

ARKANSAS NATURAL RESOURCES COMMISSION

Enabling Laws

Act 1277 of 2007

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 State Water Plan and overseeing the State's flood plain management program. The Water Development Fund was created as a part of the water planning effort. 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' 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' 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.

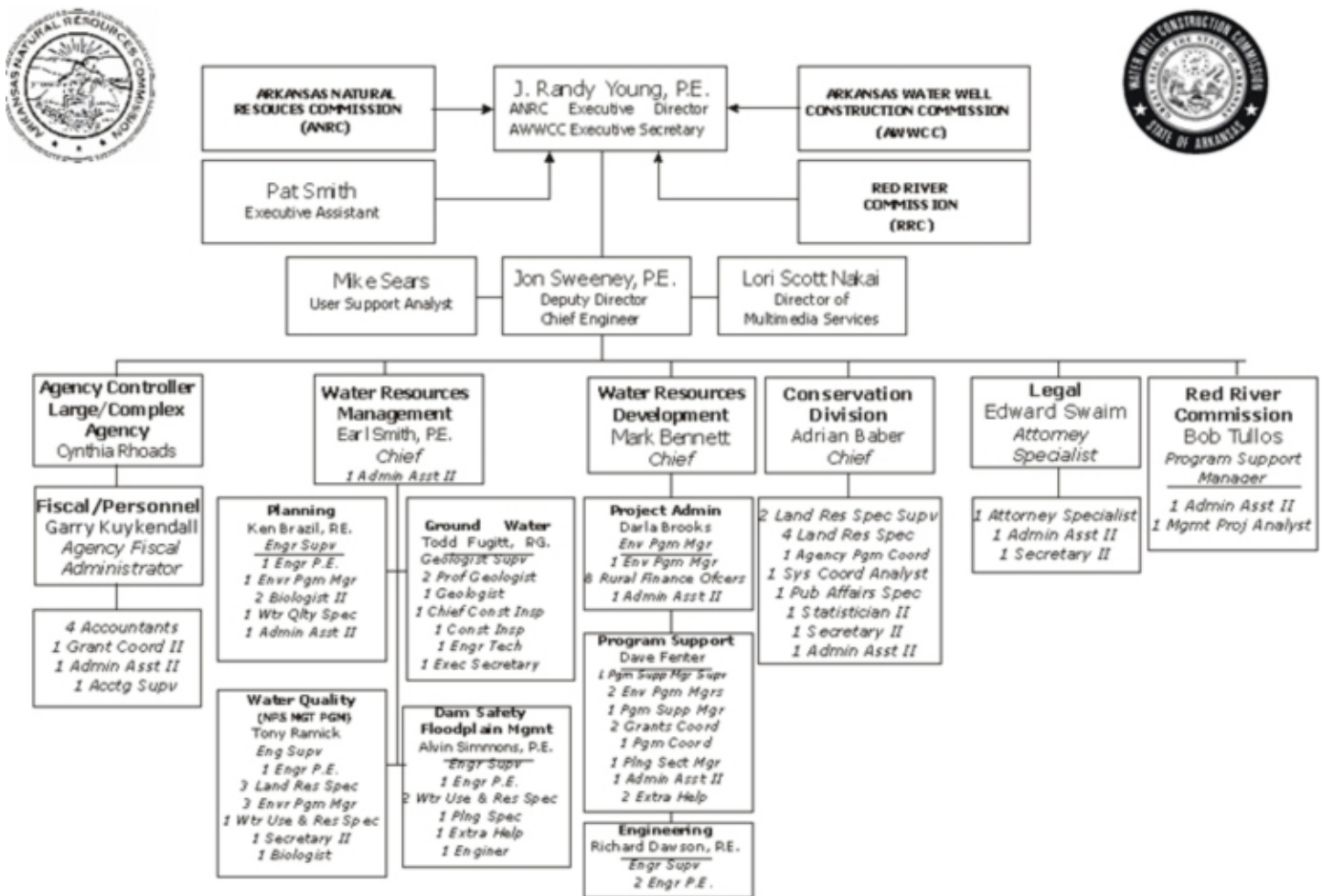
Since 1995 the Commission has provided administrative and field operations for the Water Well Construction Commission.

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.

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 is organized in four divisions: Administrative, Water Resources Management, Water Resources Development, and Conservation.

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:

- Additional \$723,382 per year in unfunded appropriation in funds center 381 - Rural Fire Protection, which will restore this appropriation to the previously authorized level of \$1,100,000 each year. This unfunded appropriation is being requested in the event that savings from the Miscellaneous Agencies Fund Account becomes available.
- Additional \$31,090 first year and \$31,687 second year in funds center 262 - Operations for the restoration of one Administrative Specialist II position that was not budgeted in FY09. This request includes additional general revenue funding.
- Additional \$1,297 each year in funds center 262 - Operations to restore Extra Help and related matching that was not budgeted in FY09. This request includes additional general revenue funding.
- Additional \$3,200 per year in funds center 262 - Operations in postage, due to increase in postal rates for past several years. This request includes additional general revenue funding.
- Additional \$2,120 per year in funds center 262 - Operations in fuel purchases, due to increase in fuel costs for our agency. This request includes additional general revenue funding.

Water Resources Management Division

This 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:

- Continuation of one Engineer position established by a Miscellaneous Federal Grant in funds center 1AA - Dam Inventory Program. This position's primary job is to inspect dams. This position is 100 percent federally funded.
- Additional \$15,497 per year in Grants and Aid in funds center 1AA - Dam Inventory Program. This appropriation is 100 percent federally funded.
- Additional \$200 first year and \$400 second year in Survey & Investigations in funds center 262 - Operations for U. S. Geological Survey contracts due to increased personnel costs and fuel cost. This request includes additional general revenue funding.
- Additional \$6,000 first year and \$12,000 second year in Water Planning in funds center 262 - Operations for U. S. Geological Survey contracts due to increased personnel costs and fuel cost. This request includes additional general revenue funding.
- Additional \$100 first year and \$200 second year in Research Project in funds center 262 - Operations for U. S. Geological Survey contracts due to increased personnel costs and fuel cost. This request includes additional general revenue funding.
- Additional \$2,000 first year and \$4,000 second year in Grants and Aids (River Basin Compact) in funds center 263 - Grants and Attorney Services for U. S. Geological Survey contracts due to

