

DAH - HISTORIC AR MUSEUM COMMISSION

Enabling Laws

Act 1605 of 2003 provides current operating authority for the Historic Arkansas Museum.

The Historic Arkansas Museum (HAM) was created by Act 388 of 1939 (A.C.A. § 13-7-301 et seq.) The Museum was placed in the Department of Arkansas Heritage by Act 1001 of 1975 and Act 346 of 1985.

History and Organization

Agency Mission Statement

The mission of this history and historic site museum is to communicate the early history of Arkansas and its creative legacy through preserving, interpreting, and presenting stories and collections for the education and enjoyment of the people we serve.

Brief Discussion of Statutory Responsibilities and Primary Activities

The Arkansas General Assembly created the HAM Commission (then called the Arkansas Territorial Capital Restoration Commission) after an active public campaign led by pioneering preservationist Louise Loughborough. The HAM Foundation is a 501(c)3 non-profit membership organization supporting the mission of the museum. The Historic Arkansas Museum was created to establish a "history center, interesting to the inhabitants of the state and to tourists." Subsequent relevant legislation concerning the Museum includes Act 76 of 1967; Act 379 of 1989, and Act 69 of 2001 which changed the name of the Museum from the Arkansas Territorial Restoration.

The museum's original site contains four major historic houses, including the oldest structure in the city, the Hinderliter House, built c. 1828, and the early print shop of the *Arkansas Gazette* newspaper. Over the years the museum's campus has expanded to include a full block and two half blocks in downtown Little Rock.

The scope of the museum's programs is defined by two major aspects of Arkansas history: the frontier period and the state's creative legacy from early days to the present. The functions involved in meeting the museum's mission involve research, education, exhibits and collections, development and maintenance. This museum has taken on the job of rediscovering the work of Arkansas's artists and artisans. The two volume book *Arkansas Made: A Survey of the Decorative, Mechanical and Fine Arts Produced in Arkansas, 1819-1870* (University of Arkansas Press) is a result of this continuing research project. The museum has created the state's best (and in some cases only) collection of its quilts, firearms, furniture, pottery, silver, paintings, etc. The museum is actively adding to the knowledge of Arkansas's impact on the international development of the bowie knife. The Museum Center opened in 2001, with an expanded Reception Center with galleries, theater and improved visitor amenities.

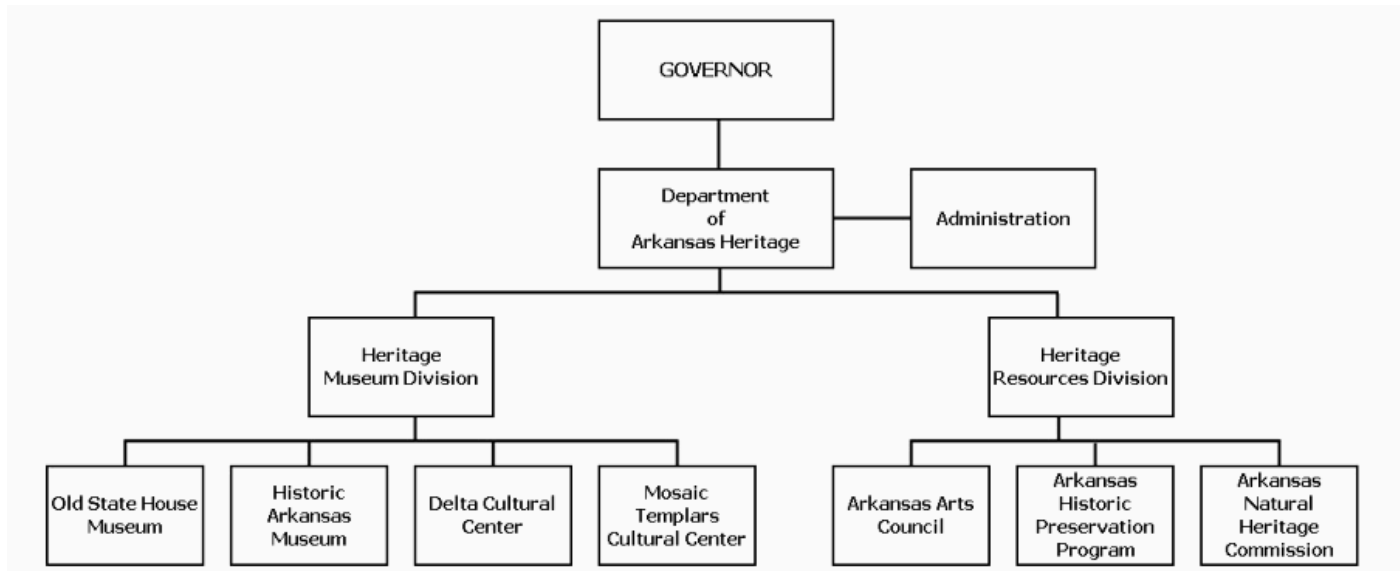
The director of the museum serves at the pleasure of the director of DAH. Internally the museum contains maintenance, collections, education and development divisions which have to satisfy appropriate state requirements but also national professional museum standards. In 1981 the museum became the first history museum in Arkansas to be accredited by the American Association of Museums. This national recognition is important to the museum and its patrons, and the need to

