

SUMMARY BUDGET INFORMATION

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2014 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>
Heritage, AR Department of - Administration	\$650	\$2,464	\$0
Arkansas Arts Council	\$0	\$45	\$0
Historic Arkansas Museum Commission	\$0	\$0	\$0
Historic Preservation	\$0	\$0	\$133
Natural Heritage Commission	\$0	\$0	\$19
Old State House Commission	\$0	\$0	\$0

AGENCY POSITION USAGE REPORT

Agency	FY2014 - FY2015						3 YEAR AVERAGE(FY13,FY14,FY15)					
	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
		Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
Heritage, AR Department of - Administration	35	35	0	35	0	0.00 %	35	35	0	35	0	0.00 %
Arkansas Arts Council	10	10	0	10	0	0.00 %	10	9	0	9	1	10.00 %
Delta Cultural Center	13	11	2	13	0	15.38 %	12	11	1	12	0	8.33 %
Historic Arkansas Museum Commission	22	19	3	22	0	13.64 %	22	20	2	22	0	9.09 %
Historic Preservation	25	25	0	25	0	0.00 %	24	24	0	24	0	0.00 %
Mosaic Templars Cultural Center	10	10	2	12	-2	0.00 %	9	9	0	9	0	0.00 %
Natural Heritage Commission	14	13	1	14	0	7.14 %	13	13	0	13	0	0.00 %
Old State House Commission	22	22	0	22	0	0.00 %	22	21	0	21	1	4.55 %
Natural & Cultural Resources Council	1	1	0	1	0	0.00 %	1	1	0	1	0	0.00 %

Mosaic Templars Cultural Center (0873) - Budgeted number of positions exceed authorized number due to a Miscellaneous Federal Grant.

DAH - CENTRAL ADMINISTRATION

Enabling Laws

Act 273 of 2014
A.C.A. §25-3-101 et seq.

History and Organization

Agency Mission Statement:

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

Brief Discussion of Statutory Responsibilities and Primary Activities:

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

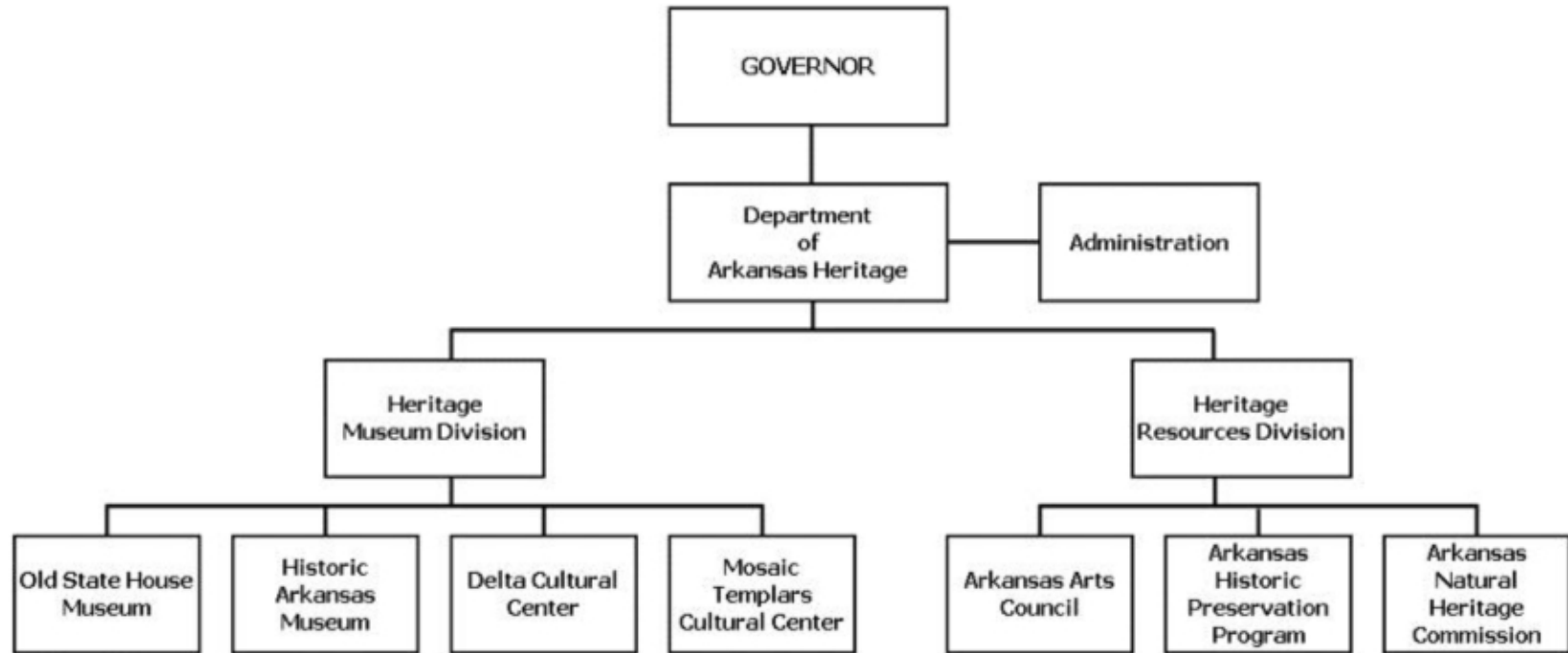
The Department aggressively and successfully seeks federal and private funding to augment its biennial state funding. The DAH director's office coordinates the activities of the Department's two divisions. It administers activities that span the Department, including fiscal and personnel operations,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

The Museums Division agencies preserve, present, and interpret historic structures, objects, and cultural assets. They serve as partners in education with public and private schools throughout Arkansas. The Department's four museums are the Old State House Museum (which also manages Trapnall Hall), the Historic Arkansas Museum, the Delta Cultural Center, and the Mosaic Templars Cultural Center. The Historic Arkansas Museum and Old State House Museum are two of the seven museums in Arkansas accredited by the American Association of Museums. In 2005 DAH acquired a 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 mission of the Department of Arkansas Heritage (DAH) 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 was created to be responsive to the cultural needs of the people of Arkansas and be sufficiently flexible to meet changing conditions.

The Department currently maintains 35 buildings, of which 24 are historic structures that require special maintenance needs, over 75,000 artifacts in the four (4) museum collections, a 50,000 square foot collections storage facility, and 71 sites totaling over 61,000 acres of natural areas across the state. Current general revenue funds do not cover basic operations such as utilities, office rent, telecommunications, and routine maintenance. Nine (9) percent of the annual proceeds from the Conservation Tax is dedicated to DAH to provide additional programs and to supplement, but 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 (RETT) have been dedicated to preserve state-owned natural areas, historic sites, historical objects, and parks. The Arkansas Natural and Cultural Resources Council (ANCRC) awards grants from these proceeds. DAH utilizes these grant awards to restore and maintain historic structures (e.g.: the Arkansas State Capital, buildings on the campuses of the state's public colleges and universities, and others), purchase priceless pieces of Arkansas history to protect and preserve, conserve artifacts within the collections of the four (4) 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 the individual applicants, including DAH itself. In May of 2014, twenty-two (22) state applicants requested in excess of \$35 million in grant requests. The grant awards actually totaled \$16,548,189, showing that the demand for grant money exceeds by more than double the amount available for funding.

Each DAH agency pursues 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, rental fees of some of the agency's facilities, fees for participation in agency programs, and donations by private citizens and non-profit organizations; however, these categorical cash funds are miniscule in comparison to the expense items the cash funds may help off set.

As the foregoing paragraphs demonstrate, DAH works diligently to supplement our state funding as competition for state dollars increases. DAH is cognizant of the difficult position decision makers face in the allocation of limited state funds; therefore, any requests for general revenue funding are limited to those items that are basic to the operations of the agencies.

Staffing (New Positions): The Department has no requests for new positions for the 2015-17 Biennial Budget.

Other Change Level Requests: Throughout the Department, there are various requests to increase budget line items for basic operating costs. These requests are from various appropriations and are specific to the needs of each agency's program responsibilities. The requests can be supported with certifications of income from each agency.

Change Level Requests to general revenue and Conservation Tax will allow lease payment expenses for those agencies currently housed in the Tower Building to be paid from other revenue streams and no longer be paid from proceeds of the Conservation Tax. This alleviates any concern that the use of the Conservation Tax for rental/lease purposes is inappropriate. Salary Expenses and Personal Services Matching Expenses are clearly eligible for payment from the Conservation Tax proceeds so the Conservation Tax will now be the source of payment for these personnel costs categories.

Information Technology (IT): The major request of the Department benefits Information Technology (IT). IT covers computers, servers, software, printers, imaging, professional services specific to IT, training, other equipment, and telecommunications. IT has recently transitioned its 3-year replacement plan of department computers to a 4-year replacement plan in order to save a year's worth of replacement expense. Despite these cost-cutting measures, IT is still relying in large measure on much older equipment. It also faces the need to have more mobility so that any employee can continue routine work even if it requires working remotely. Staggered costs over the next two years for new laptop computers, server additions and/or upgrades, software, licensing, etc., will total approximately \$1.242 million with \$634K in FY2016, and \$608K in FY2017. The Department requests funding for this 2-year plan in its general revenue appropriations. The Department's IT requests are separately addressed in the IT Plan submitted to DF&A.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	11	18	29	83 %
Black Employees	0	6	6	17 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			6	17 %
Total Employees			35	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2JE Publications	0	0	3,152	0	27,276	0	3,152	0	0	0	0	0	3,152	0	0	0	0	0
476 Conservation Tax-Amendment 75	7,415,787	15	7,244,989	15	8,209,713	15	7,257,836	15	7,523,016	21	7,523,016	21	7,258,083	15	7,523,419	21	7,523,419	21
482 Director's Office-State Operations	1,315,844	20	1,290,204	20	1,425,184	20	1,309,021	20	1,849,830	18	1,849,830	18	1,309,021	20	1,826,558	18	1,826,558	18
Total	8,731,631	35	8,538,345	35	9,662,173	35	8,570,009	35	9,372,846	39	9,372,846	39	8,570,256	35	9,349,977	39	9,349,977	39

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	4,226,598	39.1	2,066,810	22.2	770,433	9.4	770,433	8.8	770,433	9.4	0	0.0	0	0.0	0	0.0	0	0.0
General Revenue	4000010	1,315,844	12.2	1,290,204	13.9	1,309,021	15.9	1,849,830	21.1	1,309,021	15.9	1,309,021	16.8	1,826,558	22.0	1,309,021	16.9		
Non-Revenue Receipts	4000040	565	0.0	589	0.0	3,152	0.0	0	0.0	0	0.0	3,152	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	8,877	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Rental Income	4000430	80,935	0.7	140,271	1.5	90,000	1.1	90,000	1.0	90,000	1.1	90,000	1.2	90,000	1.1	90,000	1.2		
Conservation Tax	4000453	5,165,622	47.8	5,810,904	62.4	6,046,128	73.6	6,046,128	69.0	6,046,128	73.6	6,368,472	82.0	6,368,472	76.9	6,368,472	82.0		
Total Funds		10,798,441	100.0	9,308,778	100.0	8,218,734	100.0	8,756,391	100.0	8,215,582	100.0	7,770,645	100.0	8,285,030	100.0	7,767,493	100.0		
Excess Appropriation/(Funding)		(2,066,810)		(770,433)		351,275		616,455		1,157,264		799,611		1,064,947		1,582,484			
Grand Total		8,731,631		8,538,345		8,570,009		9,372,846		9,372,846		8,570,256		9,349,977		9,349,977			

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
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	
35	35	0	35	0	0.00 %	35	35	0	35	0	0.00 %	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.

Base Level includes appropriation of \$3,152 each year of the biennium.

The Agency's Change Level Request is to eliminate the Publications Program due to the expiration of the Community Foundation of Arkansas grant agreement.

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	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Publications for Resale 5900036	0	3,152	27,276	3,152	0	0	3,152	0	0
Total	0	3,152	27,276	3,152	0	0	3,152	0	0
Funding Sources									
Fund Balance 4000005	1,998	2,563		0	0	0	0	0	0
Non-Revenue Receipts 4000040	565	589		3,152	0	0	3,152	0	0
Total Funding	2,563	3,152		3,152	0	0	3,152	0	0
Excess Appropriation/(Funding)	(2,563)	0		0	0	0	0	0	0
Grand Total	0	3,152		3,152	0	0	3,152	0	0

APPROPRIATION NOT REQUESTED FOR THE 2015-2017 BIENNIUM

Change Level by Appropriation

Appropriation: 2JE - Publications

Funding Sources: MPR - Publications Development and Resale Revolving

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	3,152	0	3,152	100.0	3,152	0	3,152	100.0
C03	Discontinue Program	(3,152)	0	0	0.0	(3,152)	0	0	0.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	3,152	0	3,152	100.0	3,152	0	3,152	100.0
C03	Discontinue Program	(3,152)	0	0	0.0	(3,152)	0	0	0.0

Justification

C03	This was a fixed term grant agreement paid through the Community Foundation of Arkansas that has expired.
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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 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 include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

Base Level includes appropriation of \$7,257,836 in FY16 and \$7,258,083 in FY17 with fifteen (15) positions and thirty-six (36) extra help positions.

The Agency's Change Level Request provides for \$265,180 in FY16 and \$265,336 in FY17 and are summarized below:

Salaries and Personal Services Matching increase as a result of six (6) positions transferred to Conservation Tax totaling \$516,871 in FY16 and \$517,610 in FY17.

Operating Expenses decrease totaling (\$251,691) in FY16 and (\$252,274) in FY17.

- Decrease in rent totaling (\$259,041) in FY16 and (\$259,624) in FY17 to be paid from other funding
- Increase of \$7,350 each year of the biennium to cover increased fuel and maintenance cost for state vehicles, insurance, visitor parking and copier leases

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

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	666,576	660,714	670,130	667,368	1,081,334	1,081,334	667,568	1,082,134	1,082,134
#Positions		15	15	15	15	21	21	15	21	21
Extra Help	5010001	354,778	393,726	437,226	393,726	393,726	393,726	393,726	393,726	393,726
#Extra Help		34	36	36	36	36	36	36	36	36
Personal Services Matching	5010003	264,826	257,890	270,217	284,083	386,988	386,988	284,130	387,174	387,174
Operating Expenses	5020002	2,002,458	2,516,071	2,516,844	2,516,071	2,264,380	2,264,380	2,516,071	2,263,797	2,263,797
Conference & Travel Expenses	5050009	71,742	89,826	94,826	89,826	89,826	89,826	89,826	89,826	89,826
Professional Fees	5060010	620,745	944,241	1,049,741	944,241	944,241	944,241	944,241	944,241	944,241
Construction	5090005	1,145,055	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	1,130,429	914,729	1,550,729	914,729	914,729	914,729	914,729	914,729	914,729
Capital Outlay	5120011	0	20,000	20,000	0	0	0	0	0	0
Special Maintenance	5120032	1,159,178	847,792	1,000,000	847,792	847,792	847,792	847,792	847,792	847,792
Total		7,415,787	7,244,989	8,209,713	7,257,836	7,523,016	7,523,016	7,258,083	7,523,419	7,523,419
Funding Sources										
Fund Balance	4000005	4,224,600	2,064,247		770,433	770,433	770,433	0	0	0
Other	4000370	8,877	0		0	0	0	0	0	0
Rental Income	4000430	80,935	140,271		90,000	90,000	90,000	90,000	90,000	90,000
Conservation Tax	4000453	5,165,622	5,810,904		6,046,128	6,046,128	6,046,128	6,368,472	6,368,472	6,368,472
Total Funding		9,480,034	8,015,422		6,906,561	6,906,561	6,906,561	6,458,472	6,458,472	6,458,472
Excess Appropriation/(Funding)		(2,064,247)	(770,433)		351,275	616,455	616,455	799,611	1,064,947	1,064,947
Grand Total		7,415,787	7,244,989		7,257,836	7,523,016	7,523,016	7,258,083	7,523,419	7,523,419

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	7,257,836	15	7,257,836	100.0	7,258,083	15	7,258,083	100.0
C01	Existing Program	105,378	0	7,363,214	101.5	105,378	0	7,363,461	101.5
C03	Discontinue Program	(259,041)	0	7,104,173	97.9	(259,624)	0	7,103,837	97.9
C07	Agency Transfer	418,843	6	7,523,016	103.7	419,582	6	7,523,419	103.7

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	7,257,836	15	7,257,836	100.0	7,258,083	15	7,258,083	100.0
C01	Existing Program	105,378	0	7,363,214	101.5	105,378	0	7,363,461	101.5
C03	Discontinue Program	(259,041)	0	7,104,173	97.9	(259,624)	0	7,103,837	97.9
C07	Agency Transfer	418,843	6	7,523,016	103.7	419,582	6	7,523,419	103.7

Justification

C01	Change level request provides for increases in fuel and maintenance costs for state vehicles and equipment, insurance, visitor parking, copier leases and other miscellaneous expenses.
C03	A decrease in rent expenses will allow for rental/lease payments to be paid from other revenue streams and no longer be paid from proceeds of the Conservation Tax.
C07	An increase in Salaries and Matching will allow for rental/lease payments to be paid from other revenue streams and no longer be paid from proceeds of the Conservation Tax.