- increased personnel costs and fuel cost. This request includes additional general revenue funding.
- Additional \$700 first year and \$1,400 second year in Grants and Aids (Arkansas River Compact) in funds center 263 - Grants and Attorney Services for U. S. Geological Survey contracts due to increased personnel costs and fuel cost. This request includes additional general revenue funding.
- Additional \$510 first year and \$1,020 second year in Grants and Aids (Red River Compact) in funds center 263 - Grants and Attorney Services for U. S. Geological Survey contracts due to increased personnel costs and fuel cost. This request includes additional general revenue funding.
- Additional \$300 in mileage and \$3,600 meals and lodging per year in Operating Expenses, in funds center 2BU - Flood Insurance Program. This appropriation is 100 percent federally funded.
- Additional \$3,000 Extra Help and \$242 per year in personnel services matching in funds center 2BU - Flood Insurance Program. This appropriation is 100 percent federally funded.
- Additional \$20,000 first year and \$40,000 second year in Grants and Aids in funds center 2RG - Water Quality Implementation for U. S. Geological Survey contracts due to increase cost of living and fuel cost. This request includes additional general revenue funding.
- Additional \$3,500 first year and \$7,000 second year in Grants and Aids in funds center 420 - Natural Resources Commission Cash for U. S. Geological Survey contracts due to increase cost of living and fuel costs. This request will be funded by cash funds maintained in the Commission's Cash in Treasury Fund Account.
- Additional \$14,000 per year in Operating Expenses in funds center 420 - Natural Resources Commission Cash due increase cost of fuels to inspect dam site and wells. This request will be funded by cash funds maintained in the Commission's Cash in Treasury Fund Account.
- Additional \$534,871 per year in Grants and Aids and \$41,000 per year in Capital Outlay in funds center 997 - Nonpoint Source Pollution Control to restore appropriation established by a Miscellaneous Federal Grant. This appropriation is 100 percent federally funded.
- Additional \$10,000 per year in Capital Outlay in funds center 997 - NonPoint Source Pollution Control for purchase of equipment and for sales tax for vehicle purchases. This appropriation is 100 percent federally funded.
- Additional \$2,000 first year and \$4,000 second year in Grants and Aid in funds center 808 - Water Research for U. S. Geological Survey contracts due to increased personnel costs and fuel cost. This request includes additional general revenue funding.

Water Resources Development

This 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:

- Additional \$411,997 per year in unfunded appropriation in funds center 2GE - Water/Sewer/Solid Waste - State, which will restore this appropriation to the previously authorized level of \$736,219 each year. This unfunded appropriation is being requested in the event that savings from the Miscellaneous Agencies Fund Account become available.
- Additional \$20,000 per year in Grants and Aids in funds center 420 - Natural Resources Commission Cash for Circuit Rider contracts Arkansas Rural Water Associations. This is due increased personnel and fuel costs. This request will be funded by cash funds maintained in the Commission's Cash in Treasury Fund Account.
- Additional \$2,900,000 per year in Grants and Aids in funds center 420 - Natural Resources Commission Cash for Water Development Fund for loan disbursements. This request will be funded by cash funds maintained in the Commission's Cash in Treasury Fund Account.

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.

Changes requested for this division include:

- Additional \$4,300 per year in Operating Expense in funds center 420 - Natural Resources Commission - Cash for mileage for planner to visit poultry farms in Northwest Arkansas. This request will be funded by cash funds maintained in the Commission's Cash in Treasury Fund Account.
- Continuation of Land Resource Specialist Supervisor position established by a Supplemental Personnel Services Position Request in funds center 420 - Natural Resources Commission Cash. This position will work with landowners by providing technical and administrative assistance to implement Federal Farm Bill Programs and to conducting status reviews on these projects to ensure compliance with contractual agreements. This position is 100 percent federal funded.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS NATURAL RESOURCES COMMISSION

FOR THE YEAR ENDED JUNE 30, 2006

Findings	Recommendations
None	None

Performance Audit Findings

Oversight of Local Soil and Water Conservation Districts –
Arkansas Natural Resources Commission
UPDATE to Report Issued July 8, 2005
(July 1, 2005 – June 30, 2006) - Issued 09-14-2007

Findings and Conclusions:

- The Commission has taken necessary steps to adequately verify local match funds reported by districts.
- The new review process used by the Commission review committee is an improvement over the previous method.
- Long-term goals are not distinguishable from short-term goals in each district's operating plan as required by Commission regulations.

Recommendations:

- Clearly identify long-term goals as required in district operating plans to provide for proper planning.

Employment Summary

	Male	Female	Total	%
White Employees	45	27	72	89 %
Black Employees	3	6	9	11 %
Other Racial Minorities	0	0	0	0 %
	Total Minorities		9	11 %
	Total Employees		81	100 %

Publications

A.C.A. 25-1-204

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	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	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0	150,000	0
1AA Dam Inventory	95,708	0	137,318	1	81,216	0	81,216	0	148,488	1	148,488	1	81,216	0	148,488	1	148,488	1
1EE Water, Waste Disposal, Pollution Abatement	21,123,167	5	69,423,221	5	261,268	5	90,287,320	5	90,287,320	5	90,287,320	5	293,194	5	293,194	5	293,194	5
262 Natural Resources Commission-Operations	3,153,687	27	3,194,085	27	3,171,328	28	3,298,882	27	3,342,889	28	3,311,799	27	3,337,934	27	3,388,838	28	3,357,151	27
263 Grants and Attorney Services	79,179	0	85,291	0	85,291	0	85,291	0	88,501	0	88,501	0	85,291	0	91,711	0	91,711	0
2BU Flood Insurance Program	225,596	2	325,449	2	325,337	2	329,638	2	336,780	2	336,780	2	331,411	2	338,553	2	338,553	2
2GE Water/Sewer/Solid Waste-State	474,488	0	324,222	0	736,219	0	324,222	0	736,219	0	736,219	0	324,222	0	736,219	0	736,219	0
2RG Water Quality Implementation	1,636,278	5	1,763,739	5	1,778,891	5	1,781,517	5	1,801,517	5	1,801,517	5	1,786,912	5	1,826,912	5	1,826,912	5
381 Rural Fire Protection Program	392,864	0	376,618	0	1,100,000	0	376,618	0	1,100,000	0	1,100,000	0	376,618	0	1,100,000	0	1,100,000	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	5,451,825	20	7,645,081	20	4,722,267	20	4,819,659	20	7,808,894	21	7,808,894	21	4,842,365	20	7,835,100	21	7,835,100	21
475 Red River Levee Rehabilitation Project	138,417	2	3,483,638	3	2,141,078	3	3,520,484	3	3,520,484	3	3,520,484	3	2,150,595	3	2,150,595	3	2,150,595	3
527 Construction Asst Revolving Loan Fund Program	888,544	13	1,039,400	14	1,005,928	14	1,071,807	14	1,071,807	14	1,071,807	14	1,087,069	14	1,087,069	14	1,087,069	14
659 Ouachita River Waterways Projects	50,000	0	113,150	0	0	0	163,050	0	163,050	0	163,050	0	0	0	0	0	0	0
808 Water Research	38,800	0	38,800	0	38,800	0	38,800	0	40,800	0	40,800	0	38,800	0	42,800	0	42,800	0
822 Conservation District Clerks' Insurance	336,000	0	336,000	0	336,000	0	408,000	0	408,000	0	408,000	0	408,000	0	408,000	0	408,000	0
924 Water/Sewer/Solid Waste	1,893,280	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000	0
997 NonPoint Source Pollution Control Program	5,372,399	12	6,871,596	16	6,302,025	16	6,367,386	16	6,953,257	16	6,953,257	16	6,377,617	16	6,963,488	16	6,963,488	16
Total	41,750,232	86	100,557,608	93	27,485,648	93	118,353,890	92	123,208,006	95	123,176,916	94	26,921,244	92	31,810,967	95	31,779,280	94

