

ARKANSAS NATURAL RESOURCES COMMISSION

Enabling Laws

Act 256 of 2016
Act 270 of 2015
Act 268 of 2014
Act 218 of 2013
Act 166 of 2012
Act 535 of 2011
Act 35 of 2010

A.C.A. §14-230-101 et seq.
A.C.A. §15-20-201 et seq.
A.C.A. §15-20-801 - §15-20-1301
A.C.A. §15-22-201 - §15-22-1301
A.C.A. §15-24-102 et seq.

History and Organization

The Mission of the Agency is to manage and protect our water and land resources for the health, safety, and economic benefit of the State of Arkansas.

Upon its formation in 1963 the Arkansas Natural Resources Commission (formerly the Soil and Water Conservation Commission) was assigned duties previously performed by the Water Conservation and Flood Control Commissions, in addition to those functions related to Soil and Water Conservation Districts formerly performed by the Geological Commission. Major duties of the Commission at that time included: water allocation, dam permitting, and interstate water rights.

In 1969 the Commission was assigned the task of developing the Arkansas Water Plan (AWP) and overseeing the State's flood plain management program. The Water Development Fund was created as a part of the water planning effort. The AWP, first published in 1975 and updated in 1985 and 2014, is the state's policy for long term water management.

In 1981, administration of the Water, Sewer and Solid Waste Management Fund was transferred from the Department of Local Services to the

Commission. Also in 1981, the Water Resources Cost Share Program was created to provide funds to Arkansas's communities to help meet the local cost share of federal water projects.

The Commission operates the Water, Waste Disposal and Pollution Abatement Facilities General Obligation (GO) Bond Program to provide low interest rate loans to communities. These loans are used for water resources and waste disposal projects.

In 1991 the Governor delegated administration of the Non-Point Source Pollution Abatement Program under the Federal Clean Water Act to the Commission. Primary funding to operate the program is from the US Environmental Protection Agency. In addition, Arkansas's General Assembly created the Ground Water Protection and Management Act. Under this act the Commission received additional responsibility for ground water management, collection of water use information, and collection of an annual fee for reporting water use.

The Commission, in conjunction with the Department of Finance and Administration operates two Tax Credit programs to encourage water resources development, water conservation, and protection of wetlands and riparian zones.

The Commission operates a Wetland Mitigation Bank that provides a voluntary, cost effective and environmentally sound alternative for mitigation of unavoidable wetland losses caused by individual, corporate, or state agency projects.

Since 1995 the Commission has provided administrative and field operations for the Water Well Construction Commission.

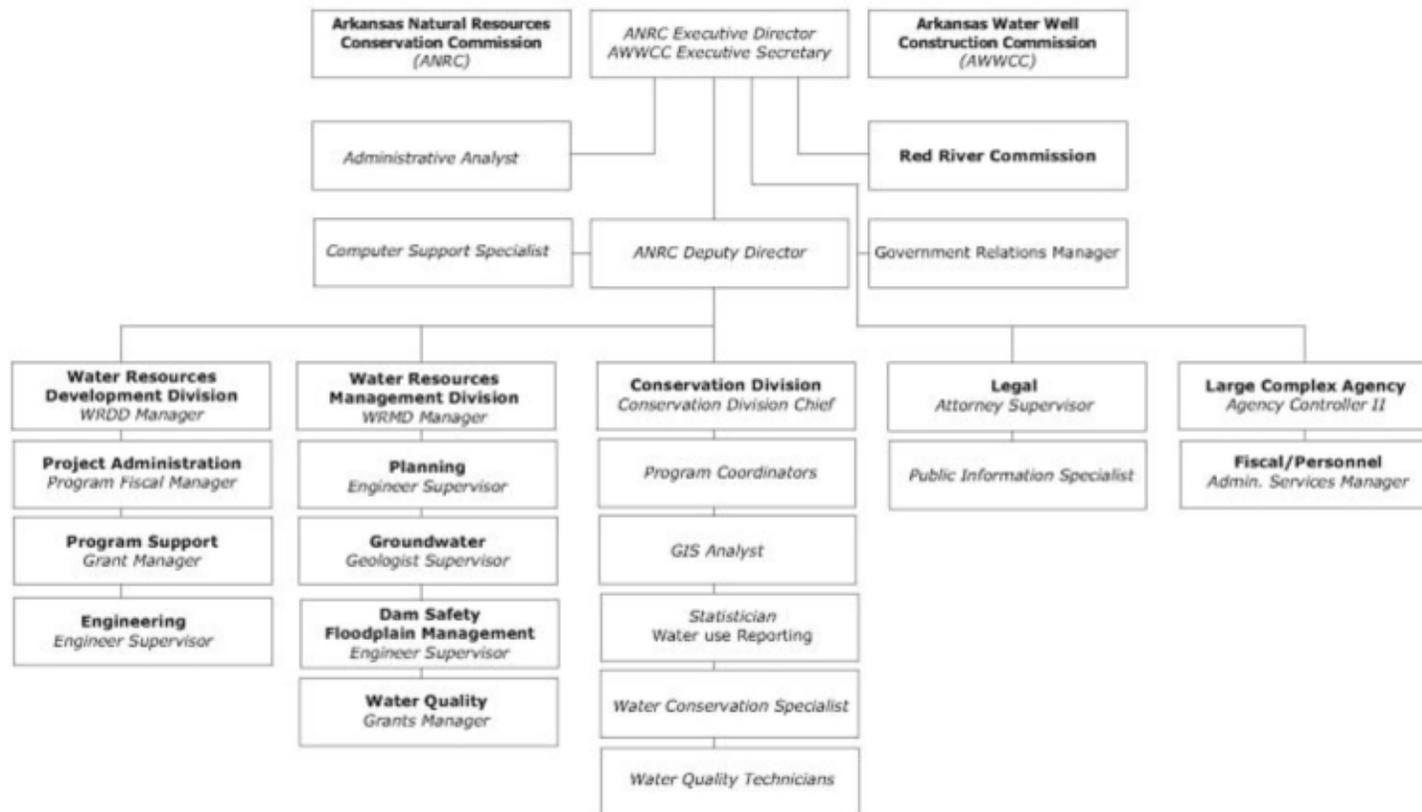
Act 1060 of 2003 directed the Commission to create and operate the Poultry Feeding Operation Registration Program. The purpose of this program is to assemble and maintain information on the number, composition, and practices of Poultry Feeding Operations in the state including the quantity of nutrients produced and used by those operations.

Act 1059 of 2003 authorized the Commission to institute a Nutrient Management Planner Certification Program for individuals who prepare Nutrient Management Plans. The purpose of this program is to establish criteria for planning and certify that planners have sufficient training to prepare adequate plans.

Act 1061 of 2003 authorized the Commission to institute a Nutrient Applicator Certification Program for individuals who apply agricultural nutrients in certain areas of the State. The purpose of this program is to certify that applicators have sufficient training to effectively apply nutrients in accord with applicable laws, regulations, and technical criteria.

Act 745 of 2003 requires that any community's flood plain manager must be accredited by the ANRC, and authorizes the agency to create and operate a program to insure that Flood Plain Managers have the requisite training and experience to successfully perform the duties of the position.

The Arkansas Natural Resources Commission provides technical and financial support for both the Red River Commission and the Ouachita River Commission.



Agency Commentary

The Arkansas Natural Resources Commission establishes policy and makes funding and regulatory decisions relative to soil conservation, nutrient management, water rights, dam safety and water resources planning and development. The ANRC is organized into four divisions: Administrative, Water Resources Management, Water Resources Development and Conservation.

ANRC Fiscal Efficiency

The Arkansas Natural Resources Commission recognizes the importance of fiscal efficiency and restraint. The Agency's Base Level Budget includes appropriation of approximately \$123.4 million along with 93 authorized positions. The Agency's funded budget includes many different fund sources, including State General Revenue; Federal Funds from the Environmental Protection Agency (EPA), the Federal Emergency Management Agency (FEMA), the United States Geological Survey (USGS) and the US Department of Agriculture, Natural Resources Conservation Service (NRCS); Agency fee generated Cash Funds, Revolving Loan Funds, Trust Funds, and Bond Proceeds from the sale of General Obligation Bonds.

The General Revenue portion of the ANRC funded budget is remarkably small. In fact, the ANRC's Base Level General Revenue of \$6,471,004 represents only 5.25% of our total funded budget. Additionally, more than half (\$3.7 million or 57.25%) of our total General Revenue funded budget consists of direct grant programs administered by the agency. These grant programs are primarily used to provide critical support for Arkansas' 75 conservation districts, as well as to fund water research and water quality programs, and other agency supported programs including water, sewer, solid waste projects and rural fire programs and as required state match for federal grants.

The Agency's remaining General Revenue Budget includes Regular Salaries and Related Matching budget of approximately \$2.3 million (to provide for 32 of the Agency's 93 total authorized positions), as well as a Maintenance and General Operations budget of \$420,615, of which almost 25% is allocated for rental fees for our office space. As a result, less than 5% of our total General Revenue Budget is used for our remaining operating expenses.

In accordance with the Executive Policy Statement, the ANRC has limited our new spending requests to only critical needs. The ANRC General Revenue change level request of \$2,547,800 is on behalf of the Arkansas Association of Conservation Districts (AACD) for the purpose of providing much needed critical support to Arkansas' 75 Conservation Districts. The ANRC is committed to improving state government by looking for opportunities to achieve budget efficiencies and savings. However, because our existing General Revenue budget is already so lean, a reallocation of existing resources to provide internally for this request is not possible.

