

# DAH - NATURAL & CULTURAL RESOURCES COUNCIL

## Enabling Laws

Act 237 of 2010  
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**

See Agency Commentary in DAH - Central Administration.

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 DEPARTMENT OF ARKANSAS HERITAGE  
 FOR THE YEAR ENDED JUNE 30, 2008

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

## Employment Summary

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

## Publications

### A.C.A. 25-1-204

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

# Department Appropriation Summary

## Historical Data

## Agency Request and Executive Recommendation

Appropriation	2009-2010		2010-2011		2010-2011		2011-2012					2012-2013						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2MZ NCRC--Administration	68,368	1	75,000	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1
480 NCRC - State Owned Lands or Historic Sites	0	0	15,287,968	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>68,368</b>	<b>1</b>	<b>18,362,968</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	34,325,598	123.6	27,706,550	71.2	20,525,381	51.4	20,525,381	51.4	20,525,381	51.4	6,952,381	26.1	6,952,381	26.1	6,952,381	26.1	
Interest	4000300	302,891	1.1	365,000	0.9	366,500	0.9	366,500	0.9	366,500	0.9	369,500	1.4	369,500	1.4	369,500	1.4	
Inter-agency Fund Transfer	4000316	(22,184,615)	(79.9)	(8,098,201)	(20.8)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Intra-agency Fund Transfer	4000317	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Other	4000370	37,230	0.1	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	15,766,770	56.8	19,500,000	50.1	19,650,000	49.2	19,650,000	49.2	19,650,000	49.2	19,950,000	74.8	19,950,000	74.8	19,950,000	74.8	
Service Charges	4000447	(472,956)	(1.7)	(585,000)	(1.5)	(589,500)	(1.5)	(589,500)	(1.5)	(589,500)	(1.5)	(598,500)	(2.2)	(598,500)	(2.2)	(598,500)	(2.2)	
<b>Total Funds</b>		<b>27,774,918</b>	<b>100.0</b>	<b>38,888,349</b>	<b>100.0</b>	<b>39,952,381</b>	<b>100.0</b>	<b>39,952,381</b>	<b>100.0</b>	<b>39,952,381</b>	<b>100.0</b>	<b>26,673,381</b>	<b>100.0</b>	<b>26,673,381</b>	<b>100.0</b>	<b>26,673,381</b>	<b>100.0</b>	
Excess Appropriation/(Funding)		(27,706,550)		(20,525,381)		(6,952,381)		(6,952,381)		(6,952,381)		6,326,619		6,326,619		6,326,619		
<b>Grand Total</b>		<b>68,368</b>		<b>18,362,968</b>		<b>33,000,000</b>												

The FY11 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 FY10 represents the amount of obligated funding distributed for FY10 grants and FY09 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 FY11 amount represents the portion of the FY11 beginning Fund Balance that is obligated for FY10 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).

## Agency Position Usage Report

FY2008 - 2009						FY2009 - 2010						FY2010 - 2011					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
1	1	0	1	0	0.00 %	1	1	0	1	0	0.00 %	1	1	0	1	0	0.00 %

## **Analysis of Budget Request**

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

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

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

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

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

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

Base Level includes one (1) Regular position, a G180C Grants Analyst (grade C117). Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Career Service Payments. The salary and matching appropriation for this position (as well as any supporting operations appropriation) is not reflected on the Appropriation Summary Report for the NCRC-Administration appropriation (2MZ). The appropriation and funding will be transferred from the NCRC-State Owned Lands and Historic Sites appropriation (480) by authority §A.C.A. 15-12-103(1).

The 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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	47,592	47,868	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>
Personal Services Matching	5010003	13,573	15,742	0	0	0	0	0	0	0
Operating Expenses	5020002	7,203	10,890	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	500	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>68,368</b>	<b>75,000</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	68,368	75,000		0	0	0	0	0	0
Total Funding		68,368	75,000		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		68,368	75,000		0	0	0	0	0	0

The FY11 Budget exceeds the Authorized due to a transfer from the Natural and Cultural Resources Council Grant Fund (480) by authority of A.C.A. § 15-12-103(1).