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	51,705,530	53.6	54,771,639	34.3			59,353,511	32.0	59,353,511	31.7	59,353,511	31.7	67,314,523	42.5	64,325,288	40.9	64,325,288	40.9
General Revenue	4000010	6,511,296	6.7	6,518,704	4.1			6,713,330	3.6	6,782,547	3.6	6,751,457	3.6	6,757,777	4.3	6,859,101	4.4	6,827,414	4.3
Federal Revenue	4000020	6,582,247	6.8	8,373,763	5.2			7,850,047	4.2	8,510,332	4.5	8,510,332	4.5	7,877,313	5.0	8,537,598	5.4	8,537,598	5.4
Cash Fund	4000045	4,559,643	4.7	5,000,000	3.1			5,500,000	3.0	5,500,000	2.9	5,500,000	2.9	5,500,000	3.5	5,500,000	3.5	5,500,000	3.5
Merit Adjustment Fund	4000055	0	0.0	51	0.0			0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Bond Proceeds	4000125	13,410,023	13.9	69,146,962	43.2			90,000,000	48.5	90,000,000	48.0	90,000,000	48.0	54,788,384	34.6	54,788,384	34.8	54,788,384	34.9
Interest	4000300	427,916	0.4	450,000	0.3			450,000	0.2	450,000	0.2	450,000	0.2	450,000	0.3	450,000	0.3	450,000	0.3
Loan Repayment	4000330	12,680,398	13.1	15,000,000	9.4			15,000,000	8.1	15,000,000	8.0	15,000,000	8.0	15,000,000	9.5	15,000,000	9.5	15,000,000	9.5
Trust Fund Interest	4000705	644,818	0.7	650,000	0.4			650,000	0.4	650,000	0.3	650,000	0.3	650,000	0.4	650,000	0.4	650,000	0.4

Funding Sources		%		%		%		%		%		%		%	
Unfunded Appropriation	4000715	0	0.0	0	0.0	0	0.0	1,135,379	0.6	1,135,379	0.6	0	0.0	1,135,379	0.7
Total Funds		96,521,871	100.0	159,911,119	100.0	185,516,888	100.0	187,381,769	100.0	187,350,679	100.0	158,337,997	100.0	157,245,750	100.0
Excess Appropriation/(Funding)		(54,771,639)		(59,353,511)		(67,162,998)		(64,173,763)		(64,173,763)		(131,416,753)		(125,434,783)	
Grand Total		41,750,232		100,557,608		118,353,890		123,208,006		123,176,916		26,921,244		31,810,967	

The Actual and/or Budget amount exceeds the Authorized amount in 1AA and 997 due to transfers from the Miscellaneous Federal Grant Holding Account.

The FY09 Budget Position in 1AA was established through the authority of the Miscellaneous Federal Grant.

The Actual and Budget amount exceeds the Authorized amount in 420 due to a transfer from the Cash Fund Holding Account.

The Actual and/or Budget amount exceeds the Authorized amount in 262, 2BU and 527 due to salary and/or matching rate adjustments during the 2005-07 biennium.

The Budget amount exceeds the Authorized amount in 1EE, 475 and 659 due to carry forward of appropriation.

Fund Center 659 is a biennial appropriation. The amount authorized for the 2007-09 biennium was \$163,050.

The Base Level amount exceeds the Budget amount in 822 due matching rate adjustments during the 2009-11 biennium.

The FY10 ending fund balance does not equal the FY11 beginning fund balance due to unfunded appropriation in 659.

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	82	11	93	0	11.83 %	93	79	14	93	0	15.05 %	93	81	12	93	0	12.90 %

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' conservation districts. This program reimburses conservation districts \$5 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.

The Agency requests the continuation of Base Level appropriation and general revenue funding of \$150,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Total	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Funding Sources									
General Revenue 4000010	150,000	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding	150,000	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	150,000	150,000		150,000	150,000	150,000	150,000	150,000	150,000

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.

The Agency Base Level request includes appropriation of \$81,216 each year of the biennium.

The Agency Change Level request includes additional appropriation of \$67,272 each year of the biennium for the following:

- Salaries and Related Matching: Increase of \$51,775 each year of the biennium for the restoration of one new Engineer position approved through a Miscellaneous Federal Grant during the 2007-2009 biennium. This position is funded by a grant from the Federal Emergency Management Agency for the purpose of inspecting dams.
- Grants and Aid (Dam Safety Projects): Increase of \$15,497 each year of the biennium for the restoration of additional grant appropriation approved through a Miscellaneous Federal Grant during the 2007-2009 biennium to provide grant funding to the Natural Resources Conservation Service (NRCS).

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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	30,582	0	0	39,199	39,199	0	39,199	39,199
#Positions	0	1	0	0	1	1	0	1	1
Personal Services Matching 5010003	0	10,023	0	0	12,576	12,576	0	12,576	12,576
Operating Expenses 5020002	15,280	49,216	49,216	49,216	49,216	49,216	49,216	49,216	49,216
Conference & Travel Expenses 5050009	0	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
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	49,000	30,497	15,000	15,000	30,497	30,497	15,000	30,497	30,497
Capital Outlay 5120011	31,428	0	0	0	0	0	0	0	0
Total	95,708	137,318	81,216	81,216	148,488	148,488	81,216	148,488	148,488
Funding Sources									
Federal Revenue 4000020	95,708	137,318		81,216	148,488	148,488	81,216	148,488	148,488
Total Funding	95,708	137,318		81,216	148,488	148,488	81,216	148,488	148,488
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	95,708	137,318		81,216	148,488	148,488	81,216	148,488	148,488

The FY08 Actual amount and/or FY09 Budget amount exceeds the Authorized amount in Regular Salaries, Personal Services Matching, Grants and Aid and Capital Outlay due to a transfer from the Miscellaneous Federal Grant Holding Account.

The FY09 Budget Position was established through the authority of the Miscellaneous Federal Grant.

Change Level by Appropriation

Appropriation: 1AA - Dam Inventory

Funding Sources: FSC - Natural Resources Commission Federal

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	81,216	0	81,216	100.0	81,216	0	81,216	100.0
C06	Restore Position/Approp	67,272	1	148,488	182.8	67,272	1	148,488	182.8

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	81,216	0	81,216	100.0	81,216	0	81,216	100.0
C06	Restore Position/Approp	67,272	1	148,488	182.8	67,272	1	148,488	182.8

Justification

C06	Salary and matching for the restoration of one Engineer position approved through a Miscellaneous Federal Grant in FY09 for the Dam Safety Program. Grants and Aid: \$15,497 to restore appropriation approved through a Miscellaneous Federal Grant in FY09 for the Dam Safety 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 salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency Base Level request includes five (5) regular positions and appropriation of \$287,320 in FY2010 and \$293,194 in FY2011 for administration of the program. The Base Level request also includes \$90 million authorized for Project Disbursements in the first year of the biennium, with a special language provision that authorizes any remaining balance for Project Disbursements to be carried forward to the second year of the biennium.

