

DEPARTMENT OF RURAL SERVICES

Enabling Laws

Act 103 of 2012
A.C.A. § 15-6-105 et seq.

History and Organization

The Department of Rural Services (DRS), formerly known as the Office of Rural Advocacy, and the eleven member Arkansas Rural Development Commission (ARDC) were created by Act 302 of 1991, the Arkansas Rural Development Commission Act. The Agency was renamed the Department of Rural Services by Act 935 of 1999. Together, the Agency and the Commission strive to enhance the quality of life for rural Arkansans without sacrificing individual freedoms or responsibilities. The Agency and Commission accomplish this goal by providing rural Arkansans with the resources necessary to help themselves succeed in their community.

The Department of Rural Services serves as a single point of contact for local governments, state and federal agencies, and other public, private and nonprofit sector organizations. The DRS promotes cooperative and integrated efforts among the various entities that are designed to address our rural issues. The Agency attempts to streamline the bureaucratic process for smaller communities of less than 20,000 in population and make government more customer oriented.

The Department of Rural Services' Mission Statement is "To Enhance the Quality of Life in Rural Arkansas."

Vision Statement

We envision an agency that will:

- Serve as the official point of contact for information on rural issues to the Governor, Legislature, and the general public
- Serve the State as the central coordinating agency for rural development
- Serve the State as a source of funding for rural development through grant / community in-kind partnerships
- Develop a human resource network across the State to assist rural communities directly
- Serve as an advocate for the rural communities of Arkansas

Agency Scope

The Department of Rural Services and the Arkansas Rural Development Commission are charged with serving communities with a population of 20,000 or less. Of the 490 incorporated cities and towns in Arkansas, 470 (96%) have a population of 20,000 or less. However, when you speak of rural development, incorporated cities and towns are only a small part of the puzzle. The unincorporated rural areas make up the majority of our Agency's service area. The unincorporated rural areas are often the most needy of adequate fire protection, adequate water and sewer, adequate public facilities, and adequate roadways. The Agency serves these communities by providing matching grants and information on the resources available to assist rural communities.

Agency Function

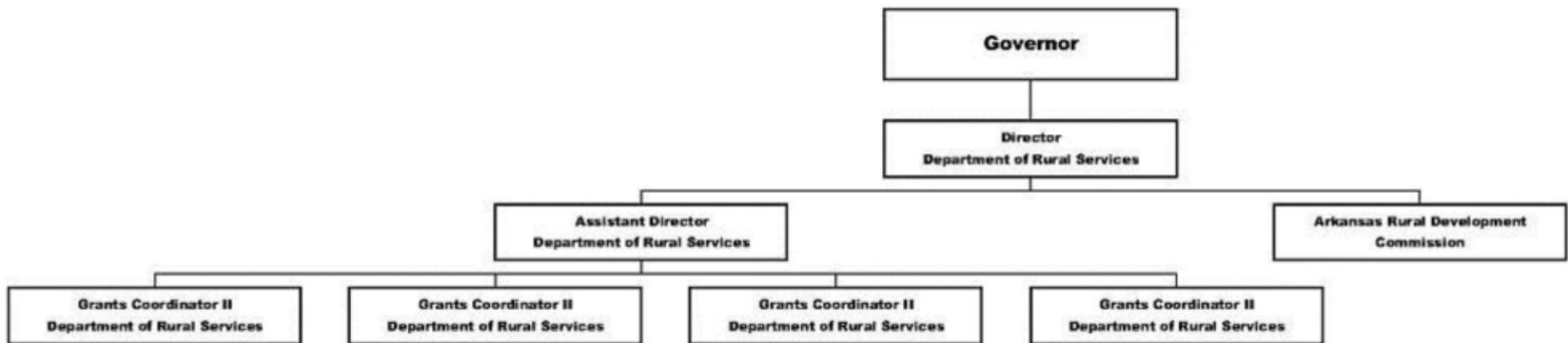
The function of the Department of Rural Services is:

- To serve as a single point of contact for rural communities needing assistance
- To provide rural communities with the assistance needed when possible
- To provide information about alternative sources for assistance when required assistance exceeds agency's means
- To gather information regarding the needs of rural citizens and communities and convey this information to the Governor and Legislature
- To serve the citizens of rural Arkansas as an advocate

