

SUMMARY BUDGET INFORMATION

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VOLUME 5

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2012 AGENCY FUND TRANSFERS

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

<u>Agency</u>	<u>Blanket Surety Bond Premiums ACA §21-2-710</u>	<u>Claims ACA §19-10-204</u>	<u>Workers' Compensation Administrative Cost Reimbursement ACA §11-9-307</u>
Environmental Quality, Department of	\$1,288	\$0	\$3,281
Geological Survey, Arkansas	\$94	\$0	\$0
Heritage, AR Department of - Administration	\$462	\$0	\$0
Arkansas Arts Council	\$0	\$3,480	\$18
Historic Arkansas Museum Commission	\$0	\$0	\$10
Natural Heritage Commission	\$0	\$0	\$0
Old State House Commission	\$0	\$0	\$69
Military Department, State	\$1,805	\$1,632	\$13,103

AGENCY POSITION USAGE REPORT

Agency	FY2012 - FY2013						3 YEAR AVERAGE(FY11,FY12,FY13)					
	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
		Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
Dental Examiners, State Board of	3	3	0	3	0	0.00 %	3	3	0	3	0	0.00 %
Environmental Quality, Department of	429	376	47	423	6	12.35 %	429	383	39	422	7	10.72 %
Geological Survey, Arkansas	29	30	1	31	-2	-3.45 %	29	30	1	31	-2	-3.45 %
Heritage, AR Department of - Administration	35	35	0	35	0	0.00 %	34	34	0	34	0	0.00 %
Arkansas Arts Council	10	9	1	10	0	10.00 %	10	9	0	9	1	10.00 %
Delta Cultural Center	11	10	1	11	0	9.09 %	11	10	0	10	1	9.09 %
Historic Arkansas Museum Commission	22	21	1	22	0	4.55 %	22	21	0	21	1	4.55 %
Historic Preservation	24	24	0	24	0	0.00 %	24	24	0	24	0	0.00 %
Mosaic Templars Cultural Center	8	8	0	8	0	0.00 %	8	7	0	7	1	12.50 %
Natural Heritage Commission	13	13	0	13	0	0.00 %	13	13	0	13	0	0.00 %
Old State House Commission	22	21	1	22	0	4.55 %	22	21	1	22	0	4.55 %
Natural & Cultural Resources Council	1	1	0	1	0	0.00 %	1	1	0	1	0	0.00 %
Military Department, State	762	524	105	629	133	31.23 %	761	533	97	630	131	29.96 %

Geological Survey Commission (0420) - FY12 & FY13 Budgeted Positions exceeds Authorized due to positions authorized through the Miscellaneous Federal Grant process.

STATE BOARD OF DENTAL EXAMINERS

Enabling Laws

Act 112 of 2012
A.C.A. §17-82-201

History and Organization

The Arkansas State Board of Dental Examiners was created by Act 144 of 1887 and has been in continuous existence for 123 years. Act 14 of 1955, known as the Dental Practice Act, governs Board operations. The Board regulates the practice of dentistry, dental hygiene, and dental assisting, by examining applicants for competency and issuing licenses to candidates meeting the requirements of the state and the Board.

The Board is also vested with the power to revoke or suspend the privilege of practicing professionally under any license or permit issued by it; it may place a licensee or permittee on probation, may impose a fine, or a combination of these sanctions; it has the authority to promulgate Rules and Regulations governing the practice of dentistry; it may conduct disciplinary hearings under the Administrative Procedures Act.

The Board is composed of six practicing dentists, one practicing dental hygienist, and two consumer representatives; one represents the senior citizens of the state. Members are appointed by the Governor for five year terms; officers are elected annually. The Board meets six or more times a year and conducts disciplinary hearings in conjunction with those meetings.

The Board employs an executive director and two other employees. The Board participates in the Southern Regional Testing Agency with five other states; this agency administers clinical examinations to dentists and dental hygienists. The board members who are dentists and the dental hygienist board member participate with other professional examiners at more than sixteen examinations each year. The Board also holds individual examinations for applicants in the dental specialty fields. More than 5,900 individuals hold a current license or permit issued by the Board of Dental Examiners.

2012 AGENCY FUND TRANSFERS

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STATE BOARD OF DENTAL EXAMINERS

Enabling Laws

Act 112 of 2012
A.C.A. §17-82-201

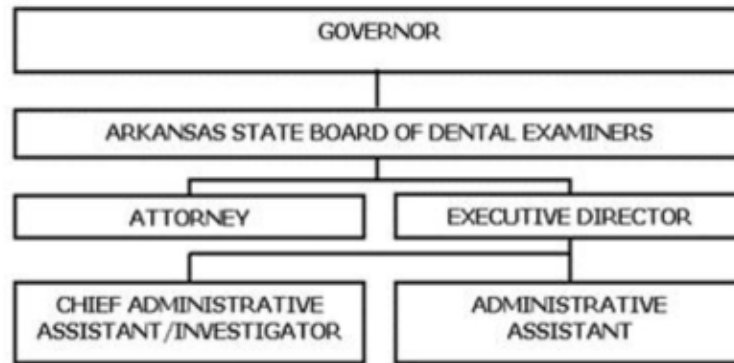
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Agency Commentary

The State Board of Dental Examiners is a medically related cash fund agency with one appropriation. Funds are collected by the Board through application fees for licensure, renewal of licenses and permits, issuance of permits, late penalties, and disciplinary fines. The Board is totally self-funded.

The Board was established in 1887 to regulate dentistry. Through the Dental Practice Act [A.C.A. §17-82-101 et seq.] and its Rules and Regulations, the Board prescribes those acts, services, procedures and practices which define the practice of dentistry and those acts, services, procedures and practices which can be performed by dental hygienists and dental assistants.

The Board's office staff of three receives written complaints from the public about dental services, answers questions from the public and licensees of the Board, dispenses applications and information about licensure and permitting in the state, and plans and schedules hearings and meetings. The Board implemented minimum standards of continuing education and mandatory CPR several years ago. The Board uses its website www.dentalboard.arkansas.gov to provide application forms for licensure, minutes of meetings, newsletters and lists of licensed dentists and dental hygienists. Our website is linked to the national group of dental examiners.

The Board has worked within its current budget since before 2003 and is currently preparing to initiate the Governor's directive in "Going Green." To do so, our software and website must be updated. In addition, the once spacious office is now overflowing with applications and files dating back to the 1920s. We are requesting an appropriation increase of \$150,000 in the first year and \$100,000 in the second year of the biennium to facilitate the hiring of technical support in order to update our current software, install and link to new scanning software in order to scan in all of the current files and donate the archives to the Arkansas Historical Society. Once the initial technical and installation process is completed we will be able to continue to use the scanning system for all future applications and documentation; therefore, we will

continue to be in compliance with the Governor's directive and strive to become a more paperless agency. In addition, the updates will include making our website more user friendly with applications completed and submitted online, once again eliminating the necessity of additional paper.

The Board has sufficient cash funding for the requests for the 2013-15 Biennium.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS STATE BOARD OF DENTAL EXAMINERS
 FOR THE YEAR ENDED JUNE 30, 2010

Findings	Recommendations
None	None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

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

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
3120000	\$1,365,218	Checking, Money Market, CD and Treasury	Pulaski, Simmons, Twin City Metropolitan Bank & State Treasury

Statutory/Other Restrictions on use:

A.C.A. 17-82-211 Provides for the Agency to collect fines and penalties and for the Agency treasurer to disburse as necessary.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 17-82-100 et seq., A.C.A. 17-82-201 et seq., A.C.A. 17-82-301 et seq., 17-82-501 et seq.

Revenue Receipts Cycle:

January 1 Odd numbered years-Biennial renewal of dental and hygiene licenses, corporation registry, anesthesia permits. January 1 Even numbered years-Biennial renewal of dental assistant permits.

Fund Balance Utilization:

To pay all expenses of board operations including board meetings, disciplinary hearings, complaint investigations, staff training, board member examiners training and office operations.

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

FY2010 - 2011					FY2011 - 2012					FY2012 - 2013							
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	3	0	3	0	0.00 %	3	3	0	3	0	0.00 %	3	3	0	3	0	0.00 %

Analysis of Budget Request

Appropriation: A41 - Cash Operations

Funding Sources: 312 - Dental Examiners Cash

The State Board of Dental Examiners is funded from the receipt of fees charged by the Board, as authorized by Arkansas Code Annotated § 17-82-310.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level Request includes an increase of \$150,000 in FY14 and \$100,000 in Operating Expenses for Technical Services. This appropriation would be used to create a database and allow license renewals and applications to be processed online, facilitating a paperless office, as referenced in the Agency's IT Plan. The Agency also requests a reallocation in Operating Expense appropriation totaling \$29,150 each year between General Ledger codes to more accurately reflect anticipated expenses.

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

Appropriation Summary

Appropriation: A41 - Cash Operations
Funding Sources: 312 - Dental Examiners Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	176,070	166,243	169,259	166,243	166,243	166,243	166,343	166,343	166,343
#Positions		3	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	49,622	48,580	46,268	49,392	49,392	49,392	49,413	49,413	49,413
Operating Expenses	5020002	114,451	114,637	114,637	114,637	264,637	264,637	114,637	214,637	214,637
Conference & Travel Expenses	5050009	7,166	7,166	7,166	7,166	7,166	7,166	7,166	7,166	7,166
Professional Fees	5060010	30,875	42,126	42,126	42,126	42,126	42,126	42,126	42,126	42,126
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	233	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		378,417	388,752	389,456	389,564	539,564	539,564	389,685	489,685	489,685
Funding Sources										
Fund Balance	4000005	1,083,942	1,363,408		1,374,656	1,374,656	1,374,656	1,385,092	1,235,092	1,235,092
Cash Fund	4000045	657,883	400,000		400,000	400,000	400,000	400,000	400,000	400,000
Total Funding		1,741,825	1,763,408		1,774,656	1,774,656	1,774,656	1,785,092	1,635,092	1,635,092
Excess Appropriation/(Funding)		(1,363,408)	(1,374,656)		(1,385,092)	(1,235,092)	(1,235,092)	(1,395,407)	(1,145,407)	(1,145,407)
Grand Total		378,417	388,752		389,564	539,564	539,564	389,685	489,685	489,685

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

Appropriation: A41 - Cash Operations
Funding Sources: 312 - Dental Examiners Cash

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	389,564	3	389,564	100.0	389,685	3	389,685	100.0
C04	Reallocation	0	0	389,564	100.0	0	0	389,685	100.0
C08	Technology	150,000	0	539,564	138.5	100,000	0	489,685	125.7

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	389,564	3	389,564	100.0	389,685	3	389,685	100.0
C04	Reallocation	0	0	389,564	100.0	0	0	389,685	100.0
C08	Technology	150,000	0	539,564	138.5	100,000	0	489,685	125.7

Justification

C04	The Agency has reallocated Operating Expense appropriation between General Ledger codes to more accurately reflect anticipated expenses.
C08	The Board is requesting an increase of \$150,000 in FY14 and \$100,000 in FY 15. The \$150,000 increase in Technical Services would allow the Board to become completely paperless, by creating a database and allowing license renewals and applications to be processed online from the Board's website. The \$100,000 request in FY15 in Technical Services would facilitate the completion of the database project. This request is in accordance with the Board's IT Plan as submitted to the DFA – Office of State Technology Planning.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Enabling Laws

Act 274 of 2012

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. §§ 8-4-201 *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.

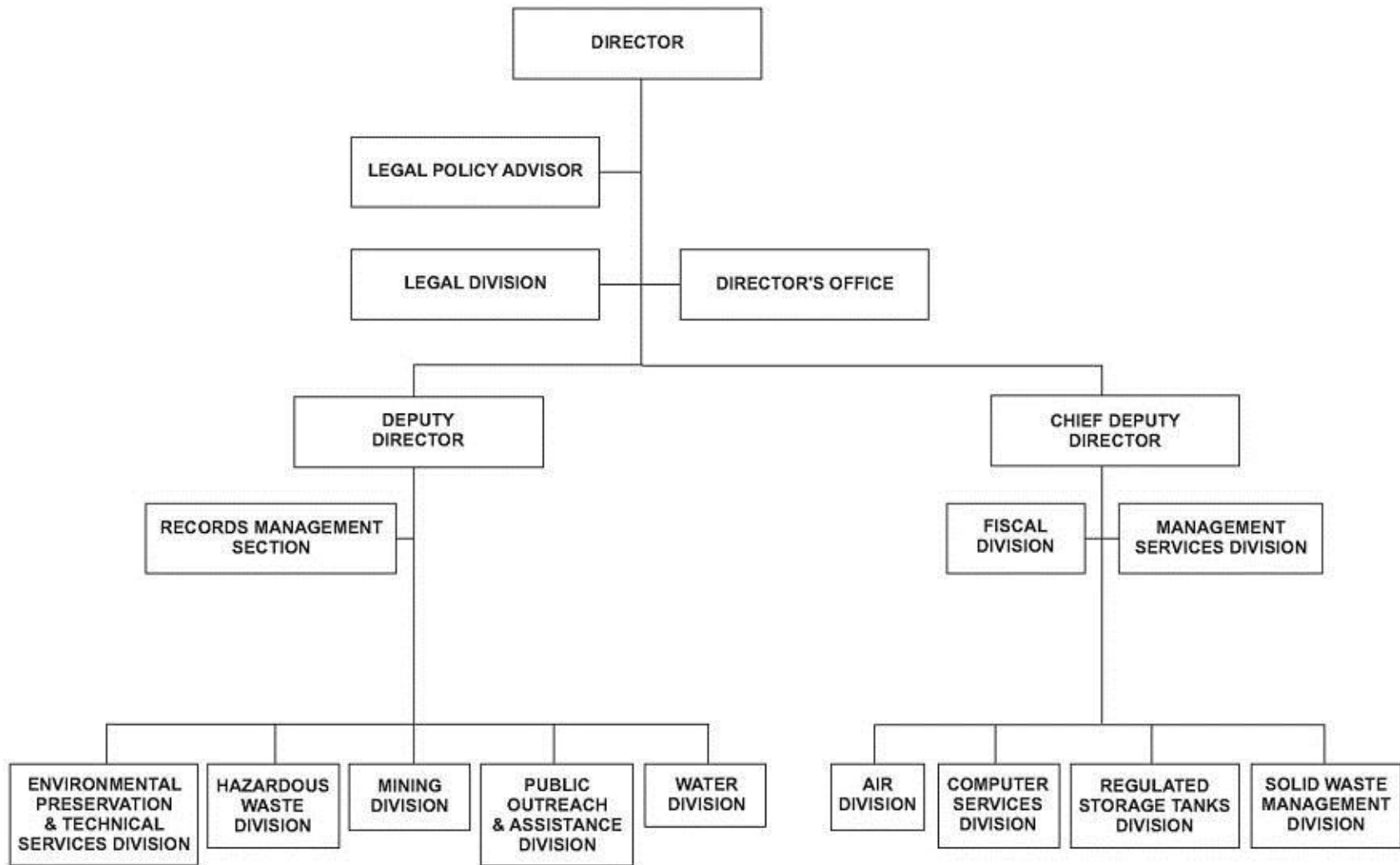
The Arkansas Department of Environmental Quality is the primary environmental regulatory agency for the State of Arkansas. The Agency is responsible for implementing the State's environmental laws and regulations as established by the Arkansas legislature and the Arkansas Pollution Control and Ecology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

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

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

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

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



Agency Commentary

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

During the 2011-13 Biennium, ADEQ maintained 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	\$1,057,772
Ambient Air Monitoring	469,938
Abandoned Mine Program (Admin)	613,637
Abandoned Mine Reclamation	2,386,363
Permanent Mining Program	148,676
RCRA Hazardous Waste	905,000
604 (b) Water Quality Planning	100,000
Underground Injection Control	81,000
106 Water Pollution Control	2,225,952
Superfund Program	355,000
Underground Storage Tanks	1,291,500
Small, Various Grants	230,289
TOTAL	\$9,865,127

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

APPROP	TOTAL REQUESTED	CONTINGENCY	PURPOSE
2UG	\$7,433,373	\$4,400,000	Landfill Post-Closure Program (Contractual Services) (TLP)
2UC	4,650,000	1,000,000	Solid Waste & Recycling Program (Recycling grants) (TWS)
2UC	2,500,000	2,000,000	Solid Waste & Recycling Program (Electronic Waste Recycling Infrastructure) (TWS)
2UA	372,655	300,000	Emergency Response (Contractual Services) (THS)

2UH	6,425,000	1,000,000	Waste Tire Recycling Program (Grants) (TTG)
2TU	5,700,000	4,000,000	State Abandoned Mine Reclamation (Contractual Services) (MAE)
2TW	1,520,000	1,520,000	Mine Reclamation-Bond Forfeitures (Contractual Services) (TMA)
2TZ	6,194,000	4,000,000	Hazardous Waste Clean Up (Contractual Services) (THS)
2TY	500,000	500,000	Landfill Closure-Bond Forfeiture (Contractual Services) (MWP)
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	\$59,169,828	\$33,595,000	

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

AIR DIVISION

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

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

The Division is also planning for probable future 8-hour ozone non-attainment designations which will be based on Ozone NAAQS revisions that were finalized in August 2010. On May 21, 2012 the final rule was published to declare Crittenden County in Non-Attainment of the 2008 Ozone NAAQS, the effective date is July 20, 2012. Several other areas of the State including the Little Rock-North Little Rock Metropolitan Statistical Area, Newton, Polk and Sebastian Counties may face being designated as Non-Attainment under the 2008 Ozone NAAQS that were finalized in 2010. 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.

The Division is requesting Capital Outlay appropriation to replace one high mileage fleet vehicle each year out of (2TX) and (2TQ). The Division request these funds be reallocated from Professional fees to Capital outlay. These vehicles will be used by the department inspectors to conduct facility inspections and investigate complaints statewide. The Division is requesting fund (2TX) Capital Outlay appropriation to purchase an Infrared Camera in fiscal year 2014. The Division request these funds be reallocated from Professional fees to Capital outlay. This device provides rapid non-intrusive inspection capabilities of equipment and processes potentially emitting Volatile Organic Compounds (VOCs). Imaging capabilities of this instrument provide visual evidence of emission leaks/releases that are otherwise invisible to the naked eye and enables the tracking of the leak directly to the source. It also provides the capability to verify that leaks have been repaired.

Continuing and new programs consist of Planning Branch ICF contract funding for future ozone modeling projects and modeling for near non-attainment areas.

WATER DIVISION

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 Base Level will enhance our ability to fulfill that mission as well as meet state and federal mandated performance targets.

The 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.

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.

Issuance of coverage of Reserve Pits under the Reserve Pit General Permit has ceased since the adoption of Arkansas Oil and Gas Commission (AOGC) Rule B-17. However, Rule B-17 requires that permittees request authorization from the ADEQ in order to reuse the existing reserve pits to store waters encountered/produced while drilling and to extend the service time of reserve pits used for storage of said waters. These waters are reused in the fracturing process or disposed of.

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, 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.

The Water Division is requesting Capital Outlay Federal Operations (2TQ) appropriation to replace equipment as it becomes inoperable, i.e., samplers, multiprobe monitoring devices, incubators, sterilizers, etc.

The Water Division is also requesting reallocation of \$50,000 in Professional Fees and Services appropriation from (2UK) to (2TR) to allow for further development of a formal training class for Class IV wastewater licensing operators.

Under Section 303(d) of the federal Clean Water Act, states are to develop lists of impaired waterbodies or stream segments. This list is developed every two years after reviewing water quality data collected from streams throughout the state and evaluating the data against assessment criteria. ADEQ has recently submitted the 2012 list of impaired stream segments to EPA for their review and approval. There are currently 324 proposed impaired stream segments in Arkansas.

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

EPA has also required the state to develop numeric nutrient criteria for a single class of waters in 3 to 5 years. Currently the Planning Section is preparing to conduct field work and determine appropriate criteria for its Extraordinary Resource Waters. Additional 106 monitoring initiative funds will be applied for to carry out this task.

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 regulates the management of waste that could pose a danger to people and the environment if improperly managed. The Division is comprised of three branches; Enforcement and Inspections, Programs, and Technical. The branches work together to regulate active manufacturing and waste management facilities, investigate and cleanup hazardous substance sites which are either abandoned or inactive, and compile hazardous waste related data for public review.

The Hazardous Waste Division 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 administers 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 (14) National Priority List (NPL) sites and (21) State Priority List (SPL) sites. State funds supplement federal funds during the investigative and site remediation phase of NPL Sites. Upon completion of the site remediation phase, the state assumes 100% of the operations and maintenance (O&M) costs. State and Responsible Party funds finance the investigative and remediation phases of SPL Sites. The Division conducts annual reviews on land-based units and five year reviews on all NPL and SPL sites to ensure the final remedies are effective.

The Emergency Response section is also located with the Hazardous Waste Division. The Emergency Response Section assists with incidents that have the potential to cause harm to public health and the environment generally involving the uncontrolled release of a hazardous substance into the environment.

SURFACE MINING AND RECLAMATION DIVISION

The Mining Division's mission is 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.

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, 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.

Federally funded (2TQ) Capital Outlay appropriation is requested to replace one vehicle. This vehicle will be used to conduct inspections of contractors who are performing reclamation under the Abandoned Mine Land Program and investigations of future reclamation projects. The current vehicle has over 100,000 miles on it.

Federally funded (2TQ) Capital Outlay appropriation is requested to replace the RTK GPS unit. This unit is over ten years old. It's hardware and software are no longer being supported by the manufacturer. A FCC license to operate a radio link between the base station and the roving collector will be required. The unit is used to develop the construction plans for the reclamation projects under the Abandoned Mine Land Program.

REGULATED STORAGE TANK DIVISION

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

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

Federally funded (2TQ) Capital Outlay appropriation is requested to replace one fleet vehicle in FY 2015. This vehicle will be used by RST inspectors to conduct facility inspections statewide.

SOLID WASTE MANAGEMENT DIVISION

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

The Division is requesting Capital Outlay appropriation to replace one high mileage pickup truck each year out of the solid waste recycling fund (2UC). These vehicles will be used by the department inspectors to conduct facility inspections and investigate complaints statewide.

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 and the Operations Section. This group performs the Agency's administrative functions.

SHARED RESOURCES

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

LEGAL SERVICES DIVISION

This Division is responsible for all legal aspects of the Agency. The Legal Division represents the Agency in all administrative enforcement actions, including the negotiation and review of all final agreements. The Division also represents the Agency in all permit appeals initiated by 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, cost recovery actions and bankruptcy matters, maintains original signed orders, and represents the Agency in civil litigation that seeks enforcement of the State's environmental laws and regulations. Finally, the Division drafts regulations and legislation and works to enable each and every Division of the Agency to meet their specific goals.

PUBLIC OUTREACH AND ASSISTANCE DIVISION

The Public Outreach and Assistance Division houses the Agency's Public Information Officer and 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. Additionally, the Division is responsible for the Watershed Planning and Environmental Education programs aimed at protecting water quality.

COMPUTER SERVICES DIVISION

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

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

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

The division is also requesting capital outlay appropriation from (2TZ) trust funds. The equipment purchased will allow for replacement of aging servers and the backup and archival system.

ENVIRONMENTAL PRESERVATION AND TECHNICAL SERVICES DIVISION

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

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

With the EPA action tightening National Ambient Air Quality Standards, the Department's air monitoring system, operated by EPTS, will need to continue to generate high quality air monitoring for ozone, particulate matter, sulfur dioxide, nitrogen oxides, and carbon monoxide. The division is requesting capital outlay appropriation to purchase the replacement monitoring equipment specified in the federal (2TQ) grant funds.

The division is also requesting capital outlay appropriation from (2TZ) trust funds. The equipment purchased will allow replacement of aging instruments used for the in-lab testing of environmental samples. The funds will allow an update of technology in the lab to cover pesticide testing by new EPA approved methods.

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 division is requesting an increase in appropriation of \$29,716 to provide for a re-class of the current authorized position from a grade level C127 to a grade level N907. The current authorized position and salary level will not attract the level of legal experience and legal skills necessary to be successful. The Hearing Officer must have a comprehensive understanding of the Commission's many regulations, plus a sound understanding of the many federal and state environmental laws. The Hearing Officer must be able to review the record made during the appeal process, and be able to write concise, defensible, recommended decisions that Commissioners with varying levels of expertise can follow and understand. This change level will allow for a more competitive salary to be offered to attract the level of talent required for this position.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY
FOR THE YEAR ENDED JUNE 30, 2010

Findings	Recommendations
The Agency did not restrictively endorse checks or prepare and reconcile a listing of checks received in the mail.	Review its receipting process and implement proper controls over checks received in the mail.
The Agency had not updated signature cards for a safety deposit box containing \$3.9 million in certificates of deposit held for surety.	Implement procedures to ensure timely update of signature cards for Agency accounts.
Review of accounts receivable revealed the following: <ul style="list-style-type: none">• Receivables were overstated by \$179,038 for fiscal year 2010 because of a default judgment issued in October 2009. Through the judgment, the Agency settled a \$203,928 receivable for \$24,890 but failed to remove the remaining balance of the receivable from Agency records.• Agency policy requires accounts receivable be paid within 60 days. However,	Review and strengthen procedures to ensure accounts receivables are properly recorded and document efforts to diligently and actively collect customer receivables and to comply with authorized abatement procedures.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY
FOR THE YEAR ENDED JUNE 30, 2010

Findings	Recommendations
<p>for fiscal year 2010, customer receivables of \$481,086 were over one year past due. The Agency failed to document collection efforts relating to past due customer receivables.</p> <ul style="list-style-type: none">• The Agency abated a receivable totaling \$11,250 without proper authorization from the Department of Finance and Administration.	
<p>The Agency has agreements with on-call contractors to provide cleanup services at petroleum spill sites where a responsible party is not identified. The Agency did not record liabilities for estimated claims payable to these contractors totaling \$222,101 and \$151,308 for fiscal years 2010 and 2009, respectively.</p>	<p>Develop procedures to ensure accounts payable are properly recorded.</p>
<p>Solid Waste Recycling Program regulations require the Agency to obtain expense itemizations for all recycling grants distributed to landfill and solid waste facilities. According to policy, no future grant funding is to be disbursed to these facilities until this requirement is met. In fiscal year 2009, the Agency did not obtain expense itemizations for \$1.4 million of the 2008 grants distributed, and subsequent grant payments were not restricted as required.</p>	<p>Develop procedures to ensure compliance with all program regulations.</p>
<p>In fiscal years 2010 and 2009, the Agency incorrectly recorded expenditures totaling \$8.4 million on the Schedule of Expenditures of Federal Awards (SEFA) by including both the federal and state portions of expenditures.</p>	<p>Strengthen internal controls by providing additional training to staff concerning federal reporting requirements and proper procedures for reporting expenditures on the SEFA.</p>

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	178	156	334	89 %
Black Employees	8	28	36	10 %
Other Racial Minorities	2	3	5	1 %
Total Minorities			41	11 %
Total Employees			375	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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2TP ADEQ - State Operations	4,829,699	70	5,071,334	74	5,168,686	74	5,112,378	74	5,112,378	74	5,112,378	74	5,115,301	74	5,115,301	74	5,115,301	74
2TQ ADEQ - Federal Operations	9,067,498	95	9,721,234	93	17,072,283	95	9,259,096	93	9,494,096	93	9,494,096	93	9,261,661	93	9,546,661	93	9,546,661	93
2TR Waste Water Licensing	147,583	3	166,014	3	166,923	3	166,443	3	216,443	3	216,443	3	166,443	3	216,443	3	216,443	3
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	1,362,619	20	1,616,554	21	1,614,012	21	1,623,297	21	1,623,297	21	1,623,297	21	1,623,634	21	1,623,634	21	1,623,634	21
2TU Reclamation of Abandoned Mines - State	1,381,667	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	0	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0
2TW Mining Reclamation	86,227	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0
2TX Fee Administration	11,723,975	172	14,725,128	176	14,572,483	178	14,781,051	176	14,781,051	176	14,781,051	176	14,786,793	176	14,786,793	176	14,786,793	176
2TY Solid Waste Performance Bonds	0	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	967,529	3	7,770,043	3	7,772,829	3	7,508,802	3	7,894,802	3	7,894,802	3	7,508,802	3	7,958,802	3	7,958,802	3
2UA Emergency Response Program	186,231	2	496,962	2	498,073	2	497,469	2	497,469	2	497,469	2	497,469	2	497,469	2	497,469	2
2UB Asbestos Control Program	255,549	4	257,270	4	254,930	4	258,280	4	258,280	4	258,280	4	258,280	4	258,280	4	258,280	4
2UC Solid Waste Mgmt/Recycling Prog	7,834,062	20	8,463,489	20	8,445,951	20	8,469,238	20	8,489,238	20	8,489,238	20	8,471,070	20	8,491,070	20	8,491,070	20
2UD Reg. Substance Storage Tank	851,328	15	910,352	16	1,022,253	16	914,379	16	914,379	16	914,379	16	916,090	16	916,090	16	916,090	16
2UE Petroleum Storage Tank Trust	5,273,038	4	21,780,606	4	21,780,932	4	21,781,629	4	21,781,629	4	21,781,629	4	21,781,629	4	21,781,629	4	21,781,629	4
2UF Regulated Storage Tank Program	203,680	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	424,362	5	7,828,599	5	7,872,009	6	7,830,248	5	7,830,248	5	7,830,248	5	7,830,370	5	7,830,370	5	7,830,370	5
2UH Waste Tire Recycling Program	4,845,779	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	11,650	0	28,876	0	28,876	0	28,876	0	28,876	0	28,876	0	28,876	0	28,876	0	28,876	0
2UK Environmental Education Program	138,984	1	320,515	1	320,598	1	320,770	1	270,770	1	270,770	1	320,770	1	270,770	1	270,770	1
2UN Small Business Loans	6,500	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0
2UP Sm Bus Revolving Loan Prog Exp	5,283	0	19,660	0	57,272	1	19,660	0	19,660	0	19,660	0	19,660	0	19,660	0	19,660	0
2UQ Performance Partnership Syst Exp	85,519	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	22,112	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0
2US Computer/Electronic Recycling	0	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	102,045	1	220,557	2	261,687	2	221,063	2	257,358	2	257,358	2	221,063	2	257,358	2	257,358	2
36A Fee Administration Non-Haz Clean Up	0	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0
467 PCE Commission Expenses	3,651	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	49,816,570	415	101,336,170	423	108,848,774	430	100,731,656	423	101,408,951	423	101,408,951	423	100,746,888	423	101,538,183	423	101,538,183	423

Funding Sources		%		%		%		%		%		%		%		%			
Fund Balance	4000005	92,260,008	63.7	95,033,958	59.1			59,463,154	47.2	59,463,154	47.1	59,463,154	47.1	40,402,364	37.6	40,402,364	37.5	40,402,364	37.5

Funding Sources		%		%		%		%		%		%		%		%	
General Revenue	4000010	4,276,716	3.0	4,214,640	2.6	4,349,498	3.5	4,349,498	3.4	4,349,498	3.4	4,351,983	4.1	4,351,983	4.0	4,351,983	4.0
Federal Revenue	4000020	9,900,007	6.8	19,346,234	12.0	18,884,096	15.0	19,119,096	15.1	19,119,096	15.1	18,886,661	17.6	19,171,661	17.8	19,171,661	17.8
Special Revenue	4000030	27,750,208	19.2	27,993,657	17.4	28,861,063	22.9	28,897,358	22.9	28,897,358	22.9	29,381,063	27.4	29,417,358	27.3	29,417,358	27.3
Non-Revenue Receipts	4000040	209,260	0.1	150,000	0.1	150,000	0.1	150,000	0.1	150,000	0.1	150,000	0.1	150,000	0.1	150,000	0.1
Trust Fund	4000050	1,489,827	1.0	2,900,000	1.8	2,897,469	2.3	2,897,469	2.3	2,897,469	2.3	2,897,469	2.7	2,897,469	2.7	2,897,469	2.7
Merit Adjustment Fund	4000055	0	0.0	101,775	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Bond Forfeitures	4000120	86,227	0.1	2,970,000	1.8	2,970,000	2.4	2,970,000	2.4	2,970,000	2.4	2,970,000	2.8	2,970,000	2.8	2,970,000	2.8
Federal Funds-ARRA	4000244	752,838	0.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Interest	4000300	66,232	0.0	81,660	0.1	81,660	0.1	81,660	0.1	81,660	0.1	81,660	0.1	81,660	0.1	81,660	0.1
Intra-agency Fund Transfer	4000317	(150,000)	(0.1)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Loan Repayment	4000330	6,500	0.0	550,000	0.3	550,000	0.4	550,000	0.4	550,000	0.4	550,000	0.5	550,000	0.5	550,000	0.5
Miscellaneous Transfers	4000355	150,000	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	7,602,705	5.2	7,457,400	4.6	7,401,000	5.9	7,401,000	5.9	7,401,000	5.9	7,401,000	6.9	7,401,000	6.9	7,401,000	6.9
Transfer to ADEQ	4000604	450,000	0.3	0	0.0	350,000	0.3	350,000	0.3	350,000	0.3	350,000	0.3	350,000	0.3	350,000	0.3
Total Funds		144,850,528	100.0	160,799,324	100.0	125,957,940	100.0	126,229,235	100.0	126,229,235	100.0	107,422,200	100.0	107,743,495	100.0	107,743,495	100.0
Excess Appropriation/(Funding)		(95,033,958)		(59,463,154)		(25,226,284)		(24,820,284)		(24,820,284)		(6,675,312)		(6,205,312)		(6,205,312)	
Grand Total		49,816,570		101,336,170		100,731,656		101,408,951		101,408,951		100,746,888		101,538,183		101,538,183	

Variance in fund balance due to unfunded appropriation in fund centers 2TZ, 2UE, 2UH, and 2UQ.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
430	394	28	422	8	8.37 %	429	379	44	423	6	11.66 %	429	376	47	423	6	12.35 %

Analysis of Budget Request

Appropriation: 2TP - ADEQ - State Operations

Funding Sources: HMA - ADEQ Fund

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

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

Drilling and production activities in the Fayetteville Shale Gas Play have increased the department activities. During the 87th General Assembly, the Agency received seven (7) unfunded positions with supporting costs to address these needs. Due to the lack of funding these positions were not budgeted FY11; however, the Agency funded the seven (7) positions in FY12 and FY13 with a grant provided by the Arkansas Game and Fish Commission (AGFC). The Arkoma basin and south Arkansas continue to be explored and the drilling presence in central Arkansas will continue to develop. In order to oversee gas exploration activities, it is important for the Agency to have adequate staff.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

The Agency Request is for Base Level of \$5,112,378 in FY14 and \$5,115,301 in FY15.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TP - ADEQ - State Operations

Funding Sources: HMA - ADEQ Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,438,980	3,526,711	3,672,684	3,545,028	3,545,028	3,545,028	3,547,178	3,547,178	3,547,178
#Positions		70	74	74	74	74	74	74	74	74
Extra Help	5010001	9,530	25,674	25,674	25,674	25,674	25,674	25,674	25,674	25,674
#Extra Help		1	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	1,053,937	1,129,551	1,080,930	1,152,278	1,152,278	1,152,278	1,153,051	1,153,051	1,153,051
Operating Expenses	5020002	320,469	353,183	353,183	353,183	353,183	353,183	353,183	353,183	353,183
Conference & Travel Expenses	5050009	6,783	32,115	32,115	32,115	32,115	32,115	32,115	32,115	32,115
Professional Fees	5060010	0	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		4,829,699	5,071,334	5,168,686	5,112,378	5,112,378	5,112,378	5,115,301	5,115,301	5,115,301

Funding Sources										
Fund Balance	4000005	682,862	935,488		326,592	326,592	326,592	59,735	59,735	59,735
General Revenue	4000010	4,273,065	4,210,663		4,345,521	4,345,521	4,345,521	4,348,006	4,348,006	4,348,006
Non-Revenue Receipts	4000040	209,260	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Merit Adjustment Fund	4000055	0	101,775		0	0	0	0	0	0
Miscellaneous Transfers	4000355	150,000	0		0	0	0	0	0	0
Transfer to ADEQ	4000604	450,000	0		350,000	350,000	350,000	350,000	350,000	350,000
Total Funding		5,765,187	5,397,926		5,172,113	5,172,113	5,172,113	4,907,741	4,907,741	4,907,741
Excess Appropriation/(Funding)		(935,488)	(326,592)		(59,735)	(59,735)	(59,735)	207,560	207,560	207,560
Grand Total		4,829,699	5,071,334		5,112,378	5,112,378	5,112,378	5,115,301	5,115,301	5,115,301

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Non-Revenue Receipts is comprised of miscellaneous administrative fees collected by the Agency.

