and \$6,352,839 in FY2011 with eighty-nine (89) regular positions.

The Agency's Change Level request for this appropriation is \$495,587 in FY2010 and \$403,279 in FY2011, and is comprised of the following:

Increase in the Regular Salaries line item of \$281,661 in FY2010 and \$288,138 in FY2011 with related Personal Services Matching. The Agency requests the restoration of nine (9) positions previously authorized in Act but not budgeted in FY2009, (three (3) Licensed Practical Nurse positions and six (6) Certified Nursing Assistant positions) are being requested as funded. Additionally, restoration of three (3) positions, (two (2) Public Safety Security Officer positions and one (1) Fiscal Support Specialist position) are being requested as unfunded.

Increase in the Capital Outlay line item of \$100,000 in FY2010 is requested in equipment expense directly related to the residents including one (1) "maximove" combination system to provide assistance for residents who cannot stand, one (1) carion hygiene chair that allows height adjustment for bathing, four (4) "broda" chairs for restraint-free seating, a wheelchair accessible van for transporting residents to activities and medical appointments, and a bladder scan to access and manage urinary incontinence.

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

Appropriation Summary

Appropriation: 2QD - Fayetteville Veterans' Home

Funding Sources: NVA - ADVA Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010 Base Level	2009-2010 Agency	2009-2010 Executive	2010-2011 Base Level	2010-2011 Agency	2010-2011 Executive
Regular Salaries 5010000	1,395,698	2,236,264	2,234,353	2,506,921	2,788,582	2,788,582	2,543,741	2,831,879	2,831,879
#Positions	89	89	101	89	101	101	89	101	101
Extra Help 5010001	34,576	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
#Extra Help	6	7	7	7	7	7	7	7	7
Personal Services Matching 5010003	572,009	803,245	901,161	934,933	1,048,859	1,048,859	941,821	1,056,962	1,056,962
Overtime 5010006	0	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Operating Expenses 5020002	1,217,341	2,107,027	2,107,027	2,107,027	2,107,027	2,107,027	2,107,027	2,107,027	2,107,027
Conference & Travel Expenses 5050009	1,294	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250
Professional Fees 5060010	37,020	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements 5110014	184,799	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000
Capital Outlay 5120011	1,508	100,000	100,000	0	100,000	100,000	0	0	0
Total	3,444,245	6,006,786	6,102,791	6,309,131	6,804,718	6,804,718	6,352,839	6,756,118	6,756,118
Funding Sources									
Fund Balance 4000005	266,131	88,026		485,223	485,223	485,223	485,223	385,506	385,506
Federal Revenue 4000020	343,186	396,407		416,361	416,361	416,361	419,244	419,244	419,244
Cash Fund 4000045	1,451,804	4,043,520		3,829,857	4,006,455	4,006,455	3,856,389	3,950,556	3,950,556
Other 4000370	311,710	339,961		357,072	357,072	357,072	359,546	359,546	359,546
VA Reimbursement 4000731	1,159,440	1,624,095		1,705,841	1,925,113	1,925,113	1,717,660	1,925,113	1,925,113
Total Funding	3,532,271	6,492,009		6,794,354	7,190,224	7,190,224	6,838,062	7,039,965	7,039,965
Excess Appropriation/(Funding)	(88,026)	(485,223)		(485,223)	(385,506)	(385,506)	(485,223)	(283,847)	(283,847)
Grand Total	3,444,245	6,006,786		6,309,131	6,804,718	6,804,718	6,352,839	6,756,118	6,756,118

The FY2009 Budget amount in Regular Salaries exceeds the Authorized amount due to salary adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 2QD - Fayetteville Veterans' Home

Funding Sources: NVA - ADVA Cash in Treasury

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	6,309,131	89	6,309,131	100.0	6,352,839	89	6,352,839	100.0
C01	Existing Program	395,870	9	6,705,001	106.3	301,620	9	6,654,459	104.7
C05	Unfunded Appropriation	99,717	3	6,804,718	107.9	101,659	3	6,756,118	106.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	6,309,131	89	6,309,131	100.0	6,352,839	89	6,352,839	100.0
C01	Existing Program	395,870	9	6,705,001	106.3	301,620	9	6,654,459	104.7
C05	Unfunded Appropriation	99,717	3	6,804,718	107.9	101,659	3	6,756,118	106.3