Public Benefit Provided By Agency

Words alone are inadequate to describe the benefit our rural communities derive from the services of the Department of Rural Services. Today, due to assistance through the Rural Community Fire Protection Grant Program, the citizens of many rural communities can go to work assured that their homes are better protected because of improved fire communications, new fire safety equipment, new fire trucks, the addition of a sub-station or in many instances the construction of the community's first fire station. Due to assistance through the Rural Community Development Grant Program, the citizens of rural communities are planning events in their new or renovated community center or community park. They are gathering at the community ball field to watch their children play ball, or visiting the new community health clinic or the new community library. And through assistance from the County Fair Building Grant Program, rural county fairs are beginning construction of new concession stands and livestock barns in preparation for the fall fairs.

Most importantly, rural citizens, legislators, mayors, or county judges are able to call seeking assistance and will talk to a real person who will help them get the assistance they require.



Agency Commentary

To choose to reside in Arkansas is a choice to live in rural America. The Federal Government defines rural as a city, town or community with a population of 20,000 or less. Based on this definition, the State of Arkansas is over 95% rural. Even today, a choice to live in some of the more rural areas of Arkansas often means settling for poor drinking water, inadequate public facilities, inadequate or non-existent fire protection, and the absence of accessible local health care.

The Department of Rural Services (DRS) and the Arkansas Rural Development Commission (ARDC) are committed to preserving our way of life while seeking ways to combat these deficiencies. While there is no simple solution to eradicating these deficiencies, it is obvious that federal and state aid alone will not be sufficient. Instead, some of the solutions must be generated from within our rural communities. To achieve this end, we must strengthen the ability of our citizens to participate in determining our futures. The people of rural Arkansas must be educated and provided the tools necessary to accomplish community goals and objectives. Establishing partnerships throughout the community has enabled DRS to host regional information forums on the services our agency provides. This is one step DRS has taken to reach our communities and leaders.

The philosophy developed by DRS and the ARDC is to establish partnerships with communities to assist them in achieving their goals. This philosophy is incorporated into the Agency's various grant programs through the requirement of a matching portion from the community. Unlike many grant programs which fund a project 100%, the DRS grant programs seek to motivate communities to organize and develop a system of teamwork to bring their projects to fruition. Communities are encouraged to use only the grant funds if absolutely needed to complete the project and to return any unused funds.

BASE LEVEL

The Agency is requesting to continue its Base Level of \$2,152,277 each year for the following:

<u>GR Funded Appropriation</u>	<u>FY14 & FY15</u>
Regular Salaries for 5 positions	\$ 246,022
Personal Services Matching	\$ 78,603
Operating Expenses	\$ 67,704
Conference Fees & Travel	\$ 4,100
Rural Community Development Grants	\$ 200,000
Rural Community Fire Protection Grants	\$ 300,000
Rural County Fair Improvement Grants	\$ 17,416
Total	\$ 913,845

<u>Cash Funded Appropriation</u>	<u>FY14 & FY15</u>
Conference Expenses	\$ 65,000

<u>Wildlife Recreation Facilities</u>	<u>FY14 & FY15</u>
Regular Salaries for 1 position	\$ 32,249
Personal Services Matching	\$ 11,199
Operating Expenses	\$ 6,614
Grants & Aid	\$1,000,000
Total	\$1,050,862

<u>Animal Rescue</u>	<u>FY14 & FY15</u>
Grants & Aid	\$ 100,000

<u>Administrative Fee</u>	<u>FY14 & FY15</u>
Operating Expenses	\$ 22,570

CHANGE LEVEL

The Department is requesting the following Change Levels in addition to Base Level:

- Additional appropriation and general revenue funding of \$488,509 each year of the biennium for the following:

	<u>FY14 & FY15</u>
Rural Community Development Grants:	\$ 200,000
Rural Community Fire Protection Grants:	\$ 200,000
Rural County Fair Improvement Grants:	\$ 82,584
Extra Help	\$ 5,500
Personal Services Matching	\$ 425
Total	\$ 488,509

The \$482,584 appropriation and funding increase in Grants is requested to restore the level of grant appropriation authorized for the 2011-13 Biennium. This request was approved during the 2011-13 Biennium for appropriation only. The Agency is requesting to restore this (previously unfunded) appropriation along with general revenue funding. The \$5,500 appropriation and funding increase in Extra Help, along with the \$425 associated Personal Services Matching, is requested to be used when a new employee is hired so that the new employee may train under the employee they are replacing.