Administrative Division

The Administrative Division provides oversight and direction as well as personnel, purchasing, legal and information technology support for the entire agency.

Changes requested for this division include:

- Unfunded appropriation in the amount of \$900,000 each year of the biennium for the Rural Fire Protection Program (Funds Center 381), which will restore this appropriation to the previously authorized level. This unfunded appropriation is requested in the event that savings from the Miscellaneous Agencies Fund Account become available during FY18 and/or FY19.

Water Resources Management Division

The Water Resources Management Division is responsible for statewide oversight and planning in the following areas: Water Systems, Water Supplies, Water Rights Allocation, Flood Plain Management, Non-Point Source Pollution Abatement, Dam Safety and Wetlands Mitigation Banking.

Changes requested for this division include:

- Unfunded appropriation in the amount of \$400,000 each year of the biennium. This request will provide additional appropriation of \$200,000 to both the Grants and Aid Line Item and the Water Quality Technician Line Item in the Water Quality Implementation appropriation (Funds Center 2RG). The Agency Request includes the continuation of Special Language that authorizes the agency to carry forward funds to support the amount of obligated grants certified for Matching Grants and Water Quality Technicians. This request for unfunded appropriation will enable the agency to utilize any funds carried forward between fiscal years.
- Additional cash appropriation of \$100,000 each year of the biennium for the Capital Outlay Line Item in the Arkansas Natural Resources Commission - Cash appropriation (Funds Center 420). This will enable the agency to purchase equipment to support the two wetland mitigation banks established by the Agency within the Arkansas Wetland Mitigation Bank Program.
- Additional federal appropriation of \$50,000 each year of the biennium for the Capital Outlay Line Item in the Non-Point Source Pollution Control Program (Funds Center 997). This request will enable the agency to replace existing field equipment for Water Quality Projects. This appropriation is 100% federally funded.
- Additional federal appropriation of \$10,000 each year of the biennium for Capital Outlay for the Dam Inventory Program (Funds Center 1AA). This request will enable the agency to replace existing equipment for the federally funded Dam Inventory Program. This appropriation is 100% federal funded.
- Additional federal appropriation \$25,000 per year in the Capital Outlay line item to enable the agency to replace existing equipment for the Flood Insurance Program (Funds Center 2BU). Specifically, this appropriation will be used to provide for the following three grants from the Federal Emergency Management Agency (FEMA): The Community Assistance Program - State Support Service Element (CAPP-SSSE) Grant, which provides funding to States to provide technical assistance to communities in the National Flood Insurance Program (NFIP) and to evaluate community performance in implementing NFIP floodplain management activities; the Cooperating Technical Partners (CTP) Program Grant, the goal of which is to create partnerships between FEMA and participating NFIP communities, regional agencies, State agencies, tribes, and universities that have the interest and capability to become more active

which is to provides funds for projects to reduce or eliminate risk of flood damage to buildings that are insured under the NFIP on an annual basis.

- Additional federal appropriation of \$126,000 for the Water Use Program (Funds Center U31). The ANRC recently completed an update of the Arkansas Water Plan. One of priority needs identified in this update was the need for reliable water use data. Acquiring this data means the expansion of the network of stream gages, monitoring wells, water quality monitoring sites and improved information of water use. To achieve this, the ANRC has received federal funding from the United States Geological Survey (USGS) Water Availability and Use Science Program. This change level request includes the restoration of Salary, Matching and Operating Expenses appropriation totaling \$26,000 that was approved in a Miscellaneous Federal Grant in FY16 and Continued in FY17 to provide operational support for the program. The change level request also includes additional appropriation of \$100,000 in the Professional Fees and Services Line Item. This request is for an additional USGS grant awarded to the ANRC that will enable the agency to contract with a service provider to install flow meters on irrigation wells in various counties statewide.

Water Resources Development Division

The Water Resources Development Division administers programs that provide funding to communities for local water supply and distribution; waste water collection, treatment and disposal; and collection and disposal of solid wastes.

Changes requested for this division include:

- Unfunded appropriation of \$665,704 each year of the biennium in the Water/Sewer/Solid Waste - State Appropriation (Funds Center 2GE). This request will restore this appropriation to the previously authorized level, and is requested in the event that savings from the Miscellaneous Agencies Fund Account become available during FY18 and/or FY19.
- Additional cash funded appropriation of \$5,000 for the Conference Fees and Travel line item to support the travel and training needs of the Water Development Program Supervisory staff. This request is funded by administrative funds from the EPA Drinking Water Revolving Loan Fund Program (Funds Center 420). Because of the complex nature of these programs, staff are required to attend training sessions with various federal regulatory agencies and workgroups (EPA, Council of Infrastructure Authorities (CIFA), State Revolving Fund Work Groups, United States Department of Agriculture - Rural Development (USDA-RD), etc.
- A reallocation of cash appropriation in the amount of \$105,000 from a Miscellaneous Commitment Item titled "Training/Contract Services" to the Soil & Water Grants and Loans Line Item (Funds Center 420). This appropriation is used to support a Cooperative Agreement between the ANRC and the Arkansas Rural Water Association (ARWA). These grant funds are used to enable the ARWA to

ARNC utilizes the grant funds; it is simply an administrative request to streamline the internal grant process.

Conservation Division

Functions of this division include oversight of the 75 Conservation Districts including fiscal management and program planning; registration of surface water and groundwater usage; administration of a tax credit program, creation of surface water storage, reduction of ground water use; and administrative support of the Board of Registration for Soil Classifiers. In addition this division also performs geographic information system analyses and data acquisition. The Nutrient Management Program was implemented to oversee the Poultry Feeding Operations Registration Program and the certification of Nutrient Planners and Applicators.

Change levels for this division include:

- The restoration of federal appropriation of \$1,219,433 along with three (3) C120 Environmental Coordinator Positions for the Conservation Technical Assistance Program (Funds Center U38). The appropriation and positions were authorized by Miscellaneous Federal Grants during FY16 and Continued into FY17 to enable the ANRC to utilize federal funding awarded by the United States Department of Agriculture, Natural Resources Conservation Service (NRCS) to provide conservation technical assistance and training to Conservation District Employees. This request includes Salary and Related Matching appropriation of \$152,550 for three employees, Operating Expenses appropriation of \$120,246; Grants and Aid appropriation of \$906,637 and Capital Outlay appropriation of \$40,000. These grants support five different Conservation Programs including: (1) Water Quality Technicians (to assist producers in the development and implementation of Nutrient Management Plans and Conservation Plans); (2) Irrigation Efficiency (to promote watershed assessment and Watershed Management Plan Implementation); (3) Environmental Quality Incentives Program (to provide outreach and on-farm technical assistance to promote the development of their Irrigation Water Management Plans and Conservation Plans); (4) District Training (to provide training and technical certification to Conservation District and NRCS Employees); and (5) Dam and Levee Safety (to assist in the inspection of dams, levees and other state regulated structures).
- Additional appropriation and general revenue funding of \$150,000 each year for the Conservation District Beaver Control Program (Funds Center 129). This program is administered by the ANRC through Arkansas' Conservation Districts. The program reimburses districts \$10 per beaver for payments made to certified beaver harvesters, thereby removing 15,000 beavers per year. According to an environmental assessment published in 2013 by the United States Department of Agriculture, the current beaver population has exceeded the societal carrying capacity. Recent studies have shown that the estimated costs associated with beaver damage across the state exceeds \$35 million. Beaver damage includes flooded timber and agricultural land, girdling, cutting valuable trees, interference with drainage systems, flooded properties, damage to roads and earthen embankments as well as to residential/commercial utilities and wildlife habitats. The State Conservation Districts have expressed a need to increase funding to help control the beaver population throughout the state. This request will increase the number of beavers districts are able to remove annually from 15,000 to 30,000.

- Additional appropriation and general revenue funding of \$802,800 each year for the Conservation District Expense Line Item within the State Operations appropriation (Funds Center 262). The Line Item is primarily used to flow funding through the ANRC to be disbursed evenly among all 75 Conservation Districts to support the District Operations. This request includes:
 - A. \$750,000 each year to increase the amount of funding that is disbursed evenly among the 75 Districts to support District Operations. This request, therefore, will provide an additional \$10,000 to each district. The Districts have not received an increase in funding since 1997, making it very difficult for these districts to provide for their most basic operating expenses. These districts manage numerous programs for the ANRC, such as Water Use Reporting, Poultry Registration, Beaver Eradication and other programs that fall under their statutory authority. District employees are required to maintain a comprehensive financial accounting system in Quickbooks, but a lack of funding has led to a high turnover within the district manager positions and made it increasingly difficult for the districts to hire competent personnel who can carry out the necessary duties. The funding situation for many of these districts is dire, making this request for additional funding and appropriation a vital request by the ANRC on behalf of the districts.
 - B. \$52,800 each year to be utilized for building capacity at the district level. Specifically, these funds would be used (1) To train District Directors on both their fiscal/legal responsibilities as well as on daily job related responsibilities including personnel, resource assessments, conservation projects, etc.; (2) To train District Employees on the basic programs available through various entities including the NRCS, Game and Fish, etc. as well as on daily job related responsibilities including presentations and reporting, resource concerns, meeting protocol, etc.; and (3) To provide basic equipment to various district offices that don't have critical equipment such as copy equipment, computer equipment, phones, surveying equipment, etc.
- Additional appropriation and general revenue funding of \$345,000 each year for the Water Quality Technician line item within the Water Quality Plan Implementation appropriation (Funds Center 2RG). This will be used to support the ANRC Nutrient Management Program, which oversees a licensing and certification program for consultants and compliance activities, education and training programs necessary to implement the law. A "nutrient management plan" is a document approved by a conservation district board that is prepared to assist landowners and operators in the proper management and utilization of nutrient sources for maximum soil fertility and protection of state waters. A nutrient management plan will not be approved unless it is prepared by a Certified Nutrient Planner. If a landowner or operator plans to apply litter, sewage sludge, or commercial fertilizer within an area designated as a "Nutrient Surplus Area," Arkansas law requires him/her to obtain a nutrient management plan. A Nutrient Surplus Area (NSA) is an area that has been designated by the Arkansas General Assembly as having such high concentrations of one or more nutrients that continued unrestricted application of the nutrient could negatively impact soil fertility and waters of the state. The ANRC currently contracts with the Conservation Districts to write nutrient management plans for local landowners and operators free of charge. When the State of Arkansas enacted nutrient management laws in 2003, this caused a significant increase in the district workload - increasing the number of plans from approximately 50 plans required per Certified Nutrient Planner to approximately 65 plans, with no additional funding to cover the associated cost increase. As the poultry industry continues to grow in Northeast Arkansas, this request represents a critical need to enable the districts to address the nutrient management needs. Because of the dismal funding situation currently experienced

