

GOVERNOR'S MANSION COMMISSION

Enabling Laws

Act 173 of 2005
A.C.A. §22-3-801

History and Organization

In accordance with Arkansas Code §22-3-801, the State of Arkansas shall furnish its Governor a mansion to live in during the term of office. The Governor's Mansion Commission is composed of eight members appointed by the Governor and is assisted by the Mansion Advisory Council. The Advisory Council is composed of three members of the Senate and House of Representatives. The duties and powers of the Commission are:

- To survey the condition of the Mansion, grounds and contents;
- To establish rules and regulations governing improvements, repairs, etc for the Mansion, grounds and contents;
- To prepare an annual report each November for the Governor and Legislative Council summarizing its findings and recommendations of necessary repairs, improvements, etc.
- To solicit and accept gifts, grants and donations for use in purchasing furnishings, plantings and artwork, etc. All gifts must be approved by the Governor and the Commission.

Agency Commentary

The Governor's Mansion Commission has made a request for an increase in positions. The current number of authorized positions is seven (7). The new positions would increase the total number of authorized positions to ten (10). This request includes two (2) current positions, three (3) new positions, and the replacement of five (5) current positions with positions that better fit the job description and needs of the Governor's Mansion. This increase is to prepare for a new administration in January 2007.

Currently, the Governor's Mansion uses inmate labor to perform household/maintenance duties inside the Mansion and Grand Hall and for work on the grounds. It is unknown if the new administration would continue using inmates or would hire employees to complete this necessary work. This request for three additional positions would allow the new Governor and First Lady to determine which would best fit their needs.

After researching other states, the Governor's Mansion is requesting the replacement of five (5) positions to ensure that the positions are comparable with other states.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
GOVERNOR'S MANSION AND MANSION COMMISSION
FOR THE YEAR ENDED JUNE 30, 2004

Findings

The Administrator of the Governor's Mansion, Don Bingham, authorized payments to four (4) of his family members for contract labor and catering services at various events held at the Governor's Mansion. During the year ended June 30, 2004, these payments totaled \$1,575. As of March 31, 2005, additional payments were made to family members for contract labor totaling \$2,000. Authorizing payments to immediate family members appears to be in violation of Ark. Code Ann. 19-11-705, which states in part:

"It shall be a breach of ethical standards for any employee to participate directly or indirectly...in any other particular matter pertaining to any contract or subcontract, and any solicitation or proposal therefore, in which to the employee's knowledge:

- (A). The employee or member of the employee's immediate family has a financial interest."

The Arkansas Governor's Mansion Association is a private, nonprofit 501 (c) (3) corporation. An analysis of the relationship between the Arkansas Governor's Mansion Commission (Commission) and the Arkansas Governor's Mansion Association (Association) revealed an affiliation that is constitutionally suspect in light of Attorney General Opinion 98-288. This opinion stated in part "the Arkansas Constitution prohibits the private use of public equipment and property". Upon review of the relationship between the two entities, the following was noted:

- Commission personnel and equipment are used for fundraising events held by the Association.
- A gift shop is operated, with no rental agreement, in the Mansion in which the Association collects all proceeds.
- An online gift shop is maintained on the state website for the Arkansas Governor's Mansion. The Association collects the proceeds for the sale of these items. Many of these items are books and music CDs written or recorded by the Governor and/or Mansion Administrator.
- Three (3) payments totaling \$2,500 were donated by the Commission to the Association for the Mansion Endowment Fund.

Recommendations

We recommend that the Attorney General and appropriate prosecuting attorney review the ethical ramifications of this matter.

We recommend that the Commission seek a determination from the Attorney General as to whether State resources can be used in this manner. Also, we recommend that the Attorney General and appropriate prosecuting attorney review the ethical ramifications of selling items of the Governor and Administrator in the gift shop.