- Additional appropriation only of \$10,000 each year of the biennium for Conference Expenses in the Cash Funded Appropriation. This additional appropriation will enable the agency to utilize available cash funds for increased costs associated with the Annual Conference.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF RURAL SERVICES
FOR THE YEAR ENDED JUNE 30, 2010

Findings

Financial Management Guide Regulation R-19-4-903 prohibits payment for certain expenses including alcoholic beverages. The Agency incurred conference related expenses totaling \$75,992 which included \$7,206 for alcoholic beverages. During the assessment period, a company contributed \$7,277 toward conference costs. Agency personnel appeared to lack knowledge of State regulations related to disbursement of State funds, thus resulting in a potential for misappropriation.

Recommendations

Contact the Department of Finance and Administration for training in State laws and regulations related to the disbursement of State funds.

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

None

Employment Summary

	Male	Female	Total	%
White Employees	0	3	3	75 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	1	1	25 %
Total Minorities			1	25 %
Total Employees			4	100 %

Cash Fund Balance Description as of June 30, 2012

Fund Account	Balance	Type	Location
1110100	\$58,020	Checking	BancorpSouth

Statutory/Other Restrictions on use:

N/A

Statutory Provisions for Fees, Fines, Penalties:

N/A

Revenue Receipts Cycle:

Receipts are derived from the collection of conference registration fees and forum registration fees around the period events are held. Additional receipts are collected from corporate sponsors.

Fund Balance Utilization:

Collection of revenue is irregular throughout the year, centering primarily around hosted events. Revenues are not on day-to-day operations, but are reserved and expended on costs directly related to hosting conference forums.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Arkansas Rural Community Grant Program Guidelines and Application	ACA 15-6-107	N	N	6,000	To provide eligible rural communities with grant guidelines and procedures.
Arkansas Rural Development Conference Brochure	N/A	N	N	5,000	To promote the Annual Arkansas Rural Development Conference
Arkansas Rural Development Conference Program	N/A	N	N	1,000	To provide conference attendees with panel and event information.
County Fair Building Grant Program Guidelines and Application	ACA 15-6-107	N	N	1,000	To provide eligible rural communities with grant guidelines and procedures.
GIF 1 Community Enhancement Grant Program Guidelines and Application	ACA 15-6-107	N	N	1,000	To provide eligible rural communities with guidelines and procedures for General Improvement Fund grants.
GIF 2 Fire Protection Grant Program Guidelines and Application	ACA 15-6-107	N	N	1,000	To provide eligible rural communities with guidelines and procedures for General Improvement Fund grants.
GIF 3 County Fair Grant Program Guidelines and Application	ACA 15-6-107	N	N	200	To provide eligible rural communities with guidelines and procedures for General Improvement Fund grants.
Rural Services Block Grant Guidelines and Application	Act 1412 of 1999, Act 122 of 2010	N	N	500	To provide eligible rural communities with grants guidelines and procedures.
The Rural Advocate	Act 302 of 1991	N	N	12,000	To provide information to rural communities in compliance with Act 302 of 1991 establishing the agency as the one contact for rural communities of less than 20,000 in population.
Wildlife Recreational Facilities Grant Program	N/A	N	N	1,000	To provide eligible rural communities with guidelines and procedures for Wildlife Recreational Facilities grants.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
234 Rural Services-State Operations	922,539	5	904,412	5	1,394,690	5	913,845	5	1,402,354	5	1,402,354	5	913,845	5	1,402,354	5	1,402,354	5
58S Animal Rescue	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
58T Administrative Fee	12,430	0	15,153	0	37,500	0	22,570	0	22,570	0	22,570	0	22,570	0	22,570	0	22,570	0
58Z Wildlife Rec Facilities	4,473	1	1,050,602	1	1,050,048	1	1,050,862	1	1,050,862	1	1,050,862	1	1,050,862	1	1,050,862	1	1,050,862	1
B15 Rural Services - Conference	54,302	0	75,000	0	65,000	0	65,000	0	75,000	0	75,000	0	65,000	0	75,000	0	75,000	0
Total	993,744	6	2,145,167	6	2,647,238	6	2,152,277	6	2,650,786	6	2,650,786	6	2,152,277	6	2,650,786	6	2,650,786	6