- by many of these districts, this request for additional funding and appropriation is a vital request by the ANRC on behalf of these districts.
- Additional appropriation and general revenue funding of \$1,250,000 each year for the Conservation Projects line item within the ANRC Grants and Attorney Services Appropriation (Funds Center 263). This request will establish a new program to enable the ANRC to support the top resources concerns currently recognized by the districts. In October 2012, the ANRC assisted each Conservation District develop a comprehensive assessment of its soil and water resources and needs. These assessments, which were required by Conservation District Law, helped districts identify resource concerns at the local level and develop strategies to address those concerns. These assessments required each Conservation District Board of Directors to engage state and local officials and conservation partners in the process, and were designed to help the each district formulate its annual operating plan, especially in describing existing district programs and short and long term goals. The ANRC staff evaluated the results of these resource assessments and identified the top three resource concerns as: Stream Bank Stabilization, Water Conservation and Control of Invasive Species. These concerns represent critical needs of the Conservation Districts in their efforts to carry out conservation within their respective districts. This request will enable the ANRC to address these concerns by providing grants to conservation districts to support these three significant resource concerns.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS NATURAL RESOURCES COMMISSION
 FOR THE YEAR ENDED JUNE 30, 2015

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	41	26	67	87 %
Black Employees	3	6	9	12 %
Other Racial Minorities	0	1	1	1 %
Total Minorities			10	13 %
Total Employees			77	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018					2018-2019						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
129 Beaver Eradication Program	150,000	0	150,000	0	300,000	0	150,000	0	300,000	0	150,000	0	150,000	0	300,000	0	150,000	0
1AA Dam Inventory	210,453	1	324,729	1	380,268	1	305,036	1	315,036	1	315,036	1	305,036	1	315,036	1	315,036	1
1EE Water, Waste Disposal, Pollution Abatement	8,144,884	5	90,314,747	5	90,314,507	5	90,316,054	5	90,316,054	5	90,316,054	5	90,316,177	5	90,316,177	5	90,316,177	5
262 Natural Resources Commission-Operations	3,483,798	28	3,496,853	27	4,236,058	27	3,503,800	27	4,306,600	27	3,503,800	27	3,505,395	27	4,308,195	27	3,505,395	27
263 Grants and Attorney Services	91,712	0	91,711	0	841,711	0	91,711	0	1,341,711	0	91,711	0	91,711	0	1,341,711	0	91,711	0
2BU Flood Insurance Program	1,163,152	3	3,228,062	3	3,226,971	3	3,198,932	3	3,223,932	3	3,179,245	2	3,199,054	3	3,224,054	3	3,179,367	2
2GE Water/Sewer/Solid Waste-State	89,482	0	84,296	0	750,000	0	84,296	0	750,000	0	84,296	0	84,296	0	750,000	0	84,296	0
2RG Water Quality Implementation	1,801,581	5	1,843,812	5	2,489,315	5	1,845,197	5	2,590,197	5	1,845,197	5	1,845,320	5	2,590,320	5	1,845,320	5
381 Rural Fire Protection Program	100,000	0	100,000	0	1,000,000	0	100,000	0	1,000,000	0	100,000	0	100,000	0	1,000,000	0	100,000	0
383 Conservation District Grants	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
420 Natural Resources Comm-Cash	4,467,144	25	9,344,679	26	9,304,393	27	9,251,767	26	9,356,767	26	9,263,568	24	9,252,626	26	9,357,626	26	9,264,427	24
527 Construction Asst Revolving Loan Fund Program	1,023,744	13	1,198,696	15	1,201,809	15	1,185,790	15	1,185,790	15	1,100,244	13	1,186,035	15	1,186,035	15	1,100,489	13
659 Ouachita River Waterways Projects	0	0	57,675	0	57,675	0	57,675	0	57,675	0	57,675	0	57,675	0	57,675	0	57,675	0
808 Water Research	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0	42,800	0
822 Conservation District Clerks' Insurance	403,200	0	403,200	0	403,200	0	403,200	0	403,200	0	403,200	0	403,200	0	403,200	0	403,200	0
924 Water/Sewer/Solid Waste	2,247,587	0	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000	0
997 NonPoint Source Pollution Control Program	3,296,142	7	6,635,391	8	6,686,713	10	6,587,791	8	6,637,791	8	6,637,791	8	6,587,913	8	6,637,913	8	6,637,913	8
U31 Water Use Program	0	0	26,000	0	0	0	0	0	126,000	0	126,000	0	0	0	126,000	0	126,000	0
U38 Conservation Technical Assistance	7,282	1	1,269,347	3	0	0	0	0	1,219,433	3	1,219,433	3	0	0	1,219,433	3	1,219,433	3
Total	26,972,961	87	124,861,998	93	127,485,420	93	123,374,049	90	129,422,986	93	124,686,050	88	123,377,238	90	129,426,175	93	124,689,239	88

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	46,179,367	69.5	39,469,095	26.7													
General Revenue	4000010	6,412,573	9.7	6,440,948	4.4	23,173,186	16.5	23,173,186	16.0	23,173,186	16.3	17,229,419	12.8	17,124,419	12.4	17,217,618	12.7	
Federal Revenue	4000020	5,700,773	8.6	12,682,225	8.6	6,471,004	4.6	9,018,804	6.2	6,471,004	4.6	6,472,722	4.8	9,020,522	6.5	6,472,722	4.8	
Cash Fund	4000045	5,413,222	8.1	5,048,770	3.4	11,277,549	8.0	12,707,982	8.8	12,577,749	8.9	11,278,038	8.4	12,708,471	9.2	12,578,238	9.3	
Trust Fund	4000050	0	0.0	57,675	0.0	5,308,000	3.8	5,308,000	3.7	5,308,000	3.7	5,308,000	3.9	5,308,000	3.8	5,308,000	3.9	
Merit Adjustment Fund	4000055	0	0.0	21,724	0.0	57,675	0.0	57,675	0.0	57,675	0.0	57,675	0.0	57,675	0.0	57,675	0.0	
Bond Proceeds	4000125	0	0.0	60,314,747	40.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Inter-agency Fund Transfer	4000316	(18,257,522)	(27.5)	0	0.0	70,316,054	50.0	70,316,054	48.6	70,316,054	49.6	70,316,177	52.2	70,316,177	50.8	70,316,177	51.7	
Loan Repayment	4000330	20,993,643	31.6	24,000,000	16.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Total Funds		66,442,056	100.0	148,035,184	100.0	140,603,468	100.0	144,581,701	100.0	141,903,668	100.0	134,662,031	100.0	138,535,264	100.0	135,950,430	100.0	

Excess Appropriation/(Funding)	(39,469,095)	(23,173,186)		(17,229,419)	(15,158,715)	(17,217,618)	(11,284,793)	(9,109,089)	(11,261,191)
Grand Total	26,972,961	124,861,998		123,374,049	129,422,986	124,686,050	123,377,238	129,426,175	124,689,239

FY17 Budget exceeds Authorized in (2BU) Flood Insurance Program and (420) Natual Resources COMM-Cash due to salary and matching rate adjustments during the 2015-2017 Biennium.

FY17 Budget exceeds Authorized in (U31) Water Use Program and (U38) Conservation Technical Assistance due to a transfer from the Miscellaneous Federal Grant Holding Account.

Variation in fund balance is due to unfunded appropriation in (129) Beaver Eradication Program, (262) Natural Resources Commission-Operations, (263) Grants and Attorney Services, (2GE) Water/Sewer/Solid Waste-State, (2RG) Water Quality Implentation, and (381) Rural Fire Protection Program.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
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	
93	81	13	94	-1	12.90 %	93	80	13	93	0	13.98 %	93	79	14	93	0	15.05 %

FY2014-2015 Budgeted Positions exceed Authorized due to a position from a Miscellaneous Federal Grant.