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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	206,500	210,735	196,182	216,192	216,192	216,192	221,127	221,127	221,127
#Positions		5	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	62,747	61,124	60,686	66,728	66,728	66,728	67,667	67,667	67,667
Operating Expenses	5020002	882	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	20,853,038	69,146,962	0	90,000,000	90,000,000	90,000,000	0	0	0
Total		21,123,167	69,423,221	261,268	90,287,320	90,287,320	90,287,320	293,194	293,194	293,194

Funding Sources										
Fund Balance	4000005	26,947,749	31,051,963		42,925,704	42,925,704	42,925,704	54,788,384	54,788,384	54,788,384
Bond Proceeds	4000125	13,410,023	69,146,962		90,000,000	90,000,000	90,000,000	54,788,384	54,788,384	54,788,384
Loan Repayment	4000330	11,172,540	11,500,000		11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000
Trust Fund Interest	4000705	644,818	650,000		650,000	650,000	650,000	650,000	650,000	650,000
Total Funding		52,175,130	112,348,925		145,075,704	145,075,704	145,075,704	121,726,768	121,726,768	121,726,768
Excess Appropriation/(Funding)		(31,051,963)	(42,925,704)		(54,788,384)	(54,788,384)	(54,788,384)	(121,433,574)	(121,433,574)	(121,433,574)
Grand Total		21,123,167	69,423,221		90,287,320	90,287,320	90,287,320	293,194	293,194	293,194

The FY08 Actual amount and FY09 Budget amount in Regular Salaries and Personal Services Matching exceed the authorized amount due to salary adjustments during the 2007-2009 biennium.

The Project Disbursements line item is authorized in the first year of the biennium only and Special Language provides for the Carryforward of appropriation between fiscal years. The amount authorized in FY08 was \$90 million. The FY09 Budget amount has been adjusted to reflect the carry forward balance of appropriation of \$69,146,962.

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Natural Resources Commission

Program: Water, Waste Disposal, Pollution Abatement

Act #: 1277 of 2007 Section(s) #: 14 & 35

Estimated Carry Forward Amount \$ 45,000,000.00 Appropriation Funds

Funding Source: Trust

Accounting Information:

Business Area: 0455 Funds Center: 1EE Fund: TPW Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Project Disbursements	5900046	45,000,000.00	69,146,961.90
Total		\$ 45,000,000.00	\$ 69,146,961.90

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

Section 14 of Act 1277 of 2007 authorizes \$90 million in FY08 and \$0 in FY09. Carryforward of appropriation is necessary to ensure the agency has sufficient appropriation to provide for Project Disbursements in the 2nd year of the biennium.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The appropriation that carried forward will be used to continue providing low interest rate loans to communities for water resources and waste disposal projects. \$90 million was authorized in FY08 for this purpose. FY08 Actual Expenses were approximately \$20.9 million, which left \$69.1 million available to be carried forward into FY09 to be used for the same purpose.

Randy Young
Director

08-14-2008
Date

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 salaries for classified positions reflect the recommendations of the Pay Plan Study and unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency Base Level request includes 27 regular positions and one (1) extra help position as well as appropriation and general revenue funding of \$3,298,882 in FY2010 and \$3,337,934 in FY2011.

The Agency Change Level request includes the following increases in appropriation and general revenue funding:

- Salaries and Related Matching: Increase of \$31,090 in FY2010 and \$31,687 in FY2011 for the restoration of one (1) grade C109 Administrative Specialist II position that was authorized in the 2007-09 biennium but not budgeted in FY2009.
- Extra Help and Related Matching: Increase of \$1,297 each year of the biennium for the restoration of appropriation authorized for the 2007-09 biennium.
- Operating Expenses: Increase of \$5,320 each year of the biennium for postage and fuel costs.

The Agency Change Level request also includes an increase in appropriation and general revenue funding to provide for cost increases for the U.S. Geological Survey (USGS) for the following special line items:

- Survey and Investigations: Increase of \$200 in FY2010 and \$400 in FY2011
- Water Planning: Increase of \$6,000 in FY2010 and \$12,000 in FY2011
- Research Project: Increase of \$100 in FY2010 and \$200 in FY2011

The Executive Recommendation provides for the Agency Request for additional appropriation and general revenue funding for the following line items: Extra Help and Related Matching, Operating Expenses, Surveys and Investigations, Water Planning and Research Project. In summary, the Executive Recommendation for appropriation and general revenue funding above base level is \$12,917 in FY2010 and \$19,217 in FY2011.

Appropriation Summary

Appropriation: 262 - Natural Resources Commission-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,323,979	1,362,617	1,316,690	1,420,848	1,442,675	1,420,848	1,453,647	1,475,976	1,453,647
#Positions		27	27	28	27	28	27	27	28	27
Extra Help	5010001	0	0	1,200	0	1,200	1,200	0	1,200	1,200
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	360,996	362,091	384,061	408,657	418,017	408,754	414,910	424,365	415,007
Operating Expenses	5020002	394,443	395,059	395,059	395,059	400,379	400,379	395,059	400,379	400,379
Conference & Travel Expenses	5050009	10,116	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	939,990	939,990	939,990	939,990	939,990	939,990	939,990	939,990	939,990
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Surveys & Investigations	5900046	3,500	3,500	3,500	3,500	3,700	3,700	3,500	3,900	3,900
Water Planning	5900047	118,981	118,981	118,981	118,981	124,981	124,981	118,981	130,981	130,981
Research Project	5900048	1,682	1,682	1,682	1,682	1,782	1,782	1,682	1,882	1,882
Total		3,153,687	3,194,085	3,171,328	3,298,882	3,342,889	3,311,799	3,337,934	3,388,838	3,357,151
Funding Sources										
General Revenue	4000010	3,153,687	3,194,034		3,298,882	3,342,889	3,311,799	3,337,934	3,388,838	3,357,151
Merit Adjustment Fund	4000055	0	51		0	0	0	0	0	0
Total Funding		3,153,687	3,194,085		3,298,882	3,342,889	3,311,799	3,337,934	3,388,838	3,357,151
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,153,687	3,194,085		3,298,882	3,342,889	3,311,799	3,337,934	3,388,838	3,357,151

The FY08 Actual amount and FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 262 - Natural Resources Commission-Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	3,298,882	27	3,298,882	100.0	3,337,934	27	3,337,934	100.0
C01	Existing Program	44,007	1	3,342,889	101.3	50,904	1	3,388,838	101.5

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	3,298,882	27	3,298,882	100.0	3,337,934	27	3,337,934	100.0
C01	Existing Program	12,917	0	3,311,799	100.4	19,217	0	3,357,151	100.6

Justification

C01	Survey and Investigations, Water Planning and Research Project: Increase of \$6,300 in FY10 and \$12,600 to increase grants to the U. S. Geological Survey. Operating Expenses: \$5,320 each year due to the postage rate increases over the past several years and increases in the cost of fuel. Salaries and Matching: To cover the restoration of one position that was not budgeted in FY09 in order to stay within the approved CAP level. Extra Help: \$1,200 plus related matching to cover the restoration of Extra Help appropriation authorized in the 2007-09 biennium.
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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' share of operating grants for three river and watershed compacts, 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.