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	83,194	7.8	75,533	3.5	43,020	1.9	43,020	1.6	43,020	1.9	65,450	3.0	55,450	2.1	55,450	2.5
General Revenue	4000010	922,539	86.3	902,177	41.2	913,845	41.2	1,402,354	51.8	919,770	41.4	913,845	41.7	1,402,354	52.5	919,770	42.1
Special Revenue	4000030	4,473	0.4	1,050,602	48.0	1,050,862	47.4	1,050,862	38.8	1,050,862	47.3	1,050,862	48.0	1,050,862	39.4	1,050,862	48.1
Cash Fund	4000045	57,976	5.4	60,000	2.7	60,000	2.7	60,000	2.2	60,000	2.7	60,000	2.7	60,000	2.2	60,000	2.7
Trust Fund	4000050	1,095	0.1	97,640	4.5	100,000	4.5	100,000	3.7	100,000	4.5	100,000	4.6	100,000	3.7	100,000	4.6
Merit Adjustment Fund	4000055	0	0.0	2,235	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
General Improvement Fund	4000265	0	0.0	0	0.0	50,000	2.3	50,000	1.8	50,000	2.2	0	0.0	0	0.0	0	0.0
Total Funds		1,069,277	100.0	2,188,187	100.0	2,217,727	100.0	2,706,236	100.0	2,223,652	100.0	2,190,157	100.0	2,668,666	100.0	2,186,082	100.0
Excess Appropriation/(Funding)		(75,533)		(43,020)		(65,450)		(55,450)		427,134		(37,880)		(17,880)		464,704	
Grand Total		993,744		2,145,167		2,152,277		2,650,786		2,650,786		2,152,277		2,650,786		2,650,786	

FY13 Budget amount in (58Z) Wildlife Rec Facilities exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium. Budget exceeds Authorized Appropriation in (B15) Rural Services - Conference due to a transfer from the Cash Fund Holding Account. Variance in funding due to unfunded appropriation in (234) Rural Services - State Operations.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
6	5	1	6	0	16.67 %	6	5	1	6	0	16.67 %	6	4	2	6	0	33.33 %

Analysis of Budget Request

Appropriation: 234 - Rural Services-State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Arkansas Department of Rural Services serves as a single point of contact for all organizations and individuals with a desire to enhance the quality of life for rural citizens. Working under the guidance of the Arkansas Rural Development Commission (ARDC), the Agency assists citizens of rural Arkansas by providing rural grant programs and information sharing and educational opportunities through regional forums and the annual Arkansas Rural Development Conference. This appropriation provides for the operations of the agency and is funded by general revenue.

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

Base Level includes appropriation and general revenue funding of \$913,845 in each year of the biennium with 5 regular positions.

The Agency requests additional appropriation and general revenue funding in the amount of \$488,509 each year of the biennium for the following:

Rural Community Development Grants

Increase of \$200,000 each year to provide for an increase in the number of Community Development grant requests received from rural communities and to cover increased costs for construction and renovation. This line item provides matching grants to rural communities to use for renovations, new construction or additions to publicly owned buildings, parks and recreational facilities.

Rural Fire Protection Grants

Increase of \$200,000 each year to provide for an increase in the number of Fire Protection grant requests received from rural communities and to cover increased costs for construction, renovation and equipment. This line item provides matching grants to rural communities for renovations, new construction or additions to fire facilities, for purchasing fire protection equipment and vehicles and for rehabilitating/retrofitting newly acquired equipment and vehicles.