continue to meet accreditation standards drives many of the improvements sought by the museum.

Improvements over the years have included creating and enhancing the best collection of Arkansas-made objects; daily living history performances in the museum houses; the Hands-on History Room; popular seasonal special events; and an excellent educational website. Each year approximately 50,000 visitors, including 12,000 school children, enjoy seeing history come to life at the museum, and outreach and web-based programs reach thousands more.

Advisory Board or Commission

The Commission sets policy for the museum. The Commission is a 9 member self-perpetuating board which meets monthly.



Agency Commentary

See Agency Commentary in DAH - Central Administration page 25.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 DEPARTMENT OF ARKANSAS HERITAGE - HISTORIC ARKANSAS MUSEUM COMMISSION
 FOR THE YEAR ENDED JUNE 30, 2003

Findings

Recommendations

Findings are reported in a single audit under DAH - Central Administration page 27.

Department Appropriation / Program Summary

Historical Data						Agency Request and Executive Recommendation								
Appropriation / Program	2003-2004		2004-2005		2004-2005		2005-2006				2006-2007			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
2JK Historic Arkansas Museum-Treas	146,637	1	275,915	1	273,637	1	282,161	1	282,161	1	282,879	1	282,879	1
496 Historic Museum-St Operations	793,579	20	861,487	20	886,165	20	989,590	21	989,590	21	1,012,674	21	1,012,674	21
C15 Bank Charges Fund	2,082	0	11,250	0	0	0	11,250	0	11,250	0	11,250	0	11,250	0
Total	942,298	21	1,148,652	21	1,159,802	21	1,283,001	22	1,283,001	22	1,306,803	22	1,306,803	22

Funding Sources			%		%		%		%		%		%
Fund Balance	4000005	7,869	0.8	10,383	0.9			9,357	0.7	9,357	0.7	2,196	0.2
General Revenue	4000010	793,579	83.3	832,899	71.9			989,590	77.0	955,693	76.4	1,012,674	77.8
Cash Fund	4000045	151,233	15.9	286,139	24.7			286,250	22.3	286,250	22.9	286,250	22.0
Merit Adjustment Fund	4000055	0	0.0	28,588	2.5			0	0.0	0	0.0	0	0.0
Total Funds		952,681	100.0	1,158,009	100.0			1,285,197	100.0	1,251,300	100.0	1,301,120	100.0
Excess Appropriation/(Funding)		(10,383)		(9,357)				(2,196)		31,701		5,683	
Grand Total		942,298		1,148,652				1,283,001		1,283,001		1,306,803	

Actual and Budgeted exceeds Authorized Appropriation (2JK, C15) due to a transfers from the Cash Fund Holding Account.

Analysis of Budget Request

Appropriation / Program: 2JK - Historic Arkansas Museum-Treas

Funding Sources: NNH Cash in Treasury (Historic Arkansas Museum)

This appropriation is funded by cash income generated by admission fees, rental receipts, and proceeds at the Craft Store at the Historic Arkansas Museum. The Agency utilizes this appropriation to supplement Museum operations and replenish Craft Store inventory.

The Agency Income Certification increase in Museum Cash between FY04 Actual and FY05 Budgeted (\$129,278) is based on projected increases in admissions and gift shop sales due to visitor traffic resulting from the Clinton Presidential Library, increased facilities rentals, and increased donations from the Friends of the Territories, a non-profit group that provides private donations to the Museum. This additional appropriation will be utilized primarily to provide funding for extra help support staff.

Base Level for this appropriation includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching for one (1) Base Level position. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Change Level Requests for additional Operating Expense of \$5,000 each fiscal year are for office supplies, based on two years of the Museum store's expenditures.