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 include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

Base Level includes appropriation and general revenue funding of \$1,309,021 each year of the biennium with 20 positions.

The Agency's Change Level Request provides for \$540,809 in FY16 and \$517,537 in FY17 and is summarized below:

Regular Salaries and Personal Services Matching decrease of (\$234,660) for two (2) positions being transferred to the Conservation Tax appropriation (FC476).

Operating Expense increase totaling \$508,219 in FY16 and \$478,947 in FY17.

- Rent increase of \$141,369 in FY16 and \$144,197 in FY17 will allow for rental/lease payments to be paid from other revenue streams and no longer be paid from proceeds of the Conservation Tax.
- Network Services Expenses increase of \$366,850 in FY16 and \$334,750 in FY17 for server additions and upgrades, software and licensing as mentioned in the Agency IT Plan.

Capital Outlay increase of \$267,250 in FY16 and \$273,250 in FY17 for new laptop computers as mentioned in the Agency IT Plan.

The Executive Recommendation provides for the Agency Request in appropriation only.

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		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	954,242	961,805	989,466	974,917	792,332	792,332	974,917	792,332	792,332
#Positions		20	20	20	20	18	18	20	18	18
Personal Services Matching	5010003	327,379	319,326	346,212	325,031	272,956	272,956	325,031	272,956	272,956
Operating Expenses	5020002	34,223	9,073	89,506	9,073	517,292	517,292	9,073	488,020	488,020
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	267,250	267,250	0	273,250	273,250
Total		1,315,844	1,290,204	1,425,184	1,309,021	1,849,830	1,849,830	1,309,021	1,826,558	1,826,558
Funding Sources										
General Revenue	4000010	1,315,844	1,290,204		1,309,021	1,849,830	1,309,021	1,309,021	1,826,558	1,309,021
Total Funding		1,315,844	1,290,204		1,309,021	1,849,830	1,309,021	1,309,021	1,826,558	1,309,021
Excess Appropriation/(Funding)		0	0		0	0	540,809	0	0	517,537
Grand Total		1,315,844	1,290,204		1,309,021	1,849,830	1,849,830	1,309,021	1,826,558	1,826,558

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,309,021	20	1,309,021	100.0	1,309,021	20	1,309,021	100.0
C01	Existing Program	141,369	0	1,450,390	110.8	144,197	0	1,453,218	111.0
C07	Agency Transfer	(234,660)	(2)	1,215,730	92.9	(234,660)	(2)	1,218,558	93.1
C08	Technology	634,100	0	1,849,830	141.3	608,000	0	1,826,558	139.5

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,309,021	20	1,309,021	100.0	1,309,021	20	1,309,021	100.0
C01	Existing Program	141,369	0	1,450,390	110.8	144,197	0	1,453,218	111.0
C07	Agency Transfer	(234,660)	(2)	1,215,730	92.9	(234,660)	(2)	1,218,558	93.1
C08	Technology	634,100	0	1,849,830	141.3	608,000	0	1,826,558	139.5

Justification

C01	A decrease in Salaries and Matching will allow for rental/lease payments to be paid from other revenue streams and no longer be paid from proceeds of the Conservation Tax.
C07	An increase in rent expenses will allow for rental/lease payments to be paid from other revenue streams and no longer be paid from proceeds of the Conservation Tax.
C08	Change level request provides for staggered costs over the next two years for new laptop computers, server additions and/or upgrades, software, and licensing, totaling approximately \$1.242 million with \$634,100 in FY 2016, and \$608,000 in FY 2017.

DAH - ARKANSAS ARTS COUNCIL

Enabling Laws

Act 273 of 2014
A.C.A. §13-8-101 et seq.

History and Organization

Agency Mission Statement:

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

Brief Discussion of Statutory Responsibilities and Primary Activities:

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

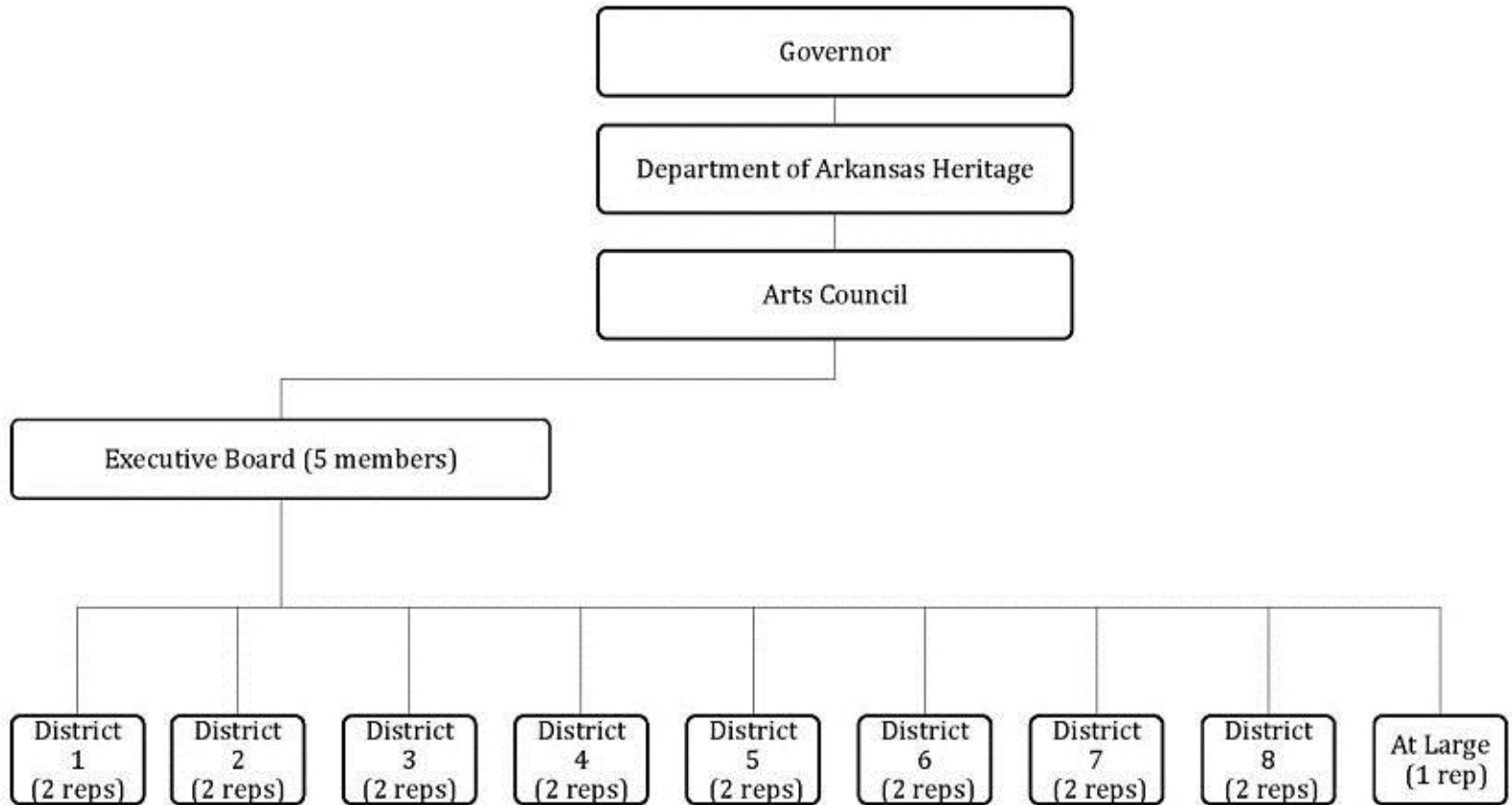
The Arts Council contributes to Arkansas's educational and economic development by investing state, federal, and private funds in community arts organizations, schools, youth service organizations, and other providers of cultural programs. The Arts in Education program funds artist residencies in schools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

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

One of the most widely used on-line services at the Arts Council, the Arkansas Artist Registry, documents and promotes Arkansas visual artists. The Arts Council Facebook page www.facebook.com/arkansasartscouncil provides frequent news updates and opportunities to constituents.

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

The arts are essential to the growth and sustainability of Arkansas communities, and every Arkansas child deserves a quality education which includes the arts. The following Arts Council goals were developed with input from arts organizations, artists, community leaders and economic developers, educators and other interested stakeholders.

1. Encourage artistic excellence, diversity and innovation
2. Promote equitable access to the arts for all Arkansans
3. Develop arts in education for life-long learning
4. Enhance community cultural and economic development
5. Build and sustain the capacity of the Arkansas Arts Council to fulfill its mission

The Arts Council works to achieve these goals by providing technical assistance and investing state and federal funding in local arts organizations, schools, and other providers of cultural and educational programs. In FY2013 the Arkansas Arts Council provided funding assistance to 376 organizations in 62 counties, bringing quality cultural programs to 2,724,189 people, including over 1 million youth.

Arkansas Arts Council efforts to enhance community cultural and economic development, and to assist the growth of the creative economic sector by nurturing the pipeline of creative talent through arts education, are the top priorities contained in this budget request.

The Arts Council's 2011-2015 strategic plan and other information about the agency is available at www.arkansasarts.org.

Arts Council Funding Request Commentary:

The Arts Council requests additional general revenue appropriation and funding of \$650,000 each year for Grants. These funds will be used to increase the agency investment in rural and underserved areas, and to expand arts education programs. The agency also requests an increase of \$12,500 each year in operating expenses to cover increases in office overhead.

Change Level Requests to general revenue and Conservation Tax will allow lease payment expenses for those agencies currently housed in the Tower Building to be paid from other revenue streams and no longer be paid from proceeds of the Conservation Tax. This alleviates any concern that the use of the Conservation Tax for rental/lease purposes is inappropriate. Salary Expenses and Personal Services Matching Expenses are clearly eligible for payment from the Conservation Tax proceeds so the Conservation Tax will now be the source of payment for these personnel costs categories.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	1	7	8	80 %
Black Employees	0	2	2	20 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	20 %
Total Employees			10	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Report	A.C.A. §13-8-106(f)	Y	N	1	Governor's Office request	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	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	805,730	8	790,664	8	783,757	8	797,043	8	1,430,524	7	1,430,524	7	797,043	8	1,431,811	7	1,431,811	7
486 Arts Council - Federal Program	498,787	2	833,674	2	833,606	2	834,857	2	834,857	2	834,857	2	834,857	2	834,857	2	834,857	2
943 Arts Council - Cash in Treasury	220,117	0	175,810	0	227,276	0	175,810	0	175,810	0	175,810	0	175,810	0	175,810	0	175,810	0
Total	1,524,634	10	1,800,148	10	1,844,639	10	1,807,710	10	2,441,191	9	2,441,191	9	1,807,710	10	2,442,478	9	2,442,478	9

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	161,918	9.7	149,063	7.5	200,529	10.0	200,529	7.6	200,529	10.0	200,529	10.0	200,529	7.6	200,529	10.0
General Revenue	4000010	805,730	48.1	790,664	39.5	797,043	39.7	1,430,524	54.2	797,043	39.7	797,043	39.7	1,431,811	54.2	797,043	39.7
Federal Revenue	4000020	498,787	29.8	833,674	41.7	834,857	41.6	834,857	31.6	834,857	41.6	834,857	41.6	834,857	31.6	834,857	41.6
Cash Fund	4000045	207,262	12.4	227,276	11.4	175,810	8.8	175,810	6.7	175,810	8.8	175,810	8.8	175,810	6.7	175,810	8.8
Total Funds		1,673,697	100.0	2,000,677	100.0	2,008,239	100.0	2,641,720	100.0	2,008,239	100.0	2,008,239	100.0	2,643,007	100.0	2,008,239	100.0
Excess Appropriation/(Funding)		(149,063)		(200,529)		(200,529)		(200,529)		432,952		(200,529)		(200,529)		434,239	
Grand Total		1,524,634		1,800,148		1,807,710		2,441,191		2,441,191		1,807,710		2,442,478		2,442,478	

Variance in Fund Balance is due to unfunded appropriation.

FY15 Budget amounts for (484) Arts Council - State Operations and (486) Arts Council Federal Program exceed the authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
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	9	1	10	0	10.00 %	10	10	0	10	0	0.00 %	10	10	0	10	0	0.00 %

Analysis of Budget Request

Appropriation: 484 - Arts Council-State Operations

Funding Sources: HRA - Arkansas Heritage Fund

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Base Level includes appropriation and general revenue funding of \$797,043 each year of the biennium with eight (8) Regular positions.

The Agency's Change Level Request provides for \$633,481 in FY16 and \$634,768 in FY17 and are summarized below:

Regular Salaries and Personal Services Matching reduction totaling (\$93,345) each year for the transfer of one (1) position to Conservation Tax to offset an increase in rent.

Operating Expenses of \$64,326 in FY16 and \$65,613 in FY17 to pay rent from general revenue and \$12,500 each year for increased expenses for out of state panelists to participate in annual grant reviews and in state travel to provide technical assistance to local arts agencies and local government leaders.

Grants and Aid increase of \$650,000 each year to increase the investment in Community Arts Development and Arts Education programs.

