

# DAH - NATURAL & CULTURAL RESOURCES COUNCIL

## Enabling Laws

Act 233 of 2012  
A.C.A. §15-12-101 et seq.

## History and Organization

### **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, 2011

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

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

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. 25-1-204

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	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
2MZ NCRC--Administration	72,756	1	85,000	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	12,965,608	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>72,756</b>	<b>1</b>	<b>16,050,608</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	23,875,588	103.2	23,067,200	73.9	15,394,869	51.0	15,394,869	51.0	15,394,869	51.0	0	0.0	0	0.0	0	0.0	
Interest	4000300	70,178	0.3	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	(15,745,852)	(68.0)	(6,542,016)	(21.0)	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	701	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	14,995,988	64.8	14,700,000	47.1	14,800,000	49.0	14,800,000	49.0	14,800,000	49.0	14,800,000	100.0	14,800,000	100.0	14,800,000	100.0	
Service Charges	4000447	(56,647)	(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>23,139,956</b>	<b>100.0</b>	<b>31,225,184</b>	<b>100.0</b>	<b>30,194,869</b>	<b>100.0</b>	<b>30,194,869</b>	<b>100.0</b>	<b>30,194,869</b>	<b>100.0</b>	<b>14,800,000</b>	<b>100.0</b>	<b>14,800,000</b>	<b>100.0</b>	<b>14,800,000</b>	<b>100.0</b>	
Excess Appropriation/(Funding)		(23,067,200)		(15,174,576)		2,805,131		2,805,131		2,805,131		18,200,000		18,200,000		18,200,000		
<b>Grand Total</b>		<b>72,756</b>		<b>16,050,608</b>		<b>33,000,000</b>												

The FY13 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 FY12 represents the amount of obligated funding distributed for FY12 grants and FY11 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 FY13 amount represents the portion of the FY13 beginning Fund Balance that is obligated for FY12 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 in appropriations (480) and (481).

## 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	
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 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 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 Agency Base Level Request includes one (1) Regular position, a G180C Grants Analyst (grade C117).

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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	52,370	49,526	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	13,807	17,008	0	0	0	0	0	0	0
Operating Expenses	5020002	6,579	18,466	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>72,756</b>	<b>85,000</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	72,756	85,000		0	0	0	0	0	0
<b>Total Funding</b>		<b>72,756</b>	<b>85,000</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>72,756</b>	<b>85,000</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FY13 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 Base Level Request includes Grants and Aid appropriation in the amount of \$30 million 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		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	0	12,965,608	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total		0	12,965,608	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	22,821,812	21,987,493		15,394,869	15,394,869	15,394,869	0	0	0
Interest	4000300	65,833	0		0	0	0	0	0	0
Inter-agency Fund Transfer	4000316	(14,106,812)	(6,542,016)		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	(72,756)	(85,000)		0	0	0	0	0	0
Real Estate Transfer Tax	4000403	13,279,416	13,000,000		13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
Total Funding		21,987,493	28,360,477		28,394,869	28,394,869	28,394,869	13,000,000	13,000,000	13,000,000
Excess Appropriation/(Funding)		(21,987,493)	(15,394,869)		1,605,131	1,605,131	1,605,131	17,000,000	17,000,000	17,000,000
Grand Total		0	12,965,608		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 FY12 represents the amount of obligated funding distributed for FY12 grants and FY11 grant extensions. The FY13 amount represents the portion of the FY13 beginning Fund Balance that is obligated for FY12 grant extensions.

The Intra-Agency Fund Transfer amount in FY12 and FY13 represents grant funding transferred to the NCRC Administration appropriation (Fund Center 2MZ).

The FY13 Budget has been adjusted to reflect the amount of FY13 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 Base Level Request includes Grants and Aid appropriation in the amount of \$3 million each year of the biennium.

The Executive Recommendation provides 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			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 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	1,053,776	1,079,707		0	0	0	0	0	0
Interest	4000300	4,345	0		0	0	0	0	0	0
Inter-agency Fund Transfer	4000316	(1,639,040)	0		0	0	0	0	0	0
Other	4000370	701	0		0	0	0	0	0	0
Real Estate Transfer Tax	4000403	1,716,572	1,700,000		1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Service Charges	4000447	(56,647)	0		0	0	0	0	0	0
Total Funding		1,079,707	2,779,707		1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Excess Appropriation/(Funding)		(1,079,707)	220,293		1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Grand Total		0	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

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 FY12 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 Proceeds, Prior Year Outlawed Warrants and Prior Year Refund to Expenditures.