Transfer to ADEQ is comprised of a grant from Arkansas Game and Fish Grant for FY12 and a grant from Oil & Gas Commission for FY14 and FY15.

Analysis of Budget Request

Appropriation: 2TQ - ADEQ - Federal Operations

Funding Sources: FYP - Federal Funds

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

In addition to Base Level of \$9,259,096 in FY14 and \$9,261,661 each year, the Agency's change level requests totaling \$235,000 in FY14 and \$285,000 in FY15 reflect the following:

- Reallocation - A decrease of \$25,000 in Professional Fees each year to partially offset the Capital Outlay request.
- An increase in Capital Outlay of \$260,000 in FY14 and \$310,000 in FY15 will provide for replacement of two (2) vehicles in FY14 and three (3) vehicles in FY15. The vehicles will be used to conduct compliance inspections, monitor projects and investigate complaints statewide. A reallocation of \$25,000 each year from Professional Fees is requested to partially offset this request. In addition, the increase will be utilized to replace obsolete equipment (data loggers, particle matter air monitors and ozone analyzers) in the Environmental Preservation and Technical Services Division and in FY14 to replace one (1) real time kinetic (RTK) global positioning system. This equipment is required to develop accurate construction plans for reclamation projects under the Abandon Mine Land Program. This change is compliant with the Agency's Information Technology (IT) Plan (page 31).

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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	4,397,148	4,314,069	5,202,619	4,324,093	4,324,093	4,324,093	4,326,193	4,326,193	4,326,193
#Positions		95	93	95	93	93	93	93	93	93
Extra Help	5010001	25,871	148,585	148,585	148,585	148,585	148,585	148,585	148,585	148,585
#Extra Help		10	62	62	62	62	62	62	62	62
Personal Services Matching	5010003	1,363,018	1,399,993	1,557,492	1,425,831	1,425,831	1,425,831	1,426,296	1,426,296	1,426,296
Operating Expenses	5020002	1,535,272	2,074,060	4,284,060	2,074,060	2,074,060	2,074,060	2,074,060	2,074,060	2,074,060
Conference & Travel Expenses	5050009	48,204	251,126	271,126	251,126	251,126	251,126	251,126	251,126	251,126
Professional Fees	5060010	60,185	535,401	2,045,401	535,401	510,401	510,401	535,401	510,401	510,401
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	767,437	998,000	998,000	500,000	760,000	760,000	500,000	810,000	810,000
Contractual Services	5900043	204,902	0	2,565,000	0	0	0	0	0	0
ARRA of 2009	5900052	665,461	0	0	0	0	0	0	0	0
Total		9,067,498	9,721,234	17,072,283	9,259,096	9,494,096	9,494,096	9,261,661	9,546,661	9,546,661
Funding Sources										
Federal Revenue	4000020	8,314,660	9,721,234		9,259,096	9,494,096	9,494,096	9,261,661	9,546,661	9,546,661
Federal Funds-ARRA	4000244	752,838	0		0	0	0	0	0	0
Total Funding		9,067,498	9,721,234		9,259,096	9,494,096	9,494,096	9,261,661	9,546,661	9,546,661
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		9,067,498	9,721,234		9,259,096	9,494,096	9,494,096	9,261,661	9,546,661	9,546,661

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	9,259,096	93	9,259,096	100.0	9,261,661	93	9,261,661	100.0
C01	Existing Program	195,000	0	9,454,096	102.1	285,000	0	9,546,661	103.1
C04	Reallocation	0	0	9,454,096	102.1	0	0	9,546,661	103.1
C08	Technology	40,000	0	9,494,096	102.5	0	0	9,546,661	103.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	9,259,096	93	9,259,096	100.0	9,261,661	93	9,261,661	100.0
C01	Existing Program	195,000	0	9,454,096	102.1	285,000	0	9,546,661	103.1
C04	Reallocation	0	0	9,454,096	102.1	0	0	9,546,661	103.1
C08	Technology	40,000	0	9,494,096	102.5	0	0	9,546,661	103.1

Justification

C01	The mining division is requesting \$30,000 federally funded (2TQ) Capital Outlay appropriation to replace one vehicle, a 1999 GMC Crew Cab truck, which will have over 100,000 miles on it in the fiscal year 2015. The vehicle will be used to conduct overnight inspections of contractors, performing reclamation under the Abandoned Mine Land Program and investigations of future reclamations projects. The regulated storage tanks division is requesting federally funded (2TQ) \$25,000 Capital Outlay appropriation to replace one vehicle for one of the field inspectors in the fiscal year ending June 30, 2015. The vehicle will be used to travel to regulated petroleum storage tank sites for compliance inspections, response to petroleum releases and to observe installation and closures of tank systems. The environmental preservation and technical services division is requesting \$150,000 and \$210,000 for the fiscal years ending June 30, 2014 and 2015, respectively for federally funded (2TQ) Capital Outlay appropriation for replacement equipment. Replacement equipment includes particulate monitors, data loggers, ozone monitors and calibrators, and CO, NOX, and SO2 monitors and calibrators. The request is included to cover possible EPA CO2 monitoring requirements. The water division is requesting \$20,000 each fiscal year for federally funded (2TQ) Capital Outlay appropriation to replace equipment as it becomes inoperable. Equipment is replaced upon failure or when it gets to the point where it is no longer cost effective to repair. Replacement equipment includes samplers, multiprobe monitoring devices, incubators and sterilizers.
C04	The air division is requesting \$25,000 federally funded (2TQ) Capital Outlay reallocation appropriation from a reduction in the fee fund (2TQ), Professional Fees to replace one vehicle each year. These vehicles will be used by the department inspectors to conduct facility inspections and investigate complaints statewide.
C08	The mining division is also requesting \$40,000 federally funded (2TQ) Capital Outlay appropriation to replace a RTK GPS unit in the fiscal year ending June 30, 2014. The unit is over 10 years old. It's hardware and software are no longer supported by the manufacturer. The FCC is also not going to renew the radio license for the frequencies used by the old unit. The RTK GPS unit is critical for the Mining Division to develop the construction plans for reclamation projects under the Abandoned Mine Land Program. This change is compliant with the Agency's Information Technology (IT) Plan (page 31).

Analysis of Budget Request

Appropriation: 2TR - Waste Water Licensing

Funding Sources: MWW - Waste Water Licensing Fund

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

In addition to Base Level of \$166,443 each year, the Agency's change level request provides for a reallocation of \$50,000 each year in Professional Fees from appropriation (2UK) Environmental Education to develop a formal training class for wastewater licensing operators.

The Executive Recommendation provides for the 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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	98,314	100,711	101,646	100,510	100,510	100,510	100,510	100,510	100,510
#Positions		3	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	38,961	33,582	33,556	34,212	34,212	34,212	34,212	34,212	34,212
Operating Expenses	5020002	9,020	26,632	26,632	26,632	26,632	26,632	26,632	26,632	26,632
Conference & Travel Expenses	5050009	1,288	5,089	5,089	5,089	5,089	5,089	5,089	5,089	5,089
Professional Fees	5060010	0	0	0	0	50,000	50,000	0	50,000	50,000
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		147,583	166,014	166,923	166,443	216,443	216,443	166,443	216,443	216,443
Funding Sources										
Fund Balance	4000005	454,449	436,946		400,932	400,932	400,932	381,489	331,489	331,489
Special Revenue	4000030	130,080	130,000		147,000	147,000	147,000	167,000	167,000	167,000
Total Funding		584,529	566,946		547,932	547,932	547,932	548,489	498,489	498,489
Excess Appropriation/(Funding)		(436,946)	(400,932)		(381,489)	(331,489)	(331,489)	(382,046)	(282,046)	(282,046)
Grand Total		147,583	166,014		166,443	216,443	216,443	166,443	216,443	216,443

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	166,443	3	166,443	100.0	166,443	3	166,443	100.0
C04	Reallocation	50,000	0	216,443	130.0	50,000	0	216,443	130.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	166,443	3	166,443	100.0	166,443	3	166,443	100.0
C04	Reallocation	50,000	0	216,443	130.0	50,000	0	216,443	130.0

Justification

C04	The water division requests a \$50,000 appropriation reallocation each fiscal year from the environmental education fund (2UK), professional fees to the waste water licensing fund (2TR), professional fees to allow for further development of a formal training class for Class IV wastewater licensing operators.
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Analysis of Budget Request

Appropriation: 2TS - Land Reclamation

Funding Sources: TLR - Land Reclamation Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TS - Land Reclamation

Funding Sources: TLR - Land Reclamation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 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 to operate the Hazardous Waste Permit Program. Fees were established to recover the costs of processing permit applications and permit renewal proceedings; on-site inspections and monitoring; the certification of personnel to operate hazardous waste treatment, storage, or disposal facilities; and other departmental activities to assure that generators of hazardous waste and facilities are complying with current law (A.C.A. §19-6-434).

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$1,623,297 in FY14 and \$1,623,634 in FY15.

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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	915,232	986,034	1,001,989	987,281	987,281	987,281	987,531	987,531	987,531
#Positions		20	21	21	21	21	21	21	21	21
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	280,654	315,471	296,974	320,967	320,967	320,967	321,054	321,054	321,054
Overtime	5010006	0	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Operating Expenses	5020002	157,536	197,304	197,304	197,304	197,304	197,304	197,304	197,304	197,304
Conference & Travel Expenses	5050009	9,197	47,700	47,700	47,700	47,700	47,700	47,700	47,700	47,700
Professional Fees	5060010	0	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,362,619	1,616,554	1,614,012	1,623,297	1,623,297	1,623,297	1,623,634	1,623,634	1,623,634
Funding Sources										
Fund Balance	4000005	4,553,056	4,335,511		3,984,957	3,984,957	3,984,957	3,511,660	3,511,660	3,511,660
Special Revenue	4000030	985,358	1,216,000		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Other	4000370	159,716	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding		5,698,130	5,601,511		5,134,957	5,134,957	5,134,957	4,661,660	4,661,660	4,661,660
Excess Appropriation/(Funding)		(4,335,511)	(3,984,957)		(3,511,660)	(3,511,660)	(3,511,660)	(3,038,026)	(3,038,026)	(3,038,026)
Grand Total		1,362,619	1,616,554		1,623,297	1,623,297	1,623,297	1,623,634	1,623,634	1,623,634

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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Abandoned Mine Reclamation Cc 5900043	1,381,667	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Total	1,381,667	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Funding Sources									
Federal Revenue 4000020	1,381,667	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Total Funding	1,381,667	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,381,667	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000

Analysis of Budget Request

Appropriation: 2TV - Surface Coal Mining

Funding Sources: MAF - Surface Coal Mining Operation Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TV - Surface Coal Mining

Funding Sources: MAF - Surface Coal Mining Operation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Funding Sources										
Fund Balance	4000005	53,312	61,842		48,042	48,042	48,042	34,042	34,042	34,042
Other	4000370	8,530	1,200		1,000	1,000	1,000	1,000	1,000	1,000
Total Funding		61,842	63,042		49,042	49,042	49,042	35,042	35,042	35,042
Excess Appropriation/(Funding)		(61,842)	(48,042)		(34,042)	(34,042)	(34,042)	(20,042)	(20,042)	(20,042)
Grand Total		0	15,000		15,000	15,000	15,000	15,000	15,000	15,000

Analysis of Budget Request

Appropriation: 2TW - Mining Reclamation

Funding Sources: TMA - Mine Reclamation Trust Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TW - Mining Reclamation

Funding Sources: TMA - Mine Reclamation Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Mining Reclamation Contractual 5900043	86,227	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	86,227	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	86,227	1,520,000		1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Total Funding	86,227	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	86,227	1,520,000		1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000

Analysis of Budget Request

Appropriation: 2TX - Fee Administration

Funding Sources: TPE - ADEQ Fee Trust Fund

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request includes Base Level appropriation of \$14,781,051 in FY14 and \$14,786,793 in FY15. The Agency's change level request which results in no net additional appropriation provides for reallocations of \$118,000 from Professional Fees to Capital Outlay to replace one (1) vehicle as needed each year to conduct compliance inspections, monitor projects and investigate complaints statewide. And in addition, to purchase an infrared camera to provide non-intrusive inspection capabilities to detect the release of harmful emissions and track these emissions directly to the source.

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			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	7,472,182	7,640,148	7,680,413	7,669,931	7,669,931	7,669,931	7,674,631	7,674,631	7,674,631
#Positions		172	176	178	176	176	176	176	176	176
Extra Help	5010001	0	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
#Extra Help		0	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	2,384,741	2,515,902	2,322,992	2,567,042	2,567,042	2,567,042	2,568,084	2,568,084	2,568,084
Operating Expenses	5020002	881,052	1,698,170	1,698,170	1,698,170	1,698,170	1,698,170	1,698,170	1,698,170	1,698,170
Conference & Travel Expenses	5050009	29,755	152,389	152,389	152,389	152,389	152,389	152,389	152,389	152,389
Professional Fees	5060010	121,500	1,598,519	1,598,519	1,598,519	1,480,519	1,480,519	1,598,519	1,573,519	1,573,519
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	834,745	1,075,000	1,075,000	1,050,000	1,168,000	1,168,000	1,050,000	1,075,000	1,075,000
Total		11,723,975	14,725,128	14,572,483	14,781,051	14,781,051	14,781,051	14,786,793	14,786,793	14,786,793

Funding Sources										
Fund Balance	4000005	14,906,123	14,923,677		12,273,549	12,273,549	12,273,549	9,067,498	9,067,498	9,067,498
Special Revenue	4000030	11,741,529	12,075,000		11,575,000	11,575,000	11,575,000	11,575,000	11,575,000	11,575,000
Total Funding		26,647,652	26,998,677		23,848,549	23,848,549	23,848,549	20,642,498	20,642,498	20,642,498
Excess Appropriation/(Funding)		(14,923,677)	(12,273,549)		(9,067,498)	(9,067,498)	(9,067,498)	(5,855,705)	(5,855,705)	(5,855,705)
Grand Total		11,723,975	14,725,128		14,781,051	14,781,051	14,781,051	14,786,793	14,786,793	14,786,793

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium. Capital Outlay in the amount of \$1,050,000 is included in Base Level to provide for the Agency's capital lease.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	14,781,051	176	14,781,051	100.0	14,786,793	176	14,786,793	100.0
C04	Reallocation	0	0	14,781,051	100.0	0	0	14,786,793	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	14,781,051	176	14,781,051	100.0	14,786,793	176	14,786,793	100.0
C04	Reallocation	0	0	14,781,051	100.0	0	0	14,786,793	100.0

Justification

C04	The air division is requesting \$25,000 fee fund (2TX) Capital Outlay reallocation appropriation to replace one fleet vehicle each year. These vehicles will be used by department inspectors to conduct facility inspections and investigate complaints statewide. The above \$25,000 total requested capital appropriation reallocation is offset from a reduction in the same fund, Professional Fees. The air division also requests \$93,000 appropriation reallocation from (2TX), professional fees to (2TX), Capital Outlay for the purchase of an infrared camera. Many areas of the state will face being classified as Non-Attainment under the revised National Ambient Air Quality Standard for Ozone which was finalized in August 2010. This device provides rapid non-intrusive inspection capabilities of equipment and processes potentially emitting Volatile Organic Compounds (VOCs). Imaging capabilities of this instrument provide visual evidence of emission leaks/releases that are otherwise invisible to the naked eye and enables the tracking of a leak directly to the source. It also provides the capability to verify that leaks have been repaired. VOC emissions are a major contributor to the formation of ground level ozone.
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Analysis of Budget Request

Appropriation: 2TY - Solid Waste Performance Bonds

Funding Sources: MWP - Solid Waste Performance Bond Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TY - Solid Waste Performance Bonds

Funding Sources: MWP - Solid Waste Performance Bond Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Solid Waste Performance Bonds 5900043	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources									
Bond Forfeitures 4000120	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	0	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	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 2TZ - Hazardous Waste Cleanup

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

In addition to Base Level of \$7,508,802 each year, the Agency's change level request reflects an increase in Capital Outlay of \$386,000 in FY14 and \$450,000 in FY15 to replace a gas chromatograph/mass spectrometer, which provides capability to analyze environmental samples for organic contaminants like pesticides and solvents, a microwave digester for preparing tissues and soil samples for metal testing, analytical balances for residue testing and various obsolete laboratory equipment. And in addition, to replace aging data processing equipment and data systems which support agency permitting, compliance monitoring, enforcement activities and provide off-site data storage of backups for disaster recovery. Costs associated with this purchase are documented in the Agency's IT Plan.

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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	138,493	131,641	135,938	131,641	131,641	131,641	131,641	131,641	131,641
#Positions		3	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	43,644	43,147	41,636	43,906	43,906	43,906	43,906	43,906	43,906
Operating Expenses	5020002	25,072	401,358	401,358	401,358	401,358	401,358	401,358	401,358	401,358
Conference & Travel Expenses	5050009	0	33,960	33,960	33,960	33,960	33,960	33,960	33,960	33,960
Professional Fees	5060010	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	153,901	262,000	262,000	0	386,000	386,000	0	450,000	450,000
Contractual Services	5900043	450,528	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000
Data Processing Purchases	5900044	155,891	453,937	453,937	453,937	453,937	453,937	453,937	453,937	453,937
Total		967,529	7,770,043	7,772,829	7,508,802	7,894,802	7,894,802	7,508,802	7,958,802	7,958,802

Funding Sources										
Fund Balance	4000005	8,289,354	8,603,309		1,736,304	1,736,304	1,736,304	0	0	0
Trust Fund	4000050	1,281,484	903,038		900,000	900,000	900,000	900,000	900,000	900,000
Total Funding		9,570,838	9,506,347		2,636,304	2,636,304	2,636,304	900,000	900,000	900,000
Excess Appropriation/(Funding)		(8,603,309)	(1,736,304)		4,872,498	5,258,498	5,258,498	6,608,802	7,058,802	7,058,802
Grand Total		967,529	7,770,043		7,508,802	7,894,802	7,894,802	7,508,802	7,958,802	7,958,802

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium. The excess appropriation in FY14 and FY15 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		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	7,508,802	3	7,508,802	100.0	7,508,802	3	7,508,802	100.0
C01	Existing Program	276,000	0	7,784,802	103.7	370,000	0	7,878,802	104.9
C08	Technology	110,000	0	7,894,802	105.1	80,000	0	7,958,802	106.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	7,508,802	3	7,508,802	100.0	7,508,802	3	7,508,802	100.0
C01	Existing Program	276,000	0	7,784,802	103.7	370,000	0	7,878,802	104.9
C08	Technology	110,000	0	7,894,802	105.1	80,000	0	7,958,802	106.0

Justification

C01	The environmental preservation and technical services division is requesting \$276,000 and \$370,000 for the fiscal years ending June 30, 2014 and 2015, respectively for Capital Outlay appropriation to replace aging laboratory equipment used for environmental testing by EPA methods. Fiscal year ending June 30, 2014 equipment includes analytical balances, ion chromatograph, total organic carbon analyzer, ultrasonic bath, autoanalyzer, autoclave, furnace, microwave digester, deionized water system, mercury analyzer and fluorometer. Fiscal year ending June 30, 2015 equipment includes a liquid chromatograph/mass spectrometer and a gas chromatograph/mass spectrometer.
C08	The computer services division is requesting \$110,000 and \$80,000 for the fiscal years ending June 30, 2014 and 2015, respectively for Capital Outlay appropriation to replace aging data systems. Replacement equipment includes servers which are critical to the department's data systems. Server replacement is determined by critical function as well as age of hardware and if the extension of the vendor hardware warranty is available. The computer services division strives to keep costs down by extending warranties as far out as possible to avoid buying new data processing equipment. Replacement equipment also includes backup and archival systems. The division is currently researching new data backup and archival systems. Current backup systems are cumbersome to manage as our department's data storage continues to grow. A new backup system will streamline the current process. The replacement system will provide local backup and recovery and off-site storage of backups for disaster recovery at the off-site data recovery site. Costs associated with this purchase are documented in the Agency's FY14/15 IT Plan. Sections "Major Project" Documenting Imaging Section (page 16) and "IT Support", category Hardware – Additional disk storage, data backup and replication costs (page 19).

Analysis of Budget Request

Appropriation: 2UA - Emergency Response Program

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$497,469 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UA - Emergency Response Program

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	95,031	89,357	91,778	89,357	89,357	89,357	89,357	89,357	89,357
#Positions		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	29,676	29,117	27,807	29,624	29,624	29,624	29,624	29,624	29,624
Operating Expenses	5020002	2,463	3,833	3,833	3,833	3,833	3,833	3,833	3,833	3,833
Conference & Travel Expenses	5050009	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Contractual Services	5900043	59,061	372,655	372,655	372,655	372,655	372,655	372,655	372,655	372,655
Total		186,231	496,962	498,073	497,469	497,469	497,469	497,469	497,469	497,469
Funding Sources										
Trust Fund	4000050	186,231	496,962		497,469	497,469	497,469	497,469	497,469	497,469
Total Funding		186,231	496,962		497,469	497,469	497,469	497,469	497,469	497,469
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		186,231	496,962		497,469	497,469	497,469	497,469	497,469	497,469

Analysis of Budget Request

Appropriation: 2UB - Asbestos Control Program

Funding Sources: SAC - Asbestos Control Fund

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$258,280 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UB - Asbestos Control Program

Funding Sources: SAC - Asbestos Control Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	175,228	166,168	166,942	166,168	166,168	166,168	166,168	166,168	166,168
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	56,169	55,460	52,346	56,470	56,470	56,470	56,470	56,470	56,470
Operating Expenses	5020002	23,352	29,452	29,452	29,452	29,452	29,452	29,452	29,452	29,452
Conference & Travel Expenses	5050009	800	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	0	0	0	0	0	0	0	0
Total		255,549	257,270	254,930	258,280	258,280	258,280	258,280	258,280	258,280
Funding Sources										
Fund Balance	4000005	1,598,592	1,648,125		1,740,855	1,740,855	1,740,855	1,832,575	1,832,575	1,832,575
Special Revenue	4000030	305,082	350,000		350,000	350,000	350,000	350,000	350,000	350,000
Total Funding		1,903,674	1,998,125		2,090,855	2,090,855	2,090,855	2,182,575	2,182,575	2,182,575
Excess Appropriation/(Funding)		(1,648,125)	(1,740,855)		(1,832,575)	(1,832,575)	(1,832,575)	(1,924,295)	(1,924,295)	(1,924,295)
Grand Total		255,549	257,270		258,280	258,280	258,280	258,280	258,280	258,280

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Analysis of Budget Request

Appropriation: 2UC - Solid Waste Mgmt/Recycling Prog

Funding Sources: TWS - Solid Waste Management Recycling Fund

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

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

In addition to Base Level of \$8,469,238 in FY14 and \$8,471,070 in FY15, the Agency is requesting Capital Outlay of \$20,000 each year to replace one (1) vehicle each year. The vehicles will be used to conduct compliance inspections, monitor projects and investigate complaints statewide.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	936,485	883,515	883,975	884,103	884,103	884,103	885,603	885,603	885,603
#Positions	20	20	20	20	20	20	20	20	20
Personal Services Matching 5010003	290,837	287,777	269,779	292,938	292,938	292,938	293,270	293,270	293,270
Operating Expenses 5020002	104,440	126,529	126,529	126,529	126,529	126,529	126,529	126,529	126,529
Conference & Travel Expenses 5050009	5,594	15,668	15,668	15,668	15,668	15,668	15,668	15,668	15,668
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	4,491,115	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	0	0	0	0	20,000	20,000	0	20,000	20,000
Electronic Waste Recycling Infra. 5900046	2,005,591	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	7,834,062	8,463,489	8,445,951	8,469,238	8,489,238	8,489,238	8,471,070	8,491,070	8,491,070
Funding Sources									
Fund Balance 4000005	14,870,141	15,529,189		14,985,700	14,985,700	14,985,700	14,516,462	14,516,462	14,516,462
Special Revenue 4000030	8,493,110	7,920,000		8,020,000	8,020,000	8,020,000	8,020,000	8,020,000	8,020,000
Total Funding	23,363,251	23,449,189		23,005,700	23,005,700	23,005,700	22,536,462	22,536,462	22,536,462
Excess Appropriation/(Funding)	(15,529,189)	(14,985,700)		(14,536,462)	(14,516,462)	(14,516,462)	(14,065,392)	(14,045,392)	(14,045,392)
Grand Total	7,834,062	8,463,489		8,469,238	8,489,238	8,489,238	8,471,070	8,491,070	8,491,070

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	8,469,238	20	8,469,238	100.0	8,471,070	20	8,471,070	100.0
C01	Existing Program	20,000	0	8,489,238	100.2	20,000	0	8,491,070	100.2

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	8,469,238	20	8,469,238	100.0	8,471,070	20	8,471,070	100.0
C01	Existing Program	20,000	0	8,489,238	100.2	20,000	0	8,491,070	100.2

Justification

C01	The solid waste management division requests \$20,000 capital appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department inspectors to conduct facility inspections and investigate complaints statewide.
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Analysis of Budget Request

Appropriation: 2UD - Reg. Substance Storage Tank

Funding Sources: SRS - Regulated Substance Storage Tank Program Fund

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$914,379 in FY14 and \$916,090 in FY15.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UD - Reg. Substance Storage Tank

Funding Sources: SRS - Regulated Substance Storage Tank Program Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	601,609	621,849	717,944	621,849	621,849	621,849	623,249	623,249	623,249
#Positions		15	16	16	16	16	16	16	16	16
Personal Services Matching	5010003	198,157	212,370	228,176	216,397	216,397	216,397	216,708	216,708	216,708
Operating Expenses	5020002	51,562	71,128	71,128	71,128	71,128	71,128	71,128	71,128	71,128
Conference & Travel Expenses	5050009	0	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		851,328	910,352	1,022,253	914,379	914,379	914,379	916,090	916,090	916,090
Funding Sources										
Fund Balance	4000005	1,098,834	1,367,175		1,424,323	1,424,323	1,424,323	1,434,944	1,434,944	1,434,944
Special Revenue	4000030	1,119,669	967,500		925,000	925,000	925,000	925,000	925,000	925,000
Total Funding		2,218,503	2,334,675		2,349,323	2,349,323	2,349,323	2,359,944	2,359,944	2,359,944
Excess Appropriation/(Funding)		(1,367,175)	(1,424,323)		(1,434,944)	(1,434,944)	(1,434,944)	(1,443,854)	(1,443,854)	(1,443,854)
Grand Total		851,328	910,352		914,379	914,379	914,379	916,090	916,090	916,090

Analysis of Budget Request

Appropriation: 2UE - Petroleum Storage Tank Trust

Funding Sources: TPT - Petroleum Storage Tank Trust Fund

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

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Agency Request is for Base Level of \$21,781,629 each year of the biennium.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	225,983	212,303	216,141	212,303	212,303	212,303	212,303	212,303	212,303
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	61,863	65,342	61,830	66,365	66,365	66,365	66,365	66,365	66,365
Operating Expenses	5020002	4,759,960	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	0	3,005	3,005	3,005	3,005	3,005	3,005	3,005	3,005
Professional Fees	5060010	225,232	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		5,273,038	21,780,606	21,780,932	21,781,629	21,781,629	21,781,629	21,781,629	21,781,629	21,781,629
Funding Sources										
Fund Balance	4000005	18,366,661	20,369,784		5,850,378	5,850,378	5,850,378	0	0	0
Other	4000370	7,276,161	7,261,200		7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000
Total Funding		25,642,822	27,630,984		13,050,378	13,050,378	13,050,378	7,200,000	7,200,000	7,200,000
Excess Appropriation/(Funding)		(20,369,784)	(5,850,378)		8,731,251	8,731,251	8,731,251	14,581,629	14,581,629	14,581,629
Grand Total		5,273,038	21,780,606		21,781,629	21,781,629	21,781,629	21,781,629	21,781,629	21,781,629

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium. The excess appropriation in FY14 and FY15 assumes full expenditure of the contingency appropriation (Petroleum Storage Tank Remediation Program) in the Operating 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 a 90/10 federal/state match ratio.

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UF - Regulated Storage Tank Program

Funding Sources: FYP - Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regulated Storage Tank & Contr. 5900043	203,680	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	203,680	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	203,680	3,925,000		3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000
Total Funding	203,680	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	203,680	3,925,000		3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000

Analysis of Budget Request

Appropriation: 2UG - Landfill Post Closure Program

Funding Sources: TLP - Landfill Post Closure Trust Fund

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

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level.

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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	290,644	274,264	311,225	274,564	274,564	274,564	274,664	274,664	274,664
#Positions		5	5	6	5	5	5	5	5	5
Personal Services Matching	5010003	86,298	84,039	90,488	85,388	85,388	85,388	85,410	85,410	85,410
Operating Expenses	5020002	0	30,923	30,923	30,923	30,923	30,923	30,923	30,923	30,923
Conference & Travel Expenses	5050009	0	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Contractual Services	5900043	47,420	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		424,362	7,828,599	7,872,009	7,830,248	7,830,248	7,830,248	7,830,370	7,830,370	7,830,370

Funding Sources										
Fund Balance	4000005	23,856,955	23,341,570		15,572,971	15,572,971	15,572,971	9,302,723	9,302,723	9,302,723
Special Revenue	4000030	0	0		1,500,000	1,500,000	1,500,000	2,000,000	2,000,000	2,000,000
Interest	4000300	58,977	60,000		60,000	60,000	60,000	60,000	60,000	60,000
Intra-agency Fund Transfer	4000317	(150,000)	0		0	0	0	0	0	0
Total Funding		23,765,932	23,401,570		17,132,971	17,132,971	17,132,971	11,362,723	11,362,723	11,362,723
Excess Appropriation/(Funding)		(23,341,570)	(15,572,971)		(9,302,723)	(9,302,723)	(9,302,723)	(3,532,353)	(3,532,353)	(3,532,353)
Grand Total		424,362	7,828,599		7,830,248	7,830,248	7,830,248	7,830,370	7,830,370	7,830,370

Intra - agency transfer: \$150,000 transfer to (2TP) ADEQ Fund.