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

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			2015-2016			2016-2017		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	429,127	417,381	413,294	421,601	349,498	349,498	421,601	349,498	349,498
#Positions	8	8	8	8	7	7	8	7	7
Personal Services Matching 5010003	136,199	132,895	130,075	135,054	113,812	113,812	135,054	113,812	113,812
Operating Expenses 5020002	40,404	40,388	40,388	40,388	117,214	117,214	40,388	118,501	118,501
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	850,000	200,000	850,000	850,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	805,730	790,664	783,757	797,043	1,430,524	1,430,524	797,043	1,431,811	1,431,811
Funding Sources									
General Revenue 4000010	805,730	790,664		797,043	1,430,524	797,043	797,043	1,431,811	797,043
Total Funding	805,730	790,664		797,043	1,430,524	797,043	797,043	1,431,811	797,043
Excess Appropriation/(Funding)	0	0		0	0	633,481	0	0	634,768
Grand Total	805,730	790,664		797,043	1,430,524	1,430,524	797,043	1,431,811	1,431,811

FY15 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	797,043	8	797,043	100.0	797,043	8	797,043	100.0
C01	Existing Program	726,826	0	1,523,869	191.2	728,113	0	1,525,156	191.4
C07	Agency Transfer	(93,345)	(1)	1,430,524	179.5	(93,345)	(1)	1,431,811	179.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	797,043	8	797,043	100.0	797,043	8	797,043	100.0
C01	Existing Program	726,826	0	1,523,869	191.2	728,113	0	1,525,156	191.4
C07	Agency Transfer	(93,345)	(1)	1,430,524	179.5	(93,345)	(1)	1,431,811	179.6

Justification

C01	The Agency requests an increase in Operating Expenses to cover increases in office rent, expenses for out-of-state panelists to participate in annual grant reviews and to provide additional technical assistance to local arts agencies and local government leaders by additional in-state travel. The Agency also requests additional grants of \$650,000 each year. These funds will increase the Agency's investment in Community Arts Development and Arts Education programs, allowing arts organizations to provide additional services in rural/underserved communities and increasing the number of artists residencies in schools and after school/summer programs. Increases to General Revenue Funds along with decreases to individual Conservation Tax Funds are to provide for lease payment expenses for those agencies currently housed in the Tower Building.
C07	These Change Level Requests will allow for rental/lease payments to be paid from other revenue streams and no longer be paid from proceeds of the Conservation Tax.

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 include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Base Level Request includes appropriation of \$834,857 each year of the biennium.

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			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	66,398	65,077	65,077	65,814	65,814	65,814	65,814	65,814	65,814
#Positions		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	24,785	24,423	24,355	24,869	24,869	24,869	24,869	24,869	24,869
Operating Expenses	5020002	54,478	47,252	47,252	47,252	47,252	47,252	47,252	47,252	47,252
Conference & Travel Expenses	5050009	4,434	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Professional Fees	5060010	12,414	12,970	12,970	12,970	12,970	12,970	12,970	12,970	12,970
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	336,278	673,452	673,452	673,452	673,452	673,452	673,452	673,452	673,452
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		498,787	833,674	833,606	834,857	834,857	834,857	834,857	834,857	834,857
Funding Sources										
Federal Revenue	4000020	498,787	833,674		834,857	834,857	834,857	834,857	834,857	834,857
Total Funding		498,787	833,674		834,857	834,857	834,857	834,857	834,857	834,857
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		498,787	833,674		834,857	834,857	834,857	834,857	834,857	834,857

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

Analysis of Budget Request

Appropriation: 943 - Arts Council - Cash in Treasury

Funding Sources: NNH - Arts & Humanities Cash

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

The Agency Base Level Request includes appropriation of \$175,810 each year of the biennium.

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

Appropriation Summary

Appropriation: 943 - Arts Council - Cash in Treasury

Funding Sources: NNH - Arts & Humanities Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	54,054	28,250	28,250	28,250	28,250	28,250	28,250	28,250	28,250
Conference & Travel Expenses	5050009	5,512	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Professional Fees	5060010	5,200	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	155,351	136,060	187,526	136,060	136,060	136,060	136,060	136,060	136,060
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		220,117	175,810	227,276	175,810	175,810	175,810	175,810	175,810	175,810
Funding Sources										
Fund Balance	4000005	161,918	149,063		200,529	200,529	200,529	200,529	200,529	200,529
Cash Fund	4000045	207,262	227,276		175,810	175,810	175,810	175,810	175,810	175,810
Total Funding		369,180	376,339		376,339	376,339	376,339	376,339	376,339	376,339
Excess Appropriation/(Funding)		(149,063)	(200,529)		(200,529)	(200,529)	(200,529)	(200,529)	(200,529)	(200,529)
Grand Total		220,117	175,810		175,810	175,810	175,810	175,810	175,810	175,810

DAH - DELTA CULTURAL CENTER

Enabling Laws

Act 273 of 2014
A.C.A. §13-5-701 et seq.

History and Organization

Agency Mission Statement:

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

- The Visitors Center is comprised of three connected buildings, two historic commercial buildings and one reconstructed structure. This facility houses staff offices, the museum gift shop and major interpretive exhibits.
- The restored 1912 Union Pacific Railroad Depot houses interpretive exhibits and is listed on the National Register.
- The Moore-Horner House, 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.

Other additions to the DCC are mission driven and will enhance our programming. These 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 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

The mission of the Delta Cultural Center is to further the awareness of Arkansas Delta heritage through education, preservation and interpretation of the rich history of the 27-county region. The agency works to foster an appreciation and passion for all aspects of Delta

heritage, including the long impact of agriculture, music in social, religious, and economic forums, state and national political ramifications in the Delta, and the African American experience. The Agency is organized into functional areas to facilitate educational programming, research, preservation, exhibits, artifact collection, historic site management, marketing, development, and administration.

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 only 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. The current buildings encompass more than 43,000 square feet and more than four (4) acres of land. It is important to maintain properties at a professional level and provide visitors with a quality experience. The DCC is interested in pursuing grants to fund additional projects and programs.

Agency Requests

The Agency requests a general revenue increase to restore the Agency's operating expenses funding amount to the 2015 appropriation level of \$130,590. This would allow enough funding to cover basic utility costs and insurance premiums for DCC's expanded number of properties. In FY2014, the Agency paid over \$51K in utility costs from its Conservation Tax appropriation, which took funding away from other programs had general revenue been sufficient to cover these expenses.

A reallocation of cash appropriation will allow the Agency to purchase additional resale inventory needed to accommodate increased visitation and sales.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	3	3	6	55 %
Black Employees	3	2	5	45 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			5	45 %
Total Employees			11	100 %

Cash Fund Balance Description as of June 30, 2014

Fund Account	Balance	Type	Location
1210100	\$42,277	Checking	Southern Bancorp, Helena, Arkansas

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. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	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	42,402	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	585,377	12	627,445	13	692,460	13	634,288	13	739,960	13	739,960	13	636,613	13	742,285	13	742,285	13
C14 Delta Cultural Center - Bank Charges Fund	3,977	0	6,000	0	6,000	0	6,000	0	6,000	0	6,000	0	6,000	0	6,000	0	6,000	0
Total	631,756	12	683,445	13	748,460	13	690,288	13	795,960	13	795,960	13	692,613	13	798,285	13	798,285	13

Funding Sources		%		%		%		%		%		%		%		%			
Fund Balance	4000005	51,218	7.6	43,419	6.1			32,419	4.3	32,419	3.8	32,419	4.3	61,419	7.8	61,419	6.9	61,419	7.8
General Revenue	4000010	585,377	86.7	627,445	87.6			634,288	84.4	739,960	86.3	634,288	84.4	636,613	81.3	742,285	83.5	636,613	81.3
Cash Fund	4000045	80,668	11.9	93,930	13.1			120,000	16.0	120,000	14.0	120,000	16.0	120,000	15.3	120,000	13.5	120,000	15.3
Intra-agency Fund Transfer	4000317	(42,088)	(6.2)	(48,930)	(6.8)			(35,000)	(4.7)	(35,000)	(4.1)	(35,000)	(4.7)	(35,000)	(4.5)	(35,000)	(3.9)	(35,000)	(4.5)
Total Funds		675,175	100.0	715,864	100.0			751,707	100.0	857,379	100.0	751,707	100.0	783,032	100.0	888,704	100.0	783,032	100.0
Excess Appropriation/(Funding)		(43,419)		(32,419)				(61,419)		(61,419)		44,253		(90,419)		(90,419)		15,253	
Grand Total		631,756		683,445				690,288		795,960		795,960		692,613		798,285		798,285	

Variance in Fund Balance is due to unfunded appropriation.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
11	10	1	11	0	9.09 %	13	12	1	13	0	7.69 %	13	11	2	13	0	15.38 %

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 Agency's Change Level Request provides for a reallocation of \$5,000 from Professional Fees to Resale - Cost of Goods Sold in anticipation of an increase in visitation and sale of store goods.

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

Appropriation Summary

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

Funding Sources: NNH - Delta Cultural Center Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	9,102	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	10,000	10,000	15,000	10,000	10,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Resale (COGS)	5090017	27,800	20,000	20,000	20,000	25,000	25,000	20,000	25,000	25,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		42,402	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Funding Sources										
Fund Balance	4000005	676	1,142		15,072	15,072	15,072	50,072	50,072	50,072
Cash Fund	4000045	42,868	63,930		85,000	85,000	85,000	85,000	85,000	85,000
Total Funding		43,544	65,072		100,072	100,072	100,072	135,072	135,072	135,072
Excess Appropriation/(Funding)		(1,142)	(15,072)		(50,072)	(50,072)	(50,072)	(85,072)	(85,072)	(85,072)
Grand Total		42,402	50,000		50,000	50,000	50,000	50,000	50,000	50,000

Change Level by Appropriation

Appropriation: 2JF - Delta Cultural Center - Cash in Treasury
Funding Sources: NNH - Delta Cultural Center Cash

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	50,000	0	50,000	100.0	50,000	0	50,000	100.0
C01	Existing Program	5,000	0	55,000	110.0	5,000	0	55,000	110.0
C03	Discontinue Program	(5,000)	0	50,000	100.0	(5,000)	0	50,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	50,000	0	50,000	100.0	50,000	0	50,000	100.0
C01	Existing Program	5,000	0	55,000	110.0	5,000	0	55,000	110.0
C03	Discontinue Program	(5,000)	0	50,000	100.0	(5,000)	0	50,000	100.0

Justification

C01	The \$5,000 appropriation increase in Resale is in anticipation of additional needs in our Museum Store. Due to increased visitation and increased sales, additional resale inventory must be purchased from our cash funds.
C03	The \$5,000 appropriation decrease in Professional Fees was submitted to cancel the increase in Resale (COGS).

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 include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Base Level includes appropriation and general revenue funding of \$634,288 in FY16 and \$636,613 in FY17 with thirteen (13) Regular positions.

The Agency's Change Level Request provides for \$105,672 each year of the biennium for basic utility increases as a result of expanded facilities and increased utilization of properties.

The Executive Recommendation provides for the Agency Request in 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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	408,062	439,970	412,326	444,068	444,068	444,068	445,968	445,968	445,968
#Positions		12	13	13	13	13	13	13	13	13
Personal Services Matching	5010003	156,034	162,557	149,544	165,302	165,302	165,302	165,727	165,727	165,727
Operating Expenses	5020002	21,281	24,918	130,590	24,918	130,590	130,590	24,918	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		585,377	627,445	692,460	634,288	739,960	739,960	636,613	742,285	742,285
Funding Sources										
General Revenue	4000010	585,377	627,445		634,288	739,960	634,288	636,613	742,285	636,613
Total Funding		585,377	627,445		634,288	739,960	634,288	636,613	742,285	636,613
Excess Appropriation/(Funding)		0	0		0	0	105,672	0	0	105,672
Grand Total		585,377	627,445		634,288	739,960	739,960	636,613	742,285	742,285

FY15 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	634,288	13	634,288	100.0	636,613	13	636,613	100.0
C01	Existing Program	105,672	0	739,960	116.7	105,672	0	742,285	116.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	634,288	13	634,288	100.0	636,613	13	636,613	100.0
C01	Existing Program	105,672	0	739,960	116.7	105,672	0	742,285	116.6

Justification

C01	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.
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Analysis of Budget Request

Appropriation: C14 - Delta Cultural Center - Bank Charges Fund

Funding Sources: 121 - Delta Cultural Museum Bank Charges

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

The Agency's Base Level Request includes Operating Expenses appropriation of \$6,000 each year of the biennium.

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

Appropriation Summary

Appropriation: C14 - Delta Cultural Center - Bank Charges Fund

Funding Sources: 121 - Delta Cultural Museum Bank Charges

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,977	6,000	6,000	6,000	6,000	6,000	6,000	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		3,977	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Funding Sources										
Fund Balance	4000005	50,542	42,277		17,347	17,347	17,347	11,347	11,347	11,347
Cash Fund	4000045	37,800	30,000		35,000	35,000	35,000	35,000	35,000	35,000
Intra-agency Fund Transfer	4000317	(42,088)	(48,930)		(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
Total Funding		46,254	23,347		17,347	17,347	17,347	11,347	11,347	11,347
Excess Appropriation/(Funding)		(42,277)	(17,347)		(11,347)	(11,347)	(11,347)	(5,347)	(5,347)	(5,347)
Grand Total		3,977	6,000		6,000	6,000	6,000	6,000	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.

DAH - HISTORIC ARKANSAS MUSEUM COMMISSION

Enabling Laws

Act 273 of 2014
A.C.A. §13-7-301 et seq.

History and Organization

Agency Mission Statement:

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

Brief Discussion of Statutory Responsibilities and Primary Activities:

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

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

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

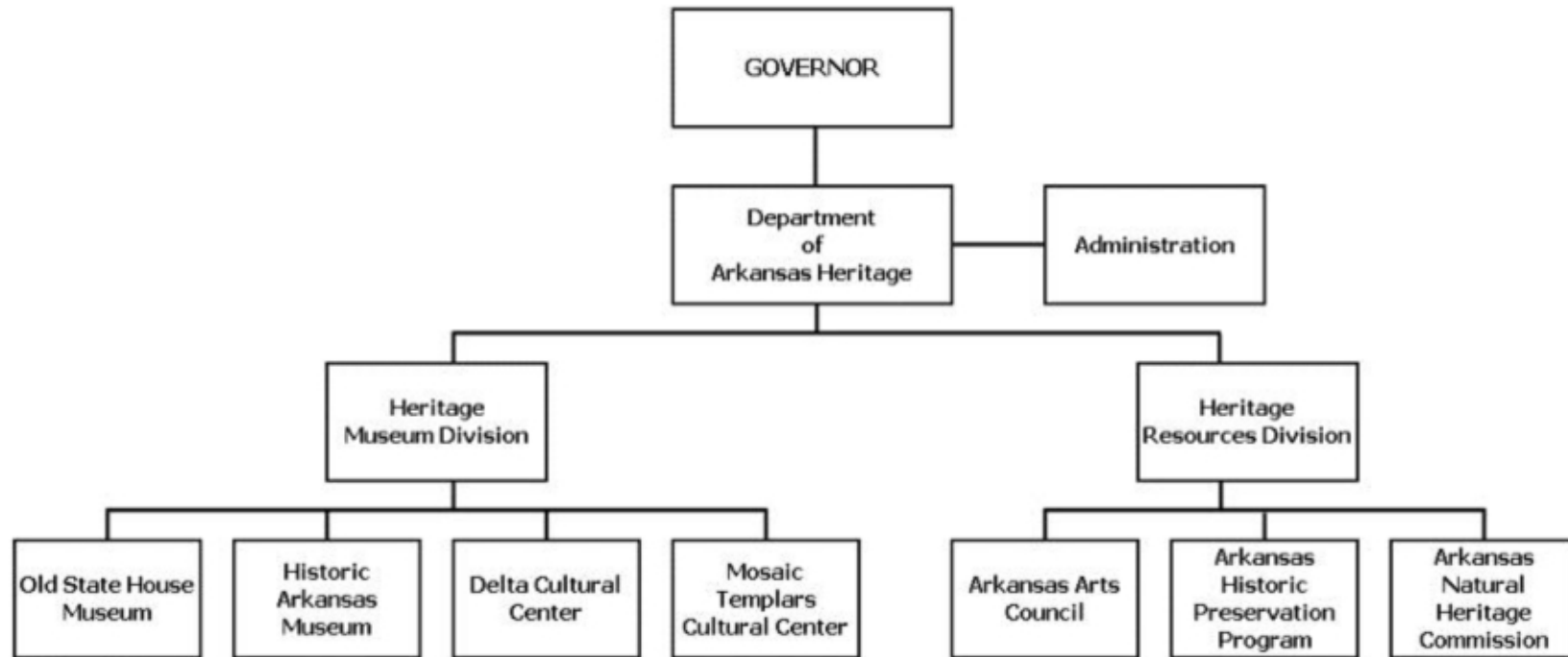
The two volume book *Arkansas Made: A Survey of the Decorative, Mechanical and Fine Arts Produced in Arkansas, 1819-1870* (University of Arkansas Press) is a result of this continuing research project. The museum has created the State's best (and in some cases only) collection of its quilts, firearms,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

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

Improvements over the years have included creating and enhancing the best collection of Arkansas-made objects; We Walk in Two Worlds, an exhibit of the Indian experience in Arkansas, produced in cooperation with the Smithsonian; daily living history performances in the museum houses; the Hands-on History Room; popular seasonal special events; and an excellent educational website. 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 an 11 member self-perpetuating board which meets monthly.