Justification

C01	Capital Outlay: Increase in appropriation only of \$100,000 in FY2010. Increase in Equipment Expense includes one maximove combination system to provide assistance to residents who cannot stand, one carion hygiene chair that allows height adjustments for safer bathing, four broda chairs for restraint-free seating, one bladder scan to access and manage urinary incontinence, and a wheelchair accessible van for transporting residents to activities and medical appointments. Regular Salaries: Increase in appropriation only of \$210,555 in FY2010 and \$215,397 in FY2011 plus associated Personal Services Matching. This request is to restore three (3) Licensed Practical Nurse positions and six (6) Certified Nursing Assistant positions. The Fayetteville Veterans Home has opened an additional floor and is increasing the number of residents served.
C05	The Agency is requesting the restoration of three (3) positions Authorized but not budgeted: two (2) Security Officer positions and one (1) Medical Secretary.

Analysis of Budget Request

Appropriation: 38R - LR Veterans' Home - Cash In Treasury*

Funding Sources: NVA - ADVA Cash in Treasury

This appropriation is used to help support the operations of the Little Rock Veterans Home maintained by the Agency and is funded by cash funding that is accumulated from the monthly maintenance fees charged to Veterans residing in the homes. This fund also includes federal per diem reimbursements from the U.S. Department of Veterans Affairs. Funding is transferred to the Little Rock Veterans' Home appropriation as needed. In FY2008, it was approved for the Cash in Bank Appropriation (D15) to be moved to the State Treasury.

The Agency's Base Level request for this appropriation is \$352,795 each year of the biennium.

The Agency's Change Level Request includes unfunded appropriation in the amount of \$757,205 each year of the biennium and is comprised of the following:

- Increase in the Operating Expenses line item of \$100,000 each year of the biennium, to previously authorized amount in the Act, to provide for any unanticipated increases in operating expenses for the Little Rock Home, including food, laundry and housekeeping services, utility expenses and information technology related expenses.
- Increase in the Conference and Travel Expenses line item of \$10,000 each year of the biennium, to previously authorized amount in the Act, to provide for any unanticipated increases in travel and conference fees for the Little Rock Home, including training related travel as well as travel to other states to visit other Veterans Homes.
- Increase in the Professional Fees line item of \$100,000 each year of the biennium, to previously authorized amount in the Act, to provide for any unanticipated increases in contract expenses for the Little Rock Home including contractual services for food, laundry, housekeeping and medical services.
- Increase in the Refunds/Reimbursements line item of \$547,205 each year of the biennium, to previously authorized amount in the Act, to provide for patient refunds for the Little Rock Home. If necessary, this appropriation could also be used to provide for the Quality Assurance Fees (Bed Tax), if the rate increases more than is currently anticipated by the Agency.

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

Appropriation Summary

Appropriation: 38R - LR Veterans' Home - Cash In Treasury*

Funding Sources: NVA - ADVA Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	44,003	150,000	250,000	150,000	250,000	150,000	150,000	250,000	150,000
Conference & Travel Expenses	5050009	0	0	10,000	0	10,000	0	0	10,000	0
Professional Fees	5060010	0	0	100,000	0	100,000	0	0	100,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	3,336	202,795	750,000	202,795	750,000	202,795	202,795	750,000	202,795
Capital Outlay	5120011	2,930	5,000	150,000	0	0	0	0	0	0
Total		50,269	357,795	1,260,000	352,795	1,110,000	352,795	352,795	1,110,000	352,795
Funding Sources										
Fund Balance	4000005	34,036	2,750		0	0	0	0	0	0
Cash Fund	4000045	1,176,551	1,788,483		1,786,233	1,847,415	1,847,415	1,786,233	1,795,969	1,795,969
Intra-agency Fund Transfer	4000317	(2,723,000)	(3,235,712)		(3,235,712)	(3,477,761)	(3,477,761)	(3,235,712)	(3,525,484)	(3,525,484)
VA Reimbursement	4000731	1,565,432	1,802,274		1,802,274	1,983,141	1,983,141	1,802,274	2,082,310	2,082,310
Total Funding		53,019	357,795		352,795	352,795	352,795	352,795	352,795	352,795
Excess Appropriation/(Funding)		(2,750)	0		0	757,205	0	0	757,205	0
Grand Total		50,269	357,795		352,795	1,110,000	352,795	352,795	1,110,000	352,795