The Agency Base Level request includes appropriation and general revenue funding of \$85,291 each year of the biennium.

The Agency Change Level request includes an increase in appropriation and general revenue funding of \$3,210 in FY2010 and \$6,420 in FY2011 for the following to provide for cost increases for the U.S. Geological Survey (USGS):

- Grants and Aid (River Basin Compact): Increase of \$2,000 in FY2010 and \$4,000 in FY2011
- Arkansas River Compact: Increase of \$700 in FY2010 and \$1,400 in FY2011
- Red River Compact: Increase of \$510 in FY2010 and \$1,020 in FY2011

The Executive Recommendation provides for the Agency Request of additional appropriation and general revenue funding above base level in the amount of \$3,210 in FY2010 and \$6,420 in FY2011.

Appropriation Summary

Appropriation: 263 - Grants and Attorney Services

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	38,820	38,820	38,820	38,820	40,820	40,820	38,820	42,820	42,820
Legal Counsel	5900040	5,844	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871
Committee/Commission Exp	5900041	3,915	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Conservation Projects	5900046	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Arkansas River Compact	5900047	16,400	16,400	16,400	16,400	17,100	17,100	16,400	17,800	17,800
Red River Compact	5900048	10,700	10,700	10,700	10,700	11,210	11,210	10,700	11,720	11,720
Total		79,179	85,291	85,291	85,291	88,501	88,501	85,291	91,711	91,711
Funding Sources										
General Revenue	4000010	79,179	85,291		85,291	88,501	88,501	85,291	91,711	91,711
Total Funding		79,179	85,291		85,291	88,501	88,501	85,291	91,711	91,711
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		79,179	85,291		85,291	88,501	88,501	85,291	91,711	91,711

Change Level by Appropriation

Appropriation: 263 - Grants and Attorney Services

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	85,291	0	85,291	100.0	85,291	0	85,291	100.0
C01	Existing Program	3,210	0	88,501	103.8	6,420	0	91,711	107.5

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	85,291	0	85,291	100.0	85,291	0	85,291	100.0
C01	Existing Program	3,210	0	88,501	103.8	6,420	0	91,711	107.5

Justification

C01	The increase in Grants and Aid (River Basin Compact), the Arkansas River Compact and the Red River Compact will enable the agency to increase the level of grant funding provided to the US Geological Survey to cover increased costs.
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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 salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Base Level request includes two (2) regular positions and one (1) extra help position as well as appropriation in the amount of \$329,638 in FY2010 and \$331,411 in FY2011.

The Agency's Change Level request includes appropriation of \$7,142 in each year of the biennium for the following:

- Extra Help and Related Matching: Increase of \$3,242 each year of the biennium to provide for an increase in the extra help hourly wage rate.
- Operating Expenses: Increase of \$3,900 each year of the biennium to provide for increases in mileage and meals and lodging expenses.

The Executive Recommendation provides for the Agency Request.

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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	48,966	62,817	62,121	64,805	64,805	64,805	66,294	66,294	66,294
#Positions		2	2	2	2	2	2	2	2	2
Extra Help	5010001	6,805	7,000	7,000	7,000	10,000	10,000	7,000	10,000	10,000
#Extra Help		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	19,657	20,922	21,506	23,123	23,365	23,365	23,407	23,649	23,649
Operating Expenses	5020002	41,997	42,139	42,139	42,139	46,039	46,039	42,139	46,039	46,039
Conference & Travel Expenses	5050009	7,171	22,571	22,571	22,571	22,571	22,571	22,571	22,571	22,571
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	101,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		225,596	325,449	325,337	329,638	336,780	336,780	331,411	338,553	338,553
Funding Sources										
Federal Revenue	4000020	225,596	325,449		329,638	336,780	336,780	331,411	338,553	338,553
Total Funding		225,596	325,449		329,638	336,780	336,780	331,411	338,553	338,553
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		225,596	325,449		329,638	336,780	336,780	331,411	338,553	338,553

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	329,638	2	329,638	100.0	331,411	2	331,411	100.0
C01	Existing Program	7,142	0	336,780	102.2	7,142	0	338,553	102.2

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	329,638	2	329,638	100.0	331,411	2	331,411	100.0
C01	Existing Program	7,142	0	336,780	102.2	7,142	0	338,553	102.2

Justification

C01	Extra Help: \$3,000 plus related matching due to the increase in the hourly rate from \$7.00 to \$10.00 per hour. Operating Expenses: \$3,900 for Mileage and Meals and Lodging for the Community Assistance Program State Support Services Element (CAP-SSSE) of the National Flood Insurance Act of 1968.
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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' 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.

The Agency Base Level request includes Grants and Aid appropriation of \$324,222 each year of the biennium.

The Agency Change Level request includes unfunded Grants and Aid appropriation of \$411,997 each year of the biennium to restore the Water, Sewer and Solid Waste Grants appropriation to its previously authorized level. This additional appropriation would be used in the event that savings from the Miscellaneous Agencies Fund Account become available.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	474,488	324,222	736,219	324,222	736,219	736,219	324,222	736,219	736,219
Total	474,488	324,222	736,219	324,222	736,219	736,219	324,222	736,219	736,219
Funding Sources									
General Revenue 4000010	474,488	324,222		324,222	324,222	324,222	324,222	324,222	324,222
Unfunded Appropriation 4000715	0	0		0	411,997	411,997	0	411,997	411,997
Total Funding	474,488	324,222		324,222	736,219	736,219	324,222	736,219	736,219
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	474,488	324,222		324,222	736,219	736,219	324,222	736,219	736,219

Change Level by Appropriation

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

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	324,222	0	324,222	100.0	324,222	0	324,222	100.0
C05	Unfunded Appropriation	411,997	0	736,219	227.1	411,997	0	736,219	227.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	324,222	0	324,222	100.0	324,222	0	324,222	100.0
C05	Unfunded Appropriation	411,997	0	736,219	227.1	411,997	0	736,219	227.1

Justification

C05	Grants and Aid: Unfunded appropriation of \$411,997 each year to use 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 salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency Base Level request includes five (5) regular positions as well as appropriation and general revenue funding of \$1,781,517 in FY2010 and \$1,786,912 in FY2011.

The Agency Change Level request includes additional Grants and Aid appropriation and general revenue funding of \$20,000 in FY2010 and \$40,000 in FY2011 for Water Quality Match Grants to provide for cost increases for the U.S. Geological Survey (USGS).

The Executive Recommendation provides for the Agency Request of additional appropriation and general revenue funding above base level in the amount of \$20,000 in FY2010 and \$40,000 in FY2011.