Agency Commentary

Exhibits, creative education presentations for schools and tourists, and engagement with the community are the central focus of the Historic Arkansas Museum's programming. The Museum hopes to build upon a series of important accomplishments in the 2015-2017 Biennium. The museum has recently been able to exhibit the most extensive collection of historical bowie knives ever assembled, featuring the work of James Black of Hempstead County.

The museum has produced video documentaries on the Arkansas Living Treasures, as designated by the Arkansas Arts Council, as a part of our Arkansas Made initiative. These Living Treasures hail from all over the state: Royal, Fort Smith, Little Rock, Russellville, Eureka Springs, Nashville, Huntsville, Yellville, Conway, Hot Springs, and Siloam Springs. They will all be featured in an exhibit planned for the upcoming biennium.

The Arkansas Made initiative during the biennium will include bringing the comprehensive information on Arkansas's artists and artisans up to 1950. The products of this initiative will include a catalog, exhibit, website, and other programming.

Request:

An increase in the cash fund appropriation will bring the appropriation back up to previously authorized levels to cover the following:

- Anticipated increases for re-stocking merchandise in the museum store. There are planned art shows at the museum during the periods and historically these have a direct correlation to vigorous retail sales at the museum store. The increase request is \$13,208.
- Office supply expenses related to the museum store. This includes bags, tissue, packaging, etc., that is related to increased store sales. The increase request is \$4,000.
- Funding for a contracted museum store consultant whose expertise has proved profitable in the past. Periodically, the consultant returns to review the museum store and offer assistance in improvements. The increase request is \$5,738.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	7	10	17	89 %
Black Employees	2	0	2	11 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	11 %
Total Employees			19	100 %

Cash Fund Balance Description as of June 30, 2014

Fund Account	Balance	Type	Location
1120100	\$50,723	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. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	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.	197,590	1	277,458	1	300,390	1	277,947	1	300,893	1	300,893	1	277,947	1	300,893	1	300,893	1
496 Historic Arkansas Museum-St. Operations	1,205,240	21	1,174,376	21	1,218,534	21	1,184,273	21	1,184,273	21	1,184,273	21	1,185,501	21	1,185,501	21	1,185,501	21
C15 Historic Arkansas Museum - Bank Charges	9,671	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	1,412,501	22	1,463,084	22	1,530,174	22	1,473,470	22	1,496,416	22	1,496,416	22	1,474,698	22	1,497,644	22	1,497,644	22

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	56,690	3.9	57,014	3.7	80,449	5.1	80,449	5.1	80,449	5.1	103,395	6.5	80,449	5.1	80,449	5.1	
General Revenue	4000010	1,205,240	82.0	1,174,376	76.1	1,184,273	75.1	1,184,273	75.1	1,184,273	75.1	1,185,501	74.0	1,185,501	75.1	1,185,501	75.1	
Cash Fund	4000045	207,585	14.1	312,143	20.2	312,143	19.8	312,143	19.8	312,143	19.8	312,143	19.5	312,143	19.8	312,143	19.8	
Total Funds		1,469,515	100.0	1,543,533	100.0	1,576,865	100.0	1,576,865	100.0	1,576,865	100.0	1,601,039	100.0	1,578,093	100.0	1,578,093	100.0	
Excess Appropriation/(Funding)		(57,014)		(80,449)		(103,395)		(80,449)		(80,449)		(126,341)		(80,449)		(80,449)		
Grand Total		1,412,501		1,463,084		1,473,470		1,496,416		1,496,416		1,474,698		1,497,644		1,497,644		

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
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	20	2	22	0	9.09 %	22	19	3	22	0	13.64 %

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 include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Base Level Request includes appropriation of \$277,947 each year with one (1) Regular position and seventeen (17) Extra Help positions.

The Agency's Change Level Request provides for \$22,946 each year of the biennium and is summarized as follows:

Operating Expenses of \$4,000 for office supply expenses related to the museum store.

Professional Fees of \$5,738 for a museum store consultant.

Resale (Cost of Goods Sold) of \$13,208 for anticipated increases for re-stocking merchandise in the museum store.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: ZJK - Historic Arkansas Museum-Cash in Treas.

Funding Sources: NNH - Historic Arkansas Museum Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2015-2016			2016-2017		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	22,340	21,953	21,953	22,172	22,172	22,172	22,172	22,172	22,172
#Positions	1	1	1	1	1	1	1	1	1
Extra Help 5010001	93,201	142,134	142,134	142,134	142,134	142,134	142,134	142,134	142,134
#Extra Help	10	17	17	17	17	17	17	17	17
Personal Services Matching 5010003	17,121	20,712	20,698	20,982	20,982	20,982	20,982	20,982	20,982
Operating Expenses 5020002	16,181	30,521	34,521	30,521	34,521	34,521	30,521	34,521	34,521
Conference & Travel Expenses 5050009	0	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334
Professional Fees 5060010	0	1,832	7,750	1,832	7,570	7,570	1,832	7,570	7,570
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Resale (COGS) 5090017	48,747	56,972	70,000	56,972	70,180	70,180	56,972	70,180	70,180
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	197,590	277,458	300,390	277,947	300,893	300,893	277,947	300,893	300,893
Funding Sources									
Fund Balance 4000005	3,969	6,291		29,726	29,726	29,726	52,672	29,726	29,726
Cash Fund 4000045	199,912	300,893		300,893	300,893	300,893	300,893	300,893	300,893
Total Funding	203,881	307,184		330,619	330,619	330,619	353,565	330,619	330,619
Excess Appropriation/(Funding)	(6,291)	(29,726)		(52,672)	(29,726)	(29,726)	(75,618)	(29,726)	(29,726)
Grand Total	197,590	277,458		277,947	300,893	300,893	277,947	300,893	300,893

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	277,947	1	277,947	100.0	277,947	1	277,947	100.0
C01	Existing Program	22,946	0	300,893	108.3	22,946	0	300,893	108.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	277,947	1	277,947	100.0	277,947	1	277,947	100.0
C01	Existing Program	22,946	0	300,893	108.3	22,946	0	300,893	108.3

Justification

C01	An increase of cash appropriation will bring the appropriation back up to previously authorized levels to cover the following: anticipated increases for re-stocking merchandise in the museum store, office supply expenses related to the museum store and funding for a museum store consultant.
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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 include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Base Level Request includes appropriation and general revenue funding of \$1,184,273 in FY16 and \$1,185,501 in FY17 with 21 regular salaried positions.

The Executive Recommendation provides for the Agency Request.

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			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	814,118	785,863	814,606	791,502	791,502	791,502	792,502	792,502	792,502
#Positions		21	21	21	21	21	21	21	21	21
Personal Services Matching	5010003	287,043	279,433	294,848	283,691	283,691	283,691	283,919	283,919	283,919
Operating Expenses	5020002	104,079	109,080	109,080	109,080	109,080	109,080	109,080	109,080	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		1,205,240	1,174,376	1,218,534	1,184,273	1,184,273	1,184,273	1,185,501	1,185,501	1,185,501
Funding Sources										
General Revenue	4000010	1,205,240	1,174,376		1,184,273	1,184,273	1,184,273	1,185,501	1,185,501	1,185,501
Total Funding		1,205,240	1,174,376		1,184,273	1,184,273	1,184,273	1,185,501	1,185,501	1,185,501
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,205,240	1,174,376		1,184,273	1,184,273	1,184,273	1,185,501	1,185,501	1,185,501

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.

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		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	9,671	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		9,671	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250
Funding Sources										
Fund Balance	4000005	52,721	50,723		50,723	50,723	50,723	50,723	50,723	50,723
Cash Fund	4000045	7,673	11,250		11,250	11,250	11,250	11,250	11,250	11,250
Total Funding		60,394	61,973		61,973	61,973	61,973	61,973	61,973	61,973
Excess Appropriation/(Funding)		(50,723)	(50,723)		(50,723)	(50,723)	(50,723)	(50,723)	(50,723)	(50,723)
Grand Total		9,671	11,250		11,250	11,250	11,250	11,250	11,250	11,250

DAH - HISTORIC PRESERVATION

Enabling Laws

Act 273 of 2014
A.C.A. §13-7-101 et seq.
A.C.A. §13-7-501 et seq.

History and Organization

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

Statutory Responsibilities:

The state and federal legislation that jointly set out the AHPP responsibilities specify areas in which the Agency must operate. These include: the development of a plan for the historic, architectural, and cultural resources of the State; the 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.

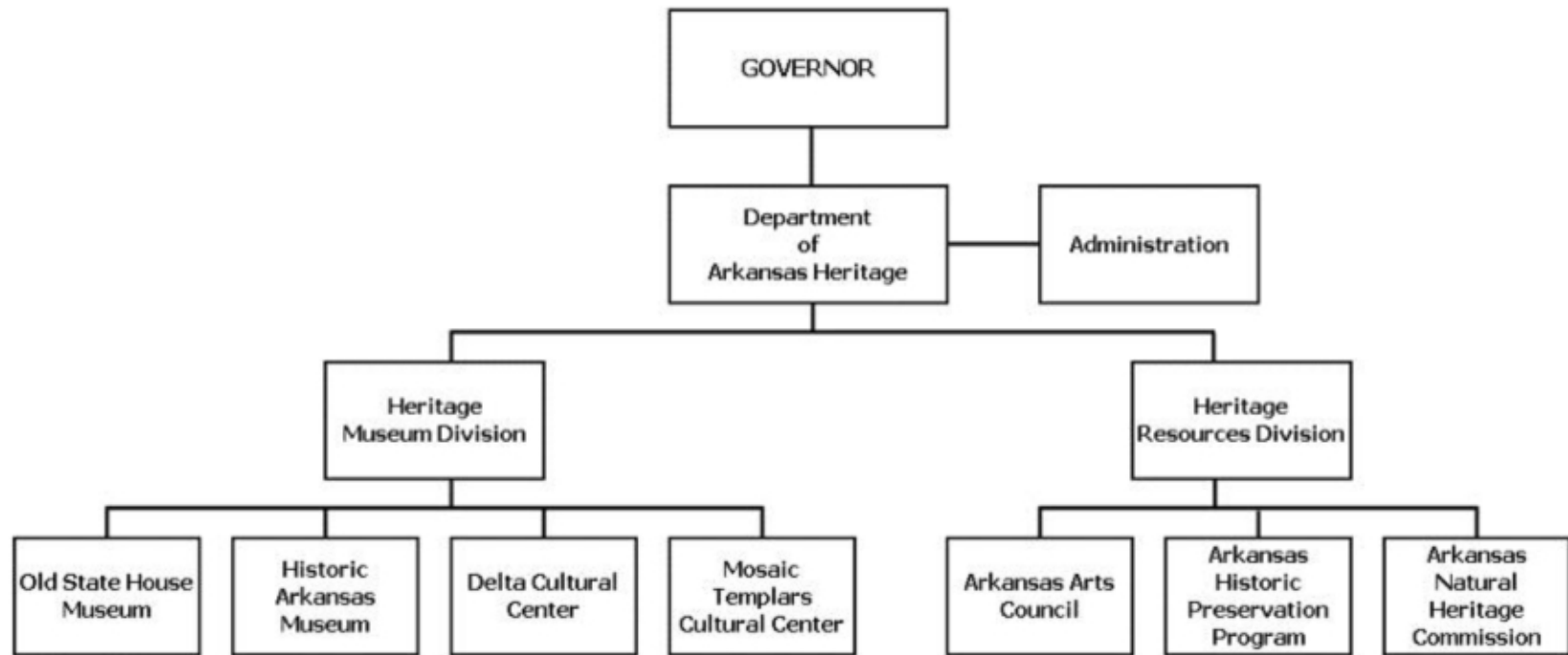
AHPP personnel visit schools around the state to make presentations on Arkansas's historic resources and also offers a variety of lesson plans. The AHPP provides programming for adult audiences through the Agency's popular "Sandwiching in History" and "Walks Through History" tour programs and presentations 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

The Arkansas Historic Preservation Program (AHPP) is the State Historic Preservation Office (SHPO) which is a state governmental function created by the federal government in 1966 under Section 101 of the National Historic Preservation Act. As the SHPO for Arkansas, AHPP's purposes include surveying and recognizing historic properties, reviewing nomination for properties to be included in the National Register of Historic Places, and reviewing undertakings for the impact on properties.

AHPP also houses the Main Street Arkansas program, which works with local communities to revitalize downtown commercial areas.

The main goals of the Arkansas Historic Preservation Program (AHPP) are to educate Arkansans about the importance of preserving our heritage and our myriad historic resources, provide leadership, assistance, and guidance for Arkansans involved in historic preservation activities on all levels, and provide resources to support historic preservation in Arkansas.

Some of the ways AHPP strives to accomplish these goals include:

- Increase the public's understanding, awareness, and involvement in historic preservation through education programs and services for all age groups.
- Encourage the widespread understanding and use of accepted preservation standards and techniques.
- Develop programs and services that will help local preservation organizations educate their constituencies about available resources.
- Increase the availability and scope of technical assistance sources and resources throughout the state through traditional, web-based and social media outlets.
- Encourage the growth and further development of a statewide preservation network by partnering with local, state, regional, and federal agencies and organizations.
- Focus survey, registration, and education efforts on rural resources threatened by spreading urban and economic development in traditionally rural areas.
- Establish and/or increase programs and services (funding mechanisms as well as technical assistance services) sufficient to meet preservation needs.
- Increase the visibility of the AHPP staff, programs, and services in local communities.

Change Level Requests to general revenue and Conservation Tax will allow lease payment expenses for those agencies currently housed in the Tower Building to be paid from other revenue streams and no longer be paid from proceeds of the Conservation Tax. This alleviates any concern that the use of the Conservation Tax for rental/lease purposes is inappropriate. Salary Expenses and Personal Services Matching Expenses are clearly eligible for payment from the Conservation Tax proceeds so the Conservation Tax will now be the source of payment for these personnel costs categories.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	12	9	21	91 %
Black Employees	0	2	2	9 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	9 %
Total Employees			23	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	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	1,613,234	14	3,000,000	9	0	9	0	9	0	7	0	7	0	9	0	7	0	7
491 Historic Preservation-Federal Program	950,948	11	1,580,084	16	1,581,245	16	1,590,525	16	1,590,525	16	1,590,525	16	1,590,647	16	1,590,647	16	1,590,647	16
960 Hist Pres - Main Street - Cash in Treasury	0	0	30,842	0	30,842	0	30,842	0	30,842	0	30,842	0	30,842	0	30,842	0	30,842	0
Total	2,564,182	25	4,610,926	25	1,612,087	25	1,621,367	25	1,621,367	23	1,621,367	23	1,621,489	25	1,621,489	23	1,621,489	23

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	76,820	2.9	107,604	2.3	104,762	6.1	104,762	6.1	104,762	6.1	103,920	6.0	103,920	6.0	103,920	6.0	
Federal Revenue	4000020	950,948	35.6	1,580,084	33.5	1,590,525	92.2	1,590,525	92.2	1,590,525	92.2	1,590,647	92.1	1,590,647	92.1	1,590,647	92.1	
Cash Fund	4000045	30,784	1.2	28,000	0.6	30,000	1.7	30,000	1.7	30,000	1.7	32,000	1.9	32,000	1.9	32,000	1.9	
Inter-agency Fund Transfer	4000316	1,613,234	60.4	3,000,000	63.6	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Total Funds		2,671,786	100.0	4,715,688	100.0	1,725,287	100.0	1,725,287	100.0	1,725,287	100.0	1,726,567	100.0	1,726,567	100.0	1,726,567	100.0	
Excess Appropriation/(Funding)		(107,604)		(104,762)		(103,920)		(103,920)		(103,920)		(105,078)		(105,078)		(105,078)		
Grand Total		2,564,182		4,610,926		1,621,367		1,621,367		1,621,367		1,621,489		1,621,489		1,621,489		

The FY15 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).