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|------------------|---------|
| White Employees | 3 | 1 | 4 | 80 % |
| Black Employees | 1 | 0 | 1 | 20 % |
| Other Racial Minorities | 0 | 0 | 0 | 0 % |
| | | | Total Minorities | 1 20% |
| | | | Total Employees | 5 100 % |

Publications

A.C.A 25-1-204

| Name | Statutory Authorization | Required for | | # Of Copies | Reason (s) for Continued Publication and Distribution |
|------|-------------------------|--------------|------------------|-------------|---|
| | | Governor | General Assembly | | |
| N/A | N/A | N | N | 0 | N/A |

Agency Position Usage Report

| FY2004-2005 | | | | | | FY2005-2006 | | | | | | FY2006-2007 | | | | | |
|-------------------|----------|----------|-------|------------|------------------------|-------------------|----------|----------|-------|------------|------------------------|-------------------|----------|----------|-------|------------|------------------------|
| 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 | |
| 7 | 6 | 1 | 7 | 0 | 14.29% | 7 | 6 | 1 | 7 | 0 | 14.29% | 7 | 5 | 2 | 7 | 0 | 28.57% |

Appropriation Summary

Appropriation: 532 Governor's Mansion-Operations
Funding Sources: HSC - State Central Services Fund

| Commitment Item | Historical Data | | | Agency Request and Executive Recommendation | | | | | |
|------------------------------------|---------------------|---------------------|-------------------------|---|----------------|-----------|----------------|----------------|-----------|
| | 2005-2006 Actual | 2006-2007 Budget | 2006-2007 Authorized | 2007-2008 | | | 2008-2009 | | |
| | | | | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries 5010000 | 243,088 | 288,027 | 288,027 | 288,027 | 479,752 | 0 | 288,027 | 479,752 | 0 |
| #Positions | 6 | 7 | 7 | 7 | 10 | 0 | 7 | 10 | 0 |
| Extra Help 5010001 | 8,519 | 12,000 | 12,000 | 12,000 | 12,000 | 0 | 12,000 | 12,000 | 0 |
| #Extra Help | 1 | 4 | 4 | 4 | 4 | 0 | 4 | 4 | 0 |
| Personal Services Matching 5010003 | 79,481 | 85,951 | 89,875 | 88,651 | 140,076 | 0 | 88,651 | 140,076 | 0 |
| Uniform Allowance 5010016 | 0 | 500 | 500 | 500 | 500 | 0 | 500 | 500 | 0 |
| Gov Mansion Allowance 5900046 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 0 | 60,000 | 60,000 | 0 |
| Mansion Expense 5900047 | 169,566 | 167,000 | 167,000 | 167,000 | 167,000 | 0 | 167,000 | 167,000 | 0 |
| Total | 560,654 | 613,478 | 617,402 | 616,178 | 859,328 | 0 | 616,178 | 859,328 | 0 |
| Funding Sources | | | | | | | | | |
| State Central Services 4000035 | 560,654 | 613,478 | | 616,178 | 859,328 | 0 | 616,178 | 859,328 | 0 |
| Total Funding | 560,654 | 613,478 | | 616,178 | 859,328 | 0 | 616,178 | 859,328 | 0 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 560,654 | 613,478 | | 616,178 | 859,328 | 0 | 616,178 | 859,328 | 0 |

No Executive Recommendation made on this appropriation.

Actual Expenditures for Mansion Expense exceed Authorized due to an appropriation transfer from Regular Salaries per Act 173 of 2005, Section 6.

Special Language authorizes carry forward of appropriation. The amount of appropriation carried forward for FY07 was \$48,217.

Change Level by Appropriation

Appropriation: 532-Governor's Mansion-Operations

Funding Sources: HSC - State Central Services Fund

Agency Request

| Change Level | | 2007-2008 | Pos | Cumulative | % of BL | 2008-2009 | Pos | Cumulative | % of BL |
|--------------|---------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 616,178 | 7 | 616,178 | 100.0 | 616,178 | 7 | 616,178 | 100.0 |
| C01 | Existing Program | 478,058 | 8 | 1,094,236 | 177.5 | 478,058 | 8 | 1,094,236 | 177.5 |
| C03 | Discontinue Program | (234,908) | (5) | 859,328 | 139.4 | (234,908) | (5) | 859,328 | 139.4 |

Justification

| | |
|-----|---|
| C01 | Requesting a total of eight (8) new positions; five (5) will replace discontinued base level positions. The three (3) new positions requested are a Administrative Assistant III to answer phones and conduct mansion tours, a Management Assistant I which will act as the grounds supervisor and a Special Assistant II who will be the assistant to the mansion administrator handling scheduling, correspondence and interacting with the NGA office. |
| C03 | Request to discontinue 5 base level positions to be replaced with 5 new positions in order to make staff salaries more in line with surrounding states according to a study conducted by the National Governor's Association (NGA). |