Analysis of Budget Request

Appropriation: 129 - Beaver Eradication Program

Funding Sources: HUA - Miscellaneous Agencies Fund

The "Beaver Eradication Program" created under Act 630 of 1993 and coordinated by the Department of Finance and Administration and county governments is now called the "Conservation District Beaver Control Program," administered by the Arkansas Natural Resources Commission through Arkansas's conservation districts. This program reimburses conservation districts \$10 per beaver for payments they make to certified beaver harvesters. To receive grant funding through this program, conservation districts must submit a district beaver control plan to the Commission, who will allocate the available funding to districts according to their projected harvest, past participation, and other factors to ensure fairness. This program is funded entirely by general revenue.

Base Level is \$150,000 each year of the 2017-2019 Biennium in appropriation and general revenue funding.

The Agency Change Level Request includes appropriation and new general revenue funding of \$150,000 each year of the biennium. This request will enable Arkansas' 75 Conservation Districts to increase the number of beavers removed annually from the state from 15,000 to 30,000.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 129 - Beaver Eradication Program

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	150,000	150,000	300,000	150,000	300,000	150,000	150,000	300,000	150,000
Total	150,000	150,000	300,000	150,000	300,000	150,000	150,000	300,000	150,000
Funding Sources									
General Revenue 4000010	150,000	150,000		150,000	300,000	150,000	150,000	300,000	150,000
Total Funding	150,000	150,000		150,000	300,000	150,000	150,000	300,000	150,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	150,000	150,000		150,000	300,000	150,000	150,000	300,000	150,000

Change Level by Appropriation

Appropriation: 129 - Beaver Eradication Program
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	150,000	0	150,000	100.0	150,000	0	150,000	100.0
C01	Existing Program	150,000	0	300,000	200.0	150,000	0	300,000	200.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	150,000	0	150,000	100.0	150,000	0	150,000	100.0
C01	Existing Program	0	0	150,000	100.0	0	0	150,000	100.0

Justification

C01	Additional appropriation and General Revenue funding in the amount of \$150,000 is requested to support the Beaver Eradication Program. This request will enable Arkansas' 75 Conservation Districts to increase the number of beavers removed annually from the state from 15,000 to 30,000.								
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Analysis of Budget Request

Appropriation: 1AA - Dam Inventory

Funding Sources: FSC - Natural Resources Commission Federal

The Natural Resources Commission's Dam Inventory appropriation is used to conduct periodic inspections to determine the number and current condition of dams within the State's jurisdiction. The Commission maintains this information in a database and provides updated records to the Federal Emergency Management Agency. This appropriation is 100% federally funded.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$305,036 each year of the biennium.

The Agency Change Level request is \$10,000 each year of the biennium for Capital Outlay to replace existing equipment for the Dam Inventory Program.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1AA - Dam Inventory
Funding Sources: FSC - Natural Resources Commission Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	55,571	53,796	103,636	53,796	53,796	53,796	53,796	53,796	53,796
#Positions	1	1	1	1	1	1	1	1	1
Extra Help 5010001	6,615	10,000	0	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	18,838	17,720	33,419	18,027	18,027	18,027	18,027	18,027	18,027
Operating Expenses 5020002	47,968	49,216	49,216	49,216	49,216	49,216	49,216	49,216	49,216
Conference & Travel Expenses 5050009	8,736	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Professional Fees 5060010	41,255	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	31,470	76,997	76,997	76,997	76,997	76,997	76,997	76,997	76,997
Capital Outlay 5120011	0	20,000	20,000	0	10,000	10,000	0	10,000	10,000
Total	210,453	324,729	380,268	305,036	315,036	315,036	305,036	315,036	315,036
Funding Sources									
Federal Revenue 4000020	210,453	324,729		305,036	315,036	315,036	305,036	315,036	315,036
Total Funding	210,453	324,729		305,036	315,036	315,036	305,036	315,036	315,036
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	210,453	324,729		305,036	315,036	315,036	305,036	315,036	315,036

FY17 Budgeted Extra Help exceed Authorized due to salary adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 1AA - Dam Inventory
Funding Sources: FSC - Natural Resources Commission Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	305,036	1	305,036	100.0	305,036	1	305,036	100.0
C01	Existing Program	10,000	0	315,036	103.3	10,000	0	315,036	103.3

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	305,036	1	305,036	100.0	305,036	1	305,036	100.0
C01	Existing Program	10,000	0	315,036	103.3	10,000	0	315,036	103.3

Justification

C01	The Agency Request includes additional federal appropriation \$10,000 per year in Capital Outlay appropriation to to enable the agency to replace existing equipment for the federally funded Dam Inventory Program.
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Analysis of Budget Request

Appropriation: 1EE - Water, Waste Disposal, Pollution Abatement

Funding Sources: TPW - Water, Waste Disposal and Pollution Abatement Construction Fund

The Water, Waste Disposal and Pollution Abatement Program provides low interest rate loans to communities for water resources and waste disposal projects. The program is funded from the sale of Water, Waste Disposal and Pollution Abatement General Obligation Bonds, loan repayments and interest income.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$90,316,054 in FY18 and \$90,316,177 in FY19.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 1EE - Water, Waste Disposal, Pollution Abatement

Funding Sources: TPW - Water, Waste Disposal and Pollution Abatement Construction Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	237,958	233,440	232,539	233,440	233,440	233,440	233,540	233,540	233,540
#Positions		5	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	78,072	76,907	77,568	78,214	78,214	78,214	78,237	78,237	78,237
Operating Expenses	5020002	274	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400
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
Project Disbursements	5900046	7,828,580	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000
Total		8,144,884	90,314,747	90,314,507	90,316,054	90,316,054	90,316,054	90,316,177	90,316,177	90,316,177

Funding Sources										
Fund Balance	4000005	24,916,122	16,795,118		6,795,118	6,795,118	6,795,118	6,795,118	6,795,118	6,795,118
Bond Proceeds	4000125	0	60,314,747		70,316,054	70,316,054	70,316,054	70,316,177	70,316,177	70,316,177
Inter-agency Fund Transfer	4000316	(18,257,522)	0		0	0	0	0	0	0
Loan Repayment	4000330	18,281,402	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total Funding		24,940,002	97,109,865		97,111,172	97,111,172	97,111,172	97,111,295	97,111,295	97,111,295
Excess Appropriation/(Funding)		(16,795,118)	(6,795,118)		(6,795,118)	(6,795,118)	(6,795,118)	(6,795,118)	(6,795,118)	(6,795,118)
Grand Total		8,144,884	90,314,747		90,316,054	90,316,054	90,316,054	90,316,177	90,316,177	90,316,177

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 262 - Natural Resources Commission-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The State Operations appropriation provides administrative support for the Arkansas Natural Resources Commission and is funded entirely by general revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

Base Level is \$3,503,800 in FY18 and \$3,505,395 in FY19 in appropriation and general revenue funding.

The Agency Change Level Request is \$802,800 each year of appropriation and new general revenue in Grants in Aid for the operating expenses of the state conservation districts.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 262 - Natural Resources Commission-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,516,794	1,533,752	1,518,212	1,532,351	1,532,351	1,532,351	1,533,651	1,533,651	1,533,651
#Positions		28	27	27	27	27	27	27	27	27
Personal Services Matching	5010003	472,994	475,804	480,549	484,152	484,152	484,152	484,447	484,447	484,447
Operating Expenses	5020002	401,026	400,379	400,379	400,379	400,379	400,379	400,379	400,379	400,379
Conference & Travel Expenses	5050009	10,162	10,165	10,165	10,165	10,165	10,165	10,165	10,165	10,165
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	946,059	939,990	1,689,990	939,990	1,742,790	939,990	939,990	1,742,790	939,990
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Surveys & Investigations	5900046	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900
Water Planning	5900047	130,981	130,981	130,981	130,981	130,981	130,981	130,981	130,981	130,981
Research Project	5900048	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882
Total		3,483,798	3,496,853	4,236,058	3,503,800	4,306,600	3,503,800	3,505,395	4,308,195	3,505,395
Funding Sources										
General Revenue	4000010	3,483,798	3,475,129		3,503,800	4,306,600	3,503,800	3,505,395	4,308,195	3,505,395
Merit Adjustment Fund	4000055	0	21,724		0	0	0	0	0	0
Total Funding		3,483,798	3,496,853		3,503,800	4,306,600	3,503,800	3,505,395	4,308,195	3,505,395
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,483,798	3,496,853		3,503,800	4,306,600	3,503,800	3,505,395	4,308,195	3,505,395

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 262 - Natural Resources Commission-Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	3,503,800	27	3,503,800	100.0	3,505,395	27	3,505,395	100.0
C01	Existing Program	802,800	0	4,306,600	122.9	802,800	0	4,308,195	122.9

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	3,503,800	27	3,503,800	100.0	3,505,395	27	3,505,395	100.0
C01	Existing Program	0	0	3,503,800	100.0	0	0	3,505,395	100.0

Justification

C01	The Agency Request includes additional appropriation and General Revenue funding in the amount of \$802,800 to support the operating expenses of Arkansas' 75 Conservation Districts (political subdivisions of the State of Arkansas with the specific responsibility of managing the state's soil and water resources). Of this request, \$750,000 will be divided evenly among all 75 districts, providing an additional \$10,000 per district to support basic operations. The remaining \$52,800 will be used to build capacity at the district level, specifically by enabling the districts to receive training for District Directors and Employees as well as the basic support equipment.
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Analysis of Budget Request

Appropriation: 263 - Grants and Attorney Services

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Grants and Attorney Services appropriation provides for Arkansas's share of operating grants for three river and watershed compacts (the River Basin Compact, the Arkansas River Compact and the Red River Compact), provides for travel and stipend expenses for commission members, supports conservation projects, and provides for special legal assistance concerning water rights. This program is funded entirely by general revenue.