Analysis of Budget Request

Appropriation: 2UH - Waste Tire Recycling Program

Funding Sources: TTG - Waste Tire Grant Fund

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

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UH - Waste Tire Recycling Program

Funding Sources: TTG - Waste Tire Grant Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	4,845,779	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		4,845,779	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	1,911,439	1,803,289		363,289	363,289	363,289	0	0	0
Special Revenue	4000030	4,737,629	4,985,000		4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000
Total Funding		6,649,068	6,788,289		5,263,289	5,263,289	5,263,289	4,900,000	4,900,000	4,900,000
Excess Appropriation/(Funding)		(1,803,289)	(363,289)		1,161,711	1,161,711	1,161,711	1,525,000	1,525,000	1,525,000
Grand Total		4,845,779	6,425,000		6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000

Analysis of Budget Request

Appropriation: 2UJ - St Mktg Brd for Recyclables Prog

Funding Sources: SMB - State Marketing Board Fund

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

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

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UJ - St Mktg Brd for Recyclables Prog

Funding Sources: SMB - State Marketing Board Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,140	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	87	115	115	115	115	115	115	115	115
Operating Expenses	5020002	7,919	13,846	13,846	13,846	13,846	13,846	13,846	13,846	13,846
Conference & Travel Expenses	5050009	2,504	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	0	0	0	0	0	0	0	0
Total		11,650	28,876	28,876	28,876	28,876	28,876	28,876	28,876	28,876
Funding Sources										
Fund Balance	4000005	186,386	197,926		193,650	193,650	193,650	187,774	187,774	187,774
Special Revenue	4000030	23,190	24,600		23,000	23,000	23,000	23,000	23,000	23,000
Total Funding		209,576	222,526		216,650	216,650	216,650	210,774	210,774	210,774
Excess Appropriation/(Funding)		(197,926)	(193,650)		(187,774)	(187,774)	(187,774)	(181,898)	(181,898)	(181,898)
Grand Total		11,650	28,876		28,876	28,876	28,876	28,876	28,876	28,876

Analysis of Budget Request

Appropriation: 2UK - Environmental Education Program

Funding Sources: MEE - Environmental Education Fund

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$270,770 each year, which reflects a reallocation of \$50,000 each year from Professional Fees to Professional Fees in appropriation (2TR) Waste Water Licensing to develop a formal training class for wastewater licensing operators.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UK - Environmental Education Program

Funding Sources: MEE - Environmental Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	52,614	49,851	50,823	49,851	49,851	49,851	49,851	49,851	49,851
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	15,928	15,703	14,814	15,958	15,958	15,958	15,958	15,958	15,958
Operating Expenses	5020002	68,507	152,961	152,961	152,961	152,961	152,961	152,961	152,961	152,961
Conference & Travel Expenses	5050009	1,835	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Professional Fees	5060010	100	94,000	94,000	94,000	44,000	44,000	94,000	44,000	44,000
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		138,984	320,515	320,598	320,770	270,770	270,770	320,770	270,770	270,770
Funding Sources										
Fund Balance	4000005	334,733	354,047		178,532	178,532	178,532	7,762	57,762	57,762
Other	4000370	158,298	145,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding		493,031	499,047		328,532	328,532	328,532	157,762	207,762	207,762
Excess Appropriation/(Funding)		(354,047)	(178,532)		(7,762)	(57,762)	(57,762)	163,008	63,008	63,008
Grand Total		138,984	320,515		320,770	270,770	270,770	320,770	270,770	270,770

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

Appropriation: 2UK - Environmental Education Program
Funding Sources: MEE - Environmental Education Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	320,770	1	320,770	100.0	320,770	1	320,770	100.0
C04	Reallocation	(50,000)	0	270,770	84.4	(50,000)	0	270,770	84.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	320,770	1	320,770	100.0	320,770	1	320,770	100.0
C04	Reallocation	(50,000)	0	270,770	84.4	(50,000)	0	270,770	84.4

Justification

C04	The water division requests a \$50,000 appropriation reallocation each fiscal year to the waste water licensing fund (2TR), professional fees from the environmental education fund (2UK), professional fees to allow for further development of a formal training class for Class IV wastewater licensing operators.
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Analysis of Budget Request

Appropriation: 2UN - Small Business Loans

Funding Sources: TBL - Small Business Revolving Loan Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UN - Small Business Loans

Funding Sources: TBL - Small Business Revolving Loan Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Loans 5120029	6,500	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Total	6,500	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Funding Sources									
Loan Repayment 4000330	6,500	550,000		550,000	550,000	550,000	550,000	550,000	550,000
Total Funding	6,500	550,000		550,000	550,000	550,000	550,000	550,000	550,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	6,500	550,000		550,000	550,000	550,000	550,000	550,000	550,000

Analysis of Budget Request

Appropriation: 2UP - Sm Bus Revolving Loan Prog Exp

Funding Sources: TBL - Small Business Revolving Loan Fund

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

The Agency Request is for Base Level of \$19,660 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UP - Sm Bus Revolving Loan Prog Exp

Funding Sources: TBL - Small Business Revolving Loan Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	27,375	0	0	0	0	0	0
#Positions	0	0	1	0	0	0	0	0	0
Personal Services Matching 5010003	4,682	0	10,237	0	0	0	0	0	0
Operating Expenses 5020002	566	11,010	11,010	11,010	11,010	11,010	11,010	11,010	11,010
Conference & Travel Expenses 5050009	35	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	5,283	19,660	57,272	19,660	19,660	19,660	19,660	19,660	19,660
Funding Sources									
Interest 4000300	5,283	19,660		19,660	19,660	19,660	19,660	19,660	19,660
Total Funding	5,283	19,660		19,660	19,660	19,660	19,660	19,660	19,660
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	5,283	19,660		19,660	19,660	19,660	19,660	19,660	19,660

Analysis of Budget Request

Appropriation: 2UQ - Performance Partnership Syst Exp

Funding Sources: TPP - Performance Partnership Trust Fund

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

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UQ - Performance Partnership Syst Exp

Funding Sources: TPP - Performance Partnership Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Performance Integrated Syst 5900046	85,519	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total	85,519	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Funding Sources									
Fund Balance 4000005	848,927	765,380		167,380	167,380	167,380	0	0	0
Interest 4000300	1,972	2,000		2,000	2,000	2,000	2,000	2,000	2,000
Total Funding	850,899	767,380		169,380	169,380	169,380	2,000	2,000	2,000
Excess Appropriation/(Funding)	(765,380)	(167,380)		430,620	430,620	430,620	598,000	598,000	598,000
Grand Total	85,519	600,000		600,000	600,000	600,000	600,000	600,000	600,000

Analysis of Budget Request

Appropriation: 2UR - Environmental Settlement Trust

Funding Sources: TET - ADEQ Environmental Settlement Trust Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UR - Environmental Settlement Trust

Funding Sources: TET - ADEQ Environmental Settlement Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Environmental Settlement Trust 5900046	22,112	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Total	22,112	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Funding Sources									
Trust Fund 4000050	22,112	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Total Funding	22,112	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	22,112	750,000		750,000	750,000	750,000	750,000	750,000	750,000

Analysis of Budget Request

Appropriation: 2US - Computer/Electronic Recycling

Funding Sources: MER - Computer and Electronic Recycling Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2US - Computer/Electronic Recycling

Funding Sources: MER - Computer and Electronic Recycling Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Computer & Electronics Recycling 5900046	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Funding Sources									
Fund Balance 4000005	248,184	360,700		215,700	215,700	215,700	65,700	65,700	65,700
Special Revenue 4000030	112,516	105,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding	360,700	465,700		315,700	315,700	315,700	165,700	165,700	165,700
Excess Appropriation/(Funding)	(360,700)	(215,700)		(65,700)	(65,700)	(65,700)	84,300	84,300	84,300
Grand Total	0	250,000		250,000	250,000	250,000	250,000	250,000	250,000

Analysis of Budget Request

Appropriation: 344 - PCE Comm Admn Hearing Officer

Funding Sources: TPE - ADEQ Fee Trust Fund

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

In addition to Base Level of \$221,063 each year, the Agency is requesting an increase of \$29,716 to provide for the reclassification of the Administrative Law Judge position title, grade level C127 to a grade level N907, PC&E Hearing Officer position title.

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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	43,225	96,970	132,747	96,970	126,686	126,686	96,970	126,686	126,686
#Positions		1	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	17,807	29,448	34,801	29,954	36,533	36,533	29,954	36,533	36,533
Operating Expenses	5020002	24,543	49,217	87,217	49,217	49,217	49,217	49,217	49,217	49,217
Conference & Travel Expenses	5050009	0	6,922	6,922	6,922	6,922	6,922	6,922	6,922	6,922
Professional Fees	5060010	16,470	38,000	0	38,000	38,000	38,000	38,000	38,000	38,000
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		102,045	220,557	261,687	221,063	257,358	257,358	221,063	257,358	257,358
Funding Sources										
Special Revenue	4000030	102,045	220,557		221,063	257,358	257,358	221,063	257,358	257,358
Total Funding		102,045	220,557		221,063	257,358	257,358	221,063	257,358	257,358
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		102,045	220,557		221,063	257,358	257,358	221,063	257,358	257,358

Budget exceeds Authorized Appropriation in Professional Fees by authority of a Budget Classification Transfer.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	221,063	2	221,063	100.0	221,063	2	221,063	100.0
C10	Reclass	36,295	0	257,358	116.4	36,295	0	257,358	116.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	221,063	2	221,063	100.0	221,063	2	221,063	100.0
C10	Reclass	36,295	0	257,358	116.4	36,295	0	257,358	116.4

Justification

C10	Agency Request to reclass position C127 Administrative Law Judge to N907 PC&E Hearing Officer due to inability to fill position at the lower grade level.
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Analysis of Budget Request

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

Funding Sources: TPE - ADEQ Fee Trust Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Funding Sources: TPE - ADEQ Fee Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Contractual Services 5900043	0	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Total	0	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Funding Sources									
Trust Fund 4000050	0	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Total Funding	0	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	750,000		750,000	750,000	750,000	750,000	750,000	750,000

Analysis of Budget Request

Appropriation: 467 - PCE Commission Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 467 - PCE Commission Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
PC&E Commission Expenses 5900046	3,651	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977
Total	3,651	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977
Funding Sources									
General Revenue 4000010	3,651	3,977		3,977	3,977	3,977	3,977	3,977	3,977
Total Funding	3,651	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	3,651	3,977		3,977	3,977	3,977	3,977	3,977	3,977

ARKANSAS GEOLOGICAL SURVEY

Enabling Laws

Act 104 of 2012
A.C.A. §15-55-201, et seq.

History and Organization

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

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

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

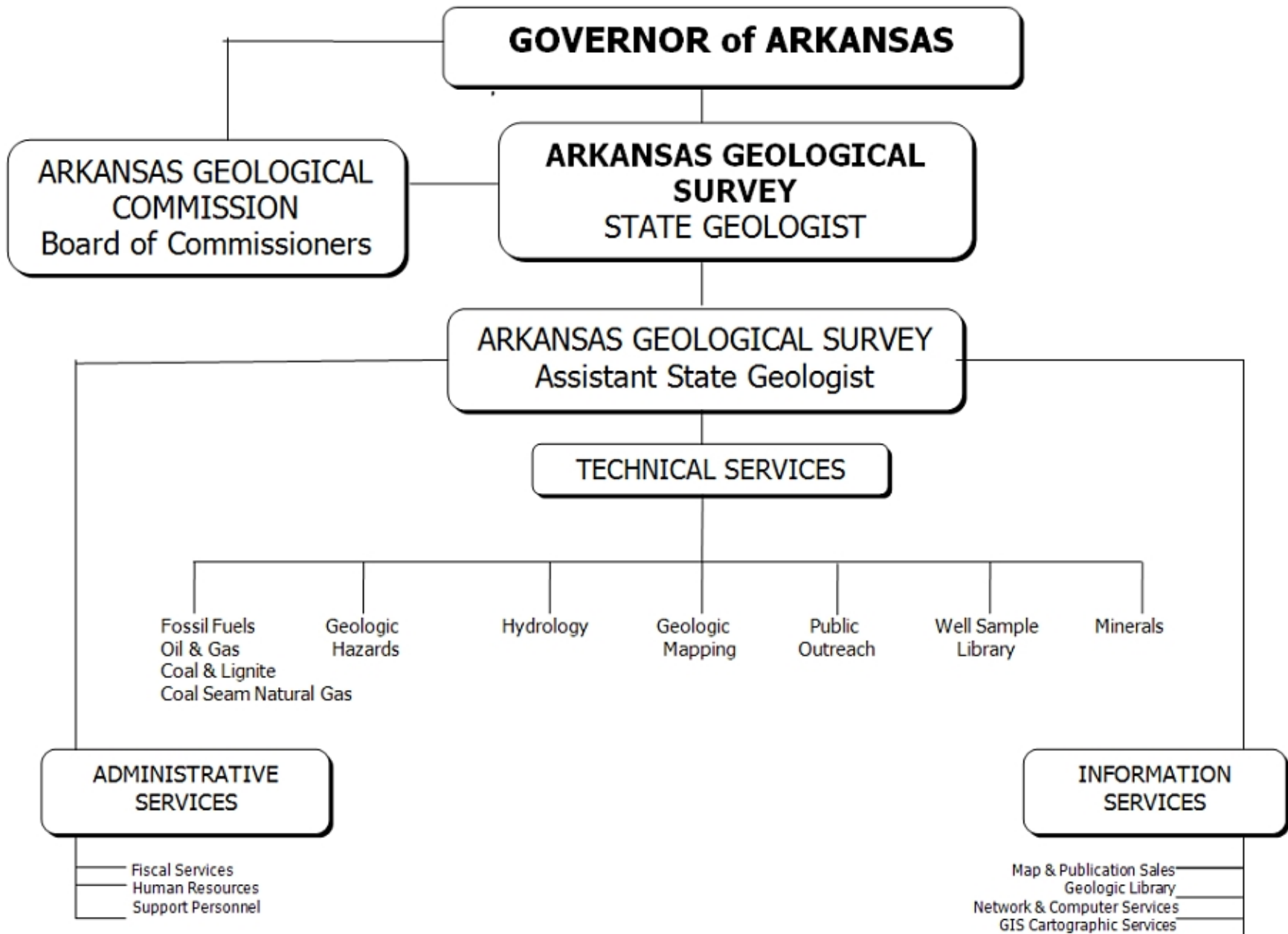
The Administrative Services Section consists of fiscal services, human resources and support personnel services. This section provides all the administrative support for the agency.

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

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

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

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



Agency Commentary

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

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

The Agency request is for Base Level.

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

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

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

The Agency request is for Base Level.

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

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

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

The Agency request is for Base Level.

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

The Agency request is for Base Level.

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

The Agency request is for Base Level.

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

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

The USGS will continue to fund the **National Coal Resources Data System (NCRDS)** project through both years of the biennium. NCRDS is a grant to collect, interpret, correlate and encode point-source coal and other energy related stratigraphic data for entry into NCRDS, as well as validation, editing, and updating all data submitted to U. S. Geological Survey and the NCRDS Program. The FY14-FY15 portion of the program will be to study the brown dense formation in South Arkansas.

The Agency request is Base Level.

The Arkansas Geological Survey is a member of a coalition of all 50 state geological surveys participating in a **Geothermal Grant awarded by the Department of Energy (DOE)**. This \$17.9 million dollar grant will allow the state surveys to populate a new National Geothermal Data System with state-specific geothermal data to identify, assess and exploit geothermal energy resources across Arkansas and the United States. This data will become available on the web. This effort is part of a national effort to exploit renewable energy resources that would help reduce greenhouse gas emissions. The Arkansas Geological Survey expects a substantial grant award but does not project that a request beyond FY14 is necessary.

The Agency request is for \$91,948 in FY14 of the biennium.

LIGNITE RESOURCES-FEDERAL

By Act 574 of 2011, \$750,000 in appropriation was granted during the last biennium in anticipation of federal funding for lignite research, however, no federal funds were allocated for lignite research.

The Agency is requesting to discontinue the Lignite Resources-Federal appropriation of \$750,000.

MUSEUM EXPENSES (GEOLOGY LEARNING CENTER) - CASH

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

The Agency request is for Base Level.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS GEOLOGICAL SURVEY
 FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

None

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	19	9	28	93 %
Black Employees	0	1	1	3 %
Other Racial Minorities	1	0	1	4 %
Total Minorities			2	7 %
Total Employees			30	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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
166 State Operations	2,068,319	27	2,053,263	27	2,109,512	27	2,070,131	27	2,070,131	27	2,070,131	27	2,070,985	27	2,070,985	27	2,070,985	27
169 Map Resale	51,986	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
210 State Geologic Mapping Program	217,721	4	375,697	3	1,060,428	2	221,954	1	313,902	3	313,902	3	221,954	1	221,954	1	221,954	1
54U State Farm Grant	702	0	36,000	0	36,000	0	36,000	0	36,000	0	36,000	0	36,000	0	36,000	0	36,000	0
873 Geology Museum	0	0	9,025	0	9,025	0	9,025	0	9,025	0	9,025	0	9,025	0	9,025	0	9,025	0
F44 Reg for Prof Geo	0	0	0	0	0	0	0	0	0	0	68,902	1	0	0	0	0	69,023	1
NOT REQUESTED FOR THE BIENNIUM																		
86L Lignite Reporting	0	0	0	0	750,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	2,338,728	31	2,573,985	30	4,064,965	29	2,437,110	28	2,529,058	30	2,597,960	31	2,437,964	28	2,437,964	28	2,506,987	29

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	67,341	2.8	42,193	1.6		42,193	1.7	42,193	1.6	101,551	3.8	42,193	1.7	42,193	1.7	77,649	3.0
General Revenue	4000010	2,016,196	84.7	2,016,196	77.1		2,070,131	83.5	2,070,131	80.5	2,070,131	77.4	2,070,985	83.5	2,070,985	83.5	2,070,985	80.9
Federal Revenue	4000020	152,517	6.4	213,666	8.2		221,954	9.0	221,954	8.6	221,954	8.3	221,954	8.9	221,954	8.9	221,954	8.7
Non-Revenue Receipts	4000040	19,873	0.8	100,000	3.8		100,000	4.0	100,000	3.9	100,000	3.7	100,000	4.0	100,000	4.0	100,000	3.9
Cash Fund	4000045	7,501	0.3	45,025	1.7		45,025	1.8	45,025	1.8	90,025	3.4	45,025	1.8	45,025	1.8	90,025	3.5
Merit Adjustment Fund	4000055	52,123	2.2	37,067	1.4		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Federal Funds-ARRA	4000244	65,204	2.7	162,031	6.2		0	0.0	91,948	3.6	91,948	3.4	0	0.0	0	0.0	0	0.0
Interest	4000300	166	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		2,380,921	100.0	2,616,178	100.0		2,479,303	100.0	2,571,251	100.0	2,675,609	100.0	2,480,157	100.0	2,480,157	100.0	2,560,613	100.0
Excess Appropriation/(Funding)		(42,193)		(42,193)			(42,193)		(42,193)		(77,649)		(42,193)		(42,193)		(53,626)	
Grand Total		2,338,728		2,573,985			2,437,110		2,529,058		2,597,960		2,437,964		2,437,964		2,506,987	

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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 %	29	30	2	32	-3	-3.45 %	29	30	1	31	-2	-3.45 %

FY12 & FY13 Budgeted Positions exceeds Authorized due to positions authorized through the Miscellaneous Federal Grant process.

Analysis of Budget Request

Appropriation: 166 - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Agency Request is for Base Level.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,372,530	1,309,530	1,357,540	1,317,400	1,317,400	1,317,400	1,318,100	1,318,100	1,318,100
#Positions		27	27	27	27	27	27	27	27	27
Extra Help	5010001	7,685	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
#Extra Help		5	20	20	20	20	20	20	20	20
Personal Services Matching	5010003	408,565	413,731	399,024	422,729	422,729	422,729	422,883	422,883	422,883
Operating Expenses	5020002	189,019	207,791	207,791	207,791	207,791	207,791	207,791	207,791	207,791
Conference & Travel Expenses	5050009	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Professional Fees	5060010	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Water Quality Program	5900046	14,823	19,500	26,000	19,500	19,500	19,500	19,500	19,500	19,500
Stream Gauging	5900047	18,538	23,000	28,655	23,000	23,000	23,000	23,000	23,000	23,000
Ground Water Survey	5900048	38,006	31,711	42,502	31,711	31,711	31,711	31,711	31,711	31,711
Mineral Exploration	5900050	9,153	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Total		2,068,319	2,053,263	2,109,512	2,070,131	2,070,131	2,070,131	2,070,985	2,070,985	2,070,985
Funding Sources										
General Revenue	4000010	2,016,196	2,016,196		2,070,131	2,070,131	2,070,131	2,070,985	2,070,985	2,070,985
Merit Adjustment Fund	4000055	52,123	37,067		0	0	0	0	0	0
Total Funding		2,068,319	2,053,263		2,070,131	2,070,131	2,070,131	2,070,985	2,070,985	2,070,985
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,068,319	2,053,263		2,070,131	2,070,131	2,070,131	2,070,985	2,070,985	2,070,985

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Analysis of Budget Request

Appropriation: 169 - Map Resale

Funding Sources: MWA - Geology Map Resale Revolving Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 169 - Map Resale

Funding Sources: MWA - Geology Map Resale Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Resale Revolving Fund 5900046	51,986	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total	51,986	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Funding Sources									
Fund Balance 4000005	61,772	29,659		29,659	29,659	29,659	29,659	29,659	29,659
Non-Revenue Receipts 4000040	19,873	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding	81,645	129,659		129,659	129,659	129,659	129,659	129,659	129,659
Excess Appropriation/(Funding)	(29,659)	(29,659)		(29,659)	(29,659)	(29,659)	(29,659)	(29,659)	(29,659)
Grand Total	51,986	100,000		100,000	100,000	100,000	100,000	100,000	100,000

Analysis of Budget Request

Appropriation: 210 - State Geologic Mapping Program

Funding Sources: FAL - Geology Federal

The Arkansas Geological Survey (AGS) utilizes this appropriation for the federal portion of the following program activities: National Coal Resources Data System (NCRDS) project to collect, interpret, correlate and encode point-source coal and other energy-related stratigraphic data; the State Geologic Mapping Program to coordinate collection of data and formulation of maps displaying the location and quantity of minerals in specific areas of the State; and the Geothermal ARRA grant awarded to allow the Geological Survey to populate the National Geothermal Data System. Federal funding is received from the US Department of Energy and the US Department of Interior.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

In addition to Base Level of \$221,954 each year, the Agency is requesting the continuation of \$91,948 in FY14, the balance of an ARRA funded miscellaneous federal grant approved in June PEER, 2012. This appropriation provides for two (2) positions (Geologist and GIS Technician) and supporting costs. The primary purpose of the grant is to collect data on geothermal sources in Arkansas as part of a national data base.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 210 - State Geologic Mapping Program

Funding Sources: FAL - Geology Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	82,281	39,811	82,295	39,811	39,811	39,811	39,811	39,811	39,811
#Positions		4	3	2	1	3	3	1	1	1
Extra Help	5010001	11,584	11,591	11,591	11,591	11,591	11,591	11,591	11,591	11,591
#Extra Help		1	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	30,005	14,282	26,853	14,552	14,552	14,552	14,552	14,552	14,552
Operating Expenses	5020002	28,647	156,000	939,689	156,000	156,000	156,000	156,000	156,000	156,000
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
ARRA of 2009	5900052	65,204	154,013	0	0	91,948	91,948	0	0	0
Total		217,721	375,697	1,060,428	221,954	313,902	313,902	221,954	221,954	221,954

Funding Sources										
Federal Revenue	4000020	152,517	213,666		221,954	221,954	221,954	221,954	221,954	221,954
Federal Funds-ARRA	4000244	65,204	162,031		0	91,948	91,948	0	0	0
Total Funding		217,721	375,697		221,954	313,902	313,902	221,954	221,954	221,954
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		217,721	375,697		221,954	313,902	313,902	221,954	221,954	221,954

Budget exceeds Authorized Appropriation in ARRA of 2009 due to a transfer from the Miscellaneous Federal Grant Holding Account. Budget Number of Positions exceed the Authorized Number due to a transfer from the Miscellaneous Federal Grant Holding Account. Agency Change Level request includes ARRA appropriation and/or positions in ARRA of 2009 due to a temporary extension of ARRA funding from the federal granting agency.

Change Level by Appropriation

Appropriation: 210 - State Geologic Mapping Program
Funding Sources: FAL - Geology Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	221,954	1	221,954	100.0	221,954	1	221,954	100.0
C16	ARRA	91,948	2	313,902	141.4	0	0	221,954	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	221,954	1	221,954	100.0	221,954	1	221,954	100.0
C16	ARRA	91,948	2	313,902	141.4	0	0	221,954	100.0

Analysis of Budget Request

Appropriation: 54U - State Farm Grant

Funding Sources: NGC - Geology Private Grants

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 54U - State Farm Grant

Funding Sources: NGC - Geology Private Grants

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	702	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		702	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Funding Sources										
Fund Balance	4000005	4,537	11,487		11,487	11,487	11,487	11,487	11,487	11,487
Cash Fund	4000045	7,501	36,000		36,000	36,000	36,000	36,000	36,000	36,000
Interest	4000300	151	0		0	0	0	0	0	0
Total Funding		12,189	47,487		47,487	47,487	47,487	47,487	47,487	47,487
Excess Appropriation/(Funding)		(11,487)	(11,487)		(11,487)	(11,487)	(11,487)	(11,487)	(11,487)	(11,487)
Grand Total		702	36,000		36,000	36,000	36,000	36,000	36,000	36,000

Analysis of Budget Request

Appropriation: 873 - Geology Museum

Funding Sources: NGC - Geology Cash

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 873 - Geology Museum

Funding Sources: NGC - Geology Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Museum Expenses	5900046	0	9,025	9,025	9,025	9,025	9,025	9,025	9,025	9,025
Total		0	9,025	9,025	9,025	9,025	9,025	9,025	9,025	9,025
Funding Sources										
Fund Balance	4000005	1,032	1,047		1,047	1,047	1,047	1,047	1,047	1,047
Cash Fund	4000045	0	9,025		9,025	9,025	9,025	9,025	9,025	9,025
Interest	4000300	15	0		0	0	0	0	0	0
Total Funding		1,047	10,072		10,072	10,072	10,072	10,072	10,072	10,072
Excess Appropriation/(Funding)		(1,047)	(1,047)		(1,047)	(1,047)	(1,047)	(1,047)	(1,047)	(1,047)
Grand Total		0	9,025		9,025	9,025	9,025	9,025	9,025	9,025

Analysis of Budget Request

Appropriation: F44 - Reg for Prof Geo

Funding Sources: NGC - Prof Geo Board

The Agency Request for appropriation and positions were transferred from the State Board of Registration for Professional Geologists to the Arkansas Geological Survey.

The Board of Registration for Professional Geologists was created by Act 701 of 1987. The primary duty of the Board is to regulate the public practice of geology in the State of Arkansas by registration and certification of qualified geologists. The Board is a cash agency funded from application, registration, and renewal fees charged pursuant to Arkansas Code Annotated §17-32-307.

The Executive Recommendation provides to transfer the State Board of Registration for Professional Geologists to this appropriation and provides for the Board Request.

Appropriation Summary

Appropriation: F44 - Reg for Prof Geo

Funding Sources: NGC - Prof Geo Board

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	0	0	0	0	36,059	0	0	36,159
#Positions		0	0	0	0	0	1	0	0	1
Extra Help	5010001	0	0	0	0	0	3,000	0	0	3,000
#Extra Help		0	0	0	0	0	1	0	0	1
Personal Services Matching	5010003	0	0	0	0	0	13,068	0	0	13,089
Operating Expenses	5020002	0	0	0	0	0	14,775	0	0	14,775
Conference & Travel Expenses	5050009	0	0	0	0	0	2,000	0	0	2,000
Total		0	0	0	0	0	68,902	0	0	69,023
Funding Sources										
Fund Balance	4000005	0	0		0	0	59,358	0	0	35,456
Cash Fund	4000045	0	0		0	0	45,000	0	0	45,000
Total Funding		0	0		0	0	104,358	0	0	80,456
Excess Appropriation/(Funding)		0	0		0	0	(35,456)	0	0	(11,433)
Grand Total		0	0		0	0	68,902	0	0	69,023

The Executive Recommendation is to transfer from the State Board of Registration for Professional Geologists to the Arkansas Geological Survey to this appropriation.

Change Level by Appropriation

Appropriation: F44 - Reg for Prof Geo
Funding Sources: NGC - Prof Geo Board

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
C07	Agency Transfer	68,902	1	68,902	100.0	69,023	1	69,023	100.0

Justification

C07	The Executive Recommendation is to transfer the positions and appropriation for the State Board of Registration for Professional Geologists to this Agency.
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Appropriation Summary

Appropriation: 86L - Lignite Reporting

Funding Sources: FAL - Geology Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Lignite Reporting 5900046	0	0	750,000	0	0	0	0	0	0
Total	0	0	750,000	0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2013-2015 BIENNIUM

DAH - CENTRAL ADMINISTRATION

Enabling Laws

Act 233 of 2012
A.C.A. §25-3-101 et seq.

History and Organization

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.

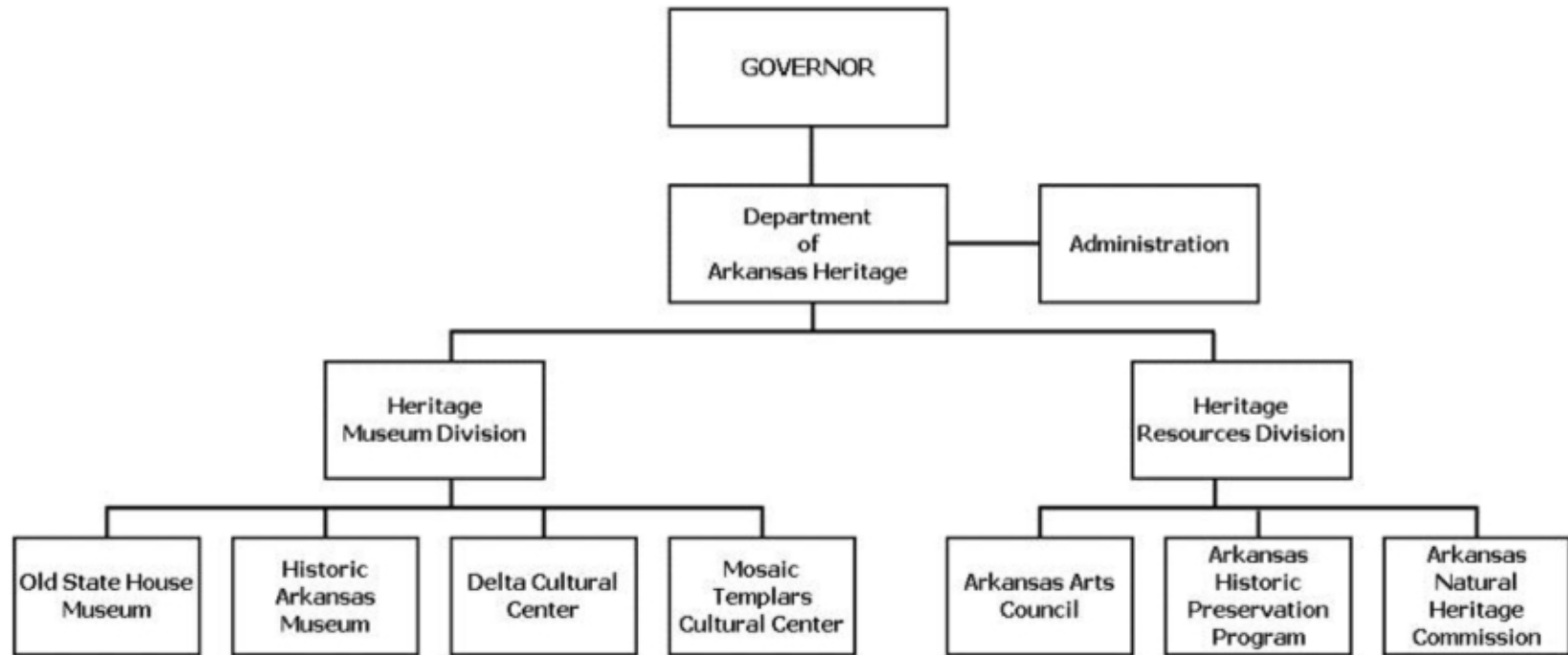
The Department aggressively and successfully seeks federal and private funding to augment its biennial state funding. The DAH director's office coordinates the activities of the Department's two divisions. It administers activities that span the Department, including fiscal and personnel operations, 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 53,000 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.

DAH - CENTRAL ADMINISTRATION - 0865

The Department currently maintains: 35 buildings (of which 24 are historic structures that require special maintenance needs), approximately 75,500 artifacts in the 4 museum collections, a collections storage facility and over 58,000 acres (70 sites) of natural areas across the state. Current General Revenue does not cover basic operations such as utilities, office rent, telephones, and maintenance. Nine percent of the annual proceeds from the Conservation Tax is dedicated to DAH to provide additional programs and to supplement - not replace - general revenue funding for basic operating expenses. With these additional funds, DAH historic sites, museums, arts programs, natural areas, public education programs, and public outreach initiatives are maintained and available to the public. DAH continues its commitment to the voters to use these proceeds to fund improvements to and adequately care for historic structures, artifacts in museum collections, natural areas held in trust for Arkansas, encouragement of the arts, historical documentation, and the expansion of knowledge of Arkansas's unique heritage from prehistoric times to the present.

Proceeds from the Real Estate Transfer Tax have been dedicated to preserve state-owned natural areas, historic sites, historical objects and parks. The Natural and Cultural Resources Council (ANCRC) awards grants from these proceeds. DAH utilizes these grant awards to restore and maintain historic structures, purchase priceless pieces of Arkansas history to protect and preserve, conserve those pieces within the collections of the four DAH museums, manage, and protect the System of 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 2012 twenty-two state applicants requested in excess of \$33 million in grants; the awards totaled \$12,965,608. 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.

Staffing (New Positions):

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

The eight positions requested from General Revenue are critical to basic operations: maintenance, administration and management.

Mosaic Templars Cultural Center

Title: Maintenance Assistant

Class Code: S065C **Grade:** C108

This position would provide much needed support to the limited maintenance staff. The Mosaic Templars Cultural Center currently has only one full-time maintenance position to oversee the 33,000+ square-foot facility. That employee is on call 24 hours a day, 7 days a week. The one full-time maintenance person also oversees adjacent properties maintained by the Mosaic Templars Cultural Center. This new position would assist the building and grounds coordinator with cleaning bathrooms, vacuuming carpets, waxing floors, mowing and weed eating, setting up for special events, basic plumbing and electrical, public safety and other building equipment maintenance. Adding this position would have an impact on areas of the museum operations by giving the current maintenance staff the ability to better focus on specific maintenance needs within the Mosaic Templars Cultural Center and its adjacent properties. The addition of this position will also help our current building and grounds coordinator to manage our growing number of special events for constituents.

Delta Cultural Center

Title: Maintenance Assistant

Class Code: S065C **Grade:** C108

The Delta Cultural Center in Helena, Arkansas is requesting a full time position within the maintenance department. The Delta Cultural Center was established in 1989 to serve as the heritage center for a 27 county region known as the Arkansas Delta. The Center has been in operation since 1990 utilizing historic sites, exhibits, and educational programs to reach specific goals relating to the overall mission. The work of the Center is organized into departments which include: education, exhibits & collections, marketing and development, and historic sites management.

When the Delta Cultural Center opened in 1990 it included one property the 1917 Missouri Pacific Train Depot in Helena. Since that time the Center has expanded to include seven buildings and structures and will soon add two additional properties to its holdings. With the current buildings encompassing more than 43,000 square feet and more than 4 acres of land, our current maintenance staff is unable to provide adequate coverage. It is for this reason that the Agency is requesting an additional full time Maintenance Assistant for specific maintenance duties to provide routine maintenance, emergency repairs, and support for special projects.

The role of the Maintenance Assistant is to complete various maintenance tasks associated with the multiple properties at the Delta Cultural Center. These tasks include lawn care, seasonal maintenance, trash removal, various repairs, emergency issues, and preparation of special

events and exhibits. The addition of this position will assist the Agency in providing good stewardship for State property. The position will ensure that maintenance issues are dealt with in a timely manner to avoid any damage and/or increased cost associated with the problem area. It is important to maintain properties at a professional level and provide our visitors with a quality experience. The position is vital to our operations.

Central Administration

Title: Purchasing Specialist

Class Code: V015C **Grade:** C115

The Department of Arkansas Heritage was created in 1975 to combine the state agencies dealing most directly with the preservation of Arkansas's natural and cultural heritage. The department consists of seven agencies plus Central Administration (Director's Office).

The DAH director's office coordinates the fiscal and personnel operations, administrative operation, public information and development efforts, and related management functions for the department. Since 1975 systems have changed, programs have grown, and new programs have been added resulting in increased management responsibilities.

The department's procurement section consists of two employees: the department's procurement manager and a purchasing specialist. The request for a new position classified as a purchasing specialist would enhance the department's procurement section and provide additional staff support. The volume of work has increased to a level that is not manageable for two people. With added responsibilities regarding procurement and asset management, it is critical that we add another position to the procurement section.

If approved, the position will mirror the existing purchasing specialist, providing much needed staff support for the entire department. Both positions will have the same responsibilities and work with all of the DAH agencies.

Mosaic Templars Cultural Center

Title: Administrative Specialist III

Class Code: C056C **Grade:** C112

An Administrative Specialist III is critical for the Mosaic Templars Cultural Center. Currently the museum has no one that operates in this capacity. There is no one to provide administrative assistance to the museum director, perform receptionist duties or transcribe board minutes. There is no one to perform office duties, maintain a filing system, and generate correspondence or to perform receptionist duties when needed by answering the main phone line, directing calls and performing mailroom duties. This position would also serve as another employee who is familiar with and able to perform Arkansas Administrative State Information System AASIS functions, which is crucial to the museum due to limited staff.

Delta Cultural Center

Title: Administrative Specialist III

Class Code: C056C **Grade:** C112

The Delta Cultural Center in Helena, Arkansas is requesting a full time administrative position within the business office operation. The Delta Cultural Center has been in operation since 1990 utilizing historic sites, exhibits, and educational programs to reach specific goals relating to the overall mission. The work of the Center is organized into departments which include: education, exhibits & collections, marketing and development, and historic sites management.

In recent years the Agency has increased the number of properties it manages and increased its outreach and programming efforts. The Delta Cultural Center is interested in pursuing grants to fund additional projects and programs. With the addition of properties, the increase in programming, and the pursuit of various grants, a need for additional administrative staff has become apparent. It is for this reason that the Agency is requesting a full time Administrative Specialist III for specific administrative duties.

The role of the Administrative Specialist III is to complete various business operation tasks to better manage our multiple sites, maintain records, and improve administrative operations. With the additional position the Agency can pursue significant grants as well as manage and file reports. The Agency can operate an efficient business office and manage multiple projects. As we increase our property holdings and programming, the amount of paperwork that flows through the Agency's business office increases. At the present time the Delta Cultural Center has one business office position. The addition of an Administrative Specialist III is essential to the Agency operation.