The Executive Recommendation provides for the Agency Request.

Appropriation / Program Summary

Appropriation / Program: 2JK Historic Arkansas Museum-Treas
Funding Sources: NNH Cash in Treasury (Historic Arkansas Museum)

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2003-2004 Actual	2004-2005 Budget	2004-2005 Authorized	2005-2006			2006-2007		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	17,261	18,268	17,010	18,868	18,868	18,868	19,468	19,468	19,468
#Positions	1	1	1	1	1	1	1	1	1
Extra Help 5010001	60,042	142,134	142,134	142,134	142,134	142,134	142,134	142,134	142,134
#Extra Help	10	16	16	16	16	16	16	16	16
Personal Services Matching 5010003	11,171	18,908	17,888	19,554	19,554	19,554	19,672	19,672	19,672
Operating Expenses 5020002	11,182	15,521	15,521	15,521	20,521	20,521	15,521	20,521	20,521
Travel-Conference Fees 5050009	0	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334
Professional Fees and Services 5060010	0	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Resale (COGS) 5090017	46,981	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	146,637	275,915	273,637	277,161	282,161	282,161	277,879	282,879	282,879
Funding Sources									
Fund Balance 4000005	7,869	10,383		9,357	9,357	9,357	7,196	2,196	2,196
Cash Fund 4000045	149,151	274,889		275,000	275,000	275,000	275,000	275,000	275,000
Total Funding	157,020	285,272		284,357	284,357	284,357	282,196	277,196	277,196
Excess Appropriation/(Funding)	(10,383)	(9,357)		(7,196)	(2,196)	(2,196)	(4,317)	5,683	5,683
Grand Total	146,637	275,915		277,161	282,161	282,161	277,879	282,879	282,879

Budget exceeds Authorized Appropriation in Salaries and Personal Services Matching due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation / Program: 2JK-Historic Arkansas Museum-Treas
Funding Sources: NNH Cash in Treasury (Historic Arkansas Museum)

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	277,161	1	277,161	100.0	277,879	1	277,879	100.0
C01	Existing Program	5,000	0	282,161	101.8	5,000	0	282,879	101.8

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	277,161	1	277,161	100.0	277,879	1	277,879	100.0
C01	Existing Program	5,000	0	282,161	101.8	5,000	0	282,879	101.8

Justification

C01	This Change Level Request covers cash fund appropriation necessary to run the Museum Store. Based on two years of the store's expenditures an increase in the maintenance and operation budget is needed.
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Analysis of Budget Request

Appropriation / Program: 496 - Historic Museum-St Operations

Funding Sources: HRA Arkansas Heritage Fund

This appropriation provides State Funding for the personal services and operating expenses of the Department of Arkansas Heritage - Historic Arkansas Museum Commission. Act 388 of 1939 (A.C.A. §13-7-302), as amended, created the Historic Arkansas Museum (formerly Territorial Capitol Restoration) to restore, maintain, and interpret historic houses on-site in the oldest remaining neighborhood in Little Rock. The Museum interprets the frontier period (1819 - 1850) and includes a visitor center featuring both permanent and changing exhibits.

Due to limitations in Operating Expense, the Museum has been required to subsidize basic utilities, such as electricity, water, and gas from Conservation Tax funding. The Agency has done so under the authority granted by Amendment 75, fulfilling the Department's promise to the electorate - "To preserve more than 29,000 historic state artifacts."

Base Level for this appropriation includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching for twenty (20) Base Level positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Change Level Requests total \$93,887 in FY06 and \$94,789 in FY07. The Agency's request reflects the following changes:

Salary and Matching costs totaling \$33,897 in FY06 and \$34,799 in FY07 for one full-time Accountant position, per the recommendation of 2004 Legislative Audit findings that criticized the Agency for "inadequate control over cash transactions...because of insufficient segregation of duties due to a limited number of personnel."

Additional Operating Expense totaling \$59,990 each year for basic utilities (gas, electric, water) required to maintain a stable environment for the museum's priceless artifacts.

The Executive Recommendation provides for the Agency Request, with the exception of the General Revenue funding for the Accountant position. This position is recommended as unfunded.