Base Level is \$91,711 each year of the biennium in appropriation and general revenue funding.

The Agency Change Level reflects an increase in Conservation Projects of \$1,250,000 in appropriation and new general revenue funding each year of the 2017-2019 Biennium to enable the Agency to provide grants to the State's 75 Conservation Districts and support the top three resource concerns: stream bank stabilization, water conservation, and invasive species control projects.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 263 - Grants and Attorney Services

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	42,820	42,820	42,820	42,820	42,820	42,820	42,820	42,820	42,820
Legal Counsel	5900040	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871
Committee/Commission Exp	5900041	10,001	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Conservation Projects	5900046	3,500	3,500	753,500	3,500	1,253,500	3,500	3,500	1,253,500	3,500
Arkansas River Compact	5900047	17,800	17,800	17,800	17,800	17,800	17,800	17,800	17,800	17,800
Red River Compact	5900048	11,720	11,720	11,720	11,720	11,720	11,720	11,720	11,720	11,720
Total		91,712	91,711	841,711	91,711	1,341,711	91,711	91,711	1,341,711	91,711
Funding Sources										
General Revenue	4000010	91,712	91,711		91,711	1,341,711	91,711	91,711	1,341,711	91,711
Total Funding		91,712	91,711		91,711	1,341,711	91,711	91,711	1,341,711	91,711
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		91,712	91,711		91,711	1,341,711	91,711	91,711	1,341,711	91,711

Change Level by Appropriation

Appropriation: 263 - Grants and Attorney Services
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	91,711	0	91,711	100.0	91,711	0	91,711	100.0
C01	Existing Program	1,250,000	0	1,341,711	1,463.0	1,250,000	0	1,341,711	1,463.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	91,711	0	91,711	100.0	91,711	0	91,711	100.0
C01	Existing Program	0	0	91,711	100.0	0	0	91,711	100.0

Justification

C01	The Agency Request includes additional appropriation and General Revenue funding in the amount of \$1,250,000 to support the Conservations Projects Line Item within the Grants and Attorney Services Appropriation. This will enable the Arkansas Natural Resources Commission to provide grants to the State's 75 Conservation Districts support the top three resource concerns currently recognized by the districts: Stream Bank Stabilization, Water Conservation and Control of Invasive Species.
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Analysis of Budget Request

Appropriation: 2BU - Flood Insurance Program

Funding Sources: FSC - Natural Resources Commission Federal

The Natural Resources Commission's Flood Insurance Program is funded entirely by federal revenues granted to the Commission by the Federal Emergency Management Agency (FEMA) within the U.S. Department of Homeland Security. The Commission uses this appropriation to provide a community flood insurance assistance program and to provide grant funding to Arkansas Geographic Information Office (GIS) to support the FEMA Flood Map Modernization Program.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$3,198,932 in FY18 and \$3,199,054 in FY19.

The Agency's Change Level request is \$25,000 each year of the biennium for Capital Outlay to replace existing equipment for the Flood Insurance programs.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation, in addition to providing for the Agency Request, reflects the reduction of one (1) Land Resource Specialist (C115) position based on the personnel evaluation.

Appropriation Summary

Appropriation: 2BU - Flood Insurance Program
Funding Sources: FSC - Natural Resources Commission Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	127,933	132,208	130,909	132,308	132,308	99,999	132,408	132,408	100,099
#Positions	3	3	3	3	3	2	3	3	2
Extra Help 5010001	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
#Extra Help	0	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	43,547	45,169	45,377	45,939	45,939	33,561	45,961	45,961	33,583
Operating Expenses 5020002	31,658	281,039	281,039	281,039	281,039	281,039	281,039	281,039	281,039
Conference & Travel Expenses 5050009	9,193	32,571	32,571	32,571	32,571	32,571	32,571	32,571	32,571
Professional Fees 5060010	912,065	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	22,070	997,075	997,075	997,075	997,075	997,075	997,075	997,075	997,075
Capital Outlay 5120011	16,686	30,000	30,000	0	25,000	25,000	0	25,000	25,000
Total	1,163,152	3,228,062	3,226,971	3,198,932	3,223,932	3,179,245	3,199,054	3,224,054	3,179,367
Funding Sources									
Federal Revenue 4000020	1,163,152	3,228,062		3,198,932	3,223,932	3,179,245	3,199,054	3,224,054	3,179,367
Total Funding	1,163,152	3,228,062		3,198,932	3,223,932	3,179,245	3,199,054	3,224,054	3,179,367
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,163,152	3,228,062		3,198,932	3,223,932	3,179,245	3,199,054	3,224,054	3,179,367

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 2BU - Flood Insurance Program
Funding Sources: FSC - Natural Resources Commission Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	3,198,932	3	3,198,932	100.0	3,199,054	3	3,199,054	100.0
C01	Existing Program	25,000	0	3,223,932	100.8	25,000	0	3,224,054	100.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	3,198,932	3	3,198,932	100.0	3,199,054	3	3,199,054	100.0
C01	Existing Program	25,000	0	3,223,932	100.8	25,000	0	3,224,054	100.8
C13	Not Recommended	(12,378)	0	3,211,554	100.4	(12,378)	0	3,211,676	100.4
C19	Executive Changes	(32,309)	(1)	3,179,245	99.4	(32,309)	(1)	3,179,367	99.4

Justification

C01	The Agency Request includes additional federal appropriation \$25,000 per year in Capital Outlay appropriation to to enable the agency to replace existing equipment for the Flood Insurance Program.
C19	Reduction of one (1) Land Resource Specialist (C115) position based on the personnel evaluation.

Analysis of Budget Request

Appropriation: 2GE - Water/Sewer/Solid Waste-State

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Water, Sewer, and Solid Waste - State appropriation provides funding for water, sewer, and solid waste projects that improve or provide basic infrastructure for Arkansas's rural communities. Special language provides for any obligated funds in this account that are not expended by the close of each fiscal year to be transferred to the Commission's Water, Sewer, and Solid Waste Revolving Fund account for later expenditure toward obligated projects. This program is funded entirely by general revenue.

Base Level is \$84,296 each year of the biennium in appropriation and general revenue.

The Agency's Change Level Request includes an increase in Grants and Aid of \$665,704 in appropriation only for each year of the 2017-19 Biennium to restore the Water, Sewer and Solid Waste Grants. This additional appropriation would be used in the event that savings from the Miscellaneous Agencies Fund Account become available.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 2GE - Water/Sewer/Solid Waste-State

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	89,482	84,296	750,000	84,296	750,000	84,296	84,296	750,000	84,296
Total		89,482	84,296	750,000	84,296	750,000	84,296	84,296	750,000	84,296
Funding Sources										
General Revenue	4000010	89,482	84,296		84,296	84,296	84,296	84,296	84,296	84,296
Total Funding		89,482	84,296		84,296	84,296	84,296	84,296	84,296	84,296
Excess Appropriation/(Funding)		0	0		0	665,704	0	0	665,704	0
Grand Total		89,482	84,296		84,296	750,000	84,296	84,296	750,000	84,296

Change Level by Appropriation

Appropriation: 2GE - Water/Sewer/Solid Waste-State
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	84,296	0	84,296	100.0	84,296	0	84,296	100.0
C05	Unfunded Appropriation	665,704	0	750,000	889.7	665,704	0	750,000	889.7

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	84,296	0	84,296	100.0	84,296	0	84,296	100.0
C05	Unfunded Appropriation	0	0	84,296	100.0	0	0	84,296	100.0

Justification

C05	The Agency Request includes unfunded appropriation of \$665,704 each year to support the Water, Sewer, Solid Waste - State Program in the event that savings from the Miscellaneous Agencies fund Account become available.
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Analysis of Budget Request

Appropriation: 2RG - Water Quality Implementation

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Water Quality Plan Implementation Program provides matching for federal funds in the U.S. Environmental Protection Agency (EPA) Section 319 Nonpoint Source Pollution Abatement Program, as well as matching for the EPA Clean Lakes Program and Corps of Engineers projects. This program is funded entirely by general revenue.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$1,845,197 in FY18 and \$1,845,320 in FY19 in appropriation and general revenue.

