

DAH - NATURAL & CULTURAL RESOURCES COUNCIL

Enabling Laws

Act 253 of 2016
A.C.A. §15-12-101 et seq.

History and Organization

Agency Mission Statement:

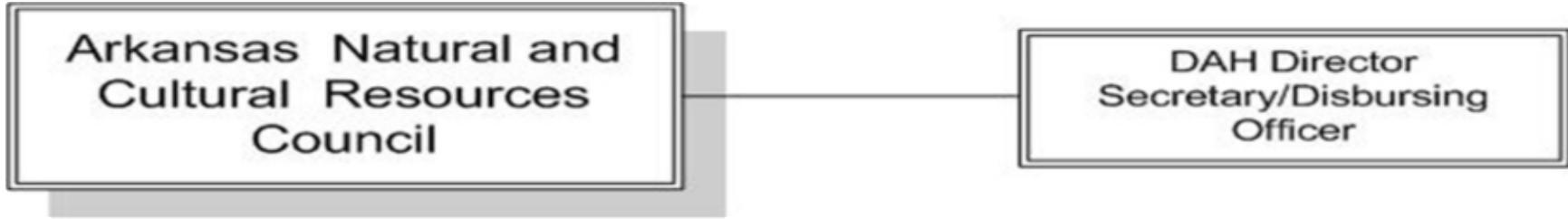
The Arkansas Natural and Cultural Resources Council (ANCRC) was created to manage and supervise grants and a trust fund for use in the acquisition, management, and stewardship of state-owned lands or the preservation of state-owned historic sites, buildings, structures, or objects which the Council determines to be of value for recreation or conservation purposes, with the properties to be used, preserved, and conserved for the benefit of this and future generations.

Brief Discussion of Statutory Responsibilities and Primary Activities:

The Council administers its grant and trust fund for the acquisition, development, management, and stewardship of state-owned properties acquired or used for ANCRC approved purposes. The grants are funded through two increases in the State's Real Estate Transfer Tax: the original increase in 1987 and an additional increase in 1993. Grants from this fund are for projects that protect and maintain state-owned natural areas, historic sites, and outdoor recreation. In addition to the Grants and Trust Fund, the legislation also allows for a percentage of the revenue to be distributed to the Outdoor Recreation Grants Program of the Arkansas Department of Parks and Tourism and the Arkansas Historic Preservation program of the Department of Arkansas Heritage. The Arkansas Natural and Cultural Resources Council administers the Natural and Cultural Grants and Trust Fund. Act 729 of 1987 and Act 1181 of 1983 increased the tax for ANCRC purposes. Act 1288 of 2001 provided for a change from nine voting members and two non-voting members to eleven voting members.

Advisory Board or Commission:

The Arkansas Natural and Cultural Resources Council administers the Natural and Cultural Grants and Trust Fund. The Council consists of eleven (11) voting members of whom four are appointed by the Governor to represent rural areas, Arkansas counties, Arkansas cities and towns, and urban areas. One member is appointed by the Speaker of the House of Representatives. One member is appointed by the President Pro Tempore of the Senate. The remaining five members are the Chairman of the Arkansas Natural Heritage Commission; the Chairman of the Arkansas Parks, Travel, and Recreation Commission; the Director of the Department of Arkansas Heritage; the Director of the Arkansas Department of Parks and Tourism; and the Commissioner of State Lands.



Agency Commentary

The administrative arm of the Arkansas Natural & Cultural Resources Council is housed within the Department of Arkansas Heritage, with responsibility for the administration of the grant program for ANCRC. The Director of the Department of Arkansas Heritage, in his/her capacity as DAH Director, is the state disbursing officer for ANCRC and also serves as Secretary of the Council. Funding for ANCRC is through the Real Estate Transfer Tax, and the administrative duties are managed by one person.