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
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	
24	24	0	24	0	0.00 %	25	25	0	25	0	0.00 %	25	25	0	25	0	0.00 %

Analysis of Budget Request

Appropriation: 477 - Historic Preservation-Real Estate Trsfer Tax

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

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

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

Under this authority, the Natural and Cultural Resources Council is authorized to grant appropriation and funding to the Historic Preservation Program pursuant to special language in Section 34 of Act 273 of 2014 [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 nine (9) Regular positions and four (4) Extra Help positions.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The salary and matching appropriation for these positions (as well as any supporting operations appropriation) are 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's Change Level Request relocates two (2) positions to general revenue and will allow for rental/lease payments to be paid from other revenue streams and no longer be paid from proceeds of the Conservation Tax.

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			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	591,086	408,072	0	0	0	0	0	0	0
#Positions		14	9	9	9	7	7	9	7	7
Extra Help	5010001	42,983	45,000	0	0	0	0	0	0	0
#Extra Help		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	206,862	139,171	0	0	0	0	0	0	0
Operating Expenses	5020002	161,374	530,000	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	42,797	46,000	0	0	0	0	0	0	0
Professional Fees	5060010	56,317	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	511,815	1,731,757	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,613,234	3,000,000	0	0	0	0	0	0	0
Funding Sources										
Inter-agency Fund Transfer	4000316	1,613,234	3,000,000		0	0	0	0	0	0
Total Funding		1,613,234	3,000,000		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,613,234	3,000,000		0	0	0	0	0	0

FY15 Budget exceeds Authorized appropriation due to a transfer from the Natural and Cultural Resources Council (NCRC) Grant Fund (481) by authority of A.C.A. §15-12-103 (3). The Inter-agency Fund Transfer reflects the transfer of Real Estate Transfer Tax funding from the Natural and Cultural Resources Council (Business Area 0887).

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	0	9	0	0.0	0	9	0	0.0
C07	Agency Transfer	0	(2)	0		0	(2)	0	

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	0	9	0	0.0	0	9	0	0.0
C07	Agency Transfer	0	(2)	0		0	(2)	0	

Justification

C07	These Change Level Requests will allow for rental/lease payments to be paid from other revenue streams.
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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 include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Requests Base Level of \$1,590,525 in FY16 and \$1,590,647 in FY17 with sixteen (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	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	510,240	708,866	712,484	715,468	715,468	715,468	715,568	715,568	715,568
#Positions	11	16	16	16	16	16	16	16	16
Extra Help 5010001	16,294	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	168,142	239,006	236,549	242,845	242,845	242,845	242,867	242,867	242,867
Operating Expenses 5020002	114,106	205,394	205,394	205,394	205,394	205,394	205,394	205,394	205,394
Conference & Travel Expenses 5050009	2,084	5,046	5,046	5,046	5,046	5,046	5,046	5,046	5,046
Professional Fees 5060010	0	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	140,082	359,100	359,100	359,100	359,100	359,100	359,100	359,100	359,100
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	950,948	1,580,084	1,581,245	1,590,525	1,590,525	1,590,525	1,590,647	1,590,647	1,590,647
Funding Sources									
Federal Revenue 4000020	950,948	1,580,084		1,590,525	1,590,525	1,590,525	1,590,647	1,590,647	1,590,647
Total Funding	950,948	1,580,084		1,590,525	1,590,525	1,590,525	1,590,647	1,590,647	1,590,647
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	950,948	1,580,084		1,590,525	1,590,525	1,590,525	1,590,647	1,590,647	1,590,647

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

Analysis of Budget Request

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

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

The Main Street Program was established in 2001 and works with local communities to revitalize downtown commercial areas throughout Arkansas. The Agency utilizes this appropriation to provide professional services and educational training meetings to support Main Street activities. 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.

The Agency Request of Base Level includes appropriation of \$30,842 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

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		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	10,842	10,842	10,842	10,842	10,842	10,842	10,842	10,842
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	20,000	20,000	20,000	20,000	20,000	20,000	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	30,842	30,842	30,842	30,842	30,842	30,842	30,842	30,842
Funding Sources										
Fund Balance	4000005	76,820	107,604		104,762	104,762	104,762	103,920	103,920	103,920
Cash Fund	4000045	30,784	28,000		30,000	30,000	30,000	32,000	32,000	32,000
Total Funding		107,604	135,604		134,762	134,762	134,762	135,920	135,920	135,920
Excess Appropriation/(Funding)		(107,604)	(104,762)		(103,920)	(103,920)	(103,920)	(105,078)	(105,078)	(105,078)
Grand Total		0	30,842		30,842	30,842	30,842	30,842	30,842	30,842

DAH - MOSAIC TEMPLARS CULTURAL CENTER

Enabling Laws

Act 273 of 2014
A.C.A. §13-5-901 et seq.

History and Organization

Agency Mission Statement:

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

Brief Discussion of Statutory Responsibilities and Primary Activities:

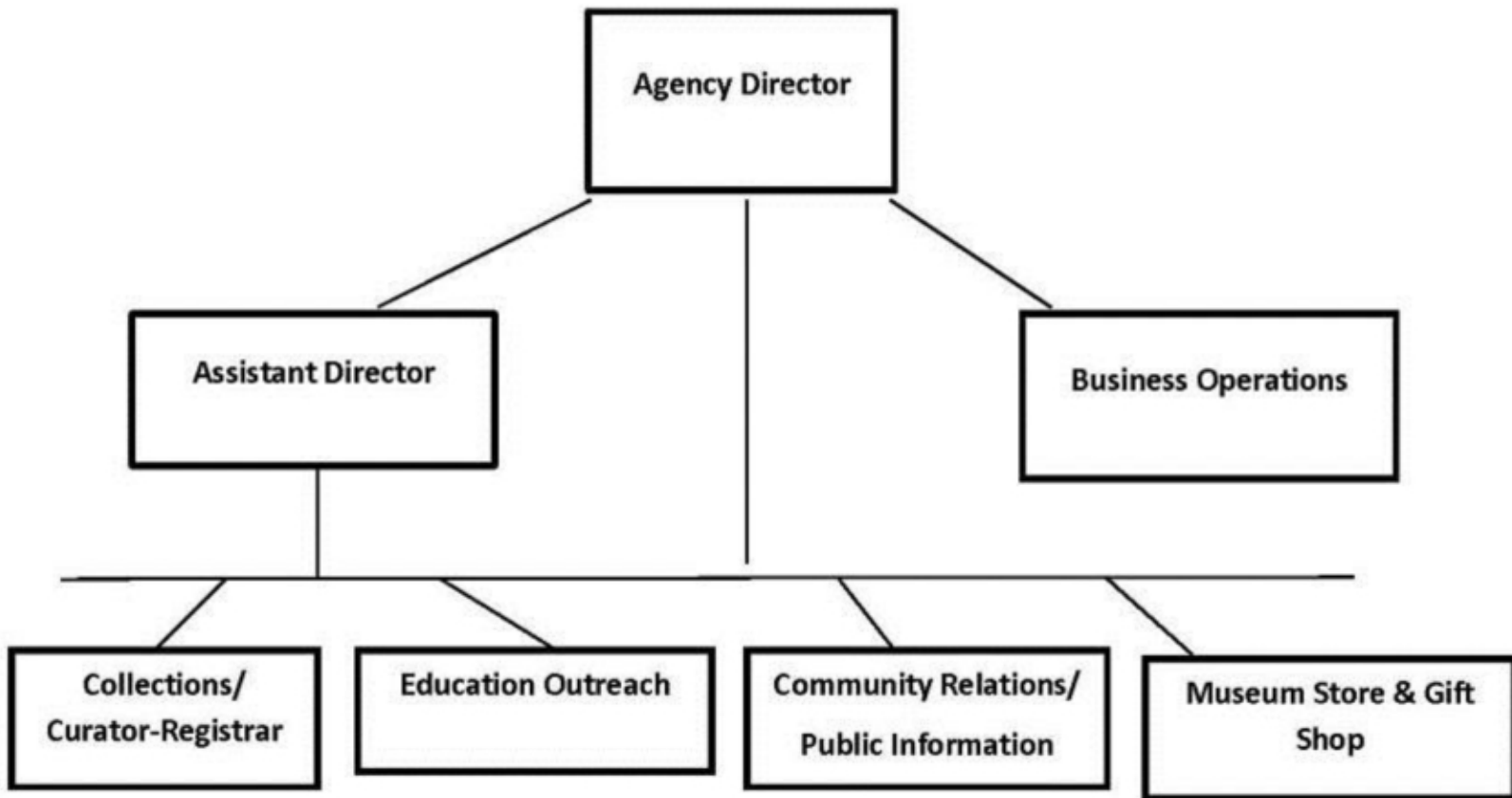
The Cultural Center houses temporary and permanent exhibits that assist in delivering our mission. The Center serves as a resource center for individuals wishing to learn more about African Americans in Arkansas and includes genealogy and historical research and education programming. The Center is housed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

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

Advisory Board or Commission:

The Mosaic Templars Cultural Center Advisory Board advises the director and staff on the development of permanent and temporary exhibits, a plan for acquisition of resource materials, and development of educational and other programming. The Board consists of nine members representing all congressional districts. Three members are appointed by the Governor, three appointed by the President Pro-Tempore of the

Senate, and three by the Speaker of the House of Representatives. Members serve four-year terms and no member shall serve more than two four-year terms.



Agency Commentary

The Mosaic Templars Cultural Center honors Arkansas's African-American history and tells the story of the Mosaic Templars of America, an African-American fraternal organization founded in 1882, established and headquartered in Little Rock.

The mission of the Mosaic Templars Cultural Center is dedicated to collecting, preserving, interpreting and celebrating African-American history, culture and community in Arkansas from 1870 to the present. Since 2008 the Museum and Cultural Center has educated the public about achievements by Blacks-especially in the areas of business politics and the arts.

Mosaic Templars Cultural Center achieves its goals through education and outreach, public programs for adults, exhibits, collections and research, and other services. More information about the agency is available at www.mosaictemplarscenter.com.

In addition to Base Level, Mosaic Templars Cultural Center requests the following:

- A decrease of \$500.00 previously allocated for Freight expenses to increase the amount of Postage Expenses by \$500.00, as the Agency anticipates more costs in usage of USPS services due to an increase in mailers/and other correspondence associated with Community Relations programming, Public Information Outreach, and Business Operations. This increase in Postage-related expenses is further justified by the increase of costs in services offered by the USPS, supported by analysis of cost increases over the past 5 years.
- An increase of \$26,000 in appropriation to cover the rising costs in utility expenses to include electricity, water/sewage and natural gas/propane usage costs. The increase is further justified by the trends in fluctuating utility costs in addition to the recent installation of a HVAC system to replace a failed system in Fiscal Year 2013 that requires higher wattage in electricity and greater consumption of water in the system's regular functioning. In Fiscal Year 2014 alone, the agency incurred the following actual amount in expenses for each utility:

Electricity--	\$ 56,091.07
Water & Sewage--	\$ 4,713.08
Natural Gas---	\$ 25,097.38
- An increase of \$25,000 to include appropriations for the Agency's Museum Bookstore and Gift Shop in efforts to support additional Public Programming and to generate income for the Museum by enhancing the marketability of souvenir items, or Costs of Goods Sold for Resale. The increase request is the result of an evaluation of profits realized by other Department of Arkansas Heritage Museums, as well as the inflation margin of products purchased for resale in similar markets of retail.
- An increase of \$15,000 in Professional Fees for a museum consultant

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	1	2	3	27 %
Black Employees	2	6	8	73 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			8	73 %
Total Employees			11	100 %

Cash Fund Balance Description as of June 30, 2014

Fund Account	Balance	Type	Location
1220000	\$126,568	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. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	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	743,830	9	792,498	10	909,148	10	798,841	10	839,841	10	839,841	10	798,841	10	839,841	10	839,841	10
1XX Mosaic Templars - Cash in Treasury	22,719	0	77,279	0	144,457	0	77,279	0	102,279	0	102,279	0	77,279	0	102,279	0	102,279	0
C17 Bank Charges Fund	2,950	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
NOT REQUESTED FOR THE BIENNIUM																		
F49 MTCC IMLS Grant	51,963	1	14,518	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	821,462	10	889,355	12	1,058,665	10	881,180	10	947,180	10	947,180	10	881,180	10	947,180	10	947,180	10

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	166,619	16.6	181,704	17.6		141,508	14.4	141,508	13.9	141,508	14.4	156,448	15.7	156,448	15.1	156,448	15.7
General Revenue	4000010	743,830	74.1	792,498	76.9		798,841	81.5	839,841	82.2	798,841	81.5	798,841	80.3	839,841	81.0	798,841	80.3
Federal Revenue	4000020	51,963	5.2	14,518	1.4		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Cash Fund	4000045	40,754	4.1	42,143	4.1		40,000	4.1	40,000	3.9	40,000	4.1	40,000	4.0	40,000	3.9	40,000	4.0
Total Funds		1,003,166	100.0	1,030,863	100.0		980,349	100.0	1,021,349	100.0	980,349	100.0	995,289	100.0	1,036,289	100.0	995,289	100.0
Excess Appropriation/(Funding)		(181,704)		(141,508)			(99,169)		(74,169)		(33,169)		(114,109)		(89,109)		(48,109)	
Grand Total		821,462		889,355			881,180		947,180		947,180		881,180		947,180		947,180	

The FY15 Budget amount in MTCC IMLS Grant (Appropriation F49) exceeds the Authorized amount due to a transfer from the Miscellaneous Federal Grant Holding Account. Variance in Fund Balance is due to unfunded appropriation.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
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	8	0	8	0	0.00 %	10	10	0	10	0	0.00 %	10	10	2	12	-2	0.00 %

Budgeted number of positions exceed authorized number due to a Miscellaneous Federal Grant.

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 include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Base Level Request includes appropriation and general revenue funding of \$798,841 each year with ten (10) Regular Positions and nine (9) Extra Help positions.

The Agency's Change Level Request provides for \$41,000 each year of the biennium and is summarized below:

Operating Expenses increase of \$26,000 for utilities. Decrease of \$500 in Freight Expenses to increase USPS services by \$500 due to an increase in mail correspondence with Community Relations Programs, Public Information Outreach and Business Operations.

Professional Fees increase of \$15,000 for a museum store consultant.