Appropriation / Program Summary

Appropriation / Program: 496 Historic Museum-St Operations
Funding Sources: HRA Arkansas Heritage Fund

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2003-2004 Actual	2004-2005 Budget	2004-2005 Authorized	2005-2006			2006-2007		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	553,366	593,514	597,934	614,260	639,402	639,402	632,809	658,705	658,705
#Positions	20	20	20	20	21	21	20	21	21
Personal Services Matching 5010003	165,843	183,411	175,187	196,881	205,636	205,636	200,514	209,417	209,417
Operating Expenses 5020002	74,370	84,562	113,044	84,562	144,552	144,552	84,562	144,552	144,552
Travel-Conference Fees 5050009	0	0	0	0	0	0	0	0	0
Professional Fees and Services 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
Total	793,579	861,487	886,165	895,703	989,590	989,590	917,885	1,012,674	1,012,674
Funding Sources									
General Revenue 4000010	793,579	832,899		895,703	989,590	955,693	917,885	1,012,674	977,875
Merit Adjustment Fund 4000055	0	28,588		0	0	0	0	0	0
Total Funding	793,579	861,487		895,703	989,590	955,693	917,885	1,012,674	977,875
Excess Appropriation/(Funding)	0	0		0	0	33,897	0	0	34,799
Grand Total	793,579	861,487		895,703	989,590	989,590	917,885	1,012,674	1,012,674

The FY05 Budgeted amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2003-2005 biennium.

Change Level by Appropriation

Appropriation / Program: 496-Historic Museum-St Operations

Funding Sources: HRA Arkansas Heritage Fund

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	895,703	20	895,703	100.0	917,885	20	917,885	100.0
C01	Existing Program	93,887	1	989,590	110.4	94,789	1	1,012,674	110.3

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	895,703	20	895,703	100.0	917,885	20	917,885	100.0
C01	Existing Program	93,887	1	989,590	110.4	94,789	1	1,012,674	110.3

Justification

C01 This Change Level Request reflects restoration of maintenance and operation funding for the basic utilities required for the museum to be open. Without electricity, water, and natural gas the museum cannot function and maintain a stable environment for the priceless artifacts in the museum collection. This request is for the three basic utilities, totaling an additional \$59,990 over current appropriation. NEW POSITIONS - One (1) Accountant position is requested per the recommendation of a 2004 Legislative audit that criticized the Agency for "inadequate control over cash transactions...because of insufficient segregation of duties due to a limited number of personnel."

Analysis of Budget Request

Appropriation / Program: C15 - Bank Charges Fund

Funding Sources: 101 Historic Arkansas Museum Bank Charges Fund

This appropriation provides a private bank account, removed from the State Treasury, for the payment of Bank Charges, Credit Card Charges and Fees from revenues collected by the Historic Arkansas Museum.

Actual expenses presented here do not reflect A-Book expenses reported by AASIS due to journal entry errors assigning these expenditures to Non-Budget Relevant expense codes. In the future, all but reconciling items on bank accounts will be recorded prior to June 30, thereby resolving this issue.

The Agency Change Level Requests total \$11,250 each year for additional Operating Expense. These requests were previously approved through PEER review.

The Executive Recommendation provides for the Agency Request.

Appropriation / Program Summary

Appropriation / Program: C15 Bank Charges Fund
Funding Sources: 101 Historic Arkansas Museum Bank Charges Fund

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2003-2004 Actual	2004-2005 Budget	2004-2005 Authorized	2005-2006			2006-2007		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	2,082	11,250	0	0	11,250	11,250	0	11,250	11,250
Total	2,082	11,250	0	0	11,250	11,250	0	11,250	11,250
Funding Sources									
Cash Fund 4000045	2,082	11,250		0	11,250	11,250	0	11,250	11,250
Total Funding	2,082	11,250		0	11,250	11,250	0	11,250	11,250
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	2,082	11,250		0	11,250	11,250	0	11,250	11,250

Actual and Budgeted exceeds authorized appropriation in Operating Expense due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation / Program: C15-Bank Charges Fund

Funding Sources: 101 Historic Arkansas Museum Bank Charges Fund

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	x	0	0	0	x
C01	Existing Program	11,250	0	11,250	x	11,250	0	11,250	x

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	100.0	0	0	0	100.0
C01	Existing Program	11,250	0	11,250	100.0	11,250	0	11,250	100.0

Justification

C01	This request is for a new appropriation in regard to the agency's cash in bank. The cash will be certified from activity of sales from the museum's store. The cash will be in a non-AASIS bank account due to the issues with credit card sales. The appropriation is needed to accurately record expenses related to bank fees, credit card fees, and sales tax.
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