Agency is requesting Base Level appropriation only.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DAH - NATURAL & CULTURAL RESOURCES COUNCIL
 FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

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

None

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
2MZ NCRC--Administration	76,167	1	67,942	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1
480 NCRC - State Owned Lands or Historic Sites	0	0	19,597,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0	30,000,000	0
481 NCRC - Main Street Program	0	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
Total	76,167	1	22,664,942	1	33,000,000	1												

Funding Sources		%		%		%		%		%		%		%		%		%
Fund Balance	4000005	33,291,240	92.4	35,936,892	81.2	21,572,892	50.4	21,572,892	50.4	21,572,892	50.4	9,805,892	31.6	9,805,892	31.6	9,805,892	31.6	
Interest	4000300	46,833	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Inter-agency Fund Transfer	4000316	(19,897,119)	(55.2)	(13,000,000)	(29.4)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Intra-agency Fund Transfer	4000317	0	0.0	942	0.0	(67,000)	(0.2)	(67,000)	(0.2)	(67,000)	(0.2)	(67,000)	(0.2)	(67,000)	(0.2)	(67,000)	(0.2)	
Other	4000370	11,234	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	
Real Estate Transfer Tax	4000403	22,560,871	62.6	21,300,000	48.1	21,300,000	49.8	21,300,000	49.8	21,300,000	49.8	21,300,000	68.6	21,300,000	68.6	21,300,000	68.6	
Total Funds		36,013,059	100.0	44,237,834	100.0	42,805,892	100.0	42,805,892	100.0	42,805,892	100.0	31,038,892	100.0	31,038,892	100.0	31,038,892	100.0	
Excess Appropriation/(Funding)		(35,936,892)		(21,572,892)		(9,805,892)		(9,805,892)		(9,805,892)		1,961,108		1,961,108		1,961,108		
Grand Total		76,167		22,664,942		33,000,000												

The FY17 Budget amount exceeds the Authorized amount due to a transfer from the Natural and Cultural Resources Council Grant Fund (Appropriation 480) by Authority A.C.A. §15-12-103(1).

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	
1	1	0	1	0	0.00 %	1	1	0	1	0	0.00 %	1	0	1	1	0	100.00 %

Analysis of Budget Request

Appropriation: 2MZ - NCRC--Administration

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

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

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

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

Under this authority, the Director of the Department of Arkansas Heritage is charged as the disbursing officer of grant funding and appropriation for the administrative costs of the Natural and Cultural Resources Council pursuant to special language in Section 34 of Act 273 of 2014 [Appropriation 480], so long as it does not conflict with A.C.A. §15-12-103 (1)(B) - "It is not the intention of this chapter that the Council shall itself manage, operate, or maintain any lands so acquired, but, rather, that it from time to time in its own discretion shall make grants to other agencies..."

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 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 Request includes one (1) Regular position.

The Salary and Matching appropriation for the position is not reflected on the Appropriation Summary Report for the NCRC Administration appropriation (2MZ). The appropriation and funding will be transferred from the NCRC Grant Fund (480) by authority A.C.A. §15-12-103(1).

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2MZ - NCRC--Administration

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	53,014	51,496	0	0	0	0	0	0	0
#Positions		1	1	1	1	1	1	1	1	1
Extra Help	5010001	0	0	0	0	0	0	0	0	0
#Extra Help		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	16,806	16,446	0	0	0	0	0	0	0
Operating Expenses	5020002	6,347	0	0	0	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		76,167	67,942	0	0	0	0	0	0	0
Funding Sources										
Intra-agency Fund Transfer	4000317	76,167	67,942		0	0	0	0	0	0
Total Funding		76,167	67,942		0	0	0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		76,167	67,942		0	0	0	0	0	0

The FY17 Budget exceed the Authorized due to a transfer from the Natural and Cultural Resources Council Grant Fund (480) by authority of A.C.A. §15-12-103(1).