The Executive Recommendation provides for the Agency Request in 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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	340,905	369,378	362,343	373,503	373,503	373,503	373,503	373,503	373,503
#Positions		9	10	10	10	10	10	10	10	10
Extra Help	5010001	53,150	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
#Extra Help		8	9	9	9	9	9	9	9	9
Personal Services Matching	5010003	141,669	149,609	169,646	151,827	151,827	151,827	151,827	151,827	151,827
Operating Expenses	5020002	208,106	192,591	286,239	192,591	218,591	218,591	192,591	218,591	218,591
Conference & Travel Expenses	5050009	0	8,820	8,820	8,820	8,820	8,820	8,820	8,820	8,820
Professional Fees	5060010	0	12,100	22,100	12,100	27,100	27,100	12,100	27,100	27,100
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		743,830	792,498	909,148	798,841	839,841	839,841	798,841	839,841	839,841
Funding Sources										
General Revenue	4000010	743,830	792,498		798,841	839,841	798,841	798,841	839,841	798,841
Total Funding		743,830	792,498		798,841	839,841	798,841	798,841	839,841	798,841
Excess Appropriation/(Funding)		0	0		0	0	41,000	0	0	41,000
Grand Total		743,830	792,498		798,841	839,841	839,841	798,841	839,841	839,841

FY15 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	798,841	10	798,841	100.0	798,841	10	798,841	100.0
C01	Existing Program	41,500	0	840,341	105.2	41,500	0	840,341	105.2
C03	Discontinue Program	(500)	0	839,841	105.1	(500)	0	839,841	105.1

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	798,841	10	798,841	100.0	798,841	10	798,841	100.0
C01	Existing Program	41,500	0	840,341	105.2	41,500	0	840,341	105.2
C03	Discontinue Program	(500)	0	839,841	105.1	(500)	0	839,841	105.1

Justification

C01	MTCC requests an increase to cover the rising costs in utility expenses to include electricity, water/sewage and natural gas/propane usage costs and an increase in Professional Fees to cover the cost of a museum consultant.
C03	MTCC requested a decrease previously allocated for freight expenses to increase the amount of postage expenses, as the agency anticipates more costs in usage of USPS services due to an increase in mailers/and other correspondence associated with Community Relations Programming, Public Information outreach, and Business Operations.

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 is requesting language be added to the act that will allow them to use this appropriation to purchase small artifacts and for operating expenses for the whole Agency.

The Agency Base Level Request includes appropriation of \$77,279 each year.

The Agency's Change Level Request provides for \$25,000 each year of the biennium for Resale (Cost of Goods Sold) to purchase additional products for resale.

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

Appropriation Summary

Appropriation: 1XX - Mosaic Templars - Cash in Treasury

Funding Sources: NNH - Mosaic Templars Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	11,516	56,279	84,457	56,279	56,279	56,279	56,279	56,279	56,279
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	1,500	0	10,000	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Resale (COGS)	5090017	9,703	21,000	50,000	21,000	46,000	46,000	21,000	46,000	46,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		22,719	77,279	144,457	77,279	102,279	102,279	77,279	102,279	102,279
Funding Sources										
Fund Balance	4000005	62,509	55,136		0	0	0	0	0	0
Cash Fund	4000045	15,346	22,143		20,000	20,000	20,000	20,000	20,000	20,000
Total Funding		77,855	77,279		20,000	20,000	20,000	20,000	20,000	20,000
Excess Appropriation/(Funding)		(55,136)	0		57,279	82,279	82,279	57,279	82,279	82,279
Grand Total		22,719	77,279		77,279	102,279	102,279	77,279	102,279	102,279

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	77,279	0	77,279	100.0	77,279	0	77,279	100.0
C01	Existing Program	25,000	0	102,279	132.4	25,000	0	102,279	132.4

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	77,279	0	77,279	100.0	77,279	0	77,279	100.0
C01	Existing Program	25,000	0	102,279	132.4	25,000	0	102,279	132.4

Justification

C01	MTCC requests an increase in Resale Cost of Goods Sold for the Agency's Museum Bookstore and Gift Shop in efforts to support additional Public programming and to generate income for the Museum by enhancing the marketability of souvenir items.
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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 Request is for Base Level of \$5,060 each year.

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		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	2,950	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		2,950	5,060	5,060	5,060	5,060	5,060	5,060	5,060	5,060
Funding Sources										
Fund Balance	4000005	104,110	126,568		141,508	141,508	141,508	156,448	156,448	156,448
Cash Fund	4000045	25,408	20,000		20,000	20,000	20,000	20,000	20,000	20,000
Total Funding		129,518	146,568		161,508	161,508	161,508	176,448	176,448	176,448
Excess Appropriation/(Funding)		(126,568)	(141,508)		(156,448)	(156,448)	(156,448)	(171,388)	(171,388)	(171,388)
Grand Total		2,950	5,060		5,060	5,060	5,060	5,060	5,060	5,060

Appropriation Summary

Appropriation: F49 - MTCC IMLS Grant

Funding Sources: FHH - IMLS Grant

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	41,280	7,194	0	0	0	0	0	0	0
#Positions		1	2	0	0	0	0	0	0	0
Personal Services Matching	5010003	10,683	3,468	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	3,856	0	0	0	0	0	0	0
Total		51,963	14,518	0	0	0	0	0	0	0
Funding Sources										
Federal Revenue	4000020	51,963	14,518		0	0	0	0	0	0
Total Funding		51,963	14,518		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		51,963	14,518		0	0	0	0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2015-2017 BIENNIUM

DAH - NATURAL HERITAGE COMMISSION

Enabling Laws

Act 273 of 2014
A.C.A. §15-20-301 et seq.

History and Organization

Agency Mission Statement:

The mission of the Natural Heritage Commission is to preserve natural diversity, to promote choice among beneficial uses of the environment, and to promote the conservation of Arkansas's natural landscape 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, Land Acquisition and Stewardship, and Research and Inventory. Administration consists of the director, assistant director and two support positions. The Education and Information staff offers outreach programs that includes curriculum materials for teachers and in-class presentations about Arkansas's native plants and animals and natural history. Public information initiatives include presentations to interested organizations and individuals, and the development of nature information for public dissemination, including online videos, photos, and downloadable resource materials.

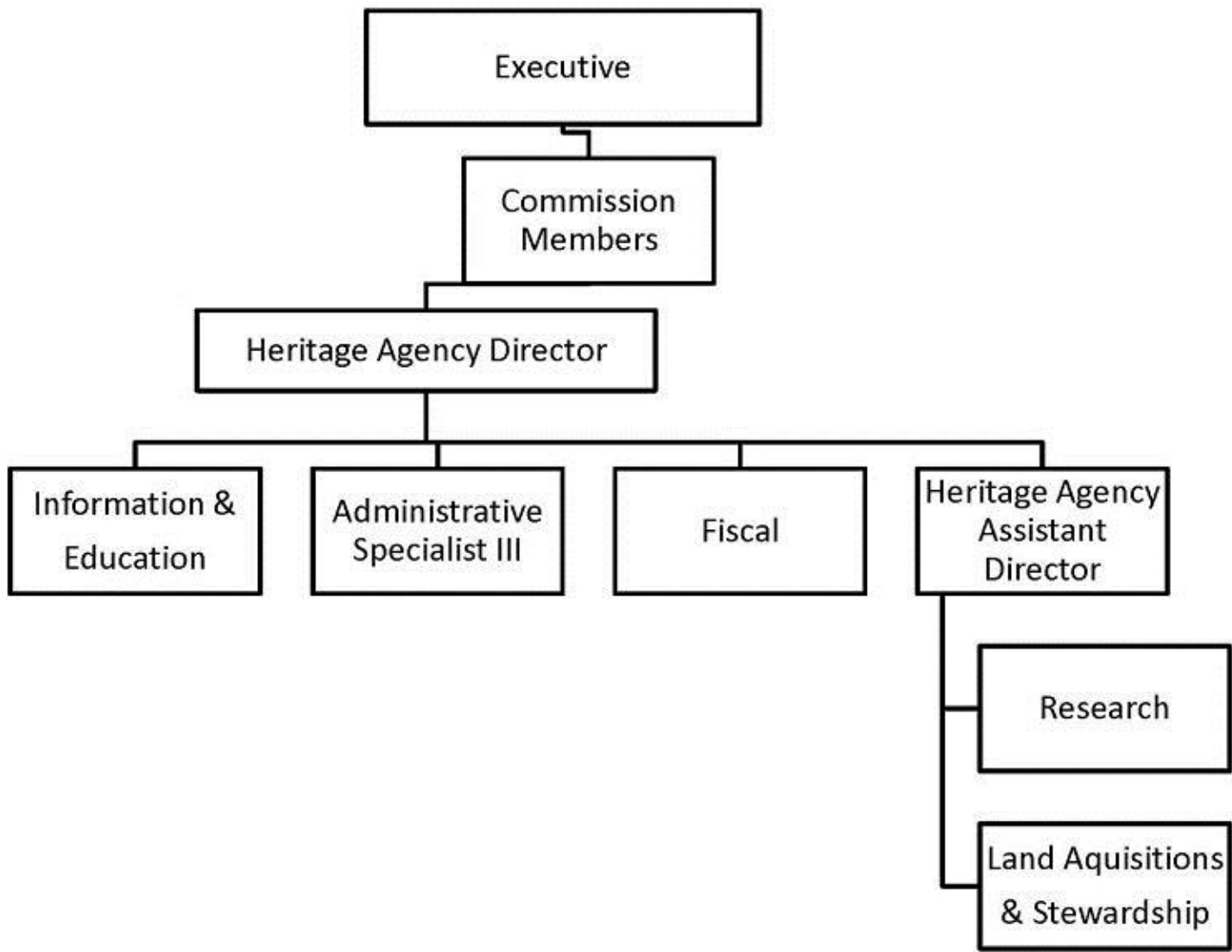
The Land Acquisition staff participates in the determination of specific tracts of land for inclusion in the System of Natural Areas by acquiring fee title or easements to preserve the best and last examples of Arkansas's natural landscape or to protect our most at-risk plants and animals. Stewardship staff prepares and implements management activities for the 71 individual areas in the System, totaling 61,551 acres. Tours and volunteer activities occur regularly on natural areas to educate the public and other interested parties about Arkansas's natural history and diversity, and appropriate land management techniques. 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. The commission performs ecological analysis to comply with the A-95 Environmental Review Process and is the central clearinghouse for information on Arkansas's most at risk plants, animals, and natural habitats. This information is

used by consultants, planners and many of our state's large forest landowners for forestry certification purposes. 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.

Commission 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, U.S. Army Corps of Engineers, U.S. Natural Resources Conservation Service, Arkansas Game & Fish Commission, Arkansas State Parks, Arkansas Natural Resources Commission, Arkansas Forestry Commission and many 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

The mission of the Arkansas Natural Heritage Commission is to preserve and manage some of the best and last examples of Arkansas's natural landscape for future generations. We are the central clearing house for information on Arkansas's most at-risk plants and animals and provide technical assistance for land management.

Data maintained by the Arkansas Natural Heritage Commission is used as a vital planning tool in the sustainable management of our state. This data, coupled with staff expertise, provides public education opportunities about Arkansas's natural history and contributes to the conservation of our state's diverse natural heritage. The System of Natural Areas are protected and managed as examples of our state's natural landscape and many provide refuge for plants and animals that have experienced significant population declines. Information about Arkansas's natural heritage and agency programs can be found at www.arkansasheritage.org.

Change Level Requests

Increases of \$16,378 in Operating Expenses and \$451,448 in Land Acquisition are requested for each year of the biennium in the Agency's natural areas cash management appropriation to utilize anticipated non-federal grant funded contracts for land management, research, and natural area land acquisition.

Changes in the Agency's research cash appropriation are requested for both years of the biennium to include an increase of \$29,781 per year to restore Extra Help and Personal Services Matching for a part-time research position, and a reduction of (\$24,528) per year in Operating Expenses. This fund receives income from fees charged for research services.

An increase of \$54,788 in FY16 and \$55,729 in FY17 is requested in the natural heritage state operations appropriation for increases in Operating Expenses. A reduction of (\$79,072) in Regular Salaries and Personal Services Matching. These Change Level Requests will allow for rental/lease payments to be paid from other revenue streams and no longer be paid from proceeds of the Conservation Tax and for increases in telephone service and rising fuel and travel costs for Commission meetings. In addition, an increase in the Gas Royalty Expenses appropriation of \$1,550,219 in FY16 and \$415,154 in FY17 is requested to continue current projects consistent with the Agency mission, including but not limited to general maintenance and operation, land acquisition, land management, equipment, and research. The adjusted appropriation is requested to utilize income for royalty payments from natural gas leases administered by the Commissioner of State Lands.

An increase of \$48,000 in Operating Expenses is requested for both years of the biennium in the natural heritage federal appropriation to utilize anticipated funds from federal grants for research and stewardship contracts. Funding from federal grants is non-recurring and used for one-time projects to fund essential research, land acquisition, and stewardship work.

An increase of \$1,000,000 is requested for both years of the biennium to restore natural heritage Land Acquisition appropriation funded from the 1/8 Cent Conservation Tax.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	7	6	13	93 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	1	1	7 %
Total Minorities			1	7 %
Total Employees			14	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Report	A.C.A. §15-20-308(11)	Y	Y	2	Statutory Requirement and Available Online	4	20.04

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	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	39,393	1	262,301	1	268,079	1	262,579	1	730,405	1	730,405	1	262,579	1	730,405	1	730,405	1
1AR Natural Area Research - Cash in Treasury	13,557	0	34,528	0	64,309	0	34,528	0	39,781	0	39,781	0	34,528	0	39,781	0	39,781	0
493 Natural Heritage - State Operations	966,842	10	988,969	10	1,040,012	10	996,953	10	2,522,888	9	2,522,888	9	996,953	10	1,388,764	9	1,388,764	9
494 Natural Heritage - Federal Program	1,593,788	3	2,119,556	4	2,105,536	3	2,121,071	4	2,169,071	4	2,169,071	4	2,121,071	4	2,169,071	4	2,169,071	4
693 Natural Heritage - Land Acquisition	600,000	0	0	0	1,200,000	0	0	0	1,000,000	0	1,000,000	0	0	0	1,000,000	0	1,000,000	0
Total	3,213,580	14	3,405,354	14	4,677,936	14	3,415,131	14	6,462,145	13	6,462,145	13	3,415,131	14	5,328,021	13	5,328,021	13

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	528,028	12.0	1,194,374	24.7	1,428,927	26.0	1,428,927	25.9	1,428,927	25.9	2,103,411	33.1	85,366	2.0	85,366	2.0
General Revenue	4000010	619,000	14.0	611,569	12.7	668,125	12.1	643,841	11.7	643,841	11.7	668,125	10.5	644,782	14.8	644,782	14.8
Federal Revenue	4000020	1,593,788	36.2	2,119,556	43.8	2,121,071	38.6	2,169,071	39.3	2,169,071	39.3	2,121,071	33.4	2,169,071	49.7	2,169,071	49.7
Cash Fund	4000045	109,822	2.5	239,820	5.0	672,341	12.2	672,341	12.2	672,341	12.2	770,555	12.1	770,555	17.7	770,555	17.7
DFA Motor Vehicle Acquisition	4000184	22,869	0.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Gas Lease Revenue	4000266	934,447	21.2	668,962	13.8	610,792	11.1	610,792	11.1	610,792	11.1	691,038	10.9	691,038	15.8	691,038	15.8
Conservation Tax	4000453	600,000	13.6	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		4,407,954	100.0	4,834,281	100.0	5,501,256	100.0	5,524,972	100.0	5,524,972	100.0	6,354,200	100.0	4,360,812	100.0	4,360,812	100.0
Excess Appropriation/(Funding)		(1,194,374)		(1,428,927)		(2,086,125)		937,173		937,173		(2,939,069)		967,209		967,209	
Grand Total		3,213,580		3,405,354		3,415,131		6,462,145		6,462,145		3,415,131		5,328,021		5,328,021	

Variance in Fund Balance is due to unfunded appropriation.

The FY15 Budget amount in Natural Heritage - Federal Program (Appropriation 494) exceeds the Authorized amount due to Personal Services Matching rate adjustments during the 2013-2015 Biennium. Budget Number of Positions may exceed the Authorized Number due to single salary section in appropriation act.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
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 %	14	13	1	14	0	7.14 %	14	13	1	14	0	7.14 %

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.