The Agency's Change Level Request totaling \$745,000 in appropriation and \$345,000 in new general revenue funding includes the following:

- Grants and Aid increase of \$200,000 appropriation only for Water Quality Match Grants.
- Water Quality Technicians increase of \$545,000 each year with \$345,000 in new general revenue funding and \$200,000 in appropriation only to enable the Agency to meet its grant payment obligations and support the ANRC Nutrient Management Program.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 2RG - Water Quality Implementation

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	258,478	247,574	247,237	247,574	247,574	247,574	247,674	247,674	247,674
#Positions	5	5	5	5	5	5	5	5	5
Personal Services Matching 5010003	82,619	80,038	80,878	81,423	81,423	81,423	81,446	81,446	81,446
Operating Expenses 5020002	2,364	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Conference & Travel Expenses 5050009	975	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
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	734,056	762,000	962,000	762,000	962,000	762,000	762,000	962,000	762,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Water Quality Technician 5900046	723,089	750,000	1,195,000	750,000	1,295,000	750,000	750,000	1,295,000	750,000
Total	1,801,581	1,843,812	2,489,315	1,845,197	2,590,197	1,845,197	1,845,320	2,590,320	1,845,320
Funding Sources									
General Revenue 4000010	1,801,581	1,843,812		1,845,197	2,190,197	1,845,197	1,845,320	2,190,320	1,845,320
Total Funding	1,801,581	1,843,812		1,845,197	2,190,197	1,845,197	1,845,320	2,190,320	1,845,320
Excess Appropriation/(Funding)	0	0		0	400,000	0	0	400,000	0
Grand Total	1,801,581	1,843,812		1,845,197	2,590,197	1,845,197	1,845,320	2,590,320	1,845,320

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 2RG - Water Quality Implementation
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,845,197	5	1,845,197	100.0	1,845,320	5	1,845,320	100.0
C01	Existing Program	345,000	0	2,190,197	118.7	345,000	0	2,190,320	118.7
C05	Unfunded Appropriation	400,000	0	2,590,197	140.4	400,000	0	2,590,320	140.4

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,845,197	5	1,845,197	100.0	1,845,320	5	1,845,320	100.0
C01	Existing Program	0	0	1,845,197	100.0	0	0	1,845,320	100.0
C05	Unfunded Appropriation	0	0	1,845,197	100.0	0	0	1,845,320	100.0

Justification

C01	The Agency Request includes additional appropriation and General Revenue funding in the amount of \$345,000 each year for the Water Quality Technician line item. This request will support the ANRC Nutrient Management Program, which oversees a licensing and certification program for consultants and compliance activities, education and training programs.
C05	The Agency Request includes additional unfunded appropriation in the amount of \$400,000 each year of the biennium. Prior to the 87th Regular Session of 2009, the Agency had a special language provision that authorized the carryforward of appropriation and funds from the first fiscal year to the second to support the amount of obligated grants that are certified for Water Quality Match Grants and Water Quality Technicians. However, due to the passage of Amendment 86 requiring annual sessions, the Legislative Recommendation was to discontinue Special Language provisions for carry forward of appropriation, leaving only the provision for the carryforward of funds. This Request will provide additional appropriation of \$200,000 each for both the Grants and Aid line item and the Water Quality Technician line item, which will enable the Agency to utilize any funds carried forward to support the amount of obligated grants that are certified for Water Quality Match Grants and Water Quality Technicians.

**CARRY FORWARD OF ANY REMAINING FUND BALANCES
FROM FISCAL YEAR 2016 TO FISCAL YEAR 2017**

Agency: Natural Resources Commission

Program: Water Quality Implementation

Act #: 270 of 2015

Section(s) #: 7,21 & 22

Estimated Carry Forward Amount \$ 236,503.00 Funding Source: Miscellaneous Agencies Fund

Accounting Information:

Business Area: 0455

Funds Center: 2RG

Fund: HUA

Functional Area: COMM

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward funding for a program or a specific line item within a program remaining on June 30th of a fiscal year.

Justification for carry forward of fund balance:

Special Language authorizes the carry forward of funds to support the amount of obligated grants certified by the agency for Matching Grants and Water Quality Technicians in the Water Quality Plan Implementation appropriation.

Actual Funding Carry Forward Amount \$ 252,772.91

Current status of carry forward funding:

The total amount actually carried forward from FY16 to FY17 was \$252,772.91. As required by special language, these funds were carried forward to support the amount of obligated grants certified for the Matching Grants and Water Quality Technicians in the appropriation entitled "Water Quality Plan Implementation."

Bruce Holland

Director

08-17-2016

Date

Analysis of Budget Request

Appropriation: 381 - Rural Fire Protection Program

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Rural Fire Protection Program provides assistance to rural communities to develop rural water impoundments and to improve firefighting capabilities. The agency disburses the entire allotment to the Arkansas Association of Resource Conservation and Development Council (AARCDC) located in Roland, Arkansas, which is an organization designed to assist rural communities solve problems and develop new opportunities. The AARCDC determines which local fire departments and political subdivisions will be assisted. This program is funded entirely by general revenue.

Base Level is \$100,000 each year of the biennium in appropriation and general revenue funding.

The Agency's Change Level Request includes an increase in Grants and Aid of \$900,000 in appropriation only each year of the 2017-2019 Biennium. The purpose of the request is to restore previously authorized appropriation. This will be used in the event that savings from the Miscellaneous Agencies Fund Account become available.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 381 - Rural Fire Protection Program

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	100,000	100,000	1,000,000	100,000	1,000,000	100,000	100,000	1,000,000	100,000
Total	100,000	100,000	1,000,000	100,000	1,000,000	100,000	100,000	1,000,000	100,000
Funding Sources									
General Revenue 4000010	100,000	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding	100,000	100,000		100,000	100,000	100,000	100,000	100,000	100,000
Excess Appropriation/(Funding)	0	0		0	900,000	0	0	900,000	0
Grand Total	100,000	100,000		100,000	1,000,000	100,000	100,000	1,000,000	100,000

Change Level by Appropriation

Appropriation: 381 - Rural Fire Protection Program
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	100,000	0	100,000	100.0	100,000	0	100,000	100.0
C05	Unfunded Appropriation	900,000	0	1,000,000	1,000.0	900,000	0	1,000,000	1,000.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	100,000	0	100,000	100.0	100,000	0	100,000	100.0
C05	Unfunded Appropriation	0	0	100,000	100.0	0	0	100,000	100.0

Justification

C05	The Agency Request includes unfunded appropriation of \$900,000 each year to support the Rural Fire Protection Program in the event that savings from the Miscellaneous Agencies fund Account become available.
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Analysis of Budget Request

Appropriation: 383 - Conservation District Grants

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's Conservation District Program provides grants to conservation districts throughout the State for the purpose of enhancing the capability of conservation districts to carry out conservation within their respective district. Projects eligible for grant funds must carry out resource enhancement, restoration or protection and must be new or in addition to those projects in which a district is currently involved. Projects intended to replace existing programs are not eligible for grant funding. The maximum total grant per district is \$25,000 per year, and grant funds must be matched by local cash funds on a ratio of \$1 local to \$2 grant. This grant program is funded entirely from general revenue.

The Agency Request provides for Base Level of \$250,000 each year of the biennium in appropriation and general revenue funding.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 383 - Conservation District Grants

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Funding Sources									
General Revenue 4000010	250,000	250,000		250,000	250,000	250,000	250,000	250,000	250,000
Total Funding	250,000	250,000		250,000	250,000	250,000	250,000	250,000	250,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	250,000	250,000		250,000	250,000	250,000	250,000	250,000	250,000

Analysis of Budget Request

Appropriation: 420 - Natural Resources Comm-Cash

Funding Sources: NSW - Cash in Treasury

The Natural Resources Commission - Cash appropriation provides for the Safe Drinking Water Program and the Water Grants Program. These programs provide administration for safe drinking water projects that are funded through activities of the Arkansas Development Finance Authority. As authorized in Arkansas Code §15-22-1102, funds are transferred from Arkansas Development Finance Authority to the Natural Resources Commission Cash Account for maintenance and support of this program. Additional funding primarily consists of fees, principal and interest payments on previous loans and interest income earned on investments.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$9,251,767 in FY18 and \$9,252,626 in FY19.

The Agency's Change Level Request totals \$105,000 each year of the biennium and includes the following:

- Conference and Travel increase of \$5,000 each year for conference and seminar fees.
- Reallocation of \$105,000 each year from Training/Contract Services to Grants and Aid to streamline grant process.
- Capital Outlay increase of \$100,000 each year. This request will enable the agency to purchase equipment for the Wetland Mitigation Program.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation, in addition to providing for the Agency Request except Conference & Travel Expenses, reflects the reduction of one (1) Grants Analyst (C117) and one (1) Administrative Specialist (C109) position based on the personnel evaluation.

Appropriation Summary

Appropriation: 420 - Natural Resources Comm-Cash

Funding Sources: NSW - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,068,799	1,152,786	1,114,300	1,153,211	1,153,211	1,089,549	1,153,911	1,153,911	1,090,249
#Positions		25	26	27	26	26	24	26	26	24
Extra Help	5010001	12,392	30,800	30,800	30,800	30,800	30,800	30,800	30,800	30,800
#Extra Help		3	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	374,370	388,743	386,943	395,406	395,406	370,869	395,565	395,565	371,028
Operating Expenses	5020002	371,908	533,331	533,331	533,331	533,331	533,331	533,331	533,331	533,331
Conference & Travel Expenses	5050009	12,968	27,000	27,000	27,000	32,000	27,000	27,000	32,000	27,000
Professional Fees	5060010	243,700	910,002	910,002	910,002	910,002	910,002	910,002	910,002	910,002
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	2,274,737	6,097,017	6,097,017	6,097,017	6,202,017	6,202,017	6,097,017	6,202,017	6,202,017
Capital Outlay	5120011	3,270	100,000	100,000	0	100,000	100,000	0	100,000	100,000
Training/Contract Services	5900043	105,000	105,000	105,000	105,000	0	0	105,000	0	0
Total		4,467,144	9,344,679	9,304,393	9,251,767	9,356,767	9,263,568	9,252,626	9,357,626	9,264,427
Funding Sources										
Fund Balance	4000005	13,150,521	14,096,599		9,800,690	9,800,690	9,800,690	5,856,923	5,751,923	5,845,122
Cash Fund	4000045	5,413,222	5,048,770		5,308,000	5,308,000	5,308,000	5,308,000	5,308,000	5,308,000
Total Funding		18,563,743	19,145,369		15,108,690	15,108,690	15,108,690	11,164,923	11,059,923	11,153,122
Excess Appropriation/(Funding)		(14,096,599)	(9,800,690)		(5,856,923)	(5,751,923)	(5,845,122)	(1,912,297)	(1,702,297)	(1,888,695)
Grand Total		4,467,144	9,344,679		9,251,767	9,356,767	9,263,568	9,252,626	9,357,626	9,264,427