County Fair Improvement Grants

Increase of \$82,584 each year of the biennium to meet rising labor and material costs. This line item provides incentive matching grants to assist rural county fairs with the construction and improvement of buildings or for the purchase of items shown to directly improve the building or the services that the county fair association may provide.

Extra Help & Personal Services Matching

Increase of \$5,500 and \$425 each year of the biennium to support a new Extra Help Position to allow for a new employee to be trained under the employee they are replacing.

The Executive Recommendation provides appropriation and funding for the Agency Request for the Extra Help & Personal Services Matching.

The Executive Recommendation provides for unfunded appropriation of \$482,584 each year for the following:

- \$200,000 for Rural Community Development Grants
- \$200,000 for Rural Fire Protection Grants
- \$82,584 for County Fair Improvement Grants

Appropriation Summary

Appropriation: 234 - Rural Services-State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	242,817	239,390	249,319	246,022	246,022	246,022	246,022	246,022	246,022
#Positions	5	5	5	5	5	5	5	5	5
Extra Help 5010001	0	0	0	0	5,500	5,500	0	5,500	5,500
#Extra Help	0	0	0	0	1	1	0	1	1
Personal Services Matching 5010003	78,916	75,802	73,567	78,603	79,028	79,028	78,603	79,028	79,028
Operating Expenses 5020002	48,133	67,704	67,704	67,704	67,704	67,704	67,704	67,704	67,704
Conference & Travel Expenses 5050009	1,410	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100
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	235,263	200,000	400,000	200,000	400,000	400,000	200,000	400,000	400,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Rural Fire Protection Grants 5900046	300,000	300,000	500,000	300,000	500,000	500,000	300,000	500,000	500,000
County Fair Imprv Grants 5900048	16,000	17,416	100,000	17,416	100,000	100,000	17,416	100,000	100,000
Total	922,539	904,412	1,394,690	913,845	1,402,354	1,402,354	913,845	1,402,354	1,402,354
Funding Sources									
General Revenue 4000010	922,539	902,177		913,845	1,402,354	919,770	913,845	1,402,354	919,770
Merit Adjustment Fund 4000055	0	2,235		0	0	0	0	0	0
Total Funding	922,539	904,412		913,845	1,402,354	919,770	913,845	1,402,354	919,770
Excess Appropriation/(Funding)	0	0		0	0	482,584	0	0	482,584
Grand Total	922,539	904,412		913,845	1,402,354	1,402,354	913,845	1,402,354	1,402,354

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

Change Level by Appropriation

Appropriation: 234 - Rural Services-State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	913,845	5	913,845	100.0	913,845	5	913,845	100.0
C01	Existing Program	488,509	0	1,402,354	153.5	488,509	0	1,402,354	153.5

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	913,845	5	913,845	100.0	913,845	5	913,845	100.0
C01	Existing Program	488,509	0	1,402,354	153.5	488,509	0	1,402,354	153.5

Justification

C01	Extra Help appropriation of \$5,500 and \$425 of associated Personal Services Matching is requested to be used when a new employee is hired so that the new employee may train under the employee they are replacing. Community Development Grants: \$200,000 requested for both appropriation and funding to restore the level of appropriation to what was authorized in the previous biennium. Fire Protection Grants: \$200,000 requested for both appropriation and funding to restore the level of appropriation to what was authorized in the previous biennium. County Fair Improvement Grants: \$82,584 requested with both appropriation and funding to restore the level of appropriation to what was authorized in the previous biennium.
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Analysis of Budget Request

Appropriation: 58S - Animal Rescue

Funding Sources: TRS - Animal Rescue and Shelter Trust Fund

Act 692 of the 87th Regular Session of 2009 amended ACA 27-24-1409 to authorize the Department of Finance and Administration to issue a new special license plate with a \$25 design fee that will be remitted monthly to the Treasurer of the State for deposit into the State Treasury as special revenues for the Animal Rescue and Shelter Trust Fund. The Act further amended ACA 19-5-1136 to create the Animal Rescue and Shelter Trust Fund to be distributed as follows:

- 35% to be distributed and used by the counties for construction, maintenance or operation of registered governmentally owned animal rescue shelters;
- 35% to be distributed and used by municipalities for construction, maintenance or operation of registered governmentally owned animal rescue shelters
- 30% to be distributed to the Department of Rural Services to provide grants to a county or municipality based only on the infrastructure needs for any animal rescue or animal shelter (not limited to registered governmentally owned rescue shelters.)