Appropriation Summary

Appropriation: 2RG - Water Quality Implementation

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	213,559	223,906	234,293	235,000	235,000	235,000	239,533	239,533	239,533
#Positions		5	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	63,588	63,633	68,398	70,317	70,317	70,317	71,179	71,179	71,179
Operating Expenses	5020002	3,122	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Conference & Travel Expenses	5050009	884	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	628,101	722,000	722,000	722,000	742,000	742,000	722,000	762,000	762,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Water Quality Technician	5900046	727,024	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Total		1,636,278	1,763,739	1,778,891	1,781,517	1,801,517	1,801,517	1,786,912	1,826,912	1,826,912
Funding Sources										
General Revenue	4000010	1,636,278	1,763,739		1,781,517	1,801,517	1,801,517	1,786,912	1,826,912	1,826,912
Total Funding		1,636,278	1,763,739		1,781,517	1,801,517	1,801,517	1,786,912	1,826,912	1,826,912
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		1,636,278	1,763,739		1,781,517	1,801,517	1,801,517	1,786,912	1,826,912	1,826,912

Special Language provides for the carryforward of appropriation and funds from the first year of the biennium to the second year to support the amount of obligated grants certified for Matching Grants and for Water Quality Technicians. The amount that carried forward from FY2008 to FY2009 for Water Quality Match Grants was \$93,899 and for Water Quality Technicians was \$22,976.

Change Level by Appropriation

Appropriation: 2RG - Water Quality Implementation

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,781,517	5	1,781,517	100.0	1,786,912	5	1,786,912	100.0
C01	Existing Program	20,000	0	1,801,517	101.1	40,000	0	1,826,912	102.2

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	1,781,517	5	1,781,517	100.0	1,786,912	5	1,786,912	100.0
C01	Existing Program	20,000	0	1,801,517	101.1	40,000	0	1,826,912	102.2

Justification

C01	Grants and Aid: \$20,000 for the first year and \$40,000 for the second year to increase the grant to the U.S. Geological Survey to cover increased costs.
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CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Natural Resources Commission

Program: Water Quality Implementation

Act #: 1277 of 2007 Section(s) #: 12 & 33, 34

Estimated Carry Forward Amount \$ 288,760.00 Appropriation Funds

Funding Source: Miscellaneous Agencies

Accounting Information:

Business Area: 0455 Funds Center: 2RG Fund: HUA Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Grants and Aid	5100004	250,784.00	93,898.87
Water Quality Technician	5900046	37,976.00	22,976.49
Total		\$ 288,760.00	\$ 116,875.36

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

To ensure the agency has sufficient appropriation and funding for obligated matching grants in the Grants and Aid line item and the Water Quality Technician line item.

Actual Funding Carry Forward Amount \$ 116,875.36

Current status of carry forward appropriation/funding:

The appropriation and funding that carried forward will be used for matching grants for federal funds in the EPA Section 319 Nonpoint Source Pollution Abatement Program, as well as matching for the EPA Clean Lakes Program and Corps of Engineers projects.

Randy Young
Director

08-25-2008
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.

The Agency Base Level request includes Grants and Aid appropriation for the Rural Fire Protection Program and general revenue funding of \$376, 618 each year of the biennium.

The Agency Change Level request includes unfunded Grants and Aid appropriation of \$723,382 each year of the biennium to restore this appropriation to its previously authorized level. This unfunded appropriation would be used in the event that savings from the Miscellaneous Agencies Fund Account become available.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 381 - Rural Fire Protection Program

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	392,864	376,618	1,100,000	376,618	1,100,000	1,100,000	376,618	1,100,000	1,100,000
Total		392,864	376,618	1,100,000	376,618	1,100,000	1,100,000	376,618	1,100,000	1,100,000
Funding Sources										
General Revenue	4000010	392,864	376,618		376,618	376,618	376,618	376,618	376,618	376,618
Unfunded Appropriation	4000715	0	0		0	723,382	723,382	0	723,382	723,382
Total Funding		392,864	376,618		376,618	1,100,000	1,100,000	376,618	1,100,000	1,100,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		392,864	376,618		376,618	1,100,000	1,100,000	376,618	1,100,000	1,100,000

Change Level by Appropriation

Appropriation: 381 - Rural Fire Protection Program

Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	376,618	0	376,618	100.0	376,618	0	376,618	100.0
C05	Unfunded Appropriation	723,382	0	1,100,000	292.1	723,382	0	1,100,000	292.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	376,618	0	376,618	100.0	376,618	0	376,618	100.0
C05	Unfunded Appropriation	723,382	0	1,100,000	292.1	723,382	0	1,100,000	292.1

Justification

C05	Grants and Aid: Unfunded appropriation of \$723,382 each year to use 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 Base Level request includes appropriation for Grants to Conservation Districts in the amount of \$250,000 each year of the biennium.

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	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				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 salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency Base Level request includes twenty (20) regular positions, four (4) extra help positions and appropriation of \$4,819,659 in FY2010 and \$4,842,365 in FY2011.

The Agency Change Level request includes additional appropriation of \$2,989,235 in FY2010 and \$2,992,735 in FY2011 the following:

- Salaries and Matching: Increase of \$47,435 each year of the biennium for the restoration of one (1) grade C119 Land Resource Specialist Supervisor position that was established through a Supplemental Position Request in FY2009. This position works with landowners by providing technical and administrative assistance to implement Federal Farm Bill Programs and conducting status reviews on these projects.
- Operating Expense: Increase of \$18,300 each year of the biennium for increases in mileage and fuel costs.
- Grants and Aid: Increase of \$2,903,500 in FY2010 and \$2,907,000 in FY2011 for Soil and Water Grants and Loans. Of the total amount requested, \$2.9 million is to restore appropriation authorized in a Cash Letter in FY2009 for loan disbursements for the water development funds. The remaining \$3,500 in FY2010 and \$7,000 in FY2011 is to provide for cost increases for the U.S. Geological Survey (USGS).
- Training/Contract Services: Increase of \$20,000 each year of the biennium to increase the amount granted to the Arkansas Rural Water Association, a nonprofit organization of rural and small publicly owned water and wastewater systems that provides training and technical assistance to the managers and operators of all eligible systems serving rural populations.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	715,379	765,738	734,464	808,202	843,756	843,756	827,272	862,826	862,826
#Positions		20	20	20	20	21	21	20	21	21
Extra Help	5010001	12,103	30,801	30,800	30,800	30,800	30,800	30,800	30,800	30,800
#Extra Help		5	5	4	4	4	4	4	4	4
Personal Services Matching	5010003	223,098	226,492	234,953	258,607	270,488	270,488	262,243	274,124	274,124
Operating Expenses	5020002	221,479	315,031	315,031	315,031	333,331	333,331	315,031	333,331	333,331
Conference & Travel Expenses	5050009	17,175	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Professional Fees	5060010	4,966	110,002	110,002	110,002	110,002	110,002	110,002	110,002	110,002
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	4,172,625	6,090,017	3,190,017	3,190,017	6,093,517	6,093,517	3,190,017	6,097,017	6,097,017
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Training/Contract Services	5900043	85,000	85,000	85,000	85,000	105,000	105,000	85,000	105,000	105,000
Total		5,451,825	7,645,081	4,722,267	4,819,659	7,808,894	7,808,894	4,842,365	7,835,100	7,835,100
Funding Sources										
Fund Balance	4000005	8,306,846	7,414,664		4,769,583	4,769,583	4,769,583	5,449,924	2,460,689	2,460,689
Cash Fund	4000045	4,559,643	5,000,000		5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Total Funding		12,866,489	12,414,664		10,269,583	10,269,583	10,269,583	10,949,924	7,960,689	7,960,689
Excess Appropriation/(Funding)		(7,414,664)	(4,769,583)		(5,449,924)	(2,460,689)	(2,460,689)	(6,107,559)	(125,589)	(125,589)
Grand Total		5,451,825	7,645,081		4,819,659	7,808,894	7,808,894	4,842,365	7,835,100	7,835,100

