

DEPARTMENT OF RURAL SERVICES (250)

2011-13 BIENNIUM - EXECUTIVE RECOMMENDATION

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The Department of Rural Services serves as a single contact point for local governments, state and federal agencies, and other private and non-profit organizations and individuals with an interest in the rural policies and programs of the state. The Arkansas Rural Development Commission oversees the functions and duties of the agency. The Agency and the Commission strive to enhance the quality of life for rural Arkansans by providing resources necessary to help themselves succeed in their community.

TOTAL BIENNIAL BUDGET

The budget for each year of the biennium is \$2,630,725.

FUNDING SOURCE

The budget is funded by general revenues, cash derived from fees charged to participants and donations received through corporate sponsorship. During the last session, appropriations were established for this agency that are funded from a new special license plate fee, General Improvement fund transfer and through Game & Fish from oil and gas leases for the Fayetteville Shale.

II) CHANGES/APPROPRIATIONS

State Operations Appropriation - Increases in unfunded appropriation of \$476,000 each year for the following -

- Rural Fire Protection Grants in the amount of \$200,000 to meet demand and increased costs associated with building fire stations.
- Community Development Grants in the amount of \$200,000 to meet demand and increased costs associated with building community centers.
- County Fair Improvement Grants in the amount of \$746,000 to meet rising labor and material costs.

Animal Rescue Appropriation - new legislation and appropriation in 2009 created the Animal Rescue and Shelter Trust Fund from a newly designed license plate to assist with construction, maintenance and operation of registered animal rescue shelters. This is a \$100,000 Base Level appropriation.

Administrative Fee Appropriation - new appropriation from 2009 is funded by special language that authorizes a transfer of funds from the agency's various General Improvement sub funds to provide administrative support for the large number of General Improvement Grants administered by the Agency. This is a \$37,500 Base Level appropriation.

Wildlife Rec. Facilities Appropriation - new legislation from 2009 establishes the Wildlife Recreation Facilities Pilot Program to be administered by the Department of Rural Services and the Arkansas Rural Development Commission in conjunction with the Arkansas Game & Fish Commission for the purpose of igniting interest in the wildlife resources of Arkansas and to promote economic development in the State. The funding for this program comes from moneys received by Game & Fish from oil and gas leases in the Fayetteville Shale. This appropriation funds one position and \$1,000,000 in grants for the development of wildlife recreation facilities.

Rural Services - Conference - provides for an annual conference and several on-day seminars for local governments. Increase appropriation of \$15,000 each year of the biennium to cover increased costs associated with the annual conference.

III) ADDITIONAL POSITIONS

Total positions for the 2011-13 biennium: 6

Total positions for FY 2011: 6

IV) SPECIAL LANGUAGE

* General Improvement Projects Administrative Fee. Rural Services is authorized to retain and utilize 1% of the total amount of any General Improvement Fund moneys received for projects authorized to be disbursed.

* Fund Transfer. Establishes the transfer of the 1% General Improvement Fund moneys to the Miscellaneous Agencies Fund Account for the administrative fee.

* Carry Forward. Unexpended balance of funds transferred into the Miscellaneous Agencies Fund Account for administration of general improvement fund projects shall remain and be made available for the same purpose during the following year.

* County Fair Grants. Rural Services shall develop rules and regulations for disbursement of the funds. The grants are to be matched 50/50 with no county receiving more than \$30,000 for the biennium.

* Grant Award Criteria. The Office of Rural Services shall

promulgate regulations to determine how grants are to be disbursed subject to approval of the Governor and approval of the ALC or Joint Budget Committee.