The Agency Base Level request includes grant appropriation of \$100,000 in each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 58S - Animal Rescue

Funding Sources: TRS - Animal Rescue and Shelter Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Funding Sources									
Fund Balance 4000005	1,265	2,360		0	0	0	0	0	0
Trust Fund 4000050	1,095	97,640		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding	2,360	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Excess Appropriation/(Funding)	(2,360)	0		0	0	0	0	0	0
Grand Total	0	100,000		100,000	100,000	100,000	100,000	100,000	100,000

Analysis of Budget Request

Appropriation: 58T - Administrative Fee

Funding Sources: HUA - Miscellaneous Agencies Fund

The Administrative Fee Appropriation is used to provide maintenance and general operations support for the Agency's General Improvement Grant appropriations. This appropriation is funded by special language that authorizes the transfer of funds from the agency's various General Improvement sub funds to the Agency's Miscellaneous Agencies Fund.

The Department of Rural Services General Revenue funded Operations appropriation (Funds Center 234) is used to support the Agency's three existing Grant Programs (Community Enhancement Grants, Fire Protection Grants and County Fair Improvement Grants) with a total funded budget of approximately \$516,000. During the 87th Regular Session of 2009, the Department of Rural Services received forty-five (45) General Improvement appropriations for Grants and Aid funded by \$5.7 million in Legislative Division General Improvement Funding. During the 88th Regular Session of 2011, the agency received forty-four (44) General Improvement appropriations funded by \$1.8 million.

The addition of the General Improvement Grant Appropriations increased the Agency's Funded Budget for Grants from approximately \$516,000 to over \$2.3 million. To accommodate the administrative requirements associated with this increased grant budget, this new Administrative Fee appropriation was established by Act 803 of the 87th Regular Session of 2009. The appropriation authorizes Maintenance and General Operation appropriation for the Agency to use to provide administrative support for the large number of General Improvement Grants administered by the Agency.

Special Language authorizes the Department to retain and utilize for administrative cost purposes up to 1% of the total amount of any General Improvement moneys received for projects authorized for disbursement through the department by the General Assembly. Special Language further authorizes the Chief Fiscal Officer of the State to transfer up to 1% of General Improvement Funds from the various General Improvement sub funds to the Miscellaneous Agencies Fund Account to be made available and utilized solely by the Department of Rural Services for maintenance and general operation costs. Finally, Special Language authorizes the carryforward of any unexpended balances of funds that were transferred from the various General Improvement sub funds to the Miscellaneous Agencies Fund to be used for the same purpose the following fiscal year.

The Agency is requesting Base Level of \$22,570 for each year of the 2013-2015 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 58T - Administrative Fee

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	12,430	15,153	37,500	22,570	22,570	22,570	22,570	22,570	22,570
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		12,430	15,153	37,500	22,570	22,570	22,570	22,570	22,570	22,570
Funding Sources										
Fund Balance	4000005	27,583	15,153		0	0	0	27,430	27,430	27,430
General Improvement Fund	4000265	0	0		50,000	50,000	50,000	0	0	0
Total Funding		27,583	15,153		50,000	50,000	50,000	27,430	27,430	27,430
Excess Appropriation/(Funding)		(15,153)	0		(27,430)	(27,430)	(27,430)	(4,860)	(4,860)	(4,860)
Grand Total		12,430	15,153		22,570	22,570	22,570	22,570	22,570	22,570

Analysis of Budget Request

Appropriation: 58Z - Wildlife Rec Facilities

Funding Sources: SWR - Wildlife Recreation Facilities Fund

Act 687 of the 87th Regular Session of 2009 amended the Arkansas Code (ACA 15-47-101 et seq.) to establish the Wildlife Recreation Facilities Pilot Program and the related Wildlife Recreation Facilities Fund (ACA 19-6-811). This pilot program was to be administered by the Department of Rural Services and the Arkansas Rural Development Commission in conjunction with the Arkansas Game and Fish Commission for the purpose of igniting interest in the wildlife resources of Arkansas and to promote economic development in the State.