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 420 - Natural Resources Comm-Cash
Funding Sources: NSW - Cash in Treasury

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	9,251,767	26	9,251,767	100.0	9,252,626	26	9,252,626	100.0
C01	Existing Program	105,000	0	9,356,767	101.1	105,000	0	9,357,626	101.1
C04	Reallocation	0	0	9,356,767	101.1	0	0	9,357,626	101.1

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	9,251,767	26	9,251,767	100.0	9,252,626	26	9,252,626	100.0
C01	Existing Program	100,000	0	9,351,767	101.1	100,000	0	9,352,626	101.1
C04	Reallocation	0	0	9,351,767	101.1	0	0	9,352,626	101.1
C13	Not Recommended	(24,537)	0	9,327,230	100.8	(24,537)	0	9,328,089	100.8
C19	Executive Changes	(63,662)	(2)	9,263,568	100.1	(63,662)	(2)	9,264,427	100.1

Justification

C01	The Agency Request includes additional cash appropriation of the following: \$100,000 per year in Capital Outlay appropriation to provide for equipment needs for the Arkansas Wetland Mitigation Bank Program, a state-sponsored initiative aimed at providing off-site mitigation opportunities to Section 404 (Clean Water Act) permit recipients required to provide compensatory mitigation for impacts of approved wetland projects; and \$5,000 per year in for Conference & Travel appropriation to support increased travel costs for the Agency's Water Development Program Supervisory staff. Because of the complex nature of this program, staff are required to attend training sessions with various federal regulatory agencies and workgroups (Environmental Protection Agency, Council of Infrastructure Authorities (CIFA), State Revolving Fund Work Groups, United States Department of Agriculture - Rural Development (USDA-RD), etc.).
C04	The Agency Request includes a reallocation of appropriation of \$105,000 from a Miscellaneous Line item titled "Training/Contract Services" to the Soil & Water Grants and Loans Line Item. This appropriation is used to support a Cooperative Agreement between the ANRC and the Arkansas Rural Water Association (ARWA). Per the agreement, the ANRC provides funds to the ARWA, a private non-profit corporation whose sole purpose is to provide technical assistance and training to water systems and operators statewide.
C19	Reduction of one (1) Grants Analyst (C117) and one (1) Administrative Specialist (C109) position based on the personnel evaluation.

Analysis of Budget Request

Appropriation: 527 - Construction Asst Revolving Loan Fund Program

Funding Sources: FSC - Natural Resources Commission Federal

The Construction Assistance Revolving Loan Fund Program monitors and approves the progress of projects employing low interest loans from the Natural Resources Commission that are used to provide clean water by reducing or eliminating elements of water borne pollution. Funding for this appropriation is 100% federal.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for of \$1,185,790 in FY18 and \$1,186,035 in FY19.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation, in addition to providing for the Agency Request, reflects the reduction of one (1) Grants Analyst (C117) and one (1) Purchasing Specialist (C115) position based on the personnel evaluation.

Appropriation Summary

Appropriation: 527 - Construction Asst Revolving Loan Fund Program

Funding Sources: FSC - Natural Resources Commission Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	694,555	749,057	749,336	735,120	735,120	673,620	735,320	735,320	673,820
#Positions		13	15	15	15	15	13	15	15	13
Personal Services Matching	5010003	227,820	241,516	244,350	242,547	242,547	218,501	242,592	242,592	218,546
Operating Expenses	5020002	97,198	182,404	182,404	182,404	182,404	182,404	182,404	182,404	182,404
Conference & Travel Expenses	5050009	4,171	12,219	12,219	12,219	12,219	12,219	12,219	12,219	12,219
Professional Fees	5060010	0	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
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		1,023,744	1,198,696	1,201,809	1,185,790	1,185,790	1,100,244	1,186,035	1,186,035	1,100,489
Funding Sources										
Federal Revenue	4000020	1,023,744	1,198,696		1,185,790	1,185,790	1,100,244	1,186,035	1,186,035	1,100,489
Total Funding		1,023,744	1,198,696		1,185,790	1,185,790	1,100,244	1,186,035	1,186,035	1,100,489
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,023,744	1,198,696		1,185,790	1,185,790	1,100,244	1,186,035	1,186,035	1,100,489

Change Level by Appropriation

Appropriation: 527 - Construction Asst Revolving Loan Fund Program
Funding Sources: FSC - Natural Resources Commission Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,185,790	15	1,185,790	100.0	1,186,035	15	1,186,035	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	1,185,790	15	1,185,790	100.0	1,186,035	15	1,186,035	100.0
C13	Not Recommended	(24,046)	0	1,161,744	98.0	(24,046)	0	1,161,989	98.0
C19	Executive Changes	(61,500)	(2)	1,100,244	92.8	(61,500)	(2)	1,100,489	92.8

Justification

C19	Reduction of one (1) Grants Analyst (C117) and one (1) Purchasing Specialist (C115) position based on the personnel evaluation.
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Analysis of Budget Request

Appropriation: 659 - Ouachita River Waterways Projects

Funding Sources: TWO - Ouachita River Waterways Project Trust Fund

The Natural Resources Commission's Ouachita River Waterways Projects Program provides grant funding to the Ouachita River Park Commission to support the development of recreational facilities, parks, and services along the banks of the Ouachita River across South Arkansas. This appropriation is funded from the Ouachita River Waterways Project Trust Fund (A.C.A. 19-5-1109).

The Agency Request is for Base Level of \$57,675 in each year of the 2017-2019 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 659 - Ouachita River Waterways Projects

Funding Sources: TWO - Ouachita River Waterways Project Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	0	57,675	57,675	57,675	57,675	57,675	57,675	57,675	57,675
Total		0	57,675	57,675	57,675	57,675	57,675	57,675	57,675	57,675
Funding Sources										
Trust Fund	4000050	0	57,675		57,675	57,675	57,675	57,675	57,675	57,675
Total Funding		0	57,675		57,675	57,675	57,675	57,675	57,675	57,675
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	57,675		57,675	57,675	57,675	57,675	57,675	57,675

Analysis of Budget Request

Appropriation: 808 - Water Research

Funding Sources: HUA - Miscellaneous Agencies Fund

The Natural Resources Commission's appropriation for Water Research is used to provide grant funding to the U.S. Geological Survey to enable research using data collected and compiled in the Commission's water management and water quality programs. The appropriation is funded entirely by general revenue.

The Agency Request is for Base Level of \$42,800 in each year of the biennium in appropriation and general revenue funding.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 808 - Water Research

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	42,800	42,800	42,800	42,800	42,800	42,800	42,800	42,800	42,800
Total		42,800	42,800	42,800	42,800	42,800	42,800	42,800	42,800	42,800
Funding Sources										
General Revenue	4000010	42,800	42,800		42,800	42,800	42,800	42,800	42,800	42,800
Total Funding		42,800	42,800		42,800	42,800	42,800	42,800	42,800	42,800
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		42,800	42,800		42,800	42,800	42,800	42,800	42,800	42,800

Analysis of Budget Request

Appropriation: 822 - Conservation District Clerks' Insurance

Funding Sources: HUA - Miscellaneous Agencies Fund

Conservation district clerks are authorized by Arkansas Code Annotated §14-125-312 to take part in the State Employees Group Insurance Plan. This appropriation provides the State's matching portion of health insurance premiums and is funded entirely by general revenue.

Base Level Request includes Personal Services Matching appropriation of \$403,200 each year of the 2017-2019 Biennium. This 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 for the current budgeted level of 80 eligible district clerks.

The Agency Request is for Base Level of \$403,200 each year of the biennium in appropriation and general revenue funding.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 822 - Conservation District Clerks' Insurance

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Personal Services Matching 5010003	403,200	403,200	403,200	403,200	403,200	403,200	403,200	403,200	403,200
Total	403,200	403,200	403,200	403,200	403,200	403,200	403,200	403,200	403,200
Funding Sources									
General Revenue 4000010	403,200	403,200		403,200	403,200	403,200	403,200	403,200	403,200
Total Funding	403,200	403,200		403,200	403,200	403,200	403,200	403,200	403,200
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	403,200	403,200		403,200	403,200	403,200	403,200	403,200	403,200

Analysis of Budget Request

Appropriation: 924 - Water/Sewer/Solid Waste

Funding Sources: MAC - Water, Sewer, and Solid Waste Revolving Fund

The Water, Sewer, and Solid Waste-Revolving appropriation is used to provide grants, low interest loans and deferred loans to eligible entities to use for water, sewer, or solid waste management (§14-230-105). Eligible entities include cities, towns, counties, regional water districts, special improvement districts, public facilities boards, rural development authorities, rural waterworks facilities boards, other public entities and nonprofit corporations which provide water, sewer, or solid waste services to one or more cities, towns, or counties. The Maximum assistance is 50% of the total project cost. Funding for this appropriation consists of loan principal and interest repayments that are deposited into the Water, Sewer and Solid Waste Revolving Fund (§19-5-310).