Base Level includes appropriation of \$262,579 each year of the biennium with one (1) Regular Salaried position and seven (7) Extra Help positions.

The Agency's Change Level Request provides for \$467,826 each year of the biennium and is summarized below:

Operating Expenses of \$16,378 for non-federal grant funded contracts for stewardship or research.

Land Acquisition of \$451,448 for anticipated non-federal grant sources.

The Executive Recommendation provides for the Agency Request.

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		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	14,682	24,834	23,131	24,955	24,955	24,955	24,955	24,955	24,955
#Positions		1	1	1	1	1	1	1	1	1
Extra Help	5010001	8,680	27,650	35,000	27,650	27,650	27,650	27,650	27,650	27,650
#Extra Help		1	7	7	7	7	7	7	7	7
Personal Services Matching	5010003	5,210	10,143	10,274	10,300	10,300	10,300	10,300	10,300	10,300
Operating Expenses	5020002	10,397	83,622	83,622	83,622	100,000	100,000	83,622	100,000	100,000
Conference & Travel Expenses	5050009	424	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	500,000	500,000	48,552	500,000	500,000
Total		39,393	262,301	268,079	262,579	730,405	730,405	262,579	730,405	730,405
Funding Sources										
Fund Balance	4000005	76,187	131,495		98,214	98,214	98,214	495,476	27,650	27,650
Cash Fund	4000045	94,701	229,020		659,841	659,841	659,841	758,055	758,055	758,055
Total Funding		170,888	360,515		758,055	758,055	758,055	1,253,531	785,705	785,705
Excess Appropriation/(Funding)		(131,495)	(98,214)		(495,476)	(27,650)	(27,650)	(990,952)	(55,300)	(55,300)
Grand Total		39,393	262,301		262,579	730,405	730,405	262,579	730,405	730,405

FY15 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	262,579	1	262,579	100.0	262,579	1	262,579	100.0
C01	Existing Program	467,826	0	730,405	278.2	467,826	0	730,405	278.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	262,579	1	262,579	100.0	262,579	1	262,579	100.0
C01	Existing Program	467,826	0	730,405	278.2	467,826	0	730,405	278.2

Justification

C01	Additional appropriation is requested in Operating Expenses to accommodate anticipated non-federal grant funded contracts for stewardship or research. Additional appropriation is requested in Land Acquisition to use anticipated non-federal grant sources for Land Acquisition.								
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Analysis of Budget Request

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

Funding Sources: NNH - Natural Area Management Cash

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

Base Level includes appropriation of \$34,528 each year of the biennium.

The Agency's Change Level Request provides for \$5,253 each year of the biennium and is summarized below:

Extra Help and Personal Services Matching of \$29,781 to restore to FY15 authorized amounts for a part time research assistant.

Operating Expenses reduction of (\$24,528) to reflect lower revenue estimations.

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	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Extra Help 5010001	12,594	0	27,650	0	27,650	27,650	0	27,650	27,650
#Extra Help	1	0	0	0	0	0	0	0	0
Personal Services Matching 5010003	963	0	2,131	0	2,131	2,131	0	2,131	2,131
Operating Expenses 5020002	0	34,528	34,528	34,528	10,000	10,000	34,528	10,000	10,000
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	13,557	34,528	64,309	34,528	39,781	39,781	34,528	39,781	39,781
Funding Sources									
Fund Balance 4000005	26,906	28,470		4,742	4,742	4,742	0	0	0
Cash Fund 4000045	15,121	10,800		12,500	12,500	12,500	12,500	12,500	12,500
Total Funding	42,027	39,270		17,242	17,242	17,242	12,500	12,500	12,500
Excess Appropriation/(Funding)	(28,470)	(4,742)		17,286	22,539	22,539	22,028	27,281	27,281
Grand Total	13,557	34,528		34,528	39,781	39,781	34,528	39,781	39,781

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 1AR - Natural Area Research - Cash in Treasury
Funding Sources: NNH - Natural Area Management Cash

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	34,528	0	34,528	100.0	34,528	0	34,528	100.0
C01	Existing Program	29,781	0	64,309	186.3	29,781	0	64,309	186.3
C03	Discontinue Program	(24,528)	0	39,781	115.2	(24,528)	0	39,781	115.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	34,528	0	34,528	100.0	34,528	0	34,528	100.0
C01	Existing Program	29,781	0	64,309	186.3	29,781	0	64,309	186.3
C03	Discontinue Program	(24,528)	0	39,781	115.2	(24,528)	0	39,781	115.2

Justification

C01	Request to restore Extra Help and Personal Services Matching appropriation to FY15 authorized amount for a part time research position.
C03	Reduction in Operating Expenses of \$24,528.00 to reflect lower income estimations

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 include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Base Level Request includes appropriation of \$996,953 and general revenue of \$668,125 each year of the biennium with ten (10) Regular Salaried positions.

The Agency's Change Level Request provides for \$1,525,935 in FY16 and \$391,811 in FY17 and is summarized below:

Regular Salaries and Personal Services Matching decrease totaling (\$79,072) for the transfer of one (1) position to the Conservation Tax appropriation to offset an increase in rent.

Operating Expenses of \$54,788 in FY16 and \$55,729 in FY17

- \$52,900 in FY16 and \$53,483 in FY17 for an increase in rent
- \$1,888 in FY16 and \$2,246 in FY17 for increases in travel cost associated with attending meetings

Gas Royalty Expenses increase of \$1,550,219 in FY16 and \$415,154 in FY17 to fund activities consistent with the agency mission

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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	482,437	466,106	505,688	471,418	410,968	410,968	471,418	410,968	410,968
#Positions		10	10	10	10	9	9	10	9	9
Personal Services Matching	5010003	158,461	153,656	165,117	156,328	137,706	137,706	156,328	137,706	137,706
Operating Expenses	5020002	40,433	40,379	40,379	40,379	95,167	95,167	40,379	96,108	96,108
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	22,869	0	0	0	0	0	0	0	0
Gas Royalty Expenses	5900047	262,642	328,828	328,828	328,828	1,879,047	1,879,047	328,828	743,982	743,982
Total		966,842	988,969	1,040,012	996,953	2,522,888	2,522,888	996,953	1,388,764	1,388,764

Funding Sources										
Fund Balance	4000005	424,935	1,034,409		1,325,971	1,325,971	1,325,971	1,607,935	57,716	57,716
General Revenue	4000010	619,000	611,569		668,125	643,841	643,841	668,125	644,782	644,782
DFA Motor Vehicle Acquisition	4000184	22,869	0		0	0	0	0	0	0
Gas Lease Revenue	4000266	934,447	668,962		610,792	610,792	610,792	691,038	691,038	691,038
Total Funding		2,001,251	2,314,940		2,604,888	2,580,604	2,580,604	2,967,098	1,393,536	1,393,536
Excess Appropriation/(Funding)		(1,034,409)	(1,325,971)		(1,607,935)	(57,716)	(57,716)	(1,970,145)	(4,772)	(4,772)
Grand Total		966,842	988,969		996,953	2,522,888	2,522,888	996,953	1,388,764	1,388,764

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	996,953	10	996,953	100.0	996,953	10	996,953	100.0
C01	Existing Program	1,605,007	0	2,601,960	261.0	470,883	0	1,467,836	147.2
C07	Agency Transfer	(79,072)	(1)	2,522,888	253.1	(79,072)	(1)	1,388,764	139.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	996,953	10	996,953	100.0	996,953	10	996,953	100.0
C01	Existing Program	1,605,007	0	2,601,960	261.0	470,883	0	1,467,836	147.2
C07	Agency Transfer	(79,072)	(1)	2,522,888	253.1	(79,072)	(1)	1,388,764	139.3

Justification

C01	Operating Expenses: Change level request reflects the increase for our telephone services and an increase in Commission expenses due to anticipated increases in travel costs to attend meetings. Change Level Requests will allow for rental/lease payments to be paid from other revenue streams and no longer be paid from proceeds of the Conservation Tax. Gas Royalty Expenses: Additional appropriation is requested to fund activities consistent with the Agency's mission, including but not limited to general maintenance and operation, land acquisition, natural area stewardship, equipment and research. The adjusted appropriation is requested to utilize income from royalty payments for Natural Gas Leases administered by the Commissioner of State Lands.
C07	These Change Level Requests will allow for rental/lease payments to be paid from other revenue streams and no longer be paid from proceeds of the Conservation Tax.

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 include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Base Level includes appropriation of \$2,121,071 each year with four (4) Regular Salaried positions.

The Agency's Change Level Request provides for \$48,000 in Operating Expenses each year of the biennium for anticipated increase for research and stewardship contracts.

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		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	99,118	128,612	103,944	129,413	129,413	129,413	129,413	129,413	129,413
#Positions	3	4	3	4	4	4	4	4	4
Extra Help 5010001	0	0	20,000	0	0	0	0	0	0
#Extra Help	0	0	0	0	0	0	0	0	0
Personal Services Matching 5010003	40,414	46,040	36,688	46,754	46,754	46,754	46,754	46,754	46,754
Operating Expenses 5020002	90,349	102,740	102,740	102,740	150,740	150,740	102,740	150,740	150,740
Conference & Travel Expenses 5050009	850	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	21,900	44,914	44,914	44,914	44,914	44,914	44,914	44,914	44,914
Land Acquisition 5900046	1,341,157	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	1,593,788	2,119,556	2,105,536	2,121,071	2,169,071	2,169,071	2,121,071	2,169,071	2,169,071
Funding Sources									
Federal Revenue 4000020	1,593,788	2,119,556		2,121,071	2,169,071	2,169,071	2,121,071	2,169,071	2,169,071
Total Funding	1,593,788	2,119,556		2,121,071	2,169,071	2,169,071	2,121,071	2,169,071	2,169,071
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,593,788	2,119,556		2,121,071	2,169,071	2,169,071	2,121,071	2,169,071	2,169,071

FY15 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium. Budget Number of Positions may exceed the Authorized Number of Positions due to single salary section in appropriation act.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,121,071	4	2,121,071	100.0	2,121,071	4	2,121,071	100.0
C01	Existing Program	48,000	0	2,169,071	102.3	48,000	0	2,169,071	102.3

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	2,121,071	4	2,121,071	100.0	2,121,071	4	2,121,071	100.0
C01	Existing Program	48,000	0	2,169,071	102.3	48,000	0	2,169,071	102.3

Justification

C01	Change level request reflects the anticipated increase in Operating Expenses for research and stewardship contracts funded by federal grants. Funding from federal grants is non-recurring and used for one-time projects to fund essential research, land acquisition and stewardship work.
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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).

The Agency's Change Level Request provides for unfunded appropriation of \$1,000,000 each year to provide for the purchase of strategic conservation lands throughout Arkansas if funding is available.

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			2015-2016			2016-2017		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	0	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
Capital Outlay 5120011	0	0	400,000	0	0	0	0	0	0
Land Acquisition 5900046	600,000	0	800,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000
Total	600,000	0	1,200,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000
Funding Sources									
Conservation Tax 4000453	600,000	0		0	0	0	0	0	0
Total Funding	600,000	0		0	0	0	0	0	0
Excess Appropriation/(Funding)	0	0		0	1,000,000	1,000,000	0	1,000,000	1,000,000
Grand Total	600,000	0		0	1,000,000	1,000,000	0	1,000,000	1,000,000

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C05	Unfunded Appropriation	1,000,000	0	1,000,000	100.0	1,000,000	0	1,000,000	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C05	Unfunded Appropriation	1,000,000	0	1,000,000	100.0	1,000,000	0	1,000,000	100.0

Justification

C05	Change level request provides for restoration of authorized amount of appropriation for Land Acquisition.
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DAH - OLD STATE HOUSE COMMISSION

Enabling Laws

Act 273 of 2014
A.C.A. §13-7-201 et seq.

History and Organization

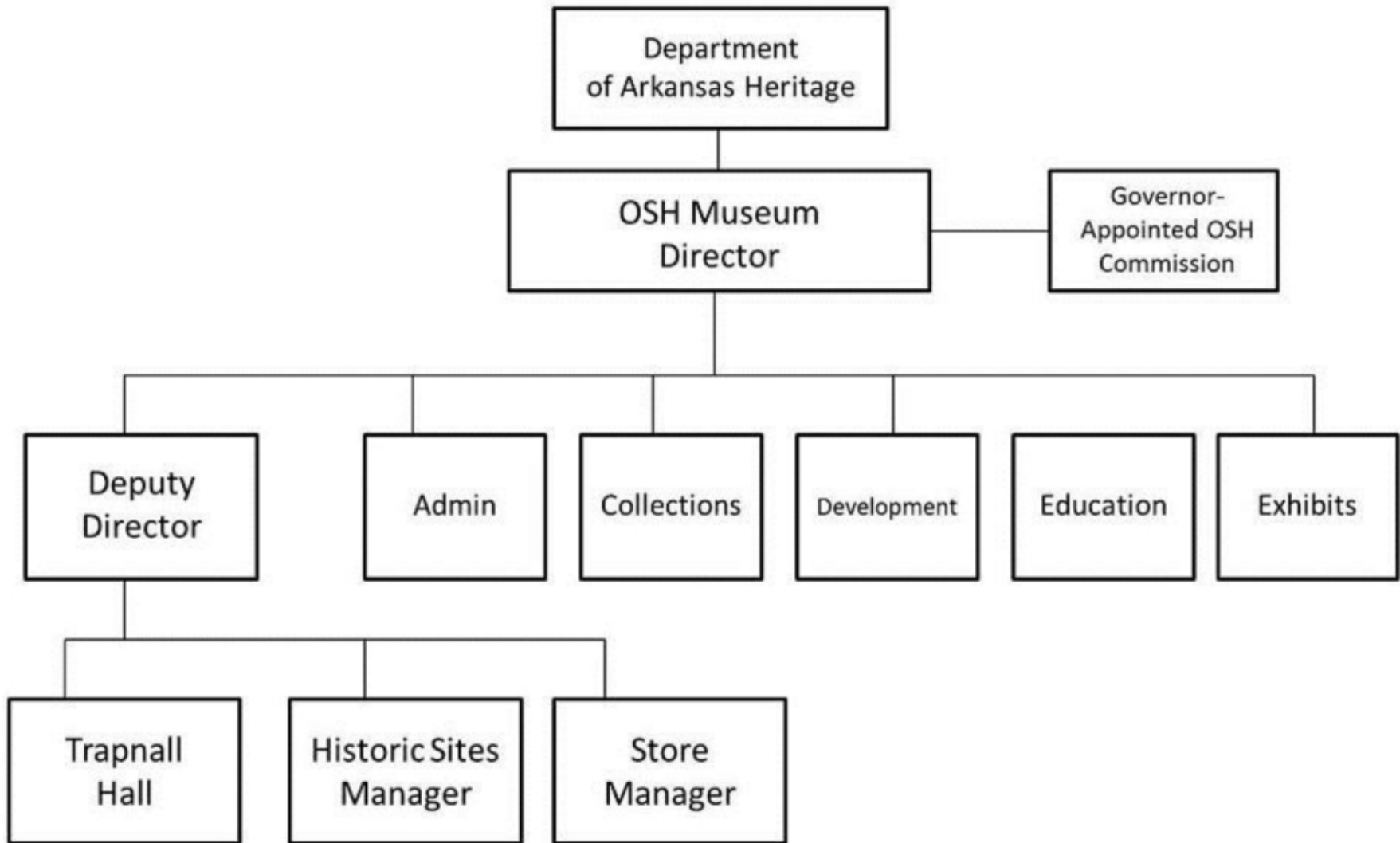
The Arkansas Commemorative Commission was created by Act 156 of 1947, which required restoration and management of historic sites and objects for the benefit of the public and public educational services related to the historic holdings. The Commission restored the Old State House and opened it in 1951 as a museum of Arkansas history. Trapnall Hall was donated to the State in 1974. It is administered as the Governor's Reception Hall and is a rental facility. In 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 Alliance of Museums and provides a full complement of educational programs and interpretive exhibits on Arkansas history. We interpret Arkansas History from 1836 to the present, but special emphasis is given the period 1836-1911, the building itself and Arkansas Political History. Current exhibits include: Hollywood & Arkansas: Lights! Camera! Arkansas, Bicycle Exhibit: Different Spokes and Pillars of Power, that tells the story 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, Arkansas State Police, Arkansas Department of Correction 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: K-12 programs, Summer Fun enrichment programs that highlight local and state history, and seasonal events like the 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

The Old State House Museum was the original home of Arkansas state government beginning with statehood in 1836 through 1911. Construction of the structure was finally declared complete in 1842 and modifications to the structure began almost immediately. Today its appearance is largely the result of renovations made in the late 1800s.