Mosaic Templars Cultural Center

Title: Museum Registrar

Class Code: P047C **Grade:** C113

A full-time registrar is needed to assist in daily maintenance of the museum's collections including cataloging, condition reports, and to maintain the proper files. One of the key components of maintenance is to reconcile and monitor the collections database records with the Arkansas Administrative State Information System (AASIS). A registrar could also conduct research of the collection. This would free up the curator to perform some of the collections' administrative duties such as planning future exhibits, soliciting donations & loans, working on updating policy reviews, maintaining the emergency response plan & the Continuity of Operations plan, and researching new and emerging technologies & procedures of the field, and planning for accreditation. There also many items that need to be cataloged(described, measured, and photographed) in the museum backlog, so the museum is able to identify all of the items in the collections, and support researcher inquiries about the collections.

Mosaic Templars Cultural Center

Title: Museum Interpretive Specialist

Class Code: P037C **Grade:** C115

The Mosaic Templars Culutral Center is charged with servicing the entire state with outreach programming and museum programming. Currently the museum has one full-time person to complete this mission. This new position would greatly help the museum increase its visibilty and fulfill the need of the growing requests the museum is unable to fill at times due to the shortage of staff. This position would give tours, create resource materials related to programs, assist with museum special events and public programs, and perform outreach programs. This position would develop and coordinate teacher workshops and work with the program director in developing and implementing adult workshops, gallery talks and special events.

Historic Arkansas Museum

Title: Curator

Class Code: P016C **Grade:** C119

This 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.

As the museum has increased its focus on Arkansas's creative legacy, it has become known as the primary collector of works by Arkansas artists and artisans. The full-time collections staff is the same size as it was twenty years ago, but now the Deputy Director (who also serves as the Chief Curator) is engaged much more in agency planning and administration than ever before. The museum's collection is a unique and very important resource of Arkansas history, with potential to illuminate our past in a way yet unfulfilled. This position is needed to better manage the collection, and enhance the education potential of the collection through programming, exhibits, and the museum's website.

The next two position requests are essential to continued operations at the Historic Preservation Program and the Natural Heritage Commission and are to be funded by non-General Revenue funds.

Arkansas Historic Preservation Program

Title: DAH Program Coordinator

Class Code: G186C Grade: C117

Request from Real Estate Transfer Tax

At the present time, the Arkansas Historic Preservation Program has only one technical assistance position that serves the entire State of Arkansas. The person who currently fills this position has been here for over ten years and has developed such a trusted reputation for sound technical advice and direction that he is inundated with phone calls and requests for site visits. In addition to fielding requests for general technical assistance, this position is responsible for the following:

1. Review and approval of design plans and specifications for Historic Preservation Restoration grants, Courthouse Restoration grants and easement projects.
2. Review and approval of design plans and specifications for ANCRC, National Park Service (and other federal projects requiring State Historic preservation Office, SHPO, input).
3. On-site technical assistance to individual property owners often associated with privately initiated projects, grants and tax credits.
4. Daily administration responsibilities and correspondence with grantees.
5. Special projects including presentations to groups regarding all technical assistance and financial incentives available throughout our office and through federal sources.
6. Work with the National Register (NR) staff to insure that NR properties maintain their status.
7. Work with the easement coordinator to insure that easement properties that undertake projects are in compliance with the easement.

Because of the extraordinary demand for technical assistance around the state, there are projects that are simply not possible with only one coordinator. The addition of another full time technical assistance coordinator would allow us to develop hands-on repair and restoration workshops around the state (something constituents have told us for years they want), development and distribution of educational materials that would instruct people on maintenance and rehabilitation of historic structures, the development of instructional videos of specialized repairs involved in rehabilitations, in addition to better meeting the increasing demand for site visits.

A review of the past year indicates that the technical assistance coordinator made 105 site visits (general and grant related) and had approximately 455 constituent contacts requesting technical assistance for a variety of projects.

Arkansas Natural Heritage Commission

Title: Computer Support Specialist

Class Code: D063C **Grade:** C119

Request from Federal Funding

To maximize efficiency and effectiveness, a computer support specialist is needed to create, maintain, and integrate enhancements to the commission's complex array of geospatial software applications and rare species databases.

By consolidating administrative and technology duties in one position, we gain the expertise to maximize the functionality and quality of all work products.

The computer support specialist will assume responsibility for the agency's information technology plan, provide technical support for staff, and serve as computer administrator for needed updates.

This heightens functional efficiencies in other areas by allowing rare species biologists and natural area land stewards more time to focus on their primary specialties in the field.

Other Change level Requests:

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

The basic operations of state agencies is inclusive of several items such as supplies, staff travel, board and commission meeting expenditures, printing, network expenses, subscriptions and memberships and other routine expenditures. However, very basic operations are office rent, utilities, building and contents insurance and security services. DAH agencies experience all of these costs but the ability to cover these expenditures and continue to provide programming to our constituents is becoming more difficult as the very basic cost of operations continue to increase.

Natural Heritage Commission is requesting an increase in the land acquisition line item to be funded from the Conservation Tax budget. As one-time state funding for land acquisition was exhausted during the 2011-2013 Biennium, the commission also faced lower grant awards from the Arkansas Natural and Cultural Resources Council. The ANHC uses state funding to attract federal grants to purchase strategic conservation lands throughout Arkansas. The net loss of state matching dollars will cause Arkansas and the commission a missed opportunity to bring in three-times that amount in federal grants.

The department is also requesting an increase in Grants to allow the agency to adequately support arts funding per capita. This funding will increase the Arts Council's investment in local arts organizations and expand artist residencies in schools and after-school/summer programs.

Information Technology:

The department's IT requests will be addressed in the IT Plan submitted to DFA. Increases include budget for the contract for web services and Capital Outlay for anticipated replacement of data backup systems, software licenses, and other Data Processing supplies. These requests are from the Conservation Tax appropriation and/or federal funded appropriations.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF ARKANSAS HERITAGE
 FOR THE YEAR ENDED JUNE 30, 2010

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	11	17	28	82 %
Black Employees	0	6	6	18 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			6	18 %
Total Employees			34	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

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2JE Publications	0	0	27,276	0	45,000	0	27,276	0	27,276	0	27,276	0	27,276	0	27,276	0	27,276	0
476 Conservation Tax-Amendment 75	5,528,492	15	7,380,308	15	7,265,499	15	7,393,317	15	8,155,608	15	8,208,898	15	7,394,058	15	8,140,349	15	8,193,639	15
482 Director's Office-State Operations	1,254,066	20	1,262,395	21	1,301,385	21	1,323,380	21	1,471,104	22	1,376,810	21	1,324,985	21	1,472,709	22	1,378,415	21
96T AR History Hub-CIT	33,514	0	36,644	0	0	0	0	0	36,644	0	36,644	0	0	0	0	0	0	0
Total	6,816,072	35	8,706,623	36	8,611,884	36	8,743,973	36	9,690,632	37	9,649,628	36	8,746,319	36	9,640,334	37	9,599,330	36

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	5,229,464	44.3	4,986,434	44.2	2,585,284	28.4	2,585,284	27.8	2,585,284	28.1	362,305	5.1	0	0.0	0	0.0
General Revenue	4000010	1,254,066	10.6	1,262,395	11.2	1,323,380	14.5	1,471,104	15.8	1,376,810	15.0	1,324,985	18.6	1,472,709	21.3	1,378,415	20.2
Non-Revenue Receipts	4000040	672	0.0	25,875	0.2	25,875	0.3	25,875	0.3	25,875	0.3	25,875	0.4	25,875	0.4	25,875	0.4
Cash Fund	4000045	35,196	0.3	36,644	0.3	0	0.0	34,957	0.4	34,957	0.4	0	0.0	0	0.0	0	0.0
Inter-agency Fund Transfer	4000316	(350,000)	(3.0)	(800,000)	(7.1)	(800,000)	(8.8)	(800,000)	(8.6)	(800,000)	(8.7)	(800,000)	(11.2)	(800,000)	(11.6)	(800,000)	(11.7)
Other	4000370	8,534	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	97,500	0.8	97,500	0.9	97,500	1.1	97,500	1.0	97,500	1.1	97,500	1.4	97,500	1.4	97,500	1.4
Conservation Tax	4000453	5,527,074	46.8	5,683,059	50.3	5,874,525	64.5	5,874,525	63.2	5,874,525	63.9	6,118,209	85.8	6,118,209	88.5	6,118,209	89.7
Total Funds		11,802,506	100.0	11,291,907	100.0	9,106,564	100.0	9,289,245	100.0	9,194,951	100.0	7,128,874	100.0	6,914,293	100.0	6,819,999	100.0
Excess Appropriation/(Funding)		(4,986,434)		(2,585,284)		(362,591)		401,387		454,677		1,617,445		2,726,041		2,779,331	
Grand Total		6,816,072		8,706,623		8,743,973		9,690,632		9,649,628		8,746,319		9,640,334		9,599,330	

The FY13 Budget amount in (476) Conservation Tax - Amendment 75 exceeds the Authorized amount due to salary adjustments during the 2011-2013 Biennium.
 The Inter-agency Fund Transfer represents a transfer of Conservation Tax Funds to (0880) DAH-Natural Heritage Commission for the Land Acquisition Appropriation.
 Variation in fund balance is due to unfunded appropriation in appropriation (476) Conservation Tax - Amendment 75.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
34	34	0	34	0	0.00 %	35	34	1	35	0	2.86 %	35	35	0	35	0	0.00 %

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 \$27,276 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	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Publications for Resale 5900036	0	27,276	45,000	27,276	27,276	27,276	27,276	27,276	27,276
Total	0	27,276	45,000	27,276	27,276	27,276	27,276	27,276	27,276
Funding Sources									
Fund Balance 4000005	729	1,401		0	0	0	0	0	0
Non-Revenue Receipts 4000040	672	25,875		25,875	25,875	25,875	25,875	25,875	25,875
Total Funding	1,401	27,276		25,875	25,875	25,875	25,875	25,875	25,875
Excess Appropriation/(Funding)	(1,401)	0		1,401	1,401	1,401	1,401	1,401	1,401
Grand Total	0	27,276		27,276	27,276	27,276	27,276	27,276	27,276

Analysis of Budget Request

Appropriation: 476 - Conservation Tax-Amendment 75

Funding Sources: SHF - Arkansas Department of Heritage Fund

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

Base Level includes appropriation in the amount of \$7,393,317 in FY14 and \$7,394,058 in FY15 with 15 Regular positions and 42 Extra Help positions.

The Agency Change Level Request includes additional appropriation of \$762,291 in FY14 and \$746,291 in FY15 for the following:

- Extra Help: Increase of \$63,291 each year for salaries and related matching for two (2) positions transferred from Arts Council to support the agency's Museum Division. The specific need has been identified at the Mosaic Templars Cultural Center (MTCC) and the Old State House Museum (OSH) to provide for Extra Help museum program assistants.
- Operating Expenses: Increase of \$13,000 each year to provide for anticipated rent increase.
- Grants & Aid: Increase of \$650,000 each year in unfunded appropriation to allow the agency to adequately support arts funding per capita.
- Capital Outlay: Increase of \$36,000 in FY14 and \$20,000 in FY15 to replace servers in both years. Request for FY14 includes the purchase of 50 licenses for the software office package. This request is addressed in detail in the Department's IT Plan.

The Executive Recommendation provides for the Agency Request. Additionally, the Executive Recommends a reallocation of Operating Expenses appropriation of \$53,290 from (482) Director's Office - State Operations.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	689,892	649,122	579,715	656,500	656,500	656,500	657,100	657,100	657,100
#Positions		15	15	15	15	15	15	15	15	15
Extra Help	5010001	336,634	379,226	379,226	379,226	437,226	437,226	379,226	437,226	437,226
#Extra Help		35	33	42	42	44	44	42	44	44
Personal Services Matching	5010003	247,943	256,110	210,708	261,741	267,032	267,032	261,882	267,173	267,173
Operating Expenses	5020002	2,025,020	2,450,554	2,450,554	2,450,554	2,463,554	2,516,844	2,450,554	2,463,554	2,516,844
Conference & Travel Expenses	5050009	79,090	94,826	94,826	94,826	94,826	94,826	94,826	94,826	94,826
Professional Fees	5060010	681,140	1,049,741	1,049,741	1,049,741	1,049,741	1,049,741	1,049,741	1,049,741	1,049,741
Construction	5090005	0	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	881,929	900,729	900,729	900,729	1,550,729	1,550,729	900,729	1,550,729	1,550,729
Capital Outlay	5120011	0	0	0	0	36,000	36,000	0	20,000	20,000
Special Maintenance	5120032	586,844	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total		5,528,492	7,380,308	7,265,499	7,393,317	8,155,608	8,208,898	7,394,058	8,140,349	8,193,639

Funding Sources										
Fund Balance	4000005	5,228,730	4,983,346		2,583,597	2,583,597	2,583,597	362,305	0	0
Inter-agency Fund Transfer	4000316	(350,000)	(800,000)		(800,000)	(800,000)	(800,000)	(800,000)	(800,000)	(800,000)
Other	4000370	8,534	0		0	0	0	0	0	0
Rental Income	4000430	97,500	97,500		97,500	97,500	97,500	97,500	97,500	97,500
Conservation Tax	4000453	5,527,074	5,683,059		5,874,525	5,874,525	5,874,525	6,118,209	6,118,209	6,118,209
Total Funding		10,511,838	9,963,905		7,755,622	7,755,622	7,755,622	5,778,014	5,415,709	5,415,709
Excess Appropriation/(Funding)		(4,983,346)	(2,583,597)		(362,305)	399,986	453,276	1,616,044	2,724,640	2,777,930
Grand Total		5,528,492	7,380,308		7,393,317	8,155,608	8,208,898	7,394,058	8,140,349	8,193,639

FY13 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2011-2013 Biennium.

Other Funding consists of Insurance Proceeds, M&R Sales and Prior Year Refunds.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	7,393,317	15	7,393,317	100.0	7,394,058	15	7,394,058	100.0
C01	Existing Program	723,017	0	8,116,334	109.8	723,017	0	8,117,075	109.8
C07	Agency Transfer	3,274	0	8,119,608	109.8	3,274	0	8,120,349	109.8
C08	Technology	36,000	0	8,155,608	110.3	20,000	0	8,140,349	110.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	7,393,317	15	7,393,317	100.0	7,394,058	15	7,394,058	100.0
C01	Existing Program	723,017	0	8,116,334	109.8	723,017	0	8,117,075	109.8
C07	Agency Transfer	3,274	0	8,119,608	109.8	3,274	0	8,120,349	109.8
C08	Technology	36,000	0	8,155,608	110.3	20,000	0	8,140,349	110.1
C19	Executive Changes	53,290	0	8,208,898	111.0	53,290	0	8,193,639	110.8

Justification

C01	The agency is requesting \$650,000 increase of unfunded appropriation in Grants to allow the agency to adequately support arts funding per capita. This budget will increase the Arts Council's investment in local arts organizations and expand artist residencies in schools and after-school/summer programs. The agency is also requesting an increase in the Extra Help Salaries and Personal Services Matching line items to provide for additional staff support in the departments' Museum Division. The specific need has been identified at the Mosaic Templars Cultural Center (MTCC) and the Old State House Museum (OSH). The MTCC request an appropriation increase for additional extra help museum program assistants to provided much needed support with museum educational programming, special events, rentals and facility use, the museum store and administrative support. These positions would fill a current void that is felt by the agency having very limited staff, but a growing increase in visitation and constituency requests for facility usage and programming. The Old State House Museum is the oldest standing state capitol west of the Mississippi River. It is listed on the National Register of Historic Places and is designated a National Historic Landmark. Since 1992 the Old State House has been accredited by the American Association of Museum. In order to fulfill its mission mandated obligation to provide educational programming to a statewide constituency and to preserve the historic structure, increases in funding for utilities is essential. Additional increases are for basic operating costs and Special Maintenance needs.
C07	Arts Council reduced Extra Help salaries/matching and two positions. The positions and budget will be transferred to DAH Central Administration to be assigned to Mosaic Templars Cultural Center for additional staff support.
C08	The request for Capital Outlay Expense is to replace servers in both FY14 and FY15. The department's IT Plan will address this replacement need in more detail. The increased request for FY14 includes the purchase of 50 licenses for the software office package. The software license purchase is also addressed in the department's IT Plan.
C19	Executive recommends a reallocation of \$53,290 in Operating Expenses from the Director's Office - State Operations appropriation.

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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

Base Level includes appropriation and general revenue funding of \$1,323,380 in FY14 and \$1,324,985 in FY15 with 21 positions.

The Agency Change Level Request includes additional appropriation and general revenue funding of \$147,724 each year for the following:

- Two (2) position classification requests:
 - D030C Information Systems Coordinator (grade C124) to D071C Information Systems Security Specialist (grade 126)
 - C071C Computer Support Analyst (grade C117) to D058C Computer Operations Coordinator (grade C120)
- Regular Salaries and Personal Services Matching: Increase of \$41,144 each year for one (1) new V015C Purchasing Specialist position (grade C115). This position will enhance the department's procurement section and provide additional staff support.
- Operating Expenses: Increase of \$106,580 each year for an increase in office rent.

The Executive Recommendation provides for Base Level, as well as reclassifications on two (2) positions along with additional Operating Expenses appropriation of \$106,580 and general revenue funding of \$53,290. The Executive recommends a reallocation of \$53,290 of Operating Expenses appropriation to Conservation Tax - Amendment 75, Fund Center 476.

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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	921,265	918,331	940,860	959,666	988,917	959,666	960,966	990,217	960,966
#Positions		20	21	21	21	22	21	21	22	21
Personal Services Matching	5010003	283,675	307,848	281,673	327,498	339,391	327,638	327,803	339,696	327,943
Operating Expenses	5020002	49,126	36,216	78,852	36,216	142,796	89,506	36,216	142,796	89,506
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		1,254,066	1,262,395	1,301,385	1,323,380	1,471,104	1,376,810	1,324,985	1,472,709	1,378,415
Funding Sources										
General Revenue	4000010	1,254,066	1,262,395		1,323,380	1,471,104	1,376,810	1,324,985	1,472,709	1,378,415
Total Funding		1,254,066	1,262,395		1,323,380	1,471,104	1,376,810	1,324,985	1,472,709	1,378,415
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,254,066	1,262,395		1,323,380	1,471,104	1,376,810	1,324,985	1,472,709	1,378,415

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,323,380	21	1,323,380	100.0	1,324,985	21	1,324,985	100.0
C01	Existing Program	147,584	1	1,470,964	111.2	147,584	1	1,472,569	111.1
C10	Reclass	140	0	1,471,104	111.2	140	0	1,472,709	111.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,323,380	21	1,323,380	100.0	1,324,985	21	1,324,985	100.0
C01	Existing Program	53,290	0	1,376,670	104.0	53,290	0	1,378,275	104.0
C10	Reclass	140	0	1,376,810	104.0	140	0	1,378,415	104.0

Justification

C01	Title: Purchasing Specialist Class Code: V015C Grade: C115The Department of Arkansas Heritage was created in 1975 to combine the state agencies dealing most directly with the preservation of Arkansas's natural and cultural heritage. The department consists of seven agencies plus Central Administration (Director's Office).The DAH director's office coordinates the fiscal and personnel operations, administrative operation, public information and development efforts, and related management functions for the department. Since 1975 systems have changed, programs have grown, and new programs have been added resulting in increased management responsibilities.The department's procurement section consists of two employees: the department's procurement manager and a purchasing specialist. The request for a new position classified as a purchasing specialist would enhance the department's procurement section and provide additional staff support. The volume of work has increased to a level that is not manageable for two people. With added responsibilities regarding procurement and asset management, it is critical that we add another position to the procurement section. If approved, the position will mirror the existing purchasing specialist, providing much needed staff support for the entire department. Both positions will have the same responsibilities and work with all of the DAH agencies. The agency is also requesting an increase in operating expenses for office rent. Arkansas Building Authority anticipates a 3% increase in office rent when they renegotiate our lease. Our current lease is valid through March 2014. Our current base level is not adequate to cover office rent or other basic operation costs such as building and contents insurance, vehicle insurance or telephone charges.
C10	The department currently has two full time IT staff. Both employees provide IT support to the entire department (9 agencies). The job duties have changed adding more responsibilities to both positions. The Information Systems Coordinator supervises the Computer Support Analyst and two extra-help staff positions. He is responsible for providing advice to department and agency directors on all matters pertaining to technology and to the security and public availability of agency information. He provides department strategic planning on all matters pertaining to new information technology initiatives. The Computer Support Analyst is currently performing duties equal to a Computer Operations Coordinator. He provides network infrastructure administration for 9 agencies; develops policies & procedures to ensure daily functions and operations are accomplished effectively and efficiently; and develops and implements procedures to ensure timely backup of all agency electronic data and the secure site storage of data backups.

Analysis of Budget Request

Appropriation: 96T - AR History Hub-CIT

Funding Sources: NNH Central Administration - Cash in Treasury

The Central Administration - Cash in Treasury appropriation was established by request from the Cash Fund Holding Account in June of 2012. The Department of Arkansas Heritage was awarded funds from the Arkansas Community Foundation for promoting the Arkansas History Hub.

The Agency Change Level Request includes \$36,644 in FY14 only for Operating Expenses and Grants and Aid to provide appropriation for completion of the History Hub grant.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 96T - AR History Hub-CIT

Funding Sources: NNH Central Administration - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	1,120	4,250	0	0	4,250	4,250	0	0	0
Grants and Aid	5100004	32,394	32,394	0	0	32,394	32,394	0	0	0
Total		33,514	36,644	0	0	36,644	36,644	0	0	0
Funding Sources										
Fund Balance	4000005	5	1,687		1,687	1,687	1,687	0	0	0
Cash Fund	4000045	35,196	36,644		0	34,957	34,957	0	0	0
Total Funding		35,201	38,331		1,687	36,644	36,644	0	0	0
Excess Appropriation/(Funding)		(1,687)	(1,687)		(1,687)	0	0	0	0	0
Grand Total		33,514	36,644		0	36,644	36,644	0	0	0

FY13 Budget amounts exceed Authorized Appropriation in Operating Expenses and Grants and Aid due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: 96T - AR History Hub-CIT
Funding Sources: NNH Central Administration - Cash in Treasury

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	36,644	0	36,644	100.0	0	0	0	

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	36,644	0	36,644	100.0	0	0	0	

Justification

C01	This request is for the continuation of a grant funded by the Arkansas Community Foundation for promoting the Arkansas History Hub.								
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DAH - ARKANSAS ARTS COUNCIL

Enabling Laws

Act 233 of 2012
A.C.A. §13-8-101 et seq.

History and Organization

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:

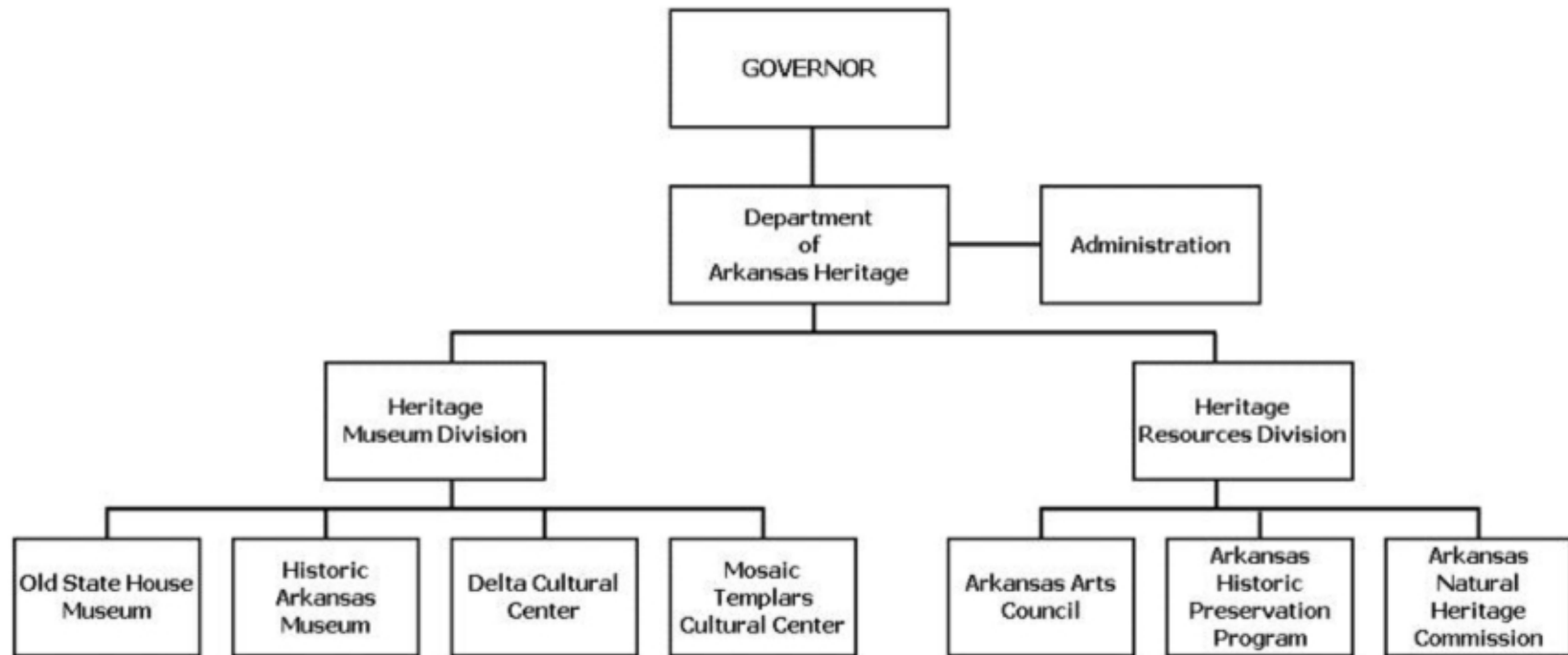
The Arkansas Arts Council was established in 1966 to enable the State to receive funds from the National Endowment for the Arts. In 1971, Act 359 (A.C.A. § 13-8-101 et seq.) gave independent agency status to the Arts Council, with an executive director and a 17-member council appointed by the Governor. 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, 2011

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	1	6	7	78 %
Black Employees	0	2	2	22 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	22 %
Total Employees			9	100 %

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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	809,844	8	771,593	8	786,271	8	774,002	8	1,436,502	8	774,002	8	774,002	8	1,436,502	8	774,002	8
486 Arts Council - Federal Program	727,032	2	668,830	2	676,380	2	669,579	2	831,347	2	831,347	2	670,311	2	832,079	2	832,079	2
943 Arts Council - Cash in Treasury	138,801	0	77,276	0	180,141	0	77,276	0	227,276	0	227,276	0	77,276	0	227,276	0	227,276	0
Total	1,675,677	10	1,517,699	10	1,642,792	10	1,520,857	10	2,495,125	10	1,832,625	10	1,521,589	10	2,495,857	10	1,833,357	10

Funding Sources		%		%		%		%		%		%		%		%
Fund Balance 4000005	186,625	9.9	217,741	12.8			177,965	9.8	177,965	6.8	177,965	9.0	287,189	15.0	137,189	5.3
General Revenue 4000010	809,844	42.8	771,593	45.5			774,002	42.8	1,436,502	54.6	774,002	39.3	774,002	40.4	1,436,502	55.4
Federal Revenue 4000020	727,032	38.4	668,830	39.4			669,579	37.0	831,347	31.6	831,347	42.2	670,311	34.9	832,079	32.1
Cash Fund 4000045	169,917	9.0	37,500	2.2			186,500	10.3	186,500	7.1	186,500	9.5	186,500	9.7	186,500	7.2
Total Funds	1,893,418	100.0	1,695,664	100.0			1,808,046	100.0	2,632,314	100.0	1,969,814	100.0	1,918,002	100.0	2,592,270	100.0
Excess Appropriation/(Funding)	(217,741)		(177,965)				(287,189)		(137,189)		(137,189)		(396,413)		(96,413)	
Grand Total	1,675,677		1,517,699				1,520,857		2,495,125		1,832,625		1,521,589		2,495,857	

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
10	10	0	10	0	0.00 %	10	10	0	10	0	0.00 %	10	9	1	10	0	10.00 %

Analysis of Budget Request

Appropriation: 484 - Arts Council-State Operations

Funding Sources: HRA - Arkansas Heritage Fund

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation and general revenue funding of \$774,002 each year with 8 Regular positions.

The Agency Change Level Request includes additional appropriation and general revenue funding of \$662,500 each year for the following:

- Operating Expenses: Increase of \$12,500 each year for office rent and to provide technical assistance to local arts agencies and local government leaders by additional in-state travel.
- Grants and Aid: Increase of \$650,000 each year to adequately support arts funding per capita. This funding will increase the Arts Council's investment in local arts organizations and expand artist residencies in school and after school/summer programs.

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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	428,701	405,091	402,194	405,291	405,291	405,291	405,291	405,291	405,291
#Positions		8	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	123,767	126,114	117,474	128,323	128,323	128,323	128,323	128,323	128,323
Operating Expenses	5020002	39,614	40,388	66,603	40,388	52,888	40,388	40,388	52,888	40,388
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	850,000	200,000	200,000	850,000	200,000
Capital Outlay	5120011	17,762	0	0	0	0	0	0	0	0
Total		809,844	771,593	786,271	774,002	1,436,502	774,002	774,002	1,436,502	774,002
Funding Sources										
General Revenue	4000010	809,844	771,593		774,002	1,436,502	774,002	774,002	1,436,502	774,002
Total Funding		809,844	771,593		774,002	1,436,502	774,002	774,002	1,436,502	774,002
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		809,844	771,593		774,002	1,436,502	774,002	774,002	1,436,502	774,002

FY13 Budget amounts in Regular Salaries and Personal Services Matching exceed the authorized amount due to salary and matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	774,002	8	774,002	100.0	774,002	8	774,002	100.0
C01	Existing Program	662,500	0	1,436,502	185.6	662,500	0	1,436,502	185.6

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	774,002	8	774,002	100.0	774,002	8	774,002	100.0
C01	Existing Program	0	0	774,002	100.0	0	0	774,002	100.0

Justification

C01	The Arts Council is requesting additional appropriation and funding for operating expenses. This increase is to accommodate the anticipated increase in office rent for FY14 & FY15 and to provide technical assistance to local arts agencies and local government leaders by additional in-state travel. The agency is also requesting additional appropriation and funding for grants. This increase will allow the agency to adequately support arts funding per capita. This funding will increase the Arts Council's investment in local arts organizations and expand artist residencies in schools and after-school/summer programs.
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Analysis of Budget Request

Appropriation: 486 - Arts Council - Federal Program

Funding Sources: FHH - Natural & Cultural Heritage Federal

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation of \$669,579 in FY14 and \$670,311 in FY15 with two (2) Regular Positions and two (2) Extra Help positions.

The Agency Change Level Request includes appropriation of \$161,768 each year for the following:

- Extra Help: Decrease of \$3,232 each year in Salaries and Match with the transfer of two (2) positions to DAH Center Administration to be assigned to Mosaic Templars Cultural Center for additional staff support.
- Operating Expenses: Increase of \$10,000 each year to accommodate the expenses generated by the Poetry Out Loud program and a portion of the council members travel expenses.
- Professional Fees: Increase of \$5,000 each year to accommodate the anticipated increase for the Poetry Out Loud program and other program workshops.
- Grants and Aid: Increase of \$150,000 each year to accommodate the carryover of prior year grants not paid by the end of the fiscal year and to continue to accommodate future grant expenses.

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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	67,515	63,226	70,547	63,226	63,226	63,226	63,826	63,826	63,826
#Positions		2	2	2	2	2	2	2	2	2
Extra Help	5010001	0	3,000	3,000	3,000	0	0	3,000	0	0
#Extra Help		0	2	2	2	0	0	2	0	0
Personal Services Matching	5010003	23,610	23,430	23,659	24,179	23,947	23,947	24,311	24,079	24,079
Operating Expenses	5020002	46,600	37,252	37,252	37,252	47,252	47,252	37,252	47,252	47,252
Conference & Travel Expenses	5050009	1,515	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Professional Fees	5060010	10,636	7,970	7,970	7,970	12,970	12,970	7,970	12,970	12,970
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	577,156	523,452	523,452	523,452	673,452	673,452	523,452	673,452	673,452
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		727,032	668,830	676,380	669,579	831,347	831,347	670,311	832,079	832,079
Funding Sources										
Federal Revenue	4000020	727,032	668,830		669,579	831,347	831,347	670,311	832,079	832,079
Total Funding		727,032	668,830		669,579	831,347	831,347	670,311	832,079	832,079
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		727,032	668,830		669,579	831,347	831,347	670,311	832,079	832,079

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	669,579	2	669,579	100.0	670,311	2	670,311	100.0
C01	Existing Program	165,000	0	834,579	124.6	165,000	0	835,311	124.6
C07	Agency Transfer	(3,232)	0	831,347	124.2	(3,232)	0	832,079	124.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	669,579	2	669,579	100.0	670,311	2	670,311	100.0
C01	Existing Program	165,000	0	834,579	124.6	165,000	0	835,311	124.6
C07	Agency Transfer	(3,232)	0	831,347	124.2	(3,232)	0	832,079	124.1

Justification

C01	The agency is requesting increases in appropriation for operating expenses (\$10,000/yr) to accommodate the expenses generated by the Poetry Out Loud program and a portion of the council members travel expenses; an increase of \$5,000/yr in professional fees & services will accommodate the anticipated increases for the Poetry Out Loud Program and other anticipated program workshops; and the agency request an increase of \$150,000/yr for grants to accommodate the carryover of prior year grants not paid by the end of the fiscal year and to continue to accommodate the future anticipated grant expenses.
C07	Arts Council is reducing Extra Help salaries/matching and two positions. The positions and budget are being transferred to DAH Central Administration to be assigned to Mosaic Templars Cultural Center for additional staff support.

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 \$77,276 each year of the biennium.

The Agency Change Level Request includes \$150,000 each year for the following:

- Operating Expenses: Increase of \$10,000 each year to accommodate the expenses for the annual Artlinks and Governor's Arts Awards programs.
- Conference & Travel Expenses: Increase of \$5,000 each year to accommodate professional training for each staff member via conferences and seminars.
- Grants and Aid: Increase of \$135,000 each year to accommodate foundation grants the agency will receive each year.