The FY08 Actual amount and FY09 Budget amount in Grants and Aid exceed the authorized amount due to a transfer from the Cash Fund Holding Account.
The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

Change Level by Appropriation

Appropriation: 420 - Natural Resources Comm-Cash

Funding Sources: NSW - Cash in Treasury

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	4,819,659	20	4,819,659	100.0	4,842,365	20	4,842,365	100.0
C01	Existing Program	2,941,800	0	7,761,459	161.0	2,945,300	0	7,787,665	160.8
C06	Restore Position/Approp	47,435	1	7,808,894	162.0	47,435	1	7,835,100	161.8

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	4,819,659	20	4,819,659	100.0	4,842,365	20	4,842,365	100.0
C01	Existing Program	2,941,800	0	7,761,459	161.0	2,945,300	0	7,787,665	160.8
C06	Restore Position/Approp	47,435	1	7,808,894	162.0	47,435	1	7,835,100	161.8

Justification

C01	Grants and Aid: \$2.9 million to restore appropriation that was authorized by a cash letter in FY09 to be used for increased loan disbursements of Water Development Funding. Operating Expenses: \$18,300 in FY10 in each year to cover increased travel costs for inspecting poultry houses in northwest Arkansas and to cover increased fuel costs. Grants and Aid: \$3,500 the first year and \$7,000 the second the cover increased costs of the U. S. Geological Survey. Training/Contract Services: \$20,000 each year for the grant provided to Arkansas Rural Water Association to cover increased costs for fuel and personnel.
C06	Restoration of the Land Resource Specialist Supervisor position that was established by a Supplemental Position Request in FY09.

Analysis of Budget Request

Appropriation: 475 - Red River Levee Rehabilitation Project

Funding Sources: TWP - Red River Waterways Project Trust Fund

The Red River Levee Rehabilitation Project appropriation is used for navigation feasibility study expenses and bank stabilization work on the Red River in Southwest Arkansas. The focus of this program is to determine the probable volume of commerce that would be conducted via the Red River as a navigable waterway. The study is performed in conjunction with the U.S. Army Corps of Engineers on a cost sharing basis. Funding for this program consists of interest income earned on trust funds that have accumulated in the Red River Waterways Project Trust Fund.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency Base Level request includes three (3) regular positions and appropriation in the amount of \$3,520,484 in FY2010 and \$2,150,595 in FY2011. The Study Expenses appropriation is authorized in the first year of the biennium, with a special language provision that authorizes any remaining balance to be carried forward to the second year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 475 - Red River Levee Rehabilitation Project
Funding Sources: TWP - Red River Waterways Project Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	77,125	110,296	106,860	111,158	111,158	111,158	113,627	113,627	113,627
#Positions		2	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	28,205	33,601	34,218	36,498	36,498	36,498	36,968	36,968	36,968
Grants and Aid	5100004	0	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Study Expenses	5900046	33,087	1,339,741	0	1,372,828	1,372,828	1,372,828	0	0	0
Total		138,417	3,483,638	2,141,078	3,520,484	3,520,484	3,520,484	2,150,595	2,150,595	2,150,595
Funding Sources										
Fund Balance	4000005	10,920,867	11,210,366		8,176,728	8,176,728	8,176,728	5,106,244	5,106,244	5,106,244
Interest	4000300	427,916	450,000		450,000	450,000	450,000	450,000	450,000	450,000
Total Funding		11,348,783	11,660,366		8,626,728	8,626,728	8,626,728	5,556,244	5,556,244	5,556,244
Excess Appropriation/(Funding)		(11,210,366)	(8,176,728)		(5,106,244)	(5,106,244)	(5,106,244)	(3,405,649)	(3,405,649)	(3,405,649)
Grand Total		138,417	3,483,638		3,520,484	3,520,484	3,520,484	2,150,595	2,150,595	2,150,595

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.
 The Study Expenses line item is authorized in the first year of the biennium and Special Language provides for the carryforward of appropriation between fiscal years. The amount authorized in 2008 was \$1,372,828.
 The FY09 Budget amount has been adjusted to reflect the carry forward appropriation balance of \$1,339,741.

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Natural Resources Commission

Program: Red River Levee Rehabilitation Project

Act #: 1277 of 2007 Section(s) #: 19 & 36

Estimated Carry Forward Amount \$ 1,312,828.00 Appropriation Funds

Funding Source: Trust

Accounting Information:

Business Area: 0455 Funds Center: 475 Fund: TWP Functional Area: COMM

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Study Expenses	5900046	1,312,828.00	1,339,741.26
Total		\$ 1,312,828.00	\$ 1,339,741.26

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

Section 19 of Act 1277 of 2007 authorizes \$1,372,828 in FY08 and \$0 in FY09. Carryforward of appropriation is necessary to ensure the agency has sufficient appropriation to provide for Study Expenses in the 2nd year of the biennium.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

The appropriation that carried forward will be used on a cost sharing basis to continue a navigation feasibility study in conjunction with the Corp of Engineers.

Randy Young
Director

08-15-2008
Date

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 salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency Base Level request includes fourteen (14) positions as well as appropriation in the amount of \$1,071,807 in FY2010 and \$1,087,069 in FY2011.

The Executive Recommendation provides for the Agency Request.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	603,938	656,831	618,818	669,592	669,592	669,592	682,411	682,411	682,411
#Positions		13	14	14	14	14	14	14	14	14
Personal Services Matching	5010003	176,088	179,446	183,987	199,092	199,092	199,092	201,535	201,535	201,535
Operating Expenses	5020002	102,051	182,404	182,404	182,404	182,404	182,404	182,404	182,404	182,404
Conference & Travel Expenses	5050009	6,467	7,219	7,219	7,219	7,219	7,219	7,219	7,219	7,219
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		888,544	1,039,400	1,005,928	1,071,807	1,071,807	1,071,807	1,087,069	1,087,069	1,087,069
Funding Sources										
Federal Revenue	4000020	888,544	1,039,400		1,071,807	1,071,807	1,071,807	1,087,069	1,087,069	1,087,069
Total Funding		888,544	1,039,400		1,071,807	1,071,807	1,071,807	1,087,069	1,087,069	1,087,069
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		888,544	1,039,400		1,071,807	1,071,807	1,071,807	1,087,069	1,087,069	1,087,069

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

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 Base Level request includes grants and aid appropriation in the amount of \$163,050 for the 2009-2011 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	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid 5100004	50,000	113,150	0	163,050	163,050	163,050	0	0	0
Total	50,000	113,150	0	163,050	163,050	163,050	0	0	0
Funding Sources									
Fund Balance 4000005	174,675	124,675		11,525	11,525	11,525	0	0	0
Total Funding	174,675	124,675		11,525	11,525	11,525	0	0	0
Excess Appropriation/(Funding)	(124,675)	(11,525)		151,525	151,525	151,525	0	0	0
Grand Total	50,000	113,150		163,050	163,050	163,050	0	0	0

This is a Biennial Appropriation. The amount authorized for the 2007-2009 biennium was \$163,050. The FY09 Budget amount has been adjusted to reflect the carry forward balance of appropriation between fiscal years.