Appropriation 38R replaces Appropriation D15 Cash in Bank. Agency moved cash funds to State Treasury in FY2008.

Intra-agency Fund Transfer represents Cash and Federal funds deposited in 38R and then transferred to Appropriation 225 (Veterans' Home Division-State).

Change Level by Appropriation

Appropriation: 38R - LR Veterans' Home - Cash In Treasury*

Funding Sources: NVA - ADVA Cash in Treasury

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	352,795	0	352,795	100.0	352,795	0	352,795	100.0
C05	Unfunded Appropriation	757,205	0	1,110,000	314.6	757,205	0	1,110,000	314.6

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	352,795	0	352,795	100.0	352,795	0	352,795	100.0
C05	Unfunded Appropriation	0	0	352,795	100.0	0	0	352,795	100.0

Justification

C05	Agency is requesting unfunded appropriation previously authorized in Act.
-----	---

Analysis of Budget Request

Appropriation: 38S - Veterans' Cemetery - Cash In Treasury*

Funding Sources: NVA - ADVA Cash in Treasury

This appropriation is cash funded by burial fees that the Agency has accumulated specifically for use at the State Veterans' Cemetery located in North Little Rock, AR. Last biennium, this appropriation was moved from a cash in bank fund to a cash in treasury fund. This appropriation is utilized to support the operations of, and to provide land improvements for, the Arkansas State Veterans' Cemetery. In FY2008, it was approved for the Cash in Bank Appropriation (D11) to be moved to the State Treasury.

The Agency's Base Level request for this appropriation is \$15,000 each year of the biennium.

The Agency's Change Level request for this appropriation is \$120,000 each year of the biennium and is comprised of the following:

Increase in the Capital Outlay line item of \$80,000 to procure services to set and realign head stones and markers and \$40,000 to purchase a modular building for the storage of grounds equipment.

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

Appropriation Summary

Appropriation: 38S - Veterans' Cemetery - Cash In Treasury*

Funding Sources: NVA - ADVA Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	8,887	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Conference & Travel Expenses	5050009	771	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
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	68,437	100,000	100,000	0	120,000	120,000	0	120,000	120,000
Total		78,095	115,000	115,000	15,000	135,000	135,000	15,000	135,000	135,000
Funding Sources										
Fund Balance	4000005	421,101	360,399		367,799	367,799	367,799	355,199	355,199	355,199
Cash Fund	4000045	17,393	122,400		2,400	122,400	122,400	2,400	122,400	122,400
Total Funding		438,494	482,799		370,199	490,199	490,199	357,599	477,599	477,599
Excess Appropriation/(Funding)		(360,399)	(367,799)		(355,199)	(355,199)	(355,199)	(342,599)	(342,599)	(342,599)
Grand Total		78,095	115,000		15,000	135,000	135,000	15,000	135,000	135,000

Appropriation 38S replaces Appropriation D11 Cash in Bank. Agency moved cash funds to State Treasury in FY2008.