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

## **Analysis of Budget Request**

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

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

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

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

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

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

The Executive Recommendation provides for the Agency Request.

**ARKANSAS NATURAL & CULTURAL RESOURCES COUNCIL  
2010 GRANT FUNDING & APPROPRIATION BY PROJECT**

<b>Agency</b>	<b>FY10 Projects</b>	<b>Amount Approved</b>
Arkansas History Commission	Manuscript Access and Preservation (MAPP)	48,500
University of Arkansas - Little Rock	Manuscripts and Special Collections Stabilization	14,037
Department of Arkansas Heritage	Department of Arkansas Heritage Improvements	5,000,000
Arkansas Tech University	Hughes Hall Renovation Phase II	500,000
Arkansas Archeology Survey	Preserving the Prehistoric Heritage of N.E. AR	50,005
Arkansas Archeology Survey	Collections from the Isgrid and Welspun Sites	49,995
University of Arkansas - Fayetteville	3D Visualization & Interpretation-Prairie Grove BF	83,000
University of Arkansas - Fayetteville	Garvan Woodland Gardens	207,286
Phillips Community College of UA	PCCUA Grand Prairie Center	600,000
Secretary of State's Office	Exterior Stone Restoration and Repairs-Phase IV	547,177
UAMS Psychiatric Res Institute	Memorial Gardens of the Psychiatric Res Institute	400,000
Department of Parks and Tourism	State Parks Improvements	5,000,000
Black River Technical College	Project REACH	500,000
<b>TOTAL FY10 AWARDS</b>		<b>13,000,000</b>

**ARKANSAS NATURAL & CULTURAL RESOURCES COUNCIL - FUND BALANCE ASSESSMENT**

<b>Beginning Balance as of July 1, 2009</b>	<b>32,828,854</b>
<b>FY10 Actual RETT Net Proceeds + Interest</b>	<b>13,880,302</b>
<b>Less FY09 Outstanding Grant Awards</b>	<b>(15,103,303)</b>
<b>Less FY10 Actual Grant Awards Distributed</b>	<b>(4,901,799)</b>
<b>Less FY10 Actual Grant Administration (Fund Center 2MZ)</b>	<b>(68,368)</b>
<b>Ending Balance as of July 1, 2010</b>	<b>26,635,686</b>

**ARKANSAS NATURAL & CULTURAL RESOURCES COUNCIL  
2011 GRANT FUNDING & APPROPRIATION BY PROJECT**

<b>Agency</b>	<b>FY11 Projects</b>	<b>Amount Approved</b>
Arkansas State Military Department	GWOT Permanent Exhibit	\$97,795.00
Arkansas Archeological Survey	Preserving the Prehistoric Heritage of N.E. AR (Year 2)	80,090.00
Arkansas Archeological Survey	Archiving Records and Photographs of the AAS	66,466.00
University of Arkansas-Little Rock	Trail of Tears Park Phase II	202,000.00
Department of Arkansas Heritage	Department of Arkansas Heritage Improvements	5,000,000.00
Department of Parks and Tourism	State Parks Improvements	5,000,000.00
University of Central Arkansas	Rest Master Plan for UCA Main Hall & Waldran Aud	64,500.00
ASU Mountain Home	The Trout Nature Center - Vada Sheld Comm Dev Ctr	822,558.00
Arkansas Forestry Commission	Poison Springs State Forest	1,156,636.00
Arkansas State University	Dyess Colony/Johnny Cash Town Ctr Rest - Phase I	337,888.00
Arkansas History Commission	Civil War Records Preservation Project	127,000.00
Arkansas Building Authority	Governor's Mansion Entry Garden/Fountain Restoration	150,000.00
Phillips Community College of UA	PCCUA Grand Prairie Center	610,000.00
Cossatot Community College of UA	Community Amphitheater Concession/Restroom Facility	248,292.00
University of Arkansas-Fayetteville	Exterior Restoration of Women's Gym (ROTC Building)	787,607.00
University of Arkansas-Fayetteville	Heritage Visualization & Interp at Old Davidsonville/Prairie Grove	154,057.00
University of Arkansas-Fayetteville	Garvan Woodland Gardens	383,079.00
University of Arkansas-Fayetteville	Exterior Stabilization & Restoration of Memorial Hall - Phase II	0.00
<b>TOTAL FY11 AWARDS</b>		<b>15,287,968.00</b>

