

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive/Legislative Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	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
<b>Total</b>	<b>75,623</b>	<b>1</b>	<b>18,301,759</b>	<b>1</b>	<b>33,000,000</b>	<b>1</b>	<b>33,000,000</b>	<b>1</b>	<b>33,000,000</b>	<b>1</b>	<b>33,000,000</b>	<b>1</b>	<b>33,000,000</b>	<b>1</b>	<b>33,000,000</b>	<b>1</b>	<b>33,000,000</b>	<b>1</b>

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
<b>Total Funds</b>		<b>31,102,977</b>	<b>100.0</b>	<b>41,706,536</b>	<b>100.0</b>			<b>43,337,777</b>	<b>100.0</b>	<b>43,337,777</b>	<b>100.0</b>	<b>43,337,777</b>	<b>100.0</b>	<b>30,458,990</b>	<b>100.0</b>	<b>30,458,990</b>	<b>100.0</b>	<b>30,458,990</b>	<b>100.0</b>
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	
<b>Grand Total</b>		<b>75,623</b>		<b>18,301,759</b>				<b>33,000,000</b>		<b>33,000,000</b>		<b>33,000,000</b>		<b>33,000,000</b>		<b>33,000,000</b>		<b>33,000,000</b>	

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.

## **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.

The Legislative Recommendation concurs with the Executive Recommendation.

## Appropriation Summary

**Appropriation:** 2MZ - NCRC--Administration

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

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	51,987	50,499	0	0	0	0	0	0	0
<b>#Positions</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Extra Help	5010001	0	0	0	0	0	0	0	0	0
<b>#Extra Help</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>Total</b>		<b>75,623</b>	<b>66,736</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>										
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
<b>Grand Total</b>		<b>75,623</b>	<b>66,736</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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.

The Legislative Recommendation concurs with the Executive Recommendation.

## **Appropriation Summary**

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

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

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
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.

The Legislative Recommendation concurs with the Executive Recommendation.

## **Appropriation Summary**

**Appropriation:** 481 - NCRC - Main Street Program

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

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
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.