Arkansas's most famous historic building was placed on the National Register of Historic Places in 1969, and was declared a National Historic landmark in 1997. It is one of few museums in the state and nation accredited by the American Alliance of Museums.

The Old State House Museum is recognized nationally for its contributions in preserving Arkansas heritage through exhibits, educational programs, internet offerings and publications. Today it remains a source of pride for Arkansans and a tribute to their foresight in preserving this monument to the past with awareness of the future.

The Old State House Museum cares for a collection of over 11,000 fragile artifacts of Arkansas history. Many of these are exhibited in the 172 year-old building.

We are submitting a request to increase the Museum's general revenue budget to cover basic operating costs. Additional funds for electric of \$8,000 and gas of \$8,250 are required for security, maintenance insurance and utilities. The significantly increasing cost of utilities needed for heating, ventilation and air conditioning (and these systems' upkeep) and electronic security systems, makes this an urgent need. The extra funds will allow additional maintenance on current boiler which is aggressively deteriorating and using more natural gas to reheat air for humidity control in the museum. Additional funds for electricity for 100 ton chiller which is in grave condition and more security lighting was installed on the annex and grounds after repeated break-in(s). The museum security camera requires lightening for better contrast when viewing.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	8	8	16	80 %
Black Employees	0	4	4	20 %
Other Racial Minorities	0	0	0	0 %
	Total Minorities		4	20 %
	Total Employees		20	100 %

Cash Fund Balance Description as of June 30, 2014

Fund Account	Balance	Type	Location
1010000	\$103,702	Checking	Simmions First 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. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Report	A.C.A. §13-7-203(f)	Y	N	1	Statutory Requirement	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	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	37,344	0	204,640	0	204,625	0	204,646	0	204,646	0	204,646	0	204,646	0	204,646	0	204,646	0
492 Old State House - Operations	1,299,094	22	1,306,602	22	1,358,859	22	1,321,016	22	1,337,266	22	1,337,266	22	1,321,138	22	1,337,388	22	1,337,388	22
C16 Old State House - Bank Charges Fund	3,699	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	1,340,137	22	1,516,302	22	1,568,544	22	1,530,722	22	1,546,972	22	1,546,972	22	1,530,844	22	1,547,094	22	1,547,094	22

Funding Sources		%		%		%		%		%		%		%		%
Fund Balance 4000005	289,851	17.5	316,639	19.0			147,349	9.7	147,349	9.6	147,349	9.7	103,702	6.8	103,702	6.7
General Revenue 4000010	1,299,094	78.4	1,306,602	78.5			1,321,016	86.7	1,337,266	86.9	1,321,016	86.7	1,321,138	86.4	1,337,388	86.5
Cash Fund 4000045	67,831	4.1	40,410	2.4			55,060	3.6	55,060	3.6	55,060	3.6	105,060	6.9	105,060	6.8
Total Funds	1,656,776	100.0	1,663,651	100.0			1,523,425	100.0	1,539,675	100.0	1,523,425	100.0	1,529,900	100.0	1,546,150	100.0
Excess Appropriation/(Funding)	(316,639)		(147,349)				7,297		7,297		23,547		944		944	
Grand Total	1,340,137		1,516,302				1,530,722		1,546,972		1,546,972		1,530,844		1,547,094	

Variance in Fund Balance is due to unfunded appropriation.

The FY15 Budget amount in Old State House - Cash in Treasury (Appropriation 2JG) exceeds the Authorized amount due to Personal Services Matching rate adjustments

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
22	21	1	22	0	4.55 %	22	22	0	22	0	0.00 %	22	22	0	22	0	0.00 %

Analysis of Budget Request

Appropriation: 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 Request is for Base Level of \$204,646 and one (1) Extra Help position each year of the biennium.

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	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Extra Help 5010001	6,152	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	482	1,590	1,575	1,596	1,596	1,596	1,596	1,596	1,596
Operating Expenses 5020002	18,174	109,895	109,895	109,895	109,895	109,895	109,895	109,895	109,895
Conference & Travel Expenses 5050009	0	500	500	500	500	500	500	500	500
Professional Fees 5060010	0	12,225	12,225	12,225	12,225	12,225	12,225	12,225	12,225
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Resale (COGS) 5090017	12,536	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	37,344	204,640	204,625	204,646	204,646	204,646	204,646	204,646	204,646
Funding Sources									
Fund Balance 4000005	196,178	212,937		43,647	43,647	43,647	0	0	0
Cash Fund 4000045	54,103	35,350		50,000	50,000	50,000	100,000	100,000	100,000
Total Funding	250,281	248,287		93,647	93,647	93,647	100,000	100,000	100,000
Excess Appropriation/(Funding)	(212,937)	(43,647)		110,999	110,999	110,999	104,646	104,646	104,646
Grand Total	37,344	204,640		204,646	204,646	204,646	204,646	204,646	204,646

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.
Expenditure of appropriation is contingent upon available funding.

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 include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Base Level Request includes appropriation and funding of \$1,321,016 in FY16 and \$1,321,138 in FY17 with twenty-two (22) Regular Salaried positions and seven (7) Extra Help positions.

The Agency's Change Level Request provides for \$16,250 in appropriation and funding each year of the biennium for Operating Expenses as a result of increased utility costs.

The Executive Recommendation provides the Agency Request for appropriation only.

Appropriation Summary

Appropriation: 492 - Old State House - Operations

Funding Sources: HRA - Arkansas Heritage Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	809,523	808,842	855,638	818,235	818,235	818,235	818,335	818,335	818,335
#Positions	22	22	22	22	22	22	22	22	22
Extra Help 5010001	54,397	54,902	54,902	54,902	54,902	54,902	54,902	54,902	54,902
#Extra Help	5	7	7	7	7	7	7	7	7
Personal Services Matching 5010003	296,569	294,824	300,285	299,845	299,845	299,845	299,867	299,867	299,867
Operating Expenses 5020002	138,605	148,034	148,034	148,034	164,284	164,284	148,034	164,284	164,284
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	1,299,094	1,306,602	1,358,859	1,321,016	1,337,266	1,337,266	1,321,138	1,337,388	1,337,388
Funding Sources									
General Revenue 4000010	1,299,094	1,306,602		1,321,016	1,337,266	1,321,016	1,321,138	1,337,388	1,321,138
Total Funding	1,299,094	1,306,602		1,321,016	1,337,266	1,321,016	1,321,138	1,337,388	1,321,138
Excess Appropriation/(Funding)	0	0		0	0	16,250	0	0	16,250
Grand Total	1,299,094	1,306,602		1,321,016	1,337,266	1,337,266	1,321,138	1,337,388	1,337,388

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,321,016	22	1,321,016	100.0	1,321,138	22	1,321,138	100.0
C01	Existing Program	16,250	0	1,337,266	101.2	16,250	0	1,337,388	101.2

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,321,016	22	1,321,016	100.0	1,321,138	22	1,321,138	100.0
C01	Existing Program	16,250	0	1,337,266	101.2	16,250	0	1,337,388	101.2

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 Request is for Base Level Request 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: 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		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,699	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		3,699	5,060	5,060	5,060	5,060	5,060	5,060	5,060	5,060
Funding Sources										
Fund Balance	4000005	93,673	103,702		103,702	103,702	103,702	103,702	103,702	103,702
Cash Fund	4000045	13,728	5,060		5,060	5,060	5,060	5,060	5,060	5,060
Total Funding		107,401	108,762		108,762	108,762	108,762	108,762	108,762	108,762
Excess Appropriation/(Funding)		(103,702)	(103,702)		(103,702)	(103,702)	(103,702)	(103,702)	(103,702)	(103,702)
Grand Total		3,699	5,060		5,060	5,060	5,060	5,060	5,060	5,060

DAH - NATURAL & CULTURAL RESOURCES COUNCIL

Enabling Laws

Act 273 of 2014
A.C.A. §15-12-101 et seq.

History and Organization

Agency Mission Statement:

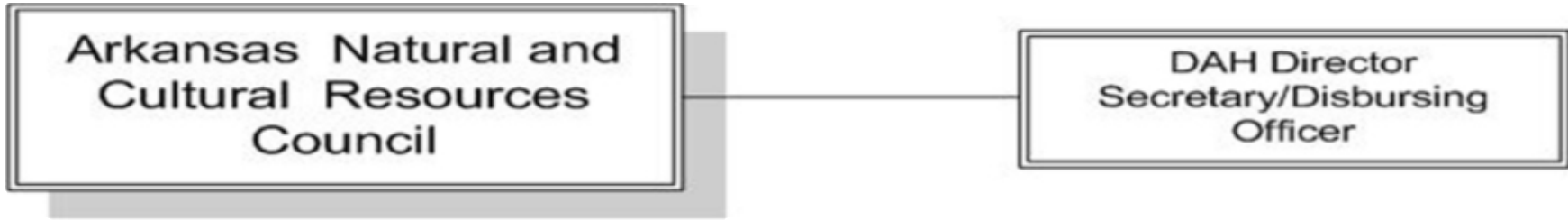
The Arkansas Natural and Cultural Resources Council (ANCRC) was created to manage and supervise grants and a trust fund for use in the acquisition, management, and stewardship of state-owned lands or the preservation of state-owned historic sites, buildings, structures, or objects which the Council determines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

Brief Discussion of Statutory Responsibilities and Primary Activities:

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

Advisory Board or Commission:

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



Agency Commentary

The administrative arm of the Arkansas Natural & Cultural Resources Council is housed within the Department of Arkansas Heritage, with responsibility for the administration of the grant program for ANCRC. The Director of the Department of Arkansas Heritage, in his/her capacity as DAH Director, is the state disbursing officer for ANCRC and also serves as Secretary of the Council. Funding for ANCRC is through the Real Estate Transfer Tax, and the administrative duties are managed by one person.

Agency is requesting base level appropriation only.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF ARKANSAS HERITAGE
 FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

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. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2MZ NCRC--Administration	75,623	1	66,736	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1
480 NCRC - State Owned Lands or Historic Sites	0	0	15,235,023	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	75,623	1	18,301,759	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	24,872,719	80.0	31,027,354	74.4	23,404,777	54.0	23,404,777	54.0	23,404,777	54.0	10,525,990	34.6	10,525,990	34.6	10,525,990	34.6	
Interest	4000300	47,072	0.2	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	(13,376,031)	(43.0)	(9,320,818)	(22.3)	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	(67,000)	(0.2)	(67,000)	(0.2)	(67,000)	(0.2)	(67,000)	(0.2)	(67,000)	(0.2)	(67,000)	(0.2)	
Other	4000370	1,999	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	19,629,192	63.1	20,000,000	48.0	20,000,000	46.1	20,000,000	46.1	20,000,000	46.1	20,000,000	65.7	20,000,000	65.7	20,000,000	65.7	
Service Charges	4000447	(71,974)	(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		31,102,977	100.0	41,706,536	100.0	43,337,777	100.0	43,337,777	100.0	43,337,777	100.0	30,458,990	100.0	30,458,990	100.0	30,458,990	100.0	
Excess Appropriation/(Funding)		(31,027,354)		(23,404,777)		(10,337,777)		(10,337,777)		(10,337,777)		2,541,010		2,541,010		2,541,010		
Grand Total		75,623		18,301,759		33,000,000		33,000,000		33,000,000		33,000,000		33,000,000		33,000,000		

The FY15 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 FY14 represents the amount of obligated funding distributed for FY14 grants and FY13 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 FY15 amount represents the portion of the FY15 beginning Fund Balance that is obligated for FY14 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.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
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 34 of Act 273 of 2014 [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 include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency's Base Level Request includes one (1) Regular position.

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			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	51,987	50,499	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	17,139	16,237	0	0	0	0	0	0	0
Operating Expenses	5020002	6,497	0	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		75,623	66,736	0	0	0	0	0	0	0
Funding Sources										
Intra-agency Fund Transfer	4000317	75,623	66,736		0	0	0	0	0	0
Total Funding		75,623	66,736		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		75,623	66,736		0	0	0	0	0	0

The FY15 Budget exceed the Authorized due to a transfer from the Natural and Cultural Resources Council Grant Fund (480) by authority of A.C.A. § 15-12-103(1).

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's Base Level Request includes Grants and Aid appropriation in the amount of \$30,000,000 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		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	0	15,235,023	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total		0	15,235,023	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	23,561,447	29,215,567		22,592,990	22,592,990	22,592,990	10,525,990	10,525,990	10,525,990
Interest	4000300	44,369	0		0	0	0	0	0	0
Inter-agency Fund Transfer	4000316	(11,762,797)	(9,320,818)		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	(75,623)	(66,736)		(67,000)	(67,000)	(67,000)	(67,000)	(67,000)	(67,000)
Real Estate Transfer Tax	4000403	17,448,171	18,000,000		18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Total Funding		29,215,567	37,828,013		40,525,990	40,525,990	40,525,990	28,458,990	28,458,990	28,458,990
Excess Appropriation/(Funding)		(29,215,567)	(22,592,990)		(10,525,990)	(10,525,990)	(10,525,990)	1,541,010	1,541,010	1,541,010
Grand Total		0	15,235,023		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 FY14 represents the amount of obligated funding distributed for FY14 grants and FY13 grant extensions. The FY14 amount represents the portion of the FY14 beginning Fund Balance that is obligated for FY14 grant extensions.

The Intra-Agency Fund Transfer amount in FY14 and FY15 represents grant funding transferred to the NCRC Administration appropriation (Fund Center 2MZ).

The FY15 Budget has been adjusted to reflect the amount of FY15 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's Base Level Request includes Grants and Aid appropriation in the amount of \$3,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 481 - NCRC - Main Street Program

Funding Sources: TGP - Natural & Cultural Resources Historic Preservation

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 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	1,311,272	1,811,787		811,787	811,787	811,787	0	0	0
Interest	4000300	2,703	0		0	0	0	0	0	0
Inter-agency Fund Transfer	4000316	(1,613,234)	0		0	0	0	0	0	0
Other	4000370	1,999	0		0	0	0	0	0	0
Real Estate Transfer Tax	4000403	2,181,021	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Service Charges	4000447	(71,974)	0		0	0	0	0	0	0
Total Funding		1,811,787	3,811,787		2,811,787	2,811,787	2,811,787	2,000,000	2,000,000	2,000,000
Excess Appropriation/(Funding)		(1,811,787)	(811,787)		188,213	188,213	188,213	1,000,000	1,000,000	1,000,000
Grand Total		0	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Section 34 of Act 273 of 2014 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 FY14 reflects the transfer of appropriation and funding to DAH Historic Preservation - Real Estate Transfer Tax appropriation (Business Area 0877).

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