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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	23,241	18,250	18,250	18,250	28,250	28,250	18,250	28,250	28,250
Conference & Travel Expenses	5050009	4,723	1,000	1,000	1,000	6,000	6,000	1,000	6,000	6,000
Professional Fees	5060010	5,350	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	105,487	52,526	155,391	52,526	187,526	187,526	52,526	187,526	187,526
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		138,801	77,276	180,141	77,276	227,276	227,276	77,276	227,276	227,276
Funding Sources										
Fund Balance	4000005	186,625	217,741		177,965	177,965	177,965	287,189	137,189	137,189
Cash Fund	4000045	169,917	37,500		186,500	186,500	186,500	186,500	186,500	186,500
Total Funding		356,542	255,241		364,465	364,465	364,465	473,689	323,689	323,689
Excess Appropriation/(Funding)		(217,741)	(177,965)		(287,189)	(137,189)	(137,189)	(396,413)	(96,413)	(96,413)
Grand Total		138,801	77,276		77,276	227,276	227,276	77,276	227,276	227,276

Change Level by Appropriation

Appropriation: 943 - Arts Council - Cash in Treasury
Funding Sources: NNH - Arts & Humanities Cash

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	77,276	0	77,276	100.0	77,276	0	77,276	100.0
C01	Existing Program	150,000	0	227,276	294.1	150,000	0	227,276	294.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	77,276	0	77,276	100.0	77,276	0	77,276	100.0
C01	Existing Program	150,000	0	227,276	294.1	150,000	0	227,276	294.1

Justification

C01	The agency is requesting an increase in appropriation for the agency's Cash in Treasury budget. The increase of \$10,000/yr in operating expenses will accommodate the expenses for the annual Artlinks and GAA programs; an increase of \$5,000/yr in conference fees & travel is requested to accommodate professional training for each staff member via conferences and seminars; and an increase of \$135,000/yr in grants is requested in anticipation of foundation grants the agency will receive each year.
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DAH - DELTA CULTURAL CENTER

Enabling Laws

Act 233 of 2012
A.C.A. §13-5-701 et seq.

History and Organization

History and Organization

Agency Mission Statement:

It is the mission of the Delta Cultural Center (DCC) to preserve, research, document, interpret, and present the heritage of the Arkansas Delta. The Center is comprised of seven facilities and several acres of land located in Helena, AR.

- The Visitors Center is comprised of three connected buildings, two historic commercial buildings and one reconstructed structure. This facility houses staff offices, the museum gift shop and major interpretive exhibits.
- The restored 1912 Union Pacific Railroad Depot houses interpretive exhibits and is listed on the National Register.
- The Moore-Horner House was constructed in 1859, is listed on the National Register and is used as a historic house museum and Civil War interpretive center.
- The Cherry Street Pavilion serves as a permanent stage and outdoor pavilion for agency events and community programs.
- The Beth El Heritage Hall, a 1917 Jewish temple, provides an auditorium and classroom space for DCC and community programs. The structure also provides additional collections storage space. It is a contributing structure in the Beech Street Historic District.
- A maintenance shop is utilized by maintenance staff.
- The Miller Building provides a classroom/assembly space.

Future additions to the DCC are mission driven and will enhance our programming. These additions include a Replica of Fort Curtis, an 1862 Union Fortification and Freedom Park, an interpretive recreational area exploring the African American experience in the Civil War.

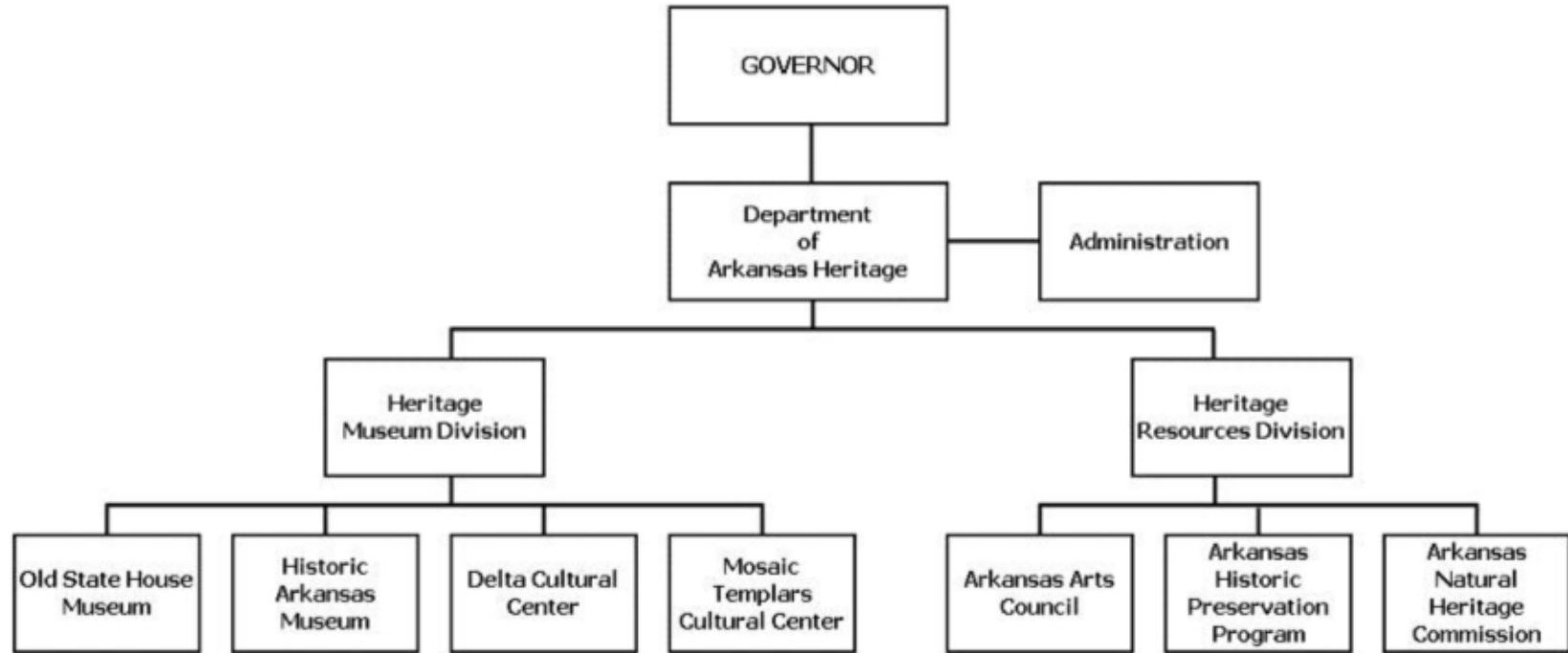
Brief Discussion of Statutory Responsibilities and Primary Activities:

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

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

Agency Board or Commission:

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



Agency Commentary

See Agency Commentary in DAH - Central Administration.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	3	4	7	64 %
Black Employees	2	2	4	36 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	36 %
Total Employees			11	100 %

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
1210100	\$40,888	Checking	Southern Bancorp/Helena

Statutory/Other Restrictions on use:

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

Statutory Provisions for Fees, Fines, Penalties:

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

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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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	39,382	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0	50,000	0
922 Delta Cultural Center - State Operations	545,105	10	542,045	10	559,249	10	520,206	10	695,311	12	695,311	12	520,206	10	695,311	12	695,311	12
C14 Delta Cultural Center - Bank Charges Fund	3,726	0	5,000	0	5,000	0	5,000	0	6,000	0	6,000	0	5,000	0	6,000	0	6,000	0
Total	588,213	10	597,045	10	614,249	10	575,206	10	751,311	12	751,311	12	575,206	10	751,311	12	751,311	12

Funding Sources		%		%		%		%		%		%		%		%		
Fund Balance 4000005	49,060	7.8	42,822	6.9			24,747	4.2	24,747	3.3	24,747	4.2	9,254	1.6	8,254	1.1	8,254	1.4
General Revenue 4000010	545,105	86.4	542,045	87.2			520,206	89.0	695,311	91.5	520,206	89.0	520,206	91.0	695,311	93.2	520,206	91.1
Cash Fund 4000045	72,952	11.6	75,821	12.2			78,403	13.4	78,403	10.3	78,403	13.4	81,243	14.2	81,243	10.9	81,243	14.2
Intra-agency Fund Transfer 4000317	(36,082)	(5.7)	(38,896)	(6.3)			(38,896)	(6.7)	(38,896)	(5.1)	(38,896)	(6.7)	(38,896)	(6.8)	(38,896)	(5.2)	(38,896)	(6.8)
Total Funds	631,035	100.0	621,792	100.0			584,460	100.0	759,565	100.0	584,460	100.0	571,807	100.0	745,912	100.0	570,807	100.0
Excess Appropriation/(Funding)	(42,822)		(24,747)				(9,254)		(8,254)		166,851		3,399		5,399		180,504	
Grand Total	588,213		597,045				575,206		751,311		751,311		575,206		751,311		751,311	

The Intra-agency Fund Transfer represents a transfer of cash funds from the Agency's Cash In Bank Fund to the Agency's Cash in Treasury Fund. Variation in fund balance is due to unfunded appropriation in appropriation (922) Delta Cultural Center - State Operations.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
11	11	0	11	0	0.00 %	11	10	1	11	0	9.09 %	11	10	1	11	0	9.09 %

Analysis of Budget Request

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

Funding Sources: NNH - Delta Cultural Center Cash

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

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

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

Appropriation Summary

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

Funding Sources: NNH - Delta Cultural Center Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	5,822	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	5,500	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Resale (COGS)	5090017	28,060	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		39,382	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources										
Fund Balance	4000005	15,033	1,934		1,934	1,934	1,934	1,934	1,934	1,934
Cash Fund	4000045	26,283	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding		41,316	51,934		51,934	51,934	51,934	51,934	51,934	51,934
Excess Appropriation/(Funding)		(1,934)	(1,934)		(1,934)	(1,934)	(1,934)	(1,934)	(1,934)	(1,934)
Grand Total		39,382	50,000		50,000	50,000	50,000	50,000	50,000	50,000

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 seven facilities and several acres of land located in Helena, Arkansas. This appropriation provides for maintenance and general operations of the agency, as well as routinely updated programming and exhibitory illustrating the historical, musical, and geographical significance of the 27 county Delta region.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation and general revenue funding of \$520,206 each year with 10 Regular positions.

The Agency Change Level Request includes additional appropriation and general revenue funding of \$175,105 each year for the following:

- Regular Salaries and Personal Services Matching: Increase of \$66,005 each year for two (2) Regular positions.
 - 1) C056C Administrative Specialist III (grade C112) is needed to complete various business operations tasks to better manage sites, maintain records and improve administrative operations.
 - 2) S065C Maintenance Assistant (grade C108) is needed to provide maintenance for all properties, lawn care, seasonal maintenance, trash removal and preparation of special events and exhibits.
- Operating Expenses: Increase of \$109,100 each year to cover basic utility costs due to overall utility increases, expanded facilities and increase utilization of properties.

The Executive Recommendation provides the Agency Request for positions and appropriation only.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	391,387	384,834	394,998	359,968	406,024	406,024	359,968	406,024	406,024
#Positions		10	10	10	10	12	12	10	12	12
Personal Services Matching	5010003	131,274	135,721	130,466	138,748	158,697	158,697	138,748	158,697	158,697
Operating Expenses	5020002	22,444	21,490	33,785	21,490	130,590	130,590	21,490	130,590	130,590
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		545,105	542,045	559,249	520,206	695,311	695,311	520,206	695,311	695,311
Funding Sources										
General Revenue	4000010	545,105	542,045		520,206	695,311	520,206	520,206	695,311	520,206
Total Funding		545,105	542,045		520,206	695,311	520,206	520,206	695,311	520,206
Excess Appropriation/(Funding)		0	0		0	0	175,105	0	0	175,105
Grand Total		545,105	542,045		520,206	695,311	695,311	520,206	695,311	695,311

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	520,206	10	520,206	100.0	520,206	10	520,206	100.0
C01	Existing Program	175,105	2	695,311	133.7	175,105	2	695,311	133.7

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	520,206	10	520,206	100.0	520,206	10	520,206	100.0
C01	Existing Program	175,105	2	695,311	133.7	175,105	2	695,311	133.7

Justification

C01	<p>The agency requests an increase in General Revenue appropriation and funding to cover basic utility costs due to overall utility increases, expanded facilities, and increased utilization of properties. The agency has decreased its energy consumption and reduced costs where possible. Even with these aggressive steps, the agency is requesting an increase in operating expenses to cover the anticipated cost of daily operations. The Delta Cultural Center (DCC) was established in 1989 as the heritage center for a 27 county region known as the Arkansas Delta. The Center has been in operation since 1990 utilizing historic sites, exhibits, and educational programs to reach specific goals relating to the overall mission, and organized into departments including: education, exhibits & collections, marketing and development, and historic sites management. When the DCC opened in 1990 it included one property: the 1917 Missouri Pacific Train Depot. Since that time the Center has expanded to include seven buildings and structures and will soon add two additional properties to its holdings. With the current buildings encompassing more than 43,000 square feet and more than 4 acres of land, current maintenance staff is unable to provide adequate coverage. It is for this reason that the Agency is requesting a full time position within the maintenance department to provide routine maintenance for all properties, lawn care, seasonal maintenance, trash removal, various repairs, emergency repairs/issues, and preparation of special events and exhibits. The position will ensure that maintenance issues are dealt with in a timely manner to avoid any damage and/or increased cost associated with the problem area. It is important to maintain properties at a professional level and provide our visitors with a quality experience. The position is vital to our operations. The Delta Cultural Center is requesting a full time administrative position within the business office operation. In recent years the agency has increased the number of properties it manages and therefore increased its outreach and programming efforts. The DCC is interested in pursuing grants to fund additional projects and programs. With the addition of properties, the increase in programming, and the pursuit of various grants, a need for additional administrative staff has become apparent. It is for this reason that the agency is requesting a full time Administrative Specialist III for specific administrative duties. The role of the Administrative Specialist III is to complete various business operation tasks to better manage our multiple sites, maintain records, and improve administrative operations. As the agency increases its property holdings and programming, the amount of paperwork that flows through the its business office increases. At the present time the Delta Cultural Center has one business office position. The additional position is essential to the operations of the agency.</p>
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Analysis of Budget Request

Appropriation: C14 - Delta Cultural Center - Bank Charges Fund

Funding Sources: 121 - Delta Cultural Museum Bank Charges

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

Base Level includes Operating Expenses appropriation of \$5,000 each year of the biennium.

The Agency Change Level Request includes additional appropriation of \$1,000 in Operating Expenses each year to provide for an increase in fee charges based on increased visitation and sales from the Museum Store and other credit card activities.

The Executive Recommendation provides 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,726	5,000	5,000	5,000	6,000	6,000	5,000	6,000	6,000
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		3,726	5,000	5,000	5,000	6,000	6,000	5,000	6,000	6,000
Funding Sources										
Fund Balance	4000005	34,027	40,888		22,813	22,813	22,813	7,320	6,320	6,320
Cash Fund	4000045	46,669	25,821		28,403	28,403	28,403	31,243	31,243	31,243
Intra-agency Fund Transfer	4000317	(36,082)	(38,896)		(38,896)	(38,896)	(38,896)	(38,896)	(38,896)	(38,896)
Total Funding		44,614	27,813		12,320	12,320	12,320	(333)	(1,333)	(1,333)
Excess Appropriation/(Funding)		(40,888)	(22,813)		(7,320)	(6,320)	(6,320)	5,333	7,333	7,333
Grand Total		3,726	5,000		5,000	6,000	6,000	5,000	6,000	6,000

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

Change Level by Appropriation

Appropriation: C14 - Delta Cultural Center - Bank Charges Fund
Funding Sources: 121 - Delta Cultural Museum Bank Charges

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	5,000	0	5,000	100.0	5,000	0	5,000	100.0
C01	Existing Program	1,000	0	6,000	120.0	1,000	0	6,000	120.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	5,000	0	5,000	100.0	5,000	0	5,000	100.0
C01	Existing Program	1,000	0	6,000	120.0	1,000	0	6,000	120.0

Justification

C01	This request is to increase the appropriation for the agency's cash-in-bank fund. The agency anticipates an increase in fee charges based on increased visitation and sales from the Museum Store and other credit card activities.
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DAH - HISTORIC ARKANSAS MUSEUM COMMISSION

Enabling Laws

Act 233 of 2012
A.C.A. §13-7-301 et seq.

History and Organization

History and Organization

Agency Mission Statement:

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

Brief Discussion of Statutory Responsibilities and Primary Activities:

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

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

The scope of the museum's programs is defined by two major aspects of Arkansas history: the frontier period and the State's creative legacy from early days to the present. The functions involved in meeting the museum's mission involve research, education, exhibits and collections, development and maintenance. The museum has taken on the job of rediscovering the work of Arkansas's artists and artisans.

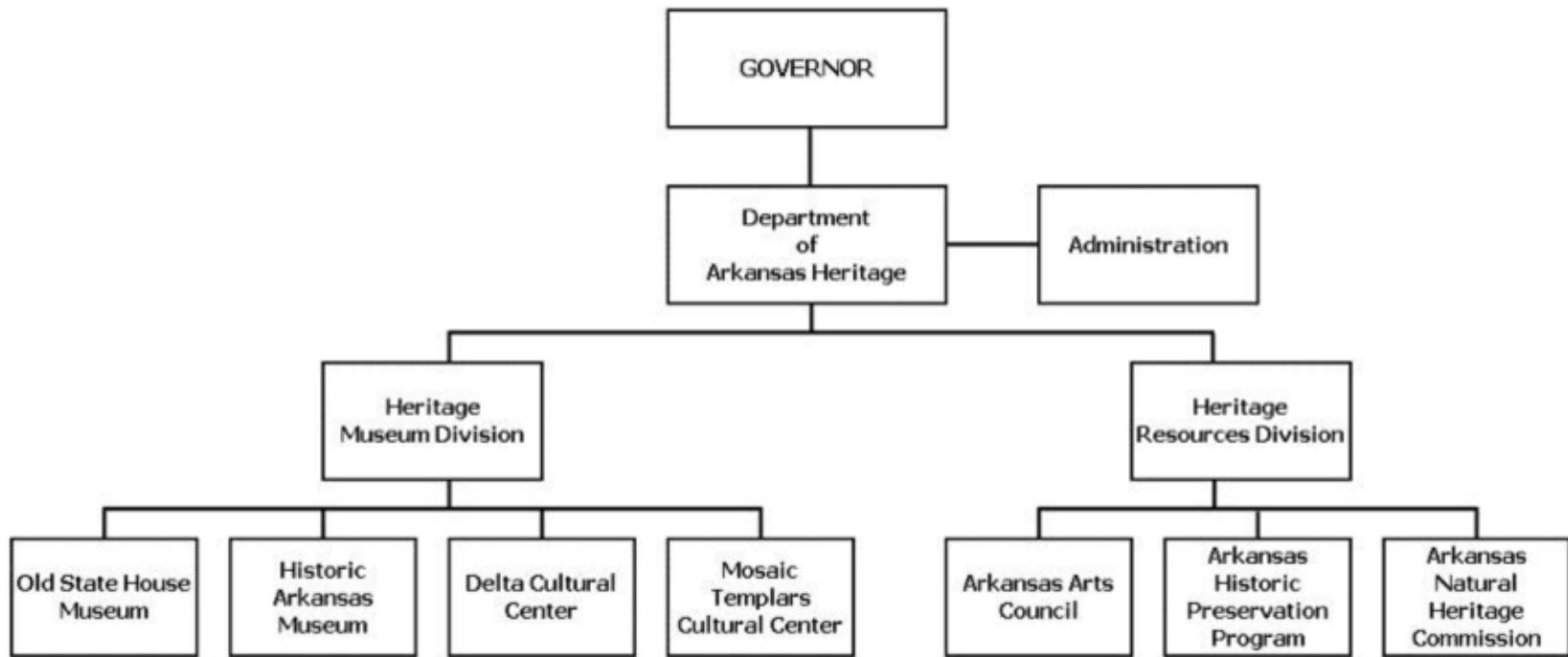
The two volume book *Arkansas Made: A Survey of the Decorative, Mechanical and Fine Arts Produced in Arkansas, 1819-1870* (University of Arkansas Press) is a result of this continuing research project. The museum has created the State's best (and in some cases only) collection of its quilts, firearms, furniture, pottery, silver, paintings, etc. The museum is actively adding to the knowledge of Arkansas's impact on the international development of the Bowie Knife. The Museum Center opened in 2001, with an expanded Reception Center with galleries, theater and improved visitor amenities.

The director of the museum serves at the pleasure of the director of the Department of Arkansas Heritage (DAH). Internally, the museum contains maintenance, collections, education and development divisions which must satisfy not only the appropriate state requirements but also national professional museum standards. In 1981 the museum became the first history museum in Arkansas to be accredited by the American Association of Museums. This national recognition is important to the museum and its patrons, and the need to continue to meet accreditation standards drives many of the improvements sought by the museum.

Improvements over the years have included creating and enhancing the best collection of Arkansas-made objects; *We Walk in Two Worlds*, an exhibit of the Indian experience in Arkansas, produced in cooperation with the Smithsonian; daily living history performances in the museum houses; the Hands-on History Room; popular seasonal special events; and an excellent educational website. Recent improvements have been made to the Field house and the Blacksmith Shop. 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, 2011

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	8	10	18	82 %
Black Employees	2	2	4	18 %
Other Racial Minorities	0	0	0	0 %
	Total Minorities		4	18 %
	Total Employees		22	100 %

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
1120100	\$65,531	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	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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.	175,900	1	299,527	1	300,148	1	299,865	1	299,865	1	299,865	1	299,865	1	299,865	1	299,865	1
496 Historic Arkansas Museum-St. Operations	1,218,749	21	1,179,463	21	1,214,957	21	1,185,107	21	1,311,416	22	1,190,107	21	1,185,230	21	1,311,539	22	1,190,230	21
C15 Historic Arkansas Museum - Bank Charges	8,986	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	1,403,635	22	1,490,240	22	1,526,355	22	1,496,222	22	1,622,531	23	1,501,222	22	1,496,345	22	1,622,654	23	1,501,345	22

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	72,576	4.9	73,870	4.5			134,481	7.9	134,481	7.4	134,481	7.9	202,392	11.4	202,392	10.7	202,392	11.4
General Revenue	4000010	1,218,749	82.5	1,179,463	72.6			1,185,107	69.9	1,311,416	72.0	1,190,107	70.0	1,185,230	67.1	1,311,539	69.2	1,190,230	67.1
Cash Fund	4000045	186,180	12.6	371,388	22.9			375,000	22.1	375,000	20.6	375,000	22.1	380,000	21.5	380,000	20.1	380,000	21.4
Total Funds		1,477,505	100.0	1,624,721	100.0			1,694,588	100.0	1,820,897	100.0	1,699,588	100.0	1,767,622	100.0	1,893,931	100.0	1,772,622	100.0
Excess Appropriation/(Funding)		(73,870)		(134,481)				(198,366)		(198,366)		(198,366)		(271,277)		(271,277)		(271,277)	
Grand Total		1,403,635		1,490,240				1,496,222		1,622,531		1,501,222		1,496,345		1,622,654		1,501,345	

Variance in fund balance due to unfunded appropriation in appropriation (2JK) Historic Arkansas Museum - Cash in Treasury.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
22	22	0	22	0	0.00 %	22	21	1	22	0	4.55 %	22	21	1	22	0	4.55 %

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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level Request includes appropriation of \$299,865 each year with one (1) Regular position and 16 Extra Help positions.

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

Appropriation Summary

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

Funding Sources: NNH - Historic Arkansas Museum Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	20,724	21,523	22,276	21,523	21,523	21,523	21,523	21,523	21,523
#Positions		1	1	1	1	1	1	1	1	1
Extra Help	5010001	80,523	142,134	142,134	142,134	142,134	142,134	142,134	142,134	142,134
#Extra Help		9	16	16	16	16	16	16	16	16
Personal Services Matching	5010003	15,248	20,265	20,133	20,603	20,603	20,603	20,603	20,603	20,603
Operating Expenses	5020002	5,152	34,521	34,521	34,521	34,521	34,521	34,521	34,521	34,521
Conference & Travel Expenses	5050009	1,270	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	52,983	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		175,900	299,527	300,148	299,865	299,865	299,865	299,865	299,865	299,865
Funding Sources										
Fund Balance	4000005	13,591	8,339		839	839	839	0	0	0
Cash Fund	4000045	170,648	292,027		295,000	295,000	295,000	300,000	300,000	300,000
Total Funding		184,239	300,366		295,839	295,839	295,839	300,000	300,000	300,000
Excess Appropriation/(Funding)		(8,339)	(839)		4,026	4,026	4,026	(135)	(135)	(135)
Grand Total		175,900	299,527		299,865	299,865	299,865	299,865	299,865	299,865

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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level Request includes appropriation and general revenue funding of \$1,185,107 in FY14 and \$1,185,230 in FY15 with 21 Regular positions.

The Agency Change Level Request includes additional appropriation and general revenue funding of \$126,309 each year for the following:

- Regular Salaries and Personal Services Matching: Increase of \$48,279 for one (1) P016C Curator position (grade C119). This position is needed to better manage the collection and enhance the education potential of the collection through programming, exhibits, and the museum's website.
- Operating Expenses: Increase of \$78,030 to cover utilities and insurance costs.

The Executive Recommendation provides for Base Level, as well as \$5,000 in appropriation and general revenue for increases in Operating Expenses.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	848,861	801,626	826,502	801,726	837,280	801,726	801,826	837,380	801,826
#Positions		21	21	21	21	22	21	21	22	21
Personal Services Matching	5010003	262,278	273,757	262,664	279,301	292,026	279,301	279,324	292,049	279,324
Operating Expenses	5020002	107,610	104,080	125,791	104,080	182,110	109,080	104,080	182,110	109,080
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		1,218,749	1,179,463	1,214,957	1,185,107	1,311,416	1,190,107	1,185,230	1,311,539	1,190,230
Funding Sources										
General Revenue	4000010	1,218,749	1,179,463		1,185,107	1,311,416	1,190,107	1,185,230	1,311,539	1,190,230
Total Funding		1,218,749	1,179,463		1,185,107	1,311,416	1,190,107	1,185,230	1,311,539	1,190,230
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,218,749	1,179,463		1,185,107	1,311,416	1,190,107	1,185,230	1,311,539	1,190,230

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,185,107	21	1,185,107	100.0	1,185,230	21	1,185,230	100.0
C01	Existing Program	126,309	1	1,311,416	110.7	126,309	1	1,311,539	110.7

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,185,107	21	1,185,107	100.0	1,185,230	21	1,185,230	100.0
C01	Existing Program	5,000	0	1,190,107	100.4	5,000	0	1,190,230	100.4

Justification

C01	The agency requests additional appropriation and funding for operating expenses to cover utilities and insurance costs for keeping the museum open. The request also includes a request for a position as follows: Curator - This 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. As the museum has increased its focus on Arkansas's creative legacy, it has become known as the primary collector of works by Arkansas artists and artisans. The full-time collections staff is the same size as it was twenty years ago, but now the Deputy Director (who also serves as the Chief Curator) is engaged much more in agency planning and administration than ever before. The museum's collection is a unique and very important resource of Arkansas history, with potential to illuminate our past in a way yet unfulfilled. This position is needed to better manage the collection, and enhance the education potential of the collection through programming, exhibits, and the museum's website.
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Analysis of Budget Request

Appropriation: C15 - Historic Arkansas Museum - Bank Charges

Funding Sources: 112 - Historic Arkansas Museum Bank Charges Fund

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

The Agency Base Level Request includes 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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	8,986	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		8,986	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250
Funding Sources										
Fund Balance	4000005	58,985	65,531		133,642	133,642	133,642	202,392	202,392	202,392
Cash Fund	4000045	15,532	79,361		80,000	80,000	80,000	80,000	80,000	80,000
Total Funding		74,517	144,892		213,642	213,642	213,642	282,392	282,392	282,392
Excess Appropriation/(Funding)		(65,531)	(133,642)		(202,392)	(202,392)	(202,392)	(271,142)	(271,142)	(271,142)
Grand Total		8,986	11,250		11,250	11,250	11,250	11,250	11,250	11,250

DAH - HISTORIC PRESERVATION

Enabling Laws

Act 233 of 2012
A.C.A. §13-7-101 et seq.
A.C.A. §13-7-501 et seq.

History and Organization

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 conducting of surveys of those resources; the acceptance of conservation easements on those resources; the preparation of nominations to the National Register of Historic Places; administration of a review procedure for publicly funded undertakings that may affect historic properties within the state; administration of the federal preservation tax incentives program for the state; the provision of technical assistance to historic property owners; and administration of the Certified Local Government (CLG) program (currently there are 19 CLG cities).

Activities:

The AHPP administers an annual County Courthouse Restoration Grants program and a Historic Preservation Restoration Grants program using Real Estate Transfer Tax (RETT) funds. The AHPP administers the Main Street Arkansas program and various grant programs. Act 729 of 1987, which established the Arkansas Natural and Cultural Resources Council (ANCRC) and Trust fund, provides funding for operation of Main Street Arkansas and AHPP activities utilizing RETT funds. Also utilizing RETT funds, AHPP is administering the Downtown Revitalization grants program for the active 17 Main Street cities. Main Street Arkansas runs the Arkansas Downtown Network to provide services to a broader audience.

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

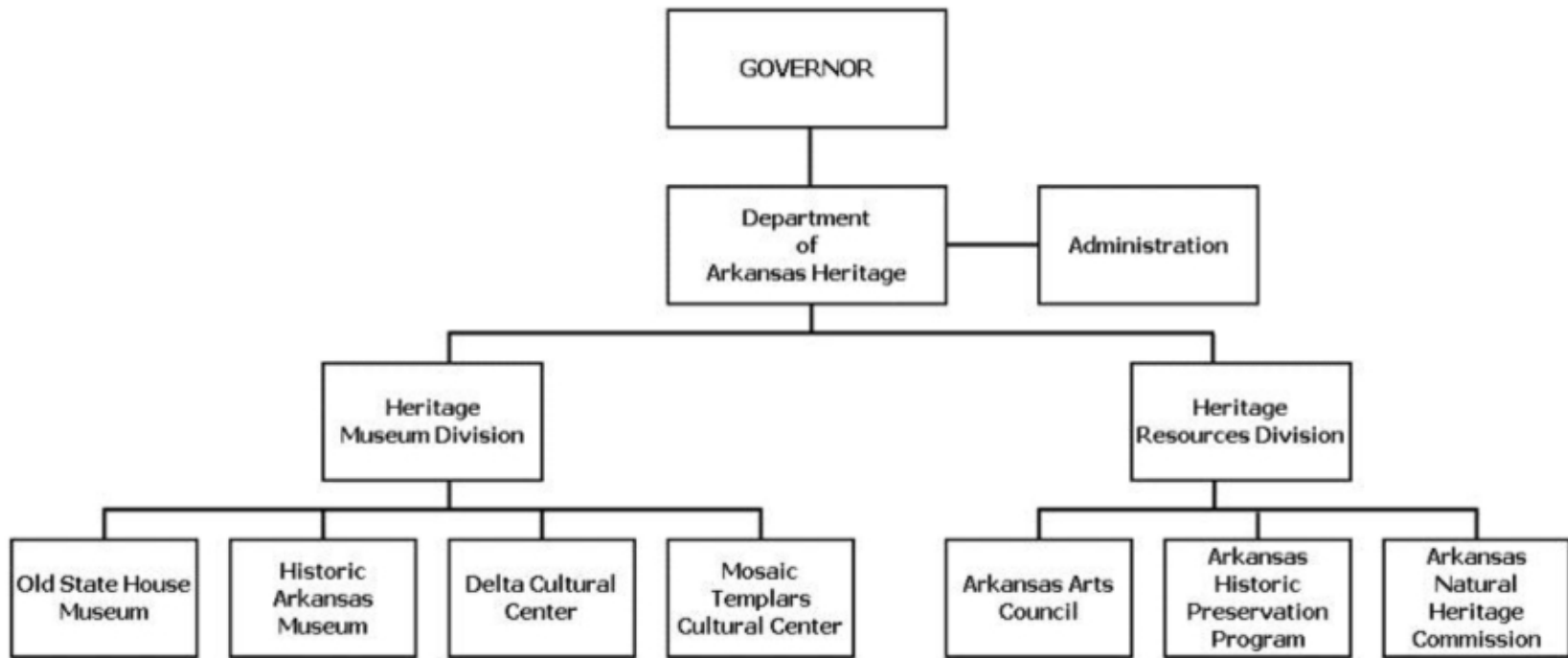
AHPP personnel visit schools around the state to make presentations on Arkansas's historic resources and also offers a variety of lesson plans. The AHPP provides programming for adult audiences through the agency's popular "Sandwiching in History" and "Walks Through History" tour programs and presentations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

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

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.

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, 2011

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

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

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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	1,639,040	14	3,000,000	8	0	8	0	8	0	9	0	9	0	8	0	9	0	9
491 Historic Preservation-Federal Program	781,271	10	1,768,974	16	1,602,955	16	1,565,868	16	1,565,868	16	1,565,868	16	1,566,111	16	1,566,111	16	1,566,111	16
960 Hist Pres - Main Street - Cash in Treasury	0	0	21,530	0	24,247	0	21,530	0	32,342	0	32,342	0	21,530	0	30,842	0	30,842	0
Total	2,420,311	24	4,790,504	24	1,627,202	24	1,587,398	24	1,598,210	25	1,598,210	25	1,587,641	24	1,596,953	25	1,596,953	25

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	2,503	0.1	42,232	0.9	67,702	4.1	67,702	4.1	67,702	4.1	67,360	4.1	67,360	4.0	67,360	4.0	
Federal Revenue	4000020	781,271	31.7	1,768,974	36.4	1,565,868	94.6	1,565,868	94.0	1,565,868	94.0	1,566,111	94.4	1,566,111	93.9	1,566,111	93.9	
Cash Fund	4000045	39,729	1.6	47,000	1.0	21,188	1.3	32,000	1.9	32,000	1.9	25,688	1.5	35,000	2.1	35,000	2.1	
Inter-agency Fund Transfer	4000316	1,639,040	66.6	3,000,000	61.8	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Total Funds		2,462,543	100.0	4,858,206	100.0	1,654,758	100.0	1,665,570	100.0	1,665,570	100.0	1,659,159	100.0	1,668,471	100.0	1,668,471	100.0	
Excess Appropriation/(Funding)		(42,232)		(67,702)		(67,360)		(67,360)		(67,360)		(71,518)		(71,518)		(71,518)		
Grand Total		2,420,311		4,790,504		1,587,398		1,598,210		1,598,210		1,587,641		1,596,953		1,596,953		

The FY13 Budget exceeds Authorized in the Historic Preservation-Real Estate Transfer Tax appropriation due to a transfer from the Natural and Cultural Resources Council Grant Fund (481) by authority of A.C.A. §15-12-103 (3). The Inter-agency Fund Transfer reflects the transfer of Real Estate Transfer Tax funding from the Natural and Cultural Resources Council (Business Area 0887). The FY13 Budget in the Historic Preservation-Federal Program appropriation exceeds the authorized due transfer from the Miscellaneous Federal Grant Holding Account.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
25	25	0	25	0	0.00 %	24	24	0	24	0	0.00 %	24	24	0	24	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 35 of Act 237 of 2010 [Appropriation 481]. This authorization entrusts the Director of the Department of Arkansas Heritage to allocate grant appropriation and funding as determined by the conditions of the grant and the state agency.

Base Level includes eight (8) Regular positions and four (4) Extra Help positions. Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

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 Change Level Request includes one (1) additional position with Regular Salaries and Personal Services Matching of \$44,248 each year of the biennium.

- One (1) new G186C DAH Program Coordinator Position (grade C117) to allow the Agency to develop hands-on repair and restoration workshops around the state, develop and distribute educational materials that would instruct people on maintenance and rehabilitation of historic structures, develop instructional videos of specialized repairs involved in rehabilitations in addition to better meeting the increasing demands for site visits. This position is necessary due to extraordinary demand for technical assistance around the state in addition to projects that are not possible with only one coordinator.