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

Analysis of Budget Request

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

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

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

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

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

The Agency is requesting Base Level of \$30,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			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
Grants and Aid	5100004	0	19,597,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Total		0	19,597,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Funding Sources										
Fund Balance	4000005	31,757,733	34,535,573		20,871,573	20,871,573	20,871,573	9,804,573	9,804,573	9,804,573
Interest	4000300	43,600	0		0	0	0	0	0	0
Inter-agency Fund Transfer	4000316	(17,243,700)	(13,000,000)		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	(76,167)	(67,000)		(67,000)	(67,000)	(67,000)	(67,000)	(67,000)	(67,000)
Real Estate Transfer Tax	4000403	20,054,107	19,000,000		19,000,000	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
Total Funding		34,535,573	40,468,573		39,804,573	39,804,573	39,804,573	28,737,573	28,737,573	28,737,573
Excess Appropriation/(Funding)		(34,535,573)	(20,871,573)		(9,804,573)	(9,804,573)	(9,804,573)	1,262,427	1,262,427	1,262,427
Grand Total		0	19,597,000		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000

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

The Inter-Agency Fund Transfer amount in FY16 represents the amount of obligated funding distributed for FY16 grants and FY15 grant extensions. The FY17 amount represents the portion of the FY16 beginning Fund Balance that is obligated for FY16 grant extensions.

The Intra-Agency Fund Transfer amount in FY18 and FY19 represents grant funding transferred to the NCRC Administration appropriation (Fund Center 2MZ).

The FY17 Budget has been adjusted to reflect the amount of FY17 Grant Awards approved by the Arkansas Natural and Cultural Council (ANCRC).

Analysis of Budget Request

Appropriation: 481 - NCRC - Main Street Program

Funding Sources: TGP - Natural & Cultural Resources Historic Preservation

This appropriation provides for the operation of the State Historic Preservation Program and the Main Street Arkansas Program. Funding for the appropriation is provided by the increase in the Real Estate Transfer Tax levied by Act 729 of 1987 and Act 1181 of 1993 (A.C.A. §26-60-105). Appropriation and funds are transferred on a year to year basis to the Historic Preservation Program and reflected as expenditures of that state agency. This appropriation is utilized to augment federal funding for the Historic Preservation Program and to provide for programs such as Main Street and Model Business Grants.

According to A.C.A. § 15-12-103 (b)(3), "Ten percent (10%) of the net amount [of the Real Estate Transfer Tax, after deducting 3% for the Constitutional Officers Fund] shall be credited to a fund to be known as the 'Natural and Cultural Resources Historic Preservation Trust Fund', to be used by the council for providing a source of funds for the operation of the state historic preservation program and the 'Main Street' program."

Appropriation and funds are transferred on a year-to-year basis to those agencies receiving historic preservation or 'Main Street' grants from the Council. The expenditures are reflected by the recipient agency.

The Agency is requesting Base Level of \$3,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 481 - NCRC - Main Street Program

Funding Sources: TGP - Natural & Cultural Resources Historic Preservation

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			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	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total		0	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Funding Sources										
Fund Balance	4000005	1,533,507	1,401,319		701,319	701,319	701,319	1,319	1,319	1,319
Interest	4000300	3,233	0		0	0	0	0	0	0
Inter-agency Fund Transfer	4000316	(2,653,419)	0		0	0	0	0	0	0
Other	4000370	11,234	0		0	0	0	0	0	0
Real Estate Transfer Tax	4000403	2,506,764	2,300,000		2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
Total Funding		1,401,319	3,701,319		3,001,319	3,001,319	3,001,319	2,301,319	2,301,319	2,301,319
Excess Appropriation/(Funding)		(1,401,319)	(701,319)		(1,319)	(1,319)	(1,319)	698,681	698,681	698,681
Grand Total		0	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Section 27 of Act 253 of 2016 provides that the Director of the Department of Arkansas Heritage shall be the disbursing officer for the Main Street appropriation and that when grants are made to state agencies from the NCRC appropriation, the corresponding amount of appropriation and funding may be transferred to the receiving state agency. Therefore, actual expenditures are reflected by the recipient agency.

The Inter-agency Fund Transfer in FY16 reflects the transfer of appropriation and funding to DAH Historic Preservation - Real Estate Transfer Tax appropriation (Business Area 0865).

Other Funding consists of Non-Federal Reimbursement, M&R Sales and Prior Year Refunds.