Change Level by Appropriation

Appropriation: 38S - Veterans' Cemetery - Cash In Treasury*

Funding Sources: NVA - ADVA Cash in Treasury

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	15,000	0	15,000	100.0	15,000	0	15,000	100.0
C01	Existing Program	120,000	0	135,000	900.0	120,000	0	135,000	900.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	15,000	0	15,000	100.0	15,000	0	15,000	100.0
C01	Existing Program	120,000	0	135,000	900.0	120,000	0	135,000	900.0

Justification

C01	Capital Outlay: Increase in appropriation only of \$120,000 each year of the biennium for the purchase of a modular building to store equipment; current storage facility is full. Also, to procure services to set and re-align head stones and markers.
-----	---

Analysis of Budget Request

Appropriation: 490 - Veterans' Cemetery - State

Funding Sources: HUA - Miscellaneous Agencies Fund

Act 270 of 1999 authorized appropriation for the construction of a State Veterans' Cemetery. This appropriation is used to provide for the daily operations and grounds maintenance for the Cemetery and is funded solely from general revenue.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Base Level request is appropriation and general revenue funding of \$282,609 in FY2010 and \$286,432 in FY2011 with six (6) regular positions.

The Agency's Change Level request is for appropriation and general revenue funding of \$66,299 in FY2010 and \$63,988 in FY2011. This request includes an increase in the Regular Salaries line item of \$25,268 in FY2010 and \$25,849 in FY2011 with related Personal Services Matching for the restoration of one (1) Administrative Specialist III position previously authorized in Act but not budgeted in FY2009. Also included is an increase in the Operating Expenses line item of \$31,200 in FY2010 and \$28,200 in FY2011 for the following:

- \$4,200 in FY2010 and \$1,200 in FY2011 in security services relating to the installation of security cameras.
- \$5,000 in each year of the biennium for special purpose supplies relating to supplies for a Memorial Day ceremony held at the cemetery.
- \$4,000 each year of the biennium for fuel purchases.
- \$18,000 each year of the biennium for seed fertilizer and control agents.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 490 - Veterans' Cemetery - State
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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	135,610	156,576	161,417	167,566	192,834	167,566	170,786	196,635	170,786
#Positions		6	6	7	6	7	6	6	7	6
Personal Services Matching	5010003	54,094	54,464	58,225	61,968	71,799	61,968	62,571	72,510	62,571
Operating Expenses	5020002	53,058	53,075	53,075	53,075	84,275	53,075	53,075	81,275	53,075
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		242,762	264,115	272,717	282,609	348,908	282,609	286,432	350,420	286,432
Funding Sources										
General Revenue	4000010	242,762	264,115		282,609	348,908	282,609	286,432	350,420	286,432
Total Funding		242,762	264,115		282,609	348,908	282,609	286,432	350,420	286,432
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		242,762	264,115		282,609	348,908	282,609	286,432	350,420	286,432

Change Level by Appropriation

Appropriation: 490 - Veterans' Cemetery - State
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	282,609	6	282,609	100.0	286,432	6	286,432	100.0
C01	Existing Program	66,299	1	348,908	123.5	63,988	1	350,420	122.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	282,609	6	282,609	100.0	286,432	6	286,432	100.0
C01	Existing Program	0	0	282,609	100.0	0	0	286,432	100.0

Justification

C01	Operating Expenses: Increase in appropriation and general revenue funding of \$31,200 in FY2010 and \$28,200 in FY2011. Increase in security service to install and monitor facility and equipment, purchase of flags, tents and supplies for Memorial Day services, increase in fuel purchases due to the increase in the price of gasoline, and increase in seed fertilizer and control agents to contract service for turf management. Regular Salaries: Increase in appropriation and general revenue funding of \$25,268 in FY2010 and \$25,849 in FY2011 plus associated Personal Services Matching. This request is to restore an Administrative Specialist III position. The position will be used to assist the Program Coordinator.
-----	---

Analysis of Budget Request

Appropriation: 56T - Veterans' Cemetery Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

Act 913 of 2007 established appropriation for the purchase and construction of a National Veterans' Affairs Cemetery in Cross, St. Francis, or Poinsett County. One hundred (100) acres of land was purchased in Birdeye, Arkansas (Cross County), for the future site of the cemetery. Archeological, boundary/topographical, and geotech/geological surveys were completed to ensure the site is appropriate for the construction and development of a cemetery. The State is to be granted federal reimbursement for the construction of the cemetery less the cost of the land. Initial funding is derived from general revenue.