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

The Executive Recommendation provides for the Agency Request.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	735,199	406,328	0	0	0	0	0	0	0
#Positions		14	8	8	8	9	9	8	9	9
Extra Help	5010001	40,835	42,838	0	0	0	0	0	0	0
#Extra Help		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	236,983	129,663	0	0	0	0	0	0	0
Operating Expenses	5020002	130,268	610,000	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	34,705	50,000	0	0	0	0	0	0	0
Professional Fees	5060010	27,742	100,000	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	433,308	1,661,171	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,639,040	3,000,000	0	0	0	0	0	0	0
Funding Sources										
Inter-agency Fund Transfer	4000316	1,639,040	3,000,000		0	0	0	0	0	0
Total Funding		1,639,040	3,000,000		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,639,040	3,000,000		0	0	0	0	0	0

FY13 Budget exceeds Authorized appropriation due to a transfer from the Natural and Cultural Resources Council (NCRC) Grant Fund (481) by authority of A.C.A. §15-12-103 (3). The Inter-agency Fund Transfer reflects the transfer of Real Estate Transfer Tax funding from the Natural and Cultural Resources Council (Business Area 0887). 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 appropriation acts.

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		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	0	8	0	0.0	0	8	0	0.0
C01	Existing Program	0	1	0		0	1	0	

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	0	8	0	0.0	0	8	0	0.0
C01	Existing Program	0	1	0		0	1	0	

Justification

C01	At the present time, the Arkansas Historic Preservation Program has only one technical assistance position that serves the entire State of Arkansas. The person who currently fills this position has been here for over ten years and has developed such a trusted reputation for sound technical advice and direction that he is inundated with phone calls and requests for site visits. In addition to fielding requests for general technical assistance, this position is responsible for the following: 1. Review and approval of design plans and specifications for Historic Preservation Restoration grants, Courthouse Restoration grants and easement projects. 2. Review and approval of design plans and specifications for ANCR, National Park Service (and other federal projects requiring State Historic preservation Office, SHPO, input). 3. On-site technical assistance to individual property owners often associated with privately initiated projects, grants and tax credits. 4. Daily administration responsibilities and correspondence with grantees. 5. Special projects including presentations to groups regarding all technical assistance and financial incentives available throughout our office and through federal sources. 6. Work with the National Register (NR) staff to insure that NR properties maintain their status. 7. Work with the easement coordinator to insure that easement properties that undertake projects are in compliance with the easement. Because of the extraordinary demand for technical assistance around the state, there are projects that are simply not possible with only one coordinator. The addition of another full time technical assistance coordinator would allow us to develop hands-on repair and restoration workshops around the state (something constituents have wanted for), development and distribution of educational materials that would instruct people on maintenance and rehabilitation of historic structures, the development of instructional videos of specialized repairs involved in rehabilitations, in addition to better meeting the increasing demand for site visits. A review of the past year indicates that the technical assistance coordinator made 105 site visits (general and grant related) and had approximately 455 constituent contacts requesting technical assistance for a variety of projects.
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Analysis of Budget Request

Appropriation: 491 - Historic Preservation-Federal Program

Funding Sources: FHP - Historic Preservation Federal

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level Request includes appropriation of \$1,565,868 in FY14 and \$1,566,111 in FY15 with 16 Regular positions and two (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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	438,324	699,773	741,612	699,873	699,873	699,873	700,073	700,073	700,073
#Positions		10	16	16	16	16	16	16	16	16
Extra Help	5010001	16,761	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	123,676	229,489	229,131	233,783	233,783	233,783	233,826	233,826	233,826
Operating Expenses	5020002	94,813	205,394	205,394	205,394	205,394	205,394	205,394	205,394	205,394
Conference & Travel Expenses	5050009	2,972	5,046	5,046	5,046	5,046	5,046	5,046	5,046	5,046
Professional Fees	5060010	8,550	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	96,175	359,100	359,100	359,100	359,100	359,100	359,100	359,100	359,100
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Grants/Easement	5900046	0	207,500	0	0	0	0	0	0	0
Total		781,271	1,768,974	1,602,955	1,565,868	1,565,868	1,565,868	1,566,111	1,566,111	1,566,111
Funding Sources										
Federal Revenue	4000020	781,271	1,768,974		1,565,868	1,565,868	1,565,868	1,566,111	1,566,111	1,566,111
Total Funding		781,271	1,768,974		1,565,868	1,565,868	1,565,868	1,566,111	1,566,111	1,566,111
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		781,271	1,768,974		1,565,868	1,565,868	1,565,868	1,566,111	1,566,111	1,566,111

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.
Budget exceeds Authorized Appropriation in Grants/Easement due to 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. This appropriation is also used to administer the State Tax Credit program established by Act 498 of 2009 Regular Session. Funding is derived from cash funds generated by technical assistance receipts collected for the Historic Preservation Main Street Program.

Base Level includes appropriation of \$21,530 each year of the Biennium.

The Agency Change Level Request includes \$10,812 in FY14 and \$9,312 in FY15 for the following:

- Operating Expenses: Increase of \$8,000 in FY14 and \$6,500 on FY15 to provide for increase costs association with the State Tax Credit Program.
- Professional Fees: Increase of \$2,812 to provide for workshops and the production of training videos related to the rehabilitation of historic structures.
- Reallocation of Professional & Administrative Fees and Printing to better reflect actual expenses.

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

Appropriation Summary

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

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	4,342	4,342	4,342	12,342	12,342	4,342	10,842	10,842
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	17,188	19,905	17,188	20,000	20,000	17,188	20,000	20,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	21,530	24,247	21,530	32,342	32,342	21,530	30,842	30,842
Funding Sources										
Fund Balance	4000005	2,503	42,232		67,702	67,702	67,702	67,360	67,360	67,360
Cash Fund	4000045	39,729	47,000		21,188	32,000	32,000	25,688	35,000	35,000
Total Funding		42,232	89,232		88,890	99,702	99,702	93,048	102,360	102,360
Excess Appropriation/(Funding)		(42,232)	(67,702)		(67,360)	(67,360)	(67,360)	(71,518)	(71,518)	(71,518)
Grand Total		0	21,530		21,530	32,342	32,342	21,530	30,842	30,842

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		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	21,530	0	21,530	100.0	21,530	0	21,530	100.0
C01	Existing Program	10,812	0	32,342	150.2	9,312	0	30,842	143.3
C04	Reallocation	0	0	32,342	150.2	0	0	30,842	143.3

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	21,530	0	21,530	100.0	21,530	0	21,530	100.0
C01	Existing Program	10,812	0	32,342	150.2	9,312	0	30,842	143.3
C04	Reallocation	0	0	32,342	150.2	0	0	30,842	143.3

Justification

C01	The agency is requesting an increase in appropriation to provide for increased costs associated with the State Tax Credit Program. The agency will provide workshops and production of "how to" training videos related to rehabilitation of historic structures.
C04	The agency will not be hosting the annual Main Street Arkansas conference in FY14 or FY15; therefore, the agency requests a reallocation to better reflect actual expenses.

DAH - MOSAIC TEMPLARS CULTURAL CENTER

Enabling Laws

Act 233 of 2012
A.C.A. §13-5-901 et seq.

History and Organization

History and Organization

Agency Mission Statement:

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

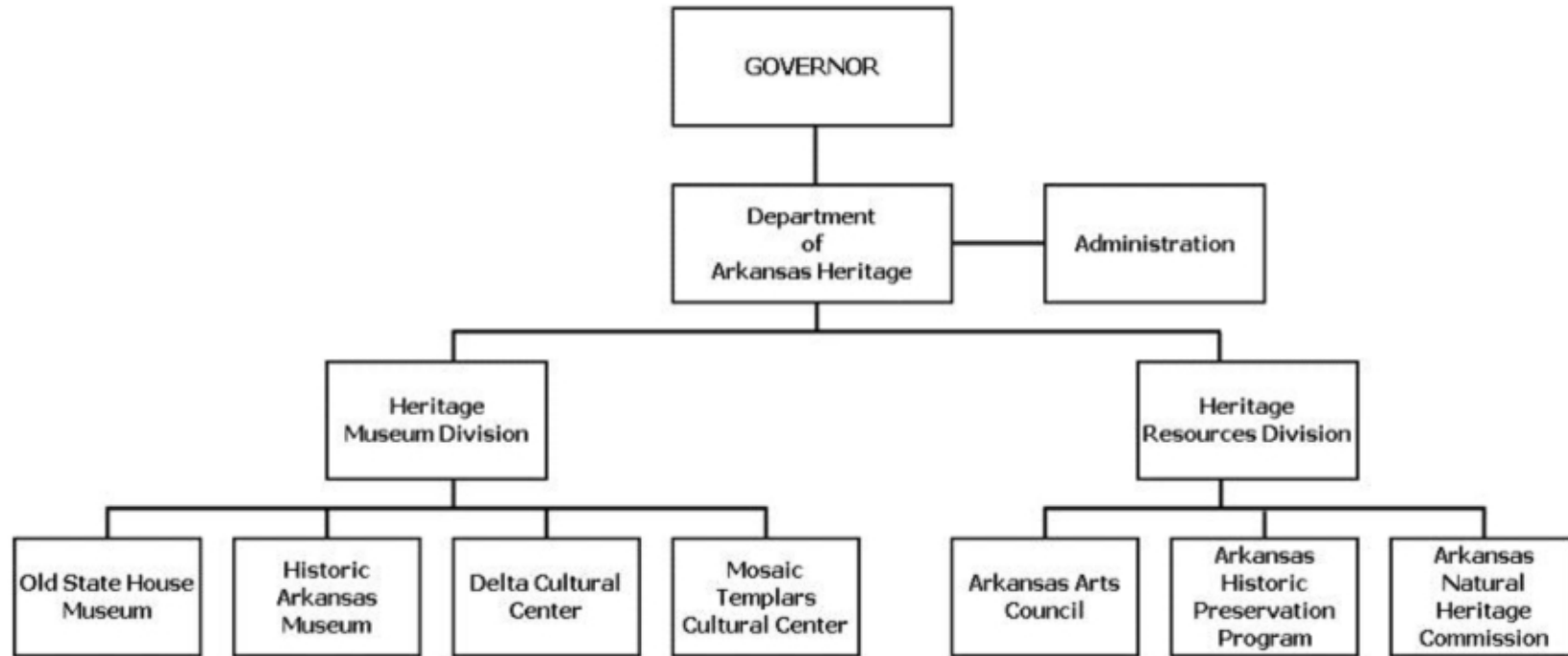
Brief Discussion of Statutory Responsibilities and Primary Activities:

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

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

Advisory Board or Commission:

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



Agency Commentary

See Agency Commentary in DAH - Central Administration.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	1	0	1	14 %
Black Employees	1	5	6	86 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			6	86 %
Total Employees			7	100 %

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
1220000	\$82,511	Checking	Centennial Bank/Little Rock

Statutory/Other Restrictions on use:

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

Statutory Provisions for Fees, Fines, Penalties:

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

Revenue Receipts Cycle:

Funds are deposited in bank account on a daily basis.

Fund Balance Utilization:

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

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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	708,850	7	726,061	8	728,263	8	739,806	8	954,980	12	875,456	10	739,806	8	954,980	12	875,456	10
1XX Mosaic Templars - Cash in Treasury	22,657	0	80,000	0	80,000	0	80,000	0	80,000	0	144,457	0	80,000	0	80,000	0	144,457	0
C17 Bank Charges Fund	2,354	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	733,861	7	811,121	8	813,323	8	824,866	8	1,040,040	12	1,024,973	10	824,866	8	1,040,040	12	1,024,973	10

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance 4000005	137,890	15.6	148,594	16.0			119,979	12.5	119,979	10.2	119,979	11.6	136,491	14.0	136,491	11.4	120,552	11.7
General Revenue 4000010	708,850	80.3	726,061	78.0			739,806	77.0	954,980	81.2	810,999	78.5	739,806	75.7	954,980	80.0	810,999	78.5
Cash Fund 4000045	35,715	4.0	56,445	6.1			101,572	10.6	101,572	8.6	101,572	9.8	101,572	10.4	101,572	8.5	101,572	9.8
Total Funds	882,455	100.0	931,100	100.0			961,357	100.0	1,176,531	100.0	1,032,550	100.0	977,869	100.0	1,193,043	100.0	1,033,123	100.0
Excess Appropriation/(Funding)	(148,594)		(119,979)				(136,491)		(136,491)		(7,577)		(153,003)		(153,003)		(8,150)	
Grand Total	733,861		811,121				824,866		1,040,040		1,024,973		824,866		1,040,040		1,024,973	

Variance in fund balance is due to unfunded appropriation in appropriations (1MT) Mosaic Templars - State Operations and (1XX) Mosaic Templars - Cash in Treasury.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
8	7	1	8	0	12.50 %	8	7	1	8	0	12.50 %	8	8	0	8	0	0.00 %

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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level Request includes appropriation and general revenue funding of \$739,806 each year with eight (8) Regular Positions and eight (8) Extra Help positions.

The Agency Change Level Request includes additional appropriation and general revenue funding of \$215,174 each year for the following:

- Regular Salaries and Personal Services Matching: Increase of \$146,897 for four (4) Regular positions, which include:
 - 1) P037C Museum Interpretive Specialist (grade C115) to increase the museum's visibility by giving tours, creating resource materials related to programs, assisting with special events and outreach programs.
 - 2) P047C Museum Registrar (grade C113) to assist in daily maintenance of the museum's collections including cataloging, condition reports and to maintain files.
 - 3) C056C Administrative Specialist III (grade C112) to provide administrative assistance to the museum director and to perform various receptionist duties.
 - 4) S065C Maintenance Assistant (grade C108) to provide support to the one full-time maintenance position responsible for overseeing all facilities and properties.

- Operating Expenses: Increase of \$64,457 to provide for basic operations, such as utilities, building and grounds maintenance and basic administrative costs.
- Conference & Travel Expenses: Increase of \$3,820 for staff development opportunities.

The Executive Recommendation provides for Base Level with the addition of the following:

- Two (2) positions with corresponding salary and match appropriation and funding.
 - 1) C056C Administrative Specialist III (grade C112)
 - 2) S065C Maintenance Assistant (grade C108)
- \$64,457 in Operating Expenses appropriation only.

Appropriation Summary

Appropriation: 1MT - Mosaic Templars - State Operations

Funding Sources: HRA - Arkansas Heritage Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	289,019	298,942	301,743	299,542	401,380	345,598	299,542	401,380	345,598
#Positions		7	8	8	8	12	10	8	12	10
Extra Help	5010001	59,955	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
#Extra Help		8	8	8	8	8	8	8	8	8
Personal Services Matching	5010003	102,372	118,237	102,593	131,382	176,441	152,699	131,382	176,441	152,699
Operating Expenses	5020002	231,462	221,782	233,827	221,782	286,239	286,239	221,782	286,239	286,239
Conference & Travel Expenses	5050009	1,010	5,000	5,000	5,000	8,820	8,820	5,000	8,820	8,820
Professional Fees	5060010	25,032	22,100	25,100	22,100	22,100	22,100	22,100	22,100	22,100
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		708,850	726,061	728,263	739,806	954,980	875,456	739,806	954,980	875,456
Funding Sources										
General Revenue	4000010	708,850	726,061		739,806	954,980	810,999	739,806	954,980	810,999
Total Funding		708,850	726,061		739,806	954,980	810,999	739,806	954,980	810,999
Excess Appropriation/(Funding)		0	0		0	0	64,457	0	0	64,457
Grand Total		708,850	726,061		739,806	954,980	875,456	739,806	954,980	875,456

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	739,806	8	739,806	100.0	739,806	8	739,806	100.0
C01	Existing Program	215,174	4	954,980	129.1	215,174	4	954,980	129.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	739,806	8	739,806	100.0	739,806	8	739,806	100.0
C01	Existing Program	135,650	2	875,456	118.3	135,650	2	875,456	118.3

Justification

C01	<p>The agency requests appropriation and funding for increases to cover basic operation expenses such as utilities, building and grounds maintenance, basic administrative costs (office supplies, postage, staff travel) and conference fees & travel for staff development opportunities. The staff cannot carry out the mission of the museum without adequate appropriation and funding for standard operating expenses. Position requests include: Maintenance Assistant - This position would provide much needed support to the limited maintenance staff. MTCC currently has only one full-time maintenance position who is on call 24 hours a day, 7 days a week to oversee the 33,000+ square-foot facility and adjacent properties. This new employee will clean bathrooms, vacuum carpets, wax floors, mow and weed eat the grounds, set up for special events, perform basic plumbing, electrical and other building equipment maintenance, and assist with building and public safety. The addition of this position will also manage the growing number of special events. Administrative Specialist III - An Administrative Specialist III is critical for the Mosaic Templars Cultural Center. Currently the museum has no one who operates in this capacity. There is no one to provide administrative assistance to the museum director, perform receptionist duties or transcribes board minutes; no one to maintain a filing system, generate correspondence, direct phone calls, or perform mailroom duties. This position would also serve as another employee who is familiar with and able to perform Arkansas Administrative State Information System AASIS functions, which is crucial to the museum due to limited staff. Museum Registrar - A full-time registrar is needed to assist in daily maintenance of the museum's collections by cataloging backlogged items in the collection, preparing condition reports, and maintaining database records, reconciling those records with Arkansas Administrative State Information System (AASIS), and support researcher inquiries about the collections. The addition of a registrar will allow the curator to focus on other duties such as planning future exhibits, soliciting donations & loans, working on updating policy, planning for accreditation, maintaining the emergency response plan, and researching new and emerging technologies & procedures of the field. Museum Interpretive Specialist- MTCC, which is charged with providing outreach and museum programming to the entire state, currently has one full-time person to complete this mission. This position would give tours, create resource materials related to programs, assist with museum special events and public programs, and perform outreach programs; and would develop and coordinate teacher workshops and assist in developing and implementing adult workshops, gallery talks and special events.</p>
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Analysis of Budget Request

Appropriation: 1XX - Mosaic Templars - Cash in Treasury

Funding Sources: NNH - Mosaic Templars Cash in Treasury

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

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

The Executive Recommendation provides for the Agency Request with an appropriation increase of \$64,457 in Operating Expenses. 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	8,079	20,000	20,000	20,000	20,000	84,457	20,000	20,000	84,457
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	2,500	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Resale (COGS)	5090017	12,078	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		22,657	80,000	80,000	80,000	80,000	144,457	80,000	80,000	144,457
Funding Sources										
Fund Balance	4000005	76,632	66,083		19,367	19,367	19,367	15,939	15,939	0
Cash Fund	4000045	12,108	33,284		76,572	76,572	76,572	76,572	76,572	76,572
Total Funding		88,740	99,367		95,939	95,939	95,939	92,511	92,511	76,572
Excess Appropriation/(Funding)		(66,083)	(19,367)		(15,939)	(15,939)	48,518	(12,511)	(12,511)	67,885
Grand Total		22,657	80,000		80,000	80,000	144,457	80,000	80,000	144,457

Change Level by Appropriation

Appropriation: 1XX - Mosaic Templars - Cash in Treasury
Funding Sources: NNH - Mosaic Templars Cash in Treasury

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	80,000	0	80,000	100.0	80,000	0	80,000	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	80,000	0	80,000	100.0	80,000	0	80,000	100.0
C19	Executive Changes	64,457	0	144,457	180.6	64,457	0	144,457	180.6

Justification

C19	The Executive Recommendation provides for an additional \$64,457 in Operating Expenses appropriation.
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Analysis of Budget Request

Appropriation: C17 - Bank Charges Fund

Funding Sources: 122 - Mosaic Templars Bank Charges

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

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

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

Appropriation Summary

Appropriation: C17 - Bank Charges Fund

Funding Sources: 122 - Mosaic Templars Bank Charges

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	2,354	5,060	5,060	5,060	5,060	5,060	5,060	5,060	5,060
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,354	5,060	5,060	5,060	5,060	5,060	5,060	5,060	5,060
Funding Sources										
Fund Balance	4000005	61,258	82,511		100,612	100,612	100,612	120,552	120,552	120,552
Cash Fund	4000045	23,607	23,161		25,000	25,000	25,000	25,000	25,000	25,000
Total Funding		84,865	105,672		125,612	125,612	125,612	145,552	145,552	145,552
Excess Appropriation/(Funding)		(82,511)	(100,612)		(120,552)	(120,552)	(120,552)	(140,492)	(140,492)	(140,492)
Grand Total		2,354	5,060		5,060	5,060	5,060	5,060	5,060	5,060

DAH - NATURAL HERITAGE COMMISSION

Enabling Laws

Act 233 of 2012
A.C.A. §15-20-301 et seq.

History and Organization

History and Organization

Agency Mission Statement:

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

Brief Discussion of Statutory Responsibilities and Primary Activities:

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

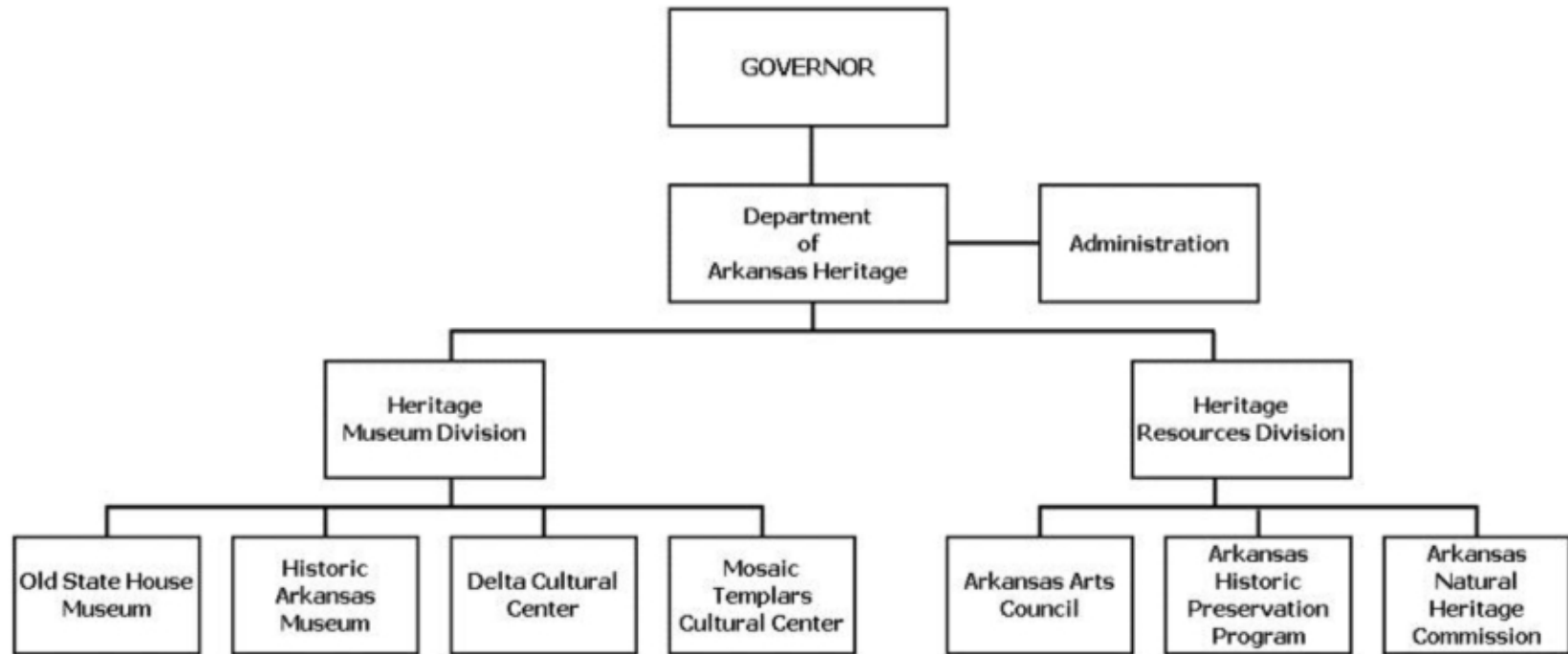
The Commission's staff is organized in four functional areas: Administration, Education and Information, Acquisitions and Stewardship, and Research and Inventory. Administration consists of the director, assistant director and two support positions. The Education and Information staff offers an outreach program that includes curriculum materials for teachers and in-class presentations. Public information initiatives, including presentations to interested organizations and individuals, have been enhanced by the development of a website directing visitors to a variety of levels of detailed information including videos of natural areas, pictures of special species, and downloadable resource materials.

The Land Acquisition staff participates in the determination of specific tracts of land for inclusion in the System of Natural Areas 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 70 individual areas in the System, totaling 58,083 acres. The Research and Inventory staff collects data from scientific field work, records information on rare species or unique habitats characteristic of Arkansas's natural heritage; 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 properties to be included in the System of Natural Areas.

The Commission utilizes the expertise of its staff to augment their functional responsibilities. Field specialties include: Ornithology (birds), Herpetology (amphibians and reptiles), Botany (plants), Zoology (animals), and Aquatics (fish and mussels). An invasive species specialist is identifying those non-native species that have been introduced to natural areas, and pose a threat to the sensitive ecosystems. Our Partnership Coordinator seeks out organizations to complement our efforts to protect significant tracts of land and for other collective conservation efforts. The Research staff performs ecological analysis to comply with the A-95 Environmental Review Process. Staff members serve on a number of multi-agency planning teams and committees, interfacing with The Nature Conservancy, U.S. Forest Service, National Park Service, U.S. Fish & Wildlife Service, Army Corps of Engineers, U.S. Natural Resources Conservation Service, Arkansas Game & Fish Commission, State Parks, Natural Resources Commission, Forestry Commission and others.

Advisory Board or Commission:

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



Agency Commentary

See Agency Commentary in DAH - Central Administration.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	7	5	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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	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	31,901	0	267,522	1	265,917	1	267,530	1	267,530	1	267,530	1	267,530	1	267,530	1	267,530	1
1AR Natural Area Research - Cash in Treasury	25,067	0	64,293	0	64,309	0	64,309	0	64,309	0	64,309	0	64,309	0	64,309	0	64,309	0
493 Natural Heritage - State Operations	2,567,432	11	1,139,739	11	2,737,394	11	1,142,677	11	1,025,498	11	1,025,498	11	1,143,651	11	1,028,076	11	1,028,076	11
494 Natural Heritage - Federal Program	1,789,932	2	2,055,366	2	2,222,181	2	2,055,626	2	2,103,905	3	2,103,905	3	2,055,626	2	2,103,905	3	2,103,905	3
693 Natural Heritage - Land Acquisition	350,000	0	800,000	0	800,000	0	800,000	0	1,200,000	0	1,200,000	0	800,000	0	1,200,000	0	1,200,000	0
Total	4,764,332	13	4,326,920	13	6,089,801	13	4,330,142	13	4,661,242	14	4,661,242	14	4,331,116	13	4,663,820	14	4,663,820	14

Funding Sources		%		%		%		%		%		%		%		%
Fund Balance	4000005	2,108,900	40.6	428,593	9.6		147,815	3.4	147,815	3.4	147,815	3.4	148,156	3.4	148,156	3.4
General Revenue	4000010	637,927	12.3	541,776	12.1		545,498	12.5	545,498	12.4	545,498	12.4	547,345	12.5	547,345	12.4
Federal Revenue	4000020	1,789,932	34.5	2,055,366	45.9		2,055,626	47.1	2,103,905	47.7	2,103,905	47.7	2,055,626	47.1	2,103,905	47.7
Cash Fund	4000045	17,479	0.3	277,000	6.2		332,180	7.6	332,180	7.5	332,180	7.5	332,180	7.6	332,180	7.5
Gas Lease Revenue	4000266	225,963	4.4	372,000	8.3		480,000	11.0	480,000	10.9	480,000	10.9	480,731	11.0	480,731	10.9
Inter-agency Fund Transfer	4000316	350,000	6.7	800,000	17.9		800,000	18.3	800,000	18.1	800,000	18.1	800,000	18.3	800,000	18.1
M & R Sales	4000340	62,724	1.2	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		5,192,925	100.0	4,474,735	100.0		4,361,119	100.0	4,409,398	100.0	4,409,398	100.0	4,364,038	100.0	4,412,317	100.0
Excess Appropriation/(Funding)		(428,593)		(147,815)			(30,977)		251,844		251,844		(32,922)		251,503	
Grand Total		4,764,332		4,326,920			4,330,142		4,661,242		4,661,242		4,331,116		4,663,820	

The FY13 Budget amount in the Natural Area Mgmt - Cash in Treasury appropriation exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

The Inter-agency Fund Transfer represents a transfer of Conservation Tax Funds from (0865) DAH - Central Administration for the (693) Land Acquisition Appropriation.

Variance in fund balance due to a reduction in Gas Lease appropriation in the (493) Natural Heritage - State Operations appropriation and appropriation in the (693) Natural Heritage - Land Acquisition appropriation.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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 interest income, donations, timber thins and grants. The Agency utilizes this appropriation to administer the Natural Area Management Program.

The Agency Base Level Request includes appropriation of \$267,530 each year with one (1) Regular position and four (4) Extra Help positions.

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	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	12,732	22,830	23,527	22,680	22,680	22,680	22,680	22,680	22,680
#Positions	0	1	1	1	1	1	1	1	1
Extra Help 5010001	0	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
#Extra Help	0	4	4	4	4	4	4	4	4
Personal Services Matching 5010003	3,864	10,018	7,716	10,176	10,176	10,176	10,176	10,176	10,176
Operating Expenses 5020002	15,305	83,622	83,622	83,622	83,622	83,622	83,622	83,622	83,622
Conference & Travel Expenses 5050009	0	2,500	2,500	2,500	2,500	2,500	2,500	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	0	0	0	0	0	0	0	0	0
Special Maintenance 5120032	0	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Land Acquisition 5900046	0	48,552	48,552	48,552	48,552	48,552	48,552	48,552	48,552
Total	31,901	267,522	265,917	267,530	267,530	267,530	267,530	267,530	267,530
Funding Sources									
Fund Balance 4000005	115,548	155,278		147,756	147,756	147,756	147,906	147,906	147,906
Cash Fund 4000045	8,907	260,000		267,680	267,680	267,680	267,680	267,680	267,680
M & R Sales 4000340	62,724	0		0	0	0	0	0	0
Total Funding	187,179	415,278		415,436	415,436	415,436	415,586	415,586	415,586
Excess Appropriation/(Funding)	(155,278)	(147,756)		(147,906)	(147,906)	(147,906)	(148,056)	(148,056)	(148,056)
Grand Total	31,901	267,522		267,530	267,530	267,530	267,530	267,530	267,530

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Analysis of Budget Request

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

Funding Sources: NNH - Natural Area Management Cash

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

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

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

Appropriation Summary

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

Funding Sources: NNH - Natural Area Management Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Extra Help	5010001	9,412	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650
#Extra Help		0	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	720	2,115	2,131	2,131	2,131	2,131	2,131	2,131	2,131
Operating Expenses	5020002	14,935	34,528	34,528	34,528	34,528	34,528	34,528	34,528	34,528
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		25,067	64,293	64,309	64,309	64,309	64,309	64,309	64,309	64,309
Funding Sources										
Fund Balance	4000005	63,847	47,352		59	59	59	250	250	250
Cash Fund	4000045	8,572	17,000		64,500	64,500	64,500	64,500	64,500	64,500
Total Funding		72,419	64,352		64,559	64,559	64,559	64,750	64,750	64,750
Excess Appropriation/(Funding)		(47,352)	(59)		(250)	(250)	(250)	(441)	(441)	(441)
Grand Total		25,067	64,293		64,309	64,309	64,309	64,309	64,309	64,309

Analysis of Budget Request

Appropriation: 493 - Natural Heritage - State Operations

Funding Sources: HRA - Arkansas Heritage Fund

The Natural Heritage Commission establishes 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 and Cove Creek Natural Area.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level Request includes appropriation of \$1,487,813 in FY14 and \$1,488,787 in FY15 and general revenue of \$545,498 in FY14 and \$547,345 in FY15 with 11 Regular positions.

The Agency Change Level Request includes the following:

- Operating Expenses: Increase of \$1,572 in FY14 and \$3,176 in FY15 to provide for an increase in office rent.
- Gas Royalty Expense: Decrease of \$118,751 each year to provide for an adjustment of appropriation to reflect estimated income from royalty payments for Natural Gas Leases administered by the Commissioner of State Lands Office.

The Executive Recommendation provides for the Agency Request.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	527,588	495,099	508,463	495,099	495,099	495,099	495,899	495,899	495,899
#Positions		11	11	11	11	11	11	11	11	11
Personal Services Matching	5010003	155,049	159,858	152,696	162,796	162,796	162,796	162,970	162,970	162,970
Operating Expenses	5020002	46,601	37,203	51,235	37,203	38,775	38,775	37,203	40,379	40,379
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	1,838,194	0	0	0	0	0	0	0	0
Gas Royalty Expenses	5900047	0	447,579	2,025,000	447,579	328,828	328,828	447,579	328,828	328,828
Total		2,567,432	1,139,739	2,737,394	1,142,677	1,025,498	1,025,498	1,143,651	1,028,076	1,028,076
Funding Sources										
Fund Balance	4000005	1,929,505	225,963		0	0	0	0	0	0
General Revenue	4000010	637,927	541,776		545,498	545,498	545,498	547,345	547,345	547,345
Gas Lease Revenue	4000266	225,963	372,000		480,000	480,000	480,000	480,731	480,731	480,731
Total Funding		2,793,395	1,139,739		1,025,498	1,025,498	1,025,498	1,028,076	1,028,076	1,028,076
Excess Appropriation/(Funding)		(225,963)	0		117,179	0	0	115,575	0	0
Grand Total		2,567,432	1,139,739		1,142,677	1,025,498	1,025,498	1,143,651	1,028,076	1,028,076

FY13 Budget amounts in Regular Salaries and/or Personal Services Matching exceed the authorized amount due to salary and matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,142,677	11	1,142,677	100.0	1,143,651	11	1,143,651	100.0
C01	Existing Program	1,572	0	1,144,249	100.1	3,176	0	1,146,827	100.3
C03	Discontinue Program	(118,751)	0	1,025,498	89.7	(118,751)	0	1,028,076	89.9

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,142,677	11	1,142,677	100.0	1,143,651	11	1,143,651	100.0
C01	Existing Program	1,572	0	1,144,249	100.1	3,176	0	1,146,827	100.3
C03	Discontinue Program	(118,751)	0	1,025,498	89.7	(118,751)	0	1,028,076	89.9

Justification

C01	This request reflects the anticipated increase for the agency's lease/rent of office space. ABA has indicated that there will probably be a 3% increase when the lease is renegotiated in March 2014.
C03	This request is a reduction in appropriation that is required as one-time signing bonus revenues were spent during the current biennium. The adjusted appropriation reflects estimated income from royalty payments for Natural Gas Leases administered by the Commissioner of State Lands Office.

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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level includes appropriation of \$2,055,626 each year with two (2) Regular positions and two (2) Extra Help position.

The Agency Change Level Request includes Regular Salaries and Personal Services Matching appropriation of \$48,279 to provide for one (1) D063C - Computer Support Specialist (grade C119) position. This position is needed to create, maintain and integrate enhancements to the commission's complex array of geospatial and rare species databases. The position will assume responsibility for the agency's information technology plan, provide technical support for staff and serve as the computer administrator for needed updates.