ACA 15-47-104 states that initial funding for this appropriation was to consist of \$1 million for the fiscal biennium beginning July 1, 2009 and ending June 30, 2011 from moneys that the Arkansas Game and Fish Commission has received from oil and gas leases in the Fayetteville Shale. Future funding for the Wildlife Recreation Facilities Pilot Program shall be determined by and distributed from the availability of royalties from oil and gas leases in the Fayetteville Shale that the Arkansas State Game and Fish Commission receives or from other sources that are not from the Arkansas State Game and Fish Commission.

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

The Agency Base Level request includes appropriation of \$1,050,862 in each year of the biennium with one (1) regular position.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 58Z - Wildlife Rec Facilities
Funding Sources: SWR - Wildlife Recreation Facilities Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	3,693	32,249	32,249	32,249	32,249	32,249	32,249	32,249	32,249
#Positions	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	780	11,739	11,185	11,999	11,999	11,999	11,999	11,999	11,999
Operating Expenses 5020002	0	6,614	6,614	6,614	6,614	6,614	6,614	6,614	6,614
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	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	4,473	1,050,602	1,050,048	1,050,862	1,050,862	1,050,862	1,050,862	1,050,862	1,050,862
Funding Sources									
Special Revenue 4000030	4,473	1,050,602		1,050,862	1,050,862	1,050,862	1,050,862	1,050,862	1,050,862
Total Funding	4,473	1,050,602		1,050,862	1,050,862	1,050,862	1,050,862	1,050,862	1,050,862
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	4,473	1,050,602		1,050,862	1,050,862	1,050,862	1,050,862	1,050,862	1,050,862

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

Analysis of Budget Request

Appropriation: B15 - Rural Services - Conference

Funding Sources: 111 - Department of Rural Services - Cash

This appropriation provides for an annual conference and several one-day seminars for local governments. The annual conference attendance numbers range from 400-650 each year with topics of discussion including finance, community marketing strategies, infrastructure and crime. Income is derived from fees charged to participants and donations received through corporate sponsorship.

The Agency Base Level Request includes appropriation in the amount of \$65,000 each year of the biennium.

The Agency Change Level Request includes additional appropriation in the amount of \$10,000 each year of the biennium to cover increased costs associated with the annual conference.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: B15 - Rural Services - Conference
Funding Sources: 111 - Department of Rural Services - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Conference Expenses	5900046	54,302	75,000	65,000	65,000	75,000	75,000	65,000	75,000	75,000
Total		54,302	75,000	65,000	65,000	75,000	75,000	65,000	75,000	75,000
Funding Sources										
Fund Balance	4000005	54,346	58,020		43,020	43,020	43,020	38,020	28,020	28,020
Cash Fund	4000045	57,976	60,000		60,000	60,000	60,000	60,000	60,000	60,000
Total Funding		112,322	118,020		103,020	103,020	103,020	98,020	88,020	88,020
Excess Appropriation/(Funding)		(58,020)	(43,020)		(38,020)	(28,020)	(28,020)	(33,020)	(13,020)	(13,020)
Grand Total		54,302	75,000		65,000	75,000	75,000	65,000	75,000	75,000

Budget exceeds Authorized Appropriation in Operating Expenses due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: B15 - Rural Services - Conference

Funding Sources: 111 - Department of Rural Services - Cash

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	65,000	0	65,000	100.0	65,000	0	65,000	100.0
C01	Existing Program	10,000	0	75,000	115.4	10,000	0	75,000	115.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	65,000	0	65,000	100.0	65,000	0	65,000	100.0
C01	Existing Program	10,000	0	75,000	115.4	10,000	0	75,000	115.4

Justification

C01	Additional Operating Expenses appropriation of \$10,000 is requested for the agency's annual conference as the result of increased expenses. The appropriation is funded through corporate sponsorships and registration fees.								
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