The Agency's Change Level request includes one (1) Department of Veterans' Affairs Program Coordinator with appropriation and general revenue funding in the Regular Salaries line item of \$32,249 in FY2010 and \$32,990 in FY2011 plus related Personal Services Matching. Also included is the establishment of appropriation and general revenue funding for maintenance and operating expenses of \$50,000 each year of the biennium. This request is for maintenance and unforeseen costs associated with the cemetery.

The Executive Recommendation provides for the Agency Request.

In summary, the Executive Recommendation for new general revenue above Base Level is:

\$43,387 in FY2010 and \$44,266 in FY2011 for Regular Salaries and Personal Services Matching for one (1) new position and \$50,000 each year of the biennium for Veterans' Cemetery Expenses.

Appropriation Summary

Appropriation: 56T - Veterans' Cemetery Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	0	0	32,249	32,249	0	32,990	32,990
#Positions	0	0	0	0	1	1	0	1	1
Personal Services Matching 5010003	0	0	0	0	11,138	11,138	0	11,276	11,276
Veterans' Cemetery Expenses 5900046	210,011	0	250,000	0	50,000	50,000	0	50,000	50,000
Total	210,011	0	250,000	0	93,387	93,387	0	94,266	94,266
Funding Sources									
General Revenue 4000010	210,011	0		0	93,387	93,387	0	94,266	94,266
Total Funding	210,011	0		0	93,387	93,387	0	94,266	94,266
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	210,011	0		0	93,387	93,387	0	94,266	94,266

Change Level by Appropriation

Appropriation: 56T - Veterans' Cemetery Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level	2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C01 Existing Program	93,387	1	93,387	100.0	94,266	1	94,266	100.0

Executive Recommendation

Change Level	2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
C01 Existing Program	93,387	1	93,387	100.0	94,266	1	94,266	100.0

Justification

C01	Miscellaneous: Increase in appropriation and general revenue funding of \$50,000 each year of the biennium. This request is for maintenance and any unforeseen costs associated with the new Veterans Cemetery located in Birdeye, Arkansas. Regular Salaries: Increase in appropriation and general revenue funding of \$32,249 in FY2010 and \$32,990 in FY2011 plus associated Personal Services Matching. This request is for one (1) Department of Veterans Affairs Program Coordinator position to help serve the new Veterans Cemetery in Birdeye, Arkansas with inquires and help coordinate start up functions.							
-----	--	--	--	--	--	--	--	--

VETERANS CHILD WELFARE SERVICE OFFICE

Enabling Laws

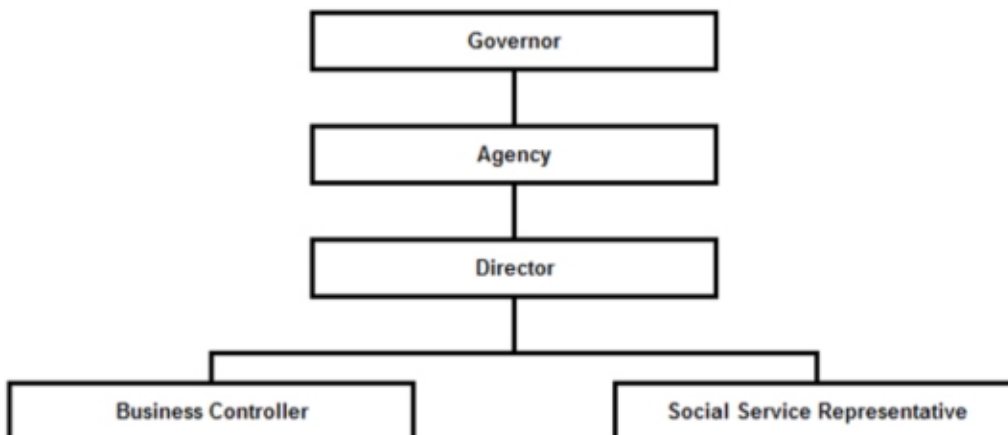
Act 525 of 2007
A.C.A. §20-81-101

History and Organization

The American Legion Child Welfare Division originated as a unit of the American Legion in 1923 to provide aid to the needy children of hospitalized and deceased veterans. Funds were provided through the American Legion Posts and Auxiliary Units.