The Agency Request is for Base Level of \$6,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 924 - Water/Sewer/Solid Waste

Funding Sources: MAC - Water, Sewer, and Solid Waste Revolving Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	2,247,587	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Total		2,247,587	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Funding Sources										
Fund Balance	4000005	8,112,724	8,577,378		6,577,378	6,577,378	6,577,378	4,577,378	4,577,378	4,577,378
Loan Repayment	4000330	2,712,241	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total Funding		10,824,965	12,577,378		10,577,378	10,577,378	10,577,378	8,577,378	8,577,378	8,577,378
Excess Appropriation/(Funding)		(8,577,378)	(6,577,378)		(4,577,378)	(4,577,378)	(4,577,378)	(2,577,378)	(2,577,378)	(2,577,378)
Grand Total		2,247,587	6,000,000		6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000

Analysis of Budget Request

Appropriation: 997 - NonPoint Source Pollution Control Program

Funding Sources: FSC - Natural Resources Commission Federal

This program reflects the federal side of the Natural Resources Commission's role in conducting the U.S. Environmental Protection Agency (EPA) Section 319 grant program to fund nonpoint source pollution management strategies. This appropriation is funded from federal funding from the EPA (the state match portion of this program is expensed in the Water Quality Plan Implementation Appropriation). The Arkansas Natural Resources Commission administers this program with an emphasis on funding best management practices in priority watersheds.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$6,587,791 in FY18 and \$6,587,913 in FY19.

The Agency's Change Level Request totaling \$50,000 of Capital Outlay each year of the 2017-19 Biennium is to replace existing field equipment for Water Quality Projects.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 997 - NonPoint Source Pollution Control Program

Funding Sources: FSC - Natural Resources Commission Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	305,549	353,293	389,896	353,543	353,543	353,543	353,643	353,643	353,643
#Positions	7	8	10	8	8	8	8	8	8
Extra Help 5010001	3,418	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
#Extra Help	2	2	2	2	2	2	2	2	2
Personal Services Matching 5010003	118,552	120,488	135,207	122,638	122,638	122,638	122,660	122,660	122,660
Operating Expenses 5020002	169,369	294,334	294,334	294,334	294,334	294,334	294,334	294,334	294,334
Conference & Travel Expenses 5050009	4,428	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Professional Fees 5060010	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	2,691,582	5,642,276	5,642,276	5,642,276	5,642,276	5,642,276	5,642,276	5,642,276	5,642,276
Capital Outlay 5120011	3,244	50,000	50,000	0	50,000	50,000	0	50,000	50,000
Total	3,296,142	6,635,391	6,686,713	6,587,791	6,637,791	6,637,791	6,587,913	6,637,913	6,637,913
Funding Sources									
Federal Revenue 4000020	3,296,142	6,635,391		6,587,791	6,637,791	6,637,791	6,587,913	6,637,913	6,637,913
Total Funding	3,296,142	6,635,391		6,587,791	6,637,791	6,637,791	6,587,913	6,637,913	6,637,913
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,296,142	6,635,391		6,587,791	6,637,791	6,637,791	6,587,913	6,637,913	6,637,913

Change Level by Appropriation

Appropriation: 997 - NonPoint Source Pollution Control Program
Funding Sources: FSC - Natural Resources Commission Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	6,587,791	8	6,587,791	100.0	6,587,913	8	6,587,913	100.0
C01	Existing Program	50,000	0	6,637,791	100.8	50,000	0	6,637,913	100.8

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	6,587,791	8	6,587,791	100.0	6,587,913	8	6,587,913	100.0
C01	Existing Program	50,000	0	6,637,791	100.8	50,000	0	6,637,913	100.8

Justification

C01	The Agency Request includes the restoration of Capital Outlay appropriation in the amount of \$50,000 each year to enable the agency to replace existing equipment.
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Analysis of Budget Request

Appropriation: U31 - Water Use Program

Funding Sources: FSC - Natural Resources Commission Federal

The ANRC recently completed an update of the Arkansas Water Plan. One of priority needs identified in this update was the need for reliable water use data. Acquiring this data means the expansion of the network of stream gages, monitoring wells, water quality monitoring sites and improved information of water use.

The Agency's Change Level request totals \$126,000 each year and includes the following:

- Professional Fees of \$100,000 for an additional USGS grant awarded to the ANRC. This grant will enable the Agency to contract with a service provider to install flow meters on irrigation wells in various statewide countries.
- Restoration of \$26,000 each year that was approved as a Miscellaneous Federal Grant through the PEER subcommittee and Legislative Council in FY16 and FY17. This appropriation is broken down as follows:
 - \$13,023 each year in Regular Salaries.
 - \$3,992 each year in Personal Services Matching.
 - \$8,985 each year in Operating Expenses.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: U31 - Water Use Program

Funding Sources: FSC - Natural Resources Commission Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2015-2016	2016-2017	2016-2017	2017-2018			2018-2019		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	13,023	0	0	13,023	13,023	0	13,023	13,023
#Positions	0	0	0	0	0	0	0	0	0
Additional Fringe Benefits 5010002	0	0	0	0	3,992	3,992	0	3,992	3,992
Personal Services Matching 5010003	0	3,992	0	0	0	0	0	0	0
Operating Expenses 5020002	0	8,985	0	0	8,985	8,985	0	8,985	8,985
Professional Fees 5060010	0	0	0	0	100,000	100,000	0	100,000	100,000
Total	0	26,000	0	0	126,000	126,000	0	126,000	126,000
Funding Sources									
Federal Revenue 4000020	0	26,000		0	126,000	126,000	0	126,000	126,000
Total Funding	0	26,000		0	126,000	126,000	0	126,000	126,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	26,000		0	126,000	126,000	0	126,000	126,000

FY17 Budget exceeds Authorized due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

Appropriation: U31 - Water Use Program

Funding Sources: FSC - Natural Resources Commission Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	100,000	0	100,000	100.0	100,000	0	100,000	100.0
C06	Restore Position/Approp	26,000	0	126,000	126.0	26,000	0	126,000	126.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C01	Existing Program	100,000	0	100,000	100.0	100,000	0	100,000	100.0
C06	Restore Position/Approp	26,000	0	126,000	126.0	26,000	0	126,000	126.0

Justification

C01	The Agency Request includes additional federal appropriation of \$100,000 for Professional Fees and Services. The Agency has recieved a new federal grant from the United States Geological Survey (USGS) Water Availability and Use Science Program to enhance the State's baseline Water Use Data Collection and Management Program, which was one of the primary issues to come out of the 2014 Update to the Arkansas Water Plan.
C06	The Agency Request includes the restoration of federal appropriation authorized by an Miscellaneous Federal Grant in FY16 and Continued in FY17. This was the initial grant the Agency recieved from the United States Geological Survey (USGS) Water Availability and Use Science Program to enhance the State's baseline Water Use Data Collection and Management Program, which was one of the primary issues to come out of the 2014 Update to the Arkansas Water Plan. This grant provides operational support for the program.

Analysis of Budget Request

Appropriation: U38 - Conservation Technical Assistance

Funding Sources: FSC - Natural Resources Commission Federal

The functions of the Conservation Division include oversight of the 75 Conservation Districts including fiscal management and program planning; registration of surface water and groundwater usage; administration of a tax credit program, creation of surface water storage, reduction of ground water use; and administrative support of the Board of Registration for Soil Classifiers. This division also performs geographic information system analyses and data acquisition. The Nutrient Management Program was implemented to oversee the Poultry Feeding Operations Registration Program and the certification of Nutrient Planners and Applicators.

The Agency's Change Level Request is for the Restoration of \$1,219,433 each year that was approved as a Miscellaneous Federal Grant through the PEER subcommittee and Legislative Council in FY16 and FY17 and includes the following:

- Regular Salaries and Personal Services Matching of \$152,550 each year to restore three (3) positions.
- Operating Expenses of \$120,246 each year.
- Grants and Aid of \$906,637 each year.
- Capital Outlay of \$40,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: U38 - Conservation Technical Assistance

Funding Sources: FSC - Natural Resources Commission Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,513	153,372	0	0	111,996	111,996	0	111,996	111,996
#Positions	1	3	0	0	3	3	0	3	3
Personal Services Matching 5010003	556	49,092	0	0	40,554	40,554	0	40,554	40,554
Operating Expenses 5020002	432	120,246	0	0	120,246	120,246	0	120,246	120,246
Grants and Aid 5100004	3,781	906,637	0	0	906,637	906,637	0	906,637	906,637
Capital Outlay 5120011	0	40,000	0	0	40,000	40,000	0	40,000	40,000
Total	7,282	1,269,347	0	0	1,219,433	1,219,433	0	1,219,433	1,219,433
Funding Sources									
Federal Revenue 4000020	7,282	1,269,347		0	1,219,433	1,219,433	0	1,219,433	1,219,433
Total Funding	7,282	1,269,347		0	1,219,433	1,219,433	0	1,219,433	1,219,433
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	7,282	1,269,347		0	1,219,433	1,219,433	0	1,219,433	1,219,433

FY17 Budget exceeds Authorized due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

Appropriation: U38 - Conservation Technical Assistance
Funding Sources: FSC - Natural Resources Commission Federal

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C06	Restore Position/Approp	1,219,433	3	1,219,433	100.0	1,219,433	3	1,219,433	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	0.0	0	0	0	0.0
C06	Restore Position/Approp	1,219,433	3	1,219,433	100.0	1,219,433	3	1,219,433	100.0

Justification

C06	The Agency Request includes the restoration of federal appropriation and three positions that support five grants we recieved from the United States Department of Agriculture, Natural Resources Conservation Service (NRCS) to provide conservation technical assistance and training to Conservation District Employees. This request includes Salary and Related Matching appropriation of \$152,550 for three employees, Operating Expenses appropriation of \$120,246; Grants and Aid appropriation of \$906,637 and Capital Outlay appropriation of \$40,000.
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