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 Base Level request includes appropriation and general revenue funding of \$38,800 each year of the biennium.

The Agency Change Level request includes additional grants and aid appropriation and general revenue funding of \$2,000 in FY2010 and \$4,000 in FY2011 to provide for cost increases for the U.S. Geological Survey (USGS).

The Executive Recommendation provides for the Agency Request of additional appropriation and general revenue funding of \$2,000 in FY2010 and \$4,000 in FY2011.

Appropriation Summary

Appropriation: 808 - Water Research

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	38,800	38,800	38,800	38,800	40,800	40,800	38,800	42,800	42,800
Total		38,800	38,800	38,800	38,800	40,800	40,800	38,800	42,800	42,800
Funding Sources										
General Revenue	4000010	38,800	38,800		38,800	40,800	40,800	38,800	42,800	42,800
Total Funding		38,800	38,800		38,800	40,800	40,800	38,800	42,800	42,800
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		38,800	38,800		38,800	40,800	40,800	38,800	42,800	42,800

Change Level by Appropriation

Appropriation: 808 - Water Research
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	38,800	0	38,800	100.0	38,800	0	38,800	100.0
C01	Existing Program	2,000	0	40,800	105.2	4,000	0	42,800	110.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	38,800	0	38,800	100.0	38,800	0	38,800	100.0
C01	Existing Program	2,000	0	40,800	105.2	4,000	0	42,800	110.3

Justification

C01	Grants and Aid: \$2,000 for the first year and \$4,000 for the second year to increase the grant to the U.S. Geological Survey to cover increased costs.
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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.

The Agency Base Level request for this appropriation includes Personal Services Matching appropriation of \$408,000 each year of the biennium. Included in Base Level is a \$75 per month increase in the monthly contribution for district clerk's insurance for a total State contribution of \$425 per month for the current budgeted level of 80 eligible district clerks.

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	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Personal Services Matching 5010003	336,000	336,000	336,000	408,000	408,000	408,000	408,000	408,000	408,000
Total	336,000	336,000	336,000	408,000	408,000	408,000	408,000	408,000	408,000
Funding Sources									
General Revenue 4000010	336,000	336,000		408,000	408,000	408,000	408,000	408,000	408,000
Total Funding	336,000	336,000		408,000	408,000	408,000	408,000	408,000	408,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	336,000	336,000		408,000	408,000	408,000	408,000	408,000	408,000

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 Base Level request includes Sewer and Solid Waste Grants and Aid appropriation of \$5 million 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			2009-2010			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	1,893,280	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total		1,893,280	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Funding Sources										
Fund Balance	4000005	5,355,393	4,969,971		3,469,971	3,469,971	3,469,971	1,969,971	1,969,971	1,969,971
Loan Repayment	4000330	1,507,858	3,500,000		3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total Funding		6,863,251	8,469,971		6,969,971	6,969,971	6,969,971	5,469,971	5,469,971	5,469,971
Excess Appropriation/(Funding)		(4,969,971)	(3,469,971)		(1,969,971)	(1,969,971)	(1,969,971)	(469,971)	(469,971)	(469,971)
Grand Total		1,893,280	5,000,000		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

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 salaries for classified positions reflect the recommendations of the Pay Plan Study. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries includes Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency Base Level request includes sixteen (16) regular positions, one (1) extra help position and appropriation in the amount of \$6,367,386 in FY2010 and \$6,377,617 in FY2011.

The Agency Change Level request includes the following:

- Grants and Aid: Increase of appropriation in the amount of \$534,871 each year of the biennium, which represents the restoration of appropriation authorized by a Miscellaneous Federal Grant during FY2009 for the purpose of assisting entities with establishing and maintaining adequate measures for prevention and control of surface and groundwater pollution.
- Capital Outlay: Increase of appropriation in the amount of \$51,000 each year of the biennium. This total request includes the restoration of \$41,000 authorized by a Miscellaneous Federal Grant during FY2009 and \$10,000 to replace agency equipment.

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			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	386,017	563,521	554,201	611,944	611,944	611,944	620,539	620,539	620,539
#Positions		12	16	16	16	16	16	16	16	16
Extra Help	5010001	3,840	5,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000
#Extra Help		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	139,119	169,465	180,085	198,703	198,703	198,703	200,339	200,339	200,339
Operating Expenses	5020002	221,599	294,334	294,334	294,334	294,334	294,334	294,334	294,334	294,334
Conference & Travel Expenses	5050009	25,758	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Professional Fees	5060010	9,000	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	4,493,922	5,642,276	5,107,405	5,107,405	5,642,276	5,642,276	5,107,405	5,642,276	5,642,276
Capital Outlay	5120011	93,144	47,000	6,000	0	51,000	51,000	0	51,000	51,000
Total		5,372,399	6,871,596	6,302,025	6,367,386	6,953,257	6,953,257	6,377,617	6,963,488	6,963,488
Funding Sources										
Federal Revenue	4000020	5,372,399	6,871,596		6,367,386	6,953,257	6,953,257	6,377,617	6,963,488	6,963,488
Total Funding		5,372,399	6,871,596		6,367,386	6,953,257	6,953,257	6,377,617	6,963,488	6,963,488
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		5,372,399	6,871,596		6,367,386	6,953,257	6,953,257	6,377,617	6,963,488	6,963,488

The FY09 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2007-2009 biennium.

The FY08 Actual and/or FY09 Budget amounts in Grants and Aid and Capital Outlay exceed the Authorized amount due to a transfer from the Miscellaneous Federal Grant Holding Account.

Change Level by Appropriation

Appropriation: 997 - NonPoint Source Pollution Control Program

Funding Sources: FSC - Natural Resources Commission Federal

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	6,367,386	16	6,367,386	100.0	6,377,617	16	6,377,617	100.0
C01	Existing Program	10,000	0	6,377,386	100.2	10,000	0	6,387,617	100.2
C06	Restore Position/Approp	575,871	0	6,953,257	109.2	575,871	0	6,963,488	109.2

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	6,367,386	16	6,367,386	100.0	6,377,617	16	6,377,617	100.0
C01	Existing Program	10,000	0	6,377,386	100.2	10,000	0	6,387,617	100.2
C06	Restore Position/Approp	575,871	0	6,953,257	109.2	575,871	0	6,963,488	109.2

Justification

C01	This request will enable the agency to replace equipment and to pay sales tax on a new vehicle.
C06	This request is to restore MFG appropriation approved during FY09 for a federal grant from the Environmental Protection Agency. The purpose of the grant is to assist the state establish and maintain adequate measures for prevention and control of surface and groundwater pollution.