**ARKANSAS NATURAL & CULTURAL RESOURCES COUNCIL - FUND BALANCE ASSESSMENT**

<b>Beginning Balance as of July 1, 2010</b>	<b>26,635,686</b>
<b>FY11 Projected RETT Net Proceeds + Interest</b>	<b>16,830,000</b>
<b>Less FY10 Outstanding Grant Awards</b>	<b>(8,098,201)</b>
<b>Less FY11 Grant Awards</b>	<b>(15,287,968)</b>
<b>Less FY11 Budgeted Grant Administration (Fund Center 2MZ)</b>	<b>(75,000)</b>
<b>Ending Balance as of July 1, 2011</b>	<b>20,004,517</b>

## 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		Historical Data			2011-2012			2012-2013		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	0	15,287,968	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total		0	15,287,968	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	32,828,854	26,635,686		20,004,517	20,004,517	20,004,517	6,834,517	6,834,517	6,834,517
Interest	4000300	285,625	340,000		340,000	340,000	340,000	340,000	340,000	340,000
Inter-agency Fund Transfer	4000316	(20,005,102)	(8,098,201)		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	(68,368)	(75,000)		0	0	0	0	0	0
Real Estate Transfer Tax	4000403	14,015,082	17,000,000		17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000
Service Charges	4000447	(420,405)	(510,000)		(510,000)	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)
Total Funding		26,635,686	35,292,485		36,834,517	36,834,517	36,834,517	23,664,517	23,664,517	23,664,517
Excess Appropriation/(Funding)		(26,635,686)	(20,004,517)		(6,834,517)	(6,834,517)	(6,834,517)	6,335,483	6,335,483	6,335,483
Grand Total		0	15,287,968		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 FY10 represents the amount of obligated funding distributed for FY10 grants and FY09 grant extensions. The FY11 amount represents the portion of the FY11 beginning Fund Balance that is obligated for FY10 grant extensions.

The Intra-Agency Fund Transfer amount in FY10 and FY11 represents grant funding transferred to the NCRC Administration appropriation (Fund Center 2MZ).

The FY11 Budget has been adjusted to reflect the amount of FY11 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 request includes the continuation of Base Level Grants and Aid appropriation in the amount of \$3 million 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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2009-2010 Actual	2010-2011 Budget	2010-2011 Authorized	2011-2012			2012-2013		
					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	1,496,744	1,070,864		520,864	520,864	520,864	117,864	117,864	117,864
Interest	4000300	17,266	25,000		26,500	26,500	26,500	29,500	29,500	29,500
Inter-agency Fund Transfer	4000316	(2,179,513)	0		0	0	0	0	0	0
Other	4000370	37,230	0		0	0	0	0	0	0
Real Estate Transfer Tax	4000403	1,751,688	2,500,000		2,650,000	2,650,000	2,650,000	2,950,000	2,950,000	2,950,000
Service Charges	4000447	(52,551)	(75,000)		(79,500)	(79,500)	(79,500)	(88,500)	(88,500)	(88,500)
Total Funding		1,070,864	3,520,864		3,117,864	3,117,864	3,117,864	3,008,864	3,008,864	3,008,864
Excess Appropriation/(Funding)		(1,070,864)	(520,864)		(117,864)	(117,864)	(117,864)	(8,864)	(8,864)	(8,864)
Grand Total		0	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

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

The Inter-agency Fund Transfer in FY10 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, Prior Year Refunds and a Transfer from the DFA Motor Vehicle Aquisition Fund.