Act 189 of 1969 changed the name of the Agency to the Arkansas Veterans Child Welfare Service Office. The Agency was put under the supervision of a Director appointed by the Governor upon written recommendation by the governing body of the American Legion Department of Arkansas. The Agency was delegated the responsibility of establishing temporary and interim welfare assistance for the minor age children of hospitalized and recently deceased Honorably Discharged Veterans who reside in Arkansas.

Act 100 of 1997 allowed our Agency to assist children of Honorably Discharged Arkansas Veterans who are deceased, hospitalized or medically incapacitated. Funds for the Agency are procured by funded appropriation from the State of Arkansas and from the American Legion Posts and Auxiliary Units through memorials, donations and contributions received throughout the year.



Agency Commentary

The Veterans Child Welfare Service Office is delegated the responsibility of providing temporary assistance to the minor age children of Honorably Discharged Veterans if recently deceased, hospitalized or medically incapacitated. Funding for this Agency consists of general revenue funding. The Agency consists of three (3) positions: Veterans Child Welfare Director, Business Operations Specialist, and Fiscal Support Specialist.

The Agency's biennial Change Level request includes an increase in appropriation and general revenue funding of \$200 each year of the biennium in Operating Expenses due to increases from the Department of Information Systems (DIS) related to remote access and E-Mail costs.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS VETERANS CHILD WELFARE SERVICE

FOR THE YEAR ENDED JUNE 30, 2006

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	1	1	2	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			2	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	NA	N	N	0	NA

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	
3	2	1	3	0	33.33 %	3	2	1	3	0	33.33 %	3	2	1	3	0	33.33 %

Analysis of Budget Request

Appropriation: 064 - Vet Child Welfare Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Veterans Child Welfare Service offers temporary financial assistance to the minor children of recently deceased, hospitalized or medically incapacitated veterans with limited or no income, until a more permanent source of income is established. Veterans and their families are eligible for assistance for up to three months with rent or house payments and utilities. The Staff also counsels with families and refers them to other agencies for further assistance. The program is also subsidized by the American Legion and its Auxiliary.

This appropriation is funded from general revenue.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Base Level request is appropriation and general revenue funding in the amount of \$182,290 in FY2010 and \$184,341 in FY2011 with three (3) regular positions.

The Agency's Change Level request includes an increase in appropriation and general revenue funding in the amount of \$200 each year of the biennium for the Operating Expenses line item for network services expenses due to increased rates by the Department of Information Systems (DIS) associated with E-mail and remote access.

The Executive Recommendation provides for the Agency Request with the additional general revenue funding.

Appropriation Summary

Appropriation: 064 - Vet Child Welfare Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	71,934	95,775	95,348	101,021	101,021	101,021	102,748	102,748	102,748
#Positions		2	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	27,393	30,472	31,907	34,211	34,211	34,211	34,535	34,535	34,535
Operating Expenses	5020002	2,093	2,312	2,312	2,312	2,512	2,512	2,312	2,512	2,512
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	31,534	44,746	44,746	44,746	44,746	44,746	44,746	44,746	44,746
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		132,954	173,305	174,313	182,290	182,490	182,490	184,341	184,541	184,541
Funding Sources										
General Revenue	4000010	132,954	173,305		182,290	182,490	182,490	184,341	184,541	184,541
Total Funding		132,954	173,305		182,290	182,490	182,490	184,341	184,541	184,541
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		132,954	173,305		182,290	182,490	182,490	184,341	184,541	184,541

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 064 - Vet Child Welfare Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	182,290	3	182,290	100.0	184,341	3	184,341	100.0
C08	Technology	200	0	182,490	100.1	200	0	184,541	100.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	182,290	3	182,290	100.0	184,341	3	184,341	100.0
C08	Technology	200	0	182,490	100.1	200	0	184,541	100.1

Justification

C08	The Agency requests an increase in appropriation and general revenue funding in the amount of \$200 in each year to cover increases from the Department of Information Systems (DIS) related to remote access and E-Mail costs. This request is included in the Agency's approved IT Plan under IT Support Costs-State Network Connectivity.
-----	--