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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	83,425	67,203	91,811	67,053	102,607	102,607	67,053	102,607	102,607
#Positions		2	2	2	2	3	3	2	3	3
Extra Help	5010001	11,873	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
#Extra Help		1	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	26,758	23,259	29,299	23,669	36,394	36,394	23,669	36,394	36,394
Operating Expenses	5020002	5,249	102,740	133,821	102,740	102,740	102,740	102,740	102,740	102,740
Conference & Travel Expenses	5050009	612	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Special Maintenance	5120032	0	44,914	150,000	44,914	44,914	44,914	44,914	44,914	44,914
Land Acquisition	5900046	1,662,015	1,788,250	1,788,250	1,788,250	1,788,250	1,788,250	1,788,250	1,788,250	1,788,250
Total		1,789,932	2,055,366	2,222,181	2,055,626	2,103,905	2,103,905	2,055,626	2,103,905	2,103,905
Funding Sources										
Federal Revenue	4000020	1,789,932	2,055,366		2,055,626	2,103,905	2,103,905	2,055,626	2,103,905	2,103,905
Total Funding		1,789,932	2,055,366		2,055,626	2,103,905	2,103,905	2,055,626	2,103,905	2,103,905
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,789,932	2,055,366		2,055,626	2,103,905	2,103,905	2,055,626	2,103,905	2,103,905

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	2,055,626	2	2,055,626	100.0	2,055,626	2	2,055,626	100.0
C01	Existing Program	48,279	1	2,103,905	102.3	48,279	1	2,103,905	102.3

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	2,055,626	2	2,055,626	100.0	2,055,626	2	2,055,626	100.0
C01	Existing Program	48,279	1	2,103,905	102.3	48,279	1	2,103,905	102.3

Justification

C01	The agency is requesting a position as follows: Computer Support Specialist. To maximize efficiency and effectiveness, a computer support specialist is needed to create, maintain, and integrate enhancements to the commission's complex array of geospatial software applications and rare species databases. By consolidating administrative and technology duties in one position, the expertise to maximize the functionality and quality of all work products is gained. The computer support specialist will assume responsibility for the agency's information technology plan, provide technical support for staff, and serve as computer administrator for needed updates. This heightens functional efficiencies in other areas by allowing rare species biologists and natural area land stewards more time to focus on their primary specialties in the field.
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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).

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

The Agency Change Level Request includes additional unfunded appropriation of \$400,000 each year to provide for the use of state funding to attract federal grants to purchase strategic conservation lands throughout Arkansas.

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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Land Acquisition 5900046	350,000	800,000	800,000	800,000	1,200,000	1,200,000	800,000	1,200,000	1,200,000
Total	350,000	800,000	800,000	800,000	1,200,000	1,200,000	800,000	1,200,000	1,200,000
Funding Sources									
Inter-agency Fund Transfer 4000316	350,000	800,000		800,000	800,000	800,000	800,000	800,000	800,000
Total Funding	350,000	800,000		800,000	800,000	800,000	800,000	800,000	800,000
Excess Appropriation/(Funding)	0	0		0	400,000	400,000	0	400,000	400,000
Grand Total	350,000	800,000		800,000	1,200,000	1,200,000	800,000	1,200,000	1,200,000

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

Change Level by Appropriation

Appropriation: 693 - Natural Heritage - Land Acquisition
Funding Sources: SHF - Arkansas Department of Heritage

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	800,000	0	800,000	100.0	800,000	0	800,000	100.0
C01	Existing Program	400,000	0	1,200,000	150.0	400,000	0	1,200,000	150.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	800,000	0	800,000	100.0	800,000	0	800,000	100.0
C01	Existing Program	400,000	0	1,200,000	150.0	400,000	0	1,200,000	150.0

Justification

C01	As one-time state funding for land acquisition was exhausted during the 2011-2013 Biennium, the commission also faced lower grant awards from the Arkansas Natural and Cultural Resources Council. The ANHC uses state funding to attract federal grants to purchase strategic conservation lands throughout Arkansas. The net loss of state matching dollars will cause Arkansas and the commission a missed opportunity to bring in three-times that amount in federal grants. This request allows the Department of Arkansas Heritage Leadership some flexibility to deal with any number of potentialities.
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DAH - OLD STATE HOUSE COMMISSION

Enabling Laws

Act 233 of 2012
A.C.A. §13-7-201 et seq.

History and Organization

History and Organization

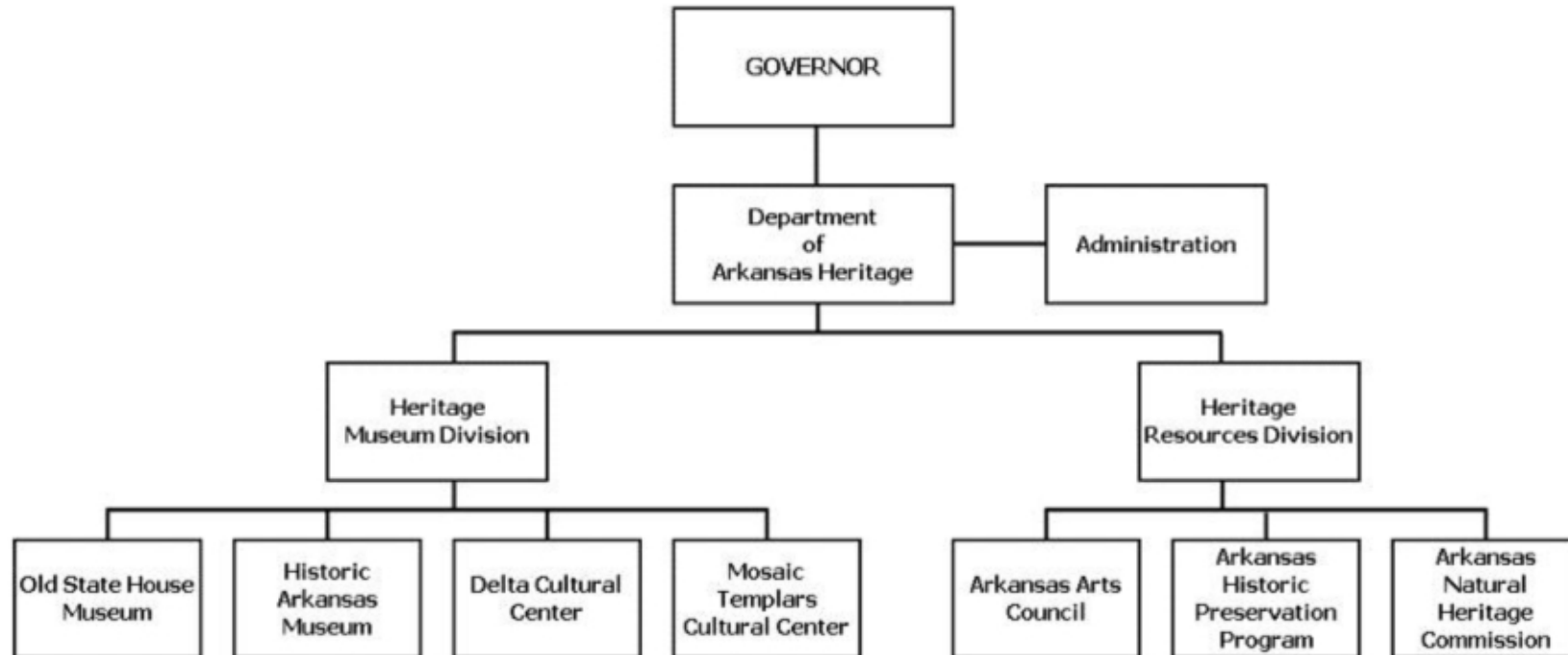
The Arkansas Commemorative Commission was created by Act 156 of 1947, which required restoration and management of historic sites and objects for the benefit of the public, and public educational services related to the historic holdings. The Commission restored the Old State House and opened it in 1951 as a museum of Arkansas history. Trapnall Hall was donated to the State in 1974. It is administered as the Governor's Reception Hall and is a rental facility. In 1975, 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 history. Special emphasis is given the period 1836-1911, the historic Old State House and Arkansas state government. Current exhibits include: Arkansas/Arkansaw: A State and its Reputation, Battle Colors of Arkansas featuring the museum's collection of Civil War battle flags and Pillars of Power that presents the history of the Old State House. 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, 2011

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	10	8	18	86 %
Black Employees	0	3	3	14 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			3	14 %
Total Employees			21	100 %

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
1010000	\$75,327	Checking	Metropolitan National Bank/Little Rock

Statutory/Other Restrictions on use:

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

Statutory Provisions for Fees, Fines, Penalties:

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

Revenue Receipts Cycle:

Funds are deposited in bank account on a daily basis.

Fund Balance Utilization:

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

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	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	53,702	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	1,366,854	22	1,321,508	22	1,368,525	22	1,327,811	22	1,347,811	22	1,337,811	22	1,328,664	22	1,348,664	22	1,338,664	22
C16 Old State House - Bank Charges Fund	3,939	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	1,424,495	22	1,531,181	22	1,578,210	22	1,537,496	22	1,557,496	22	1,547,496	22	1,538,349	22	1,558,349	22	1,548,349	22

Funding Sources		%		%		%		%		%		%		%		%		
Fund Balance 4000005	255,717	14.5	343,327	19.7			212,710	12.7	212,710	12.6	212,710	12.7	133,025	7.9	133,025	7.8	133,025	7.8
General Revenue 4000010	1,347,030	76.2	1,321,508	75.8			1,327,811	79.5	1,347,811	79.7	1,337,811	79.6	1,328,664	78.7	1,348,664	79.0	1,338,664	78.9
Cash Fund 4000045	145,251	8.2	79,056	4.5			130,000	7.8	130,000	7.7	130,000	7.7	225,863	13.4	225,863	13.2	225,863	13.3
DFA Motor Vehicle Acquisition 4000184	19,262	1.1	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	562	0.0	0	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds	1,767,822	100.0	1,743,891	100.0			1,670,521	100.0	1,690,521	100.0	1,680,521	100.0	1,687,552	100.0	1,707,552	100.0	1,697,552	100.0
Excess Appropriation/(Funding)	(343,327)		(212,710)				(133,025)		(133,025)		(133,025)		(149,203)		(149,203)		(149,203)	
Grand Total	1,424,495		1,531,181				1,537,496		1,557,496		1,547,496		1,538,349		1,558,349		1,548,349	

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	21	1	22	0	4.55 %	22	21	1	22	0	4.55 %

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 for 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 Base Level Request includes appropriation of \$204,625 each year with one (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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Extra Help	5010001	6,238	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	492	1,563	1,575	1,575	1,575	1,575	1,575	1,575	1,575
Operating Expenses	5020002	22,077	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	4,050	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	20,845	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		53,702	204,613	204,625	204,625	204,625	204,625	204,625	204,625	204,625
Funding Sources										
Fund Balance	4000005	185,794	268,000		113,387	113,387	113,387	8,762	8,762	8,762
Cash Fund	4000045	135,908	50,000		100,000	100,000	100,000	195,863	195,863	195,863
Total Funding		321,702	318,000		213,387	213,387	213,387	204,625	204,625	204,625
Excess Appropriation/(Funding)		(268,000)	(113,387)		(8,762)	(8,762)	(8,762)	0	0	0
Grand Total		53,702	204,613		204,625	204,625	204,625	204,625	204,625	204,625

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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Base Level Request includes appropriation and general revenue funding of \$1,327,811 in FY14 and \$1,328,664 in FY15 with 22 regular positions and one (1) extra help position.

The Agency Change Level Request includes additional appropriation and general revenue funding of \$20,000 each year for Operating Expenses. This request provides for basic utility costs.

The Executive Recommendation provides for the Agency Request with the exception of appropriation and general revenue funding of \$10,000 each year.

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	867,248	837,978	890,236	838,378	838,378	838,378	839,078	839,078	839,078
#Positions		22	22	22	22	22	22	22	22	22
Extra Help	5010001	54,826	54,902	54,902	54,902	54,902	54,902	54,902	54,902	54,902
#Extra Help		6	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	292,315	290,594	284,316	296,497	296,497	296,497	296,650	296,650	296,650
Operating Expenses	5020002	131,985	138,034	139,071	138,034	158,034	148,034	138,034	158,034	148,034
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	20,480	0	0	0	0	0	0	0	0
Total		1,366,854	1,321,508	1,368,525	1,327,811	1,347,811	1,337,811	1,328,664	1,348,664	1,338,664

Funding Sources										
General Revenue	4000010	1,347,030	1,321,508		1,327,811	1,347,811	1,337,811	1,328,664	1,348,664	1,338,664
DFA Motor Vehicle Acquisition	4000184	19,262	0		0	0	0	0	0	0
M & R Sales	4000340	562	0		0	0	0	0	0	0
Total Funding		1,366,854	1,321,508		1,327,811	1,347,811	1,337,811	1,328,664	1,348,664	1,338,664
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,366,854	1,321,508		1,327,811	1,347,811	1,337,811	1,328,664	1,348,664	1,338,664

FY13 Budget amounts in Personal Services Matching exceed the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,327,811	22	1,327,811	100.0	1,328,664	22	1,328,664	100.0
C01	Existing Program	20,000	0	1,347,811	101.5	20,000	0	1,348,664	101.5

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,327,811	22	1,327,811	100.0	1,328,664	22	1,328,664	100.0
C01	Existing Program	10,000	0	1,337,811	100.8	10,000	0	1,338,664	100.8

Justification

C01	Arkansas's Old State House is the oldest standing state capitol west of the Mississippi River. It is listed on the National Register of Historic Places and is designated a National Historic Landmark. Since 1992 the Old State House has been accredited by the American Association of Museums. In order to fulfill its mission mandated obligation to provide educational programming to a statewide constituency and to preserve the historic structure, increases in appropriation and funding for basic utility costs are essential.
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Analysis of Budget Request

Appropriation: C16 - Old State House - Bank Charges Fund

Funding Sources: 101 - Old State House Cash in Bank

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

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

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

Appropriation Summary

Appropriation: C16 - Old State House - Bank Charges Fund

Funding Sources: 101 - Old State House Cash in Bank

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,939	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		3,939	5,060	5,060	5,060	5,060	5,060	5,060	5,060	5,060
Funding Sources										
Fund Balance	4000005	69,923	75,327		99,323	99,323	99,323	124,263	124,263	124,263
Cash Fund	4000045	9,343	29,056		30,000	30,000	30,000	30,000	30,000	30,000
Total Funding		79,266	104,383		129,323	129,323	129,323	154,263	154,263	154,263
Excess Appropriation/(Funding)		(75,327)	(99,323)		(124,263)	(124,263)	(124,263)	(149,203)	(149,203)	(149,203)
Grand Total		3,939	5,060		5,060	5,060	5,060	5,060	5,060	5,060

DAH - NATURAL & CULTURAL RESOURCES COUNCIL

Enabling Laws

Act 233 of 2012
A.C.A. §15-12-101 et seq.

History and Organization

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, 2011

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

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

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2MZ NCRC--Administration	72,756	1	85,000	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	12,965,608	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	72,756	1	16,050,608	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	23,875,588	103.2	23,067,200	73.9	15,394,869	51.0	15,394,869	51.0	15,394,869	51.0	0	0.0	0	0.0	0	0.0	
Interest	4000300	70,178	0.3	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	(15,745,852)	(68.0)	(6,542,016)	(21.0)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Intra-agency Fund Transfer	4000317	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Other	4000370	701	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Real Estate Transfer Tax	4000403	14,995,988	64.8	14,700,000	47.1	14,800,000	49.0	14,800,000	49.0	14,800,000	49.0	14,800,000	100.0	14,800,000	100.0	14,800,000	100.0	
Service Charges	4000447	(56,647)	(0.2)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Total Funds		23,139,956	100.0	31,225,184	100.0	30,194,869	100.0	30,194,869	100.0	30,194,869	100.0	14,800,000	100.0	14,800,000	100.0	14,800,000	100.0	
Excess Appropriation/(Funding)		(23,067,200)		(15,174,576)		2,805,131		2,805,131		2,805,131		18,200,000		18,200,000		18,200,000		
Grand Total		72,756		16,050,608		33,000,000		33,000,000		33,000,000		33,000,000		33,000,000		33,000,000		

The FY13 Budget in the NCRC-Admin appropriation (2MZ) exceeds the Authorized amount due to a transfer from the Natural and Cultural Resources Council Grant Fund (480) by authority of A.C.A. § 15-12-103 (1).

The Inter-agency Fund Transfer amount in FY12 represents the amount of obligated funding distributed for FY12 grants and FY11 grant extensions in the NCRC-State Owned Lands or Historic Sites appropriation (480) as well as the transfer of Real Estate Transfer Tax Funding from the NCRC Main Street Program appropriation (481) to the Historic Preservation Program. The FY13 amount represents the portion of the FY13 beginning Fund Balance that is obligated for FY12 grant extensions (480).

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

Variance in fund balance due to unfunded appropriation in appropriations (480) and (481).

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
1	1	0	1	0	0.00 %	1	1	0	1	0	0.00 %	1	1	0	1	0	0.00 %

Analysis of Budget Request

Appropriation: 2MZ - NCRC--Administration

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

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

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

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

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. 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 Agency Base Level Request includes one (1) Regular position, a G180C Grants Analyst (grade C117).

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	52,370	49,526	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	13,807	17,008	0	0	0	0	0	0	0
Operating Expenses	5020002	6,579	18,466	0	0	0	0	0	0	0
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	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		72,756	85,000	0	0	0	0	0	0	0
Funding Sources										
Intra-agency Fund Transfer	4000317	72,756	85,000		0	0	0	0	0	0
Total Funding		72,756	85,000		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		72,756	85,000		0	0	0	0	0	0

FY13 Budget exceeds the Authorized due to a transfer from the Natural and Cultural Resources Council Grant Fund (480) by authority of A.C.A. § 15-12-103(1).

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

Analysis of Budget Request

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

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

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

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

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

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

The Executive Recommendation provides for the Agency Request.

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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	0	12,965,608	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total		0	12,965,608	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	22,821,812	21,987,493		15,394,869	15,394,869	15,394,869	0	0	0
Interest	4000300	65,833	0		0	0	0	0	0	0
Inter-agency Fund Transfer	4000316	(14,106,812)	(6,542,016)		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	(72,756)	(85,000)		0	0	0	0	0	0
Real Estate Transfer Tax	4000403	13,279,416	13,000,000		13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
Total Funding		21,987,493	28,360,477		28,394,869	28,394,869	28,394,869	13,000,000	13,000,000	13,000,000
Excess Appropriation/(Funding)		(21,987,493)	(15,394,869)		1,605,131	1,605,131	1,605,131	17,000,000	17,000,000	17,000,000
Grand Total		0	12,965,608		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000

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

The Inter-Agency Fund Transfer amount in FY12 represents the amount of obligated funding distributed for FY12 grants and FY11 grant extensions. The FY13 amount represents the portion of the FY13 beginning Fund Balance that is obligated for FY12 grant extensions.

The Intra-Agency Fund Transfer amount in FY12 and FY13 represents grant funding transferred to the NCRC Administration appropriation (Fund Center 2MZ).

The FY13 Budget has been adjusted to reflect the amount of FY13 Grant Awards approved by the Arkansas Natural and Cultural Resources Council (ANCRC).

Analysis of Budget Request

Appropriation: 481 - NCRC - Main Street Program

Funding Sources: TGP - Natural & Cultural Resources Historic Preservation

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

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

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

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

The Executive Recommendation provides 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	0	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total		0	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Funding Sources										
Fund Balance	4000005	1,053,776	1,079,707		0	0	0	0	0	0
Interest	4000300	4,345	0		0	0	0	0	0	0
Inter-agency Fund Transfer	4000316	(1,639,040)	0		0	0	0	0	0	0
Other	4000370	701	0		0	0	0	0	0	0
Real Estate Transfer Tax	4000403	1,716,572	1,700,000		1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Service Charges	4000447	(56,647)	0		0	0	0	0	0	0
Total Funding		1,079,707	2,779,707		1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Excess Appropriation/(Funding)		(1,079,707)	220,293		1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
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 FY12 reflects the transfer of appropriation and funding to DAH Historic Preservation - Real Estate Transfer Tax appropriation (Business Area 0877).

Other Funding consists of M&R Proceeds, Prior Year Outlawed Warrants and Prior Year Refund to Expenditures.

STATE MILITARY DEPARTMENT

Enabling Laws

Act 58 of the 2012, Fiscal Session
Article XI of the Arkansas State Constitution

History and Organization

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

On March 31, 1917, the Arkansas National Guard was first mobilized for service in World War I. The Guard also served in World War II as well as the Korean Conflict, the Berlin Crisis, and the Persian Gulf Desert Storm Operation. Currently the Arkansas Guard is involved in operations in Afghanistan and Iraq. The Guard was reorganized after World War II and the U.S. Government deeded Camp Robinson to the State of Arkansas. Act 121 of 1951 accepted the title to the Camp with improvements and appurtenances. In 1963, the Guard underwent 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 Arkansas National Guard comprises of two armed services; the Arkansas Air National Guard and the Arkansas Army National Guard. The Arkansas Air National Guard consists of two wings and four geographically separate units located at the Little Rock Air Base, Camp Robinson and Fort Smith. The Arkansas Army National Guard consists of four major subordinate commands, a joint force headquarters, a operational

brigade, a recruiting and retention command and a training institution. There are approximately 8,951 assigned military personnel in the Arkansas National Guard.

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

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

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

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

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

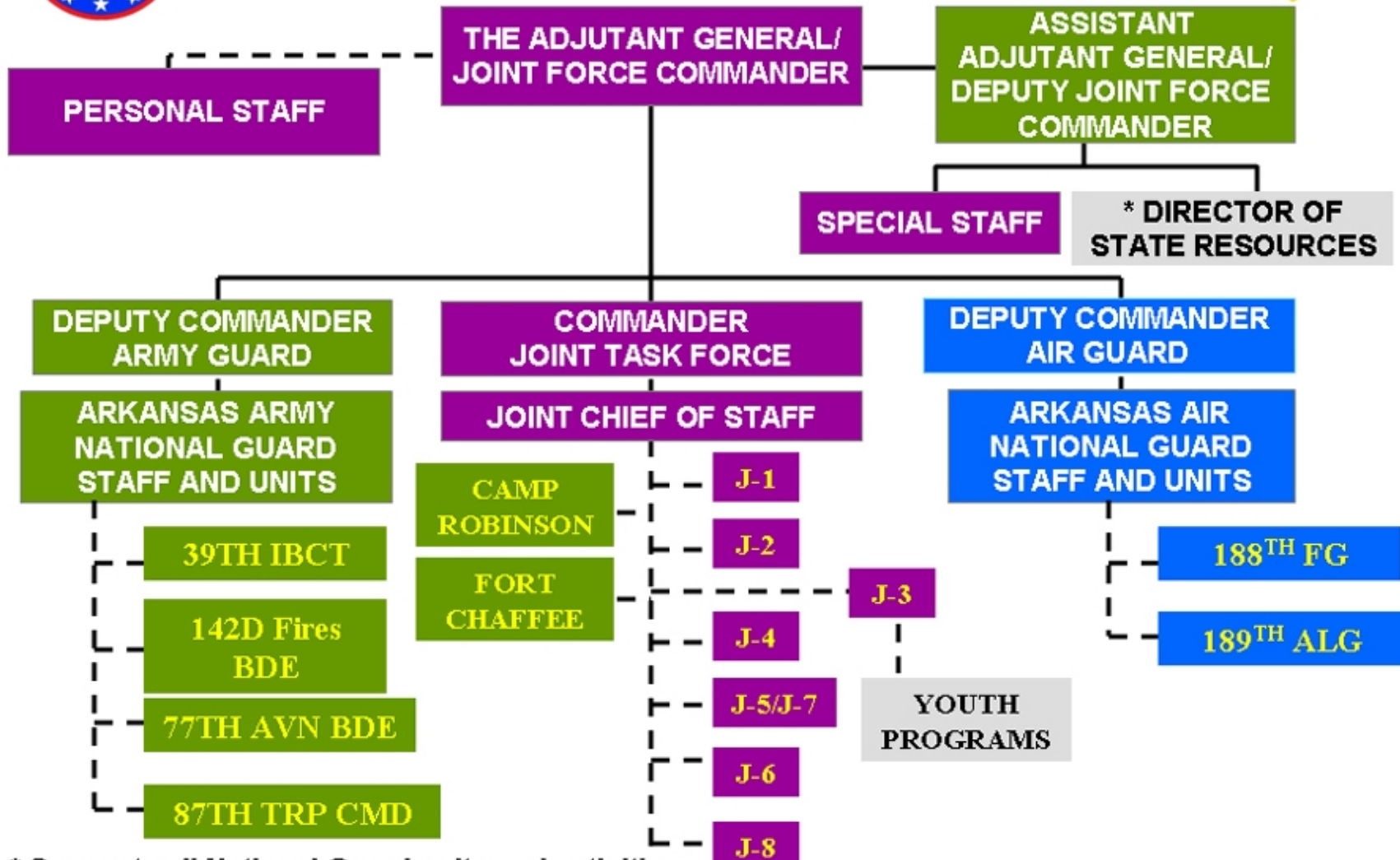
The National Guard Marksmanship Center located at Camp Robinson is supported from 100% federal funds and provides a structured marksmanship training program for individuals and teams from National Guard Units nationwide, including sponsoring the national Winston P. Wilson Marksmanship Matches conducted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

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

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



ARKANSAS MILITARY DEPARTMENT (JOINT FORCES HEADQUARTERS, ARKANSAS)



* Supports all National Guard units and activities

Agency Commentary

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

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's Appropriation Change Level requests total \$192,649 in the first year and \$192,787 in the second year:

- The Agency is requesting an increase of \$150,000 each year in the 266 - Civilian Student Training Program for building and grounds maintenance. The age of the building will require additional building and ground maintenance.
- Regular Salaries and Personal Services Matching increase in the amount of \$50,909 due to a request for one (1) new ARNG Youth Program Manager Position. The current structure and title is not working for the program. The program needs a higher level of authority.
- The Agency is requesting an additional \$9,688 in Extra Help and Personal Services Matching appropriations to assist area with personnel changes.
- The Agency is discontinuing one (1) position in the amount of (\$34,566) in order to assist with the request for the new position due to the program needing a higher level of authority.
- The Agency is requesting an increase on the amount of \$16,618 in the first year and \$16,756 in the second year due to a reclassification request to have the title of Army National Guard (ARNG) Security Officers vs. the Public Safety Security Officer. The differences between the two are vastly different and for Federal reimbursement the titles must fit the duties the Cooperative Funding Agreement (CFA) will pay for.

268 - General Operations

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

The Agency's Appropriation Change Level requests total a decrease of (\$192,649) the first year and (\$192,787) for the second year reflect the following:

- Capital Outlay in the amount of \$60,000 each year to purchase/replace police vehicles. The Government Services Administration (GSA) contract has changed and the federal government will no longer provide vehicles at no cost to the Agency.
- Regular Salaries and Personal Services Matching increase in the amount of \$58,158 due to a request for one (1) new Human Resource Manager Position. The program needs a higher level of authority.
- Special Maintenance increase request in the amount of \$14,525 in the first year and \$14,249 in the second year to meet growing needs of program.
- The Agency is discontinuing nine (9) positions in the amount of (\$327,928) in order to assist with the request for one (1) new Human Resource Manager position due to the program needing a higher level of authority.
- The Agency is requesting an increase in the amount of \$2,596 in the first year and \$2,734 in the second year due to reclassification request to accurately align positions with job duties.

269 - Military Call-Up and Court Martial

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

The Agency is not requesting any increases each year in the 269 - Military Call-Up and Court Martial.

270 - Federal Training Site

This appropriation provides Regular Salaries, Overtime, and Personal Services Matching costs for State positions funded 100% with federal funds to support operations of the Camp Robinson Federal Training Site.

The Agency's Change Level requests total \$2,252,776 the first year and \$2,253,218 in the second year in appropriation and reflect the following:

- Overtime and Personal Services Matching increase in the amount of \$246,380 each year to maintain fire fighter missions.
- Operating Expense increase of \$100,000 in 02 travels in order to attend and remain current with training needs.
- Conference and Travel Expenses increase of \$100,000 in 09 travels in order to attend and remain current with training needs.
- Regular Salaries and Personal Services Matching increases in the amount of \$2,068,390 each year for restoring of forty six (46) positions and the request for seven (7) new positions.
- The Agency is discontinuing nine (9) positions in the amount of (\$321,993) in order to assist with the request for fifty three (53) various changes.
- The Agency is requesting an increase in the amount of \$59,999 in the first year and \$60,441 in the second year due to reclassification request to accurately align positions with job duties.

275 - Federal Training Site Grant

This appropriation is used for operational costs of the 100% federally funded Camp Robinson Federal Training Site Grant Program.

The Agency requests Capital Outlay in the amount of \$3,000,000 in each year for replacement and/or purchase of equipment essential to the maintenance and operations of Camp Robinson.

34Y - Military Family Trust

This appropriation provides for direct financial assistance to families of deployed soldiers. The funding comes from taxpayer donations.

The Agency requests an increase of \$40,000 in both years to match fund balance.

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's Change Level requests total \$168,110 in both years:

- The Agency requests an increase of \$143,110 in both years to match fund balance.

- The Agency requests Capital Outlay in the amount of \$25,000 in each year for replacement and/or purchase of equipment essential to the maintenance and operations of Camp Robinson.

443 - Counter Drug Asset Forfeiture

The Agency assists in federal counter drug operations and receives a portion of the proceeds derived from the sale of seized assets. These funds must be used for law enforcement operations and training in accordance with the U.S. Department of Justice's Code.

The Agency is not requesting any increases each year in the 443 - Counter Drug Asset Forfeiture program.

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 is requesting an increase of \$53,423 both years to match fund balance.

556 - Federal Armory Assistance

This appropriation is used for operating costs of state armories, including State Area Command (STARC) armories. This program is 100% federally funded. The Agency is requesting to maintain Base Level each year.

The Agency is not requesting any increases each year in the 556 - Federal Armory Assistance.

575 - Fort Chaffee Training Site

This appropriation is 100% federally funded for the personal services and operational costs of the Fort Chaffee Training Site.

The Agency's Change Level requests total \$1,240,320 each year and reflect the following:

- Overtime and Personal Services Matching increases in the amount of \$246,380 each year to maintain operations at peak training cycles.
- Operating and Maintenance increase of \$100,000 each year for 02 travels in order to attend and remain current with training needs.
- Conference and Travel Expenses increase of \$100,000 each year for 09 travels in order to attend and remain current with training needs.
- Capital outlay in the amount of \$600,000 each year to purchase tractors and other equipment to maintain roads and training ranges.
- Regular Salaries and Personal Services Matching increases in the amount of \$225,328 each year for restoration of six (6) positions to meet program requirements.

- The Agency is discontinuing two (2) positions in the amount of (\$54,075) in order to assist with the request for the restoration of six (6) positions.
- The Agency is requesting an increase in the amount of \$22,687 each year due to reclassification request to accurately align positions with job duties.

576 - National Guard Museum

This appropriation receives general revenue from the Miscellaneous Agencies Fund for personal services and operational costs of the Arkansas National Guard Museum.

The Agency is not requesting any increases each year in the 576 - National Guard Museum.

577 - Arkansas National Guard Youth Challenge Program

This appropriation is funded by 75% Federal Reimbursements and 25% State match.

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.

The Agency's Change Level requests total \$419,339 each year and reflects the following:

- Regular Salaries and Personal Services Matching increases in the amount of \$409,425 each year for various personnel changes to more accurately align positions with job duties
- Extra Help and Personal Services Matching increases in the amount of \$7,627 each year to meet the changing needs of the program due to increased student load.
- The Agency is requesting an increase in the amount of \$2,287 each year due to reclassification requests to accurately align positions with job duties.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE MILITARY DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2010

Findings

The Agency did not maintain adequate controls over fixed assets. According to the State Financial Management Guide, the Agency is required to distinguish between items of equipment and consumable (expensed) items, to maintain a record of all property, and to properly dispose of property through Marketing and Redistribution. During our assessment of the Agency's fixed assets, we noted the following deficiencies:

- Of 30 equipment items selected for assessment, one item valued at \$31,738 could not be located.
- As the result of observing capital assets at selected armories, buildings, and land at Camp Robinson, we noted 23 items valued at \$267,797 that had been disposed of without proper approval of Marketing and Redistribution. These items included buildings and equipment.
- Identification tags had not been permanently affixed to any of the equipment items.

Without proper safeguards over fixed assets, the likelihood of misappropriation increases.

Recommendations

Implement proper controls to ensure that all fixed assets are properly accounted for and identified. In addition, performing periodic inventories of fixed assets will help ensure the continued existence of Agency assets.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	270	122	392	75 %
Black Employees	64	59	123	24 %
Other Racial Minorities	6	2	8	1 %
Total Minorities			131	25 %
Total Employees			523	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	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	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	3,076,535	57	3,322,929	62	3,388,803	62	3,345,859	62	3,538,508	62	3,521,890	62	3,349,199	62	3,541,986	62	3,525,230	62
268 General Operations	5,253,805	68	6,508,732	86	7,817,214	88	6,499,472	86	6,306,823	77	6,246,069	76	6,502,458	86	6,309,671	77	6,248,779	76
269 Military Call-up and Court Martial	168,911	0	2,003,000	0	2,003,000	0	2,003,000	0	2,003,000	0	2,003,000	0	2,003,000	0	2,003,000	0	2,003,000	0
270 Federal Training Site	16,623,354	359	17,590,553	362	20,865,404	473	17,570,613	362	19,823,389	406	19,544,312	402	17,587,277	362	19,840,495	406	19,560,976	402
275 Federal Training Site Grant	24,330,165	0	42,996,044	0	42,996,044	0	40,028,044	0	43,028,044	0	43,028,044	0	40,028,044	0	43,028,044	0	43,028,044	0
34Y Military Family Trust	3,000	0	83,000	0	83,000	0	83,000	0	123,000	0	123,000	0	83,000	0	123,000	0	123,000	0
393 Cash Operations	27,155	0	1,295,795	0	1,295,795	0	1,295,795	0	1,463,905	0	1,463,905	0	1,295,795	0	1,463,905	0	1,463,905	0
443 Counter Drug Asset Forfeiture	8,954	0	65,256	0	75,000	0	65,256	0	65,256	0	65,256	0	65,256	0	65,256	0	65,256	0
455 Military Support Revolving	0	0	500,000	0	500,000	0	500,000	0	553,423	0	553,423	0	500,000	0	553,423	0	553,423	0
556 Federal Armory Assistance	0	0	169,242	0	173,436	0	169,242	0	169,242	0	169,242	0	169,242	0	169,242	0	169,242	0
575 Fort Chaffee Training Site	8,417,508	66	17,391,586	73	17,710,134	84	17,113,012	73	18,353,332	78	18,330,645	78	17,115,991	73	18,356,311	78	18,333,624	78
576 National Guard Museum	92,446	1	89,093	1	93,633	1	89,333	1	89,333	1	89,333	1	89,333	1	89,333	1	89,333	1
577 AR National Guard Youth Challenge Program	2,632,793	46	2,593,750	44	3,361,301	53	2,605,774	44	3,025,113	54	3,025,113	54	2,607,267	44	3,026,606	54	3,026,606	54
Total	60,634,626	597	94,608,980	629	100,362,764	762	91,368,400	629	98,542,368	679	98,163,232	674	91,395,862	629	98,570,272	679	98,190,418	674

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	4,515,489	6.8	5,294,765	5.4		2,616,027	2.9	2,616,027	2.7	2,616,027	2.7	1,337,969	1.5	1,337,969	1.4	1,337,969	1.4
General Revenue	4000010	9,086,318	13.8	9,555,576	9.8		9,756,277	10.7	9,861,112	10.0	9,678,905	9.9	9,762,485	10.8	9,867,320	10.2	9,684,837	10.1
Federal Revenue	4000020	51,903,626	78.7	80,041,175	82.3		76,768,712	84.1	83,576,312	85.1	82,960,044	85.1	76,789,196	85.2	83,597,238	86.2	82,980,528	86.3
Cash Fund	4000045	198,310	0.3	170,000	0.2		170,000	0.2	170,000	0.2	170,000	0.2	170,000	0.2	170,000	0.2	170,000	0.2
Merit Adjustment Fund	4000055	3,383	0.0	140,491	0.1		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Budget Stabilization Trust	4000130	168,911	0.3	2,003,000	2.1		2,003,000	2.2	2,003,000	2.0	2,003,000	2.1	2,003,000	2.2	2,003,000	2.1	2,003,000	2.1
DFA Motor Vehicle Acquisition	4000184	16,290	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	20,269	0.0	20,000	0.0		20,000	0.0	20,000	0.0	20,000	0.0	20,000	0.0	20,000	0.0	20,000	0.0
M & R Sales	4000340	16,795	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		65,929,391	100.0	97,225,007	100.0		91,334,016	100.0	98,246,451	100.0	97,447,976	100.0	90,082,650	100.0	96,995,527	100.0	96,196,334	100.0
Excess Appropriation/(Funding)		(5,294,765)		(2,616,027)			34,384		295,917		715,256		1,313,212		1,574,745		1,994,084	
Grand Total		60,634,626		94,608,980			91,368,400		98,542,368		98,163,232		91,395,862		98,570,272		98,190,418	

Variances in fund balance due to unfunded appropriation in (34Y) Military Family Trust, (393) Cash Operations, (443) Counter Drug Asset Forfeiture, (455) Military Support Revolving, and (577) AR National Guard Youth Challenge Program.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
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	
759	555	80	635	124	26.88 %	762	522	107	629	133	31.50 %	762	524	105	629	133	31.23 %

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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level requests total \$192,649 in FY14 and \$192,787 in FY15 offset by a reallocation of general revenue from General Operations (FC268) and reflect the following:

- Regular Salaries and Personal Services Matching increases in the amount of \$32,961 in FY14 and \$33,099 in FY15 to cover the costs associated with the Agency's request for one (1) new position, discontinuation of one (1) position in order to fill the needs of the program and to assist with the agency request for new position, and reclassification of eleven (11) positions to more accurately reflect the work being performed.
- Extra Help and Personal Services Matching increases in the amount of \$9,688 each year to assist the program with meeting a lower staff to student ratio.
- Operating Expenses increase in the amount of \$150,000 each year for building and grounds maintenance.

The Executive Recommendation provides for the Agency Request, with the exception of the reclassification of eleven (11) positions.

Appropriation Summary

Appropriation: 266 - Civilian Student Training Program
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		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,741,577	1,913,267	2,001,306	1,919,743	1,946,104	1,933,010	1,922,447	1,948,808	1,935,714
#Positions	57	62	62	62	62	62	62	62	62
Extra Help 5010001	25,873	16,107	32,215	16,107	25,000	25,000	16,107	25,000	25,000
#Extra Help	3	3	3	3	3	3	3	3	3
Personal Services Matching 5010003	672,137	736,451	698,178	752,905	760,300	756,776	753,541	761,074	757,412
Operating Expenses 5020002	633,632	641,854	641,854	641,854	791,854	791,854	641,854	791,854	791,854
Conference & Travel Expenses 5050009	1,515	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250
Professional Fees 5060010	1,801	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	3,076,535	3,322,929	3,388,803	3,345,859	3,538,508	3,521,890	3,349,199	3,541,986	3,525,230
Funding Sources									
General Revenue 4000010	3,076,535	3,322,929		3,345,859	3,538,508	3,521,890	3,349,199	3,541,986	3,525,230
Total Funding	3,076,535	3,322,929		3,345,859	3,538,508	3,521,890	3,349,199	3,541,986	3,525,230
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,076,535	3,322,929		3,345,859	3,538,508	3,521,890	3,349,199	3,541,986	3,525,230

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

Appropriation: 266 - Civilian Student Training Program
Funding Sources: HMD State Military Department

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	3,345,859	62	3,345,859	100.0	3,349,199	62	3,349,199	100.0
C01	Existing Program	210,597	1	3,556,456	106.3	210,597	1	3,559,796	106.3
C03	Discontinue Program	(34,566)	(1)	3,521,890	105.3	(34,566)	(1)	3,525,230	105.3
C10	Reclass	16,618	0	3,538,508	105.8	16,756	0	3,541,986	105.8

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	3,345,859	62	3,345,859	100.0	3,349,199	62	3,349,199	100.0
C01	Existing Program	210,597	1	3,556,456	106.3	210,597	1	3,559,796	106.3
C03	Discontinue Program	(34,566)	(1)	3,521,890	105.3	(34,566)	(1)	3,525,230	105.3
C10	Reclass	0	0	3,521,890	105.3	0	0	3,525,230	105.3

Justification

C01	The Agency is requesting an increase of \$150,000 each year for the Civilian Student Training Program (CSTP) for building and grounds maintenance. The age of the building will require additional building and ground maintenance. Regular Salaries and Personal Services Matching increase in the amount of \$50,909 due to a request for 1 new ARNG Youth Program Manager Position to supervise the program Cadre. The Agency is requesting an additional \$9,688 in Extra Help and Personal Services Matching appropriation to assist program with meeting staff to student ratio. Agency is reducing appropriation requested in General Operations (FC268) to accommodate change level increase requests in this appropriation.
C03	The Agency is discontinuing one (1) position in the amount of (\$34,566) in order fill the needs of the program and to assist with the agency request for the new position ARNG Youth Program Manager.
C10	The Agency is requesting an increase on the amount of \$16,618 in FY14 and \$16,756 in FY15 due to a reclassification request to have the title of Army National Guard (ARNG) Security Officers vs. the Public Safety Security Officer. The differences between the two are vastly different and will meet the needs of the program.

Analysis of Budget Request

Appropriation: 268 - General Operations

Funding Sources: HMD State Military Department

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

For several years the Agency, through the Cooperative Agreement with the National Guard Bureau, has received federal reimbursement for expenditures from this appropriation. These funds were deposited into the Special Military Fund and used to supplement general revenue for operations of the Agency. The Cooperative Agreement was amended and beginning in Federal FY11 the Agency no longer receives federal reimbursement for expenditures from this appropriation. Therefore, the Agency will be funded from general revenue, and the balance of the Special Military Fund only until such time that the fund depleted.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

The Agency's Change Level requests total (\$192,649) in FY14 and (\$192,787) in FY15 and reflect the following:

- Regular Salaries and Personal Services Matching decrease of (\$267,174) in FY14 and (\$267,036) in FY15 due to the discontinuation of nine (9) positions, a request for one (1) new position, and reclassification of four (4) positions.
- Capital Outlay of \$60,000 each year to purchase/replace police vehicles. The Government Services Administration (GSA) contract has changed and the federal government will no longer provide vehicles at no cost to the Agency. Under the new contract, the Agency will be required to pay one-half of the purchase or lease price of the vehicle.
- Special Maintenance increase in the amount of \$14,525 in FY14 and \$14,249 in FY15 to meet the growing needs of the program.
- General revenue reallocation of \$192,649 in FY14 and \$192,787 in FY15 to Civilian Student Training Program (FC266).

The Executive Recommendation provides for the Agency Request, with the exception of the one (1) new position and reclassification of one (1) position.

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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,215,399	2,790,215	3,828,833	2,797,789	2,614,349	2,569,212	2,800,176	2,616,736	2,571,599
#Positions		68	86	88	86	77	76	86	77	76
Extra Help	5010001	42,952	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
#Extra Help		4	9	9	9	9	9	9	9	9
Personal Services Matching	5010003	794,726	1,055,817	1,325,681	1,078,983	995,249	979,632	1,079,582	995,986	980,231
Overtime	5010006	117	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Operating Expenses	5020002	2,046,595	2,525,000	2,525,000	2,525,000	2,525,000	2,525,000	2,525,000	2,525,000	2,525,000
Conference & Travel Expenses	5050009	8,782	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees	5060010	513	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	128,721	40,000	40,000	0	60,000	60,000	0	60,000	60,000
Special Maintenance	5120032	15,000	15,000	15,000	15,000	29,525	29,525	15,000	29,249	29,249
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		5,253,805	6,508,732	7,817,214	6,499,472	6,306,823	6,246,069	6,502,458	6,309,671	6,248,779
Funding Sources										
Fund Balance	4000005	2,559,210	3,159,016		2,234,329	2,234,329	2,234,329	1,337,969	1,337,969	1,337,969
General Revenue	4000010	5,220,720	5,443,554		5,603,112	5,410,463	5,349,709	5,605,328	5,412,541	5,351,649
Federal Revenue	4000020	599,806	0		0	0	0	0	0	0
Merit Adjustment Fund	4000055	0	140,491		0	0	0	0	0	0
DFA Motor Vehicle Acquisition	4000184	16,290	0		0	0	0	0	0	0
M & R Sales	4000340	16,795	0		0	0	0	0	0	0
Total Funding		8,412,821	8,743,061		7,837,441	7,644,792	7,584,038	6,943,297	6,750,510	6,689,618
Excess Appropriation/(Funding)		(3,159,016)	(2,234,329)		(1,337,969)	(1,337,969)	(1,337,969)	(440,839)	(440,839)	(440,839)
Grand Total		5,253,805	6,508,732		6,499,472	6,306,823	6,246,069	6,502,458	6,309,671	6,248,779

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	6,499,472	86	6,499,472	100.0	6,502,458	86	6,502,458	100.0
C01	Existing Program	132,683	1	6,632,155	102.0	132,407	1	6,634,865	102.0
C03	Discontinue Program	(327,928)	(9)	6,304,227	97.0	(327,928)	(9)	6,306,937	97.0
C10	Reclass	2,596	0	6,306,823	97.0	2,734	0	6,309,671	97.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	6,499,472	86	6,499,472	100.0	6,502,458	86	6,502,458	100.0
C01	Existing Program	74,525	0	6,573,997	101.1	74,249	0	6,576,707	101.1
C03	Discontinue Program	(327,928)	(9)	6,246,069	96.1	(327,928)	(9)	6,248,779	96.1
C10	Reclass	0	0	6,246,069	96.1	0	0	6,248,779	96.1

Justification

C01	Capital Outlay in the amount of \$60,000 each year to purchase/replace police vehicles. The Government Services Administration (GSA) contract has changed and the federal government will no longer provide vehicles at no cost to the Agency. Regular Salaries and Personal Services Matching increase in the amount of \$58,158 due to a request for 1 new Human Resource Manager Position. The program needs a higher level of authority. Special Maintenance increase request in the amount of \$14,525 in FY14 and \$14,249 in FY15 in order to meet growing needs of the program.
C03	The Agency is discontinuing 9 positions in the amount of \$327,928 in order to assist with the request for the 1 new position of Human Resource Manager due to the Directorate of State Resources (DSR) needing a higher level of authority in personnel management. Agency is requesting a reduction in this appropriation to reallocate resources to Civilian Student Training Program (FC266) of \$192,649 in FY14 and \$192,787 in FY15.
C10	The Agency is requesting an increase in the amount of \$2,596 in FY14 and \$2,734 in FY15 due to reclassification request to accurately align positions with job duties.

Analysis of Budget Request

Appropriation: 269 - Military Call-up and Court Martial

Funding Sources: HMD State Military Department

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

The Agency is requesting Base Level for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 269 - Military Call-up and Court Martial

Funding Sources: HMD State Military Department

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Emergency Call Up	5900046	168,911	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Court Martial Expenses	5900047	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total		168,911	2,003,000	2,003,000	2,003,000	2,003,000	2,003,000	2,003,000	2,003,000	2,003,000
Funding Sources										
Budget Stabilization Trust	4000130	168,911	2,003,000		2,003,000	2,003,000	2,003,000	2,003,000	2,003,000	2,003,000
Total Funding		168,911	2,003,000		2,003,000	2,003,000	2,003,000	2,003,000	2,003,000	2,003,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		168,911	2,003,000		2,003,000	2,003,000	2,003,000	2,003,000	2,003,000	2,003,000

Analysis of Budget Request

Appropriation: 270 - Federal Training Site

Funding Sources: FMF State Military Federal

This appropriation provides Regular Salaries, Overtime, and Personal Services Matching costs for state positions funded 100% with federal funds to support operations of the Camp Robinson Federal Training Site.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level requests total \$2,252,776 in FY14 and \$2,253,218 in FY15 and reflect the following:

- Regular Salaries and Personal Services Matching increases of \$1,806,396 in FY14 and \$1,806,838 in FY15 to cover costs associated with the Agency's request for seven (7) new positions, restoration of forty six (46) authorized positions, discontinuation of nine (9) positions and reclassification of thirty six (36) positions to more accurately reflect work performed.
- Overtime and Personal Services Matching increases of \$246,380 each year to maintain increased firefighter missions.
- Operating Expenses increase of \$100,000 each year for training expenses.
- Conference & Travel Expenses increase of \$100,000 each year for training.

The Executive Recommendation provides for the Agency Request with the exception of the following:

- Four (4) new positions consisting of two (2) Conservation Program Managers and two (2) Budget Analysts.
- Reclassification of twenty eight (28) positions.

The Executive Recommendation also provides for title changes on three (3) positions to more accurately reflect work being performed.

Appropriation Summary

Appropriation: 270 - Federal Training Site

Funding Sources: FMF State Military Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	10,969,413	11,010,619	13,736,639	11,044,712	12,334,313	12,125,128	11,058,130	12,347,731	12,138,546
#Positions		359	362	473	362	406	402	362	406	402
Extra Help	5010001	778,067	1,494,653	1,524,908	1,494,653	1,494,653	1,494,653	1,494,653	1,494,653	1,494,653
#Extra Help		66	87	87	87	87	87	87	87	87
Personal Services Matching	5010003	4,512,998	4,487,281	5,155,857	4,583,248	5,146,423	5,076,531	4,586,494	5,150,111	5,079,777
Overtime	5010006	362,876	598,000	448,000	448,000	648,000	648,000	448,000	648,000	648,000
Operating Expenses	5020002	0	0	0	0	100,000	100,000	0	100,000	100,000
Conference & Travel Expenses	5050009	0	0	0	0	100,000	100,000	0	100,000	100,000
Total		16,623,354	17,590,553	20,865,404	17,570,613	19,823,389	19,544,312	17,587,277	19,840,495	19,560,976
Funding Sources										
Federal Revenue	4000020	16,623,354	17,590,553		17,570,613	19,823,389	19,544,312	17,587,277	19,840,495	19,560,976
Total Funding		16,623,354	17,590,553		17,570,613	19,823,389	19,544,312	17,587,277	19,840,495	19,560,976
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		16,623,354	17,590,553		17,570,613	19,823,389	19,544,312	17,587,277	19,840,495	19,560,976

Budget exceeds Authorized Appropriation in Overtime due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

Appropriation: 270 - Federal Training Site
Funding Sources: FMF State Military Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	17,570,613	362	17,570,613	100.0	17,587,277	362	17,587,277	100.0
C01	Existing Program	2,514,770	53	20,085,383	114.3	2,514,770	53	20,102,047	114.3
C03	Discontinue Program	(321,993)	(9)	19,763,390	112.5	(321,993)	(9)	19,780,054	112.5
C10	Reclass	59,999	0	19,823,389	112.8	60,441	0	19,840,495	112.8

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	17,570,613	362	17,570,613	100.0	17,587,277	362	17,587,277	100.0
C01	Existing Program	2,295,692	49	19,866,305	113.1	2,295,692	49	19,882,969	113.1
C03	Discontinue Program	(321,993)	(9)	19,544,312	111.2	(321,993)	(9)	19,560,976	111.2
C10	Reclass	0	0	19,544,312	111.2	0	0	19,560,976	111.2
C14	Title Change	0	0	19,544,312	111.2	0	0	19,560,976	111.2

Justification

C01	The Agency is requesting an increase in Overtime and Personal Services Matching of \$246,380 in each year to maintain firefighter missions; Operating Expenses increase of \$100,000 annually and \$100,000 annually in Conference & Travel Expenses for training. Regular Salaries and Personal Services Matching increase in the amount of \$2,068,390 due to a request for 7 new positions and restoring 46 positions. This fund is 100% reimbursed by the Federal Government thru the Cooperative Funding Agreement (CFA).
C03	The Agency is discontinuing 9 positions in the amount of (\$321,993) in order to assist with the request for the personnel changes due to restoring 46 positions and adding 7 new positions of different titles in order to accurately reflect duties being performed because of changed Federal requirements.
C10	The Agency is requesting an increase in the amount of \$59,999 in FY14 and \$60,441 in FY15 due to reclassification request to accurately align positions with job duties to meet new Federal requirements.
C14	The Executive Recommendation provides for title changes on three (3) positions to more accurately reflect the work being performed.

Analysis of Budget Request

Appropriation: 275 - Federal Training Site Grant

Funding Sources: FMF State Military Federal

The State Military Department's appropriation for operational costs of the Camp Robinson Federal Training Site Grant Program is 100% federally funded.

The Agency's Change Level request provides for Capital Outlay appropriation of \$3,000,000 each year of the biennium for replacement and/or purchase of equipment essential to the maintenance and operations of Camp Robinson.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 275 - Federal Training Site Grant

Funding Sources: FMF State Military Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	21,638,010	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999	33,541,999
Conference & Travel Expenses	5050009	99,663	362,945	362,945	362,945	362,945	362,945	362,945	362,945	362,945
Professional Fees	5060010	1,846,089	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100	6,123,100
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	746,403	2,968,000	2,968,000	0	3,000,000	3,000,000	0	3,000,000	3,000,000
Total		24,330,165	42,996,044	42,996,044	40,028,044	43,028,044	43,028,044	40,028,044	43,028,044	43,028,044
Funding Sources										
Federal Revenue	4000020	24,330,165	42,996,044		40,028,044	43,028,044	43,028,044	40,028,044	43,028,044	43,028,044
Total Funding		24,330,165	42,996,044		40,028,044	43,028,044	43,028,044	40,028,044	43,028,044	43,028,044
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		24,330,165	42,996,044		40,028,044	43,028,044	43,028,044	40,028,044	43,028,044	43,028,044

Change Level by Appropriation

Appropriation: 275 - Federal Training Site Grant
Funding Sources: FMF State Military Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	40,028,044	0	40,028,044	100.0	40,028,044	0	40,028,044	100.0
C01	Existing Program	3,000,000	0	43,028,044	107.5	3,000,000	0	43,028,044	107.5

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	40,028,044	0	40,028,044	100.0	40,028,044	0	40,028,044	100.0
C01	Existing Program	3,000,000	0	43,028,044	107.5	3,000,000	0	43,028,044	107.5

Justification

C01	The Agency requests Capital Outlay in the amount of \$3,000,000 in each year for replacement and/or purchase of equipment essential to the maintenance and operations of Camp Robinson.
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Analysis of Budget Request

Appropriation: 34Y - Military Family Trust

Funding Sources: TFM Military Family Relief Trust

This appropriation is for direct financial assistance for families of deployed soldiers. Funding comes from taxpayer donations.

The Agency's Change Level request provides for an Operating Expenses increase \$40,000 each year of the biennium to provide additional financial assistance to families of deployed soldiers.

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

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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,000	83,000	83,000	83,000	123,000	123,000	83,000	123,000	123,000
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		3,000	83,000	83,000	83,000	123,000	123,000	83,000	123,000	123,000
Funding Sources										
Fund Balance	4000005	104,787	122,056		59,056	59,056	59,056	0	0	0
Income Tax Donations	4000283	20,269	20,000		20,000	20,000	20,000	20,000	20,000	20,000
Total Funding		125,056	142,056		79,056	79,056	79,056	20,000	20,000	20,000
Excess Appropriation/(Funding)		(122,056)	(59,056)		3,944	43,944	43,944	63,000	103,000	103,000
Grand Total		3,000	83,000		83,000	123,000	123,000	83,000	123,000	123,000

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	83,000	0	83,000	100.0	83,000	0	83,000	100.0
C01	Existing Program	40,000	0	123,000	148.2	40,000	0	123,000	148.2

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	83,000	0	83,000	100.0	83,000	0	83,000	100.0
C01	Existing Program	40,000	0	123,000	148.2	40,000	0	123,000	148.2

Justification

C01	The Agency's Change Level requests total \$40,000 for both years in appropriation for direct financial assistance for families of deployed soldiers.
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Analysis of Budget Request

Appropriation: 393 - Cash Operations

Funding Sources: NMD Military Oprs Cash in Treasury

This appropriation is for operating expenses of the State Military Department and 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 \$168,110 each year of the biennium and reflect the following:

- Operating Expenses of \$143,110 each year of the biennium due to increased costs in building and grounds maintenance.
- Capital Outlay of \$25,000 each year of the biennium for replacement and/or purchase of equipment essential to the maintenance and operations of Camp Robinson.

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			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	27,090	1,288,295	1,288,295	1,288,295	1,431,405	1,431,405	1,288,295	1,431,405	1,431,405
Conference & Travel Expenses 5050009	65	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	0	0	0	0	25,000	25,000	0	25,000	25,000
Total	27,155	1,295,795	1,295,795	1,295,795	1,463,905	1,463,905	1,295,795	1,463,905	1,463,905
Funding Sources									
Fund Balance 4000005	1,255,691	1,405,287		259,492	259,492	259,492	0	0	0
Cash Fund 4000045	176,751	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding	1,432,442	1,555,287		409,492	409,492	409,492	150,000	150,000	150,000
Excess Appropriation/(Funding)	(1,405,287)	(259,492)		886,303	1,054,413	1,054,413	1,145,795	1,313,905	1,313,905
Grand Total	27,155	1,295,795		1,295,795	1,463,905	1,463,905	1,295,795	1,463,905	1,463,905

Change Level by Appropriation

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

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,295,795	0	1,295,795	100.0	1,295,795	0	1,295,795	100.0
C01	Existing Program	168,110	0	1,463,905	113.0	168,110	0	1,463,905	113.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	1,295,795	0	1,295,795	100.0	1,295,795	0	1,295,795	100.0
C01	Existing Program	168,110	0	1,463,905	113.0	168,110	0	1,463,905	113.0

Justification

C01	The Agency requests an increase in Operating Expenses of \$143,110 in both years due to increase cost in building and grounds maintenance; Capital Outlay in the amount of \$25,000 in each year for replacement and/or purchase of equipment essential to the maintenance and operations of Camp Robinson.
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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 Base Level for each year of the biennium.

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

Appropriation Summary

Appropriation: 443 - Counter Drug Asset Forfeiture

Funding Sources: NMD Counter Drug Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Counter Drug Asset Forfeiture 5900046	8,954	65,256	75,000	65,256	65,256	65,256	65,256	65,256	65,256
Total	8,954	65,256	75,000	65,256	65,256	65,256	65,256	65,256	65,256
Funding Sources									
Fund Balance 4000005	42,378	54,983		9,727	9,727	9,727	0	0	0
Cash Fund 4000045	21,559	20,000		20,000	20,000	20,000	20,000	20,000	20,000
Total Funding	63,937	74,983		29,727	29,727	29,727	20,000	20,000	20,000
Excess Appropriation/(Funding)	(54,983)	(9,727)		35,529	35,529	35,529	45,256	45,256	45,256
Grand Total	8,954	65,256		65,256	65,256	65,256	65,256	65,256	65,256

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's Change Level request is for an increase of \$53,423 each year of the biennium to support military training activities and for the national earthquake exercise.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 455 - Military Support Revolving
Funding Sources: MSR Military Support Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Non-Emergency Call-Up Expense 5900046	0	500,000	500,000	500,000	553,423	553,423	500,000	553,423	553,423
Total	0	500,000	500,000	500,000	553,423	553,423	500,000	553,423	553,423
Funding Sources									
Fund Balance 4000005	553,423	553,423		53,423	53,423	53,423	0	0	0
Total Funding	553,423	553,423		53,423	53,423	53,423	0	0	0
Excess Appropriation/(Funding)	(553,423)	(53,423)		446,577	500,000	500,000	500,000	553,423	553,423
Grand Total	0	500,000		500,000	553,423	553,423	500,000	553,423	553,423

Change Level by Appropriation

Appropriation: 455 - Military Support Revolving
Funding Sources: MSR Military Support Revolving Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	500,000	0	500,000	100.0	500,000	0	500,000	100.0
C01	Existing Program	53,423	0	553,423	110.7	53,423	0	553,423	110.7

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	500,000	0	500,000	100.0	500,000	0	500,000	100.0
C01	Existing Program	53,423	0	553,423	110.7	53,423	0	553,423	110.7

Justification

C01	The Agency is requesting an increase of \$53,423 both years to support military training activities and for the national earthquake exercise.
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Analysis of Budget Request

Appropriation: 556 - Federal Armory Assistance

Funding Sources: FMF State Military Federal

This appropriation is used for operating costs of state armories, including State Area Command (STARC) armories. This program is 100% federally funded.

The Agency is requesting Base Level for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 556 - Federal Armory Assistance

Funding Sources: FMF State Military Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	144,242	148,436	144,242	144,242	144,242	144,242	144,242	144,242
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	169,242	173,436	169,242	169,242	169,242	169,242	169,242	169,242
Funding Sources										
Federal Revenue	4000020	0	169,242		169,242	169,242	169,242	169,242	169,242	169,242
Total Funding		0	169,242		169,242	169,242	169,242	169,242	169,242	169,242
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	169,242		169,242	169,242	169,242	169,242	169,242	169,242

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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level requests total \$1,240,320 each year of the biennium and reflect the following:

- Regular Salaries and Personal Services Matching increases of \$193,940 each year of the biennium to cover the costs associated with the Agency's request to restore six (6) authorized positions, reclassify thirteen (13) positions to more accurately reflect the work being performed, and discontinue two (2) positions.
- Overtime and Personal Services Matching increase of \$246,380 each year of the biennium to maintain operations at peak training cycles.
- Operating Expenses increase of \$100,000 each year of the biennium for training expenses.
- Conference & Travel Expenses increase of \$100,000 each year of the biennium for training.
- Capital Outlay of \$600,000 each year of the biennium to purchase tractors and other equipment to maintain roads and training ranges.

The Executive Recommendation provides for the Agency Request with the exception of the reclassification of thirteen (13) 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		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,976,577	2,126,921	2,395,563	2,129,874	2,269,321	2,250,916	2,132,281	2,271,728	2,253,323
#Positions		66	73	84	73	78	78	73	78	78
Extra Help	5010001	130,265	302,408	325,000	302,408	302,408	302,408	302,408	302,408	302,408
#Extra Help		21	31	31	31	31	31	31	31	31
Personal Services Matching	5010003	822,927	937,722	965,036	956,195	1,057,068	1,052,786	956,767	1,057,640	1,053,358
Overtime	5010006	134	325,000	325,000	325,000	525,000	525,000	325,000	525,000	525,000
Operating Expenses	5020002	4,988,689	10,958,500	10,958,500	10,958,500	11,058,500	11,058,500	10,958,500	11,058,500	11,058,500
Conference & Travel Expenses	5050009	6,332	138,160	138,160	138,160	238,160	238,160	138,160	238,160	238,160
Professional Fees	5060010	430,845	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875	2,302,875
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	61,739	300,000	300,000	0	600,000	600,000	0	600,000	600,000
Total		8,417,508	17,391,586	17,710,134	17,113,012	18,353,332	18,330,645	17,115,991	18,356,311	18,333,624
Funding Sources										
Federal Revenue	4000020	8,417,508	17,391,586		17,113,012	18,353,332	18,330,645	17,115,991	18,356,311	18,333,624
Total Funding		8,417,508	17,391,586		17,113,012	18,353,332	18,330,645	17,115,991	18,356,311	18,333,624
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		8,417,508	17,391,586		17,113,012	18,353,332	18,330,645	17,115,991	18,356,311	18,333,624

Change Level by Appropriation

Appropriation: 575 - Fort Chaffee Training Site
Funding Sources: FMF State Military Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	17,113,012	73	17,113,012	100.0	17,115,991	73	17,115,991	100.0
C01	Existing Program	1,271,708	6	18,384,720	107.4	1,271,708	6	18,387,699	107.4
C03	Discontinue Program	(54,075)	(2)	18,330,645	107.1	(54,075)	(2)	18,333,624	107.1
C10	Reclass	22,687	0	18,353,332	107.2	22,687	0	18,356,311	107.2

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	17,113,012	73	17,113,012	100.0	17,115,991	73	17,115,991	100.0
C01	Existing Program	1,271,708	6	18,384,720	107.4	1,271,708	6	18,387,699	107.4
C03	Discontinue Program	(54,075)	(2)	18,330,645	107.1	(54,075)	(2)	18,333,624	107.1
C10	Reclass	0	0	18,330,645	107.1	0	0	18,333,624	107.1

Justification

C01	The Agency is requesting an increase in Overtime and Personal Services Matching of \$246,380 in each year to maintain operations at peak training cycles; Operating Expenses increase of \$100,000 annually and \$100,000 annually in Conference & Travel Expenses for training. Request \$600,000 for Capital Outlay to purchase tractors and other equipment to maintain roads and training ranges; Regular Salaries and Personal Services Matching increases in the amount of \$225,328 each year for restoration of six (6) positions and reclassification of to meet the new requirements imposed by Federal Program.
C03	The Agency is discontinuing two (2) positions in the amount of \$54,075 in order to assist with the requests for the restoration of six (6) positions, personnel changes, and to meet the guidelines set out by changes in Federal Programs.
C10	The Agency is requesting an increase in the amount of \$22,687 each year due to a reclassification request to accurately align positions with job duties.

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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency is requesting Base Level for each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 576 - National Guard Museum

Funding Sources: HUA Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	56,283	52,815	53,851	52,815	52,815	52,815	52,815	52,815	52,815
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	17,039	16,928	15,667	17,168	17,168	17,168	17,168	17,168	17,168
Operating Expenses	5020002	16,518	16,950	19,915	16,950	16,950	16,950	16,950	16,950	16,950
Conference & Travel Expenses	5050009	2,606	2,400	4,200	2,400	2,400	2,400	2,400	2,400	2,400
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		92,446	89,093	93,633	89,333	89,333	89,333	89,333	89,333	89,333
Funding Sources										
General Revenue	4000010	89,063	89,093		89,333	89,333	89,333	89,333	89,333	89,333
Merit Adjustment Fund	4000055	3,383	0		0	0	0	0	0	0
Total Funding		92,446	89,093		89,333	89,333	89,333	89,333	89,333	89,333
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		92,446	89,093		89,333	89,333	89,333	89,333	89,333	89,333

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Analysis of Budget Request

Appropriation: 577 - AR National Guard Youth Challenge Program

Funding Sources: FMF State Military Federal

The Arkansas National Guard Youth Challenge Program provides for the personal services and operational costs to support a residential educational training program for high school dropouts to enable them to receive a General Educational Development (GED) Diploma and assistance for further education or employment. The Program is designed for two (2) cycles per year to accommodate a total of 200 students per year. This appropriation is funded by general revenue and federal reimbursements on a 25/75 split.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency's Change Level requests total \$419,339 each year of the biennium, with a general revenue increase of \$104,835 each year of the biennium, and reflect the following:

- Regular Salaries and Personal Services Matching increases in the amount of \$411,712 each year of the biennium for one (1) new position, restoration of nine (9) positions, and reclassification of thirteen (13) positions to more accurately align positions with job duties.
- Extra Help and Personal Services Matching increases of \$7,627 each year of the biennium in order to meet the changing needs of the program due to increased student load.

The Executive Recommendation provides for the Agency Request for appropriation only, with the exception of the reclassification of one (1) position.

The Executive Recommendation also provides for title changes on four (4) positions to more accurately reflect work being performed.

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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,321,652	1,384,587	1,675,946	1,385,676	1,679,494	1,679,494	1,386,880	1,680,698	1,680,698
#Positions		46	44	53	44	54	54	44	54	54
Extra Help	5010001	5,085	3,000	10,000	3,000	10,000	10,000	3,000	10,000	10,000
#Extra Help		1	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	539,497	529,327	583,823	540,262	658,783	658,783	540,551	659,072	659,072
Overtime	5010006	352	500	2,660	500	500	500	500	500	500
Operating Expenses	5020002	763,447	673,836	1,065,122	673,836	673,836	673,836	673,836	673,836	673,836
Conference & Travel Expenses	5050009	1,922	1,900	3,250	1,900	1,900	1,900	1,900	1,900	1,900
Professional Fees	5060010	838	600	2,500	600	600	600	600	600	600
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	0	0	18,000	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,632,793	2,593,750	3,361,301	2,605,774	3,025,113	3,025,113	2,607,267	3,026,606	3,026,606
Funding Sources										
General Revenue	4000010	700,000	700,000		717,973	822,808	717,973	718,625	823,460	718,625
Federal Revenue	4000020	1,932,793	1,893,750		1,887,801	2,202,305	1,887,801	1,888,642	2,203,146	1,888,642
Total Funding		2,632,793	2,593,750		2,605,774	3,025,113	2,605,774	2,607,267	3,026,606	2,607,267
Excess Appropriation/(Funding)		0	0		0	0	419,339	0	0	419,339
Grand Total		2,632,793	2,593,750		2,605,774	3,025,113	3,025,113	2,607,267	3,026,606	3,026,606

Change Level by Appropriation

Appropriation: 577 - AR National Guard Youth Challenge Program
Funding Sources: FMF State Military Federal

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	2,605,774	44	2,605,774	100.0	2,607,267	44	2,607,267	100.0
C01	Existing Program	417,052	10	3,022,826	116.0	417,052	10	3,024,319	116.0
C10	Reclass	2,287	0	3,025,113	116.1	2,287	0	3,026,606	116.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	2,605,774	44	2,605,774	100.0	2,607,267	44	2,607,267	100.0
C01	Existing Program	417,052	10	3,022,826	116.0	417,052	10	3,024,319	116.0
C10	Reclass	2,287	0	3,025,113	116.1	2,287	0	3,026,606	116.1
C14	Title Change	0	0	3,025,113	116.1	0	0	3,026,606	116.1

Justification

C01	The Agency is requesting increases in Regular Salaries and Personal Services Matching increases in the amount of \$409,425 annually for one (1) new position and restoration of nine (9) positions; Extra Help and Personal Services Matching of \$7,627 annually in order to meet the changing needs of the program due to increased student load.
C10	The Agency is requesting an increase in the amount of \$2,287 each year due to reclassification request to accurately align positions with job duties. Funding for this program is 75% Federal and 25% State and is due to increased student load.
C14	The Executive Recommendation provides for title changes on four (4) positions to more accurately reflect the work being performed.